

### NOTICE OF A CITY COUNCIL SPECIAL SESSION IMMEDIATELY FOLLOWING A WORKSHOP SESSION OF THE CITY OF CORINTH

Thursday, January 10, 2019, 5:30 P.M. CITY HALL - 3300 CORINTH PARKWAY

### **CALL TO ORDER:**

### WORKSHOP BUSINESS AGENDA

- 1. Fire Department overview.
- 2. Discuss the Corinth Crime Control & Prevention District Sales Tax.
- 3. Discussion on Inflatable Signs.
- 4. Updating City Council on the Lynchburg Creek Flood Mitigation Project
- 5. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

### ADJOURN WORKSHOP SESSION

\*NOTICE IS HEREBY GIVEN of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

### CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

### **CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

- 1. Consider and act on minutes from the November 15, 2018 Workshop Session.
- 2. Consider and act on minutes from the November 15, 2018 Regular Session.

- 3. Consider and act on minutes from the December 6, 2018 Regular Session.
- 4. Consider and act on minutes from the December 6, 2018 Workshop Session.
- 5. Review and approve the Investment Policy for the City of Corinth, Economic Development Corporation and Crime Control & Prevention District.
- 6. Consider approval for the purchase of rubber mulch fall zone material to install at all City maintained playground structures.
- 7. Consider and act on award of a bid for High Performance Epoxy Flooring for the Public Safety Complex & Fire House #3 to Chemical Coatings International, LLC in the amount of \$64,032.00 plus a ten percent contingency for unforeseen additional materials or labor that may arise during the installation; and authorize the City Manager to execute the contract.
- 8. Consider approval of Lake Sharon Drive and Dobbs Road Realignment Contract Amendment No. 1 with Birkhoff, Hendricks & Carter, L.L.P. in the amount not to exceed \$263,510.00 and authorize the City Manager to execute any necessary documents.
- 9. Consider and act on the Ratification of the Interlocal Agreement with Upper Trinity Regional Water District for the construction of the Lake Sharon Waterline.

### CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

### **PUBLIC HEARING**

10. Conduct a Public Hearing to hear public opinion regarding the establishment of the Corinth Pace Program

### **BUSINESS AGENDA**

- Consider and act on a Resolution establishing the City of Corinth Property Assessed Clean Energy Program ("City of Corinth PACE") and providing for an effective date.
- 12. Consider and act on a Resolution allowing the City Manager to enter into a Professional Services Agreement By and Between the City of Corinth, Texas and the Texas Property Assessed Clean Energy Authority (PACE) and providing for an effective date.
- 13. Consider and act on an Ordinance establishing and implementing a program to charge mitigation rates for the deployment of emergency and non-emergency services by the Fire Department for services provided/rendered by the Lake Cities Fire Department.

14. Consider and act on a Resolution approving a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and B.M.A.J., INC. to locate and operate a hotel within the City.

### **COUNCIL COMMENTS & FUTURE AGENDA ITEMS**

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

### **CLOSED SESSION**

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

<u>Section 551.071.</u> (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

### A. MCM Contract for Lake Sharon Roadway Extension.

<u>Section 551.072.</u> To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

<u>Section 551.074.</u> To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

<u>Section 551.087.</u> To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

15. Consider and act on an MCM Agreed Termination and Release for Lake Sharon Project.

### **ADJOURN:**

Posted this 4th day of January, 2019 at 11:30 a.m. on the bulletin board at Corinth City Hall.

Kimberly Pence	
Kimberly Pence, City Secretary	
City of Corinth, Texas	

#### WORKSHOP BUSINESS ITEM 1.

### City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** Fire Department Overview

**Submitted For:** Michael Ross, Fire Chief **Submitted By:** Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Fire Department overview.

### AGENDA ITEM SUMMARY/BACKGROUND

Fire Chief Michael Ross will present a brief overview of the Fire Department. Topics discussed include current run statistics, progress related to hiring the vacant and SAFER positions, the proposed staffing and response plan, and bringing Station 3 on line and operational.

### RECOMMENDATION

The Fire Department is actively conducting tests and interviews to fill the open positions. Fire staffing will be 16 members per day with a minimum staffing level of 13. The staff are to be distributed as follows.

Station 1 will be assigned 1 Engine, 1 Ambulance, and 6 personnel (5 minimum)

Station 2 will be assigned 1 Engine, 1 Ambulance, and 6 personnel (5 minimum)

Station 3 will be assigned 1 quint (Ladder), and 4 personnel (3 minimum)

The first wave of applicants will start January 7 2019, and the rest will start as soon as the testing is complete (Late January/Early February 2019). Station 3 is slated to open in February 2019.

#### WORKSHOP BUSINESS ITEM 2.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: Corinth Crime Control & Prevention District Sales Tax

**Submitted For:** Bob Hart, City Manager **Submitted By:** Kim Pence, City Secretary

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

### **AGENDA ITEM**

Discuss the Corinth Crime Control & Prevention District Sales Tax.

#### AGENDA ITEM SUMMARY/BACKGROUND

Chapter 363, Texas Local Government Code provides for the Board of Directors of the Crime Control and Prevention District to call a referendum for the continuation of a crime control and prevention district and a crime control and prevention sales tax.

The Corinth Crime Control and Prevention District for the City will be dissolved unless the district holds a continuation or dissolution referendum prior to December 31, 2019.

### RECOMMENDATION

Recommendation to hold a Special Election on Saturday, May 4, 2019 to submit to the voters a proposition to determine whether the Corinth Crime Control and Prevention District and the one-quarter 1/4 of one percent (1%) sales and use tax should be continued.

#### WORKSHOP BUSINESS ITEM 3.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019 **Title:** Inflatable Signs

**Submitted For:** Helen-Eve Liebman, **Submitted By:** Ben Rodriguez, Manager

Director

City Manager Review:

**Strategic Goals:** 

#### AGENDA ITEM

Discussion on Inflatable Signs.

### AGENDA ITEM SUMMARY/BACKGROUND

Staff has received multiple requests from businesses adjacent to IH 35 inquiring about placing inflatable balloon signs on their property to promote sales events for a temporary period of time. Currently Balloon signs are only allowed during grand opening events for a period of 30 days.

Staff is seeking direction from Council on amendments to our Code of Ordinances to allow balloon signs during limited periods of the year for all businesses.

Staff has compared Corinth with other Cities in the Metroplex that also have a sizeable amount of highway/interstate frontage.

Based on our research if Council feels that there is merit to allowing inflatable signs staff recommends that the City follow the City of Plano's standards which allow for inflatable signs for two, two week periods per year.

City	Allowed	1?Period of time
Grapevine	Yes	2 weeks per quarter
McKinney	No	
Carrollton	Yes	7 days, twice a year
Plano	Yes	2, 2 week periods per year
Irving	No	
Garland	Yes	60 continuous calendar days, no more than twice per year
Mesquite	Yes	3, 10 day periods per year.
Dallas	No	

### RECOMMENDATION

N/A

#### WORKSHOP BUSINESS ITEM 4.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** Lynchburg Creek Update

**Submitted For:** Helen-Eve Liebman, **Submitted By:** George Marshall, Engineer

Director

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Updating City Council on the Lynchburg Creek Flood Mitigation Project

### AGENDA ITEM SUMMARY/BACKGROUND

### **History:**

The North Central Texas Council of Governments (NCTCOG) partnered with FEMA, the Town of Shady Shores and the City of Corinth to perform FEMA Flood Insurance Rate Map (FIRM) and Flood Insurance Study (FIS) updates to the entire Lynchburg Creek Watershed. The final report was published September 2017. The report updates to the watershed included the utilization of better hydrological and hydraulics data. This data includes drainage area divides, flow rates, impervious cover, and topography using LiDAR and some field survey. The result of this report is a more accurate FIRM.

FEMA published preliminary FIRM and FIS documents on June 29, 2018. In May 2018 the City contracted with Jones & Carter to perform a Master Drainage Plan for Lynchburg Creek. This plan included reviewing flooding concerns in 3 areas: (1) Amity Village, (2) Red Oak Drive, and (3) the area between Corinth Parkway and I-35E. Jones & Carter performed Hydrologic & Hydraulic (H & H) analyses of potential Flood Mitigation Improvements.

### **Analysis:**

The result of the new maps is that some areas are added to the floodplain and others are removed from the floodplain. The areas that have been added to the floodplain by these new maps include roughly 60 homes in the Amity Village area. The zone designation for this section is shown as AO (0-3 feet). This means that for someone to purchase a home in the floodplain with a federally insured mortgage they would be required to obtain flood insurance. Flood insurance is relatively inexpensive if your home is out of the flood plain but once your finished floor is shown to be below the floodplain then the rates increases dramatically. In order to avoid this increase home owners in the AO zone would need to prove that their home is three (3) feet above the highest adjacent grade. This is not presently seen in the Amity Village area. Thus, the burden of the new flood maps is quite high for these residents.

In addition, there are five (5) homes in the Red Oak Drive area that are either added or remain in the floodplain based on the preliminary FIRM.

Jones & Carter performed additional H & H analyses on the three areas and provided some recommendations for exploring grant opportunities. Because area between I-35E and Corinth Parkway does not include any insurable structures there is not an opportunity for grants. The preliminary mitigation grant application for Amity Village and Red Oak Drive has been submitted to the Texas Water Development Board for a recommendation to submit to FEMA at the end of January 2019.

During work session, staff will present the plans included in the grant application for the area of Amity Village and Red Oak Drive. The overall project would potentially remove 75 structures from the floodplain at a cost of roughly

\$3.1 million dollars.

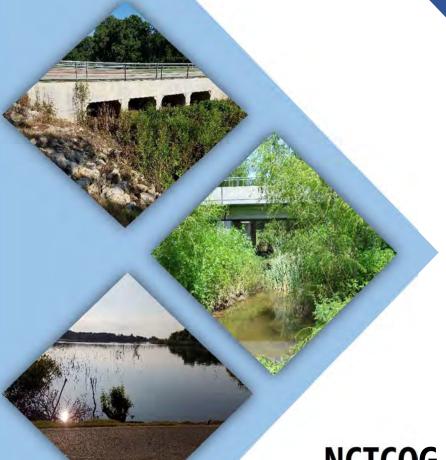
### RECOMMENDATION

NA

### Attachments

Lynchburg Creek Watershed - Halff FEMA Preliminary Maps







# **NCTCOG FY15 Risk MAP Project**

North Central Texas Council of Governments,
Cooperating Technical Partner









September 15, 2017 AVO 31541

Mrs. Mia Brown, CFM
Environmental and Developmental Planner
North Central Texas Council of Governments
Environmental & Development Dept.
P.O. Box 5888
Arlington, Texas 76005

RE: North Central Texas Council of Governments (NCTCOG) – FEMA Cooperating Technical Partner, FY 15 Risk MAP Project – Technical Support Data Notebook Submittal – City of Corinth and Shady Shores – Lynchburg Creek Watershed

Dear Mrs. Brown:

We are pleased to submit this Combined Technical Support Data Notebook (TSDN) for the NCTCOG, FEMA Cooperating Technical Partner (CTP) FY15 Risk MAP Project for the City of Corinth and Shady Shores. This submittal is in accordance with the deliverables for the Survey, Hydrology, Hydraulics, and Floodplain Mapping Tasks of Mapping Activity Statement No. 9. Included with this submittal is a digital copy of the full TSDN report in PDF format and all digital deliverables. A digital version of this submittal will be uploaded to FEMA's Mapping Information Platform (MIP) as the official CTP submittal for these tasks.

Please let us know if you have any questions regarding this submittal.

Davidson

Sincerely,

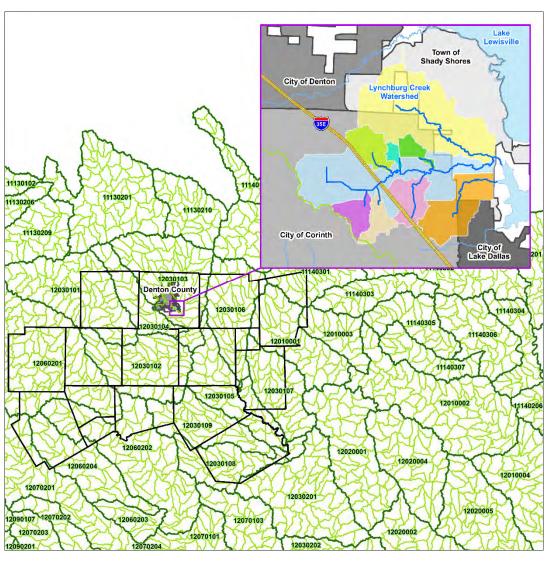
HALFF ASSOCIATES, INC.

Angela L. Davidson, P.E., CFM Water Resources Project Manager

C:



# LYNCHBURG WATERSHED





# Lynchburg Creek Watershed Technical Support Data Notebook (TSDN)

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### I. Introduction/Project Overview

The Lynchburg Creek Flood Risk Identification Study was completed as part of the Federal Emergency Management Agency (FEMA) Cooperating Technical Partner (CTP) Program Risk Map Assessment and Planning (RISK MAP) Project for Fiscal Year 2015 (FY15) through a partnership lead by the North Central Texas Council of Governments (NCTCOG), and included participation from the City of Corinth and the Town of Shady Shores, Texas. The project areas are located within the Lynchburg Creek Watershed in the City of Corinth and the Town of Shady Shores. This study includes a total of 9.13 stream miles draining a total land area of 4.45 square miles with an estimated affected population of 15,000 people. The purpose of this study is to identify flood risks that will ultimately revise the effective FEMA Flood Insurance Study (FIS) and Digital Flood Insurance Rate Maps (DFIRM) for the study streams.

This combined Technical Support Data Notebook (TSDN) documents the detailed study of the Lynchburg Creek Watershed in Corinth and Shady Shores, Texas, which includes the following streams: Lynchburg Creek, Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 2, Lynchburg Creek Tributary 3, Lynchburg Creek Tributary 4, Unnamed Tributary 2, Stream LC-1, and Stream GS-1. The Lynchburg Creek Watershed is located within the City of Corinth and the Town of Shady Shores in Denton County, Texas. Lynchburg Creek is located within the 8-digit Hydrologic Unit Code (HUC-8) 12030103 ("Elm Fork Trinity River").

### A. WATERSHED OVERVIEW

The Lynchburg Creek Watershed and studied streams described in this document have been studied in one phase under FY15 and include approximately 2.37 square miles of land area upstream of S. Shady Shores Road in the Lynchburg Creek Watershed, 1.51 square miles of land area upstream of S. Shady Shores Road in the Stream LC-1 Watershed, and 0.57 square miles of land area upstream of S. Shady Shores Road in the Stream GS-1 Watershed. The estimated population affected by this drainage area is 15,000 people. Figure LYN-01, Location Map, shows the location of the study area.

Lynchburg Creek stretches 3.56 miles from its confluence with Lake Lewisville to about 500 feet upstream of Silvermeadow Lane. Lynchburg Creek Tributary 1 stretches 0.33 miles from its confluence with Lynchburg Creek to Corinth Parkway. Lynchburg Creek Tributary 2 stretches 0.76 miles from its confluence with Lynchburg Creek to a culvert outfall just downstream of Interstate 35E (I-35E). Lynchburg Creek Tributary 3 stretches 0.51 miles from its confluence with Lynchburg Creek to Walton Drive. Lynchburg Creek Tributary 4 stretches 0.23 miles from its confluence with Lynchburg Creek to a storm drain outfall just downstream of Alcove Lane. Stream LC-1 stretches 2.13 miles from its confluence with Lynchburg Creek to about 300 feet downstream of a detention pond. The combined stream length included in this study is 9.13 miles. Figure LYN-02, Study Area Map, shows the limits for Lynchburg Creek revised Hydrologic and Hydraulic (H&H) updates.

Road crossings for each studied stream are listed below: Lynchburg Creek includes Silvermeadow Lane, Sharon Drive, Oakhill Drive, Twin Brook Turn, Corinth Street, I-35E, DCTA Railroad, Corinth Parkway, and S. Shady Shores Drive. Lynchburg Creek Tributary 1 includes a driveway. Lynchburg Creek Tributary 2 includes Dobbs Road, DCTA Railroad, Lynchburg Drive, and Red Oak Drive. Lynchburg Creek Tributary 3 includes Corinth Parkway. Lynchburg Tributary 4 includes Meadows Oak Drive. Stream LC-1 includes Hidden Valley Road, a private driveway, W. Shady Shores Road, Fritz Lane, and Stapler Drive. Stream GS-1 includes a private culvert crossing, Dobbs Road, and S. Shady Shores Road.

This updated detailed study of the Lynchburg Creek Watershed uses the 2010 North Central Texas Council of Governments Light Detection and Ranging (LiDAR) Terrain data for Denton County, Texas. The updated hydrologic and hydraulic models utilize the United States Army Corps of Engineers (USACE) Hydrologic Engineering Center (HEC) modeling software HEC-HMS version 4.2 and HEC-RAS version 5.0.3.

### B. TOPOGRAPHIC DATA ACQUISITION, EVALUATION, AND TERRAIN PROCESSING

Topographic data covering the project extent was obtained from NCTCOG 2010 LiDAR Terrain Data for Tarrant County, Texas. This data was available as LiDAR point clouds in the American Society of Photogrammetry and Remote Sensing (ASPRS) common LiDAR Data Exchange Format (LAS 1.2) with 1 meter post spacing.

Data was acquired in 2010 by Sanborn Map Company as part of the TNRIS statewide LiDAR data acquisition efforts. Backup documentation provided by NCTCOG is included in the form of an example metadata report included in Appendix B of this report. This data was acquired and processed to meet 1 meter Root Mean Square Error (RMSE) horizontal accuracy and .07 meters vertical accuracy at a 95 percent confidence level in open terrain using National Standards for Spatial Data Accuracy (NSSDA) and FEMA methodology.

The LiDAR data was processed with Esri's ArcGIS software. The LiDAR data was acquired in Universal Transverse Mercator (UTM), North American Datum of 1983 (NAD83 Meters), with heights in the 1988 North American Vertical Datum (NAVD88 Meters). It was projected to NAD83 State Plane Feet to conform to the coordinate system used for the base map. The projected LiDAR point clouds were then processed in ArcGIS into a terrain dataset in order to generate a ground surface Digital Elevation Model (DEM). A DEM cell size of 3 feet was used for the drainage area delineation. Hydraulic cross sections were extracted directly from the terrain dataset and a cell size of 1 foot was used for floodplain mapping.

### C. EFFECTIVE FEMA STUDY

The Lynchburg Creek Watershed is contained within effective Federal Emergency Management Agency (FEMA) Denton County, Texas Flood Insurance Rate Map (FIRM) Panels 48121C0390G and 48121C0395G. The effective panels are dated April 2011, as well as the effective Flood Insurance Study (FIS) report. The effective FIS study for Lynchburg Creek is a Zone AE from S. Shady Shores Rd. to Corinth Street with tributaries mapped as Zone A. The effective study for Stream GS-1 is from December 2002. The effective study for Stream LC-1 is from the 1986 FIS.

### D. Additional Previous Studies

One (1) previous study was provided by the City of Corinth for the Lynchburg Creek Watershed. The previous study was a storm water master plan completed by Freese and Nichols, Inc. in 2004. This study included a HEC-RAS model that extended from Stapler Drive to Silvermeadow Lane along Lynchburg Creek, and included Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 2, Lynchburg Creek Tributary 3, Lynchburg Creek Tributary 4, Unnamed Tributary 1, and Unnamed Tributary 2. These tributaries were studied by approximate methods. The study did not include Stream GS-1 or Stream LC-1.

### E. FLOODING HISTORY

According to Texas Water Development Board data for Lake Lewisville, the highest recorded gauge level on Lake Lewisville is 536.79 feet, which occurred on May 31, 2015. This is slightly below the current effective 1-percent-annual-chance flood event stillwater elevation, which is 537.0 feet. A second large flood with a peak elevation of 536.69 feet was measured on Lake Lewisville on May 4, 1990. Backwater from these two events would have extended to just downstream of Stapler Drive along Lynchburg Creek. Likewise, this backwater would have extended to just downstream of an in-line natural pond on Stream GS-1, and to about 500 feet downstream of Stapler Drive on Stream LC-1.

Minor flooding along Stream LC-1 is reported in the FIS but with no specific flooding history. No other flooding histories were found in the Lynchburg Creek Watershed.

### F. OTHER GENERAL INFORMATION

Independent review was conducted by AECOM Technical Services, Inc. (AECOM) to assure that the hydrologic, hydraulic, and mapping data adheres to the Mapping Activity Statement (MAS). This review is included in the Quality Management (QM) checklists in Appendix B of this report.

### II. SURVEY

### A. SURVEY SCOPE

The project survey initially involved conducting limited field reconnaissance of the specific study area to determine conditions along the floodplains, types, numbers of hydraulic and/or flood control structures, apparent maintenance or lack thereof of existing hydraulic structures, and locations of channel cross sections to be surveyed. Photographs of the channel and structures were taken to aid modeling in HEC-RAS and to assign channel n-values. The field surveys were performed under the supervision of Douglas A. Calhoun (Halff Associates Inc., State of Texas RPLS #5619) between June 2016 and July 2016.

Surveyed points for bridges include the deck, low chord, parapet, and channel cross sections at the upstream and downstream faces. Surveyed points for culverts include the culvert invert, top of road and channel cross sections at the upstream and downstream faces.

Intermediate channel cross sections were surveyed at accessible locations where structures were more than 1,000 feet apart or where a significant change in conveyance occurred between cross sections.

The data acquisition also included sketches and photographs. Five (5) digital photos were taken for each structure. This includes downstream channel, downstream face of structure, overtopping cross section looking left to right, upstream face of structure, and upstream channel. Two (2) digital photos were taken at each channel cross section; downstream channel and upstream channel.

Survey sketches with measurements and notations were prepared for all structures and channel cross sections. All digital survey data can be found in Appendix C and on FEMA's Mapping Information Platform (MIP) study-centric submittal folder.

The field surveys consisted of both channel and structure surveys. Major structure crossings along Lynchburg Creek and its tributaries, Stream GS-1, and Stream LC-1 were field surveyed in detail. Twenty (20) structures were surveyed and thirty (30) independent cross sections were surveyed. Table LYN-01 shows the survey data on Lynchburg Creek and relates to Figure LYN-03, Survey Location Map. Note that the I-35E culverts along Lynchburg Creek, the DCTA Railroad Bridge along Lynchburg Tributary 2, and the S. Shady Shores Road along Stream GS-1 were not surveyed due to access issues. These locations do not appear in Table LYN-01.

Table LYN-01 — Surveyed Sections

Survey Cross Section ID	Stream Station	Survey Type	Location
		Lynchburg Creek	
LYN_1000	903	Culvert	S. Shady Shores Drive
LYN_5000	4715	Cross Section	
LYN_6000	5715	Cross Section	
LYN_7000	6612	Culvert	Corinth Parkway
LYN_8000	7205	Cross Section	

**Table LYN-01 — Surveyed Sections** 

	Table	LYN-U1 — Surveyed	Sections
Survey Cross Section ID	Stream Station	Survey Type	Location
LYN_9000	8134	Cross Section	
LYN_10000	8873	Cross Section	
LYN_11000	9377	Cross Section	
LYN_12000	10514	Cross Section	
LYN_13000	11899	Bridge	DCTA Railroad
LYN_14000	12370	Cross Section	
LYN_16000	14414	Cross Section	
LYN_17000	14836	Culvert	Corinth Street
LYN_18000	15356	Cross Section	
LYN_19000	15907	Cross Section	
LYN_20000	16070	Culvert	Twin Brook Turn
LYN_21000	16337	Cross Section	
LYN_22000	16523	Culvert	Oakhill Drive
LYN_23000	16852	Cross Section	
LYN_24000	17530	Culvert	Sharon Drive
LYN_25000	17867	Culvert	Silvermeadow Lane
LYN_26000	18320	Cross Section	
	L	ynchburg Creek Tributa	ary 1
LT1_1000	837	Cross Section	
	L	ynchburg Creek Tribut	ary 2
LT2_1000	66	Cross Section	
LT2_2000	215	Culvert	Red Oak Drive
LT2_3000	846	Culvert	Lynchburg Drive
LT2_5000	2053	Cross Section	
LT2_6000	2629	Culvert	Dobbs Road
LT2_8000	3986	Cross Section	
	L	ynchburg Creek Tributa	ary 3
LT3_1000	374	Cross Section	
LT3_2000	1558	Cross Section	
LT3_3000	1920	Culvert	Corinth Parkway
	L	ynchburg Creek Tributa	ary 4
LT4_1000	490	Cross Section	
LT4_2000	796	Culvert	Meadows Oak Drive

**Table LYN-01 — Surveyed Sections** 

	Table Life of Surveyed Sections								
Survey Cross Section ID	Stream Station	Survey Type	Location						
	Stream GS-1								
GS1_3000	1446	Cross Section							
GS1_4000	2583	Cross Section							
GS1_5000	3266	Cross Section							
GS1_6000	4254	Cross Section							
GS1_7000	4510	Culvert	Dobbs Road						
GS1_8000	5206	Cross Section							
GS1_9000	5433	Culvert	Near River Oak Way						
		Stream LC-1							
LC1_4000	3251	Culvert	Stapler Drive						
LC1_5000	4794	Cross Section							
LC1_6000	5579	Culvert	Fritz Lane						
LC1_9000	8357	Culvert	W. Shady Shores Road						
LC1_10000	8932	Cross Section							
LC1_11000	9924	Culvert	Private Drive						
LC1_12000	9964	Cross Section							
LC1_13000	10211	Culvert	Hidden Valley Road						
LC1_14000	10466	Cross Section							

### B. SUMMARY OF HORIZONTAL AND VERTICAL DATUM

The survey and NCTCOG topographic data used are referenced to the North American Horizontal Datum of 1983 (NAD83) with State Plane Texas North Central Projection (4202). The elevations are referenced to the 1988 North American Vertical Datum (NAVD88). The linear unit used for both horizontal and vertical measurements is U.S. Feet.

Halff Associates, Inc. (HAI) established horizontal coordinates by Global Positioning System (GPS) Real Time Kinematic (RTK) observations using Western Data Systems Dallas/Fort Worth area RTK Cooperative Network on 06/13/2016, adjusted +0.04 N, -0.18 E, and -0.25 Elevation to best fit to the City of Corinth control monuments 3, 4, 5, 7, 8 & 9. The horizontal datum for this project is Texas North Central State Plane Coordinate System, North American Datum 1983 (NAD83) Zone 4202, U.S. Survey Feet. The vertical datum is North American Vertical Datum (NAVD88).

The horizontal and vertical secondary control points were set by a combination of Real Time Kinematic (RTK) methods and conventional surveying methods based on points from the primary control network. The secondary control points were located near the structures and cross sections surveyed for this floodplain study. The positional data collected using the secondary control points were then used as control for the specific survey points of features needed for a hydraulic survey.

### C. DESCRIPTION OF SURVEY PROCEDURES

Primary and secondary control point information from the Survey Field Survey Technical Support Data Notebook (TSDN) is summarized below. See the Survey TSDN on the MIP for more detail.

### Primary Control Points

The SmartNet RTK (Real Time Kinematic) Network was used as the primary Global Navigation Satellite System (GNSS) control for these surveys. Both the Horizontal and Vertical data were adjusted to published monuments from the City of Colleyville and the City of Southlake Global Positioning (GPS) monumentation network.

### Secondary Control Points

The horizontal and vertical secondary control points were set by a combination of Real Time Kinematic (RTK) methods and conventional surveying methods based on points from the primary control network. The secondary control points were located near the structures and cross sections surveyed for this floodplain study. The positional data collected using the secondary control points were then used as control for the specific survey points of features needed for a hydraulic survey.

The survey data files were processed in Esri's ArcGIS software into point files and checked against the field sketches and photographs. Elevations and horizontal measurements were checked for any anomalies. The processed surveys were used to obtain the cross section geometry for hydraulic modeling. All cross section overbank ground information was obtained from a Triangular Irregular Network (TIN) developed from the topographic data for this project.

### Elevation Reference Marks

Seventeen (17) Elevation Reference Marks (ERM) were used to conduct these surveys.

### Detailed Survey Study

The survey data was collected for this study are in accordance with the 2015 FEMA standards for Flood Risk Analysis and Mapping. The surveyed data for Lynchburg Creek Watershed study includes twenty (20) structures and thirty (30) field cross sections.

### Survey Accuracy

The temporary controls established and used for the structure surveys meet 3 centimeters (0.1 feet) or better horizontal and vertical positional accuracy relative to the Primary Controls. Both the horizontal and vertical accuracy of the channel centerlines and alignment points at each structure meet conventional surveying accuracy standards.

### III. HYDROLOGY

Hydrologic parameters were computed for all drainage areas with no exception. The following is a summary of the specific hydrologic conditions of the Lynchburg Creek Watershed. Refer to the general report for the source and methodology used in the calculation of each parameter. Appendix C of this report contains the calculation documentation for each parameter.

### A. STUDY AREA CHARACTERISTICS

### a. Hydrologic Region

The Lynchburg Creek watershed is located in the Elm Fork Trinity River hydrologic region and drains into Lake Lewisville. The characteristics of the Lynchburg Creek hydrologic region include generally flat terrain and impermeable soils.

### b. Rainfall

Rainfall data was collected as frequency storms for the 10-, 4-, 2-, 1- and 0.2-percent annual chance storm events. The frequency storms used in this analysis use depths from the iSWM Hydrology Technical Manual rainfall table for Denton County. For the 0.2-percent-annual-chance flood event,

Table 5.17 of iSWM Hydrology manual provided intensities for all but the five minute duration. The five minute duration was extrapolated on a log graph of depth vs. duration.

### c. Watershed Size and Drainage Areas

At its outlet at Lake Lewisville, Lynchburg Creek's drainage area measures 2.37 square miles. The tributaries to Lynchburg Creek have the following drainage areas. Lynchburg Creek Tributary 1 drains 0.11 square miles, Lynchburg Creek Tributary 2 drains 0.28 square miles, Lynchburg Creek Tributary 3 drains 0.24 square miles, Lynchburg Creek Tributary 4 drains 0.2 square miles, Unnamed Tributary 1 to Lynchburg Creek drains 0.05 square miles, Unnamed Tributary 2 to Lynchburg Creek drains 0.18 square miles, Stream GS-1 drains 0.57 square miles and Stream LC-1 drains 1.51 square miles. Figure LYN-04, Drainage Area Map, includes the Lynchburg Creek Watershed drainage basins and their corresponding areas in square miles.

### d. Soils

Figure LYN-05, Hydrologic Soils Map, identifies the soil types (A, B, C, and D) in the watershed. Hydrologic soil type B is generally the dominant soil type, although the watershed also includes soil type C and D towards the headwaters. Table LYN-02 includes a list of the Natural Resource Conservation Service (NRCS) Soil Service Geographic Database (SSURGO) Hydrologic Soil Group (HSG) classifications for the Lynchburg Creek Watershed.

Table LYN-02 — Watershed Soil Classification

SSURGO Database Classification		Hydrologic Soil Type Percentage					
	A	В	C	D			
Altoga silty clay, 2 to 5 percent slopes	0%	0%	100%	0%			
Birome-Rayex-Aubrey complex, 2 to 15 percent slopes	0%	0%	100%	0%			
Birome fine sandy loam, 1 to 3 percent slopes	0%	0%	100%	0%			
Birome fine sandy loam, 3 to 5 percent slopes	0%	0%	100%	0%			
Bunyan fine sandy loam, frequently flooded	0%	100%	0%	0%			
Callisburg fine sandy loam, 1 to 3 percent slopes	0%	0%	100%	0%			
Callisburg fine sandy loam, 3 to 5 percent slopes	0%	0%	100%	0%			
Callisburg soils, 2 to 5 percent slopes, severely eroded	0%	0%	100%	0%			
Crockett fine sandy loam, 1 to 3 percent slopes	0%	0%	0%	100%			
Gasil fine sandy loam, 1 to 3 percent slopes	0%	100%	0%	0%			
Gasil fine sandy loam, 3 to 8 percent slopes	0%	100%	0%	0%			
Gowen clay loam, frequently flooded	0%	100%	0%	0%			
Konsil fine sandy loam, 1 to 3 percent slopes	0%	100%	0%	0%			
Konsil fine sandy loam, 3 to 8 percent slopes	0%	100%	0%	0%			
Navo clay loam, 0 to 1 percent slopes	0%	0%	0%	100%			
Navo clay loam, 1 to 3 percent slopes	0%	0%	0%	100%			
Silawa loamy fine sand, 2 to 5 percent slopes	0%	100%	0%	0%			
Silstid loamy fine sand, 1 to 5 percent slopes	100%	0%	0%	0%			
Wilson clay loam, 0 to 1 percent slopes	0%	0%	0%	100%			
Wilson clay loam, 1 to 3 percent slopes	0%	0%	0%	100%			

### e. Land Use

Land use data was derived from the NCTCOG 2010 land use spatial layer updated with 2015 NCTCOG 6 inch orthoimagery. Land use data was calculated for each basin. The existing land use in the Lynchburg Creek Watershed is primarily single family residential. Table LYN-03 provides a list of the existing land use along with the associated curve number values for each type of soil for the Lynchburg Creek Watershed. Note that the curve number was calculated independently of land use. A map of the land use within the Lynchburg Creek Watershed can be seen in Figure LYN-06, Land Use Map.

Table LYN-03 — Existing Land Use and Curve Numbers

Land Use Description	Impervious					
Land Ose Description	(%) Condition	Α	В	С	D	Use in Watershed
Airport	40	39	61	74	80	0.40%
Commercial	90	39	61	74	80	3.42%
Communication	10	39	61	74	80	0.03%
Institutional/Semi-public	40	39	61	74	80	4.70%
Mobile Home	20	39	61	74	80	1.34%
Multi-Family	70	39	61	74	80	0.94%
Parks/Recreation	6	39	61	74	80	9.43%
Ranchland/Farmland	3	39	61	74	80	6.15%
Residential Dense	47	39	61	74	80	16.66%
Residential Heavy	41	39	61	74	80	4.14%
Residential Light	30	39	61	74	80	6.30%
Residential Medium	25	39	61	74	80	5.47%
Residential Sparse	12	39	61	74	80	14.31%
Retail	95	39	61	74	80	0.84%
Road	100	39	61	74	80	11.51%
Timberland	10	39	61	74	80	2.23%
Under Construction	15	39	61	74	80	0.82%
Vacant	0	39	61	74	80	10.75%
Water	100	39	61	74	80	0.54%

### B. Approach and Methodology

Hydrologic methods used for this study are in accordance with the 2015 FEMA standards for Flood Risk Analysis and Mapping. A hydrologic runoff computer model was developed for the each watershed in the study using the United States Army Corps of Engineers (USACE) Hydrologic Engineering Center (HEC) modeling software HEC-HMS version 4.2 (August 12, 2016).

The following is a summary of the general methodology used to determine the hydrologic watershed characteristics for the study.

### a. Drainage Area Delineation

Sub-basin delineations were generated automatically using ESRI's ArcGIS Version 10.2.2, and HEC-GeoHMS methods based on the NCTCOG 2010 LiDAR Terrain Data for Denton County, Texas. Sub-

basins were then modified to reflect digital storm sewer lines supplied by the City of Corinth. Design plans for projects constructed in the watershed after the LiDAR was flown was also used to modify the sub-basins.

### b. Time of Concentration

The NRCS (previously SCS) Dimensionless Unit Hydrograph method was utilized for this study and lag times were computed for each subbasin based on guidance outlined in NRCS TR-55. Time of concentration was computed for overland flow (sheet flow and shallow concentrated flow) as well as channelized or storm sewer flow.

The equation used to compute tc is:

tc = tsheet + tshallow + tchannel/pipe

Where:

tc = time of concentration (hrs)

tsheet = overland sheet flow segment (hrs)

tshallow = shallow concentrated flow segment (hrs)

tchannel/pipe = channelized or storm sewer flow segment (hrs)

The minimum time of concentration was limited to 10 minutes. The minimum lag time is 60% of the time of concentration and was therefore set to 6 minutes. The DEM, in addition to the storm sewer lines, was used to generate the longest flow path for each basin. For time of concentration calculations, an assumed velocity of 8 feet per second (fps) was used for storm sewer, 7 fps for concrete channel flow, 5 fps for natural channel flow, and 2 fps for flow through a pond. The assumed velocities were adjusted where a detailed hydraulic analysis was performed.

Travel times were estimated according to the TR-55 methodology with segments for overland, shallow concentrated, channel flow and pipe flow. Travel time for pipe flow was considered part of channel flow and assumed to be full pipe flow. The City of Corinth storm water pipe GIS layer was used for invert elevations and pipe sizes where data was available. The lag time was computed as 60% of the sum of the travel times of overland, shallow concentrated, and channel flow. The control specification of 1 minute was selected based on 0.29 times the smallest lag time. This travel time estimation is consistent with local iSWM criteria. Table LYN-04 lists the lag times calculated per sub-basin.

### c. Curve Numbers

Composite CN were computed for each sub-basin using geoprocessing tools in Esri's ArcGIS. They were determined by overlaying spatial files of the drainage basins, land use polygons, and SSURGO soil type polygons. The files were intersected to create polygons consisting of specific land use and hydrologic soil groups. The intersected files were then weighted within their respective sub-basins to obtain a composite curve number. Curve numbers were generated for both existing and fully developed landuse files.

Curve numbers were generated independently of land use for existing conditions. The reference spatial layer of hydrologic soils used to calculate curve numbers originated from the NRCS SSURGO database. This layer was last updated in April 2016. Existing Conditions were used for this study to

satisfy FEMA floodplain criteria. The composite curve numbers for each sub-basin are listed in Table LYN-04.

Table LYN-04 — Summary of Hydrologic Parameters with Existing Land Use Conditions

	Basin Area (Sq.	Conditions	SCS Curve	Percent
Sub-basin Name	Mi.)	Lag Time (Hr.)	Number	Impervious
		Lynchburg Creek		
B_LYN_005	0.04	0.10	71	34
B_LYN_006	0.04	0.25	79	53
B_LYN_010	0.12	0.20	70	19
B_LYN_020	0.07	0.17	71	17
B_LYN_021	0.03	0.25	79	53
B_LYN_022	0.08	0.30	68	16
B_LYN_023	0.05	0.30	77	15
B_LYN_024	0.04	0.20	72	43
B_LYN_030	0.09	0.25	70	20
B_LYN_040	0.04	0.25	70	4
B_LYN_050	0.15	0.37	68	45
B_LYN_060	0.08	0.36	64	87
B_LYN_070	0.01	0.23	75	31
B_LYN_080	0.09	0.21	69	19
B_LYN_090	0.03	0.20	61	17
B_LYN_100	0.25	0.28	65	51
B_LYN_110	0.10	0.42	66	12
	Lync	hburg Creek Tributa	ary 1	
B_LT1_010	0.09	0.17	62	39
B_LT1_020	0.02	0.21	61	20
	Lync	hburg Creek Tributa	ary 2	
B_LT2_010	0.04	0.15	70	35
B_LT2_020	0.04	0.23	62	23
B_LT2_030	0.03	0.29	64	24
B_LT2_040	0.13	0.30	72	23
B_LT2_050	0.04	0.27	72	43
	Lync	hburg Creek Tributa	ary 3	
B_LT3_010	0.16	0.25	70	42
B_LT3_020	0.05	0.20	64	47
B_LT3_030	0.02	0.20	67	74
B_LT3_040	0.01	0.06	70	71

Table LYN-04 — Summary of Hydrologic Parameters with Existing Land Use Conditions

	Conditions								
Sub-basin Name	Basin Area (Sq. Mi.)	Lag Time (Hr.)	SCS Curve Number	Percent Impervious					
Lynchburg Creek Tributary 4									
B_LT4_010	0.10	0.24	63	58					
B_LT4_020	0.08	0.23	72	38					
B_LT4_030	0.01	0.09	63	23					
B_LT4_040	0.01	0.11	71	10					
		Stream GS-1							
B_GS1_010	0.20	0.35	75	53					
B_GS1_020	0.17	0.26	66	52					
B_GS1_030	0.05	0.30	65	43					
B_GS1_040	0.15	0.40	67	23					
		Stream LC-1							
B_LC1_010	0.29	0.48	76	32					
B_LC1_020	0.24	0.79	71	17					
B_LC1_030	0.25	0.26	72	42					
B_LC1_040	0.22	0.56	66	22					
B_LC1_050	0.12	0.34	66	23					
B_LC1_060	0.15	0.51	65	26					
B_LC1_070	0.09	0.26	67	33					
B_LC1_080	0.15	0.38	72	17					
	ι	Jnnamed Tributary	1						
B_UNT1_010	0.03	0.24	68	32					
B_UNT1_020	0.02	0.29	68	24					
	l	Jnnamed Tributary	2						
B_UNT2_010	0.09	0.15	64	60					
B_UNT2_020	0.07	0.19	75	51					
B_UNT2_030	0.02	0.17	74	10					

### d. Rainfall

Point rainfall depths were obtained from the integrated Stormwater Management (iSWM) Technical Manual for Hydrology for five minute to twenty-four hour duration rainfall events. The rainfall data is summarized below in Table LYN-05.

**Table LYN-05 — Rainfall Data (inches)** 

Recurrance Interval								
(Percent Annual Chance)	5 Min	15 Min	1 Hr	2 Hr	3 Hr	6 Hr	12 Hr	24 Hr
10%	0.67	1.38	2.50	3.10	3.45	4.08	4.80	5.52
4%	0.78	1.60	2.96	3.70	4.14	4.98	5.88	6.96
2%	0.85	1.79	3.36	4.22	4.74	5.70	6.84	7.92
1%	0.94	1.98	3.77	4.76	5.37	6.54	7.80	9.36

### Table LYN-05 — Rainfall Data (inches)

Recurrance Interval	Storm Duration							
(Percent Annual Chance)	5 Min	15 Min	1 Hr	2 Hr	3 Hr	6 Hr	12 Hr	24 Hr
0.20%	1.75	2.99	4.79	6.02	6.84	8.58	10.68	13.20

### e. Runoff Losses

Runoff losses were computed using the NRCS Loss Rate Method. Percent impervious values for these watersheds depend on the land use categories, which were identified during the development of the landuse shapefile. Soil information was obtained from the USDA NRCS SSURGO database version 2.2 for Denton County.

### f. Channel Routing

The Modified Puls method was used for the majority of the reaches modeled in HEC-HMS. Storage-discharge relationships from these models were used to route flows along stream reaches in the HEC-HMS model. Two (2) reaches in the HMS model used Muskingum-Cunge routing for stream sections that were not modeled with HEC-RAS. Eight-point cross sections were used to describe the channel and route. This technique was used on reaches R\_LYN\_010 and R\_LYN\_023, and all other routing reaches utilized the modified puls method.

### g. Input Hydrograph

No external input hydrographs were entered into the Lynchburg Creek hydrologic model.

### h. Reservoir Storage

Two inline ponds were modeled in the Lynchburg Creek hydrologic model. The first pond is located at the southern end of basin J\_LYN\_005, and was modelled as a reservoir in HMS using the same data as the previous study. The second pond is at Corinth Community Park located in basin LT1\_020. This pond was also modelled as a reservoir in HMS using the same data as the previous study.

Small urban detention ponds and aesthetic water features were not included as reservoirs in the hydrologic analysis due to the negligible impact in relation to the size and scale of the overall watershed.

### i. Gages

No stream gages exist in the Lynchburg Creek Watershed.

### j. Calibration

Model calibration was not performed in the Lynchburg Creek Watershed because the watershed does not contain stream gages.

### k. Previous Hydrologic Models

The hydrology for the previous study of the Lynchburg Creek Watershed was a HEC-1 model completed by Freese and Nichols, Inc. in 2004. This model is the current effective model.

### C. SUPPORTING INFORMATION

NCTCOG 2010 LiDAR, storm sewer lines provided by the City of Corinth, current digital orthophotography, TxDOT plans for the improvement of I-35E, and Lake Vista Business Park plan were utilized to develop the hydrologic model. The City of Corinth Stormwater Master Plan completed by Freese and Nichols, Inc. in August 2004 was used to compare the results of the hydrologic model.

### HYDROLOGIC RESULTS AND DISCHARGE COMPARISON

### a. Computed Discharges

The USACE HEC-HMS version 4.2 software was used to model and compute discharges for the 10-, 4-, 2-, 1-, 1- plus, and 0.2-percent-annual-chance flood events. Table LYN-06 summarizes the discharges and their respective locations within the Lynchburg Creek Watershed.

**Table LYN-06 – Summary of Discharges** 

		Cross	Drainage		Discharges (cfs)				
Stream Location	HMS Element		Area (sq. mi.)	10% Annual Chance	4% Annual Chance	2% Annual Chance	1% Annual Chance	0.20% Annual Chance	
		L	ynchburg Cr	eek					
Approximately 500 feet upstream of Silvermeadow Lane	J_LYN_010	18320	0.16	230	300	360	420	790	
At Sharon Drive	J_LYN_020	17695	0.23	360	470	560	650	1,090	
At Oakhill Drive	J_LYN_021	16852	0.30	510	650	750	880	1,410	
Just downstream of Twin Brook Turn	J_LYN_024	16138	0.34	530	680	790	930	1,460	
Approximately 850 feet upstream of Corinth Street	J_LYN_023_LYN_024	15627	0.47	720	930	1,090	1,290	2,020	
At Corinth Street	J_LYN_030	15124	0.56	800	1,050	1,230	1,430	2,150	
Just downstream of confluence of Lynchburg Creek Tributary 4	J_LYN_040	14414	0.80	1,110	1,440	1,710	1,940	2,910	
At IH-35E	J_LYN_050	13856	1.13	1,630	2,060	2,440	2,760	4,020	
At DCTA Railroad	J_LYN_060	12370	1.21	1,770	2,210	2,600	2,960	4,270	
Just downstream of confluence with Stream Lynchburg Creek Tributary 3	J_LYN_070	11391	1.46	2,180	2,720	3,170	3,660	5,290	
Just downstream of confluence with Unnamed Tributary 1	J_LYN_070_UNT1_020	10514	1.51	2,240	2,790	3,250	3,770	5,420	
Just upstream of confluence of Lynchburg Creek Tributary 2	J_LYN_080	9081	1.60	2,270	2,840	3,310	3,840	5,510	
Just downstream of confluence of Lynchburg Creek Tributary 2	J_LYN_090	8134	1.91	2,580	3,230	3,790	4,450	6,390	
Just downstream of confluence of Lynchburg Creek Tributary 1	J_LYN_090_LT1_020	7205	2.02	2,650	3,360	3,930	4,620	6,610	
Approximately 1720 feet downstream of Corinth Parkway	J_LYN_100	5544	2.27	2,750	3,480	4,100	4,830	6,930	
Approximately 260 feet upstream of S. Shady Shores Road	J_LYN_110	2739	2.37	2,680	3,460	4,070	4,750	6,930	
At South Shady Shores Road	Outlet_LYN	954	3.88	3,670	4,760	5,600	6,590	9,810	
		Lynchb	urg Creek Ti	ributary 1					
Just Downstream of Corinth Parkway	J_LT1_010	1744	0.09	180	240	280	320	540	
At Confluence with Lynchburg Creek	J_LT1_020	516	0.11	80	160	230	320	570	

Table LYN-06 — Summary of Discharges

Table LTN-00 — Sullillary of Discharges									
		Cross	Drainage	Discharges (cfs)					
Stream Location	HMS Element	Section ID	Section Area (sq.	10% Annual Chance	4% Annual Chance	2% Annual Chance	1% Annual Chance	0.20% Annual Chance	
		Lynchb	urg Creek Ti	ributary 2					
At Northbound IH-35E Frontage Road	J_LT2_010	3986	0.04	90	120	140	160	270	
At Dobbs Road	J_LT2_020_LT2_030	2948	0.11	180	240	290	340	570	
Just upstream of DCTA railroad	J_LT2_040	1760	0.24	380	510	600	710	1,090	
At Confluence with Lynchburg Creek	J_LT2_050	474	0.28	440	570	670	790	1,220	
		Lynchb	urg Creek Ti	ributary 3					
At Walton Drive	J_LT3_010	2666	0.16	320	400	470	550	850	
At Corinth Parkway	J_LT3_020	2143	0.21	400	510	600	690	1,040	
At Confluence with Lynchburg Creek	J_LT3_030_LT3_040	632	0.24	420	540	640	740	1,070	
		Lynchb	urg Creek Ti	ributary 4					
At Alcove Lane	J_LT4_010	1161	0.10	210	260	300	350	530	
At Meadow Oaks Drive	J_LT4_030_LT4_020	1032	0.19	390	480	560	650	980	
At Confluence with Lynchburg Creek	J_LT4_040	286	0.20	400	490	570	660	1,000	
	Un	named Tri	butary 1 to L	ynchburg Creel	k				
Just downstream of Corinth Parkway	J_UNT1_010	903	0.03	50	70	80	100	150	
At Confluence with Lynchburg Creek	J_UNT1_020	122	0.05	80	110	130	150	240	
Unnamed Tributary 2 to Lynchburg Creek									
Just upstream of Meadow Oaks Drive	B_UNT2_020	1473	0.07	180	220	250	280	440	
Just downstream of Meadow Oaks Drive	J_UNT2_020_UNT2_010	979	0.16	410	500	580	660	1,060	
At Confluence with Lynchburg Creek	J_UNT2_030	467	0.18	410	510	600	700	1,080	

**Table LYN-06 – Summary of Discharges** 

		Cross	Cross Drainage		Cross Drainage		Discharges (cfs)				
Stream Location	HMS Element	Section ID	Section Area (sq.	10% Annual Chance	4% Annual Chance	2% Annual Chance	1% Annual Chance	0.20% Annual Chance			
			Stream LC-	1							
At private pond outlet	J_LC1_010	11164	0.29	430	540	630	730	1,050			
Just upstream of W. Shady Shores Road	J_LC1_020	9245	0.53	560	770	930	1,110	1,590			
Just downstream of W. Shady Shores Road	J_LC1_030	7781	0.78	650	920	1,130	1,360	1,980			
Just upstream of Fritz Lane	J_LC1_040	6983	1.00	810	1,070	1,300	1,610	2,420			
Just downstream of Fritz Lane	J_LC1_050	5496	1.12	900	1,200	1,440	1,730	2,600			
At Stapler Drive	J_LC1_060	3439	1.27	1,030	1,380	1,660	2,000	3,030			
Approximately 1000 feet upstream of S. Shady Shores Road	J_LC1_070	1580	1.36	1,050	1,430	1,730	2,090	3,150			
At Confluence with Lynchburg Creek	J_LC1_080	751	1.51	1,120	1,540	1,880	2,290	3,460			
Stream GS-1											
Just Downstream of Sunny Oak Lane	J_GS1_010	5873	0.20	380	470	540	620	900			
At Dobbs Road	J_GS1_020	4714	0.37	610	780	910	1,060	1,570			
Approximately 1700 feet downstream of Dobbs Road	J_GS1_030	3266	0.42	670	850	1,000	1,160	1,730			
At South Shady Shores Road	Outlet_GS1	1081	0.57	780	990	1,200	1,420	2,150			

### b. Effective Discharges

The current effective FEMA discharges are listed in Table LYN-07, below. The FEMA discharges were obtained from the Denton County FIS report effective April 2011. The current effective FEMA hydrologic and hydraulic analyses were prepared by the USACE, Fort Worth District, for FEMA. The work was completed in February 1984.

**Table LYN-07 – FEMA Effective Discharges** 

	Drainage		Peak Discl					
Flooding Source and Approximate Location	Area (sq. mi.)	10% Annual Chance	2% Annual Chance	1% Annual Chance	0.2% Annual Chance			
Lynchburg Creek								
At. S. Shady Shores Road	3.65	3,250	4,500	5,100	6,500			
Approximately 250 ft upstream of S. Shady Shores Road	2.33	1,750	2,450	2,800	3,750			
Approximately 50 ft downstream of confluence with LB-1 (Lynchburg Creek Tributary 1)	1.86	1,400	2,000	2,300	3,250			
Stream GS-1								
At Shady Shores Drive	0.61	785	1,310	1,510	1,940			
400 feet upstream of S. Shady Shores Drive	0.54	825	1,155	1,315	1,690			

	Drainage		harge (cfs)				
Flooding Source and Approximate Location	Area (sq. mi.)	10% Annual Chance	2% Annual Chance	1% Annual Chance	0.2% Annual Chance		
Approximately 1700 feet downstream of Dobbs Road	0.49	785	1,075	1,215	1,560		
Approximately 1400 ft downstream of Dobbs Road	0.45	730	990	1,130	1,465		
At Dobbs Road	0.35	530	730	850	1,120		
Outflow from Detention Pond	0.22	370	610	710	905		
Inflow to detention pond	0.23	635	825	910	1,095		
Stream LC-1							
At confluence with Lynchburg Creek	1.32	1,600	2,200	2,460	3,050		

### c. Comparison with Revised Discharges

Table LYN-08 compares the 1-percent-annual-chance peak discharges from the effective Denton County FIS Report dated April 2011 to the discharges from this 2017 restudy. The FIS dated April 2011 includes Stream LC-1, Stream GS-1, and Lynchburg Creek. Note that the HEC-HMS node "Outlet\_LYN" corresponding to the discharge location at S. Shady Shores Road listed under Lynchburg Creek includes flow and drainage area from both Stream LC-1 and Lynchburg Creek.

In general, the magnitude of the differences between the 2011 Effective FIS study, the 2004 Stormwater Master Plan, and the 2017 restudy discharges can be explained by the 2017 restudy utilizing recent topographic data, field survey, and digital orthophotography information available, yielding a more accurate and detailed model than previous studies. GIS storm sewer data was also provided by the City of Corinth for the 2017 restudy which supported a better representation of sub-basin flow paths. Notable developments within the watershed include a small subdivision southeast of the intersection of Church Dr. and Post Oak Rd., The Boulevard Apartments, Tower Ridge Apartments, Lake Vista Business Park.

Differences in drainage areas compared to the previous study occur in the following areas, and were changed due to the following reasons. At Lynchburg Creek's headwater a gravel road blocks sheet flow to the existing pond and so provides the basin boundary between LYN\_005 and LYN\_010. At LT4\_020 and LYN\_030, Lake Sharon Drive was moved and expanded, and an apartment complex was built. At UNT2\_020 an apartment complex was built. At LYN\_100, drainage divides were changed to isolate Lynchburg Tributary 1. Previous drainage areas for Stream GS-1 and Stream LC-1 were not available. The large increase in computed discharges for Lynchburg Creek at the confluence with Stream LC-1 can be attributed the development increases in both the Lynchburg Creek and Stream LC-1 watershed, reduction in valley storage, changes in routing methods, and updated hydrologic software. Figure LYN-07, Discharge Comparison Graph, compares the 2017 restudy computed discharges with effective discharges and regression discharges versus drainage area. The regression equations were used to check to the detailed hydrologic model results. See the full USGS report SIR 2009-5087 for a full explanation of the parameters involved in the regional regression equations.

Table LYN-08 — Comparison of Discharges

Stream / Discharge Location	HMS Node	2017 Restudy Cross Section ID	2017 Restudy Drainage Area (sq mi)	Effective FIS Study Drainage Area (sq mi)	2017 Restudy 1% Annual Chance Discharge (cfs)	Effective FIS Study 1% Annual Chance Discharge (cfs)	Percent Change Restudy/FIS Study		
		Lynchburg	Creek						
At. S. Shady Shores Road	Outlet_LYN	954	3.88	3.65	6,590	5,100	29.2		
Approximately 250 ft upstream of S. Shady Shores Road	J_LYN_110	2739	2.37	2.33	4,750	2,800	69.6		
Approximately 50 ft downstream of confluence with LB-1 (Lynchburg Creek Tributary 1)	J_LYN_090_LT1_020	7205	2.02	1.86	4,620	2,300	100.9		
	Stream GS-1								
At Shady Shores Drive	Outlet_GS1	1081	0.57	0.61	1,420	1,510	-6.0		
400 feet upstream of S. Shady Shores Drive	-	-	-	0.54	-	1,315	-		
Approximately 1700 feet downstream of Dobbs Road	J_GS1_030	3266	0.42	0.49	1,160	1,215	-4.5		
Approximately 1400 ft downstream of Dobbs Road	-	-	-	0.45	-	1,130	-		
At Dobbs Road	J_GS1_020	4714	0.37	0.35	1,060	850	24.7		
Outflow from Detention Pond	J_GS1_010	5873	0.20	0.22	620	710	-12.7		
Inflow to detention pond	-	-	-	0.23	-	910	-		
		Stream	LC-1						
At confluence with Lynchburg Creek	J_LC1_080	751	1.51	1.32	2,290	2,460	-6.9		

### **IV. HYDRAULICS**

### A. METHODOLOGY AND MODELING

### a. Methodology and Modeling

Hydraulic methods used for this study are in accordance with the 2015 FEMA standards for Flood Risk Analysis and Mapping. A steady flow computer model was developed for the all study streams using the USACE HEC-RAS program, version 5.0.3 (September 2016). Water surface profiles were computed for the 10-, 4-, 2-, 1-, 1-plus- and 0.2-percent-annual-chance flood events. A Hydraulic Analysis Index is included in Appendix A of this report.

### b. Assumptions

Current land use was used for roughness coefficients. Low lying inline structures along the channel bed with heights of less than three feet were not included in the hydraulic model due to the minimal impact created on water surface elevations for events greater than the 10-percent-annual-chance storm.

### c. Topography

Composite cross sections were developed for hydraulic modeling by utilizing the processed field survey data to obtain the channel geometry, and a TIN developed from the NCTCOG 2010 LiDAR terrain data to obtain overbank ground information. The terrain was supplemented with design plans for development that occurred after the terrain was flown.

### d. Boundary Conditions and Tie-ins

The HEC-RAS model utilizes a normal depth starting condition. Normal depth was calculated by obtaining the slope of the channel at the downstream end of each models to the first cross section along a stream. The most downstream ends of the models were either a confluence point with Lynchburg Creek or an outlet to Lake Lewisville.

### e. Cross Sections

All cross sections were extracted from the topographic data described earlier. Where detailed survey was available, the survey data was incorporated into the HEC-RAS model geometry along with the NCTCOG data to obtain composite cross sections with surveyed channel data and NCTCOG overbank data. Where the survey data was not available, flowline data was interpolated between two surveyed cross sections and applied to adjust the flowline of the NCTCOG cross section. In areas where the channel had similar characteristics spanning across several cross sections (for example, bag walls), the survey data was incorporated into non-surveyed cross sections that reflected the same channel conditions and their flowlines were interpolated.

### f. Structures

The following structures were input into the hydraulic model along Lynchburg Creek:

Major road crossings for each studied stream are listed below: Lynchburg Creek includes Silvermeadow Lane, Sharon Drive, Oakhill Drive, Twin Brook Turn, Corinth Street, I-35E, DCTA Railroad, Corinth Parkway, and S. Shady Shores Rd. Lynchburg Creek Tributary 1 includes a driveway. Lynchburg Creek Tributary 2 includes Dobbs Road, DCTA Railroad, Lynchburg Drive, and Red Oak Drive. Lynchburg Creek Tributary 3 includes Corinth Parkway. Lynchburg Tributary 4 includes Meadows Oak Drive. Stream LC-1 includes Hidden Valley Road, a private driveway, W. Shady Shores Road, Fritz Lane, and Stapler Drive. Stream GS-1 includes a private culvert, Dobbs Road, and S. Shady Shores Road.

TxDOT plans for the improvement of I-35E culverts were used to develop the hydraulic model for the structure all other structures utilized survey and field visit data.

The weir coefficient at all major crossings was set to 2.6. The weir coefficients for inline weirs along Lynchburg Creek were calculated using weir discharge equation as 2.6.

In general, contraction and expansion coefficients were increased to 0.3 and 0.5 at each structure's upstream and downstream cross sections and at the approach section. All other contraction and expansion values used model default values of 0.1 and 0.3.

### g. Ineffective and Storage Areas

The Ineffective Flow area option within the HEC-RAS program was used in the following instances:

 Ineffective areas were implemented upstream and downstream of structures to reflect the 1:1 contraction and expansion upstream and downstream of the structure openings. Upstream of the structure, the ineffective elevations were initially placed at the lowest elevation of the bridge deck data. Downstream of the structure, ineffective elevations were initially placed halfway between the lowest point of the bridge deck data and the highest

point of the structure opening. Ineffective areas were adjusted as needed for consistent effective flow.

 Ineffective areas were placed in low lying areas in the overbanks to simulate ineffective flow until the channel overtops the ground separating the low lying area from the main channel.

### h. Channel Roughness Values

Manning's roughness coefficients (n-values) were selected based on standard references, engineering judgment, aerial photography, and field observations of the streams and floodplain areas. Table LYN-09 shows standard n-values for various types of ground cover and Table LYN-10 shows a range of n-values used for the Lynchburg Creek Watershed.

Table LYN-09 - Manning's Roughness Coefficients by Type

Stream Name	Channel "n" Value	Overbank "n" Value
Concrete channels	0.013-0.015	
Concrete pilot with maintained grass banks	0.025	
Maintained grass	0.030-0.035	
Gabion	0.030-0.040	
Clean, winding, some pools, some weeds, stones	0.040-0.045	
Weeds and brush, irregular channel (overflow)	0.050-0.055	
Medium tree canopy	0.065	
Heavy tree canopy	0.075-0.100	
Streets parallel and close to channel, large paved areas with few obstructions		0.030-0.035
Grass		0.045
Gravel, construction		0.055
Scattered trees, flow obstructions		0.06
Light to medium trees with some open space		0.07
Medium tree cover		0.08
Medium residential with large streets in flow direction		0.09
Heavy tree cover with some open space		0.09
Industrial, commercial with some open space (no fencing)		0.09
Heavy tree cover, residential with some open space		0.1
Dense residential (small, fenced lots)		0.12

Table LYN-10 — Summary of Manning's Roughness Coefficients by Stream

Stream Name	Channel "n" Value	Overbank "n" Value
Lynchburg Creek	0.035 - 0.060	0.060 - 0.100
Lynchburg Creek Tributary 1	0.030 - 0.055	0.060 - 0.080
Lynchburg Creek Tributary 2	0.035 - 0.055	0.060 - 0.100
Lynchburg Creek Tributary 3	0.040 - 0.055	0.060 - 0.100
Lynchburg Creek Tributary 4	0.035 - 0.055	0.070 - 0.080
Unnamed Tributary 2	0.040 - 0.055	0.060 - 0.080
Stream GS-1	0.040 - 0.055	0.060 - 0.080

Stream Name	Channel "n" Value	Overbank "n" Value
Stream LC-1	0.040 - 0.055	0.060 - 0.080

### i. Other Model Input

The 50-percent-annual-chance flow was used as a guide to select locations of bank stations. The downstream reach lengths were calculated in ArcGIS by three flowpath lines. One flowpath follows the channel centerline exactly, and the two in the left and right overbanks are located approximately halfway between the channel centerline, and the edge of the 1-percent-annual-chance floodplain to represent the centroid of flow in the overbanks.

The "1-percent-plus", or "1%+", annual-chance-flood elevation has been modeled and included on the flood profile for the studied streams. While not used for regulatory or insurance purposes, this flood event has been calculated to help illustrate the variability range that exists between the regulatory 1-percent-annual-chance flood elevation and a 1-percent-annual-chance elevation that has taken into account an additional amount of uncertainty in the flood discharges (thus, the 1% "plus"). The upper 84-percent confidence limit of the 10-, 4-, 2-, 1-, and 0.2-percent-annual-chance flood discharges was used to compute the 1-percent-plus flood elevations based on FEMA, August 2012 Appendix N, Flood Risk Data Development.

### j. Split and Diverted Flow

Three (3) lateral structures were modeled in Lynchburg Creek along with an overflow stream to model the flows through that flow from the main stem of Lynchburg Creek and into the residential neighborhood. The first lateral structure is modeled on the left overbank between cross sections 18959 and 17890, the second between cross sections 17889 and 17569, and the third between cross sections 17569 and 16604. Lynchburg Creek flows between; houses upstream of Silvermeadow Lane. The second lateral structure models flow along the intersection of Sharon drive and Silvermeadow Lane. The third lateral structure models flow over Silvermeadow Lane when the water surface elevations rise above natural high ground between these sections, water begins to spill over the lateral weirs into a bar ditch which brings flow back into Lynchburg Creek at cross section 16604. See Figure LYN-08, Lateral Structures Map.

### k. Supercritical Flow

Critical depths were found in the following places: at cross section 16138 for Lynchburg Creek, at cross sections 1193, 2172, 2429, and 2604 on Lynchburg Creek Tributary 2, at cross section 490 on Lynchburg Creek Tributary 4, and at cross section 286 and 4466 on Stream GS-1.

The critical depths on Lynchburg Creek at 16183 is a result of the culvert downstream of this cross section.

The critical depths on Lynchburg Creek Tributary 2 at cross sections 2429 and 2604 are caused by contraction of the floodplain due to a wall and a large ineffective area behind a wall, respectively. The critical depths at cross sections 1193 and 2193 are caused by the steepness of the channel and the steep drop weir flow experiences over the bridge, respectively.

The critical depth at cross section 490 on Lynchburg Creek Tributary 4 is due to the contraction of the flow within the channel.

The critical depth at cross section 286 on Stream GS-1 is caused by the steep channel. All profiles are controlled by Lake Lewisville at this location. The critical depth at cross section 4466 is caused by the upstream culvert.

## I. Flow Change Locations

Figure LYN-09, Flow Change Location Map, illustrates the discharge locations used in the hydraulic model including the stream centerline, drainage areas, and roads, shown on recent aerial photography.

#### m. FEMA Formatted Profiles

The FEMA RASPLOT program (version 3.0) was used to generate the profiles for all of the streams. The horizontal scale used for Lynchburg Creek and Lynchburg Creek Tributary 2 is 1:500 (inches: feet) and the vertical scale is 1:10 (inches: feet). The horizontal scale used for Lynchburg Creek Tributary 3 is 1:400 (inches: feet) and the vertical scale is 1:5 (inches: feet). The horizontal scale used for Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 3, and Unnamed Tributary 2 to Lynchburg Creek is 1:200 (inches: feet) and the vertical scale is 1:5 (inches: feet). The horizontal scale used for Stream LC-1 and Stream GS-1 is 1:500 (inches: feet) and the vertical scale is 1:5 (inches: feet). Profiles were generated for the 10-, 4-, 2-, 1-, 1-plus-, and 0.2-percent-annual-chance flood events. The flood profiles are included at the end of the TSDN as Figure LYN-10, Flood Profiles.

# n. Floodway

There is an effective floodway for Stream GS-1, Stream LC-1, and Lynchburg Creek from near Stapler Drive to Corinth Street, but not for its tributaries. New floodways were mapped for Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 2, Lynchburg Creek Tributary 3, Lynchburg Creek Tributary 4, and Unnamed Tributary 2 to Lynchburg Creek. Floodways were calculated for all of the streams studied by detailed methods. New floodways were developed using the floodway encroachment limits resulting in a surcharge of no greater than 1.0 feet utilizing method 4 (equal conveyance). Floodway encroachment stations were converted to method 1 after the initial set up with method 4.

#### o. Previous Hydraulic Models

The Flood Insurance Study (FIS) was prepared for Lynchburg Creek, Stream GS-1, and Stream LC-1 was completed in September 1984 by the U.S. Army Corps of Engineers (USACE), Fort Worth District, for FEMA. The City of Corinth Stormwater Master Plan was developed for the Lynchburg Creek watershed in 2004. This hydraulic model does not include Stream LC-1 or Stream GS-1. Comparison to this model was made where appropriate.

# p. Model Calibration

Model calibration was not performed because no stream gages exist and no high water marks have been recorded for these streams.

#### **B. OTHER SUPPORTING INFORMATION**

The "1-percent-plus", or "1%+", annual-chance-flood elevation has been modeled and included on the flood profile for the studied streams. Apart from the City of Corinth Stormwater Master Plan completed by Freese and Nichols, Inc. in August 2004, NCTCOG 2015 LiDAR, storm sewer lines provided by the City of Corinth, current digital orthophotography, TxDOT plans for the improvement of I-35E, and Lake Vista Business Park plans no other additional sources of information for developments within the Lynchburg Creek watershed were provided by the City of Corinth and the Town of Shady Shores.

#### C. HYDRAULIC RESULTS AND WATER SURFACE ELEVATION COMPARISON

Results of the hydraulic analysis are depicted on the floodplain exhibits and water surface profiles provided in this submittal. Figure LYN-10, Flood Profiles, shows the hydraulic flood profiles for each stream. Figure LYN-11, Hydraulic Work Maps, shows detailed views of the floodplains and cross sections.

Table LYN-11 compares the computed water surface elevations against the water surface elevations from the Effective FIS Study dated April 2011 for Stream GS-1, Stream LC-1, and Lynchburg Creek. This table also compares to the previous hydraulic model from the 2004 Storm Water Master Plan for Lynchburg Creek, Lynchburg Creek tributary 1, Lynchburg Creek tributary 2, Lynchburg Creek tributary 3, and Lynchburg Creek Tributary 4.

Differences in water surface elevations are generally attributed to updated discharges reflecting a more urban watershed, new structures along the channel, updated modeling software, current topographic data, and more detail in the updated hydraulic modeling.

More specifically, the following reasons explain differences in the water surface elevations in the compared cross sections.

- 1. Differences in the backwater elevation on the tributaries to Lynchburg Creek are the result of detailed study methods and original Zone AE mapping for Lynchburg Tributaries 1 through 4, and Unnamed Tributary 2.
- Differences in water surface elevations at structures due to changes to road crossings since the previous modeling. Surveyed structures were updated with detailed field survey data. The following crossings changed due to transportation projects built since the previous models were developed.
  - Crossings at Meadows Oak Rd. on Lynchburg Tributary 2 and Lynchburg Tributary 4 changed when the road was widened.
  - Crossing at Corinth Street changed when road was widened.
  - Crossing at I-35E changed with the expansion of the highway.
  - Crossings at DCTA railroad on Lynchburg Creek and Lynchburg Creek Tributary 2 changed when the pedestrian bridge was added parallel to the railroad.
- 3. Revised Discharges compared to the effective study also contributed to the rises in WSEL.
- 4. Major developments have increased the impervious areas throughout the watershed. Increased impervious areas are specifically located at the following areas of new development within the watershed:
  - Tower Ridge Apartments and The Boulevard Apartments near Meadow Oaks Drive and Tower Ridge Road
  - Corinth Parkway near Dobbs Road
  - Developments near Corinth City Hall along Corinth Parkway
  - Lake Vista Business Park near Dobbs Road and Carpenter Lane

Table LYN-11 — Water Surface Elevation (WSEL) Comparison

Table LYN-11 — Water Surface Elevation (WSEL) Comparison						
Restudy Cross Section Station	2017 Restudy Model  Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
		Lynchbu	rg Creek			
393		537.0 <sup>1</sup>				
548		537.0 <sup>1</sup>				
710		537.0 <sup>1</sup>				
852		537.0 <sup>1</sup>				
903	S. Shady Shores Road					
954		537.0 <sup>1</sup>				
1102		537.0 <sup>1</sup>				
1778		537.0 <sup>1</sup>				
2390		537.0 <sup>1</sup>				
2739		537.0 <sup>1</sup>				
3057		537.0 <sup>1</sup>				
3512		537.01				
4102		537.0 <sup>1</sup>				
4550		537.0 <sup>1</sup>				
4715		537.6				
4846		538.4	537.0	1.5	536.9	1.5
5227		539.4				
5544		540.2			539.7	0.5
5715		541.2				
5903		542.3			540.9	1.4
6195		543.5				
6446		544.4				
6557		544.7			543.9	0.8
6612	Corinth Parkway			1		
6664	·	546.5			544.5	2.1
6721		546.9				
6888		547.1	544.9	2.2	546.1	1.0
7205		548.0		1		
7439		548.4				
8134		549.8			548.3	1.4
8632		551.9			550.4	1.5
8873		552.6				
9081		553.3	553.0	0.3	551.9	1.4
9377		554.5				
		333			<u> </u>	

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

2017 Restudy Model			Lievation	(WSEE) COM		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
9855		556.2			554.2	2.1
10186		557.1				
10514		558.4	559.8	-1.4	556.3	2.1
11011		560.1				
11391		561.1				
11640		562.1			562.2	0.0
11721		562.4			562.4	0.0
11844		563.0			562.5	0.6
11899	DCTA Railroad					
11934		563.4			563.3	0.1
12024		563.8			563.8	0.0
12370		567.2			564.5	2.7
12795		569.3	567.7	1.6	566.6	2.8
13092		570.6			568.3	2.3
13169		571.1			568.2	2.8
13326	IH35					
13495		573.8			571.2	2.6
13550		573.9			572.5	1.4
13856		574.1			572.5	1.5
14121		574.6	574.8	-0.2	573.3	1.4
14414		575.4			574.3	1.1
14683		576.6			576.7	0.0
14756		576.7			576.9	-0.2
14836	Corinth Street					
14904		577.8			577.0	0.9
14938		577.9			578.6	-0.6
15124		578.6			578.8	-0.1
15356		580.0				
15627		580.8			579.5	1.3
15907		581.5				
15993		582.0				
16034		582.6			581.5	1.2
16070	Twin Brook Turn					
16110		582.8			582.0	0.8
16138		583.2				

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

	2017 Restudy Model	ater surface		(17022) COIII		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
16251		584.3				
16337		584.5				
16425		584.8			583.7	1.0
16482		584.9			584.3	0.6
16523	Oakhill Drive					
16570		584.9			584.7	0.2
16604		585.0			584.5	0.4
16852		585.8				
17051		587.1				
17264		588.2			588.7	-0.2
17433		588.9				
17502		589.3			589.7	0.1
17530	Sharon Drive					
17556		589.5			590.3	0.0
17597		589.6				
17695		590.5				
17836		590.9				
17853		590.9			592.0	-0.4
17867	Silvermeadow Lane					
17878		591.8			593.7	-1.1
17890		591.8				
18143		591.8				
18320		592.6			594.2	0.0
18516		594.3				
18659		595.5				
18961		598.5				
		Overflow to Ly	nchburg Cree	ek		
16852		588.2				
17051		588.6				
17264		589.2				
17433		589.8				
17502		590.0				
17556		590.1				
17597		590.2				
17695		590.3				

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

	2017 Restudy Model			(1.322) (3111)		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
17836		590.5				
17853		590.6				
17878		590.6				
17890		590.8				
18320		592.0				
18413		591.4				
18516		592.5				
18659		592.7				
18961		593.4				
		Lynchburg Cre	ek Tributary	1		
202		548.22				
408		548.22				
516		548.22				
670		548.2 <sup>2</sup>				
707		548.8				
755		548.8				
775		548.5				
837		550.8				
889		553.9				
919	Inline Structure					
946		555.5				
1003		555.6				
1060		555.6			554.9	0.8
1146		555.6				
1286		555.6				
1360		555.5				
1411		555.6			554.7	0.9
1458	Driveway	1				
1502	· · · · · · · · · · · · · · · · · · ·	558.3			558.3	0.1
1529		558.3				
1744		558.6			558.3	0.3
		Lynchburg Cre	ek Tributary	2		
66		551.82				
152		551.8 <sup>2</sup>				
185		551.8 <sup>2</sup>			548.1	0.4

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

2017 Restudy Model			Licvation	(WSEE) COM		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
215	Red Oak Drive					
250		551.82			549.5	1.1
277		551.8 <sup>2</sup>				
474		551.82			551.0	-0.2
632		551.82				
776		553.3				
815		553.7			553.9	-0.2
846	Lynchburg Drive					
891		555.8			556.6	-0.8
913		555.8				
1069		556.8				
1193		558.1			556.7	1.3
1287		559.4				
1351		559.4			559.8	-0.4
1383	DCTA Railroad					
1434		562.3			561.0	1.3
1467		562.3				
1591		562.4				
1760		562.7			562.5	0.2
1886		563.0				
2053		565.0				
2172		566.2				
2289		567.6			565.8	1.8
2356		567.7				
2429		568.2				
2508		569.6				
2585		570.2				
2604		570.1			571.1	-1.0
2629	Dobbs Road					
2647		572.1			574.2	-2.1
2673		571.9				
2948		575.1			574.2	0.9
3061		576.0				
3244		578.5				
3475		581.0			578.4	2.6

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

	2017 Restudy Model	rater Sariace	Licvation	(WSEE) COM		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
3730		583.0				
3986		584.8			584.4	0.4
		Lynchburg Cre	ek Tributary	3		
77		563.1 <sup>2</sup>				
194		563.1 <sup>2</sup>				
374		563.3			563.0	0.2
632		564.1				
873		565.9			564.3	1.6
1047		566.7				
1232		567.5				
1558		568.7			567.7	0.9
1785		569.4				
1843		569.6			569.9	-0.3
1920	Corinth Parkway					
2017		571.5			570.8	0.7
2047		571.6				
2143		573.0			571.5	1.5
2303		573.8				
2472		574.7			574.4	0.3
2666		576.1			575.1	1.0
		Lynchburg Cre	ek Tributary	4		
80		575.9 <sup>2</sup>				
170		576.0			576.7	-0.7
286		578.9				
490		581.0			580.2	0.8
616		582.5				
721		582.8				
753		582.8			581.7	1.1
796	Meadows Oak Road					
849		585.6			582.6	3.0
891		585.6				
1032		585.6			584.2	1.4
1161		586.2				

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

	2017 Restudy Model	ater Juriace	Lievation	(WSEE) COM		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
	Unnaı	med Tributary 2	to Lynchbur	rg Creek		
115		573.72				
467		576.7			576.8	0.0
979		581.9			578.9	3.0
1071		582.4			581.8	0.6
1118	Meadows Oaks Drive					
1270		584.7			587.6	-2.9
1473		585.1			588.3	-3.2
		Strean	n GS-1			
132		537.0 <sup>1</sup>				
167		537.0 <sup>1</sup>				
286		537.0 <sup>1</sup>				
305	S. Shady Shores Road					
324		537.0 <sup>1</sup>				
410		537.0 <sup>1</sup>				
655		537.0 <sup>1</sup>				
1081		537.0 <sup>1</sup>				
1446		537.0 <sup>1</sup>				
2210		537.0 <sup>1</sup>				
2583		537.0 <sup>1</sup>				
2807		538.4				
2995		540.7	539.4	1.3		
3266		542.0	541.7	0.3		
3740		544.3	543.8	0.5		
4009		546.6	546.5	0.1		
4254		548.3				
4357		548.9				
4410		549.0				
4466		549.7	549.3	0.4		
4510	Dobbs Road					
4547		551.4				
4607		551.6	551.5	0.1		
4714		552.1				
4944		552.5				
5206		552.8				

**Table LYN-11 – Water Surface Elevation (WSEL) Comparison** 

2017 Restudy Model		Liceation	(WSEE) COIII			
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
5358		552.9				
5394		552.9				
5433	Near River Oak Way					
5470		556.5				
5502		556.7				
5617		556.7				
5824		557.0				
5873		557.1				
		Stream	n LC-1			
411		537.0 <sup>1</sup>				
751		537.0 <sup>1</sup>				
1071		537.0 <sup>1</sup>				
1274		537.0 <sup>1</sup>				
1580		537.0 <sup>1</sup>				
1963		537.0 <sup>1</sup>				
2300		537.01				
2730		537.0 <sup>1</sup>				
2914		537.3				
2988		537.6				
3227		538.1				
3251	Stapler Drive					
3276	·	538.1				
3313		538.2				
3439		538.8	538.8	0.0		
3746		540.6				
3995		541.4				
4459		543.1				
4794		543.7				
5085		544.8				
5496		546.0				
5557		546.1	544.3	1.8		
5579	Fritz Lane					
5609		546.0				
5648		546.4				
5962		548.5				

Table LYN-11 — Water Surface Elevation (WSEL) Comparison

2017 Restudy Model				(11022) 66111		
Restudy Cross Section Station	Location Description	Restudy 1% WSEL NAVD 88 (Feet)	Effective WSEL NAVD 88 (Feet)	Comparison to effective 1% WSEL	2004 Storm Water Master Plan 1% WSEL NAVD 88 (Feet)	Comparison to 2004 Master Plan 1% WSEL
6570		550.4				
6983		552.1				
7277		553.7				
7497		554.6	555.1	-0.5		
7781		555.9				
8246		557.5				
8329		557.6				
8357	W. Shady Shores Road					
8394		559.3				
8404		559.3				
8932		559.6				
9245		560.5	559.8	0.7		
9489		561.1				
9873		561.7				
9906		562.4				
9924	Private Driveway					
9946		563.8				
9964		564.0				
10057		564.1				
10131		564.1				
10169		564.1				
10187		564.1				
10211	Hidden Valley Road					
10243		565.0				
10269		565.0				
10466		565.1				
11164		565.5				

# Notes:

Backwater from Lewisville Lake
 Backwater from Lynchburg Creek Main Stem

# V. FLOODPLAIN MAPPING

The following is a summary of the specific floodplain mapping conditions of the Lynchburg Creek Watershed. Refer to the general report for the discussion on the methodology used in the study.

#### A. METHOD OF DELINEATION

Floodplains were delineated using Esri's ArcGIS software by raster intersection from the HEC-RAS model's output water surface elevations. Digital raster elevation models for both ground and water surface with the same cell size and orientation were created and then subtracted. The resulting data was then classified based on positive and negative cell values to determine which cells were "dry" and "wet." "Wet" cells represented the inundated area. A Mapping Information Index is included in Appendix A of this report, which contains a listing of the spatial files, database tables, and exhibits for the study watersheds.

#### B. AGREEMENT OF MAP AND MODELING RESULTS

The reliability of the final Lynchburg Creek Watershed floodplain Special Flood Hazard Area (SFHA) boundaries (after tie-in to structures and smoothing of boundaries) was verified to meet FBS requirements and the results are summarized in Table LYN-13.

A total of 611 audit points were used for the Lynchburg Creek FBS audit. The FBS audit for Lynchburg Creek yielded 599 passing audit points with 12 points failing. The Lynchburg Creek FBS audit resulted in a 98.04 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 58audit points were used for the Lynchburg Creek Tributary 1 FBS audit. The FBS audit for Lynchburg Creek Tributary 1 yielded 58passing audit points with 0 points failing. The Lynchburg Creek Tributary 1 FBS audit resulted in a 100.00 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 132 audit points were used for the Lynchburg Creek Tributary 2 FBS audit. The FBS audit for Lynchburg Creek Tributary 2 yielded 131 passing audit points with 1 points failing. The Lynchburg Creek Tributary 2 FBS audit resulted in a 99.24 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 70 audit points were used for the Lynchburg Creek Tributary 3 FBS audit. The FBS audit for Lynchburg Creek Tributary 3 yielded 70 passing audit points with 0 points failing. The Lynchburg Creek Tributary 3 FBS audit resulted in a 100.00 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 60 audit points were used for the Lynchburg Creek Tributary 4 FBS audit. The FBS audit for Lynchburg Creek Tributary 4 yielded 60 passing audit points with 0 points failing. The Lynchburg Creek Tributary 4 FBS audit resulted in a 100.00 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 57 audit points were used for the Unnamed Tributary 2 to Lynchburg Creek FBS audit. The FBS audit for Unnamed Tributary 2 to Lynchburg Creek yielded 55 passing audit points with 2 points failing. The Unnamed Tributary 2 to Lynchburg Creek FBS audit resulted in a 96.49 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 330 audit points were used for the Stream-LC1 FBS audit. The FBS audit for Stream-LC1 FBS audit yielded 324 passing audit points with 6 points failing. The Stream-LC1 FBS audit FBS audit resulted in a 98.18 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

A total of 183 audit points were used for the Stream-GS1 FBS audit. The FBS audit for Stream-GS1 FBS audit yielded 182 passing audit points with 1 points failing. The Stream-GS1 FBS audit resulted in a 99.45 percent passing audit which meets FBS requirements for a Risk Class A and B areas.

<sup>18</sup> LYN-32

# C. INCORPORATION OF LETTER OF MAP REVISION (LOMR) INFORMATION

There are no known LOMRs along Lynchburg Creek and therefore no LOMRs were incorporated into the final models and mapping.

#### D. TIE-IN WITH UPSTREAM AND DOWNSTREAM EFFECTIVE BOUNDARIES

The Lynchburg Creek Watershed restudy floodplain ties into Lake Lewisville Stillwater elevation at the downstream end of the study. Stillwater Lake elevations were based on Table 6 Summary of Stillwater Elevations for Lewisville Lake in the current effective Denton County Flood Insurance Study (FIS) dated April 18, 2011. Backwater effects were not accounted for along Lynchburg Creek in the HEC-RAS model, but were accounted for in the mapping and profile plots. The starting condition for all studied streams was set to normal depth.

#### E. TIE-IN AT COUNTY BOUNDARY

The mapping along Lynchburg Creek does not cross a county boundary.

#### F. SPECIAL FLOODPLAIN MAPPING CONSIDERATIONS

The mapping along Lynchburg Creek is primarily designated as Zone AE floodplain with Floodway. Floodways were mapped for the reaches of stream with current floodways delineated on the Denton County FIRM panels for Lynchburg Creek, Stream LC-1, and Stream GS-1. The Floodway along Stream LC-1 extends from the confluence with Lake Lewisville to the upstream limit about 350 feet downstream of pond at Lakeside Drive. The current effective mapping along Stream LC-1 is Zone AE. The Floodway along Stream GS-1 extends from the confluence with Lake Lewisville to the upstream limit downstream of Sunny Oak Lane. The current effective mapping along Stream GS-1 is Zone AE.

The Floodway along Lynchburg Creek extends from the confluence with Lake Lewisville to the upstream limit approximately 1,100 feet upstream of Silvermeadow Lane. The current effective mapping along Lynchburg Creek is as Zone AE floodplain from Stapler Drive to Corinth Street and Zone A from Corinth Street to Dundee Drive. There is also a 0.2%-annual-chance floodplain for Lynchburg Creek that extends to Silvermeadow Lane. Three lateral structures were modeled along the left overbank between cross sections 18959 to 17890, 17890 to 17695, and 17695 to 16604 to model flow through a low lying neighborhood. This area of floodplain is recommended to be designated Zone AO for shallow three foot depth flooding.

New floodways were mapped for Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 2, Lynchburg Creek Tributary 3, Lynchburg Creek Tributary 4, and Unnamed Tributary 2.

# G. BASE FLOOD ELEVATIONS (BFES)

The BFEs were generated along all streams based on the HEC-RAS model output data. They are no longer part of FEMA's regulatory products but were created for the benefit of the City.

#### H. DEPTH GRIDS

Flood Depth & Analysis Grids (DAGs) will be developed for the study watersheds as part of the "Develop Non-Regulatory Products" task included in this Mapping Activity Statement. The Non-Regulatory Product deliverables will be summarized and submitted in the separate City of Corinth CTP Flood Risk Report.

## I. **DFIRM DATABASE**

All digital files created as part of the hydrologic, hydraulic and floodplain analysis have been included in an ESRI formatted geodatabase located in Appendix C.

# VI. EXCEPTIONS

# A. EXPLANATION OF EXCEPTIONS FROM THE SCOPE OF WORK AND/OR STANDARD PROCEDURES

This section documents exceptions to the Scope of Work for the Survey, Hydrologic and Hydraulic Analyses, and Floodplain Mapping tasks, as well as FEMA study standards, FEMA Guidelines and Specifications, or to the procedures described above.

#### **B. Scope of Work Exceptions**

#### a. Survey

Areas that were not surveyed include: Meadows Oak culvert on Unnamed Tributary 2, Stream GS-1 outlet at S. Shady Shores Rd., DCTA Railroad crossing on Lynchburg Creek Tributary 2, the driveway culvert upstream of the pond on Lynchburg Tributary 1, and the outlet spillway for the pond on Lynchburg Tributary 1.

- Structures that were not surveyed were modeled via field inspection and checked with previous modeling.
- As-built TxDOT plans for I35E through the City of Corinth were referenced and used for the HEC-RAS model of Lynchburg Creek.

# b. Hydrologic Analysis

- Two (2) ponds were included as part of the existing hydrologic analysis because they
  were part of the previous study's hydrologic model. The ponds are located on
  Lynchburg Creek Tributary 1 and the headwater of Lynchburg Creek.
- As a result of the hydrologic analysis, the discharges adopted in the hydraulic analysis are based on the existing land use conditions.
- Detailed stream miles reported in MAS No. 9 were based on those contained in the Denton County Effective DFIRM database. For the purposes of this 2017 restudy, stream centerlines were adjusted based on updated topography, channel survey data, and detailed study limits specified by the City of Corinth and Town of Shady Shores. As a result, reported stream miles slightly differ from those contained in MAS No. 9.

# c. Hydraulic Analysis

- As-built plans received from the City of Corinth for the expansion of I35E dated March 2015 were used to model the culverts at the interstate.
- The Lake Vista Business Park was modeled using the plans provided by the City of Corinth. Contours in this area were based on the plans including the wall along the business park.

# d. Floodplain Mapping

• The floodplains are connected through bridges whether the bridge is overtopped or not per FEMA Mapping guidance. The profile should be referenced to determine if a bridge is overtopped as the mapping will always be connected. The floodplains through culverts are reflective of the conditions through the culvert. If the culvert is not overtopped, the floodplain will be disconnected on either side of the culvert unless flows overtop the road crossing away from the culvert.

 In some cases, flow through dam spillways located in the overbanks was not initially reflected in the mapping. The floodplains were adjusted to connect dam spillways through to the downstream channel where necessary.

# e. Data Capture Standards (DCS) Submittal

The data submitted for this study follows the 2015 FEMA standards for Flood Risk Analysis and Mapping. All required spatial files and tables, as listed in the Mapping Information Index in Appendix A, were submitted and uploaded to FEMA's study-centric folder on the MIP with the exception of those listed in Table LYN-12 below.

Tuble ETIV 12 Des Thes Not included						
DCS Feature or Table	Exception					
S_Gage	This layer was not populated since the study contained no gage data.					
S_HWM	This layer was not populated since the study contained no high water marks.					
S_Riv_Mrk	This layer was not populated since the study contained no river marks.					
S_Alluvial_Fan	This layer was not populated since the study did not include any modeling of alluvial fans.					
S_Cst_Tsct_Ln	This layer was not populated because the watershed is not located in a coastal zone.					
L_Cst_Model	This layer was not populated because the watershed is not located in a coastal zone.					
S_Cst_Gage	This layer was not populated because the watershed is not located in a coastal zone.					
S_Tsct_BasIn	This layer was not populated because the watershed is not located in a coastal zone.					
S_CBRS	This layer was not populated because the watershed is not located in a coastal zone.					
S_PFD_Ln	This layer was not populated because the watershed is not located in a coastal zone.					
S_LiMWA	This layer was not populated because the watershed is not located in a coastal zone.					
L_Cst_Struct	This layer was not populated because the watershed is not located in a coastal zone.					

Table LYN-12 — DCS Files Not Included

# VII.INFORMATION FOR THE NEXT MAPPING PARTNER

#### A. Information for the Next Mapping Partner

All data is available on FEMA's MIP, Case No 16-06-3568S.

#### B. METHODOLOGIES USED

All study methodologies used are standard according to current FEMA Guidelines and Specifications.

# C. Additional Issues or Suggestions

There are no additional issues or suggestions within the Lynchburg Creek Watershed.

**Table LYN-13— Lynchburg Creek Floodplain Boundary Standard Audit Report** 

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Lynchburg Creek Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA Case 16-06-3568S)

5. Reviewer & Date (list all reviews completed before final approval)					
Katy Onley	8/10/2017				
6. Final Approver & Date					
Angela Davidson	8/11/2017				

7.11	8. Description	9. Results		10.5
7. Number		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Lynchburg Creek Watershed	
2	Total stream length audited		3.59 Miles	
3	Number of floodplain boundary points audited		611	
4	Number of floodplain boundary points passed		599	
5	Number of floodplain boundary points failed		12	
6	Overall pass/fail percentages for	Pass:	Pass: 98.04%	
0	study audit risks	Fail:	Fail: 1.96%	
7	Stream Name and length that passed audit		Lynchburg Creek – 3.52 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		CTCOG CTP are in	Signed:	Angela Davidson

Table LYN-13 — Lynchburg Creek Tributary 1 Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Lynchburg Creek Tributary 1 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA

5. Reviewer & Date (list all reviews completed before final approval)			
Katy Onley	8/10/2017		
6. Final Approver & Date			
Angela Davidson	8/11/2017		

7.11	8. Description	9. Results		10.5
7. Number		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Lynchburg Creek Tributary 1 Watershed	
2	Total stream length audited		0.33 Miles	
3	Number of floodplain boundary points audited		58	
4	Number of floodplain boundary points passed		58	
5	Number of floodplain boundary points failed		0	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 100.00%	
O		Fail:	Fail: 0.00%	
7	Stream Name and length that passed audit		Lynchburg Creek Tributary 1 — 0.33 Miles	
Flood ma compliance	Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson

# Table LYN-13 — Lynchburg Creek Tributary 2 Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Lynchburg Creek Tributary 2 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA

5. Reviewer & Date (list all reviews completed before final approval)			
Katy Onley	8/10/2017		
6. Final Approver & Date			
Angela Davidson	8/11/2017		

	8. Description	9. Results		40.6
7. Number		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Lynchburg Creek Tributary 2 Watershed	
2	Total stream length audited		0.76 Miles	
3	Number of floodplain boundary points audited		132	
4	Number of floodplain boundary points passed		131	
5	Number of floodplain boundary points failed		1	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 99.24%	
0		Fail:	Fail: 0.86%	
7	Stream Name and length that passed audit		Lynchburg Creek Tributary 2 – 0.75 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps			Signed:	Angela Davidson

Table LYN-13 — Lynchburg Creek Tributary 3 Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Lynchburg Creek Tributary 3 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA

5. Reviewer & Date (list all reviews completed before final approval)			
8/10/2017			
8/11/2017			

7 Novel	8. Description	9. Results		10.6
7. Number		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Lynchburg Creek Tributary 3 Watershed	
2	Total stream length audited		0.51 Miles	
3	Number of floodplain boundary points audited		70	
4	Number of floodplain boundary points passed		70	
5	Number of floodplain boundary points failed		0	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 100.00%	
O		Fail:	Fail: 0.00%	
7	Stream Name and length that passed audit		Lynchburg Creek Tributary 3 — 0.51 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson	

Table LYN-13 — Lynchburg Creek Tributary 4 Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Lynchburg Creek Tributary 4 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA

5. Reviewer & Date (list all reviews completed before final approval)			
Katy Onley	8/10/2017		
6. Final Approver & Date			
Angela Davidson	8/11/2017		

7. Number	8. Description	9. Results		
		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Lynchburg Creek Tributary 4 Watershed	
2	Total stream length audited		0.23 Miles	
3	Number of floodplain boundary points audited		60	
4	Number of floodplain boundary points passed		60	
5	Number of floodplain boundary points failed		0	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 100.00%	
0		Fail:	Fail: 0.00%	
7	Stream Name and length that passed audit		Lynchburg Creek Tributary 4 — 0.23 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson	

Table LYN-13 — Unnamed Tributary 2 to Lynchburg Creek Tributary Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Unnamed Tributary 2 to Lynchburg Creek Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA Case 16-06-3568S)

5. Reviewer & Date (list all reviews completed before final approval)				
Katy Onley	8/10/2017			
6. Final Approver & Date				
Angela Davidson	8/11/2017			

7. Number	8. Description	9. Results		40.5
		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Unnamed Tributary 2 Watershed to Lynchburg Creek	
2	Total stream length audited		0.29 Miles	
3	Number of floodplain boundary points audited		57	
4	Number of floodplain boundary points passed		55	
5	Number of floodplain boundary points failed		1	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 96.49%	
		Fail:	Fail: 4.51%	
7	Stream Name and length that passed audit		Unnamed Tributary 2 – 0.27 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson	

Table LYN-13 — Stream LC-1 Floodplain Boundary Standard Audit Report

1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Stream LC-1 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA Case 16-06-3568S)

5. Reviewer & Date (list all reviews completed before final approval)				
Katy Onley	8/10/2017			
6. Final Approver & Date				
Angela Davidson	8/11/2017			

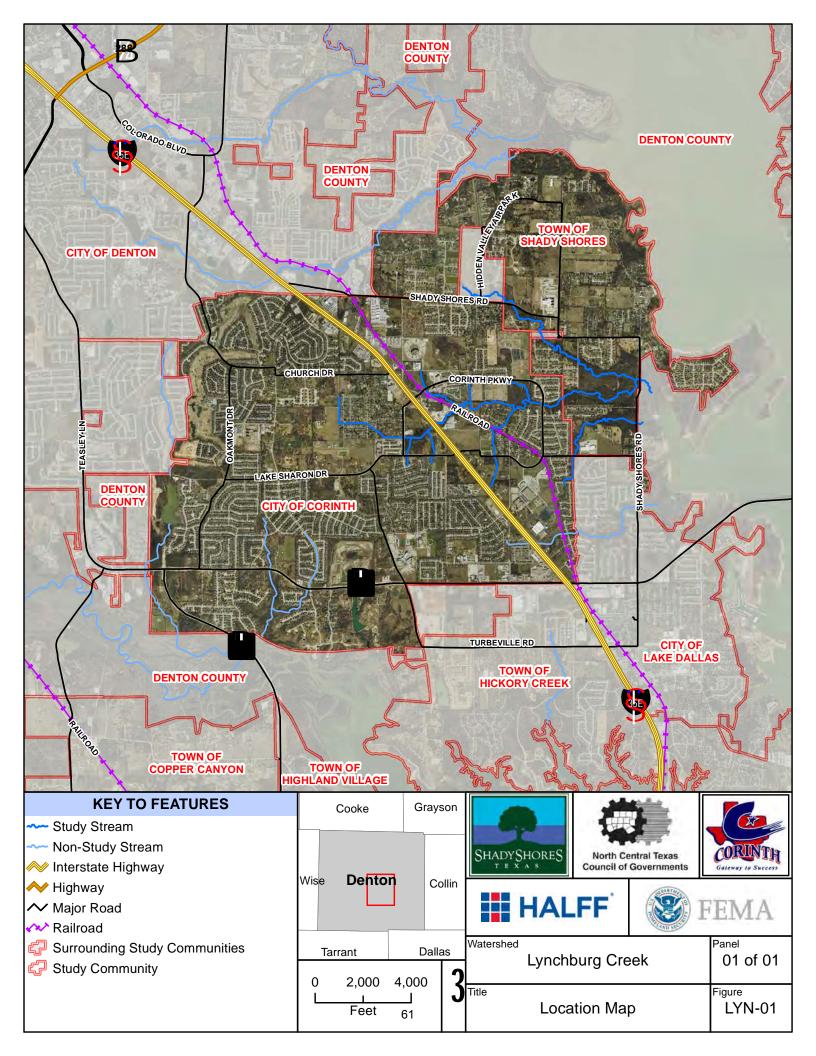
7. Number	8. Description	9. Results		40.5
		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Stream LC-1 Watershed	
2	Total stream length audited		2.13 Miles	
3	Number of floodplain boundary points audited		330	
4	Number of floodplain boundary points passed		324	
5	Number of floodplain boundary points failed		6	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 98.18%	
0		Fail:	Fail: 1.82%	
7	Stream Name and length that passed audit		Stream LC-1 — 2.09 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson	

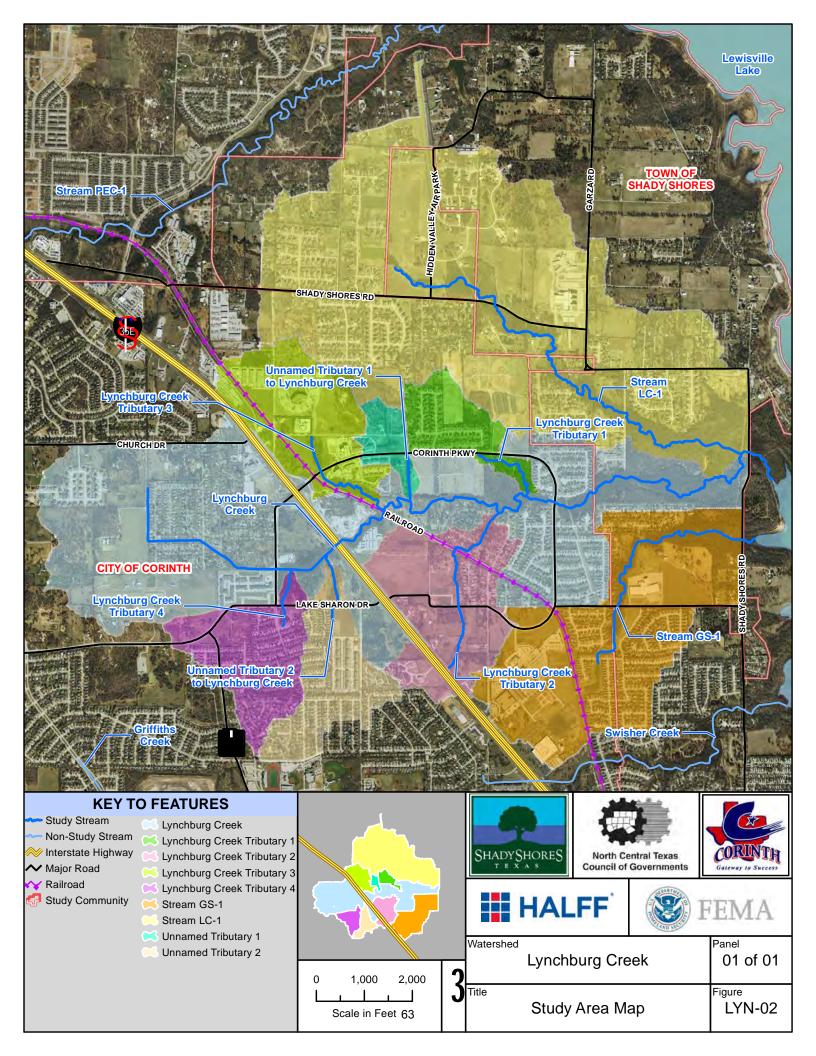
Table LYN-13— Stream GS-1 Floodplain Boundary Standard Audit Report

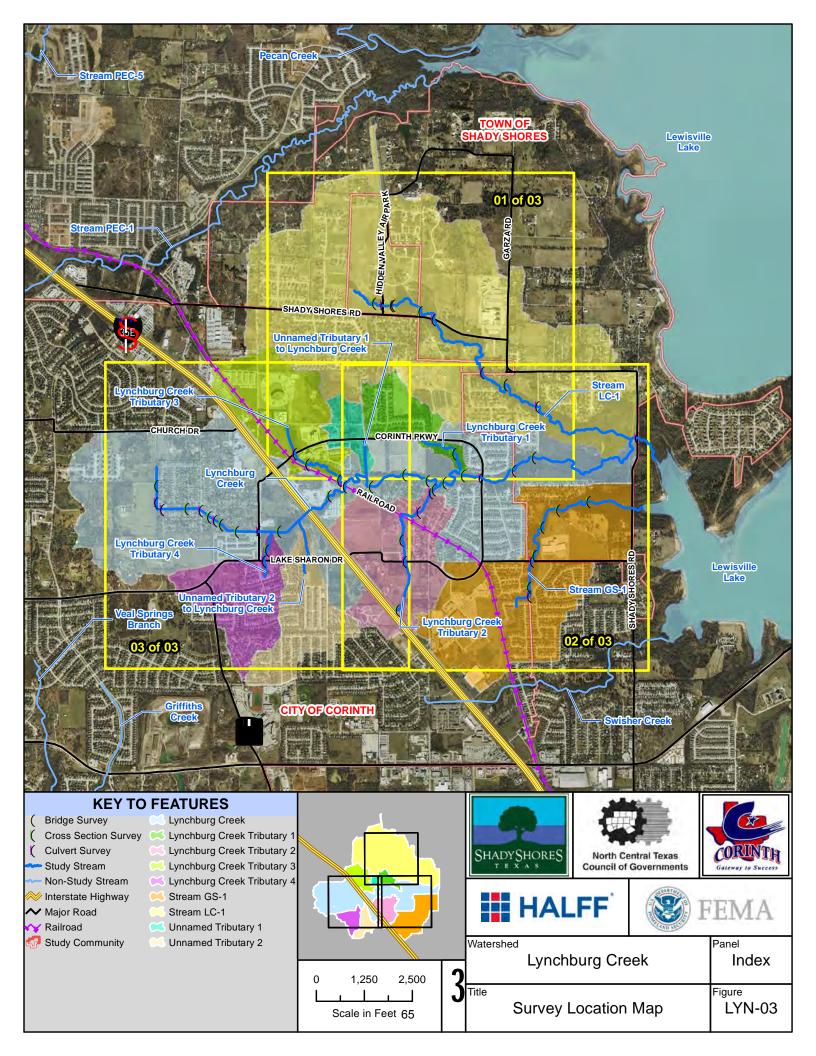
1. Review Type
GIS-Based
2. Mapping Partner
NCTCOG CTP
3. Description of Materials Reviewed
GIS-Based audit of the Stream GS-1 Watershed Floodplain (Zone AE)
Risk Class Zones: A & B
4. Reference ID
FY15 Risk MAP Project — Lynchburg Creek Watershed (FEMA Case 16-06-3568S)

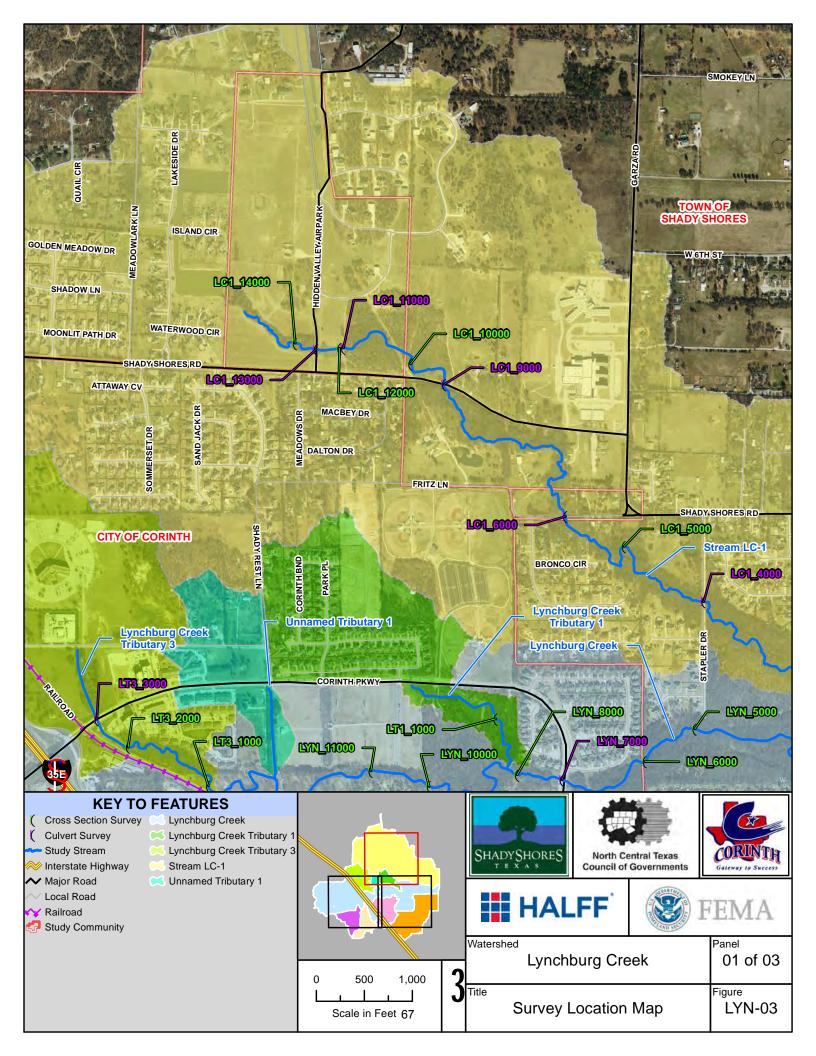
5. Reviewer & Date (list all reviews completed before final approval)				
Katy Onley	8/10/2017			
6. Final Approver & Date				
Angela Davidson	8/11/2017			

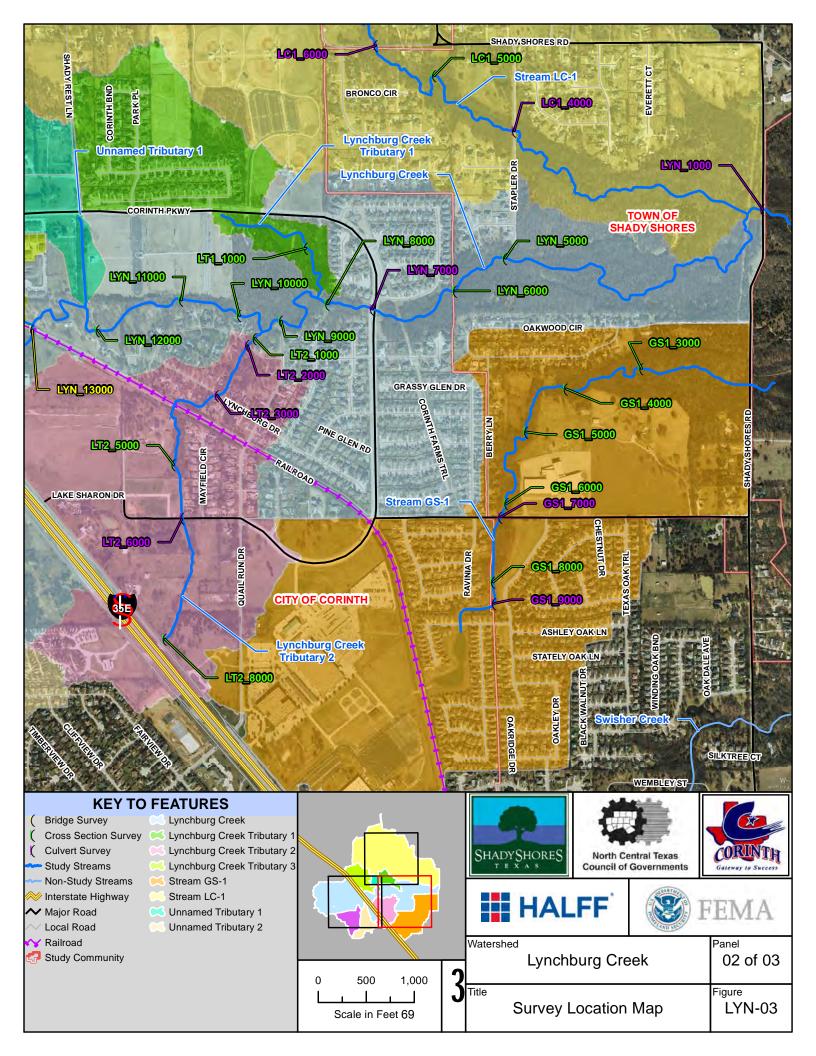
7. Number	8. Description	9. Results		40.5
		Approximate (Zone A)	Detailed (Zone AE)	10. Comments
1	Names of stream reaches audited		Stream GS-1 Watershed	
2	Total stream length audited		1.14 Miles	
3	Number of floodplain boundary points audited		183	
4	Number of floodplain boundary points passed		182	
5	Number of floodplain boundary points failed		1	
6	Overall pass/fail percentages for study audit risks	Pass:	Pass: 99.45%	
O		Fail:	Fail: 0.55%	
7	Stream Name and length that passed audit		Stream GS-1 – 1.13 Miles	
Flood map products produced for FEMA by NCTCOG CTP are in compliance with the FEMA Floodplain Boundary Standard for Flood Insurance Rate Maps		Signed:	Angela Davidson	

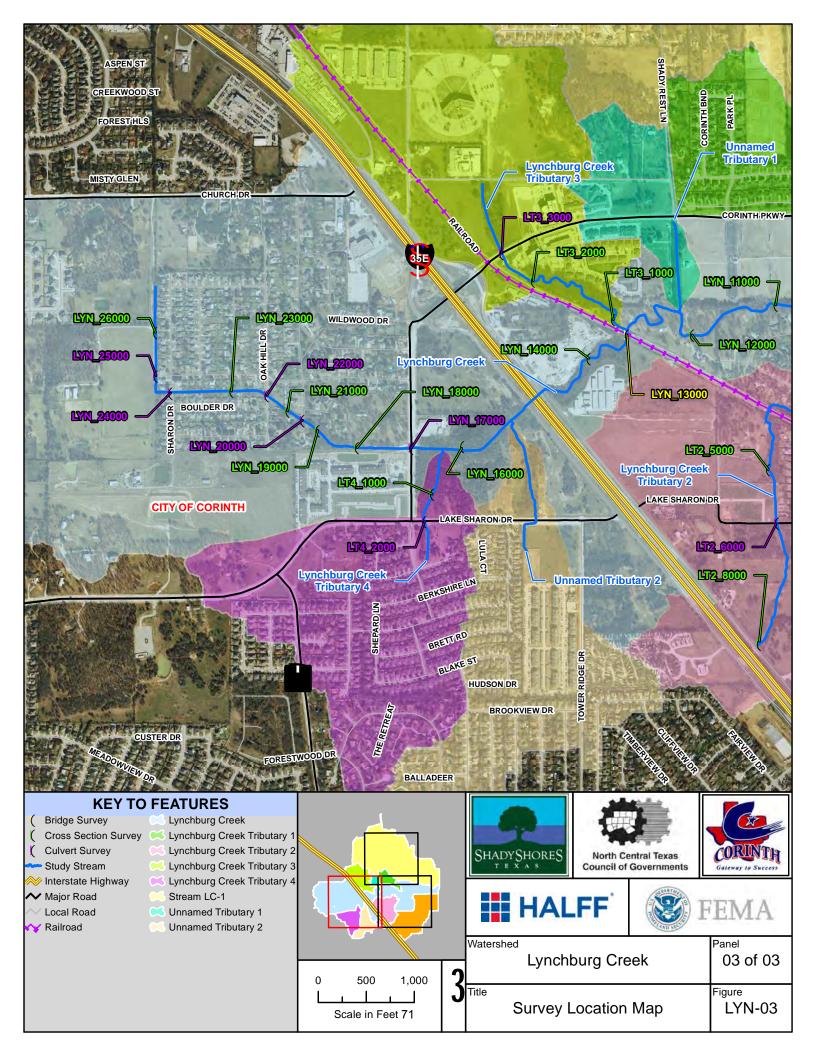


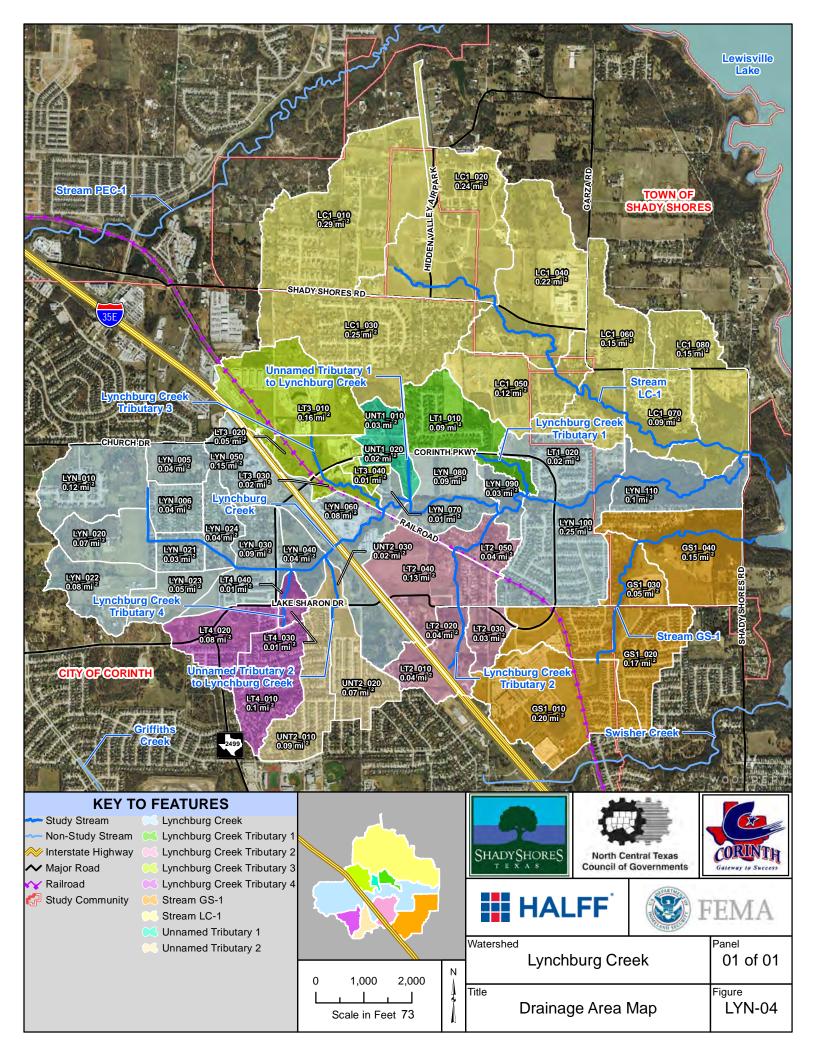


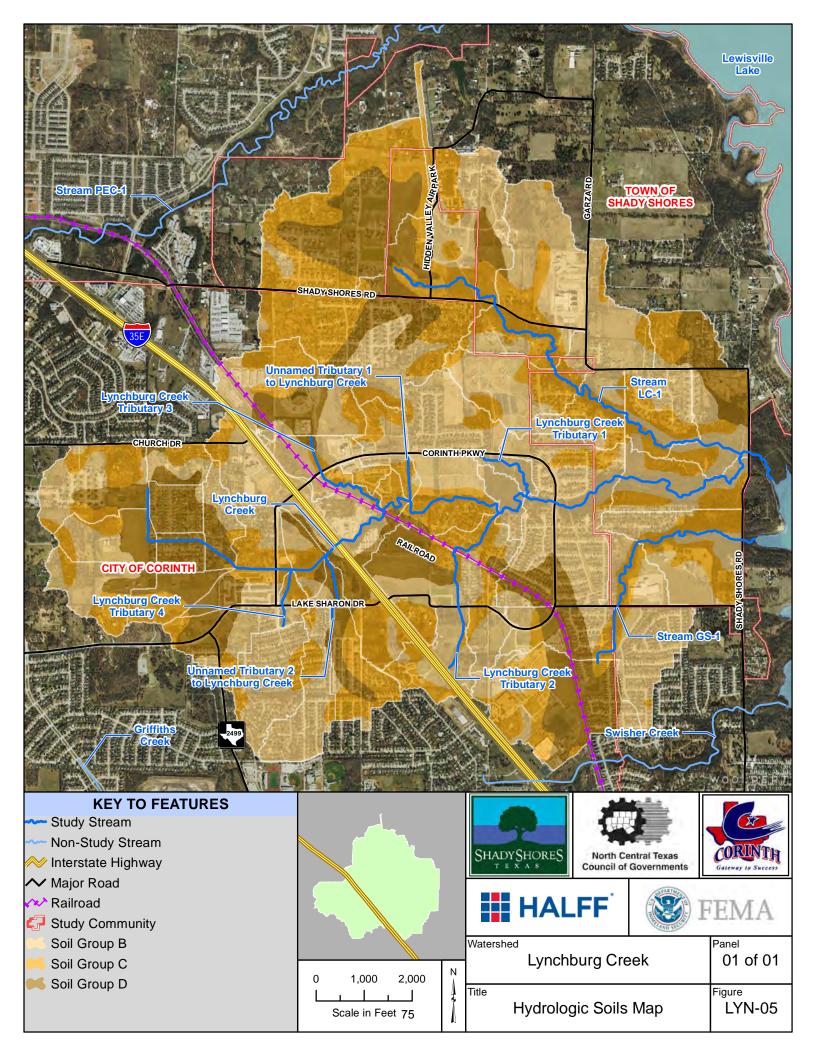


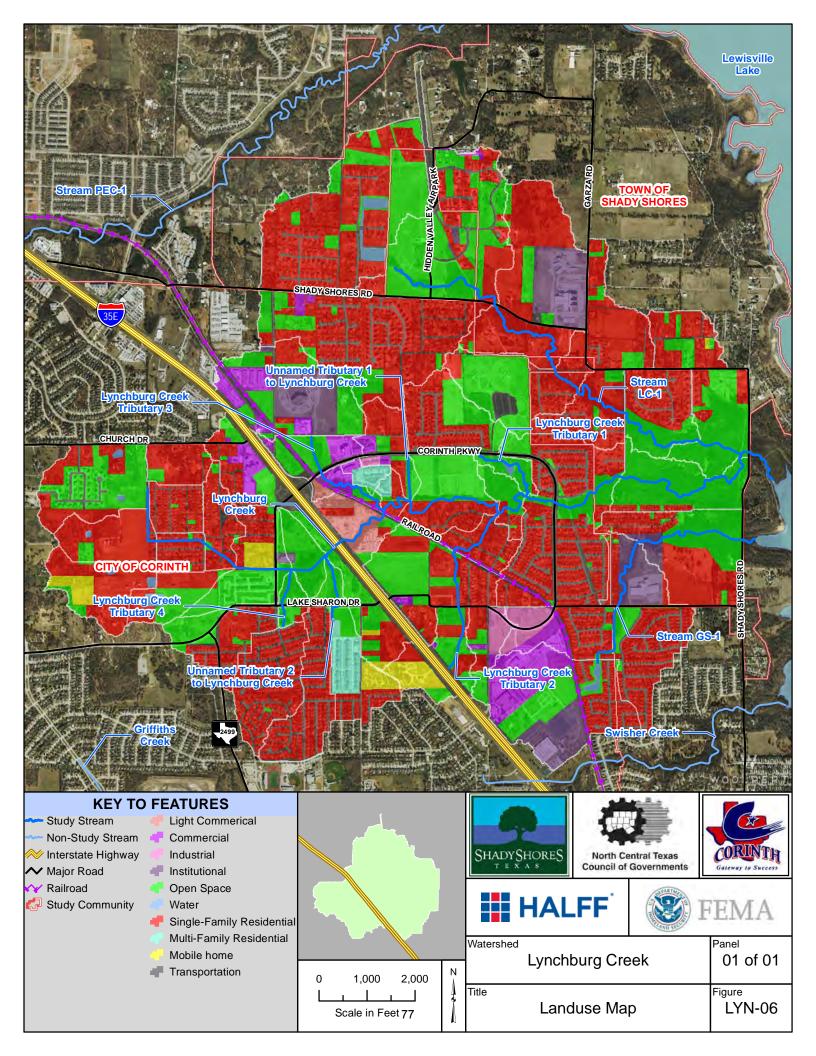












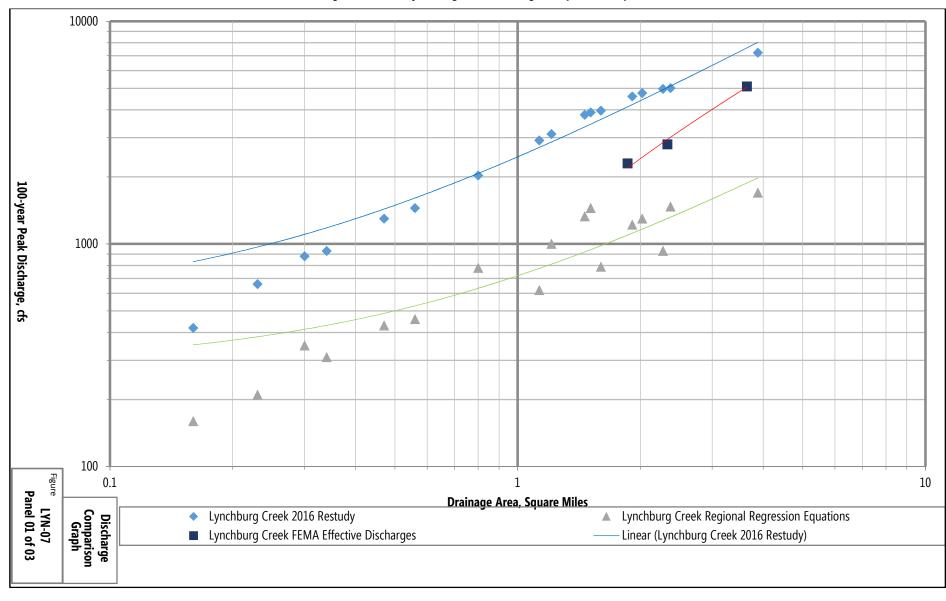


Figure LYN-07 – Lynchburg Creek Discharge Comparison Graph

NCTCOG FEMA FY15 CTP - City of Corinth, Texas and Town of Shady Shores, Texas—Lynchburg Creek Watershed				

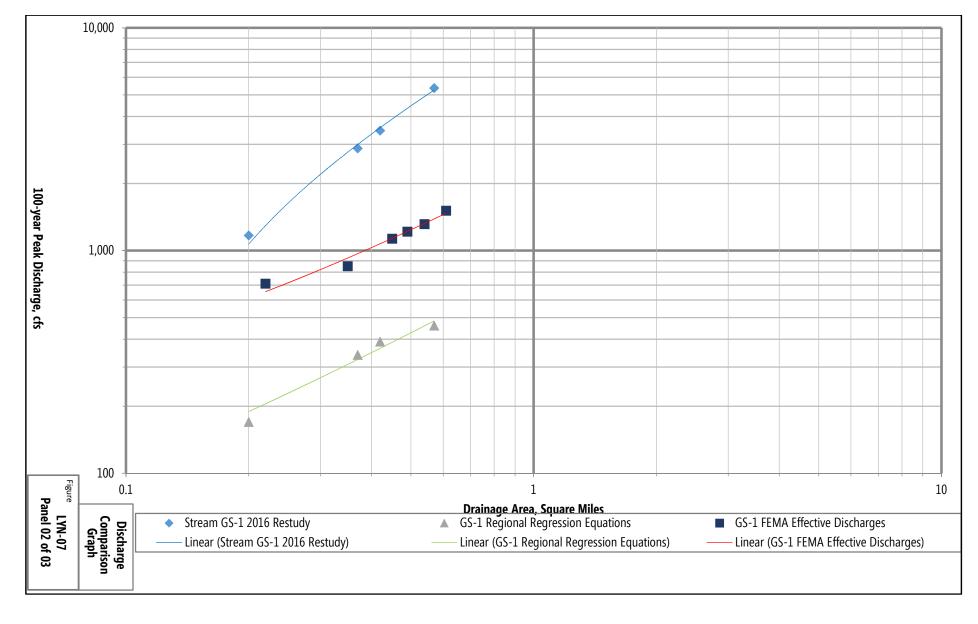


Figure LYN-07 - Stream GS-1 Discharge Comparison Graph

NCTCOG FEMA FY15 CTP - City of Corinth, Texas and Town of Shady Shores, Texas—Lynchburg Creek Watershed				

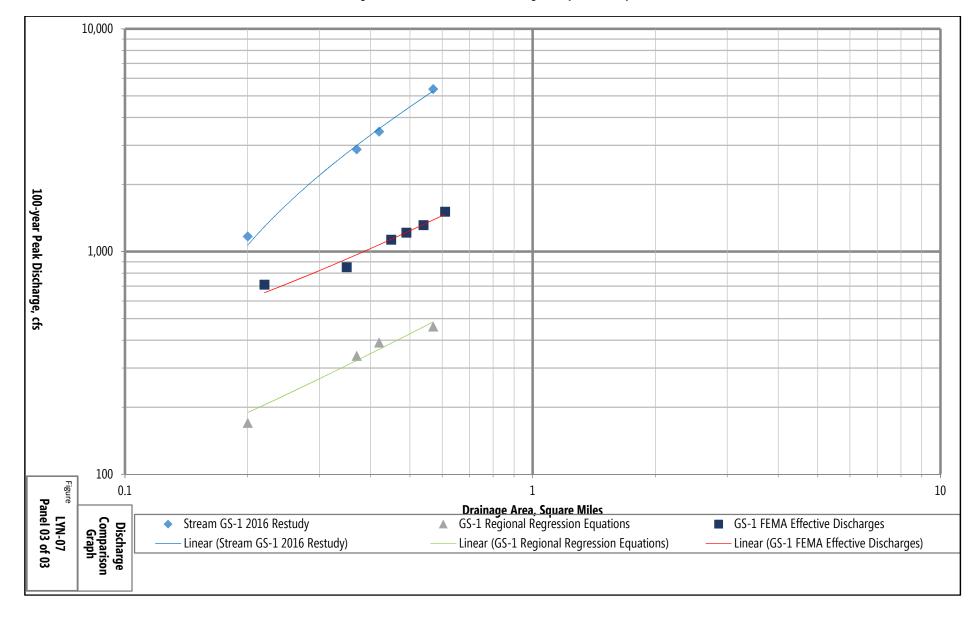
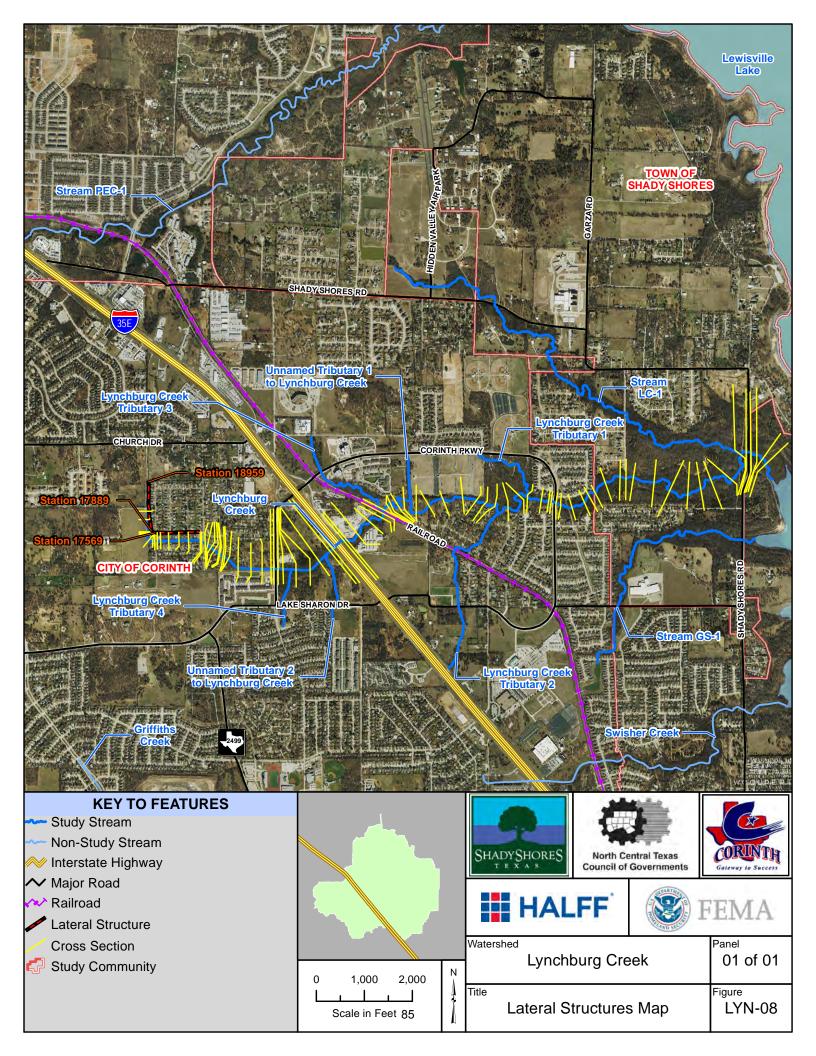
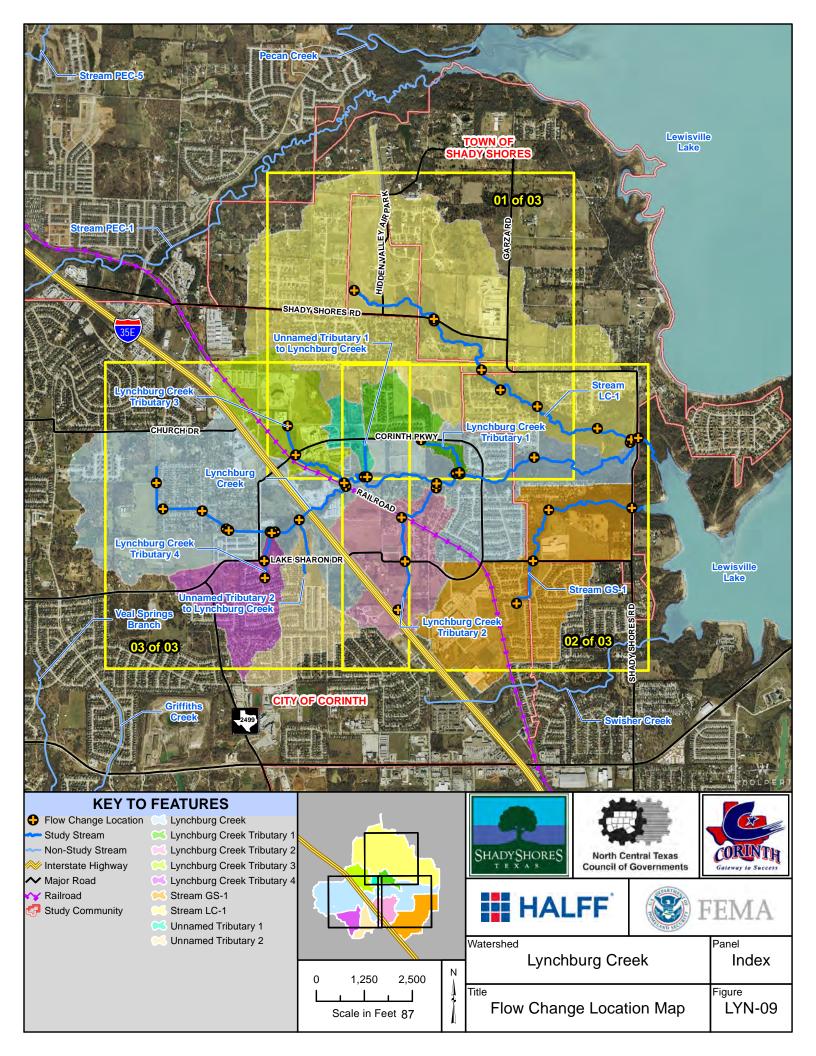
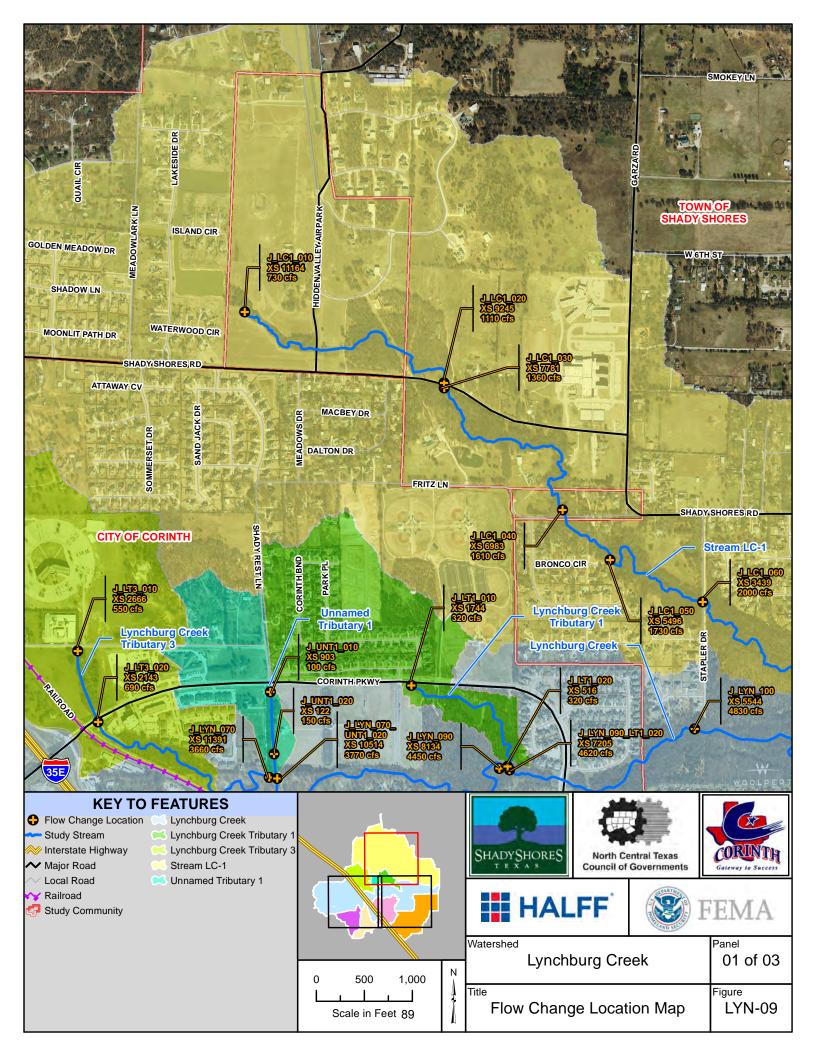


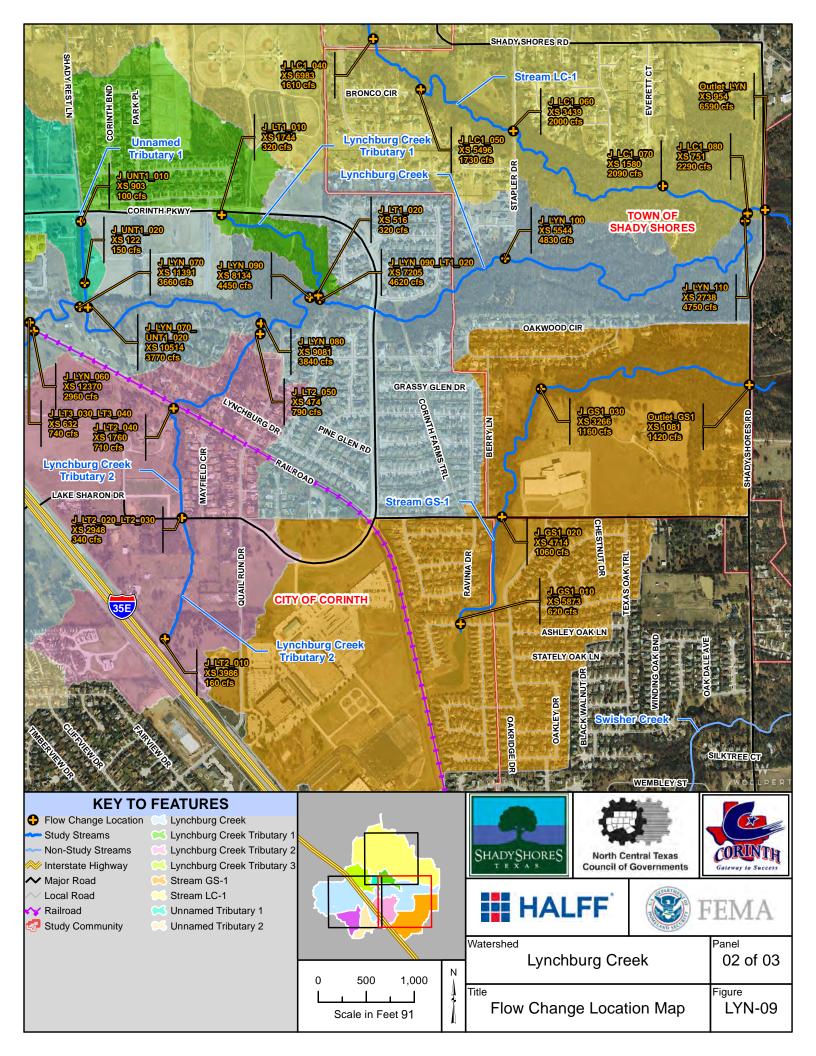
Figure LYN-07 - Stream LC-1 Discharge Comparison Graph

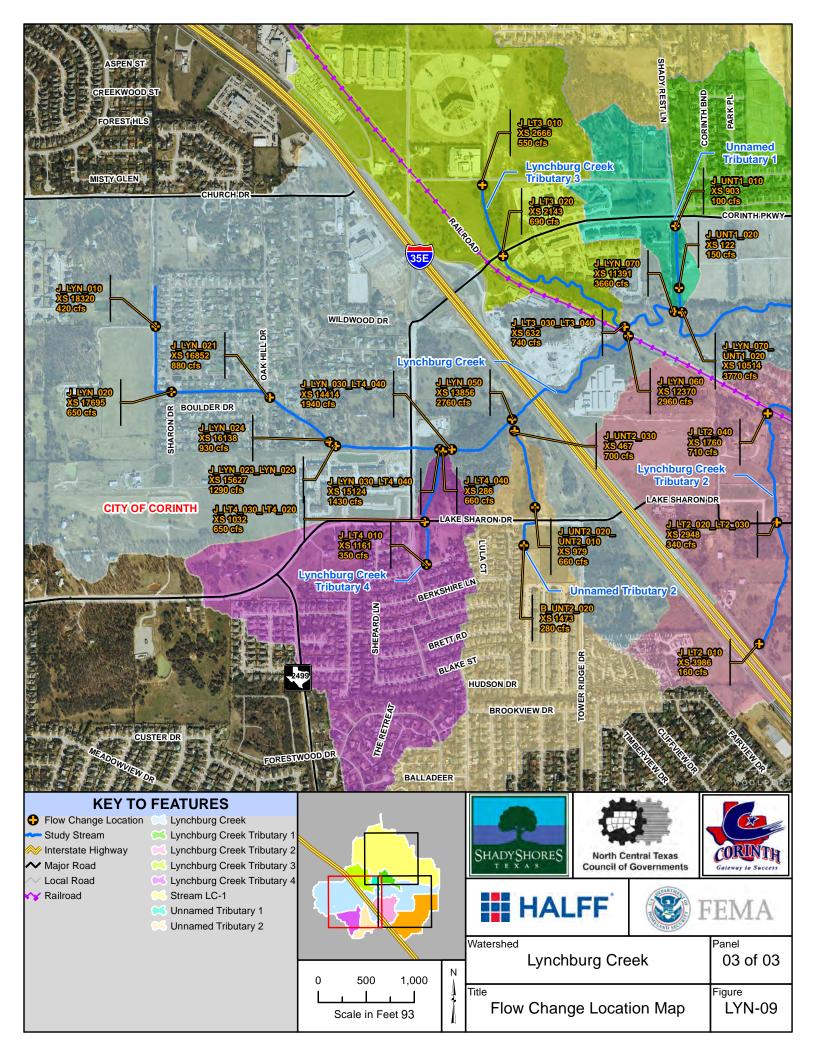


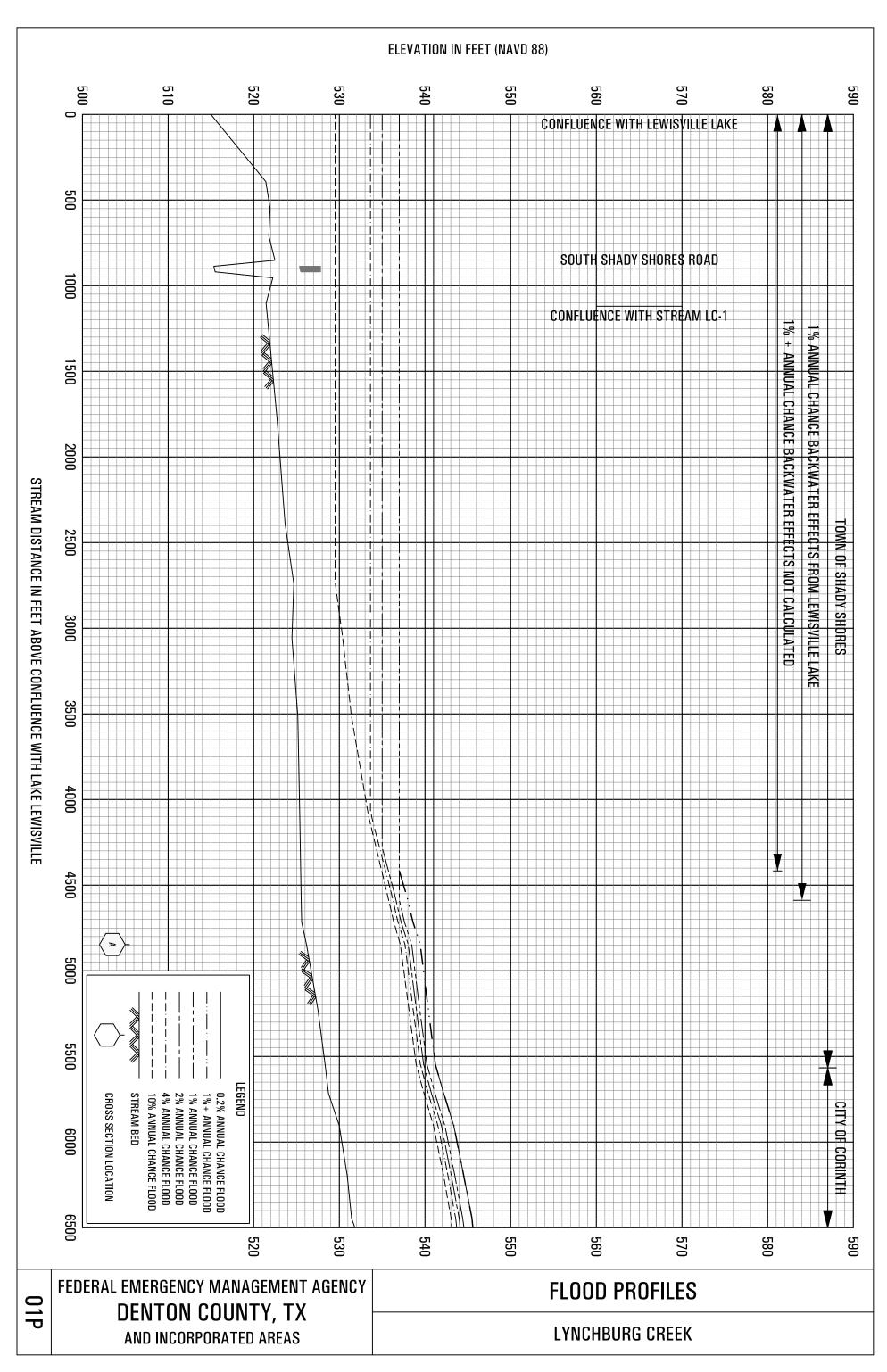


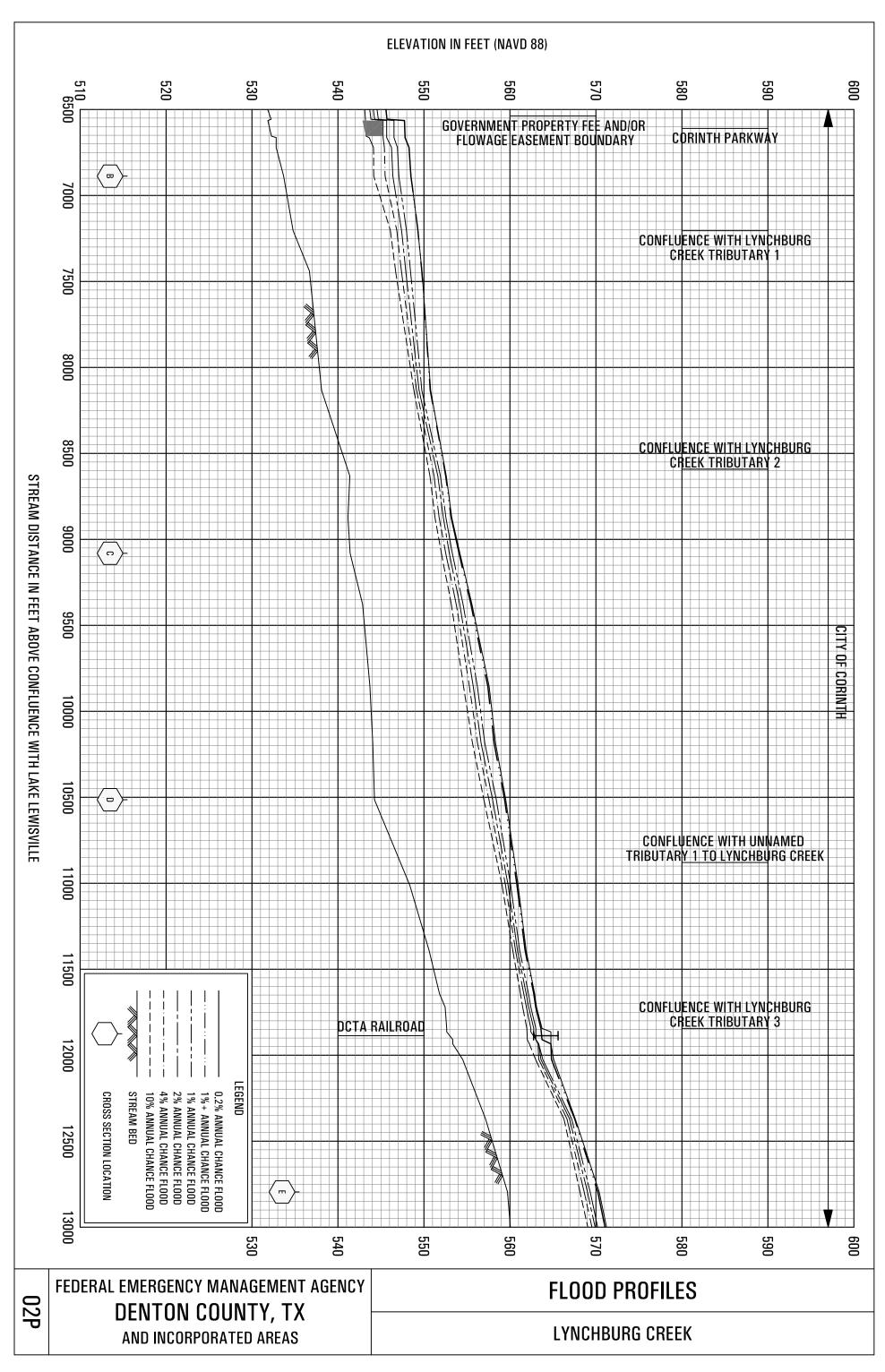


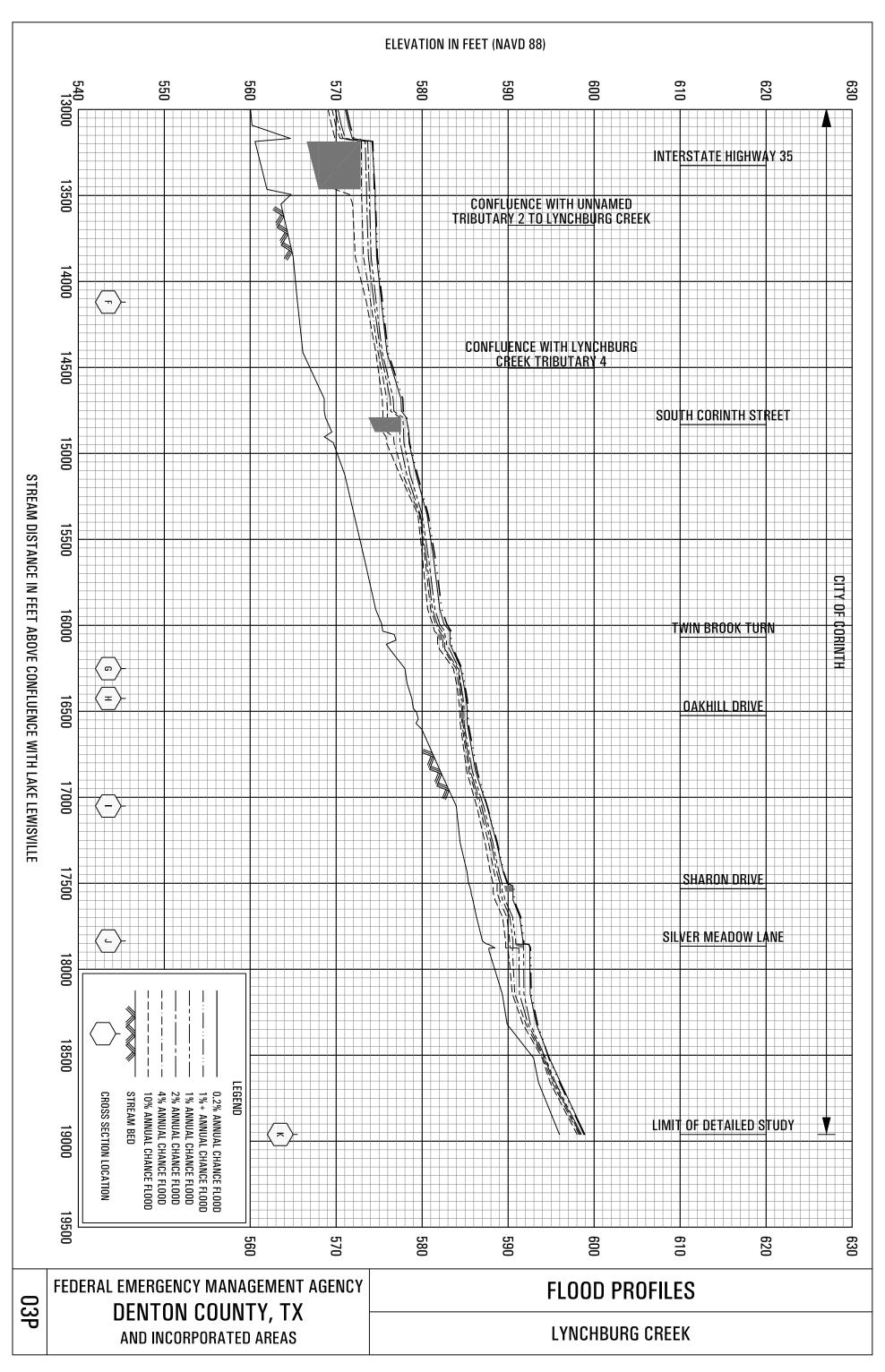


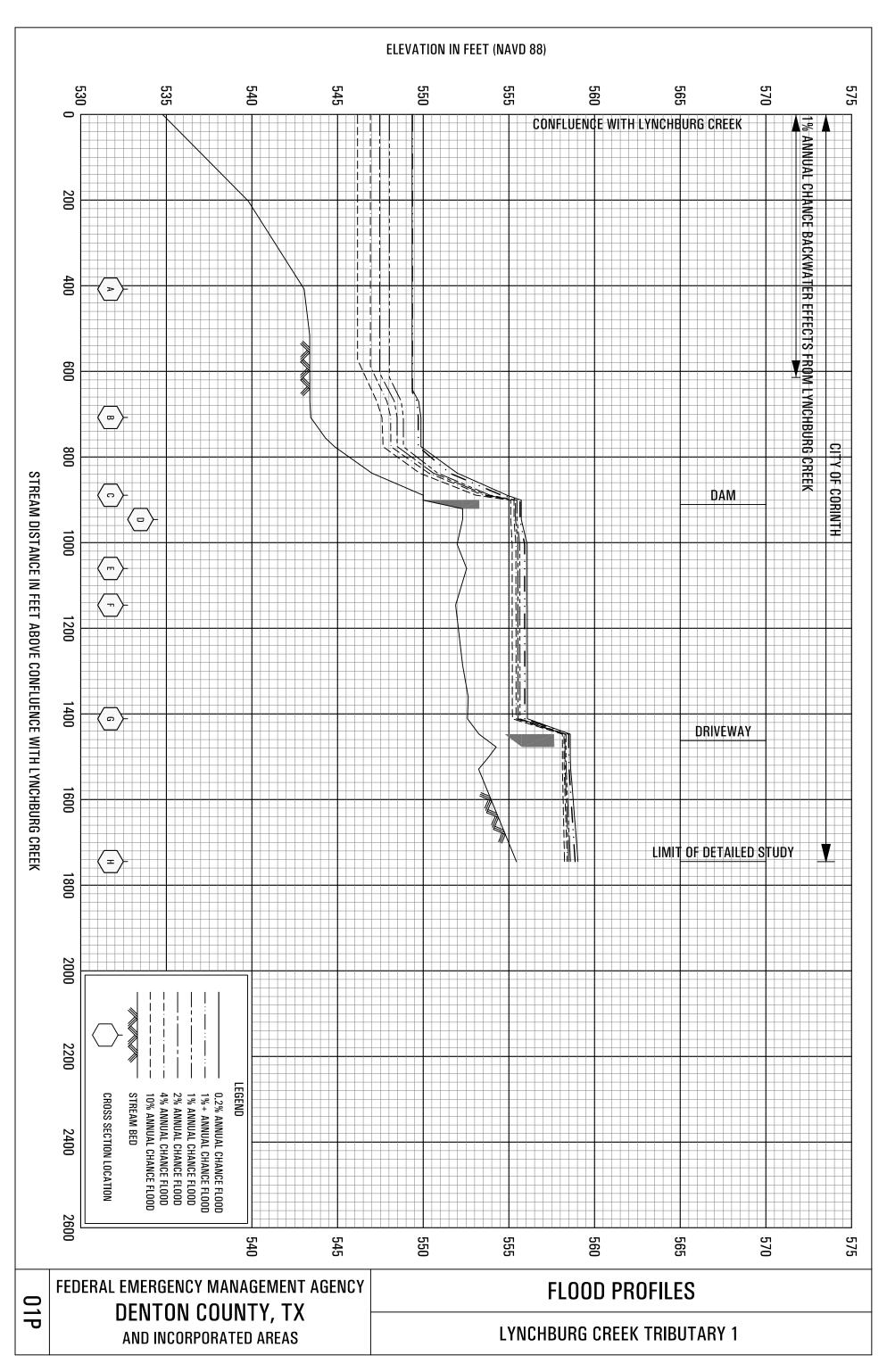


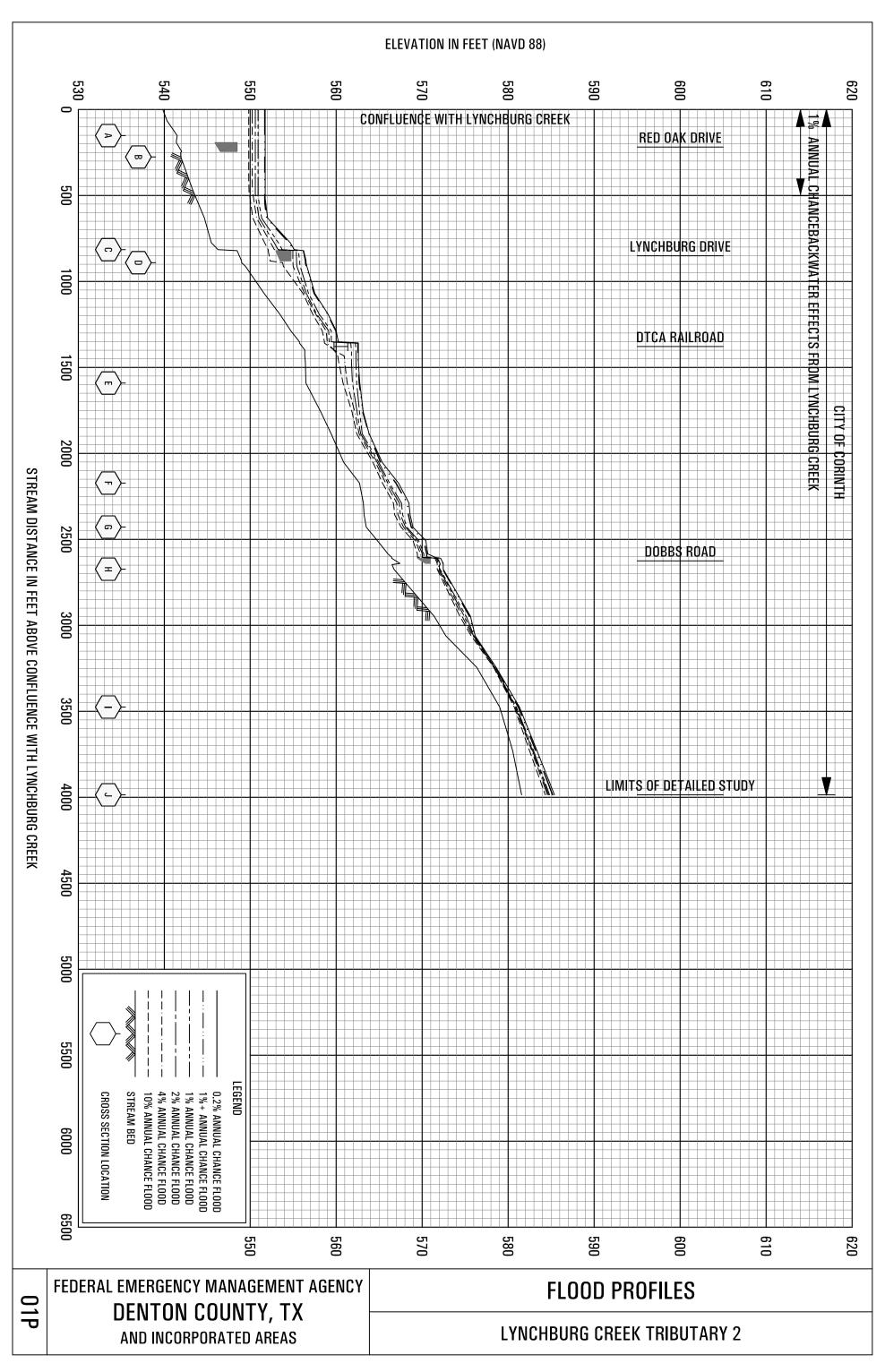


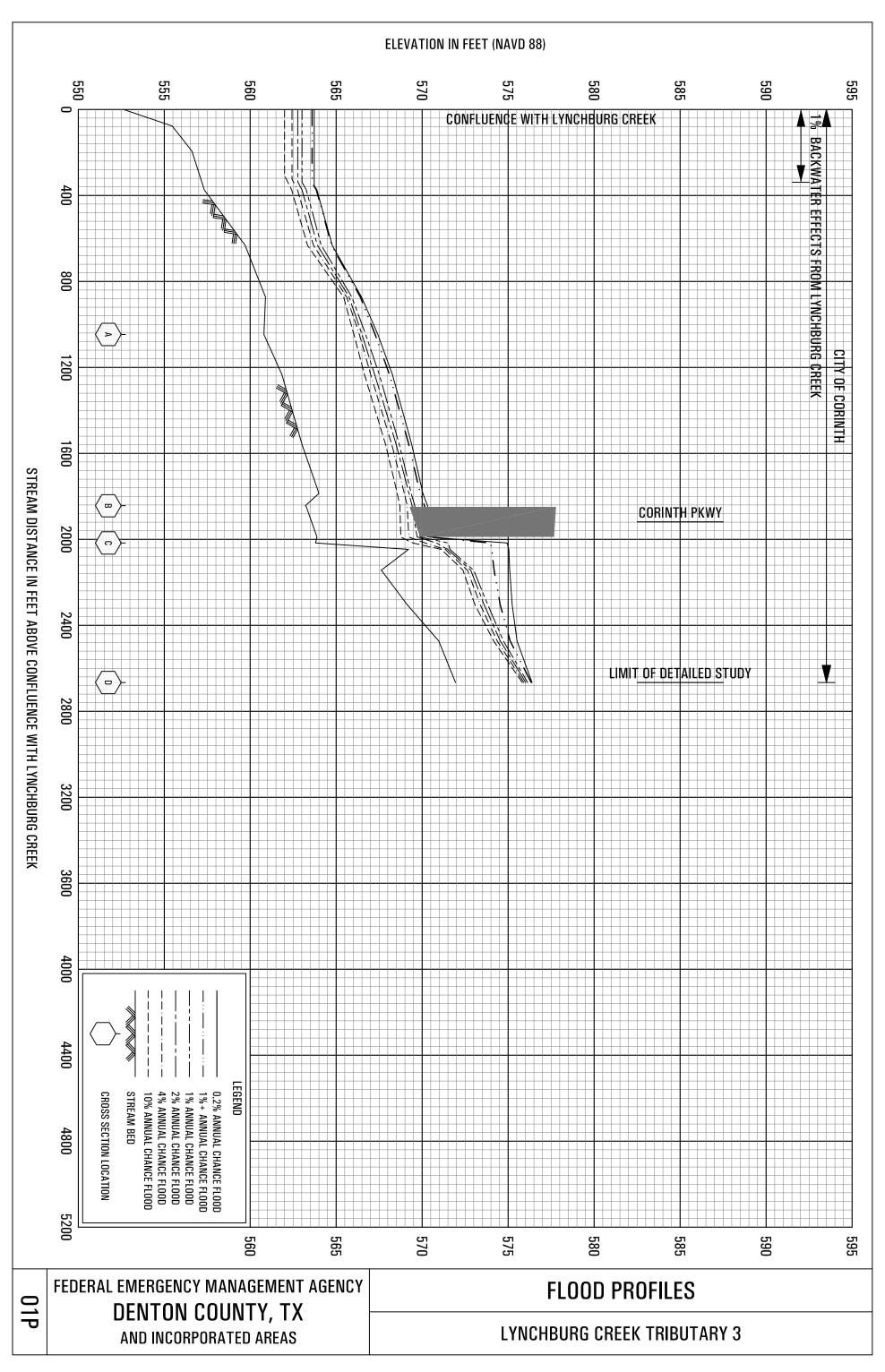


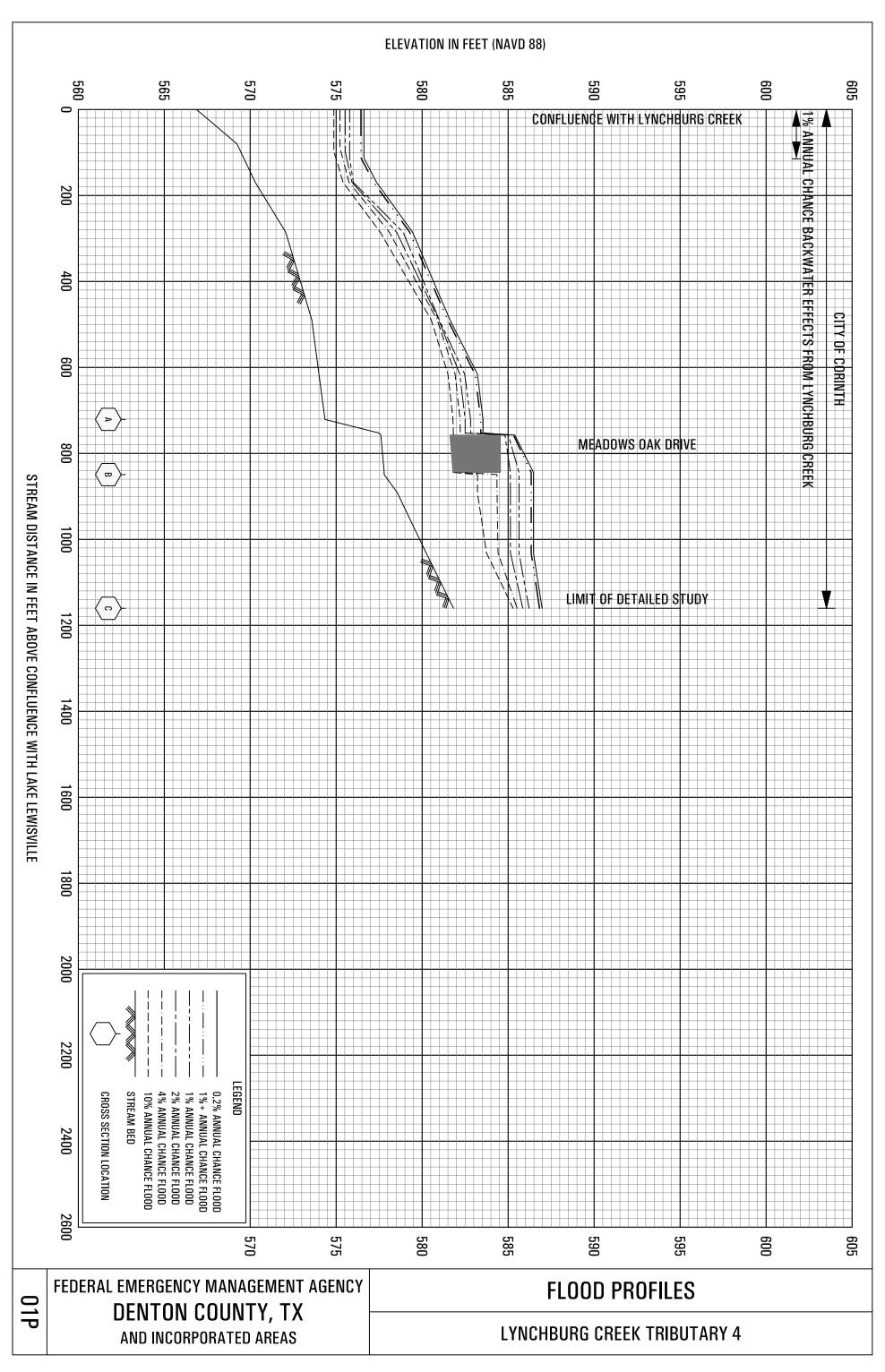


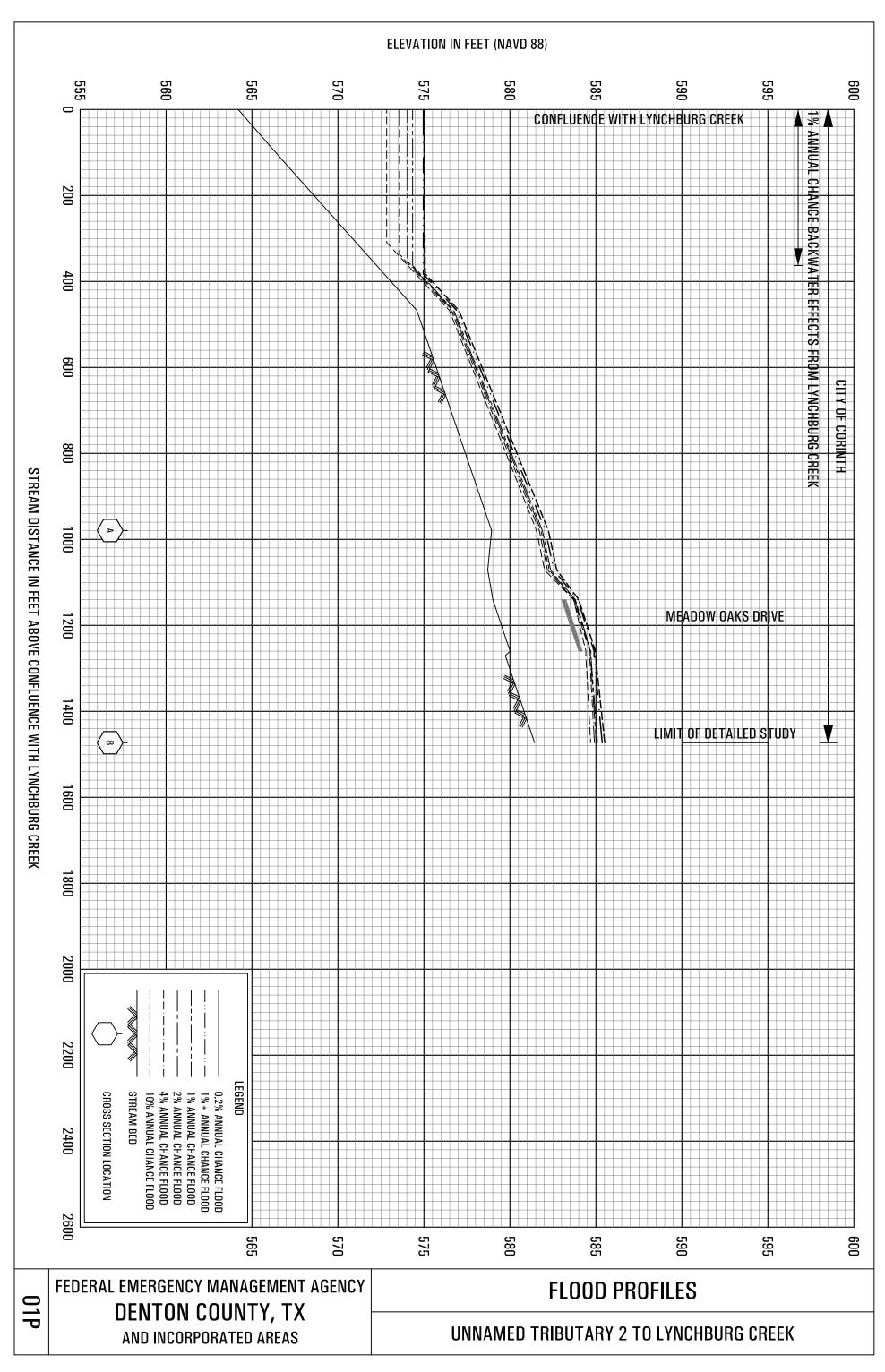


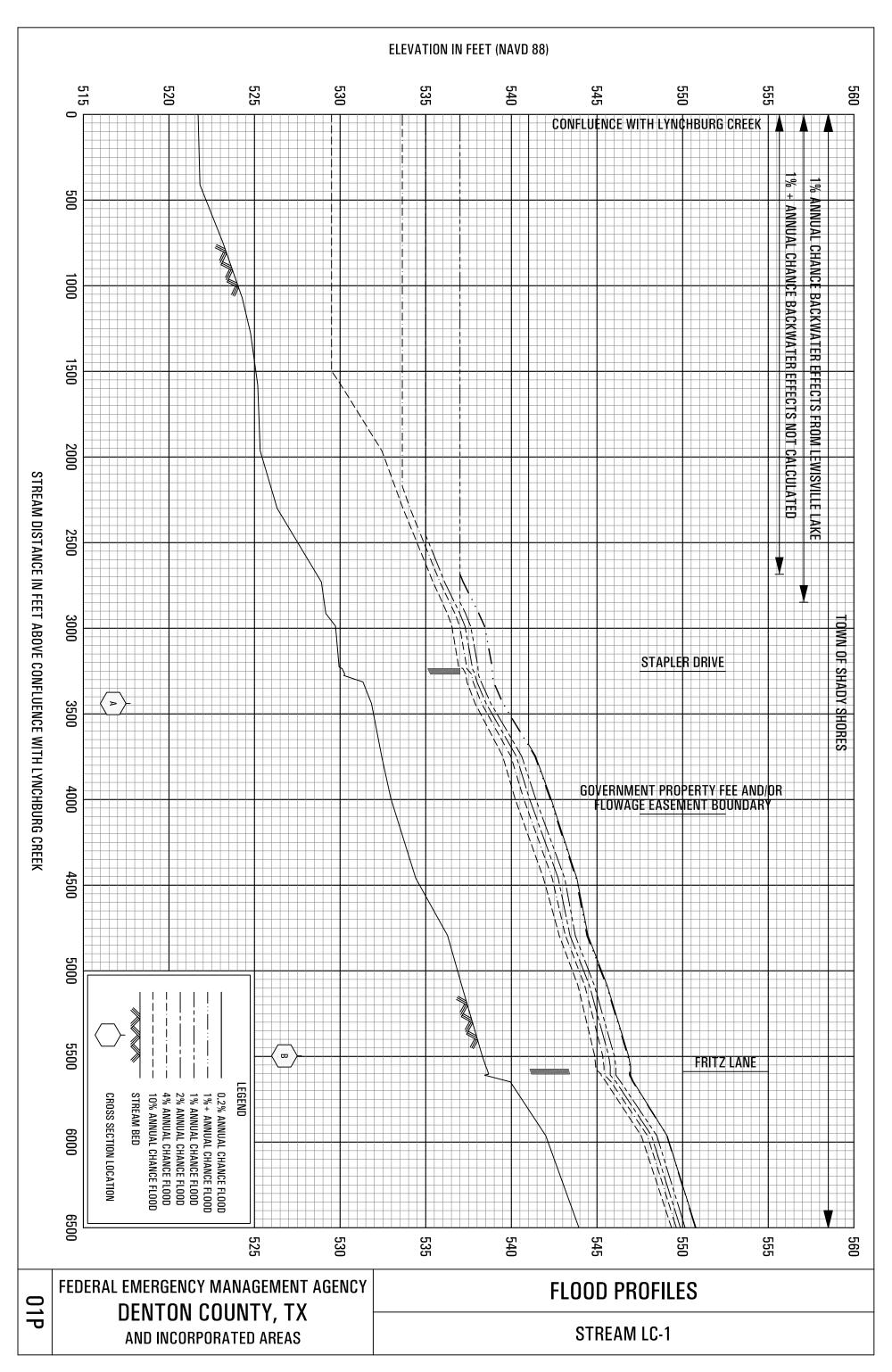


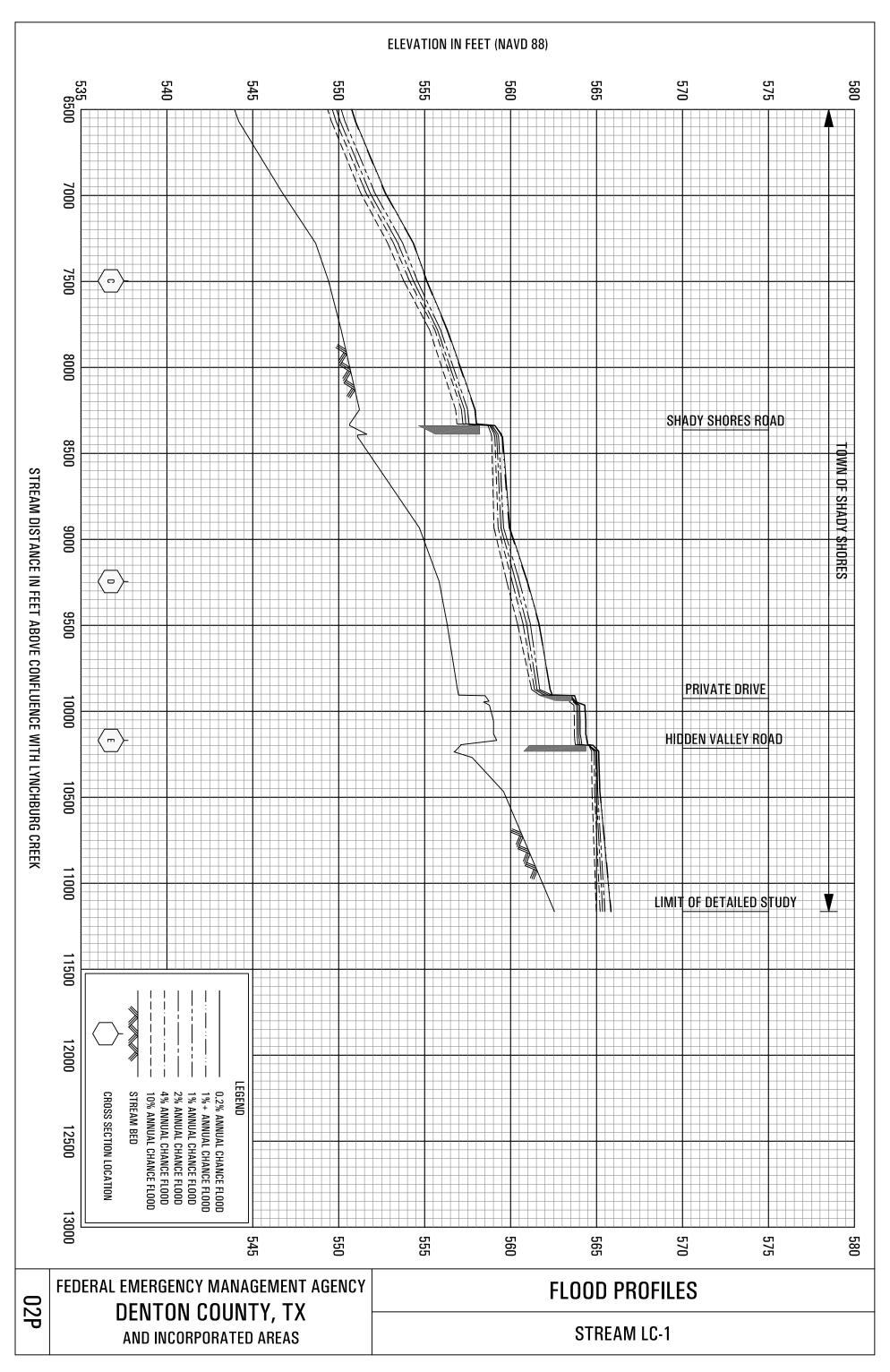


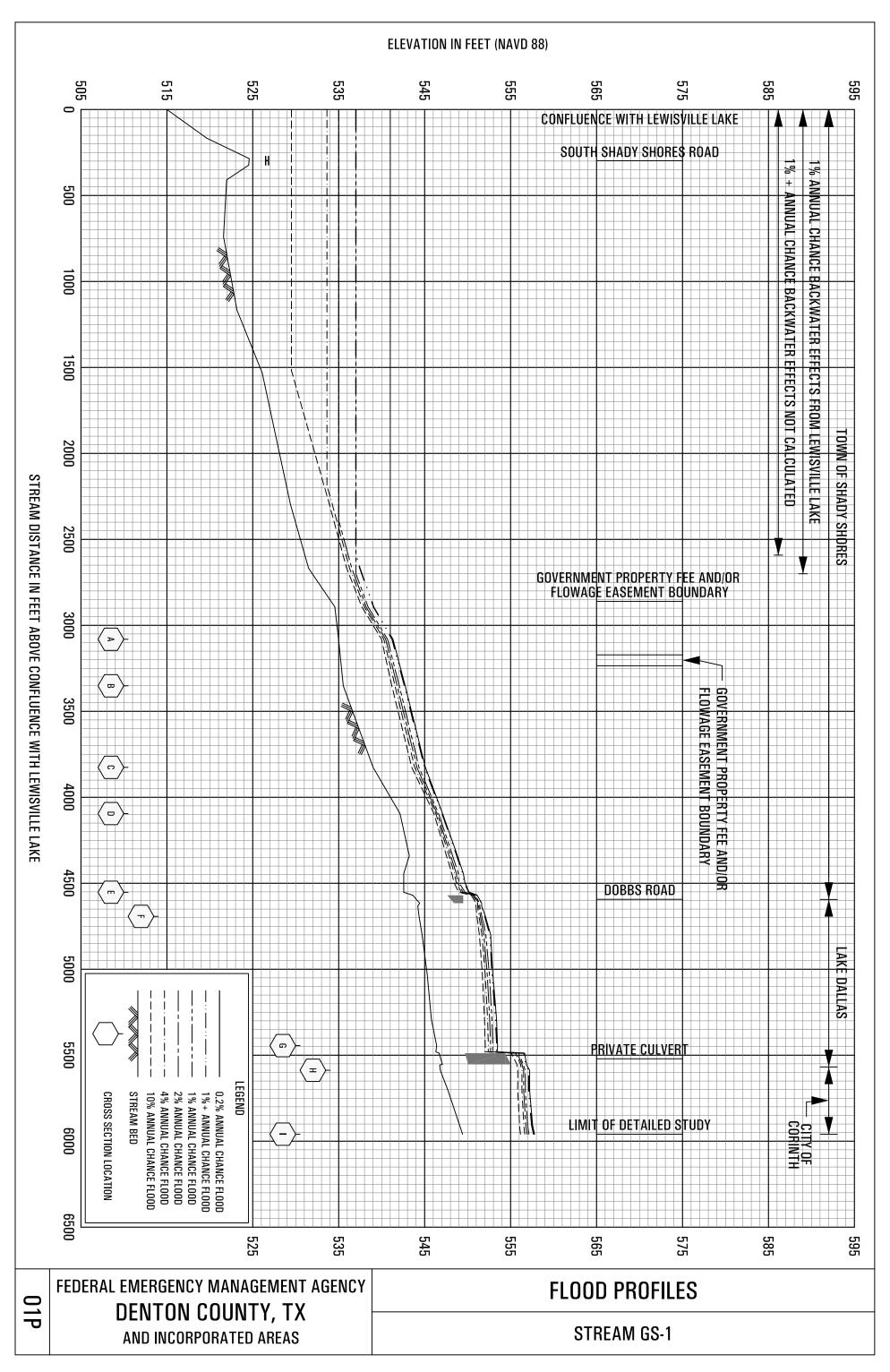


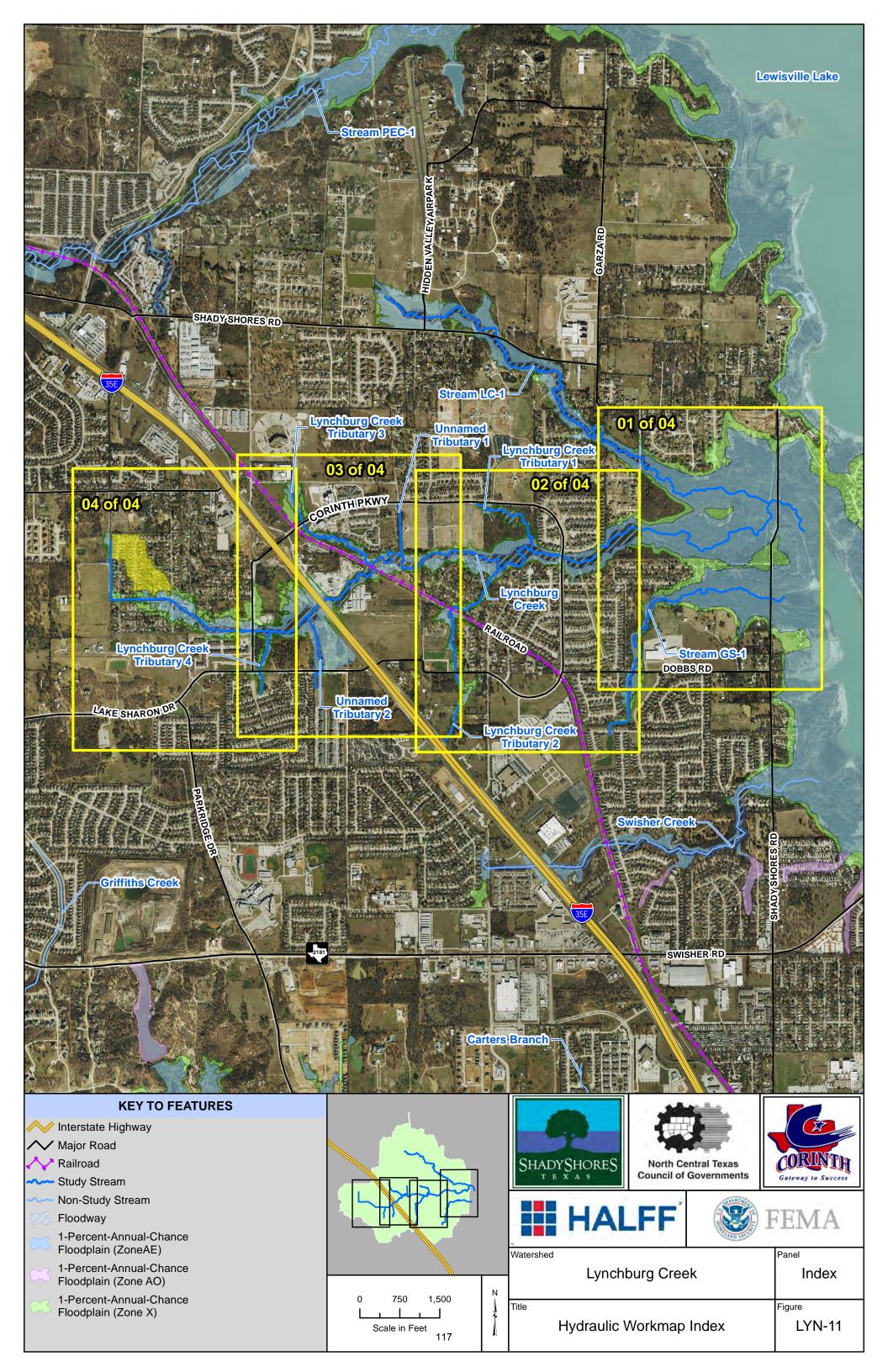
















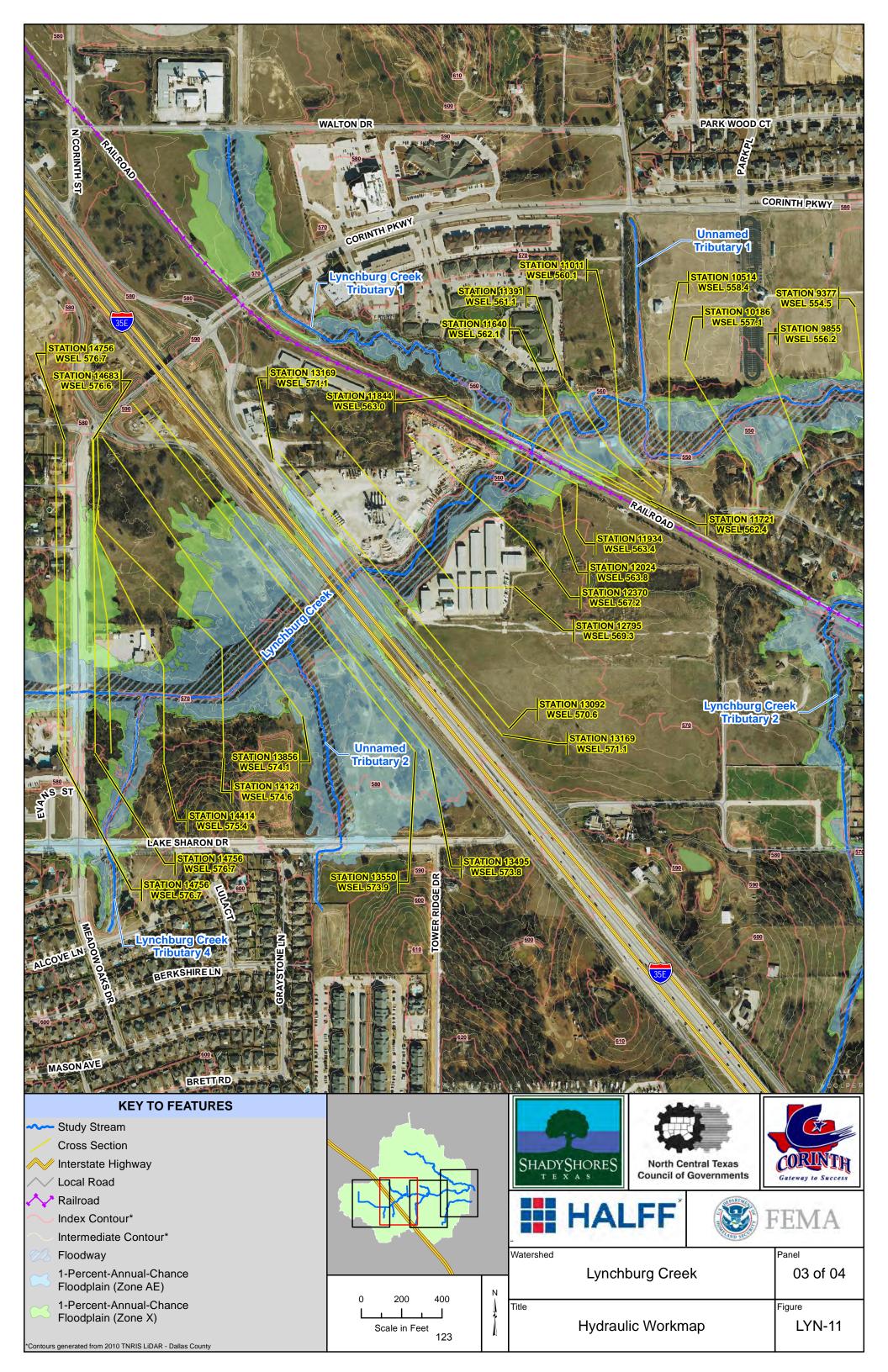
Scale in Feet

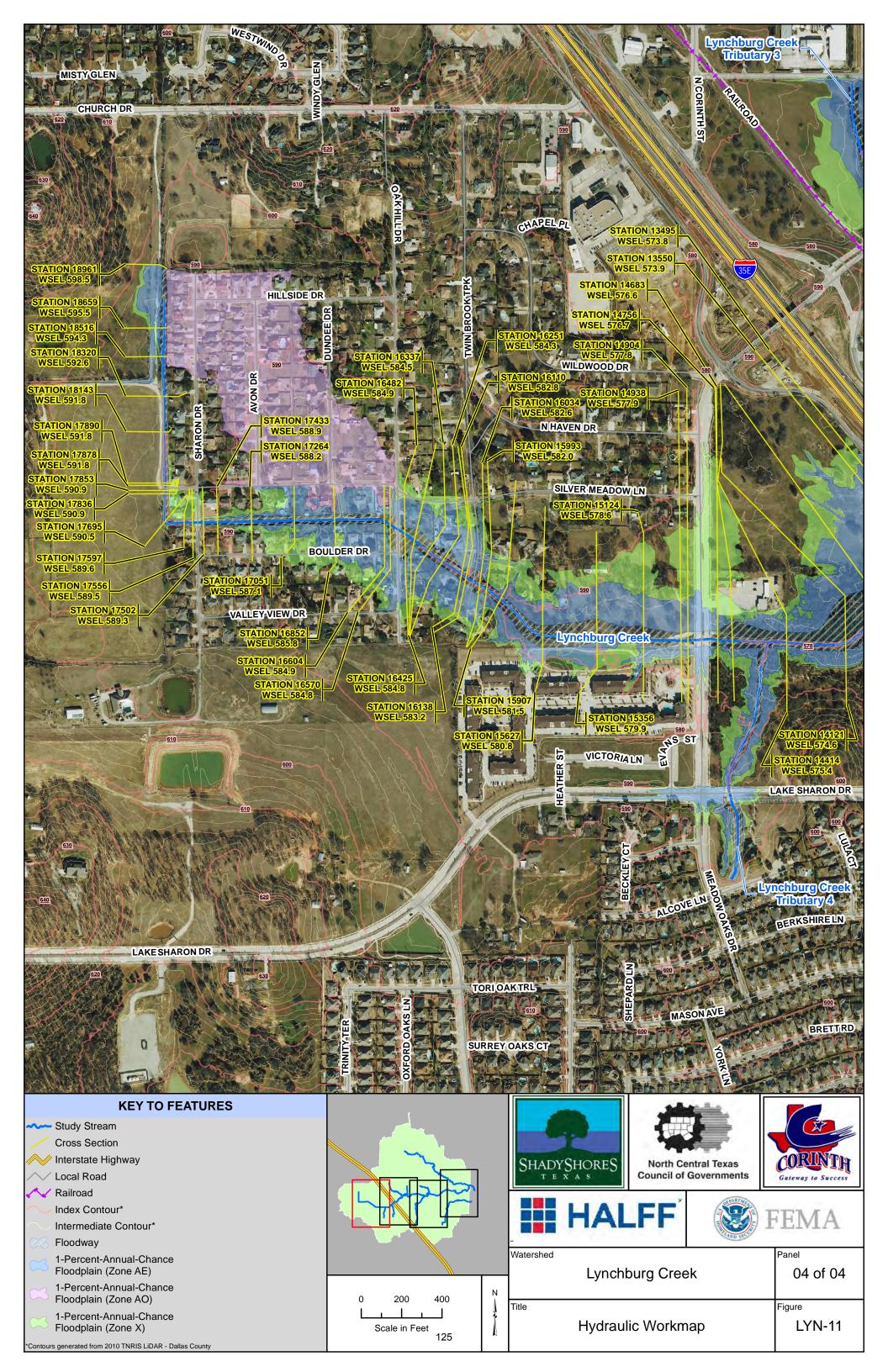
Hydraulic Workmap

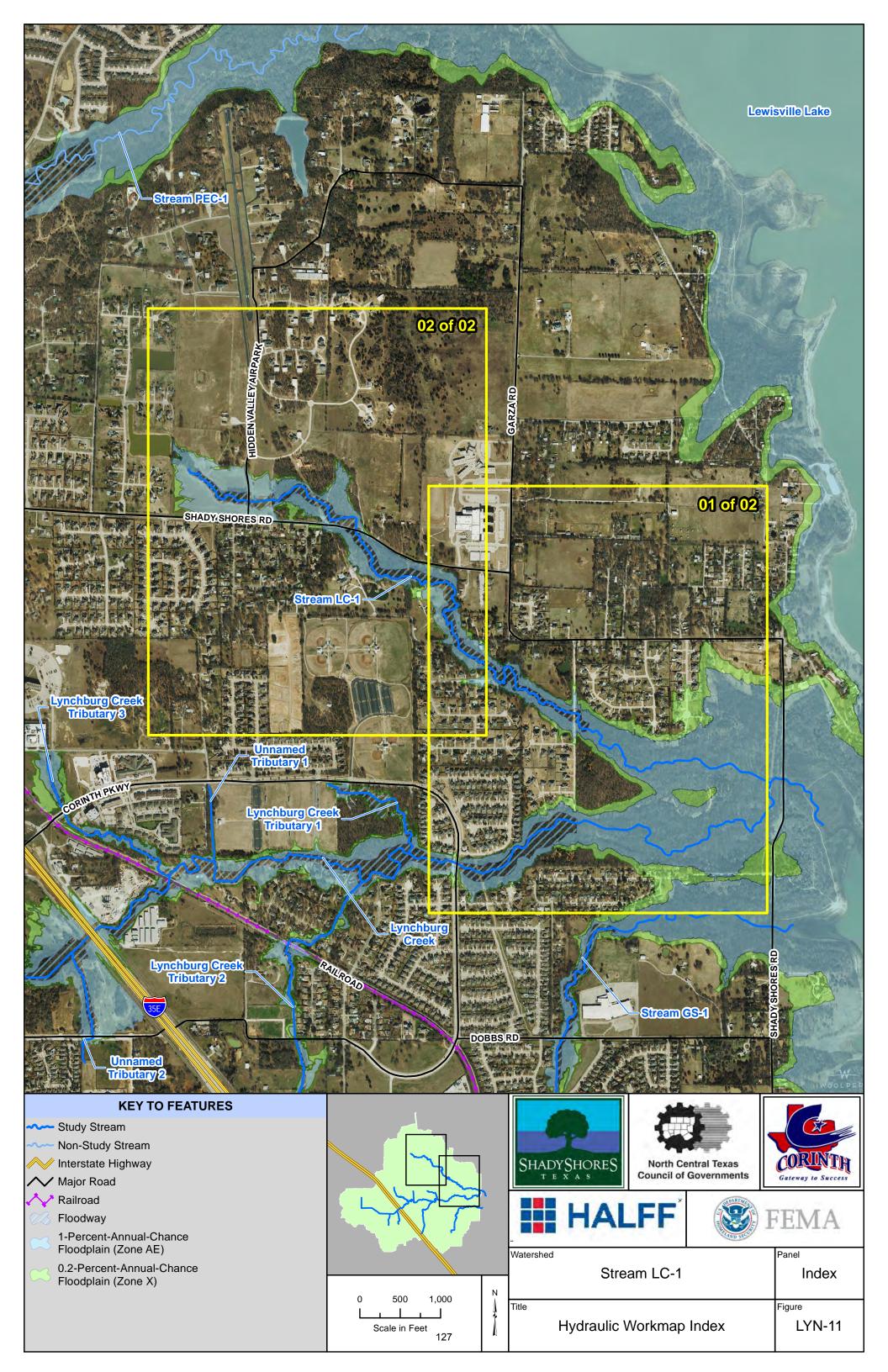
LYN-11

\*Contours generated from 2010 TNRIS LiDAR - Dallas County

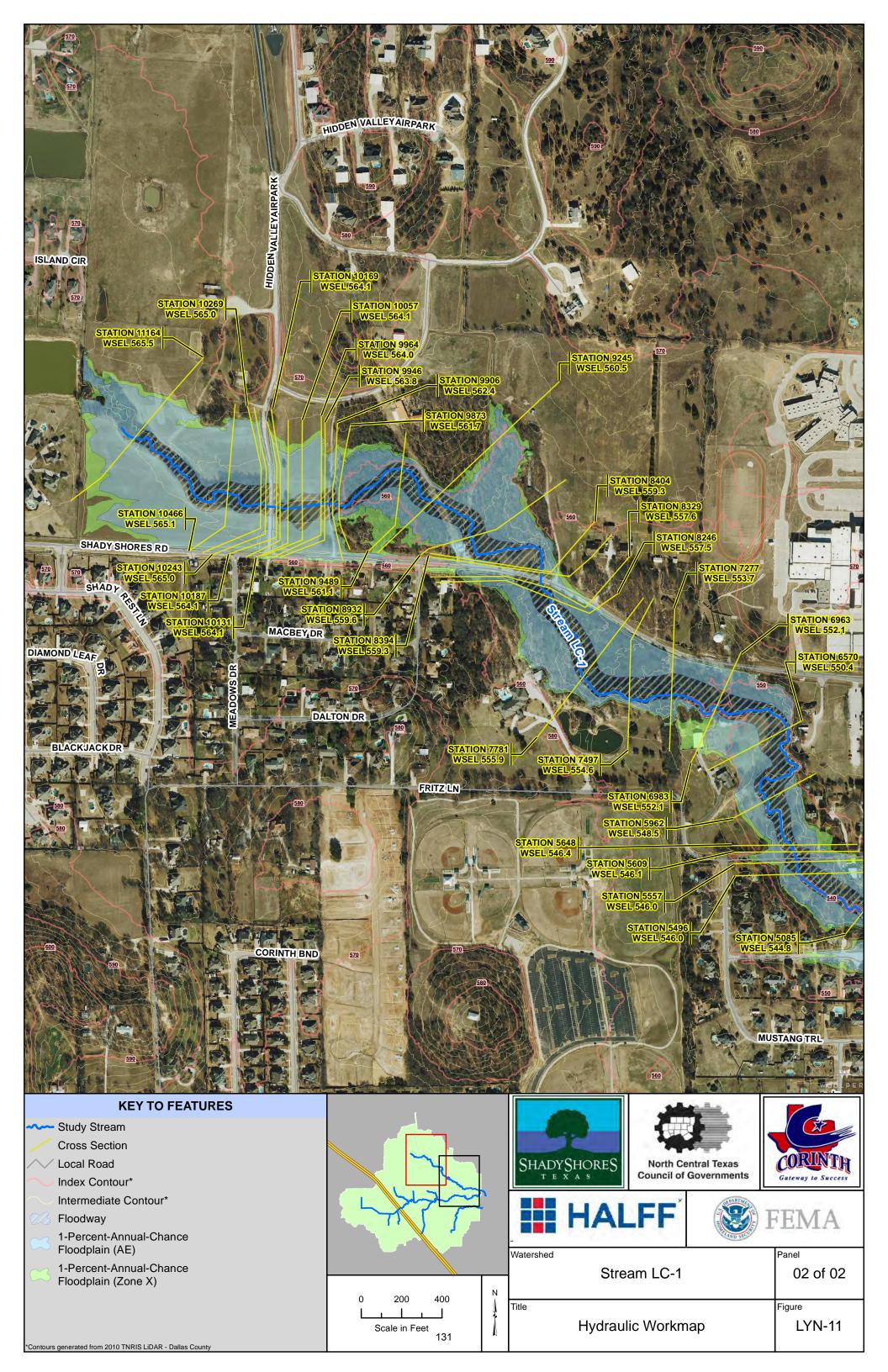
Floodplain (Zone X)

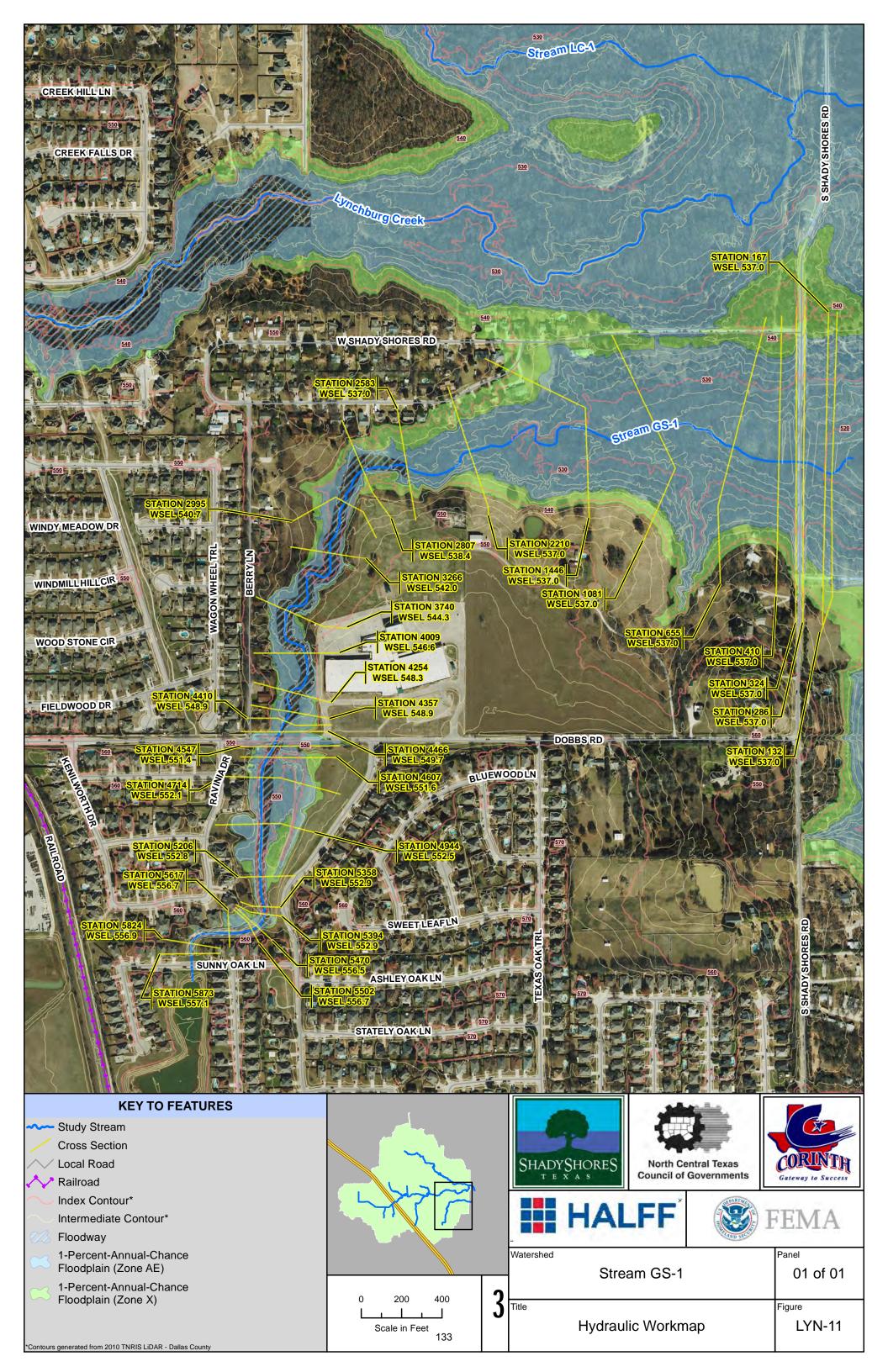


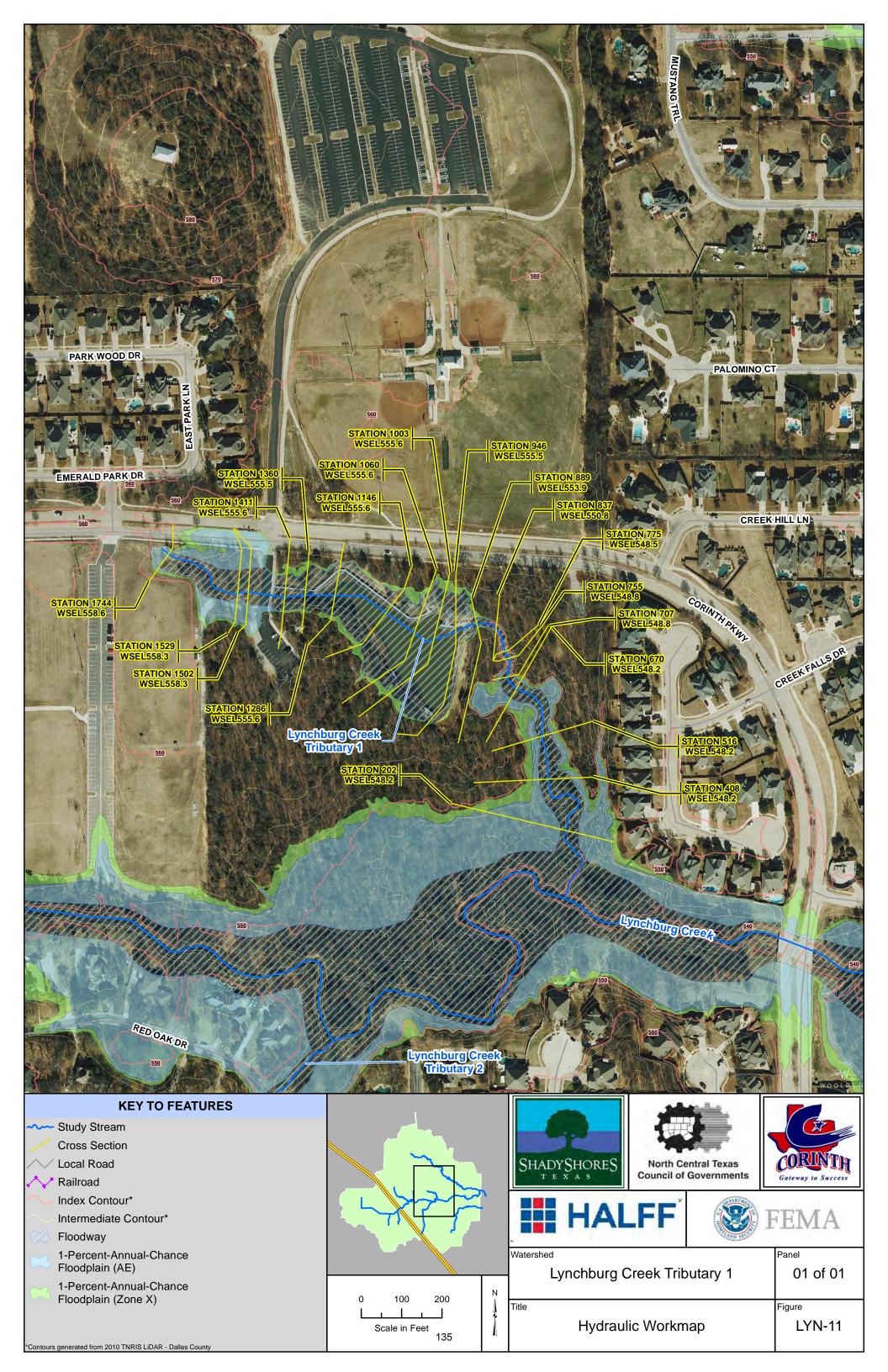




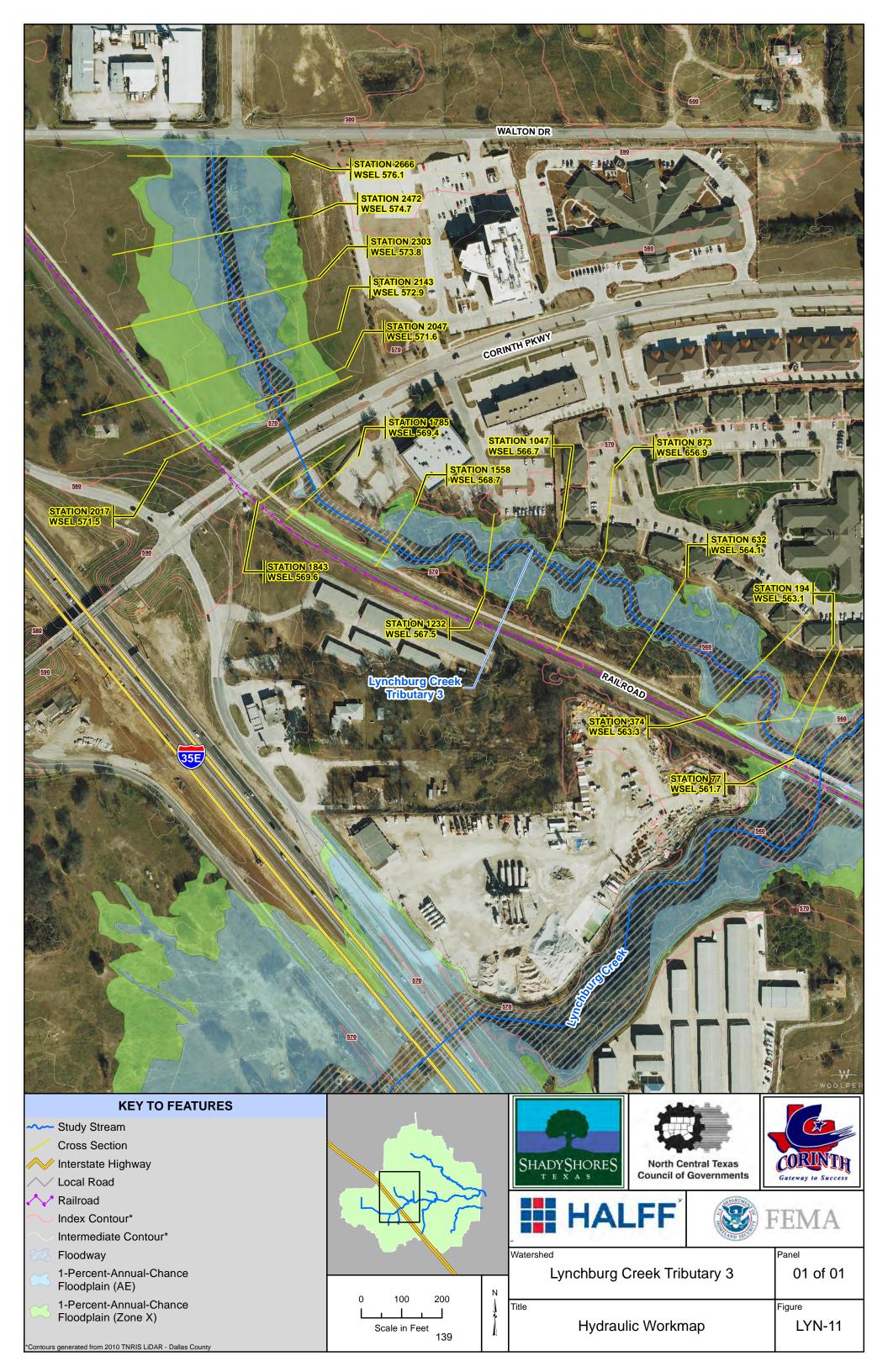


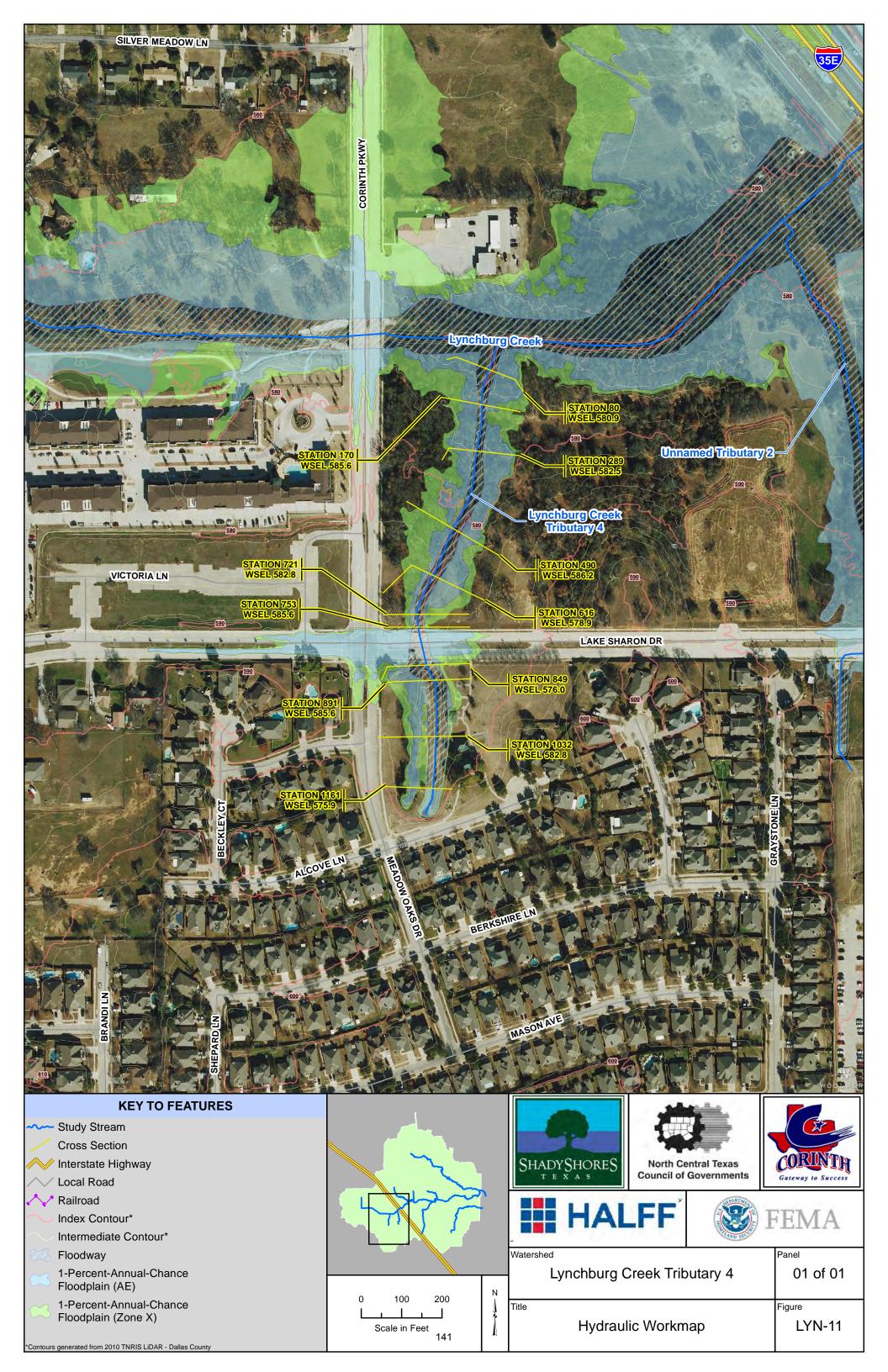


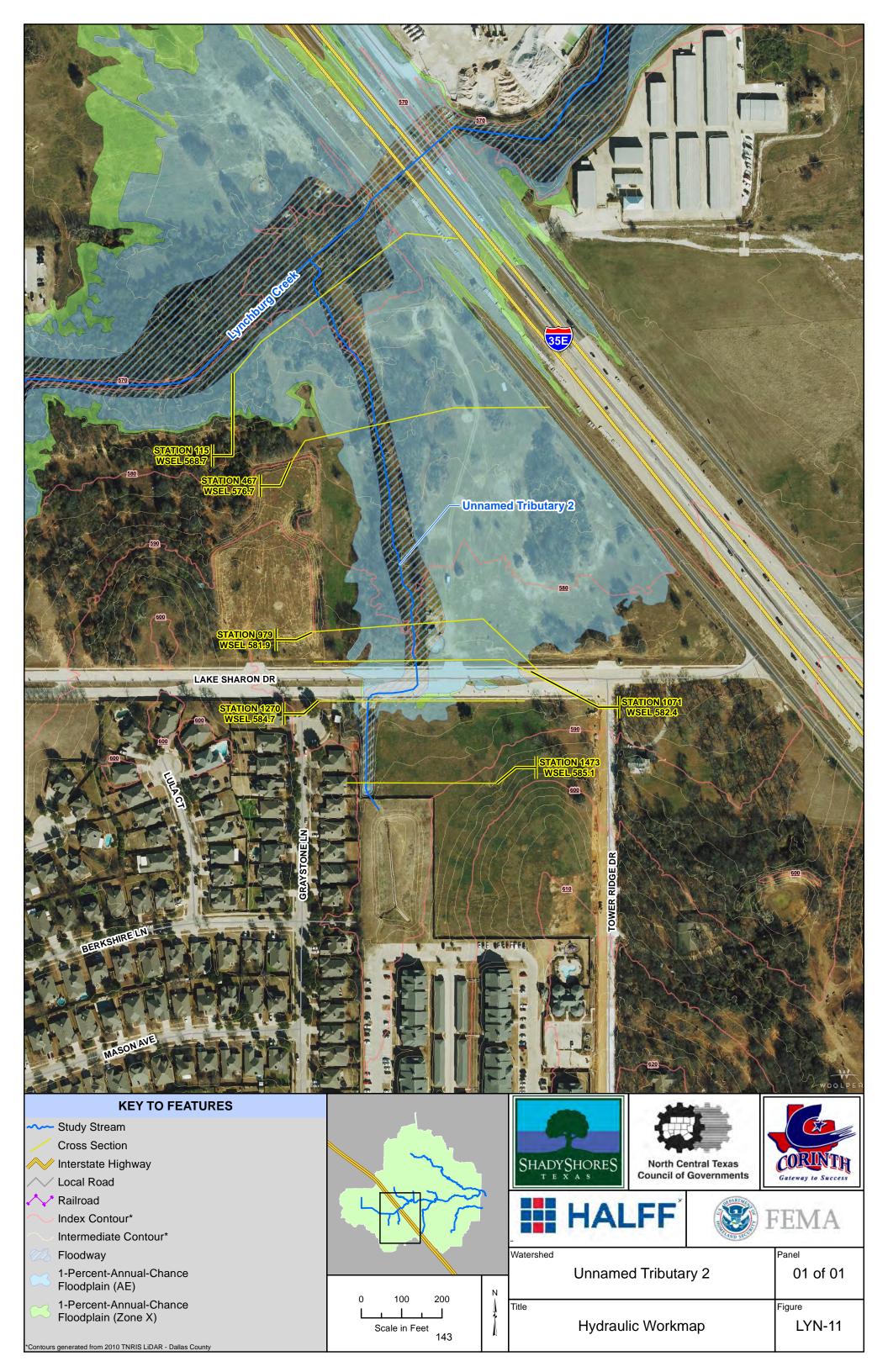






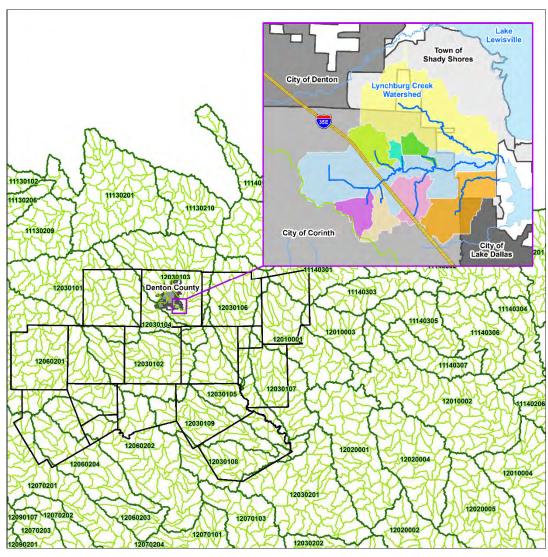








## **APPENDICES**





## Appendix A – TSDN Documents

- Deliverables Checklist
- Certification of Compliance
- Mapping Information Index
- Hydrologic Analyses Index
- Hydraulic Analyses Index
- Work Map Delineation Summary
- Key to Cross-Section Labeling
- TSDN Inventory Checklist

DELIVERABLES CHECKLIST					
TSDN CATEGORY	DATA TYPE	DATA SUBMITTED			
	Special Problem Reports Index				
	Special Problem Reports				
	Contact Reports Index				
	Contact Reports				
General Documentation	Meeting Minutes/Reports Index				
	Meeting Minutes/Reports				
	Correspondence with/from FEMA				
	Correspondence with/from Contractor				
	Other General Correspondence				
	Hydrologic Analyses Index	Х			
	Summary Report of Hydrologic Analyses	Х			
	Computer Models, Calculations, and Execution	Х			
	Summary Report for Independent QA/QC	X			
	Hydraulic Analyses Index	X			
	Cross Section Information	Х			
	Floodway Analyses	Х			
	Key to Cross-Section Labeling	Х			
	Computer Models, Calculations, and Execution	Х			
	Cross-Section Plots	Х			
	Computer Models, Calculations, and Execution	Х			
Engineering Analyses	Summary Report for Independent QA/QC	Х			
	Key to Transect Labeling				
	Transect and Surge Data				
	Wave Height Information				
	Computer Models, Calculations, and Execution				
	Summary Report for Independent QA/QC				
	Shallow Flooding Models, Calculations, and				
	Summary Report for Independent QA/QC				
	Ice-Jam Flooding Models, Calculations, and				
	Summary Report for Independent QA/QC				
	Alluvial Fan Flooding Models, Calculations				
	Summary Report for Independent QA/QC				

#### **DELIVERABLES CHECKLIST DATA DATA TYPE TSDN CATEGORY** SUBMITTED FIS Report Narrative (Complete) FIS Report Narrative (Revisions Summary) Summary of Discharges Table Floodway Data Table X Summary of Elevations Table **Draft FIS Report Transect Locations Table** Surge Elevations Table Χ Flood Profiles X Certification of Compliance for Work Other Relevant Data Mapping Information Index X Topographic Mapping (Hardcopy Version) X Topographic Mapping (Digital Version) Summary Report for Independent QA/QC Χ Work Maps (Hardcopy Version) Work Maps (Digital Version) Χ X Work Map Delineation Summary Preliminary DFIRM (Hardcopy Version) CD-ROM with DFIRM Data X (MIP) USGS Digital Orthophoto Quadrangle(s) **Mapping Information** Soil and Vegetation Maps **USGS** Topographic Quadrangle Maps Flood Hazard Boundary Map **Community Maps** All Other Maps **DFIRM Database Data (Basic)** DFIRM Database Data (Enhanced) Χ Digital Data Submission Checklist X Narrative Photogrammetric Survey Documentation **GPS Survey Documentation**

DELIVERABLES CHECKLIST						
TSDN CATEGORY	TSDN CATEGORY DATA TYPE					
	Field Survey Notes/Notebook					
	SCS/NRCS Flood Hazard Analyses Report(s)					
	USGS Floodplain Information Report(s)					
	USACE Feasibility Study Reports					
Miscellaneous Reference	Watershed Studies					
Materials	Site Visit Photographs					
	Community Population and Demographic					
	Tax Base Reports					
	Legal References					
	(Other Relevant Materials)					

		CERTIFICATION OF COMPLIANCE		
Proje	ct Name:	CTP FY15 MAS No 9 Lynchburg Creek		
State	tatement of Work No.: EMW-2015-CA-00133			
Intera	gency Agreement No.:	N/A		
CTP	Agreement No.:	N/A		
State	ment/Agreement Date:	October 1, 2015		
Certif	ication Date:	September 15, 2017		
	Tasks/Activities C	overed by This Certification (Check All That Apply)		
	Base Map			
	Topographic Data I	Development		
V	Survey			
V	Hydrologic Analyse	es		
Ø	Hydraulic Analyses			
	Alluvial Fan Analys	sis		
	Coastal Analyses			
V	Floodplain Mapping	g		
stater writted directs accon Hazar engin- certify	nent/agreement cited about n or oral, as the Regional ed, as such modification applished in accordance ward Mapping Partners cited beering practices within the to that data files submitted	work summarized above was completed in accordance with the ve and all amendments thereto, together with all such modifications, either all project Officer and/or Assistance Officer or their representative have as affect the statement/agreement, and that all such work has been with the provisions contained in <i>Guidelines and Specifications for Flood</i> in the contract document, and in accordance with sound and accepted the contract provisions for respective phases of the work. This is also to a for the work summarized above are complete and final. Any revisions data are included in the final submittal.		
Nam	e: Angela L. Davids	on, P.E., CFM		
Title	: Project Manager			
Firm	/Agency Represente	d: Halff Associates, Inc.		
Regi	stration No.: 101339			
Sign	ature: MOUL	77. Laviason		
	ered or certified profession	epresentative of the firm contracted to perform the work, who must be a nal in the area of work performed, in compliance with Federal and State		

MAPPING INFORMATION INDEX				
Community Name:	City of Corinth, Texas and Town of Shady Shores			
Community ID No.	481143 and 481135			
Compiled By:	Halff Associates, Inc.			
Date TSDN Submitted:	August 1, 2017			

Type/Purpose	D-1-	Paper Copy			Electronic Media			
of Map	Date	No. of Sheets	Exhibit No.	File Type	File Name	Projection	Exhibit No.	
Submittal Information	August 2017	-	-	ArcShape	S_Submittal_Info	State Plane 4202 NAD 83, Feet	MIP	
Hydro Reaches	August 2017	-	-	ArcShape	S_Hydro_Reach	State Plane 4202 NAD 83, Feet	MIP	
Subbasins	August 2017	-	-	ArcShape	S_Subbasins	State Plane 4202 NAD 83, Feet	MIP	
Nodes	August 2017	-	-	ArcShape	S_Nodes	State Plane 4202 NAD 83, Feet	MIP	
Land Use	August 2017	-	-	ArcShape	S_HydroLanduse	State Plane 4202 NAD 83, Feet	MIP	
Soil	August 2017	-	-	ArcShape	S_HydroSoil	State Plane 4202 NAD 83, Feet	MIP	
Profile Baseline	August 2017	-	-	ArcShape	S_Profil_Basin	State Plane 4202 NAD 83, Feet	MIP	
BFEs	August 2017	-	-	ArcShape	S_BFE	State Plane 4202 NAD 83, Feet	MIP	
Station Start Location	August 2017	-	-	ArcShape	S_Stn_Start	State Plane 4202 NAD 83, Feet	MIP	
Cross Sections	August 2017	-	-	ArcShape	s_xs	State Plane 4202 NAD 83, Feet	MIP	

MAPPING INFORMATION INDEX				
Community Name:	City of Corinth, Texas and Town of Shady Shores			
Community ID No.	481143 and 481135			
Compiled By:	Halff Associates, Inc.			
Date TSDN Submitted:	August 1, 2017			

Type/Purpose		Paper Copy		Electronic Media				
of Map	Date	No. of Sheets	Exhibit No.	File Type	File Name	Projection	Exhibit No.	
Floodplains	August 2017	-	-	ArcShape	S_Fld_Haz_Ar	State Plane 4202 NAD 83, Feet	MIP	
Structures	August 2017	-	-	ArcShape	S_Gen_Struct	State Plane 4202 NAD 83, Feet	MIP	
N-Values	August 2017	-	-	ArcShape	S_HydraNValue	State Plane 4202 NAD 83, Feet	MIP	
Flowpaths	August 2017	-	-	ArcShape	S_HydraFlowpath	State Plane 4202 NAD 83, Feet	MIP	
Summary of Discharges	August 2017	-	-	dBase Table	L_Summary_ Discharges	-	MIP	
Curve Number Lookup	August 2017	-	-	dBase Table	L_HydroCNLookup	-	MIP	
Cross Sections	August 2017	-	-	dBase Table	L_XS_Elev	-	MIP	
Study Streams	August 2017	Varies	XXX-01	pdf	-	-	-	
Survey Work Maps	August 2017	Varies	XXX-02	pdf	-	-	-	
Drainage Area Map	August 2017	Varies	XXX-03	pdf	-	-	-	

MAPPING INFORMATION INDEX					
Community Name:	City of Corinth, Texas and Town of Shady Shores				
Community ID No.	481143 and 481135				
Compiled By:	Halff Associates, Inc.				
Date TSDN Submitted:	August 1, 2017				

Type/Purpose		Paper	Сору		Electronic Media			
of Map	Date	No. of Sheets	Exhibit No.	File Type	File Name	Projection	Exhibit No.	
Hydrologic Soils Map	August 2017	Varies	XXX-04	pdf	-	-	-	
Land Use Map	August 2017	Varies	XXX-05	pdf	-	-	-	
Discharge Comparison Graph	August 2017	Varies	XXX-06	pdf	-	-	-	
Flow Change Locations	August 2017	Varies	XXX-07	pdf	-	-	-	
Flood Profiles	August 2017	Varies	XXX-08	pdf	-	-	-	
Overall Floodplain Map	August 2017	Varies	XXX-09	pdf	-	-	-	
Hydraulic Work Maps	August 2017	Varies	XXX-10	pdf	-	-	-	
480171_ HYDROLOGY_ Metadata	August 2017	-	-	.xml	480171_ HYDROLOGY_ Metadata	-	MIP	
480171_ HYDRAULICS_ Metadata	August 2017	-	-	.xml	480171_ HYDRAULICS_ Metadata	-	MIP	

HYDROLOGIC ANALYSES INDEX						
Community Name:	City of Corinth, Tex	as and Town of S	hady Shores			
Community ID No.	481143 and 481135					
Compiled By:	Halff Associates, Inc.					
Date TSDN Submitted:	September 13, 2017					
Flooding Source /	Hydrologic Method / Exhibit No.					
Stream Name	Method / Model Used Model Analysis Date Paper Copy Electronic Media					
Lynchburg Creek <sup>1</sup>	HEC-HMS Version 4.2	August 2017	N/A	FEMA MIP		

<sup>&</sup>lt;sup>1</sup> Lynchburg Creek Watershed model includes: Lynchburg Creek, Lynchburg Creek Tributary 1, Lynchburg Creek Tributary 2, Lynchburg Creek Tributary 3, Lynchburg Creek Tributary 4, Overflow to Lynchburg Creek Tributary, Unnamed Tributary 1 to Lynchburg Creek, and Unnamed Tributary 1 to Lynchburg Creek

HYDRAULIC ANALYSES INDEX					
Community Name:	City of Corinth, Texas and Town of Shady Shores				
Community ID No.	481143 and 481135				
Compiled By:	Halff Associates, Inc.				
Date TSDN Submitted:	September 13, 2017				

Flooding Source /	Hydraulic	Method /	Exhibit No.		
Stream Name			Paper Copy	Electronic Media	
Lynchburg Creek <sup>1</sup>	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Lynchburg Creek Tributary 1	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Lynchburg Creek Tributary 2	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Lynchburg Creek Tributary 3	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Lynchburg Creek Tributary 4	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Unnamed Tributary 1 to Lynchburg Creek	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Unnamed Tributary 2 to Lynchburg Creek	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	
Woody Branch Watershed <sup>3</sup>	HEC-RAS Version 5.0.3	August 2017	N/A	FEMA MIP	

<sup>&</sup>lt;sup>1</sup> Lynchburg Creek Watershed model includes: Lynchburg Creek and Overflow to Lynchburg Creek

WORK MAP DELINEATION SUMMARY		
Community Name and State:	City of Corinth, Texas and Town of Shady Shores	
Community ID No.	481143 and 481135	
Compiled By:	Halff Associates, Inc.	
Date TSDN Submitted:	September 13, 2017	
Work Map Scale:	1" = 600'	
Work Map Contour Interval:	2'	
Work Map Projection and Horizontal Datum:	Texas State Plane North Central Zone FIPS 4202, NAD 1983, Feet	
Work Map File Name:	Default Appendix M Naming Convention	
Work Map File Type:	Esri ArcGIS Shapefiles and Tables	
Work Map File Media:	Electronic (Available on the MIP)	

## **General Comments on Work Map**

- Additional procedures were not used to create the final work maps (e.g. field inspection and spot surveying was not done to enhance the accuracy of the final work maps).
- Mapping data was received digitally. All data required to generate a work map is available on the MIP.

KEY TO CROSS-SECTION LABELING		
Community Name and State: North Central Texas Council of Governments (NCTCOG)		
Community ID No.	480590 (City of Colleyville), 480612 (City of Southlake)	
Compiled By:	Halff Associates, Inc.	
Date TSDN Submitted:	September 13, 2017	
Prepared By:	Halff Associates, Inc.	
Run Date:	August 14, 2017	

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing	
	Lynchburg Creek		
393			
		548	
		710	
		852	
LYN_1000		903	
		954	
		1102	
		1778	
		2390	
		2739	
		3057	
		3512	
		4102	
		4550	
LYN_5000		4715	
	A	4846	
		5227	
		5544	
LYN_6000		5715	
		5903	
		6195	
		6446	
		6557	
LYN_7000		6612	
		6664	
		6721	

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
	В	6888
LYN_8000		7205
		7439
LYN_9000		8134
		8632
LYN_10000		8873
	С	9081
LYN_11000		9377
		9855
		10186
LYN_12000	D	10514
		11011
		11391
		11640
		11721
		11844
LYN_13000		11899
		11934
		12024
LYN_14000		12370
	E	12795
		13092
		13169
		13326
		13495
		13550
		13856
	F	14121
LYN_16000		14414
		14683
		14756
LYN_17000		14836
		14904
		14938
		15124
LYN_18000		15356
		15627
LYN_19000		15907
		15993

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
		16034
LYN_20000		16070
		16110
		16138
	G	16251
LYN_21000		16337
	Н	16425
		16482
LYN_22000		16523
		16570
		16604
LYN_23000		16852
	I	17051
		17264
		17433
		17502
LYN_24000		17530
		17556
		17597
		17695
	J	17836
		17853
LYN_25000		17867
		17878
		17890
		18143
LYN_26000		18320
		18516
		18659
	К	18961
	Overflow to Lynchburg Creek	
		16852
		17051
		17264
		17433
		17502
		17556
		17597
		17695

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
		17836
		17853
		17878
		17890
		18320
		18413
		18516
		18659
		18961
	Lynchburg Creek Tributary 1	
		202
	A	408
		516
		670
	В	707
		755
		775
LT1_1000		837
	С	889
		919
	D	946
		1003
	E	1060
	F	1146
		1286
		1360
	G	1411
		1458
		1502
		1529
	Н	1744
	Lynchburg Creek Tributary 2	
LT2_1000		66
	А	152
		185
LT2_2000		215
		250
	В	277
		474

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
		632
		776
	С	815
LT2_3000		846
	D	891
		913
		1069
		1193
		1287
		1351
		1383
		1434
		1467
	E	1591
		1760
		1886
LT2_5000		2053
	F	2172
		2289
		2356
	G	2429
		2508
		2585
		2604
LT2_6000		2629
		2647
	Н	2673
		2948
		3061
		3244
	I	3475
		3730
LT2_8000	J	3986
	Lynchburg Creek Tributary 3	
		77
		194
LT3_1000		374
		632
		873

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
	А	1047
		1232
LT3_2000		1558
		1785
	В	1843
LT3_3000		1920
	С	2017
		2047
		2143
		2303
		2472
	D	2666
	Lynchburg Creek Tributary 4	
		80
		170
		286
LT4_1000		490
		616
	Α	721
		753
LT4_2000		796
	В	849
		891
		1032
	С	1161
Ur	nnamed Tributary 2 to Lynchburg Creek	
		115
		467
	A	979
		1071
		1118
		1270
	В	1473
	Stream GS-1	
		132
		167
		286
		305
		324

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
		410
		655
		1081
GS1_3000		1446
		2210
GS1_4000		2583
		2807
	A	2995
GS1_5000	В	3266
	С	3740
	D	4009
GS1_6000		4254
		4357
		4410
	E	4466
GS1_7000		4510
		4547
	F	4607
		4714
		4944
GS1_8000		5206
	G	5358
		5394
GS1_9000		5433
		5470
	Н	5502
		5617
		5824
	I	5873
	Stream LC-1	
		411
		751
		1071
		1274
		1580
		1963
		2300
		2730
		2914

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
		2988
		3227
LC1_4000		3251
		3276
		3313
	A	3439
		3746
		3995
		4459
LC1_5000		4794
		5085
	В	5496
		5557
LC1_6000		5579
		5609
		5648
		5962
		6570
		6983
		7277
	С	7497
		7781
		8246
		8329
LC1_9000		8357
		8394
		8404
LC1_10000		8932
	D	9245
		9489
		9873
		9906
LC1_11000		9924
		9946
LC1_12000		9964
		10057
		10131
	E	10169
		10187

Field Survey Section No.	Cross-Section Letter in FIS Report	Computer Stationing
LC1_13000		10211
		10243
		10269
LC1_14000		10466
	F	11164

## TSDN INVENTORY CHECKLIST

# Appendix B –QM Forms

- Quality Management Program Documentation
- Hydrology QM Checklists
- Hydraulics QM Checklists
- Floodplain Mapping and Profile QM Checklists

#### QUALITY MANAGEMENT PROGRAM PRACTICES

#### Overview:

The Halff Associates Water Resources Quality Management (QM) Program is intended to ensure that the final products for water resources related projects are of high quality. To this end, great care is taken to periodically review the completeness and accuracy of each project throughout the course of the project. The criteria used to define the completeness and accuracy of the products are established by the contract requirements and FEMA's <u>Guidelines</u> and Specifications for Flood Hazard Mapping Partners.

#### **Quality Management Task Checkpoints:**

To ensure the final product satisfies all quality criteria, QM Checkpoints will be established at the beginning of the project for each project task. These checkpoints will be completed when specific sub-tasks are completed. The specific checkpoints established will depend on the type of study.

#### **Quality Management Documentation:**

In order to facilitate the QM Reviews, standardized QM Checklists for a wide variety of services have been developed to ensure that the details for each task of the project are checked. Each task will have its own QM Checklist, which will be divided into more detailed sections to correspond with the QM Checkpoints. An example of each standardized QM Checklist to be used during the course of a project will be submitted to the client as part of the project's QM Plan.

#### **Quality Management Schedule:**

A QM Schedule will be developed to define when a given task or sub-task is to be completed and submitted for QM review. A QM Schedule will be provided to the client as part of the project's QM Plan.

#### **Quality Management Task Personnel:**

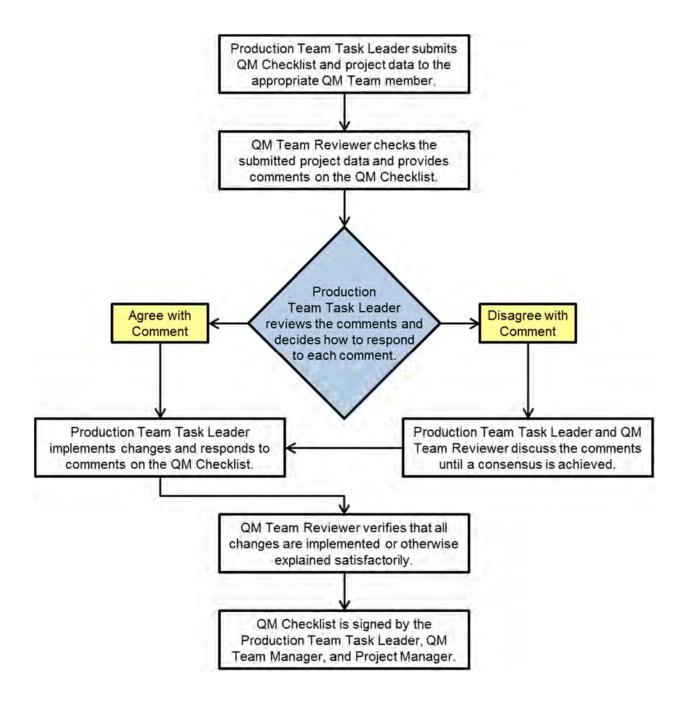
A QM Team will be established with the responsibility to review the project information and products at each checkpoint. The QM Team Manager will ensure that the QM Program is implemented and will coordinate the efforts of the QM Team. The QM Team Manager will build the QM Team consisting of experts in each task, who will perform the QM Reviews as outlined on the QM Checklists. The QM Team members will be chosen such that no member is part of the Production Team for the project. Resumes for the QM Team members will be provided to the client as part of the project's QM Plan.

The Halff Associates Water Resources QM Program clearly defines the responsibility and accountability of each member of the Production Team and the QM Team. The Production Team members are responsible for finishing production tasks in a timely fashion while minimizing revisions, while the QM Team members are responsible for finishing review tasks similarly. After each task is reviewed, the QM Checklist for that task will be signed by the Task Leader, QM Team Manager, and Project Manager to ensure that the final products meet the set quality standards. This commitment to quality means that the Halff Production and QM Team members are accountable for certifying the quality of the work produced and that any issues that arise during the QM Review are addressed by Halff Associates.

#### **Quality Management Procedure Training:**

The QM Team will provide the Production Team with formal instructions outlining the QM process during a brief training seminar. Production Team Task Leaders will be responsible for informing all technical personnel of the QM Procedures. New Team members will be trained on the QM Procedures and Schedules upon assignment to the project.

# QUALITY MANAGEMENT REVIEW PROCESS (INTERNAL/INDEPENDENT)



# QUALITY MANAGEMENT CHECKLIST INDEX

# **Detailed Analysis:**

Survey and Terrain QM Checklist:

Survey Data

Hydrology QM Checklist:

- Watershed Delineation
- Flood Routing

Hydraulics QM Checklist:

- Cross Section Layout
- HEC-RAS Model

Floodplain Mapping and Profile QM Checklist:

- Floodplain Mapping
- Profile

# **Non-Regulatory Products:**

Risk Assessment Products QM Checklist:

- Changes Since Last FIRM
- Flood Depth and Analysis Grids
- Flood Risk Map

- Terrain
- Skeleton Model
- Final Model
- RAS Geometry
- Floodplain Boundary Standard Audit
- Base Flood Elevations
- Flood Risk Assessment (HAZUS)
- Flood Risk Database
- Flood Risk Report

## **QUALITY MANAGEMENT PLAN – PROJECT INFORMATION**

**Project Title:** NCTCOG CTP FY14 Project **Project AVO:** 30838 Client: NCTCOG and FEMA Region VI **Project Type:** Study Based Project: Design Based Project: Detailed Analysis Storm Sewer Design Dam Breach Analysis **Detention Design** Stormwater Drainage Analysis Hydraulic Structure Design Approximate Analysis Pump Station Design Letter of Map Change **Additional QM Checklists to Use:** Study Based Project: Design Based Project: FEMA Data Capture Standards Alternative Design Unsteady RAS Model Design Plans Project Report Value Engineering Report Value Engineering Report **Project Manager:** Jack Young, P.E., CFM Halff Office: 1201 N. Bowser Road, Richardson, TX 75081 **Business Phone:** (214) 217-6676 E-Mail Address: jyoung@halff.com **QM Team Members:** 

QM Team Manager				
Sean Sutton, PE, CFM - AECOM				
Internal QM Team Member	Project Task to Review			
Andrew Shafer, RPLS Samuel Amoako-Atta, GISP, CFM	Survey Data and Terrain			
Jeffrey Alvarez, PE, CFM Jarred Overbey, PE, CFM Carola Martinez, PE, CFM	Internal Hydrology, Hydraulics, and Mapping			
David Markwood, PE - AECOM Jason Currie, PE, CFM - AECOM	Independent Hydrology, Hydraulics, and Mapping			
Jack Young, PE, CFM	Documentation (TSDN)			
Samuel Amoako-Atta, GISP, CFM	Non-Regulatory Products			

# **QUALITY MANAGEMENT PLAN – SCHEDULE**

Task	Start Date	End Date
Survey Data and Terrain	03/01/2015	10/31/2015
Hydrology, Hydraulics, and Mapping	03/01/2015	02/29/2016
Documentation (TSDN)	03/01/2015	02/29/2016
Non-Regulatory Products	11/01/2015	02/29/2016

## **QUALITY MANAGEMENT TEAM RESUMES**

JARRED OVERBEY, P.E., CFM

ROLE: INTERNAL H&H QM

Richardson, Texas

Years of Experience: 10 years

**Education:** BS/Civil Engineering, Texas Tech University

**Registration:** Licensed Professional Engineer, State of Texas No. 108798

Certified Floodplain Manager, No. 2338-12N

Mr. Overbey is a civil engineer with a focus on water resources engineering projects. He has been involved in numerous hydrologic and hydraulic studies throughout the state. Mr. Overbey has extensive experience with modeling and mapping software including HEC-RAS, HEC-HMS, HEC-GeoRAS, HEC-GeoHMS, and ArcGIS. Representative projects include:

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# FEMA CTP FY10-FY14 Risk MAP Projects, City of Dallas, Texas

Project Manager who led and oversaw the production of a multi-year program for the City of Dallas' CTP efforts with FEMA Region VI from 2011 - current. Projects included detailed hydrology and hydraulics for tributaries within the White Rock Creek and Fivemile Creek Watersheds. extensive knowledge of the FEMA CTP program starting from the development of a multi-year plan, though FEMA grant awards and deliverable production, to closing out the project within the Period of Performance. Well versed in managing the FEMA Mapping Information Platform (MIP) reporting and data entry, Quarterly Performance Reports (QPRs), Quarterly Financial Reports (QFRs-FFR/SF-425), FEMA Grants Administration, FEMA Payment Accounting System (PARS), execution of Mapping Activity Statements (MAS), CTP Special Problems Report/Change Request (SPR/CR), and creation of FEMA CTP Integrated Baseline Form (IBF). Has provided onsite/on call consultation during FEMA Grants monitoring visits. represented the City of Dallas for FEMA Emergency Management Institute (EMI) special topics training for CTPs and has attended multiple FEMA Region VI CTP workshops. Has a working relationship with many of FEMA Region VI's key staff members, including project managers, MIP champion, and grants management specialist.

# FEMA CTP FY11 – San Bernard Watershed, TCRFC/TWDB

Was a member of the QM team for TWDB/TCRFC CTP Mapping Activity Statement 5 (MAS 5) for the San Bernard Watershed including Austin, Colorado, Wharton, Fort Bend, and Brazoria Counties, Texas. Provided Quality Assurance/Quality Control on leveraged limited detailed/approximate analysis for San Bernard tributaries and mainstem.

# Hydrologic and Hydraulic Analysis of Business Highway 81 Bridge Over Dry Hollow Creek, TxDOT Fort Worth District, Alvord, Texas

Study Engineer for hydrologic (HEC-HMS) and hydraulic (HEC-RAS) analysis of existing conditions for the BU 81 Bridge to establish discharges, velocities, and headwater/tailwater elevations using TxDOT required storm frequencies.

# McLennan County Flood Insurance Study (FIS) Update, FEMA, McLennan County, Texas

Study Engineer for a GIS-based county-wide FIS update, including floodplain re-delineation, digital conversion, DFIRM production, TSDN, and FIS report for approximately 1,320 miles of stream.

# Arlington Aerial Sanitary Sewer Rehabilitation Hydraulic Evaluation, City of Arlington, Texas

Acting Project Manager for existing and proposed conditions hydraulic analysis of 11 aerial sanitary sewer crossings. Proposed conditions analysis comprised of updating existing models with proposed design plans and evaluating results for potential high velocities or upstream water surface elevation increases. Summary memos were created for each crossing detailing results.

# Preparation of a CDC, IFCD-1 Seepage Control Project, IFCD-1, Irving, Texas

Study Engineer for the CDC preparation, based on the current effective CDC model for the Trinity River. Hydraulic updates to the model include proposed contours for levee slope reconstruction, restoring the levee crest elevation back to design elevation, the excavation of a mitigation swale, miscellaneous fill to cap the proposed seepage cutoff wall, and the South Levee Tie-in grading. Water surface elevations from the model and valley storage calculations were compared with existing conditions. The results and required forms were presented to IFCD-1 and USACE.

JEFFREY ALVAREZ, P.E., CFM

ROLE: INTERNAL H&H QM

Richardson, Texas

Years of Experience: 13 years

**Education:** BS/Civil Engineering, University of New Orleans

**Registration:** Licensed Professional Engineer, State of Texas No. 100536;

Certified Floodplain Manager, No. 1491-08N

Mr. Alvarez joined Halff Associates in 1999, bringing five years of experience as an engineer with the New Orleans District, USACE. Since joining Halff Associates, Mr. Alvarez has managed and performed analysis for numerous floodplain and flood control projects. His expertise focuses on hydrologic and hydraulic computer analysis, streambank restoration, erosion control, floodplain management, detention analysis and design, and interior drainage studies. He has obtained formal training in the use of programs such as HEC-RAS, HEC-HMS, HEC-6, HEC-FDA, UNET, WMS, SMS, WISE, XPSWMM, and Storm Water Assessment Tool (SWAT) as well as in the areas of Streambank Erosion Protection, and Coastal Hydraulics. He has extensive hands on experience using HEC-1, HEC-2, HEC-6, HEC-RAS, UNET, HEC-HMS, GEOPAK, XPSWMM, Pond Pack, Flowmaster, Culvertmaster, HY8, and other hydrologic/hydraulic and GIS programs. He is familiar with RMA-2, CH3D, ADCIRC and other 2-D and 3-D hydrodynamic modeling and visualization models. Representative projects include:

# • FEMA CTP FY11 Project, City of Dallas, Texas

Currently servings as Quality Control Manager for CTP efforts with FEMA Region VI. FY10 Project includes detailed hydrology and hydraulics for the Joe's Creek Watershed and seven tributaries within the White Rock Creek Watershed. Over 26 miles of stream were studied with detailed methods utilizing HEC-HMS, HEC-RAS, and ArcGIS. Floodplain Mapping and Flood Depth Grids were developed for all streams. Revised DFIRMs were prepared through the Physical Map Revision Process. Managed all technical aspects of the project including surveying, hydrology, hydraulics, floodplain mapping, and final report.

# • FEMA CTP FY10 Project, City of Dallas, Texas

Served as Quality Control Manager for CTP efforts with FEMA Region VI. FY10 Project includes detailed hydrology and hydraulics for the Joe's Creek Watershed and seven tributaries within the White Rock Creek Watershed. Over 30 miles of stream were studied with detailed methods utilizing HEC-HMS and HEC-RAS and ArcGIS. Floodplain Mapping and Flood Depth Grids were developed for all streams. Revised DFIRMs were prepared through the Physical Map Revision Process. Managed all technical aspects of the project including surveying, hydrology, hydraulics, floodplain mapping, and final report.

# FEMA CTP FY12 Project, City of Dallas, Texas

Served as Quality Control Manager for CTP efforts with FEMA Region VI. FY12 Project includes detailed hydrology and hydraulics for the five

tributaries within the White Rock Creek Watershed, including Ash Creek, Forney Branch, Stream 5B5, Steam 5B1, and Stream 5B9. Over 23 miles of stream were studied with detailed methods utilizing HEC-HMS and HEC-RAS and ArcGIS. Floodplain Mapping and Flood Depth Grids were developed for all streams. Revised DFIRMs were prepared through the Physical Map Revision Process. Managed all technical aspects of the project including surveying, hydrology, hydraulics, floodplain mapping, and final report.

# Rowlett Creek H&H Study Review, Richardson, Texas

Served as Project Manager for the review of Rowlett Creek Watershed study. Reviewed all hydrology and hydraulics associated with the 2007 study performed on the Rowlett Creek watershed by CDM Engineers. Prepared detailed list of review comments for the improvements necessary on all modeling for that project.

# Cottonwood Creek Tributary 3 Floodplain Study, Frisco, Texas

Project Manager for the floodplain studies to update the hydrology and hydraulics on a Tributary to Cottonwood Creek. Utilized unsteady HEC-RAS modeling to route two regional detention ponds upstream of the subject property. The results showed that peak discharges differed from the previous study analyses due to the updates to hydrology and more accurate routing.

ANDREW SHAFER, RPLS Halff Associates, Inc.
ROLE: SURVEY QM Richardson, Texas

Years of Experience: 28 years

**Education:** BS/Civil Engineering Technology, Southern Illinois University **Registration:** Registered Professional Land Surveyor, State of Texas No. 5017

Mr. Shafer has been with Halff Associates since May 1985. He currently manages the Survey Department of the Richardson, Texas office. He has advanced through the survey department beginning as an instrument man. Representative projects include:

# Survey and Delineation of Floodplain for Conservation Easement

Project Manager overseeing delineation and calculation of floodplain easements within 87 acres of land along Rowlett Creek. Tasks include boundary determination, review and interpretation of existing flood study, GPS surveying to city monuments to establish NAD 83 coordination, and NAVD88 elevations.

# • White Rock Creek, Plano and Dallas, Texas

Field crew supervision, horizontal and vertical control adjustments and panel point lay out for aerial mapping of 15 miles of creek.

# Panther Creek Wastewater Interceptor, Frisco, Texas

Project Surveyor for all survey related tasks related to design of 10 miles of sewer line. Tasks included establish control boundary resolutions for ±30 parcels. Preparation of exhibits and legal descriptions for easement tasks and design surveying.

# Pipeline Surveying, Tarrant County, Texas

Project Manager overseeing surveying for gas pipeline project in Fort Worth and Arlington, Texas within the Barnett Shale gas field. Tasks include coordination of field work for boundary and construction staking, oversee preparation of plan/profiles, easements, and as-builts.

# Dallas Water Utilities (DWU), 48-Inch Waterline, Irving, Texas

Project Manager for easement determination for this city of Dallas waterline through the Valley Ranch area of Irving, Texas. Project includes reestablishment of existing easement, right of entry coordination with land owners, preparation of exhibits for use in court proceedings, expert witness testimony and preparation of surveyors report.

# Collin County, Texas

Project Manager open-ended surveying contract. Managed all aspects of projects. Projects included: Topographic surveying for jail expansion at Collin County Justice Center; preparation of easements; boundary surveys for property acquisition, stockpile surveying for quantities, and right of way mapping and parcel takes for four County Road projects, and platting of Collin County Justice Center property.

# Acreage Surveys, Fort Worth, Texas

Project Manager, supervised field crews, analyzed and resolved boundary for large acreages in Fort Worth, Texas +/- 704 acres along Interstate 820 at West Fork of Trinity River, and +/- 816 acres at Precinct Line Road at West Fork of Trinity River, and +/- 2,600 acres adjacent to Lake Ray Hubbard in Rockwall and Kaufman Counties.

# Digital Realty Trust, 2323 Bryan Street Dallas, Texas

Project manager and RPLS of an ALTA and topographic survey of a 26 story downtown office building and associated parking garage at 2323 Bryan Street. Project included extensive utility research, coordination of underground utility locations, and laser scanning of mechanical improvements on the roof of the parking garage.

# DFW International Airport IDC, DFW International Airport, Texas

Project Surveyor for indefinite delivery order contract for years 1992-1996. Projects included surveys for design (topographic and planimetrics), surveys for quality control (horizontal and vertical parameters), Global Positioning Surveys (verification, placement of additional control, and the location of guidance signs), and boundary surveys (deed and easement research, analysis computation, and boundary determination).

# SAMUEL AMOAKO-ATTA, CFM, GISP ROLE: TERRAIN QM, NON-REGULATORY PRODUCTS QM

Halff Associates, Inc. Richardson, Texas

Years of Experience: 11 years

**Education:** MS/Computer Science & GIS, Texas A&M University;

BS/Geomatic Engineering, University of Science and Technology

**Registration:** Certified Floodplain Manager, No. 1132-07N;

Certified GIS Professional, No. 00057065

Since joining Halff Associates in 2005, Mr. Amoako-Atta has been involved with spatial analysis and modeling using GIS, floodplain management, and hydrologic and hydraulics studies. His expertise focuses on Geo-Database Design, GPS and GIS Integration, and GIS data modeling. Prior to joining Halff Associates, Mr. Amoako-Atta worked with the Texas Transportation Institute in San Antonio where he modified and developed a formal GIS-Based Database Model for archiving Utility Installations within the TxDOT ROW:

# FEMA CTP FY10-FY14 Risk MAP Projects, City of Dallas, Texas

GIS Team Lead responsible for Base Map Data Acquisition, Surveys, Terrain Data Development, and creation of TINs and DEMs. Coordinated support for HEC-GeoHMS for hydrologic modeling and HEC-GeoRAS for hydraulic modeling. Directed floodplain mapping efforts and compliance to FEMA's Floodplain Boundary Standard Audit certification and requirements. Coordinated the creation of final deliverables according to FEMA Data Capture Standards. Provided support for creation of final TSDN reports.

# FEMA CTP FY10-FY12 Risk MAP Projects, City of Grand Prairie, Texas

GIS Team Lead responsible for Base Map Data Acquisition, Field Surveys, Terrain Data Development, and creation of TINs and DEMs. Coordinated support for HEC-GeoHMS for hydrologic modeling and HEC-GeoRAS for hydraulic modeling. Directed floodplain mapping efforts and compliance to FEMA's Floodplain Boundary Standard Audit certification and requirements. Coordinated the creation of final deliverables according to FEMA Data Capture Standards.

# FEMA CTP FY13 Risk MAP Projects, City of Fort Worth, Texas

GIS Task Leader responsible for incorporating leveraged Field Survey, Hydrology, Hydraulics, and Floodplain Mapping data. Coordinated the creation of final deliverables according to FEMA Data

Capture Standards. Provided support for creation of final TSDN reports.

# FEMA CTP FY11 – San Bernard Watershed, TCRFC/TWDB

GIS Team Lead responsible for Base Map Data Acquisition, Terrain Data Development, and creation of TINs and DEMs. Coordinated support for HEC-GeoHMS for hydrologic modeling and HEC-GeoRAS for hydraulic modeling. Directed floodplain mapping efforts and compliance to FEMA's Floodplain Boundary Standard Audit certification and requirements. Coordinated the creation of final deliverables according to FEMA Data Capture Standards. Provided support for creation of final TSDN reports.

# County-Wide FIS Re-Study, FEMA Region VI, FY08, Austin, Erath, Fannin, Hopkins, Lavaca, Montague, Titus, Upshur, Van Zandt, Wise, and Wood Counties, Texas

GIS Team Leader directing base map acquisition and terrain development. GIS lead coordinating automated floodplain mapping of Zone A and Zone AE streams. DFIRM database development and production of DFIRM maps. Responsible for DFIRM QA/QC Review and TSDNs for base map, terrain, and mapping. Assisted with preparing FIS Report updates, addressing DFIRM protests, and creating final map deliverables (DFIRM Geotiffs, DFIRM database, FIS, and metadata).

JACK YOUNG, PE, CFM

ROLE: Documentation (TSDN)

Richardson, Texas

Years of Experience: 8 years

**Education:** BS/Civil Engineering, Texas Tech University

**Registration:** Licensed Professional Engineer, State of Texas No. 113401;

Certified Floodplain Manager, No. 1504-08N

Mr. Young, a Project Manager in Halff's Water Resources Group in Richardson, joined Halff in June 2008. He has extensive experience with hydrologic and hydraulic modeling, and floodplain mapping through work with local communities, state programs, and FEMA. He has strong technical expertise in advanced modeling software and a detailed knowledge of FEMA's Guidelines and Specifications. Mr. Young has considerable experience with FEMA's Risk MAP Program as a Project Engineer on five Texas CTP studies and a Project Manager for two. He has detailed knowledge of FEMA's Community Rating System (CRS) program as a facilitator of the North Texas CRS Users Group meetings and a consultant to the City of Dallas:

- FEMA CTP FY13 and FY14 Risk MAP Projects, NCTCOG: Project Manager for the NCTCOG CTP efforts with FEMA Region VI from 2013-Current. The FY13 Project included detailed studies for more than 13 miles of streams within the Village Creek Watershed in the City of Kennedale, City of Arlington, and Tarrant County. The FY14 Project included 27 miles of detailed studies on 26 tributaries of Bear Creek in the City of Southlake and City of Colleyville. All studies included detailed Hydrology, Hydraulics, Floodplain Mapping, and Non-Regulatory Products. Managed project budget and schedule as well as all reporting to FEMA Region VI, including Monthly Progress Reports, Quarterly Financial Reports, and MIP task updates.
- FEMA CTP FY10-FY15 Risk MAP Projects, City of Dallas: Project Engineer for the City of Dallas CTP efforts with FEMA Region VI. Worked on all tasks, including survey coordination, updating and developing hydrologic and hydraulic data, floodplain mapping, and QA/QC. All survey, modeling and mapping tasks were completed following FEMA's Guidelines and Specifications and recent Program and Working Standards. Projects included Newton Creek, Ash Creek, 5B5, 5B9, Buffalo Creek, McKamy Branch, and Jackson Creek Watersheds.
- FEMA CTP MAS 6, San Antonio River Authority: Project Engineer for the City of San Antonio's CTP efforts with FEMA Region VI. Worked on all tasks including survey coordination, updating and

- developing hydrologic and hydraulic data, and floodplain mapping. All survey, modeling, and mapping was completed following FEMA's Guidelines and Specifications and FEMA's Appendix M Data Capture Standards.
- Floodplain Program Management Assistance (FPMA), City of Dallas: Project Manager for City of Dallas Floodplain Program Management Assistance which provided the city with an on-call source of trained staff to supplement the city's staff on floodplain submittal reviews, flood problem evaluations, and other similar tasks often acting as an extension of the city's staff. Project schedules often require very fast paced results to assist the city with floodplain and storm water projects. Lead Engineer for the City's 2014 Community Rating System (CRS) Cycle Visit and submittal. Prepared supporting documentation for all CRS activities, including a digital data storage and submittal methodology to streamline the ISO review process.
- FEMA Region VI, Map Modernization Flood Insurance Studies (FIS) and DFIRM, Texas: Project Engineer for more than 15 counties for which map revisions were authorized, including 7 counties which contain the Denton and Cedar HUC-8. Worked on all production tasks, including base map preparation, topographic data development, floodplain mapping, DFIRM production, and TSDN reporting.

SEAN SUTTON, PE, CFM

ROLE: QM Team Manager

Austin, Texas

Years of Experience: 15 years

**Education:** BS/Civil Engineering, University of Texas at Austin

**Registration:** Licensed Professional Engineer, State of Texas No. 96526;

Certified Floodplain Manager, No. 1102-06N

Mr. Sutton, located in Austin, TX, is currently functioning in Project Manager, Project Professional, and Hydrologic & Hydraulic (H&H) technical advisory roles as part of a local and national team of engineers and GIS specialists conducting floodplain analysis and stormwater design studies for local, state and federal clients. These clients, in part, include the City of Austin, San Antonio River Authority (SARA), City of Grand Prairie, City of Longview, and FEMA Region IX. A significant portion of his work experience has been in the Project Professional role, with a focus on H&H modeling of varying complexity to generate floodplain mapping, drainage plans, local preliminary drainage infrastructure studies, FEMA Letters of Map Revision, and large-scale FEMA FIS and mapping updates. Mr. Sutton has served as Project Manager and Project Professional / Project Engineer on each of these types of projects, focusing on the advancement of his team's technical expertise and working with clients to meet their needs for technical solutions to drainage and flooding issues at the start, and throughout the execution, of their projects:

- FEMA Region VI May 2015 Texas Floods Rapid Response: Project Manager/Flood Recovery Task lead. In response to historic flooding in the Central Texas area on Memorial Day 2015, FEMA Region VI requested support in providing rapid delivery of updated flood risk data along several impacted rivers and creeks. The updated flood risk products included Advisory Base Flood Elevation maps, depth grids, expanded flood risk maps, and velocity grids for approximately 100 stream miles of updated study reaches. As project/task manager for the flood recovery mapping work, led the multicontractor team of engineers and GIS technicians within the Compass team that was responsible for collecting and analyzing gage data from the storm, updating and calibrating existing hydrologic and hydraulic models with this new gage and high water mark data, and generating the various rapid response flood risk products to FEMA Region VI for their dissementation to the local municipalities and state agencies. This data is critical in guiding the rebuilding process for these entities and their residents. Coordinated with FEMA Region VI staff and management, as well as various levels of management and technical staff of multiple state and local agencies and engineering contractors. Delivered quality non-regulatory products, and digital products for use on FEMA's geoplatform, in a short amount of time to meet FEMA's rapid response needs for approximately 100 stream miles of study reach.
- North Central Texas Council of Governments CTP FY13: Technical H&H Review Lead. As subconsultant to Halff Associates, led H&H review

- team, providing technical review and FEMA standards review for the hydraulics modeling and floodplain mapping 11.6 stream miles of study (Stream VC-3 and Stream VC-4 watersheds). Added value to team and client providing recommendations for technical improvements of modeling and for the final mapping products.
- City of Austin Pleasant Valley\Elmont Stormwater Conveyance Improvements Project: Project Lead Engineer. Technical lead for Hydrologic & Hydraulic (H&H) modeling efforts and documentation in the preliminary engineering report. Project purpose was to identify solutions that will alleviate known flooding at this intersection. Project objective included evaluating three alignment alternatives (including LID options), performing a geomorphic assessment of Country Club West Creek, evaluating the need to submit for a LOMR, and performing probable construction cost estimates alternative comparison in order to provide a recommendation to the City. Project Role: Assisted with development of the technical components of the scope, budget, planning of the project technical modeling approach and analysis. Also worked with the project team to develop the design approach priorities for meeting the project challenges as well as the City's drainage criteria. These design priorities addressed various constraints including: limited relief, consideration for future roadway improvements, and utility conflicts (including 60" water line), and combination of surface and subsurface drainage components. Lead the H&H modeling analysis, which was performed using HEC-HMS, HEC-RAS, Civil Storm, and StormCAD.

MARIA MARTINEZ, P.E., CFM

ROLE: INTERNAL H&H QM

Richardson, Texas

Years of Experience: 10 years

**Education:** BS/Chemical Engineering, Universidad del Zulia

MS/Engineering, University of New Orleans

**Registration:** Licensed Professional Engineer, State of Texas No. 106159

Certified Floodplain Manager, No. 1262-07N

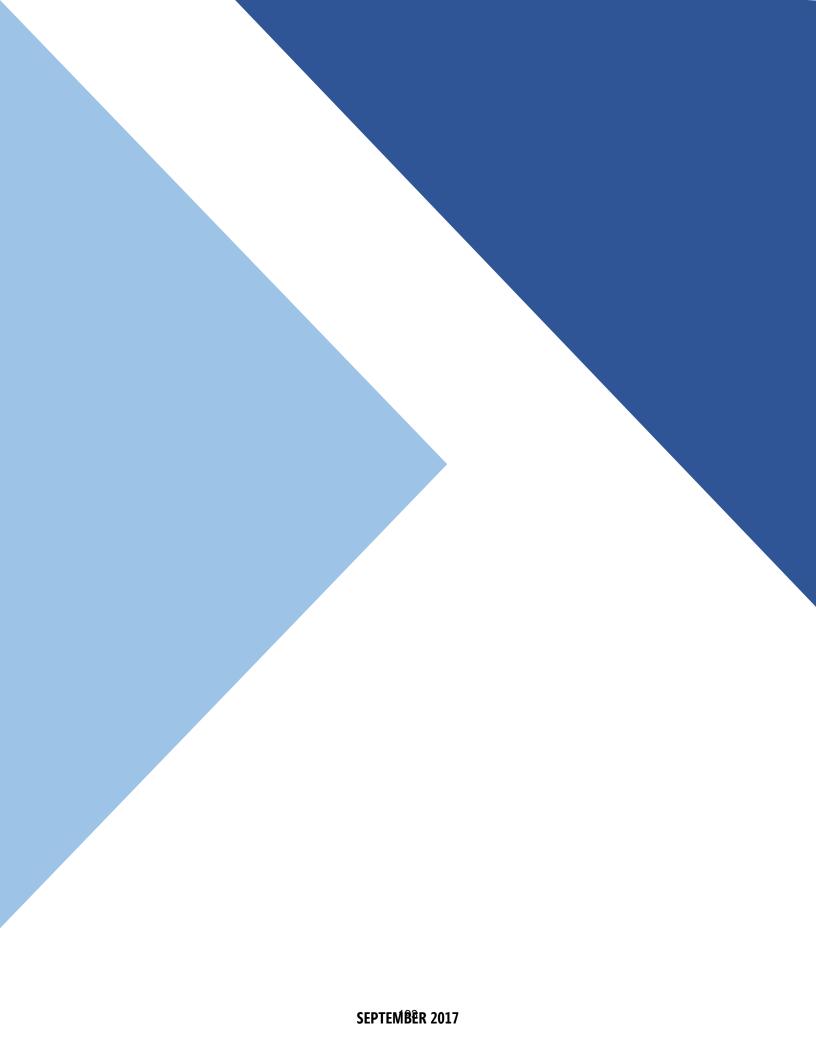
Ms. Martinez joined Halff Associates in October 2005. Since beginning with Halff Associates, Inc. Ms. Martinez has worked on and managed a variety of water resources engineering projects. During her time with Halff Associates she has had the opportunity to attend numerous continuing education classes and specialized training. She have gained experience working with hydrology and hydraulic modeling software packages including HEC-HMS, HEC-RAS, and HEC-2 as well as Geographic Information System (GIS) pre and post processing utilities (HEC-GeoHMS and HEC-GeoRAS) that aid in the automation of the floodplain modeling process. She also has gained experience working with stormwater modeling software including XPSWMM and StormCAD Representative projects include:

- Halff Floodplain Program Management Assistant (FPMA) Year 4 Contract – Repetitive Loss Property Flooding Analysis: Lead Engineer –The goal of this study was to evaluate flooding along FEMA repetitive loss properties in the watersheds of West Fork of Joe's Creek, Hatfield Branch, and Fivemile Creek. The repetitive loss properties evaluated were repetitive loss area #7, #33, #38, and #39. A 1D-2D XPSWMM model was created per area to analyze the existing conditions flooding problems. Alternatives were developed alleviate to flooding/ponding conditions based on the 100-year storm event and conceptual estimates of probable construction cost were generated. (2014).
- FEMA Cooperating Technical Partner (CTP) FY12 and FY10 Projects, City of Dallas, Texas: FY12: Project Engineer of 2 watersheds studied as part of the City of Dallas FEMA CTP FY12. Processed survey data, developed a hydrologic analysis, hydraulic analysis, and floodplain mapping of the following streams: Forney Branch, Stream 5B1, Stream 5B2, and Stream 5B3. Prepared a detail Technical Study Data Notebook (TSDN) to summarize results. FY10: Project Engineer, performed field reconnaissance, processed survey data, developed a hydrologic and hydraulic analysis of the following streams: Beards Branch, McCommas Branch and Royal Branch. Prepared a detail Technical Study Data Notebook (TSDN) to summarize results.

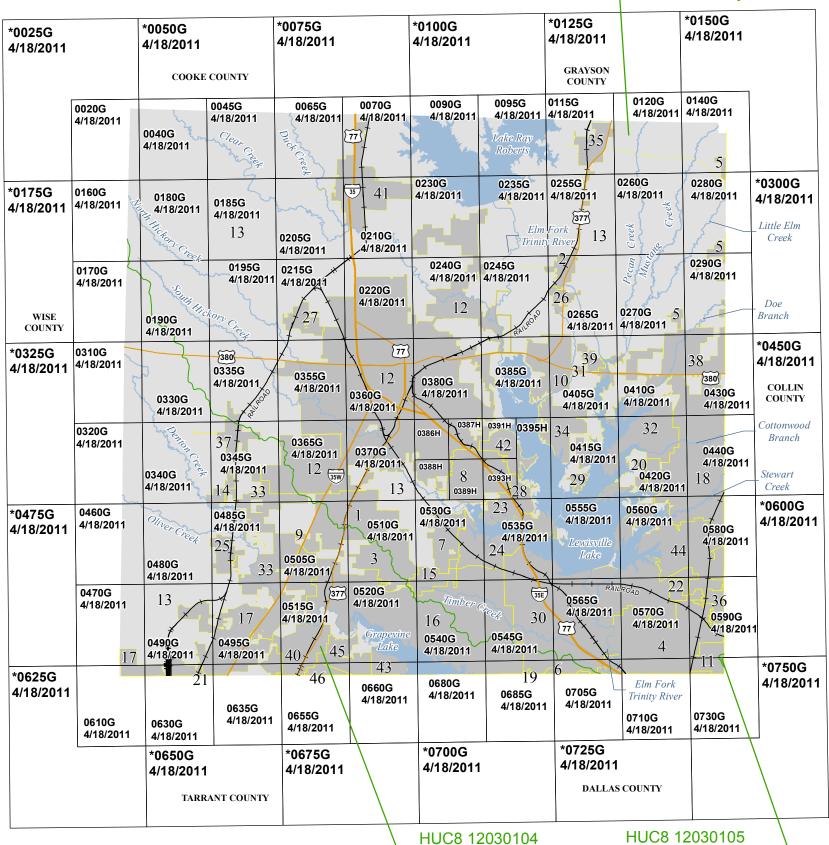
- Floodplain Analysis along White Rock Creek at a Spring Valley Property, City of Dallas, Texas: Completed a review of the DaVinci Estates, Phase 1 (Lots 1-9). Evaluated the extent of the floodplain per the fill permit for the property and verified if the fill permit is in compliance with the City of Dallas regulations. Prepared a letter report. (2013).
- Dallas EAP, Dallas, Texas: Performed a hydrologic and hydraulics analysis to determine the dam breach inundation limits, hydrologic criteria and hazard classification for three dams (Cherrybrook Lake, Hatfield Branch Detention and White Rock Lake). Assisted the PM in the report phase. A comprehensive EAP was developed and submitted to TCEQ for approval.
- Southwestern Boulevard Letter of Map Revision (LOMR), City of Coppell, Texas: As Project Engineer, updated the hydraulic model along Grapevine Creek due to the Southwestern Boulevard Improvements. Prepared all documents necessary for the LOMR submittal and submitted to FEMA in October, 2010. The LOMR was approved by FEMA on June 2, 2011.
- Floodplain Analysis, Hawaiian Falls Water Park, Cade Branch, City of Roanoke, Texas: Reviewed the report performed by another consultant as if we were FEMA reviewing the report to verify the minimum standards of the NFIP have been satisfied. This is due to the city allowed the developer to prepare the drainage report for review and approval in lieu of a CLOMR.

# Appendix C – Digital Data

- CheckRAS Printouts
- Hydrologic Model (HEC-HMS v. 4.2)
- Hydrologic Analysis Printouts
- Hydraulic Models (HEC-RAS v 5.0.3)
- Hydraulic Analysis Printouts
- Survey Data
- Supplemental Data



# HUC8 12030103 Elm Fork Trinity Watershed

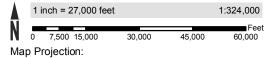


**Denton Watershed** 

KEY TO COMMUNITY NAMES AND CID						
KEY NUMBER	COMMUNITY NAME	CID	KEY NUMBER	COMMUNITY NAME	CID	
1	ARGYLE, TOWN OF	480775	26	KRUGERVILLE, CITY OF	481661	
2	AUBREY, CITY OF	480776	27	KRUM, CITY OF	480779	
3	BARTONVILLE, TOWN OF	481501	28	LAKE DALLAS, CITY OF	480780	
4	CARROLLTON, CITY OF	480167	29	LAKEWOOD VILLAGE, TOWN OF	481663	
5	CELINA, CITY OF	480133	30	LEWISVILLE, CITY OF	480195	
6	COPPELL, CITY OF	480170	31	LINCOLN PARK, TOWN OF	480781	
7	COPPER CANYON, TOWN OF	481508	32	LITTLE ELM, TOWN OF	481152	
8	CORINTH, CITY OF	481143	33	NORTHLAKE, TOWN OF	480782	
9	CORRAL CITY, TOWN OF	480244	34	OAK POINT, CITY OF	481639	
10	CROSS ROADS, TOWN OF	481513	35	PILOT POINT, CITY OF	480783	
11	DALLAS, CITY OF	480171	36	PLANO, CITY OF	480140	
12	DENTON, CITY OF	480194	37	PONDER, TOWN OF	480784	
13	DENTON COUNTY, UNINCORPORATED AREAS	480774	38	PROSPER, TOWN OF	480141	
14	DISH, TOWN OF	480229	39	PROVIDENCE VILLAGE, TOWN OF	480803	
15	DOUBLE OAK, TOWN OF	481516	40	ROANOKE, CITY OF	480785	
16	FLOWER MOUND, TOWN OF	480777	41	SANGER, CITY OF	480786	
17	FORT WORTH, CITY OF	480596	42	SHADY SHORES, TOWN OF	481135	
18	FRISCO, CITY OF	480134	43	SOUTHLAKE, CITY OF	480612	
19	GRAPEVINE, CITY OF	480598	44	THE COLONY, CITY OF	481581	
20	HACKBERRY, CITY OF	481607	45	TROPHY CLUB, TOWN OF	481606	
21	HASLET, CITY OF	480600	46	WESTLAKE, TOWN OF	480614	
22	HEBRON, TOWN OF	481495				
23	HICKORY CREEK, TOWN OF	481150				
24	HIGHLAND VILLAGE, CITY OF	481105				
25	JUSTIN, CITY OF	480778				

ATTENTION: The corporate limits shown on this FIRM Index are based on the best information available at the time of publication. As such, they may be more current than those shown on FIRM panels issued before [date].

**Upper Trinity Watershed** 



State Plane Texas North Central FIPS Zone 4202; North American Datum 1983

THE INFORMATION DEPICTED ON THIS MAP AND SUPPORTING **DOCUMENTATION ARE ALSO AVAILABLE IN DIGITAL FORMAT AT** 

HTTPS://MSC.FEMA.GOV

SEE FLOOD INSURANCE STUDY FOR ADDITIONAL INFORMATION

\* PANEL NOT PRINTED - AREA OUTSIDE COUNTY BOUNDARY



# NATIONAL FLOOD INSURANCE PROGRAM

FLOOD INSURANCE RATE MAP INDEX

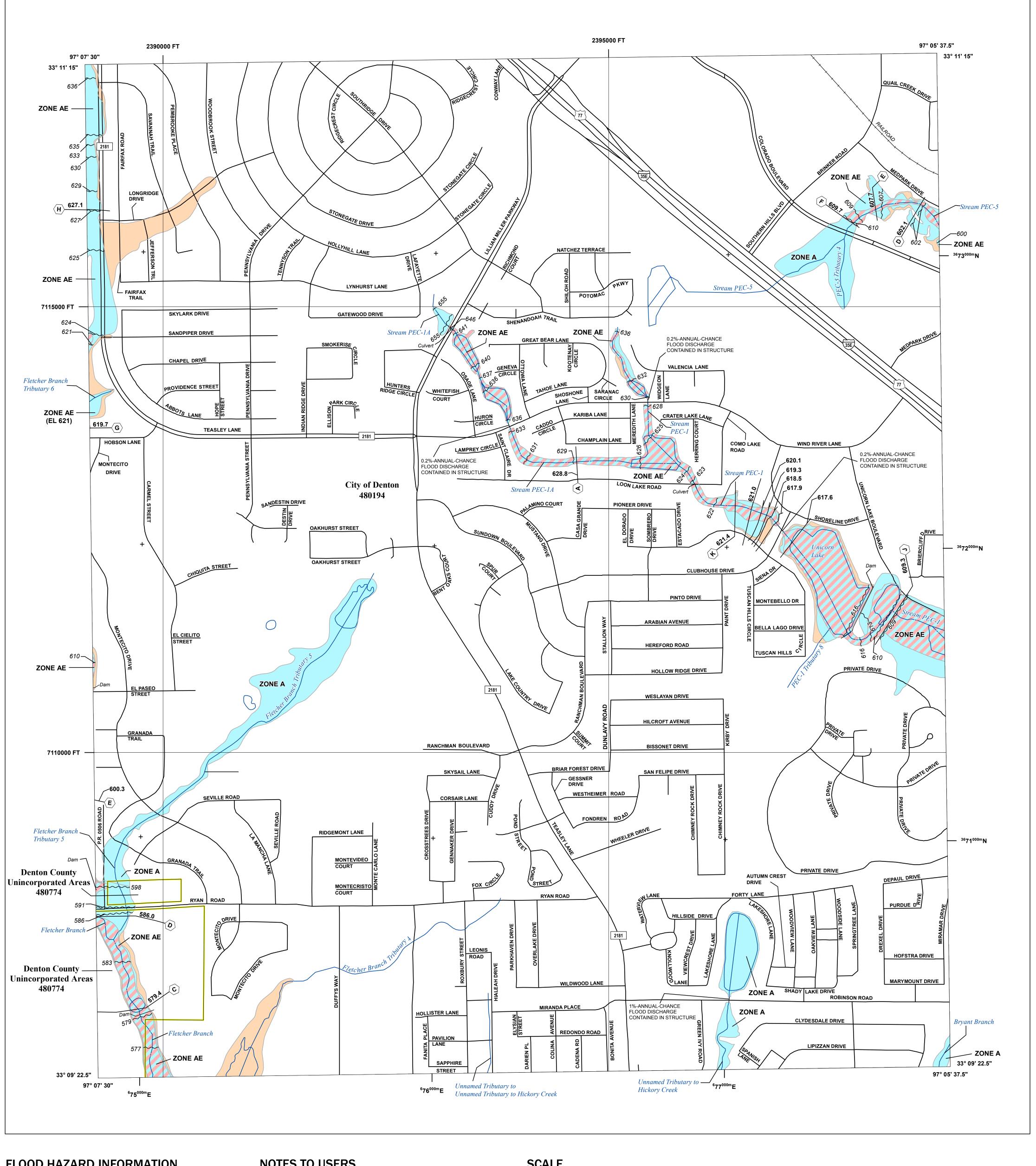
**DENTON COUNTY, TEXAS** and Incorporated Areas PANELS PRINTED:

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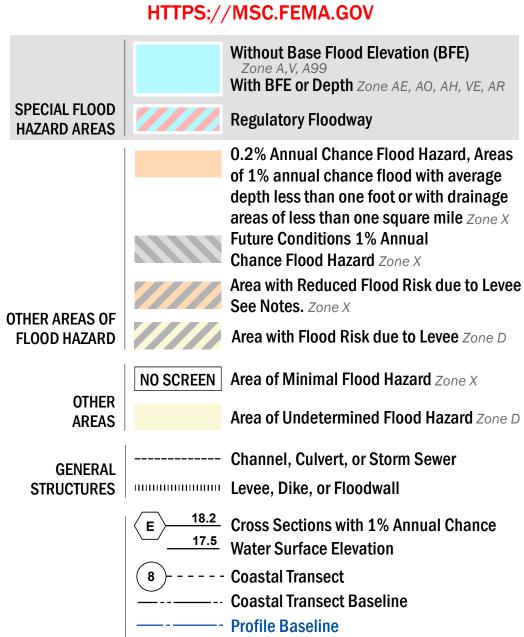
194

MAP REVISED



# FLOOD HAZARD INFORMATION

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT THE INFORMATION DEPICTED ON THIS MAP AND SUPPORTING **DOCUMENTATION ARE ALSO AVAILABLE IN DIGITAL FORMAT AT** 



- Hydrographic Feature

**Jurisdiction Boundary** 

---- 513 --- Base Flood Elevation Line (BFE)

**Limit of Study** 

OTHER

**FEATURES** 

# **NOTES TO USERS**

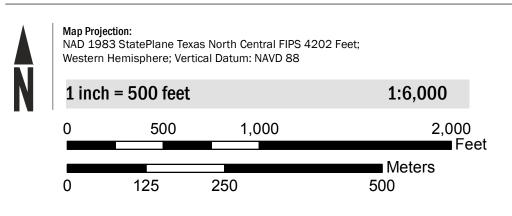
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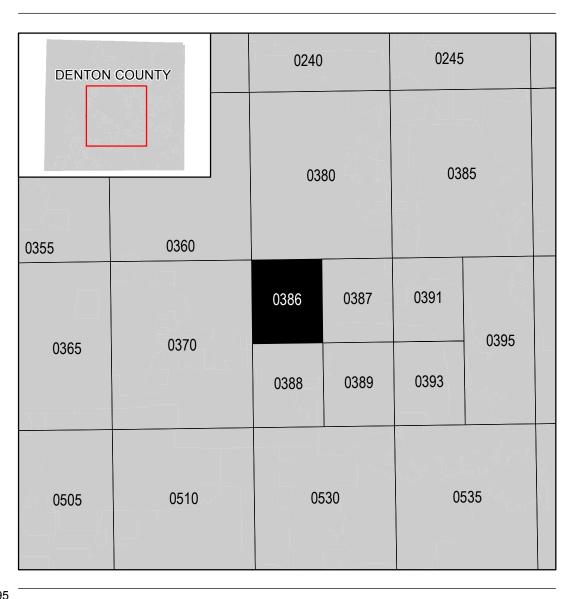
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# **SCALE**



# **PANEL LOCATOR**



# NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP

**DENTON COUNTY, TEXAS** and Incorporated Areas PANEL 386 OF 750



Panel Contains:

National Flood Insurance Program

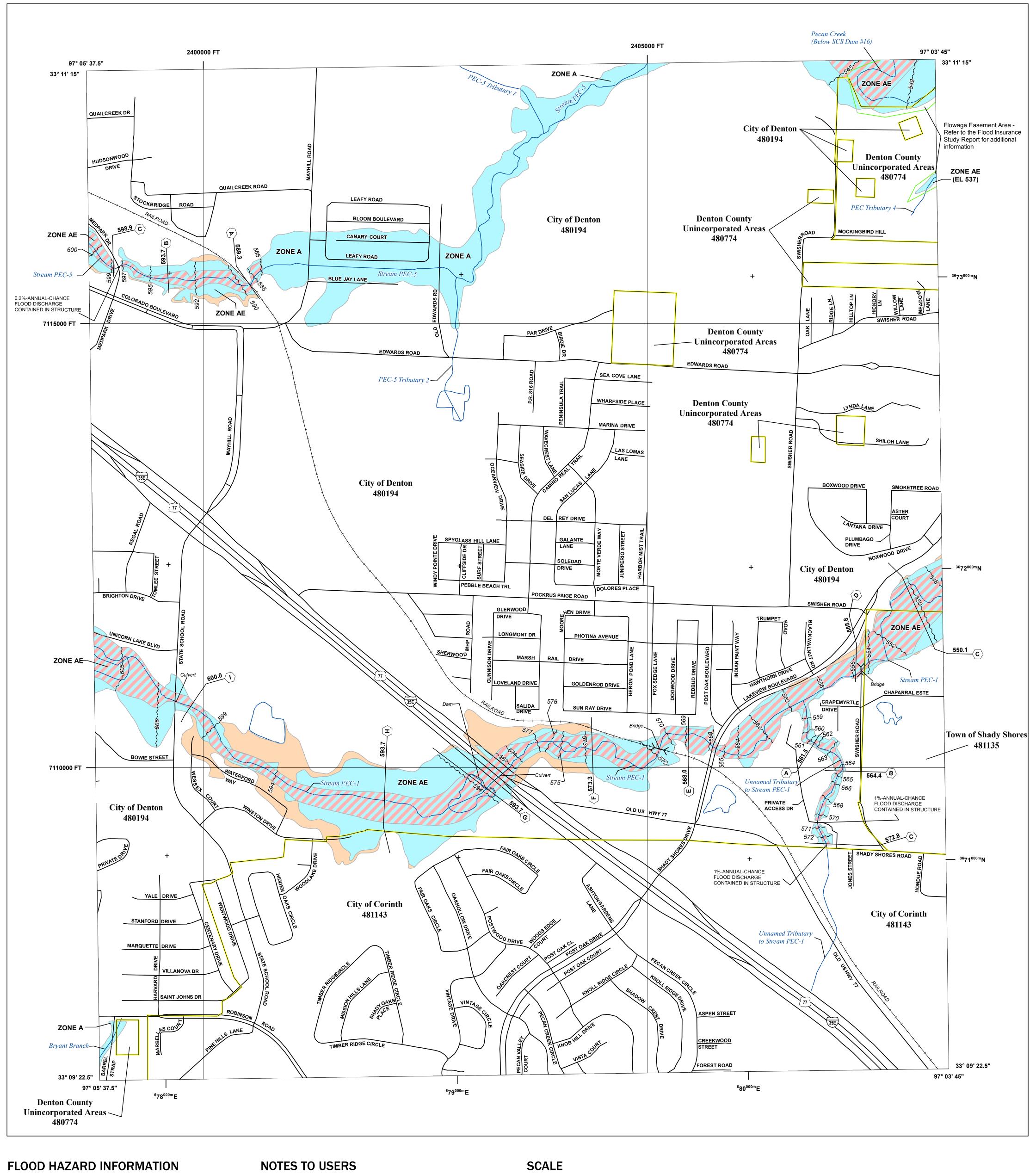
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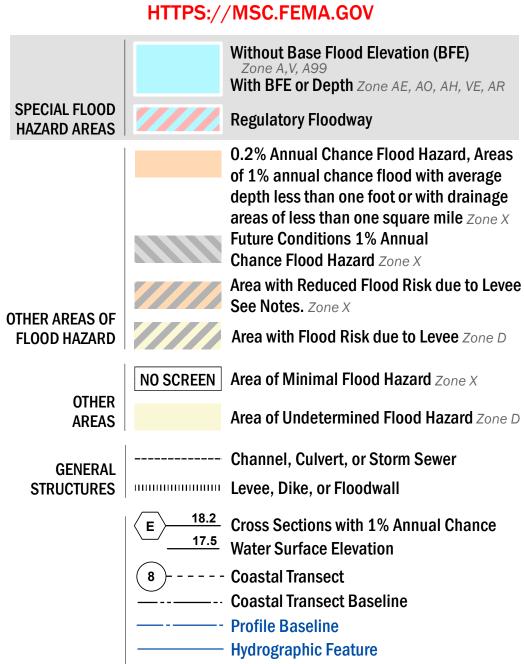
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COMMUNITY PANEL SUFFIX NUMBER DENTON, CITY OF 480194 0386 DENTON COUNTY 480774 0386

> **PRELIMINARY** 06/29/2018

> > **VERSION NUMBER** 2.4.3.5 **MAP NUMBER** 48121C0386H **MAP REVISED**





**Base Flood Elevation Line (BFE)** 

**Jurisdiction Boundary** 

**Limit of Study** 

OTHER

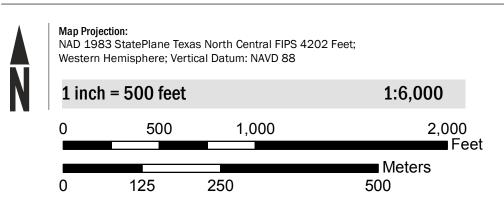
**FEATURES** 

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# **PANEL LOCATOR**

DE	NTON COUNTY	024	40	0245		0265
	0360	038	80	03	85	0405
	20270	0386	0387	0391	0395	0415
	0370	0388	0389	0393	4.60	0410
	0510	0530		08	535	0555

# NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP

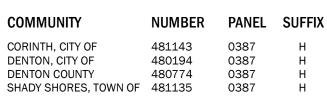
**DENTON COUNTY, TEXAS** and Incorporated Areas PANEL 387 OF 750

Flood Insurance Program

National

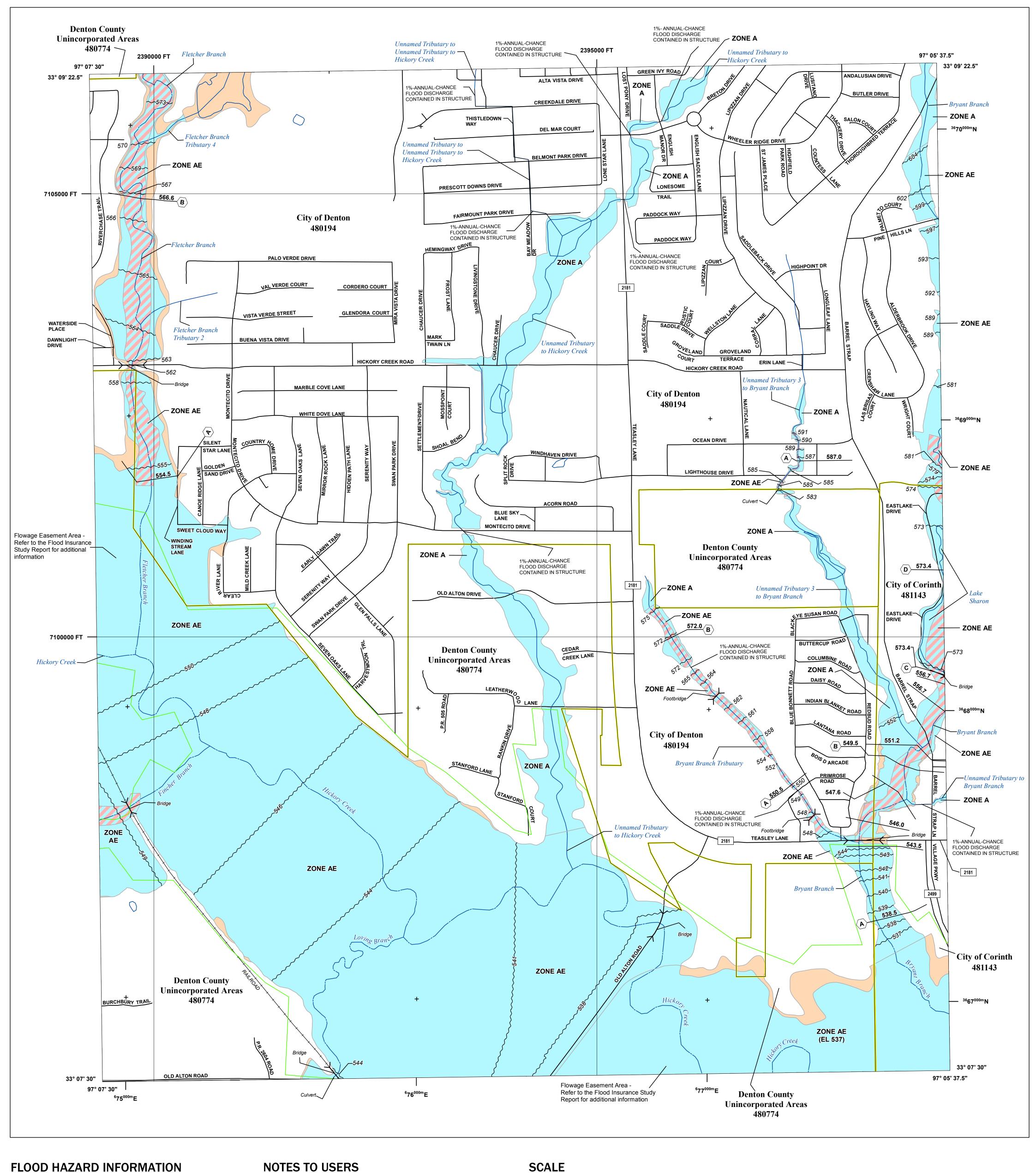


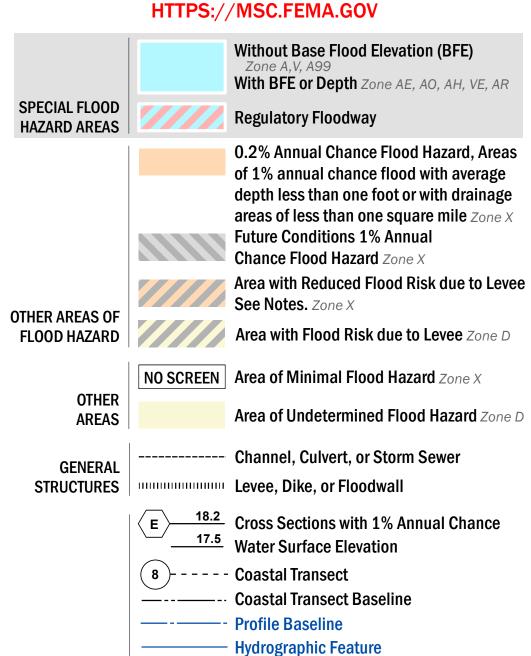
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**PRELIMINARY** 06/29/2018

> **VERSION NUMBER** 2.4.3.5 **MAP NUMBER** 48121C0387H **MAP REVISED**





**Base Flood Elevation Line (BFE)** 

**Jurisdiction Boundary** 

**Limit of Study** 

OTHER

**FEATURES** 

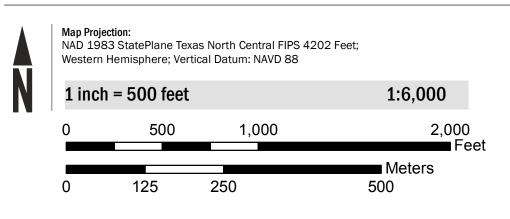
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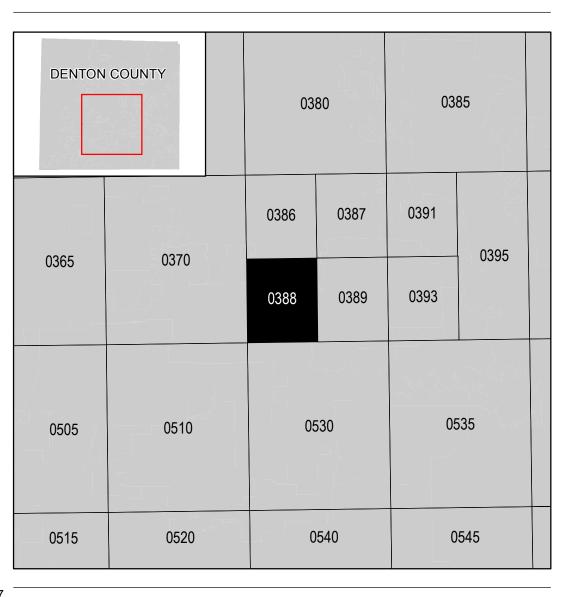
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# PANEL LOCATOR



# NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP

DENTON COUNTY, TEXAS and Incorporated Areas

PANEL 388 OF 750

FEMA

National Flood Insurance Program



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COMMUNITY	NUMBER	PANEL	SUFFIX
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DENTON, CITY OF	480194	0388	Н
DENTON COUNTY	480774	0388	Н

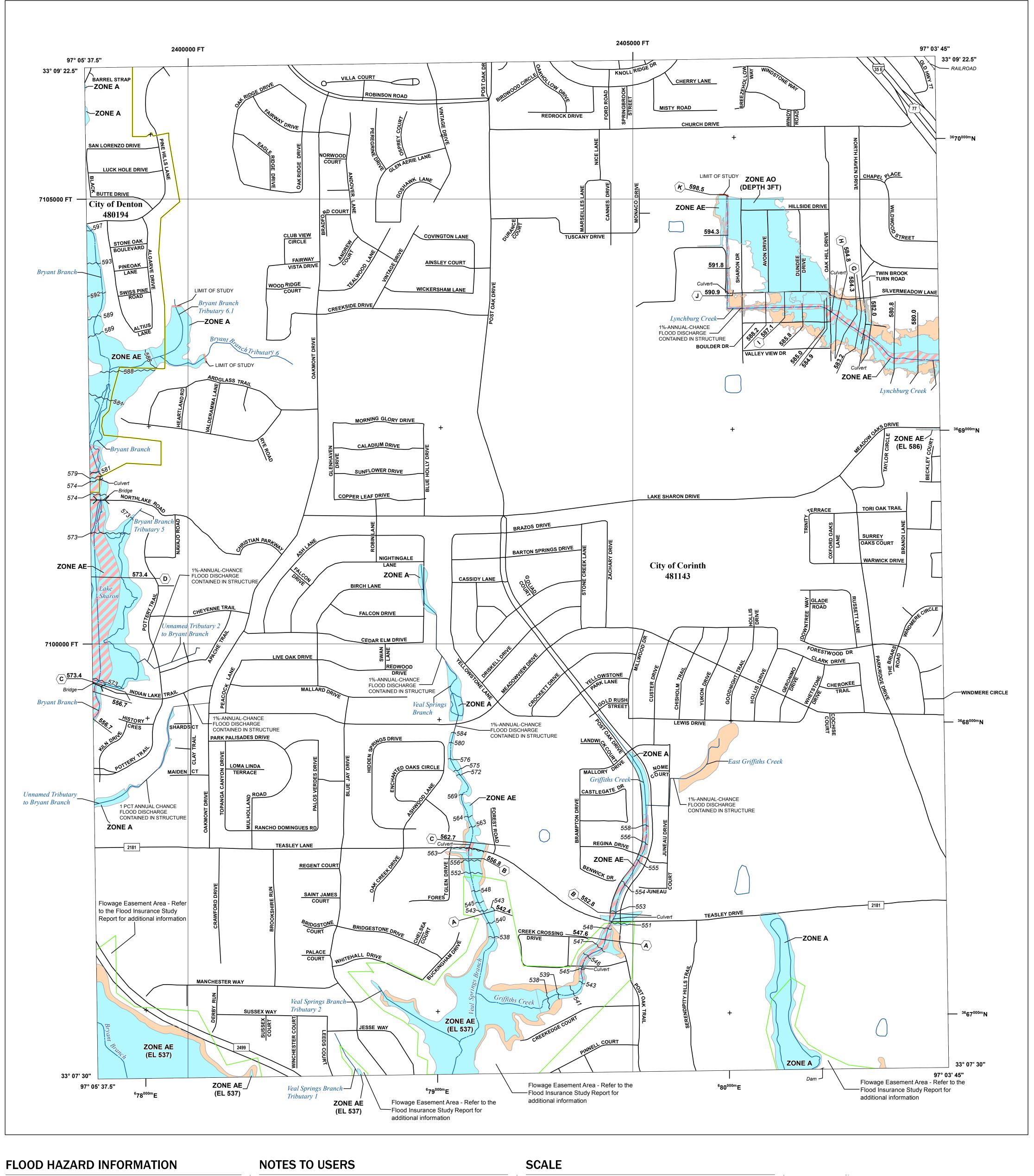
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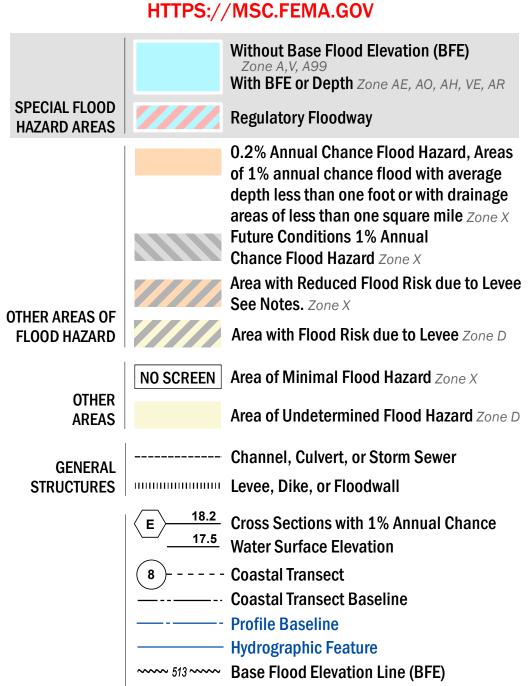
VERSION NUMBER
2.4.3.5

MAP NUMBER
48121C0388H

MAP REVISED

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**Limit of Study** 

**Jurisdiction Boundary** 

OTHER

**FEATURES** 

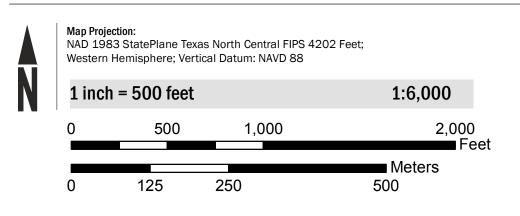
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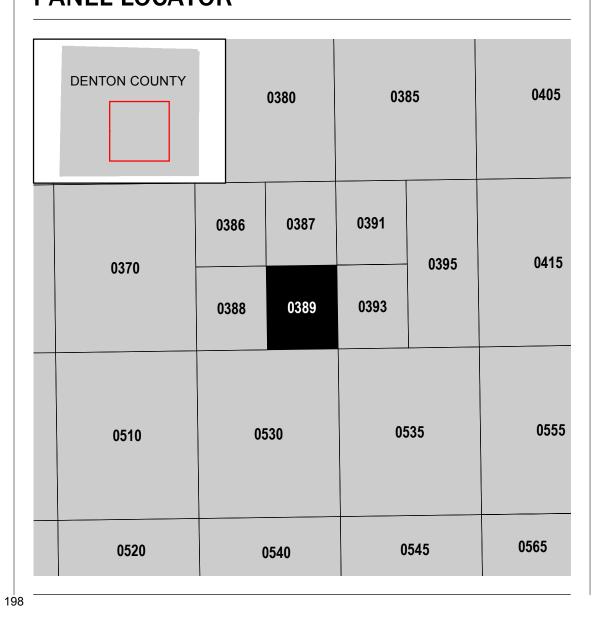
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# PANEL LOCATOR



# NATIONAL FLOOD INSURANCE PROGRAM

DENTON COUNTY, TEXAS and Incorporated Areas

PANEL 389 OF 750

FLOOD INSURANCE RATE MAP

FEMA

National Flood Insurance Program



Panel Contains:

COMMUNITY

NUMBER
PANEL
SUFFIX

CORINTH, CITY OF
DENTON, CITY OF
481143
480194
0389
H

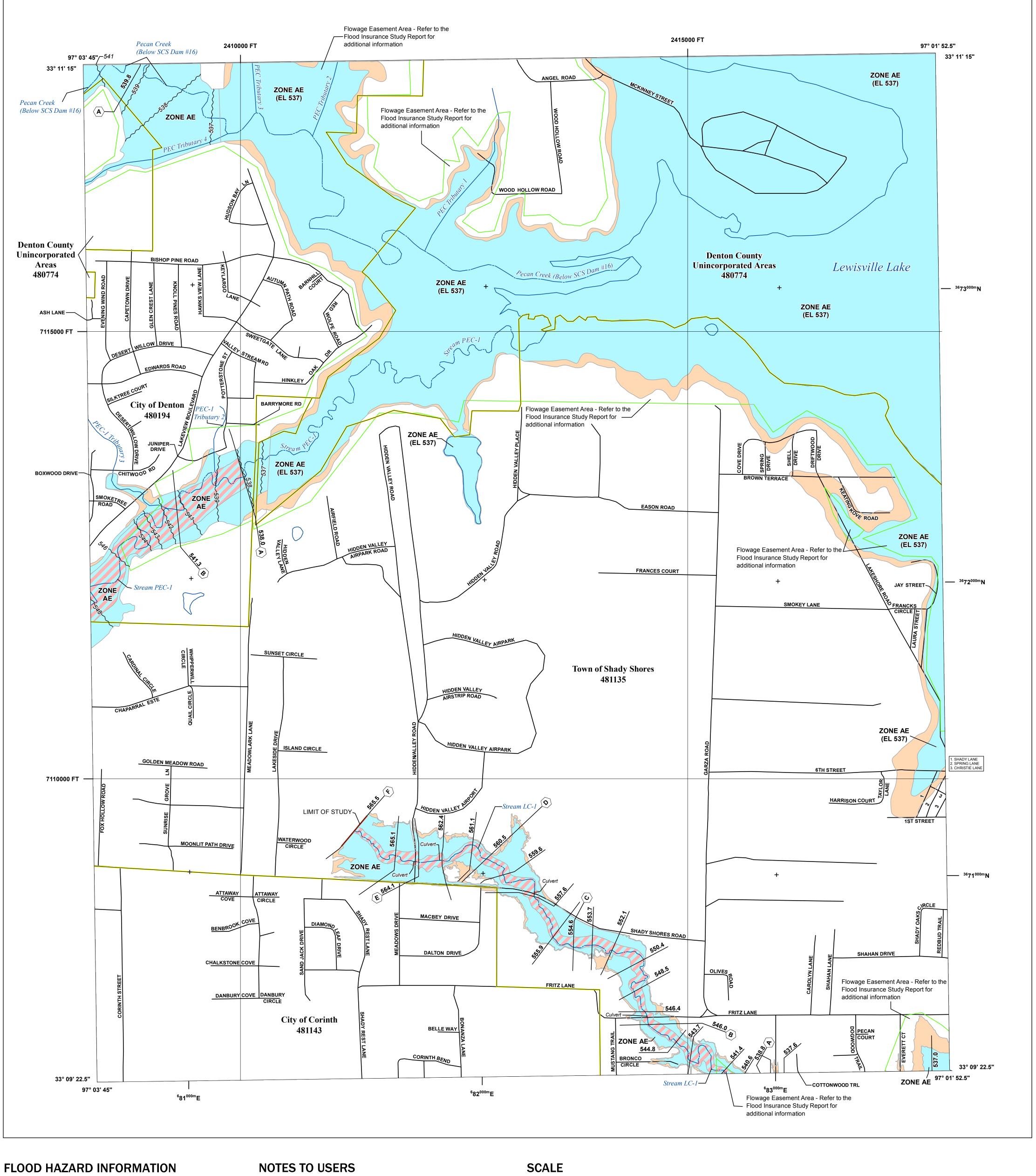
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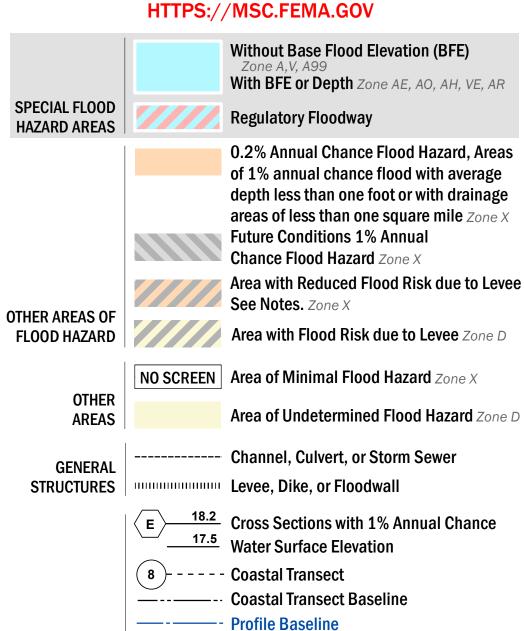
06/29/2018

VERSION NUMBER
2.4.3.5

MAP NUMBER
48121C0389H

MAP REVISED





Hydrographic Feature

**Jurisdiction Boundary** 

**Base Flood Elevation Line (BFE)** 

**Limit of Study** 

OTHER

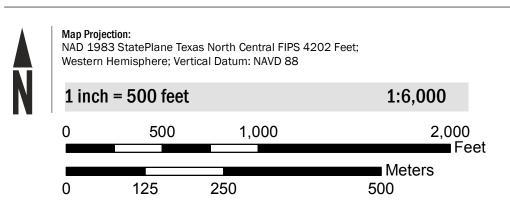
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# **PANEL LOCATOR**

DENTON	COUNTY	0240	024	.5	0265	
0360	03	80	03	85	0405	
	0386	0387	0391	0395	0415	
0370	0388 0389 0393	0393				
0510	05	530	0535		0555	

NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP

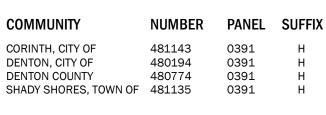
**DENTON COUNTY, TEXAS** and Incorporated Areas PANEL 391 OF 750



Panel Contains: COMMUNITY

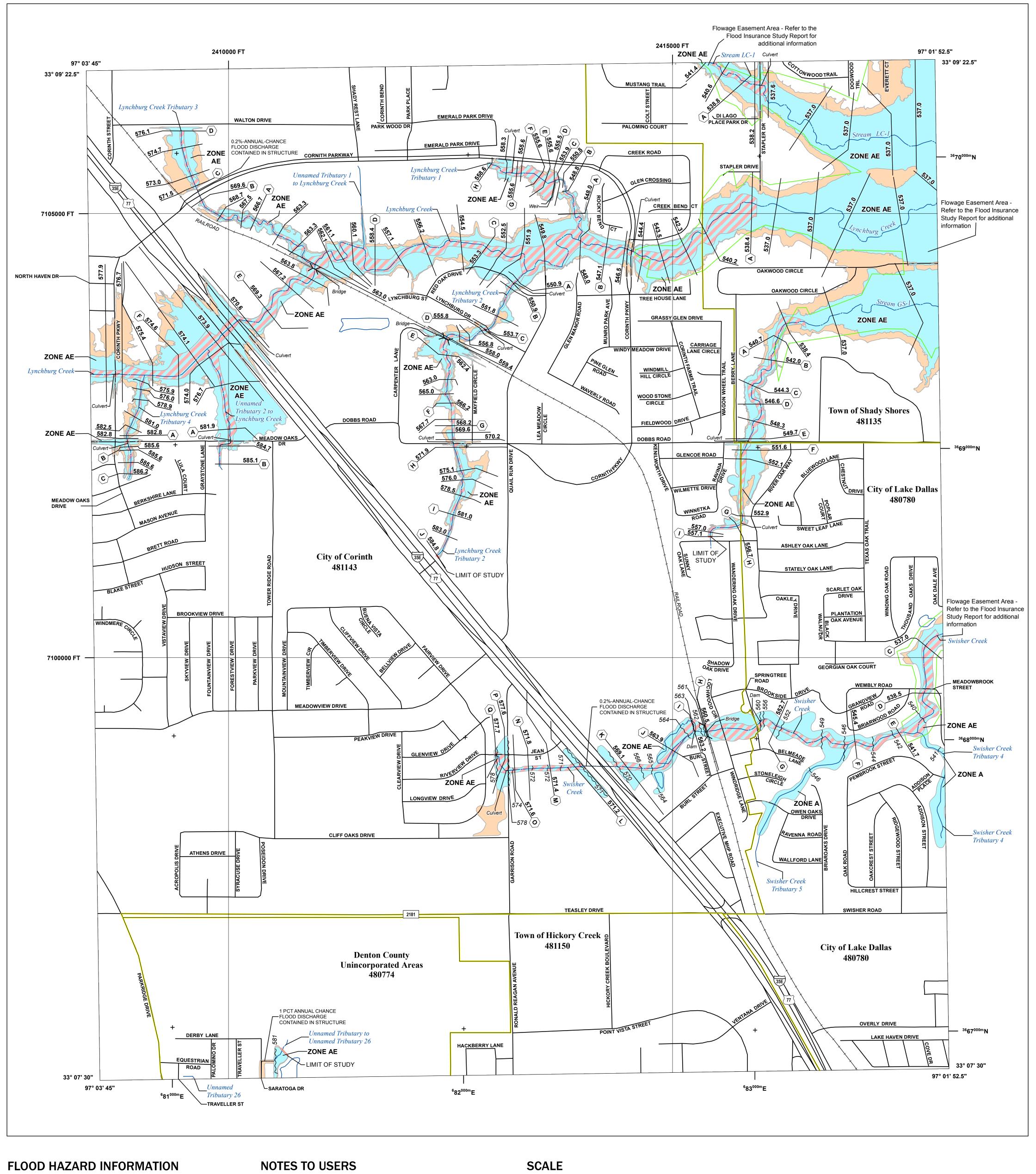
Flood Insurance Program

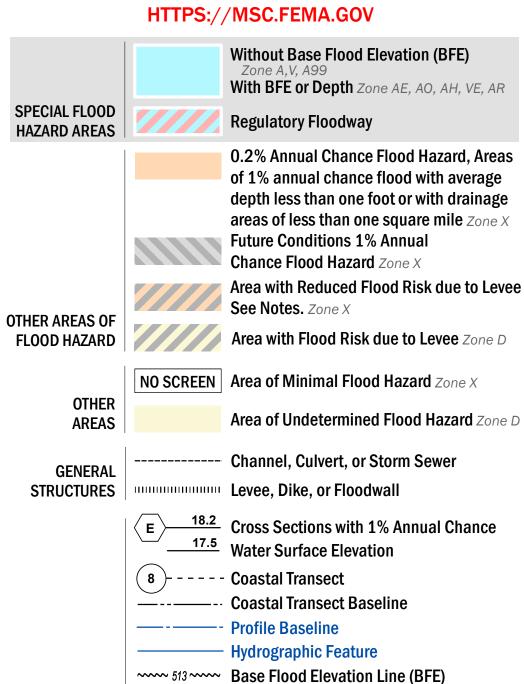
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**PRELIMINARY** 06/29/2018

> **VERSION NUMBER** 2.4.3.5 **MAP NUMBER** 48121C0391H **MAP REVISED**





**Limit of Study** 

**Jurisdiction Boundary** 

OTHER

**FEATURES** 

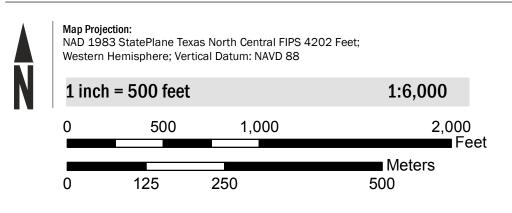
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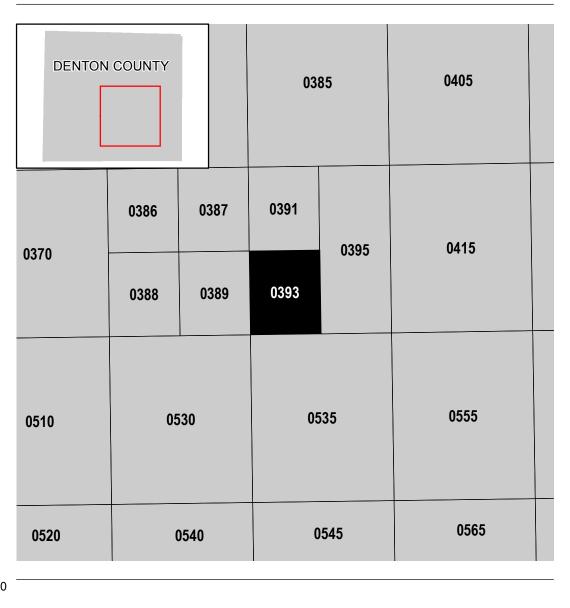
Flood Insurance Program at 1-800-638-6620.

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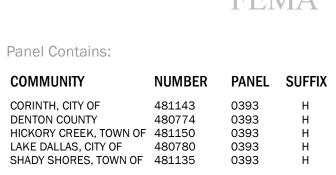
# PANEL LOCATOR



# FEMA Flood Insurance Program NATIONAL FLOOD INSURANCE PROGRAM FLOOD INSURANCE RATE MAP **DENTON COUNTY, TEXAS** and Incorporated Areas

National

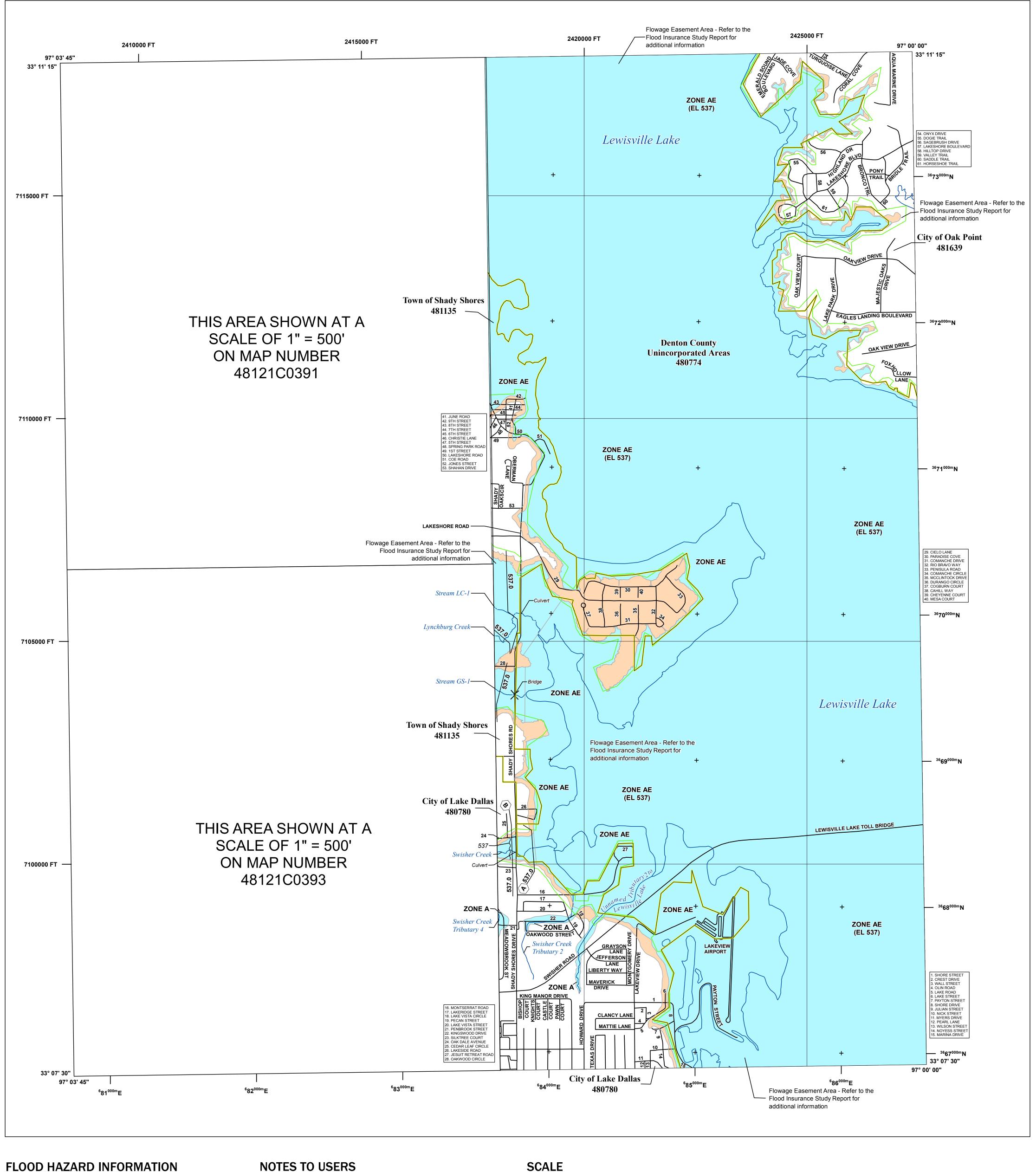
PANEL 393 of 750

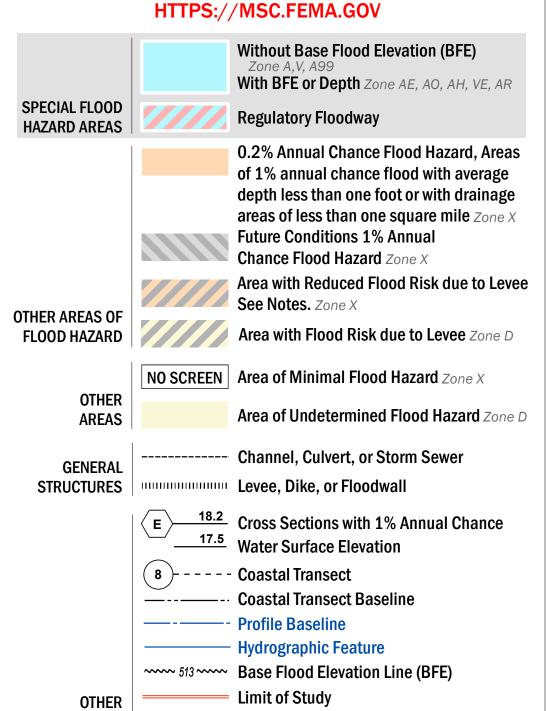


**PRELIMINARY** 06/29/2018

> **VERSION NUMBER** 2.4.3.5 **MAP NUMBER** 48121C0393H **MAP REVISED**

200





**Jurisdiction Boundary** 

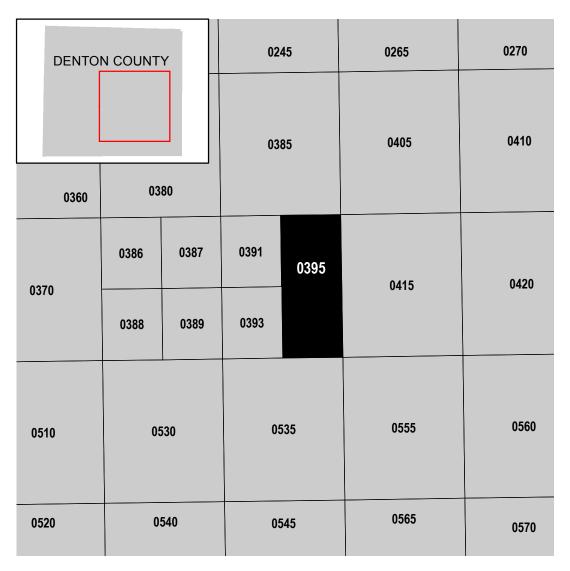
**FEATURES** 

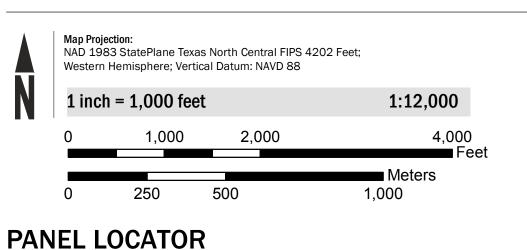
For information and questions about this Flood Insurance Rate Map (FIRM), available products associated with this FIRM, including historic versions, the current map date for each FIRM panel, how to order products, or the National Flood Insurance Program (NFIP) in general, please call the FEMA Map Information eXchange at 1-877-FEMA-MAP (1-877-336-2627) or visit the FEMA Flood Map Service Center website at https://msc.fema.gov. Available products may include previously issued Letters of Map Change, a Flood Insurance Study Report, and/or digital versions of this map. Many of these products can be ordered or obtained directly from the website.

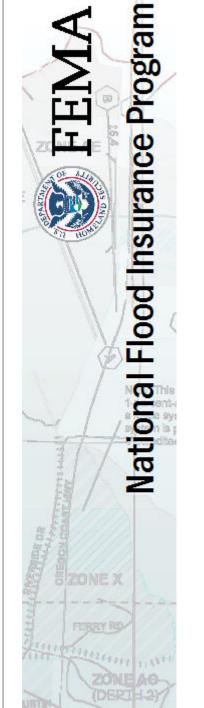
Communities annexing land on adjacent FIRM panels must obtain a current copy of the adjacent panel as well as the current FIRM Index. These may be ordered directly from the Map Service Center at the number listed above. For community and countywide map dates refer to the Flood Insurance Study report for this jurisdiction. To determine if flood insurance is available in the community, contact your Insurance agent or call the National Flood Insurance Program at 1-800-638-6620.

Base map information shown on this FIRM was derived from multiple sources. The FEMA National Flood Hazard Layer (NFHL) data provided base transportation and city limit information, 2011. The Texas Natural Resources Information System (TNRIS) provided the Texas Department of Transportation (TxDOT) community boundaries and transportation layers dated 2015. Base map data was also provided by North Central Texas Council of Governments (NCTCOG) and local communities, 2018.

> Flowage Easement area data was provided by the United States Army Corps of Engineers (USACE) Fort Worth District. For data acquisition dates refer to Section 2.2 of the Flood Insurance Study Report for this jurisdiction. For information about the delineation of flowage easement areas in this Flood Risk Project, please contact 817-886-1096.









**DENTON COUNTY, TEXAS** and Incorporated Areas PANEL 395 OF 750



Panel Contains:			
COMMUNITY	NUMBER	PANEL	SUFFIX
DENTON COUNTY	480774	0395	Н
LAKE DALLAS, CITY OF	480780	0395	Н
OAK POINT, CITY OF	481639	0395	Н
SHADY SHORES, TOWN OF	481135	0395	Н
-, -			

**PRELIMINARY** 06/29/2018

> **VERSION NUMBER** 2.4.3.5 **MAP NUMBER** 48121C0395H **MAP REVISED**

# **CONSENT ITEM** 1.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: November 15, 2018 Workshop

**Submitted For:** Kim Pence, City Secretary **Submitted By:** Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

# **AGENDA ITEM**

Consider and act on minutes from the November 15, 2018 Workshop Session.

# AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the November 15, 2018 Workshop Session. The minutes are in draft form and are not considered official until formally approved by the City Council.

# RECOMMENDATION

Staff recommends approval of the November 15, 2018 Workshop Session minutes.

	Attachments
Minutes	

# STATE OF TEXAS COUNTY OF DENTON CITY OF CORINTH

On this the 15<sup>th</sup> day of November 2018 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

## **Members Present:**

Sam Burke, Mayor Pro-Tem Lowell Johnson, Council Member Scott Garber, Council Member Tina Henderson, Council Member Don Glockel. Council Member

# **Members Absent:**

Bill Heidemann, Mayor

# **Staff Members Present**

Bob Hart, City Manager
Kimberly Pence, City Secretary
Brenton Copeland, Technology Services Assistant Manager
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
Jason Alexander, Economic Development Corporation Director
George Marshall, City Engineer
Lori Levy, Senior Planner
Melissa Cranford, Messer, Rockefeller, & Fort
Patricia Adams, Messer, Rockefeller, & Fort

# **CALL TO ORDER:**

Mayor Pro-Tem Burke called the meeting to order at 5:30 p.m.

# WORKSHOP BUSINESS AGENDA:

1. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

# **Consent Item #1 Discussion:**

Consider and act on minutes from the October 4, 2018 Workshop Session.

**Councilmember Henderson -** on the October 4<sup>th</sup> Workshop Session minutes on page 8, it states that we did the City Manager evaluation under Closed Session and we did not discuss that item.

**Bob Hart, City Manager -** we will remove that from the minutes.

Kim Pence, City Secretary - it was listed on the agenda, you just didn't discuss it?

Melissa Cranford, Messer, Rockefeller, & Fort - we discussed it but Council did not complete the

evaluation.

# **Business Item #9 Discussion:**

9. Consider and act on a Resolution to renew the guidelines and criteria for the Policy Statement for Tax Abatement, to provide effective and expiration dates, to repeal conflicting resolutions and to provide an effective date.

**Bob Hart, City Manager** -.tax abatement is an important economic development incentive, and its use in Corinth played a pivotal role in attracting the corporate headquarters of Denton Area Teachers Credit Union to the community. Considering its value to the community as an economic development incentive and creating primary employment opportunities and attracting major investment such as Denton Area Teachers Credit Union, City Council should give consideration towards renewing the Policy; however, its renewal should be aligned with the Act.

The proposed amendment to the policy focuses on amending the entirety of Section 12, the Sunset Provision. The proposed amendment would renew the Policy and provide an effective date of December 15, 2018 and an expiration date of September 1, 2019, unless it is extended in effect by the Texas Legislature. This will ensure that the community is afforded all the economic development incentive tools needed to retain, expand and attract businesses and will ensure that the Policy remains consistent with the provisions of the Act

**Councilmember Glockel** - if you are a small business owner and you improved your facility from \$250,000 to \$499,000, it would be 25% of abated taxes but if you do more than that you get a 50% tax abatement and I wondered if we are really trying to address the majority of our small businesses shouldn't we allow 50%?

**Bob Hart, City Manager -** Generally when you talk about the businesses in Corinth a Chapter 380 would be the easier way to go rather than doing the abatement under this state law and this provision. It is easier to do it under a 380 agreement.

**Councilmember Glockel** - I agree with that. However, when you look at the chart, if you are a new business and you come in you are at 25% under \$500,000 and you are 25% up to several million. When we go to the existing businesses, once you spend more than \$499,000 you go to 50% but the smaller businesses we are not doing that and that concerns me.

**Jason Alexander, Economic Development Corporation Director** - if that is something you would like us to look into further we can do that. The thought process was as Mr. Hart stated is that we were looking primarily at a Chapter 380 for tax abatement for the smaller businesses just because it is easier to get through that process and more business friendly.

**Bob Hart, City Manager** - under state law the tax abatement authority expires on September 1<sup>st</sup> so all we are doing is getting it from now until September 1, 2019 to match the state law. If the Legislature adopts a new policy then we go back and look at it.

# 2. Review and discuss a Draft Asset Management Plan.

**Bob Hart, City Manager** - Public Sector Digest was engaged to prepare an asset management plan. Six staff members received training on asset management plans to better facilitate preparation of the plan. The idea is to get a good comfort level on this and we will bring it back on December 6th to answer any additional questions and adopt an Asset Management Plan on January 10<sup>th</sup>.

Mathew Van Dommelen, General Manager/Bus. Development - presented to Council a draft asset management plan.

Asset management can be best defined as an integrated business approach within an organization with the aim to minimize the lifecycle costs of owning, operating, and maintaining assets, at an acceptable level of risk, while continuously delivering established levels of service for present and future customers. It includes the planning, design, construction, operation and maintenance of infrastructure used to provide services. By implementing asset management processes, infrastructure needs can be prioritized over time, while ensuring timely investments to minimize repair and rehabilitation costs and maintain municipal assets.

The state of Texas has some of the largest infrastructure in the US and is leading the way in wind power energy production and population growth, necessitating continued and improved maintenance on their assets.

Texas is geographically the largest state in the continental US, with a large-scale infrastructure portfolio that is increasingly in need of maintenance. The asset portfolios managed by Texas municipalities are highly diverse. The City of Corinth's capital assets portfolio, as analyzed in this asset management plan (AMP) is valued at \$2.2 billion using 2016 replacement costs. The City relies on these assets to provide residents, businesses, employees and visitors with safe access to important services, such as transportation, recreation, culture, economic development and much more. As such, it is critical that the City manage these assets optimally in order to produce the highest total value for taxpayers. This asset management plan, (AMP) will assist the City in the pursuit of judicious asset management for its capital assets.

The following topics were discussed:

- 7 key principals for a sustainable asset management program
- Objectives and Content
- Data and Methodology
- Summary Statistics
- State of Local Infrastructure and recommendations
- Levels of Service
- Asset Management Strategies
- Financial Strategy

**Mayor Pro-Tem Burke -** we appreciate you coming out and working with our staff. We are hopeful on making this on-going to help us run our City more effectively.

Mayor Pro-Tem Burke recessed the Workshop at 6:39 p.m. \* See Closed Session.

Mayor Pro-Tem Burke convened into Closed Session at 6:40 p.m.

### **CLOSED SESSION**

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

**Section 551.071.** Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer:

Council met in Closed Session from 6:40 p.m. until 6:50 p.m.

A. Marcus Mote v. Debra Walthall, Case No. 4:16-CV-00203-RC, United States District Court for the Eastern District of Texas.

**Section 551.071,** (1) Private consultation with its attorney to see advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Council met in Closed Session from 6:40 p.m. until 6:50 p.m.

# A. MCM Contract for Lake Sharon Roadway Extension.

**Section 551.074,** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

# A. City Manager evaluation.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not, pursuant to Section 551.071 of the Texas Government Code, Consultation with City Attorney.

**RECONVENE IN OPEN SESSION** - In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

# There was no action taken on Closed Session items.

# ADJOURN: Mayor Pro-Tem Burke adjourned the meeting at 6:51 P.M. AYES: All Meeting adjourned. Approved by Council on the \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2019. Kimberly Pence, City Secretary City of Corinth, Texas

# **CONSENT ITEM 2.**

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: November 15, 2018 Regular Session

**Submitted For:** Kim Pence, City Secretary **Submitted By:** Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

# **AGENDA ITEM**

Consider and act on minutes from the November 15, 2018 Regular Session.

# AGENDA ITEM SUMMARY/BACKGROUND

Attached are minutes from the November 15, 2018 Regular Session. The minutes are in draft form and are not considered official until formally approved by the City Council.

# RECOMMENDATION

Staff recommends approval of the November 14, 2018 Regular Session minutes.

	Attachments	
Minutes		

# STATE OF TEXAS COUNTY OF DENTON CITY OF CORINTH

On this the 15<sup>th</sup> day of November 2018 the City Council of the City of Corinth, Texas met in Regular Session at the Corinth City Hall at 7:00 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

## **Members Present:**

Sam Burke, Mayor Pro-Tem Lowell Johnson, Council Member Scott Garber, Council Member Tina Henderson, Council Member Don Glockel, Council Member

# **Members Absent:**

Bill Heidemann, Mayor

# **Staff Members Present**

Bob Hart, City Manager
Kimberly Pence, City Secretary
Brenton Copeland, Technology Services Assistant Manager
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
Jason Alexander, Economic Development Corporation Director
George Marshall, City Engineer
Lori Levy, Senior Planner
Melissa Cranford, Messer, Rockefeller, & Fort
Patricia Adams, Messer, Rockefeller, & Fort

# CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

Mayor Pro-Tem Burke called the meeting to order at 7:00 p.m. Councilmember Garber delivered the invocation and led in the Pledge of Allegiance.

# **CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

- 1. Consider and act on minutes from the October 4, 2018 Workshop Session.
- 2. Consider and act on minutes from the October 4, 2018 Regular Session.
- 3. Consider and act on minutes from the October 18, 2018 Workshop Session.
- **4.** Consider and act on minutes from the October 18, 2018 Regular Session.

<u>MOTION</u> made by Councilmember Henderson to approve the Consent Agenda with the correction noted with the City Secretary. Seconded by Councilmember Garber.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

NOES: None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

# CITIZEN'S COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizen's Comments made.

## **BUSINESS AGENDA:**

5. Consider and act on a Resolution of the City Council authorizing the Corinth Economic Development Corporation to enter into an Economic Development Incentive Agreement with Utter Properties, L.L.C. to provide economic development assistance in an amount not to exceed \$24,790.00 for costs associated with a proposed facility expansion project (FIRST READING).

Jason Alexander, Economic Development Director - Bill Utter Ford recently expanded their automotive retail sales operations. Their expansion advances the economic and physical development interests of the Corinth Economic Development Corporation by creating jobs, increasing sales and property tax revenues and enhancing the visual image of Corinth. An Economic Development Incentive Agreement has been proposed between the CEDC and Utter Properties, L.L.C., and crafted pursuant to the provisions of the Development Corporation Act of 1979 (the "Act"). The CEDC is authorized under the Act to undertake and fund projects that will "promote new or expanded business development."

If approved, the term of the Agreement will commence on November 15, 2018 and expire on December 31, 2022. The Agreement provides that the CEDC will provide economic development assistance to Utter Properties, L.L.C. in the amount of \$24,790.00 (the "**Grant Payment**") for the expenditures incurred from the addition of new personal property and the creation and retention of jobs. In exchange for this economic benefit, Utter Properties, L.L.C.:

- Will continuously operate the establishment of a quality and character equal to or superior to that existing as of the effective date of the Agreement for the duration of the term; and
- Will continuously employ at least 157 persons in jobs on or before August 31, 2019, and maintain such level of employment during the term of the Agreement. It should be noted that the total number of persons employed, as called for by the Agreement, must include the retention of at least 150 jobs and the creation of at least seven (7) jobs.

In the event that Utter Properties, L.L.C. determines that continued operation of its business is not commercially reasonable and ceases such operation, then the company must repay, within 120 days, the

Grant Payment as described above in accordance with the following schedule:

Year 1:\$24,790.00Year 2:\$18,592.50Year 3:\$12,395.00Year 4:\$6,197.50

Also, if the Applicant decides to terminate the Agreement, then the entire amount of the Grant Payment plus five (5) percent interest per annum, must be repaid to the CEDC within ten (10) days from the date of termination.

The CEDC Board of Directors considered, and acted on the Agreement, and voted unanimously to provide an affirmative recommendation to the City Council.

In accordance with State law, the City Council must give the resolution two (2) separate readings.

<u>MOTION</u> made by Councilmember Johnson to approve a Resolution of the City Council authorizing the Corinth Economic Development Corporation to enter into an Economic Development Incentive Agreement with Utter Properties, L.L.C. to provide economic development assistance in an amount not to exceed \$24,790.00 for costs associated with a proposed facility expansion project. Seconded by Councilmember Glockel.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

6. Consider and act on a request from the applicant, Kevin Patel, authorized representative for the property owner, B.M.A.J., Inc., for a Major Subdivision Waiver to the City of Corinth Access Management Standards out of the City's Unified Development Code (UDC) to allow a reduction in the minimum required distance between driveways along a major arterial street for the proposed driveway on property legally described as 1.629 acres situated in the L. Bates Survey, Abstract Number 204, in the City of Corinth, Denton County, Texas. (This property is located on the northwest corner of N. Corinth Street and the Missouri Pacific Railroad.)

**Lori Levy, Senior Planner** - The applicant is requesting a major subdivision waiver to reduce the minimum required distance from the existing driveway off I-35E (old Geico site) and the proposed driveway off I-35E into the proposed Motel 6 site.

Section 3.05.04 Access Management of the Unified Development Code requires the minimum distance between driveways along a major arterial of State maintained roadways to be a minimum of 300 feet; whereas the applicant is proposing a minimum distance of 218.41 feet. The proposed driveway will also serve as mutual access for the adjacent property to the south. Driveway permits are also required from TXDOT for all proposed driveways along State maintained roadways, such as I-35E.

The Planning and Zoning Commission recommended unanimous **Approval** of the request, subject to the required TXDOT driveway permit at the October 15, 2018 special meeting.

MOTION made by Councilmember Glockel to approve the request from the applicant, Kevin Patel,

authorized representative for the property owner, B.M.A.J., Inc., for a Major Subdivision Waiver to the City of Corinth Access Management Standards out of the City's Unified Development Code (UDC) to allow a reduction in the minimum required distance between driveways along a major arterial street for the proposed driveway subject to the required TXDOT driveway permit on property legally described as 1.629 acres situated in the L. Bates Survey, Abstract Number 204, in the City of Corinth, Denton County, Texas. (This property is located on the northwest corner of N. Corinth Street and the Missouri Pacific Railroad.) Seconded by Councilmember Johnson.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

7. Consider and act on a request from the applicant, Kevin Patel, authorized representative for the property owner, B.M.A.J., Inc., for a Major Subdivision Waiver to the City of Corinth Access Management Standards out of the City's Unified Development Code (UDC) to allow a reduction in the minimum required distance between driveways along a major arterial street for the proposed driveway permit on property legally described as 1.629 acres situated in the L. Bates Survey, Abstract Number 204, in the City of Corinth, Denton County, Texas. (This property is located on the northwest corner of N. Corinth Street and the Missouri Pacific Railroad.)

<u>MOTION</u> made by Councilmember Johnson to approve the applicant, Kevin Patel, authorized representative for the property owner, B.M.A.J., Inc., for a Major Subdivision Waiver to the City of Corinth Access Management Standards out of the City's Unified Development Code (UDC) to allow a reduction in the minimum required distance between driveways along a major arterial street for the proposed driveway subject to the required TXDOT driveway on property legally described as 1.629 acres situated in the L. Bates Survey, Abstract Number 204, in the City of Corinth, Denton County, Texas. (This property is located on the northwest corner of N. Corinth Street and the Missouri Pacific Railroad.) Seconded by Councilmember Glockel.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

8. Consider and act on an award of bid for the Public Works facility remodel to 308 Construction in the amount of \$494,352 and authorize the City Manager to execute the contract.

**Bob Hart, City Manager-** this project was submitted for sealed bid opening on October 16, 2018. Corinth received the following bids:

308 Construction - \$494,352 Mart INC. - \$729,000.03 JC Commercial INC. - \$744,777 AUI Partners - \$825.002

Funding for this project was provided in the 2017-18 budget with \$1.5 million. Deducting the professional service fees of \$226,380 and the proposed 308 Construction contract of \$494,352 will allow for \$779,268 to remain for the proposed phase 2 construction of the equipment storage

facility and the Fire Department Training facility.

Staff recommends Council award the Public Works remodel contract to 308 Construction in the amount of \$494,352.00 and authorize the City Manager to execute contract.

**MOTION** made by Councilmember Henderson to approve 308 Construction in the amount of \$494,352 and authorize the City Manager to execute the contract. Seconded by Councilmember Garber.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

9. Consider and act on a Resolution to renew the guidelines and criteria for the Policy Statement for Tax Abatement, to provide effective and expiration dates, to repeal conflicting resolutions and to provide an effective date.

**Bob Hart, City Manager -** our current tax abatement policy expires December 15<sup>th</sup> and we are bringing this Resolution to you to extend ours until September 1, 2019. The proposed amendment would renew the Policy and provide an effective date of December 15, 2018 and an expiration date of September 1, 2019, unless it is extended in effect by the Texas Legislature. This will ensure that the community is afforded all the economic development incentive tools needed to retain, expand and attract businesses and will ensure that the Policy remains consistent with the provisions of the Act.

<u>MOTION</u> made by Councilmember Garber to approve a Resolution to renew the guidelines and criteria for the Policy Statement for Tax Abatement, to provide effective and expiration dates, to repeal conflicting resolutions and to provide an effective date. Seconded by Councilmember Henderson.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

NOES: None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

10. Consider and act on a Resolution authorizing the Corinth Economic Development Corporation to enter into a contract for service with Jerry Hodge & Associates to assist the City with acquisition of surplus Texas Department of Transportation right-of-way located at the four corners of the Interstate Highway 35E and Corinth Parkway Interchange and to assist with driveway permitting for property located at the northeastern corner of said interchange in an amount not to exceed \$28,500.00.

**Bob Hart, City Manager -** The City of Corinth (the "City") and the Corinth Economic Development Corporation (the "CEDC") are presented with an opportunity to acquire Texas Department of Transportation ("TxDOT") right-of-way at the four corners of the Interstate Highway 35E and Corinth Parkway Interchange.

Acquisition of some, most or all of this right-of-way can stimulate opportunities for economic development, particularly as it relates to hotel, restaurant and retail development, and in some instances, may help to positively influence development patterns within Corinth's growing urban core. Per the proposal, Jerry Hodge & Associates (the "Consultant") will act on behalf of the City to research right-of-way documents,

confer with relevant TxDOT officials and perform other duties as contractually assigned to assist with acquisition of right-of-way and driveway permitting.

The fee structure for the proposal is as follows:

TxDOT Right-of-way Acquisition:\$16,500.00Drive way Permit Access:\$8,500.00Traffic Impact Analysis (If necessary):\$3,500.00TOTAL:\$28,500.00

As the contract for service could possibly involve expenditures in excess of \$25,000.00, and it is a contract that would be funded by the CEDC, it requires a resolution of approval from the City Council per the Bylaws.

<u>MOTION</u> made by Councilmember Garber to approve the Resolution authorizing the Corinth Economic Development Corporation to enter into a contract for service with Jerry Hodge & Associates to assist the City with acquisition of surplus Texas Department of Transportation right-of-way located at the four corners of the Interstate Highway 35E and Corinth Parkway Interchange and to assist with driveway permitting for property located at the northeastern corner of said interchange in an amount not to exceed \$28,500.00. Seconded by Councilmember Glockel

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

11. Consider and act on a Resolution of the City Council authorizing the Corinth Economic Development Corporation to enter into an Economic Development Incentive Agreement with Utter Properties, L.L.C. to provide economic development assistance in an amount not to exceed \$24,790.00 for costs associated with a proposed facility expansion project (SECOND READING).

**Bob Hart, City Manager-** this is being brought to you as the second consideration of the item City Council considered earlier tonight.

<u>MOTION</u> made by Councilmember Johnson to approve a Resolution of the City Council authorizing the Corinth Economic Development Corporation to enter into an Economic Development Incentive Agreement with Utter Properties, L.L.C. to provide economic development assistance in an amount not to exceed \$24,790.00 for costs associated with a proposed facility expansion project (SECOND READING). Seconded by Councilmember Henderson.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

12. Consider and Act on a proposal with Weatherproofing Services, allowing the City Manager to enter into an agreement for the emergency repair of the roof at the Public Safety Complex in the amount of \$93,350.

**Bob Hart, City Manager -** Since the completion of the remodel of the Public Safety Complex, there have been several issues with the roof. With the abnormal amount of rain Corinth has experienced this fall, it has become apparent that the roof needs to be repaired immediately. There are multiple areas in both the Police and Fire side of the building that have suffered from extensive water damage as a result of the leaking roof. Technology Services has met with several contractors that all recommended a membrane replacement for the majority of the roof.

The City has tentatively selected Weatherproofing Services (2336 Oak Grove Lane, Cross Roads, TX 76227) as the contractor of choice, since they warrantied the same roof when the building was owned by CoServ. Additionally, this contractor is a Historically Underutilized Business (HUB) vendor, operating out of Denton County and is a member of The Interlocal Purchasing System (TIPS) contract vehicle contract No. 170201 Trades, Labor and Materials.

The first quote shows the costs of replacing the Ethylene Propylene Diene Terpolymer (EPDM) synthetic rubber roofing material that exists mostly on the Fire side of the building and the Police sally port, for a subtotal of \$48,000.

The second quote shows the costs of replacing the metal roof structure that exists mostly over the Police side of the building. Its subtotal is \$42,350.

The combined costs for both roof repairs is \$93,350.

<u>MOTION</u> made by Councilmember Henderson to allow the City Manager to enter into an agreement with Weatherproofing Services for the Emergency repair of the roof at the Public Safety complex in the amount of \$93,350. Seconded by Councilmember Glockel.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

## MOTION CARRIED

13. Consider and Act on a proposal with CBS Mechanical, Inc., allowing the City Manager to enter into an agreement for the replacement of the geothermal HVAC units at the Public Safety Complex in the amount of \$78,180.

**Bob Hart, City Manager -** this is the companion item for the Public Safety Complex. During the remodel of the Public Safety Complex, the City elected to retain the existing geothermal units in the Fire side of the building. These units have been working intermittently and require constant maintenance. One unit of the six was replaced shortly after occupying the building, since it completely stopped working, leaving five geothermal units in place. This inconsistent service from the remaining units is resulting in several areas of the building, particularly the Technology Services wiring closets housing network switches, to become well above the comfort threshold.

In the six months of occupancy, Technology Services has spoken with several contractors, all of whom have recommended a complete replacement of the geothermal HVAC system and recommended doing so at the same time as the roof repair, since the contractors can work in conjunction with one another to ensure that any holes or mounting points made for the new HVAC units can be properly patched on the roof.

The City has tentatively selected CBS Mechanical, Inc. (5000 Energy Pl. Bldg. 100, Denton, TX 76207) as the contractor of choice as they were the contractor selected to replace the first malfunctioning geothermal

unit. Technology Services also received a quote from Johnson Controls, Inc., but the cost for replacement was considerably more than CBS. Additionally, Gexa Energy, LP. requested to be considered for a bid, but due to the time constraint, has not been able to provide the City with a quote.

CBS Mechanical has provided the City with their bid totaling \$68,180. They are estimating an additional \$10,000 of electrical work would be needed to convert those units. CBS Mechanical will subcontract out this electrical work.

In compliance with Corinth's Purchasing Policy, due to the emergency nature of this purchase, staff is requesting the Council to approve the contract with CBS Mechanical under Sec 252.022 of the Texas Government code as a procurement necessary because of unforeseen damage to public machinery, equipment, and or property.

<u>MOTION</u> made by Councilmember Garber to approve the proposal with CBS Mechanical, Inc., allowing the City Manager to enter into an agreement for the replacement of the geothermal HVAC units at the Public Safety Complex in the amount of \$78,180. Seconded by Councilmember Glockel.

**AYES:** Mayor Pro-Tem Burke, Garber, Johnson, Henderson, Glockel

**NOES:** None

**ABSENT:** Mayor Heidemann

# **MOTION CARRIED**

# COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

**Councilmember Henderson -** thanked the staff for a great luncheon on Monday and wish everyone a Happy Thanksgiving.

Mayor Pro-Tem Burke recessed the Regular Session at 7:26 p.m. \* See Closed Session.

# **CLOSED SESSION**

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code

**Section 551.071.** Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer:

A. Marcus Mote v. Debra Walthall, Case No. 4:16-CV-00203-RC, United States District Court for the Eastern District of Texas.

**Section 551.071,** (1) Private consultation with its attorney to see advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

# A. MCM Contract for Lake Sharon Roadway Extension.

**Section 551.074,** To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

# Council met in Closed Session from 7:28 p.m. until 7:48 p.m.

# A. City Manager evaluation.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not, pursuant to Section 551.071 of the Texas Government Code, Consultation with City Attorney.

**RECONVENE IN OPEN SESSION** - In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

# There was no action taken on Closed Session items.

ADJOURN:	
Mayor Pro-Tem Burke adjourned the meeting at	7:49 P.M.
AYES: All	
Meeting adjourned.	
Approved by Council on the day of	, 2019.
Kimberly Pence, City Secretary	_
City of Corinth, Texas	

#### **CONSENT ITEM 3.**

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** December 6, 2018 Regular Session

**Submitted For:** Kim Pence, City Secretary **Submitted By:** Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Consider and act on minutes from the December 6, 2018 Regular Session.

#### AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 6, 2018 Regular Session. The minutes are in draft form and are not considered official until formally approved by the City Council.

#### RECOMMENDATION

Staff recommends approval of the December 6, 2018 Regular Session minutes.

	Attachments	
Minutes		

#### STATE OF TEXAS COUNTY OF DENTON CITY OF CORINTH

On this the 6<sup>th</sup> day of December 2018 the City Council of the City of Corinth, Texas met in Regular Session at the Corinth City Hall at 7:00 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

#### **Members Present:**

Bill Heidemann, Mayor Lowell Johnson, Council Member Scott Garber, Council Member Tina Henderson, Council Member Don Glockel, Council Member

#### **Members Absent:**

Sam Burke, Mayor Pro-Tem

#### **Staff Members Present**

Bob Hart, City Manager
Kimberly Pence, City Secretary
Shea Rodger, Technology Services Manager
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
George Marshall, City Engineer
Ben Rodriquez, Planning and Development Manager
Lori Levy, Senior Planner
Melissa Cranford, Messer, Rockefeller, & Fort
Patricia Adams, Messer, Rockefeller, & Fort

#### CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

Mayor Pro-Tem Burke called the meeting to order at 7:00 p.m. Councilmember Garber delivered the invocation and led in the Pledge of Allegiance.

#### **CONSENT AGENDA**

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and Act on an Agreement with Zayo Group, LLC, to install, configure, and maintain a fiber optic connection from City Hall to the Public Safety Complex.

**Councilmember Glockel** - at the end of the termination and they have cable in our facility, is the conduit that is going in be owned by the City and at the end of the termination is there any verbiage that I missed that we can make them take their cable out of our building?

**Shea Rodger, Technology Services Manager -** I don't recall specifying one way or the other. It Council would like clarification on that we could put it into the contract?

**Councilmember Glockel -** I think it is worthwhile because in five years and we do terminate with them and you want to reuse that conduit, you need to get their fiber out of there. If you would discuss that issue and make sure that we are covered that would be my recommendation.

#### Shea Rodgers, Technology Services Manager - absolutely.

- 2. Consider and act on the approval of an Interlocal Agreement with the City of Plano for cooperative purchasing.
- 3. Consider and act on the approval of an Interlocal Agreement with Harris County Department of Education (HDPE) for cooperative purchasing on the Choice Partners Cooperative Program.
- 4. Consider and act on approval of calendar year 2019 Co-Sponsorship agreement between the City of Corinth and the Lake Cities Girls Softball Association for youth softball, adult softball and youth baseball.
- 5. Consider and act on approval of calendar year 2019 Co-Sponsorship agreement between the City of Corinth and the Lake Cities Soccer Association for youth soccer.
- 6. Consider the delegation of authority to the city manager to sign the Flood Mitigation grant application.

<u>MOTION</u> made by Councilmember Johnson to approve the Consent Agenda as presented. Seconded by Councilmember Glockel.

**AYES:** Mayor Heidemann, Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

#### CITIZEN'S COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

Wilma Stackhouse, 3812 Red Oak Drive - Lynchburg Creek needs to be contained if any more water comes across IH-35. Mrs. Stackhouse presented a picture to Council of a tree along Lynchburg Creek. The tree is about 60/70 feet tall and when it falls it will come over to the side of the creek I am on. This may happen in the next few months. The creek is already causing a great deal of damage in my neighborhood and two other neighborhoods. The City should see that every house is safe along the creek, if the creek is contained there should not be a problem.

#### **PUBLIC HEARING/BUSINESS:**

7. Conduct a Public Hearing and consider testimony and act upon a rezoning request for an approximate 26.39 acre tract of land from SF-2, Single Family Residential (Detached) to a PD, Planned Development zoning district with a base zoning designation of SF-4, Single Family Residential (Detached). The property is situated in the J. Walton Survey, Abstract Number 1389, City of Corinth, Denton County, Texas and generally located north of Walton Drive, south of Black Jack Lane, east of North Corinth Street, and west of Shady Rest Lane. (Trails at Shady Rest Rezoning)

**Ben Rodriquez, Planning and Development Manager** -The applicant is requesting approval of a rezoning request to develop a single family detached residential subdivision.

Existing Zoning Standards"SF-2":•Minimum lot width (100ft.)

- •Minimum lot size (14,000 sqft.)
- •Front setback (25ft.)
- •Rear setback (30ft.)
- •Side setback (7.5ft.)
- •Building coverage (30%)
- •Minimum home size (2,000 sqft.)

The proposal intends to amend the following standards found within the SF-4 Single Family Residential zoning district.

#### Proposed Standards:

- •Amended minimum lot widths (50ft, 60ft & 80ft.)
- •Amended minimum lot sizes (5,500 sqft, 6,600 sqft, and 8,800 sqft.)
- •Reduced rear setback (10ft, 15ft when backing to ROW & 20ft when backing to existing single family to north)
- •Reduced side setback (5ft)
- •Increased building coverage (70%)
- •Amended minimum home size (from 1,500 sqft. to up to 2,000 sqft. depending on lot size)

The developer's proposal is to develop a mixture of product types fifty (50), sixty (60) and eighty (80) feet in width, comprised entirely of single family detached homes.

The developer has worked with staff to increase the garage setback so that the face of the garage is flush with or set back from the front façade of the house in order to discourage a "snout nosed" appearance when the homes are viewed from the street.

Additionally, the developer is proposing enhanced architectural features to be incorporated into their garage design including, columns, sconce lighting, and decorative overhangs. It is staff's belief that this will provide a better overall appearance of the neighborhood.

According to the City's adopted trails plan there is to be a hike and bike trail bisecting this property in an east/west direction towards the NCTC campus as well as a north/south trail along Shady Rest Lane. The developer has agreed to incorporate both of these trails as required by the City's Ordinances.

During Staff's initial meeting with the applicant staff informed the applicant that according to the City's adopted Comprehensive Plan this area is slated to be developed as a "Mixed Use with Residential" area as well as a "Transit Oriented Development" area. The intent for this area near North Central Texas College and existing DCTA light rail line was to accommodate a variety of

housing types including townhomes, multi-family, and denser detached single family products. The applicant has responded by proposing a varying mix of higher density product types within the development, and by incorporating trails throughout the neighborhood which will assist in facilitating pedestrian access to any future transit and retail/dining opportunities which may develop in the future.

At the Planning and Zoning Commission Meeting on November 12, 2018 the Commission voted to unanimously (5-0) approve the rezoning request.

**Rich Darragh, Skorburg Company -** Mr. Darragh presented pictures of various projects in the DFW area. We are in the community already and want to continue to be in the community. We are proposing a PD-SF-4 and our reason behind that is we saw this as more of a transitional zoning property with 3.7 units per acre 98 houses with mixed lot sizes (50x120), (60x120), (80x130) and even (80x160) in some areas. We will have trails throughout the subdivision both the master trial plan and the sidewalks that connect to that master trail plan. There will be pocket parks throughout which we will incorporate benches, dog waste baskets, and picnic tables. This is a beautiful high quality product, connects the master trail plan and far less dense than the Comprehensive Plan 3.7 units versus 13 units per acre.

**Mayor Heidemann -** what type of fencing will be along the areas that are butting up to other neighborhoods?

**Rick Darragh, Skorburg Company -** yes, we are proposing wood fences along all the houses that are in the subdivision and then along the eastern boundary, along Shady Rest we are putting up tubular steel and masonry columns along the detention pond and where the cul-de-sac is on the east and doing the same type of fencing along Walton Drive. Everything else will be wood fencing.

**Councilmember Glockel -** from Walton Drive going north on the western boundary of this project that backs out of those houses, will there be a fence or not?

**Ben Rodriquez, Planning and Development Manager -** there will be on the backyards of those houses a six foot wooden residential fence.

**Councilmember Glockel -** so today there is going to be either metal and stone on Shady Rest or wood all the way around the rest of the perimeter?

**Ben Rodriquez, Planning and Development Manager -** correct, any site that is not adjacent to a thoroughfare.

**Councilmember Glockel -** the way the property lays out right now, how many houses did you increase it by asking for SF-4?

**Rick Darragh, Skorburg Company-** we probably increased it by 35 houses.

Mayor Heidemann opened the Public Hearing at 7:40 p.m.

Daniel O'Flaherty, 1402 Shady Rest Lane - in favor of the proposed project.

**Justin Calvert, 1201 Shady Rest Lane** - opposed to the proposed project. Would increase traffic, noise pollution, and environmental impact of many large trees.

Mayor Heidemann closed the Public Hearing at 7:41 p.m.

<u>MOTION</u> made by Councilmember Garber to approve as presented. Seconded by Councilmember Johnson.

**AYES:** Garber, Johnson, Henderson

NOES: Glockel ABSENT: Burke

#### **MOTION CARRIED**

#### **BUSINESS AGENDA**

8. Consider adoption of the Strategic Plan - Embracing the Future, Corinth 2030.

**Bob Hart, City Manager -** The City, Community Stakeholders, and Staff have been diligently working on the Strategic Plan since March of this year. This Plan is the City's guide to carry out the vision statement through the identification and prioritization of goals and objectives, future trends, and desired outcomes. We are bringing it back to you tonight for formal adoption of that plan.

**MOTION** made by Councilmember Garber to approve the Strategic Plan through 2030. Seconded by Councilmember Henderson.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

**9.** Consider and act on Legislation Resolution establishing guidelines for the 2019 legislative session.

**Bob Hart, City Manager -** During the session, staff will seek approval of a bill to permit the city to partially fund the fire department with sales tax. In addition, staff may be asked to provide background information or testimony on various bills. As staff meets with legislators or provides testimony on the bill, they are often asked if the city council has approved staff involvement. This resolution will provide that assurance. The resolution outlines what issues staff is allowed to provide feedback.

- 1. All of the above recitals are true and correct.
- 2. The City Council of the City of Corinth, Texas, is opposed to the legislative imposition of a revenue cap and legislative interference with local services and will therefore support and preserve local government's responsibility to establish appropriate means to adequately fund services and govern.
- 3. The city staff is directed to provide testimony and background information in seeking passage of SB (Nelson) and HB (Stucky) to partially fund the fire department through sales tax.

- 4. The City staff is directed to provide briefing information and testimony in an effort to secure flood mitigation funding assistance.
- 5. City staff is authorized to provide briefing information and testimony, as applicable, to bills based on the following guidelines:
- i. Support: Local responsibility for property taxation decisions and appraisals.
- ii. Oppose: Any bill that would be discriminatory or otherwise damage Texas' reputation as a business-friendly state.
- iii. Oppose: Any attempt by the state legislature to preempt cities or counties ability to govern and raise funds as determined necessary, with an emphasis on funding for asset management.
- iv. Oppose: Unfunded mandates placed on our local municipalities that are veiled as solutions for education funding.
- v. Support: Maintain existing laws relating to eminent domain authority to allow planning and development of new and/or expanded transportation corridors including high speed rail, commuter rail, freight rail, highways, telecommunications, gas pipelines and water supply projects.
- 1. Support: All tools necessary for successful construction of transportation projects including toll roads, tolled managed lanes, design build, concessions and any other financing avenues available including public-private partnerships and comprehensive development agreements.
- 2. Support: Continuing the policy of no diversions from the Highway Fund.
- 3. Oppose: Any legislation or executive order that may claw back or divert funds from voter approved propositions 1 and 7.
- 4. Support: 60X30TX, the tri-agency plan having 60% of Texans between the ages of 25-34 hold a degree or post-secondary certificate by 2030.
- 5. Support: Legislation that would ease the transferring of credits from community colleges to other public institutions.
- 6. Support: A process of increased input from the business community with regards to curriculum development at the State Board of Education.
- 7. Support: Initiatives to support research and attract more world class scientists to North Texas, including funding for the Governor's University Research Initiative.

The issues are taken from the TML legislative agenda and the North Texas Commission legislative agenda.

**MOTION** made by Councilmember Garber to approve Legislation Resolution establishing guidelines for the 2019 legislative session as presented. Seconded by Councilmember Johnson.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### MOTION CARRIED

10. Consider and act on a Resolution adopting the Strategic Asset Management Policy.

**Bob Hart, City Manager** - this policy introduces an integrated Asset Management System (AMS) across all asset classes. The AMS adopted for each asset class will be consistent with international standards and commensurate with the size and importance of those asset classes.

The policy creates a senior management team, the Asset Management Team (AMT), to oversee the development, implementation and continuous improvement of all components of the Asset Management System. Cody Collier, Public Works Director will serve as the Chair of the AMT and will be responsible for the overall design, maintenance, documentation, review and improvement of the City's Asset Management System. Other members of the team include: Garrett Skrehart, GIS Supervisor; George Marshall, City Engineer; Ben Rodriguez, Planning Manager; Chris Rodriguez, Assistant Finance Director; Becky Buck, Comptroller; Melissa Dolan, Public Works Special Projects Manager.

The approval of this policy is an important step towards integrating the Municipality's strategic goals with its asset management program, and ensuring that critical municipal infrastructure assets and vital services are maintained and provided to the community in a consistent, reliable and sustainable manner.

**MOTION** made by Councilmember Henderson to approve the Resolution adopting the Strategic Asset Management Policy. Seconded by Councilmember Garber.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

11. Consider and act on a Resolution calling a public hearing on January 10, 2019 relative to the City's intent to establish the City of Corinth Property Assessed Clean Energy Program ("City of Corinth PACE") and finding that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose.

**Bob Hart, City Manager**-the Texas legislature approved a new law in 2013 establishing the Property Assessed Clean Energy Act (the "PACE ACT"). The law allows local governments to establish PACE programs that enable commercial, industrial, agricultural, nonprofit, and multifamily property owners to voluntarily tie the obligation to repay the cost of energy and water efficiency improvements to their property with a property assessment.

The PACE property assessment eliminates the current barriers to investment in maintaining property and allows the obligation to stay with the property and transfer to subsequent owners. The PACE program is a voluntary tool that enables owners to lower their operating costs and pay for eligible improvements with the savings generated, taking advantage of affordable, long-term financing provided by private capital providers.

The PACE program has currently been adopted by 15 counties and 8 individual cities in Texas. The

DFW area adopters include the cities of Dallas, Farmers Branch and Prosper along with Tarrant County. There is no cost to the City of Corinth.

**MOTION** made by Councilmember Johnson to approve a Resolution calling a Public Hearing on January 10, 2019 relating to the City's intent to establish the PACE Program. Seconded by Councilmember Glockel.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

**12.** Consider and act on City Manager employment agreement.

Bob Hart, City Manager - this was placed on the agenda through Council at the last meeting.

**Councilmember Garber -** do we have any word on the salary study for the City Managers position?

**Bob Hart, City Manager** - not at this point. We will be doing that in January.

MOTION made by Councilmember Garber to approve the City Managers employment agreement. Seconded by Councilmember Glockel.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: None Burke

#### **MOTION CARRIED**

13. Consider and authorize the city manager to negotiate and execute an Interlocal Agreement with UTRWD for the construction of the Lake Sharon Waterline and to bring the agreement to the City Council for consideration in January.

**Bob Hart, City Manager -** discussions are continuing with the UTRWD to construct the water line under the Lake Sharon street extension. The city attorney is working on supplemental agreement with the current contractor. We are bringing you this as an item contingent upon supplement agreement being approved. The Upper Trinity Board did approve this agreement today and they are in the process of taking bids for that. We will have some hard numbers for you in January.

<u>MOTION</u> made by Councilmember Garber to authorize the City Manager to negotiate and execute an Interlocal Agreement with UTRWD for the construction of the Lake Sharon Waterline and to bring the agreement to the City Council for consideration in January. Seconded by Councilmember Johnson.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### MOTION CARRIED

#### COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

**Councilmember Henderson -** would like to thank the staff for a spectacular job on the Tree Lighting event Monday night and I think the City enjoyed it as well.

**Councilmember Glockel** - the Senior Citizens Christmas Luncheon is next Wednesday and that event is to honor the senior citizens of our community and there is no definition of a senior citizen so if you feel like you are a senior citizen and associated with the Lake Cities area please join us next Wednesday at 11:00 am at the Lake Cities United Methodist Church Fellowship Hall. You will be treated to a full sit down Christmas dinner.

**Bob Hart, City Manager** - there will be a retirement celebration for Judge Mary Horn tomorrow afternoon at the Elections Administration in Denton off of Kimberly Drive from 3:00 - 5:00.

**Mayor Heidemann -** would like to congratulate the new hire in the Fire Department that graduated from Lake Dallas ISD Fire Academy. This again is a real tribute when you look at the community where we live the synergism between the school district and public service and it is great to see that happen and I think there is more opportunity coming when we have this kind of relationship with our school district.

**Mayor Heidemann -** would like to thank everyone for the outpouring support for the passing of my wife. She was a great lady and she loved this City and the people in this City.

#### **CLOSED SESSION**

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

**Section 551.071.** Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer:

Council met in Closed Session from 6:15 p.m. until 6:50 p.m. during the Workshop meeting

A. Marcus Mote v. Debra Walthall, Case No. 4:16-CV-00203-RC, United States District Court for the Eastern District of Texas.

B. Todd Anthony Foust vs. City of Corinth and the Lake Cities Fire Department, Cause No: 18-8885-431, Denton County Texas

**Section 551.071,** (1) Private consultation with its attorney to see advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Council met in Closed Session from 6:15 p.m. until 6:50 p.m. during the Workshop meeting

#### A. MCM Contract for Lake Sharon Roadway Extension.

**Section 551.074,** to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not, pursuant to Section 551.071 of the Texas Government Code, Consultation with City Attorney.

**RECONVENE IN OPEN SESSION** - In accordance with Texas Government Code, Chapter 551 the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

<u>MOTION</u> made by Councilmember Garber to authorize settlement of the case filed Marcus Mote v. Debra Walthall as discussed in Executive Session and to authorize the Mayor to execute any resulting settlement agreement. Seconded by Councilmember Henderson.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

<u>MOTION</u> made by Councilmember Johnson to approve termination of the contract between the City and MCM for the Lake Sharon Project with the termination contingent upon negotiation of agreed termination of the contract and release and authorize the City Manager to negotiate and execute the agreed termination and said release. Seconded by Councilmember Glockel.

**AYES:** Garber, Johnson, Henderson, Glockel

NOES: None ABSENT: Burke

#### **MOTION CARRIED**

ADJOURN:	
Mayor Heidemann adjourned the meeting at 8:05 P.M.	
AYES: All	
Meeting adjourned.	
Approved by Council on the day of	, 2019.
Kimberly Pence, City Secretary City of Corinth, Texas	

#### **CONSENT ITEM 4.**

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** December 6, 2018 Workshop Session

**Submitted For:** Kim Pence, City Secretary **Submitted By:** Kim Pence, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Consider and act on minutes from the December 6, 2018 Workshop Session.

#### AGENDA ITEM SUMMARY/BACKGROUND

Attached are the minutes from the December 6, 2018 Workshop Session. The minutes are in draft form and are not considered official until formally approved by the City Council.

#### RECOMMENDATION

Staff recommends approval of the December 6, 2018 Workshop Session miniutes.

Attachments				
Minutag				
Minutes				

#### STATE OF TEXAS COUNTY OF DENTON CITY OF CORINTH

On this the 6<sup>th</sup> day of December 2018 the City Council of the City of Corinth, Texas met in Workshop Session at the Corinth City Hall at 5:30 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

#### **Members Present:**

Bill Heidemann, Mayor Lowell Johnson, Council Member Scott Garber, Council Member Tina Henderson, Council Member Don Glockel, Council Member

#### **Members Absent:**

Sam Burke, Mayor Pro-Tem

#### **Others Present**

Brian Rush, P & Z Chairman

#### **Staff Members Present**

Bob Hart, City Manager
Kimberly Pence, City Secretary
Melissa Cranford, Messer, Rockefeller, & Fort
Patricia Adams, Messer, Rockefeller, & Fort
Helen-Eve Liebman, Planning and Development Director
Cody Collier, Public Works Director
George Marshall, City Engineer
Lori Levy, Senior Planner
Shea Rodgers, Technology Services Manager
Ben Rodriguez, Planning and Development Manager
Patrick Hubbard, Development Coordinator

#### **CALL TO ORDER:**

Mayor Heidemann called the meeting to order at 5:30 p.m.

#### WORKSHOP BUSINESS AGENDA:

#### 1. Planning and Zoning Commission Annual Report for Fiscal Year 2017-18.

**Helen-Eve Liebman, Planning & Development Director** – introduced Brian Rush, Commission Chair for the Planning & Zoning Commission (P & Z) to present the Annual Report for Fiscal Year 2018 of all items Planning & Zoning took action on.

**Brian Rush, Chairman Planning & Zoning Commission** – presented the Planning and Zoning Commission Annual Report to Council. He informed Council the Commission has one open seat, outlined their functions as a board and presented an overview of the work performed for Fiscal Year 2018 by the Commission. He notified Council that Commissioners Mills, Powell and Zinn are no longer on the board. The P & Z Commission functions to conduct the public hearings, discuss

and approve or make recommendations to Council regarding planned development amendments, plat approvals, rezoning requests, comprehensive plan amendments, subdivision ordinance amendments, thoroughfare plan amendments, and zoning ordinance amendments. The commission heard 26 cases. He listed the different cases that were approved and the number of ordinances that were updated.

Council - inquired on any actions from Council that may assist the Commissioners in their duties.

**Brian Rush, Chairman Planning & Zoning Commission -** stated the Commission strictly uses the Zoning ordinance and appreciates the division of information between Council and P & Z and believes that is a benefit to their decisions. He advised staff was efficient with their knowledge and information provided to the Commission.

**Council -** expressed their appreciation for the P & Z Commission and Helen-Eve for her forward thinking in presenting to Council an annual review of the work done by the P & Z Commission.

#### 2. Planning and Development update for Fiscal Year 2017-18

Helen-Eve Liebman, Planning & Development Director – presented an overview of the Planning and Development Department and the work completed for Fiscal Year 2017-18. She discussed how her department is organized, the goals and services of the department, and an overview of the work performed in 2018 by the department. She explained the department has the responsibility of approving some cases without P & Z approval. The goal of the Planning & Development department is to improve the quality of life in Corinth by encouraging property maintenance, establishing and implementing high standards for new development, and preservation and reinvestment in the older parts of the city. She explained the changes in the site plan approvals to expedite the process for development. The department has approved 6 total cases. A list of approved plats, the number and type of permits issued, new construction permits, code enforcement cases, Board of Adjustment cases, capital improvement plan activity, long range planning activity, awards and designations received was presented to Council.

#### 3. University of Texas at Arlington Capstone Project on Zoning Notifications.

**Bob Hart, City Manager** – Reminded Council there was a question about 6 months ago regarding notification distances and reminded them Helen-Eve discussed this and informed Council that would take some research. There was a class at the University of Texas at Arlington (UTA) that was looking for a research project.

**Helen-Eve Liebman, Planning & Development Director** – agreed with Mr. Hart and stated she was tasked with the challenge of finding out if the zoning notification procedures were adequate. The City's requirements were found to be within the State requirements but Council wanted to investigate if there was anything else the City could do for the community to get more notification and the best way to improve for the citizens to be more informed. She engaged the Capstone Project to investigate. It was fortunate the team provided has some real planners on it and they understood the importance and the legal requirements of the research.

**Suzanne Porter, Capstone Team Representative** – presented their research findings and recommendations. The report outlined survey results from Corinth and six other Texas cities and nine cities from other states identifying the best communication methods. The team verified Corinth meets the state requirements. A sign on the property notifying passerby's of a zoning case is not required by State law, but all 15 cities surveyed perform this type notification along with their other

notifications, including Corinth. The survey results were discussed showing website and signage notification as the most common.

**Mayor Heidemann** – verified the website and signage does not overrule the state requirements of newspaper publications and letter notifications of property owners within 200 feet. Suzanne Porter agreed.

**Suzanne Porter, Capstone Team Representative** – Austin does a 500 foot notification and Frisco does a 225 foot notification. The team recommends Corinth continue with their 200 foot requirement. She explained courtesy notices have become popular for property owners farther than 200 feet; such as a letter to the HOA's within 1000 feet. She discussed the team's recommendations for an e-newsletter, web blast, utility bills, social media postings, etc. for notification mediums; maintaining the 200 foot distance letter notifications or mail outs; signage 24 inches by 36 inches with fewer words and a larger texts; give a longer notice than 10 days, 15 days is typical for most cities with letters and signage. The group suggested a copy of the 200 foot map showing why the property owner is included and showed a sample of the signage and postcard suggested.

**Bob Hart, City Manager** – made the recommendation to extend the notification to 400 – 500 feet, formalizing the notion of contacting the HOA's, and website postings. He reminded Council the 200 foot notification is what legally triggers the activity.

**Council** - inquired on the signage replacement and if it would be a large undertaking to replace the existing signs.

**Helen-Eve Liebman, Planning & Development Director** - pointed out the research showed some communities have the applicant print the signs and install them. Other cities utilize Public Works to install the signs for them. There was an issue last month where Corinth did not have enough signs and Public Works helped by creating more signs, so that all the properties were posted at the same time. If the number of mailers is increased the costs for notifications will increase. Typically, the 200 foot notification is used as the written opposition that staff keeps up with and tracks with GIS up to the very last minute. An additional notification as discussed will need to be different and separated by staff.

**Suzanne Porter, Capstone Team Representative -** some cities post signs one on each street for a corner or in footage intervals. The group recommendation is one per 200 feet with a max of 3 on any street frontage. This could increase the signage. If applicants post the signage the staff will supply a map showing where the sign needs to be placed.

**Council** – is the postage something we can recoup from the applicant?

**Helen-Eve Liebman, Planning & Development Director** – some cities do require the applicant pay by the number of labels sometimes that takes more time to keep up with. Staff is currently revisiting the development fees; as well as permit fees, with benchmarked communities to make sure the fees are in line with other cities; as well as recovering our costs.

**Council** - disagrees with using post cards, a florescent orange or green postcard regarding platting had been used in the past and residents thought it was trash and threw it away without reading it, looked like junk mail.

**Mayor Heidemann** – thanked the group for their work.

**Bob Hart, City Manager** – staff will go to P & Z for a recommendation and bring it back to Council around February or March.

4. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

#### **Consent Item #7 Discussion:**

7. Conduct a Public Hearing and consider testimony and act upon a rezoning request for an approximate 26.39 acre tract of land from SF-2, Single Family Residential (Detached) to a PD, Planned Development zoning district with a base zoning designation of SF-4, Single Family Residential (Detached). The property is situated in the J. Walton Survey, Abstract Number 1389, City of Corinth, Denton County, Texas and generally located north of Walton Drive, south of Black Jack Lane, east of North Corinth Street, and west of Shady Rest Lane. (Trails at Shady Rest Rezoning)

**Council** - inquired if details would be provided during the meeting prior to the public hearing.

**Bob Hart** – Yes.

#### **Business Item #9 Discussion:**

9. Consider and act on Legislation Resolution establishing guidelines for the 2019 legislative session.

**Council** – is this the legislative session recommendations from TML?

**Bob Hart, City Manager** – it is a combination of TML and the North Texas Commission merged as they pertain to Corinth. The Fire Bill has been through the Legislative Council but waiting on our representatives to file them bill and give it a number.

#### **Business Item #11 Discussion:**

11. Consider and act on a Resolution calling a public hearing on January 10, 2019 relative to the City's intent to establish the City of Corinth Property Assessed Clean Energy Program ("City of Corinth PACE") and finding that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose.

**Bob Hart, City Manager** – you sat through this session at the TML Conference and the PACE program is one that the legislature set up a couple of years ago where a business can use its land values as part of the equity to do water conservation improvement and energy conservation improvements. It is set up through the state law there is no exposure or liability for the city, it just makes it available. This is a finding of facts, then calls the public hearing for January 10<sup>th</sup> and a resolution for adoption of the program. It is geared towards businesses; such as high energy efficient lighting or low flow toilet retrofitting. It may help with Economic Development.

**Council** - inquired on the transferability

Bob Hart, City Manager – informed them the loan is transferrable with the land.

Mayor Heidemann recessed the Work Session at 6:14 p.m.

Mayor Heidemann convened into executive session at 6:14 p.m.

#### **CLOSED SESSION**

**ADJOURN:** 

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

<u>Section 551.071.</u> Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer:

Council met in closed session from 6:15 p.m. to 6:50 p.m.

A.Marcus Mote v. Debra Walthall, Case No. 4:16-CV-0020-RC, United States District Court for the Eastern District of Texas.

B.Todd Anthony Foust vs. City of Corinth and the Lake Cities Fire Department, Cause No: 18-8885-431, Denton County Texas

<u>Section 551.071.</u> (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

Council met in closed session from 6:15 p.m. to 6:50 p.m.

#### A. MCM Contract for Lake Sharon Roadway Extension.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

### RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

# Mayor Heidemann adjourned the meeting at 6:51 P.M. AYES: All Meeting adjourned. Approved by Council on the day of , 2019.

Kimberly Pence, City Secretary
City of Corinth, Texas

#### CONSENT ITEM 5.

#### City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: FY 2018-2019 Investment Policies
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director

Finance Review: N/A Legal Review: N/A

City Manager Review: Bob Hart, City Manager

#### **AGENDA ITEM**

Review and approve the Investment Policy for the City of Corinth, Economic Development Corporation and Crime Control & Prevention District.

#### AGENDA ITEM SUMMARY/BACKGROUND

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds. The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual process, staff reviews the policy and may recommend revisions to the existing policy, if needed. The recommended revisions to the investment policies reflect the changes that the City Council made to the structure of the Finance Audit Committee in September of 2018. the recommended revisions are summarized below.

#### Section V. finance Audit Committee (A) Members:

There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, Mayor, two members of the City Council and two citizens appointed by the City Council by majority vote. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting member of the Committee.

#### Section V. Finance Audit Committee (B) Scope:

The Finance Audit Committee shall meet at least once per calendar quarter annually to determine general strategies and to monitor results.

#### Section V. Finance Audit Committee (C) Procedures:

The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the members shall constitute a quorum. The Finance-Audit Committee shall establish its own rules of procedure. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

#### RECOMMENDATION

The Citizen Finance Audit Committee met on Thursday, December 13, 2018 and recommends approval of the Investment Policies for the City of Corinth, Economic Development Corporation, and Crime Control & Prevention District.

#### Attachments

Crime Control Investment Policy Corinth Investment Policy EDC Investment Policy

## CORINTH, TEXAS CORINTH CRIME CONTROL AND PREVENTION DISTRICT INVESTMENT POLICY

#### **PREFACE**

It is the policy of the City of Corinth (the "City") and the Corinth Crime Control and Prevention District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest it's funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

#### I. PURPOSE

The purpose of this investment policy (the "policy") is to set forth specific investment policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

#### II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the DISTRICT and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

#### III. INVESTMENT OBJECTIVES

Funds of the DISTRICT shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the DISTRICT's investment activities shall be as follows (in the order of priority):

- A. <u>Safety</u> Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the DISTRICT. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the DISTRICT will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the DISTRICT's investments
- **B.** <u>Liquidity</u> -The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the DISTRICT's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the DISTRICT's portfolio.
- **C.** <u>Diversification</u> Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DISTRICT. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) The DISTRICT's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The DISTRICT will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the DISTRICT's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

E. <a href="Public Trust">Public Trust</a> - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the DISTRICT's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all DISTRICT funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the DISTRICT's investment activities shall be as follows:

#### Strategy No. 1

Diversifying the DISTRICT's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the DISTRICT. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the DISTRICT calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

#### Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- **B.** It will assure the DISTRICT that it will capture a reasonable portion of the yield curve; and,
- **C.** It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

#### Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

#### Strategy No. 4

The DISTRICT will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- **A.** Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- **B.** Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- **C.** Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

#### Strategy No. 5

The DISTRICT generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

#### Strategy No. 6

All demand deposits of the DISTRICT will be concentrated with one central depository. The City's depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

#### Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

#### Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a prorata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

#### Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

#### V. FINANCE AUDIT COMMITTEE

- A. Members There is hereby created a Finance Audit Committee consisting of the .

  City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance, Mayor, two members of the City Council and two citizens appointed by the City Council by majority vote.

  The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the committee. The Community Representative members shall be non-voting members of the Committee
- **B.** Scope The Finance Audit Committee shall meet at least once per calendar quarter annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

#### VI. RESPONSIBILITY AND STANDARD OF CARE

- **A.** The responsibility for the daily operation and management of the DISTRICT's investments shall be outlined within this section.
  - 1. <u>Delegation of Authority</u> Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
  - 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
    - a. The cost of control should not exceed the benefits likely to be derived; and,
    - **b.** The valuation of costs and benefits requires estimates and judgments by management.
  - 3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
  - 1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  - 2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.
- **C.** <u>Due Diligence</u> The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee

members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

#### **D.** Ethical Standards and Conflicts of Interest

- 1. All DISTRICT Investment Officers having a direct or indirect role in the investment of DISTRICT funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
- 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the DISTRICT shall file a statement disclosing that personal business interest.
- **3.** An Investment Officer has a personal business relationship with a business organization if:
  - **a.** The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization:
  - **b.** Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Official's gross income for the prior year; or
  - **c.** The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
  - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the DISTRICT shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the DISTRICT'S investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officials and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12

months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

#### VII. AUTHORIZED INVESTMENTS

- A. Generally Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the DISTRICT's primary objective, only certain investments are authorized as acceptable investments for the DISTRICT. The following list of authorized investments for the DISTRICT intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to DISTRICT funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the DISTRICT is not required to liquidate investments that were authorized at the time of purchase.
- **B.** Authorized and Acceptable Investments The authorized list of investment instruments is as follows:
  - 1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), excluding mortgage-backed securities.
  - 2. Direct obligations of the State of Texas, or its agencies and instrumentalities Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. <u>Certificates of Deposit</u> A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
  - 1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
  - 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.

- **3.** The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
- 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined by Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to functions as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the DISTRICT and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds but shall not include reverse repurchase agreements.
- **F.** Bankers' Acceptances and Commercial Paper (**LIMITED USE**) These investments are authorized for the DISTRICT to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the DISTRICT invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the DISTRICT with a prospectus and other information required by the SEC act of 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- **H.** <u>Unauthorized Securities State law specifically prohibits investment in the following securities:</u>

- 1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
- 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
- **3.** Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
- **4.** Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

#### VIII. DIVERSIFICATION

- A. Generally Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. <u>Diversification by Maturities</u> The longer the maturity of investments, the greater their price volatility. Therefore, it is the DISTRICT's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The DISTRICT will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the DISTRICT will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The DISTRICT shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

**C.** <u>Diversification by Investment Instrument</u> - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

Maximum % of Portfolio

U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

#### IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

#### X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- **B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;
  - 3. Regulatory status of the dealer;
  - 4. Background and expertise of the individual representatives.
- **D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial

organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.

- **E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.
- **F.** All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- **G.** An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.
- **H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.
- If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J. It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the DISTRICT. The notification may be oral, but shall be confirmed in writing.
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;

- **3.** Regulatory status of the dealer;
- **4.** Background and expertise of the individual representatives.

#### XI. SAFEKEEPING AND COLLATERALIZATION

- A. <u>Safekeeping</u> All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- **B.** Collateralization Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
  - 1. The City may accept the following to insure or collateralize bank deposits:
    - **a.** Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
    - **b.** United States Treasuries & Agencies
    - c. Other securities as approved by the Finance Audit Committee
  - 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
  - 3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if

applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

- C. Collateralized Deposits Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:
  - 1. Agreement must be in writing;
  - **2.** Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
  - Agreement must be approved by the Board of Directors or designated committee
    of the Depository and a copy of the meeting minutes must be delivered to the City;
    and
  - **4.** Agreement must be part of the Depository's "official record" continuously since its execution.

#### XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

#### XIII. PERFORMANCE

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

#### XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Corinth Crime Control and Prevention District Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff

- research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
- **B.** Annual Report Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Corinth Crime Control and Prevention District Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the DISTRICT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
  - A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  - 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  - **3.** Additions and changes to the market value during the period;
  - **4.** Fully accrued interest for the reporting period:
  - **5.** Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  - **6.** Listing of investments by maturity date;
  - 7. The percentage of the total portfolio which each type of investment represents;
  - **8.** Statement of compliance of the DISTRICT's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  - **9.** Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  - **10.** The guidelines of retaining records for seven years as recommended in the *Texa*s *State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

#### XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The DISTRICT's investment policy shall be reviewed by the Corinth Crime Control and Prevention District and formally adopted and amended by resolution by the City Council. The CITY's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

#### Attachment A

CITY OF CORINTH, TEXAS Corinth Crime Control and Prevention District Investment Strategy Statement

# **Operating Funds**

- 1. <u>Suitability</u> Any investment eligible in the investment policy is suitable for Operating Funds.
- 2. <u>Safety of Principal</u> All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- **4.** <u>Liquidity</u> The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
- 5. <u>Diversification</u> Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
- **6.** <u>Yield</u> Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

#### **Reserve Funds**

- <u>Suitability</u> Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
- 2. Safety of Principal All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the DISTRICT debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the

borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

- **3.** <u>Marketability</u> Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
- 4. <u>Liquidity</u> Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the DISTRICT is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
- 5. <u>Diversification</u> Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
- **6.** <u>Yield</u> Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

# **Bond Funds**

- 1. Suitability Any investment eligible in the investment policy is suitable for Bond Funds.
- 2. <u>Safety of Principal</u> All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- 4. <u>Liquidity</u> Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

- 5. <u>Diversification</u> Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
- **6.** <u>Yield</u> Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

#### Attachment B

CITY OF CORINTH, TEXAS Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the CITY of Corinth, Texas (the "CITY") and \_\_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the CITY and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

- The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
- 2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the CITY; and
- 3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the CITY that are not authorized by the CITY's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the CITY's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm:

Signature

Name:

Title:

Date:

# CITY OF CORINTH, TEXAS INVESTMENT POLICY

#### **PREFACE**

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

#### I. PURPOSE

The purpose of this investment policy (the "policy") is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

#### II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

#### III. INVESTMENT OBJECTIVES

Funds of the City shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the City's investment activities shall be as follows (in the order of priority):

- A. <u>Safety</u> Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.
- **B.** <u>Liquidity</u> The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City's portfolio.
- **C.** <u>Diversification</u> Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above

market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

**E.** Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

# IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the City's investment activities shall be as follows:

# Strategy No. 1

Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the City. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the City calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

# Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- **A.** It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- **C.** It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

# Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

# Strategy No. 4

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- **A.** Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- **B.** Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- **C.** Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- **D.** Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- **E.** The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

# Strategy No. 5

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

# Strategy No. 6

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

# Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

# Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a prorata cash basis to the individual funds and used in a manner that will best service the interests of the City.

#### Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

#### V. FINANCE AUDIT COMMITTEE

- A. Members There is hereby created a Finance Audit Committee consisting of the City Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance Mayor, two members of the City Council and two citizens appointed by the City Council by majority vote. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- **B.** Scope The Finance Audit Committee shall meet at least once per calendar quarter annually to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures The Finance Audit Committee shall provide minutes of its meetings. Any

two members of the Finance Audit Committee may request a special meeting, and a majority of the members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

#### VI. RESPONSIBILITY AND STANDARD OF CARE

- **A.** The responsibility for the daily operation and management of the City's investments shall be outlined within this section.
  - 1. <u>Delegation of Authority</u> Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
  - 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
    - a. The cost of control should not exceed the benefits likely to be derived; and,
    - **b.** The valuation of costs and benefits requires estimates and judgments by management.
  - 3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- **B.** Prudence The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
  - 1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

- 2. The investment decision was consistent with the written investment policy and procedures of the City.
- C. <u>Due Diligence</u> The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

# **D.** Ethical Standards and Conflicts of Interest

- 1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
- 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
- **3.** An Investment Officer has a personal business relationship with a business organization if:
  - **a.** The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
  - **b.** Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
  - **c.** The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
  - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- **E.** <u>Training</u> The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment

personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

#### VII. AUTHORIZED INVESTMENTS

- A. Generally Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to City funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the City is not required to liquidate investments that were authorized at the time of purchase.
- **B.** <u>Authorized and Acceptable Investments</u> The authorized list of investment instruments is as follows:
  - 1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), excluding mortgage-backed securities.
  - 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. <u>Certificates of Deposit</u> A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
  - 1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;

- 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
- 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
- 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds but shall not include reverse repurchase agreements.
- **F.** Bankers' Acceptances, and Commercial Paper (LIMITED USE) These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the City with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).

- **H.** <u>Unauthorized Securities</u> State law specifically prohibits investment in the following securities:
  - 1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
  - 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
  - **3.** Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
  - **4.** Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

#### VIII. DIVERSIFICATION

- A. Generally Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. <u>Diversification by Maturities</u> The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

**C.** <u>Diversification by Investment Instrument</u> - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	50%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury & Agency Callables	30%

#### IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the City. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and to improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the City before the trade decision is made, which will accompany the investment file for record keeping.

#### X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;

- **3.** Regulatory status of the dealer;
- **4.** Background and expertise of the individual representatives.
- D. Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the City, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.
- **E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- **F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- **G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- **H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

J. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral, but shall be confirmed in writing.

#### XI. SAFEKEEPING AND COLLATERALIZATION

- A. <u>Safekeeping</u> All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
  - 1. The City may accept the following to insure or collateralize bank deposits:
    - **a.** Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
    - **b.** United States Treasuries & Agencies
    - **c.** Other securities as approved by the Finance Audit Committee
  - 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
  - 3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the

collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

- C. Collateralized Deposits Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:
  - 1. Agreement must be in writing;
  - **2.** Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
  - Agreement must be approved by the Board of Directors or designated committee
    of the Depository and a copy of the meeting minutes must be delivered to the City;
    and
  - **4.** Agreement must be part of the Depository's "official record" continuously since its execution.

#### XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

#### XIII. PERFORMANCE

The City's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the City. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

#### XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics,

and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- **B.** Annual Report Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
  - A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
  - 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  - **3.** Additions and changes to the market value during the period:
  - **4.** Fully accrued interest for the reporting period;
  - **5.** Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  - **6.** Listing of investments by maturity date;
  - **7.** The percentage of the total portfolio which each type of investment represents; and
  - **8.** Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  - **9.** Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  - 10. The guidelines of retaining records for seven years as recommended in the Texas State Library Municipal Records Manual should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

# XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

#### Attachment A

CITY OF CORINTH, TEXAS Investment Strategy Statement

# **Operating Funds**

- 1. <u>Suitability</u> Any investment eligible in the investment policy is suitable for Operating Funds
- 2. <u>Safety of Principal</u> All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- **4.** <u>Liquidity</u> The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
- 5. <u>Diversification</u> Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
- **6.** <u>Yield</u> Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

# Reserve Funds

- Suitability Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
- 2. Safety of Principal All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and reduce the opportunity for maturity extension.

- **3.** <u>Marketability</u> Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
- 4. <u>Liquidity</u> Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
- **5.** <u>Diversification</u> Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
- **6.** <u>Yield</u> Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

# **Special Project and Capital Project Funds**

- **1.** <u>Suitability</u> Any investment eligible in the investment policy is suitable for Special Project and Capital Project Funds.
- 2. Safety of Principal All investments will be of high quality securities with no perceived default risk. Market fluctuations will however occur, by restricting the maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years, and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements of the plant or equipment being depreciated, replaced or repaired, the market risk of the Fund portfolio will be minimized.
- 3. Marketability The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.
- 4. <u>Liquidity</u> Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

- **5.** <u>Diversification</u> Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A "barbell" maturity ladder may be appropriate.
- **6.** <u>Yield</u> Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

# **Bond Funds**

- 1. Suitability Any investment eligible in the investment policy is suitable for Bond Funds.
- 2. Safety of Principal All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- 4. <u>Liquidity</u> Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
- 5. <u>Diversification</u> Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
- **6.** <u>Yield</u> Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

#### Attachment B

CITY OF CORINTH, TEXAS Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Corinth, Texas (the "City") and \_\_\_\_\_\_ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

- The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
- 2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
- 3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm:

Signature

Name:

Title:

Date:

# CITY OF CORINTH, TEXAS ECONOMIC DEVELOPMENT CORPORATION INVESTMENT POLICY

#### **PREFACE**

It is the policy of the City of Corinth the "City" and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

#### I. PURPOSE

The purpose of this investment policy (the "policy") is to set forth specific investment policy and strategy guidelines for the EDC in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

#### II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the EDC and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the EDC by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

#### III. INVESTMENT OBJECTIVES

Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the EDC's investment activities shall be as follows (in the order of priority):

- A. <u>Safety</u> Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the EDC. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the EDC will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the EDC's investments.
- **B.** <u>Liquidity</u> The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the EDC's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the EDC's portfolio.
- **C.** <u>Diversification</u> Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) The EDC's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The EDC will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the EDC's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- **E.** Public Trust The Investment Officer(s) shall avoid any transactions that might impair public confidence in the EDC's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market

volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

#### IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all EDC funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the EDC's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the EDC's investment activities shall be as follows:

# Strategy No. 1

Diversifying the EDC's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the EDC Board, and the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the EDC. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the EDC calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

#### Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- **B.** It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- **C.** It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

#### Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance,

security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

# Strategy No. 4

The EDC will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- **A.** Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- **B.** Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- **C.** Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

#### Strategy No. 5

The EDC generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the EDC Executive Director, or the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

#### Strategy No. 6

All demand deposits of the EDC will be concentrated with one central depository, so long as, the FDIC insurance limits are not exceeded. The City's depository procedure will maximize the EDC's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the EDC may be eligible to bid on EDC investments.

# Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the EDC, while allowing the EDC to earn an appropriate return on idle demand deposits.

# Strategy No. 8

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

# Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

#### V. FINANCE AUDIT COMMITTEE

- A. Members There is hereby created a Finance Audit Committee consisting of the Gity Manager, Director of Finance, a secondary Investment Officer designated by the Director of Finance Mayor, two members of the City Council and two citizens appointed by the City Council by majority vote. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- **B.** Scope The Finance Audit Committee shall meet at least <u>once per calendar quarter annually</u> to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- 1. Procedures The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting and a majority of the members shall constitute a quorum. The Finance Audit Committee shall establish its own rules of procedures. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

# VI. RESPONSIBILITY AND STANDARD OF CARE

- **A.** The responsibility for the daily operation and management of the EDC's investments shall be outlined within this section.
  - 1. Delegation of Authority Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
  - 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide

reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- a. The cost of control should not exceed the benefits likely to be derived; and,
- **b.** The valuation of costs and benefits requires estimates and judgments by management.
- 3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- **B.** Prudence The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
  - 1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
  - 2. The investment decision was consistent with the written investment policy and procedures of the EDC.
- C. <u>Due Diligence</u> The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

#### **D.** Ethical Standards and Conflicts of Interest

- 1. All EDC Investment Officers having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
- **2.** An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
- 3. An Investment Officer has a personal business relationship with a business

#### organization if:

- **a.** The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- **b.** Funds received by the Investment Officer or person related to the investment officer by the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officer's gross income for the prior year; or
- **c.** The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
- d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the EDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the EDC's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

#### VII. AUTHORIZED INVESTMENTS

- A. Generally Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the EDC's primary objective, only certain investments are authorized as acceptable investments for the EDC. The following list of authorized investments for the EDC intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to EDC funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the EDC is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments The authorized list of investment

#### instruments is as follows:

- 1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), excluding mortgage-backed securities.
- 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. <u>Certificates of Deposit</u> A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. –In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
  - 1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City:
  - 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
  - **3.** The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
  - 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be

collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds but *shall not include reverse purchase agreements*.

- **F.** Bankers' Acceptances, and Commercial Paper (LIMITED USE) These investments are authorized for the EDC to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the EDC invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the EDC with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the EDC with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC. Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- **H.** <u>Unauthorized Securities</u> State law specifically prohibits investment in the following securities:
  - 1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
  - **2.** An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
  - **3.** Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
  - **4.** Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

#### VIII. DIVERSIFICATION

- A. Generally Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- **B.** <u>Diversification by Maturities</u> The longer the maturity of investments, the greater their price volatility. Therefore, it is the EDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The EDC will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the EDC will not

directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The EDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

**C.** <u>Diversification by Investment Instrument</u> - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	100%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100%
U.S. Treasury & Agency Callables	30%

#### IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the EDC. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the EDC before the trade decision is made, which will accompany the investment file for record keeping.

#### X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- **B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the EDC's investment policy.

- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
  - 1. Financial conditions, strength and capability to fulfill commitments;
  - 2. Overall reputation with other dealers or investors;
  - **3.** Regulatory status of the dealer;
  - **4.** Background and expertise of the individual representatives.
- D. Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the EDC's investment policy and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the EDC, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC's entire portfolio or requires an interpretation of subjective investment standards.
- **E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses.
- **F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the EDC's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the EDC. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- **G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- **H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the EDC invests.
- I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the EDC. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the EDC's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the EDC. The advisor shall

- obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J. It is the policy of the City that all security transactions entered into with the EDC shall be conducted on a "Delivery-versus-Payment" basis through the Federal Reserve System. By doing this, EDC funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the EDC. The notification may be oral, but shall be confirmed in writing.

#### XI. SAFEKEEPING AND COLLATERALIZATION

- A. <u>Safekeeping</u> All securities owned by the EDC shall be held by a third-party safekeeping agent selected by the EDC's Investment Officer. Bank deposits will be held in the EDC's name in the bank's trust department, in a Federal Reserve Bank account in the EDC's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City and the EDC. The City and the EDC shall contract with a bank or banks for the safekeeping of securities either owned by the EDC as part of its investment portfolio or held as collateral to secure time deposits, if collateralized time deposits are specifically authorized by the board.
- **B.** Collateralized Deposits Consistent with the requirements of State law, the EDC requires all bank deposits to be federally insured. If the board and the City do agree that collateralized accounts are acceptable in specific situations the provisions above may be amended for EDC accounts.

#### XII. INTERNAL CONTROL

The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the EDC's established investment policy.

#### XIII. PERFORMANCE

The EDC's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the EDC. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

# XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Economic Development Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return

- for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.
- **B.** Annual Report Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Economic Development Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. <u>Methods</u> The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the EDC to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
  - A listing of individual securities held at the end of the reporting period. This list will
    include the name of the fund or pooled group fund for which each individual
    investment was acquired;
  - 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
  - **3.** Additions and changes to the market value during the period;
  - **4.** Fully accrued interest for the reporting period:
  - **5.** Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
  - **6.** Listing of investments by maturity date;
  - **7.** The percentage of the total portfolio which each type of investment represents; and
  - **8.** Statement of compliance of the EDC's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
  - **9.** Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
  - **10.** The guidelines of retaining records for seven years as recommended in the *Texa*s *State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

#### XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

#### Attachment A

CITY OF CORINTH, TEXAS Economic Development Corporation Investment Strategy Statement

#### **Operating Funds**

- **1.** <u>Suitability</u> Any investment eligible in the investment policy is suitable for Operating Funds.
- 2. <u>Safety of Principal</u> All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- **4.** <u>Liquidity</u> The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
- 5. <u>Diversification</u> Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
- **6.** <u>Yield</u> Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

#### Reserve Funds

- Suitability Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
- 2. Safety of Principal All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the EDC's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

- **3.** <u>Marketability</u> Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
- 4. <u>Liquidity</u> Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
- 5. <u>Diversification</u> Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
- **6.** <u>Yield</u> Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

#### **Bond Funds**

- 1. Suitability Any investment eligible in the Investment Policy is suitable for Bond Funds.
- 2. Safety of Principal All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
- 3. <u>Marketability</u> Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
- 4. <u>Liquidity</u> Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
- 5. <u>Diversification</u> Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts.

At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

**6.** <u>Yield</u> - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

#### Attachment B

CITY OF CORINTH, TEXAS Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This	certification	is	executed	on	behalf	of	the	City	of	Corinth,	Texas	(the	"City")	and
					(	the	Busi	ness	Org	ganization	), pursu	iant to	o the F	ublic
Fund	s Investment	: Ac	t, Chapter	22	56, Tex	as (	Gove	rnme	nt C	Code (the	"Act") i	n con	nection	with
inves	nvestment transactions conducted between the City and the Business Organization.													

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

- 1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
- 2. The Qualified Representative of the Business Organization has received and reviewed the investment policy furnished by the City; and
- 3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Repr	esentative of Business Organizatio
Firm:	
Signature	
Name:	
Title:	
Date:	

#### CONSENT ITEM 6.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: Rubber Mulch Fall Zone Material for Playgrounds

Submitted For: Cody Collier, Director Submitted By: Cody Collier, Director

Finance Review: N/A Legal Review: N/A

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Consider approval for the purchase of rubber mulch fall zone material to install at all City maintained playground structures.

#### AGENDA ITEM SUMMARY/BACKGROUND

The City has historically used fibar, a specially processed wood mulch, for fall zone protection at all playground structures in our parks. Each year, the city spends an average of \$10,000 to purchase and install fibar to replenish compressed or decayed fall material to maintain the proper depth for child safety. Fibar has a tendency to float and wash away in heavy storms, decay rapidly and attract termites and ants which are all costly to treat and replace.

The City Council approved \$150,000 for the 2018-2019 budget for rubber mulch to replace fibar with rubber mulch as a more long term cost effective product. Rubber mulch will require additional topping on an average of 10 years, simply to replace the small amounts which have compacted or have been lost. The lifespan of rubber mulch is ten times longer than wood and requires significantly less maintenance which are all long term savings to the City.

Three bids were submitted and Child's Play Inc. was the low bidder at \$127,860. The two other bid amounts came in at \$130,666 and \$166,250. An attractive medium brown rubber mulch has been selected as the most attractive color and light enough to prevent excessive heat absorption to provide more comfort to exposed skin.

#### RECOMMENDATION

Staff recommends approval of Child's Play Inc. bid of \$127,860 for rubber mulch fall zone material to replace fibar as our play structure fall zone material.

#### CONSENT ITEM 7.

#### City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: High Performance Epoxy Flooring at Public Safety Complex & Fire House #3

Submitted For:Lee Ann Bunselmeyer, DirectorSubmitted By:Cindy Troyer, Purchasing Agent

Finance Review: Yes Legal Review: N/A

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Infrastructure Development

#### **AGENDA ITEM**

Consider and act on award of a bid for High Performance Epoxy Flooring for the Public Safety Complex & Fire House #3 to Chemical Coatings International, LLC in the amount of \$64,032.00 plus a ten percent contingency for unforeseen additional materials or labor that may arise during the installation; and authorize the City Manager to execute the contract.

#### AGENDA ITEM SUMMARY/BACKGROUND

The City issued an Invitation to Bid on November 21, 2018 for high performance epoxy flooring at the Public Safety Complex and Fire House #3. The flooring will be installed in various areas of the Police sally port, motorcycle storage, holding cell areas, detained property storage and secured interview area; as well as the Fire Station #3 apparatus bay and adjoining work rooms.

The following bids were received December 18, 2018:

Chemical Coatings International, LLC \$64,032.00 T.W. Hicks, Inc. \$117,169.13

Chemical Coatings International, LLC was the lowest bidder and is an authorized contractor in good standing with the manufacturer Sika USA.

The project is scheduled to be completed by February 1, 2019.

#### RECOMMENDATION

Staff recommends approval of the bid award to Chemical Coatings International, LLC in the amount of \$64,032.00 plus a ten percent contingency for unforeseen additional materials or labor that may arise during the installation; and authorize the City Manager to execute the contract.

#### **Attachments**

Bid Tabulation
Contract Document
Sika USA Contractor Approval Letter

BID #1119
EPOXY FLOORING AT PUBLIC SAFETY COMPLEX & FIRE HOUSE #3

#### 12/18/2018

	72016		VENDOR	VENDOR
			VENDOR	VENDOR
	Г		Chemical Coatings Intl. LLC	T.W. Hicks, Inc.
			Forney, TX	Lake Dallas, TX
No.	Room #	Description	Total Bid Price	Total Bid Price
		SECTION A - FIRE HOUSE #3		
1	103	TOTAL 103	\$31,057.00	\$50,914.74
2	105	TOTAL 105	\$1,669.50	\$4,061.07
3	106	TOTAL 106	\$1,604.25	\$3,060.87
4	107	TOTAL 107	\$1,036.75	\$1,960.07
5	108	TOTAL 108	\$970.75	\$1,850.68
6	109	TOTAL 109	\$967.25	\$1,837.79
7	110	TOTAL 110	\$1,065.25	\$2,011.56
8	111	TOTAL 111	\$1,596.75	\$2,899.57
9	204	TOTAL 204	\$5,483.00	\$9,498.82
10	205	TOTAL 205	\$1,250.75	\$2,320.43
	то	TAL SECTION A - FIRE HOUSE #3	\$46,701.25	\$80,415.60
	SECT	TION B - PUBLIC SAFETY COMPLEX		
11	173	TOTAL 173	\$581.25	\$1,155.25
12	250	TOTAL 250	\$8,500.00	\$15,521.54
13	251	TOTAL 251	\$2,893.75	\$5,756.95
14	252	TOTAL 252	\$343.75	\$917.45
15	253	TOTAL 253	\$400.00	\$1,004.30
16	254	TOTAL 254	\$2,050.00	\$4,376.86
17	255	TOTAL 255	\$312.50	\$843.42
18	256	TOTAL 256	\$312.50	\$843.42
19	257	TOTAL 257	\$437.50	\$1,100.87
20	258	TOTAL 258	\$437.50	\$1,100.87
		l.		

			VENDOR	VENDOR
			Chemical Coatings Intl. LLC	T.W. Hicks, Inc.
			Forney, TX	Lake Dallas, TX
No.	Room #	Description	Total Bid Price	Total Bid Price
21	259	TOTAL 259	\$437.50	\$1,100.87
22	260	TOTAL 260	\$281.25	\$782.28
23	261	TOTAL 261	\$343.75	\$917.45
	TOTAL S	ECTION B - PUBLIC SAFETY COMPLEX	\$17,331.25	\$35,421.53
		TOTAL SECTIONS A & B	\$64,032.50	\$115,837.13
Р	ERFORMA	NCE, PAYMENT & MAINTENANCE BONDS	\$0.00	\$1,332.00
		GRAND TOTAL	\$64,032.50	\$117,169.13
	PRO	OJECT COMPLETION TIME (DAYS)	7-10 Days	16 Days
		Signed proposal	Yes	Yes
		Bid Bond	Yes	No
		Addendum #1	Yes	Yes
		Manufacturer Approval Letter	Yes	Yes
		Manufacturer Specs Provided	Yes	Yes

This sheet contains preliminary, unaudited proposal information. Proposals are in the evaluation process.

#### **CONTRACT AGREEMENT AND BONDS**

STATE OF TEXAS	8		
	§		
COUNTY OF DENTON	§		
THIS AGREEMEN	IT, made and entered into this	day of	A.D., 2019, by
and betweenCITY OF C	ORINTH of the County of _	DENTON	and State of Texas, acting through
Corinth City Manager the	reunto duly authorized so to do, Pa	arty of the First	Part, hereinafter termed the OWNER,
and Chemical Coatings Int	ernational LLC, a partnership of th	e City of Forne	y, County of Kaufman, and State of Texas,
Party of the Second Part, I	hereinafter termed CONTRACTOR	<b>.</b>	

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Party of the First Part (OWNER), and under the conditions expressed in the bonds bearing even date herewith, the said Party of the Second Part (CONTRACTOR) hereby agrees with the said Party of the First Part (OWNER) to commence and complete the construction of certain improvements described as follows:

Bid #1119 – Furnish all material, labor, equipment, permits, insurance and licenses as necessary to provide 1/4" Standard Troweled Mortar System in accordance with the instructions, specifications, terms and conditions set forth in this bid. This project is to be completed no later than February 1, 2019.

and all extra work in connection therewith, under the terms as stated in the General Conditions of the Agreement; and at his (or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto, and in accordance with all the General Conditions of the Agreement, the Supplementary Conditions, the Notice to Bidders (Advertisement for Bids), Instructions to Bidders, the Performance and Payment Bonds, and Maintenance Bond all attached hereto.

The CONTRACTOR hereby agrees to commence work on or after the date established for the start of work as set forth in a written notice to commence work and to substantially complete all work within the time stated in the Proposal, subject to such extensions of time as are provided by the General and Supplementary Conditions.

The OWNER agrees to pay the CONTRACTOR in current funds the price or prices shown in the proposal, which forms a part of this Contract, such payments to be subject to the General and Supplementary Conditions of the Contract.

No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement in the year and day first above written.

ATTEST:	
	Party of the First Part, OWNER
	Ву
	Signature
	Name and Title (please type or print)
	Date
	(SEAL)
ATTEST:	
CONTRACTOR	Party of the Second Part,
	Ву
	Signature
	Name and Title (please type or print)
	Date
	(SEAL)

# **Payment Bond**

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):		SURETY (Name, Area Code and Te Address of Principal Place of Busine	
OWNER (Name and Address):			
CONTRACT Date: Amount: Description (Name and Location):			
BOND Date (Not earlier than Contract Date) Amount: Modifications to this Bond Form:			
Surety and Contractor, intending to be Payment Bond to be duly executed on	legally bound hereby, its behalf by its author	subject to the terms printed on the reverse side ized officer, agent, or representative.	hereof, do each cause this
CONTRACTOR AS PRINCIPAL Company:	(Corp. Seal)	SURETY Company:	(Corp. Seal)
Signature:	, , ,	Signature:	, ,
Name and Title:		Name and Title: (Attach Power of Attorney)	
(Space is provided below for signature	s of additional parties,	if required.)	
CONTRACTOR AS PRINCIPAL Company:	(Corp. Seal)	SURETY Company:	(Corp. Seal)
Signature:		Signature:	
Name and Title:		Name and Title <sup>.</sup>	

- 1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER to pay for labor, materials and equipment furnished for use in the performance of the Contract, which is incorporated herein by reference.
- 2. With respect to the OWNER, this obligation shall be null and void if the CONTRACTOR:
  - Promptly makes payment, directly or indirectly, for all sums due Claimants, and
  - 2.2. Defends, indemnifies and holds harmless the OWNER from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Contract, provided the OWNER has promptly notified the CONTRACTOR and the Surety (at the addresses described in paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the CONTRACTOR and the Surety, and provided there is no OWNER Default.
- 3. With respect to Claimants, this obligation shall be null and void if the CONTRACTOR promptly makes payment, directly or indirectly, for all sums due.
- 4. The Surety shall have no obligation to Claimants under this Bond until:
  - 4.1. Claimants who are employed by or have a direct contract with the CONTRACTOR have given notice to the Surety (at the addresses described in paragraph 12) and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.
  - 4.2. Claimants who do not have a direct contract with the CONTRACTOR:
    - Have furnished written notice to the CONTRACTOR and sent a copy, or notice thereof, to the OWNER, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and
    - Have either received a rejection in whole or in part from the CONTRACTOR, or not received within 30 days of furnishing the above notice any communication from the CONTRACTOR by which the CONTRACTOR had indicated the claim will be paid directly or indirectly; and
    - 3. Not having been paid within the above 30 days, have sent a written notice to the Surety and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the CONTRACTOR.
    - 5. If a notice required by paragraph 4 is given by the OWNER to the CONTRACTOR or to the Surety, that is sufficient compliance.

- 6. When the Claimant has satisfied the conditions of paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:
- 6.1. Send an answer to the Claimant, with a copy to the OWNER, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.
- 6.2. Pay or arrange for payment of any undisputed amounts.
- 7. The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
- 8. Amounts owed by the OWNER to the CONTRACTOR under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any Performance Bond. By the CONTRACTOR furnishing and the OWNER accepting this Bond, they agree that all funds earned by the CONTRACTOR in the performance of the Contract are dedicated to satisfy obligations of the CONTRACTOR and the Surety under this Bond, subject to the OWNER's priority to use the funds for the completion of the Work.
- 9. The Surety shall not be liable to the OWNER, Claimants or others for obligations of the CONTRACTOR that are unrelated to the Contract. The OWNER shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.
- 10. The Surety hereby waives notice of any change, including changes of time, to the Contract or to related Subcontracts, purchase orders and other obligations.
- 11. In the event that Owner is a governmental entity as defined in Section 2252.001, Texas Government Code, or any supplement or amendment thereto, then all liabilities on this bond shall be determined in accordance with the provisions of such Texas Government Code, Sections 2253.001, et seq. to the same extent as if it were copied at length herein, along with any or all supplements and amendments thereto. In the event Owner is not a governmental entity as set forth above and defined in said statue, then the terms hereof shall be determined by the wording hereof without regard to said statutory enactment.
- 12. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by paragraph 4.1 or paragraph 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
- 13. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, the OWNER or the CONTRACTOR, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

- 14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is, that this Bond shall be construed as a statutory Bond and not as a common law bond.
- 15. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, the CONTRACTOR shall promptly furnish a copy of this Bond or shall permit a copy to be made.

#### 16. DEFINITIONS

16.1.Claimant: An individual or entity having a direct contract with the CONTRACTOR or with a Subcontractor of the CONTRACTOR to furnish labor, materials or equipment for

- use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of the CONTRACTOR and the CONTRACTOR's Subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.
- 16.2.Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.
- 16.3.OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Contract or to perform and complete or comply with the other terms thereof.

# **Performance Bond**

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Addre	ess):	SURETY (Name, Area Code and Address of Principal Place of Busi	
OWNER (Name and Address):		Address of Filmsipal Filade of Basi	
CONTRACT Date:			
Amount: Description (Name and Location	):		
BOND Date (Not earlier than Contract Damount: Modifications to this Bond Form:	Date):		
		, subject to the terms printed on the reverse siduthorized officer, agent or representative.	de hereof, do each cause this
CONTRACTOR AS PRINCIPAL		SURETY	
Company:	(Corp. Seal)	Company:	(Corp. Seal)
Signature:		Signature:	
Name and Title:		Name and Title: (Attach Power of Attorney)	
(Space is provided below for signa	atures of additional parties	, if required.)	
CONTRACTOR AS PRINCIPAL		SURETY	
Company:	(Corp. Seal)	Company:	(Corp. Seal)
Signature:		Signature:	
Name and Title:		Name and Title:	

- 1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, heir, heirs, executors, administrators, successors and assigns to the Owner for the performance of the Contract, which is incorporated herein by reference.
- 2. If the CONTRACTOR performs the Contract, the Surety and the CONTRACTOR have no obligation under this Bond, except to participate in conferences as provided in paragraph 3.1.
- 3. If there is no OWNER Default, the Surety's obligation under this Bond shall arise after:
  - 3.1. The OWNER has notified the CONTRACTOR and the Surety at the addresses described in paragraph 10 below, that the OWNER is considering declaring a CONTRACTOR Default and has requested and attempted to arrange a conference with the CONTRACTOR and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Contract. If the OWNER, the CONTRACTOR and the Surety agree, the CONTRACTOR shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive the OWNER's right, if any, subsequently to declare a CONTRACTOR Default; and
  - 3.2. The OWNER has declared a CONTRACTOR Default and formally terminated the CONTRACTOR's right to complete the Contract. Such CONTRACTOR Default shall not be declared earlier than twenty days after the CONTRACTOR and the Surety have received notice as provided in paragraph 3.1; and
  - 3.3. The OWNER has agreed to pay the Balance of the Contract Price to:
    - 3.3.1. The Surety in accordance with the terms of the Contract;
    - 3.3.2 Another contractor selected pursuant to paragraph 4.3 to perform the Contract.
- 4. When the OWNER has satisfied the conditions of paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
  - 4.1. Arrange for the CONTRACTOR, with consent of the OWNER, to perform and complete the Contract; or
  - Undertake to perform and complete the Contract itself, through its agents or through independent contractors;
  - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the OWNER for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by the OWNER and the contractor selected with the OWNER's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the Bonds issued on the Contract, and pay to the OWNER the amount of damages as described in paragraph 6 in. excess of the Balance of the Contract Price incurred by the OWNER resulting from the CONTRACTOR Default; or
    - 4.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor and

with reasonable promptness under the circumstances;

- 4.4.1 After investigation, determine the amount for which it may be liable to the OWNER and, as soon as practicable after the amount is determined, tender payment therefor to the OWNER; or
- 4.4.2 Deny liability in whole or in part and notify the OWNER citing reasons therefor.
- 5. If the Surety does not proceed as provided in paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the OWNER to the Surety demanding that the Surety perform its obligations under this Bond, and the OWNER shall be entitled to enforce any remedy available to the OWNER. If the Surety proceeds as provided in paragraph 4.4, and the OWNER refuses the payment tendered or the Surety has denied pliability, in whole or in part, without further notice the OWNER shall be entitled to enforce any remedy available to the OWNER.
- 6. After the OWNER has terminated the CONTRACTOR's right to complete the Contract, and if the Surety elects to act under paragraph 4.1, 4.2, or 4.3 above, then the responsibilities of the Surety to the OWNER shall not be greater than those of the CONTRACTOR under the Contract, and the responsibilities of the OWNER to the Surety shall not be greater than those of the OWNER under the Contract. To a limit of the amount of this Bond, but subject to commitment by the OWNER of the Balance of the Contract Price to mitigation of costs and damages on the Contract, the Surety is obligated without duplication for:
  - 6.1. The responsibilities of the CONTRACTOR for correction of defective Work and completion of the Contract;
  - 6.2. Additional legal, design professional and delay costs resulting from the CONTRACTOR's Default, and resulting from the actions or failure to act of the Surety under paragraph 4.
  - 6.3. Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non- performance of the CONTRACTOR
- 7. The Surety shall not be liable to the OWNER or others for obligations of the CONTRACTOR that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the OWNER or its heirs, executors, administrators, or successors.
- 8. The Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders and other obligations.
- 9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located and shall be instituted within two years after CONTRACTOR Default or within two years after the CONTRACTOR ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of

limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

- 10. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the address shown on the signature page.
- 11. In the event that Owner is a governmental entity as defined in Section 2252.001, Texas Government Code, or any supplement or amendment thereto, then all liabilities on this bond shall be determined in accordance with the provisions of such Texas Government Code, Sections 2253.001, et seq. to the same extent as if it were copied at length herein, along with any or all supplements and amendments thereto. In the event Owner is not a governmental entity as set forth above and defined in said statue, then the terms hereof shall be determined by the wording hereof without regard to said statutory enactment.
- 12. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the Contract was be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted here from and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

- 13. Definitions.
  - 13.1 Balance of the Contract Price: The total amount payable by the OWNER to the CONTRACTOR under the Contract after all proper adjustments have been made, including allowance to the CONTRACTOR of any amounts received or to be received by the OWNER in settlement of insurance or other Claims for damages to which the CONTRACTOR is entitled, reduced by all valid and proper payments made to or on behalf of the CONTRACTOR under the Contract.
  - 13.2. Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.
  - 13.3. CONTRACTOR Default: Failure of the CONTRACTOR, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
  - 13.4.OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Contract or to perform and complete or comply with the other terms thereof.

#### **Maintenance Bond**

STATE OF	TEXAS		§ §	KNOW ALL	MENI DV	THESE DE	DECENTO				
COUNTY O	)F		§ §	KNOW ALL	IVICIN DI	INESE PE	KESENIS				
Tha	at [con	ITRACTOR]						<del> </del>		,	as
Principal, ar	nd						, a	corporation	on organiz	zed un	ıder
the lav	ws c	of				and					
			as	s Sureties, do	hereby e	xpressly a	cknowledg	je themse	lves to be	held	and
bound to pa	ay unto t	he						, Owne	er, a gove	ernme	ntal
entity as the	at term is	defined i	n V.C.T.	A., Governme	ent Code,	Section 2	253.001, <u>e</u>	et seq., th	e sum of	[AMO	UNT
STATED	AS	A 100	)% c	OF TOTAL	CON	TRACT	PRICE]				
						Dollars	(\$		)	for	the
payment of	which sur	m well and	truly to be	e made unto	said Owne	er, and its	successor	s, said Pri	ncipal and	l Sure	ties
do hereby b	oind them	selves, the	eir assign	s, and succe	ssors joint	ly and sev	erally.				
This	s obligation	on is cond	itioned, h	nowever, that	, whereas	said Princ	ipal has th	nis day en	tered into	a wri	tten
contract wit	th said O	wner to bu	uild and o	construct the	[descripti	on of proj	ect as it a	ppears or	n cover of	f cont	ract
documents]											
					1				, which	cont	ract
and the plar	ns and sp	ecification	s therein	mentioned a	nd adopte	d by the O	wner are h	ereby exp	ressly ma	ide a ¡	part
thereof as the	houah the	e same we	re writter	n and embodi	ied therein						

WHEREAS, under the specifications and contract, it is provided that the Contractor shall maintain and keep in good repair the work constructed and/or equipment furnished by him as contemplated by the plans, specifications, drawings, etc., and to perform for a period of <u>2 Years</u> from the date of final payment by the Owner, all necessary repairs, reconstruction and renewal of any part of said construction, and to furnish the labor and materials to make good and to repair any defective condition growing out of or on account of the breakage or failure of any substance or the improper function of any part of the construction work. The Contractor shall reimburse the Owner for the costs of all engineering and special services required to be furnished by the Owner which are directly attributable to the restoration of the constructed work. Said maintenance contemplates the complete restoration of the constructed work to a functional use during the said period as set forth above. It is understood that the purpose of this section is to require the correction of all defective conditions resulting from materials furnished or work and labor performed by said Contractor under the conditions prescribed by the plans and specifications; and in case said Contractor shall fail or refuse to perform as provided within ten (10) days after proper written notifications have been furnished to him by the Owner, it is agreed that the Owner may do said work and supply such materials and said Contractor and Sureties herein shall be subject to the liquidated damages mentioned in said Contract for each calendar day's failure on its part to comply with the terms of the said provision of said Contract and this Maintenance Bond.

NOW, THEREFORE, if said Contractor shall keep and perform its said agreement to maintain said work and keep the same in good repair for the said maintenance period as provided above, then these presents shall be null and void and have no further effect, but if default shall be made by said Contractor in the performance of its contract to do so maintain and repair damages in the premises, as provided, and it is further understood and agreed that this

obligation shall be a continuing one against the Principal and Sureties hereon, and that successive recoveries may be had hereon for successive breaches until the full amount shall have been exhausted; and it is further understood that the obligation herein to maintain said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any clause during said time.

IN WITNESS WHEREOF, said Ov	wner has caused these presents to be executed by [NAME OF	CONTRACTOR'S
AUTHORIZED AGENT]	and the said Sur	ety has caused
these presents to be executed by its [	ATTORNEY-IN-FACT OR OFFICIAL]	and said
[ATTORNEY-IN-FACT OR OFFICIAL]	has hereto set his hand this the	day of
, 20	_·	
Surety	Principal	_
Ву	Ву	_
Title	Title	
Address	Address	_
	_	-
[SEAL]	[ SEAL ]	_
ATTEST:		
Contractor	_	
BySurety		
Surety		

NOTE: Date of Maintenance Bond must not be prior to date of Contract.

NOTE: An original Power of Attorney on behalf of the Surety must be attached to the Bond in all cases.

## CERTIFICATE OF INTERESTED PARTIES

FORM **1295** 

1 of 1

				1011		
	Complete Nos. 1 - 4 and 6 if there are interested parties.  Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.		OFFICE USE CERTIFICATION			
1	Name of business entity filing form, and the city, state and country of the busines of business.  Chemical Coatings Int., LLC	2	Certificate Number: 2018-430052			
	Forney, TX United States	the second secon	Date Filed:			
2	Name of governmental entity or state agency that is a party to the contract for w being filed.  City of Corinth	Data Aslanavid				
3	Provide the identification number used by the governmental entity or state agent description of the services, goods, or other property to be provided under the country of the services and epoxy flooring	ncy to track or identify the ontract.	ne contract, and pro	vide a		
			Nature o	f interest		
4	Name of Interested Party City, State, Co	ountry (place of busines	ss) (check ap	plicable)		
			Controlling	Intermediary		
5	Check only if there is NO Interested Party.					
5	X					
6	UNSWORN DECLARATION					
	My name is	, and my date of b	irth is			
	wy name is	, a, sate of a				
	My address is,	,		.,		
	(street)	(city) (sta	te) (zip code)	(country)		
	I declare under penalty of perjury that the foregoing is true and correct.					
	O	, on the	day of	20		
	Executed inCounty, State of	, on the _	(month)			
	Signature of	authorized agent of contr (Declarant)	acting business entity			

## CERTIFICATE OF INTERESTED PARTIES

FORM **1295** 

1 of 1

	Complete Nos. 1 - 4 and 6 if there are interested parties.	T	OFFICE USI	ONLY		
	Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.	c	CERTIFICATION OF FILING			
1	Name of business entity filing form, and the city, state and country of the business entity's of business.		Certificate Number: 2018-430052			
	Chemical Coatings Int., LLC Forney, TX United States	D	ate Filed:			
2			2/03/2018			
	being filed. City of Corinth		Date Acknowledged:			
3	Provide the identification number used by the governmental entity or state agency to track description of the services, goods, or other property to be provided under the contract.  1119 Resin and epoxy flooring	or identify the	e contract, and pro	vide a		
4	Situ State County (ale	as of business		of interest		
	Name of Interested Party City, State, Country (pla	ce of business	Controlling	Intermediary		
		100				
		1				
		1	-			
			A Property			
				4 5 5		
5	Check only if there is NO Interested Party.					
6	UNSWORN DECLARATION					
100	My name is Hugo Poet, and	d my date of bir	th is March	11970		
	My address is 5300 Anchor Cove . (arla)	(state	(zip code)	(country)		
The same	I declare under penalty of penjury that the foregoing is true and correct.			CI		
The second	Executed inCounty, State of	$\leq$ , on the	day of 1 10 (month	, 20 (year)		
	After					
	Signature of authorized	agent of contra	acting business entity	У		

# Sika Corporation

August 6, 2018

Hugo Paez Chemical Coating Intl, LLC P.O. Box 1615 Forney, Texas 75126

RE: Sika Industrial Flooring Approved Installer

To Whom It May Concern:

This is letter is to confirm that Chemical Coatings Intl LLC is an approved Sika Contractor in good standing with Sika USA. They are approved to install all standard Sika systems. Certification is good till January 1, 2020.

Please call me if you have any questions on their status with Sika. All Certifications and systems approval are reviewed on a yearly basis and subject to change.

Thank you for your interest in Sika Products and Approved Contractors.

Sincerely,

Steve Manchester

Sika Flooring Technical Sales

214-850-9479 cell

www.sikafloorusa.com







#### CONSENT ITEM 8.

#### **City Council Regular and Workshop Session**

**Meeting Date:** 01/10/2019

Title: BHC Contract Amendment No 1 For ST18-01 Lake Sharon/ Dobbs Road Realignment

Submitted For: Submitted By: George Marshall, Engineer

Finance Review: Yes Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Infrastructure Development

#### **AGENDA ITEM**

Consider approval of Lake Sharon Drive and Dobbs Road Realignment Contract Amendment No. 1 with Birkhoff, Hendricks & Carter, L.L.P. in the amount not to exceed \$263,510.00 and authorize the City Manager to execute any necessary documents.

#### AGENDA ITEM SUMMARY/BACKGROUND

#### History:

In January 2018 the City entered into a design contract for the Lake Sharon Drive and Dobbs Road Realignment with Birkhoff, Hendricks & Carter, L.L.P. (BHC). This contract consisted of three projects related to the roadway realignment; Project A - Lake Sharon Drive/Dobbs Road Realignment with 20" water main, Project B - Quail Run Elevated Storage Tank, and Project C 12-inch Offsite water main installation along the Railroad Right of Way. In October 2018 BHC provided 60% plans for City review. During this review several items were noticed; 1) there is a newly constructed fence at 2204 Mayfield Circle, 2) The intersection of Dobbs Road, Corinth Parkway and Quail Run Drive is currently an all way stop, most likely not warranted, 3) Project C - 12-inch Offsite water main is not necessary for the water system to function properly. and 4) the Realignment of Quail Run to I-35E was not included in the original scope.

#### Analysis

- 1) While the fence is in the ROW and the City has the right to remove it, there appears to be room along the south side of the ROW to allow the road to shift 5-10 feet without interfering with the fence. In addition, the designer has mentioned that maintaining grade at this location will be difficult especially considering the owner appears to have a driveway access to the back-yard via Dobbs Road.
- 2) When the road is widened for 4-lane divided section the stop signs for the east-west movements will most likely be removed as the all-way stop sign warrants as established in the Texas Manual on Uniform Traffic Control Devices (TxMUTCD) will not be met. The minimum volumes on the major approach would need to be at least 300 vehicles per hour and the minor side street traffic would need to be at least 200 vehicles per hour. Staff would like to consider the possibility of using a roundabout at this intersection. This contract amendment would include the opportunity for full design and implementation of a roundabout, however if after reviewing the preliminary schematics the city should choose not to move forward with a roundabout then the remaining final design pieces of the contract would not be used. A roundabout at this location would make a lot of sense as to the dynamic of the traffic in the area. Should you wish to review some locations before the meeting please see Park Vista Blvd in Ft Worth/Keller area. Or even https://youtu.be/nfUQ81CBTD8.
- 3) Staff discussed the need for the 12-inch offsite water main along the railroad ROW with our consultant that manages our water network model. The consultant removed the segment from the network and there was no noticeable change in the network. The reason to have a water main in that area would be for private development opportunities. This is also a similar area as the Millennium Development which has already installed their necessary looped water mains. This type of water main should be the responsibility of the developer to construct. In addition, the City would need to acquire easements for the water main.
- 4) While working with CoServ on the Elevated Storage Tank Site, they have expressed an interest in re-aligning Quail Run with I-35E. This re-alignment would intersect I-35E at a 90° angle. In addition, the existing roadway is in need of removal and replacement. The project would include proper drainage, utilities, and concrete pavement

with curb and gutter. This project will allow for redevelopment opportunities along the I-35E corridor.

#### RECOMMENDATION

Staff recommends the approval of Lake Sharon Drive and Dobbs Road Realignment Contract Amendment No. 1 with Birkhoff, Hendricks & Carter, L.L.P. in the amount not to exceed \$263,510.00 and authorize the City Manager to execute any necessary documents.

#### **Fiscal Impact**

#### **Source of Funding:**

#### FINANCIAL SUMMARY:

Funding for the contract amendment is available from existing 2016 Certificates of Obligation bond proceeds for the Lake Sharon/Dobbs Alignment and Elevated Storage Tank projects.

#### **Attachments**

Contract Amendment #1
Quail Run @ I-35E
FHWA Roundabout Information



11910 Greenville Ave., Suite 600

Dallas, Texas 75243

Phone (214) 361-7900

www.bhcllp.com

JOHN W. BIRKHOFF, P.E.
GARY C. HENDRICKS, P.E.
JOE R. CARTER, P.E.
MATT HICKEY, P.E.
ANDREW MATA, JR., P.E.
JOSEPH T. GRAJEWSKI, III, P.E.
DEREK B. CHANEY, P.E.
CRAIG M. KERKHOFF, P.E.

December 27, 2018

Mr. George Marshall, P.E., CFM City Engineer City of Corinth 3300 Corinth Parkway Corinth, Texas 76208

Re: Lake Sharon Drive Extension

Amendment No. 1

Dear Mr. Marshall:

As you requested, we are pleased to submit Amendment No. 1 to our existing engineering services agreement for the Lake Sharon Drive Extension project dated January 8, 2018. This Amendment No. 1 provides for the following:

#### **Project A – Lake Sharon Drive Extension**

- 1. At the request of the City, shifting the alignment of Lake Sharon Drive including additional field surveys. The alignment shift is requested in order to avoid conflict with existing residential fence(s) encroaching into the Lake Sharon Drive right of way.
- 2. Revisions to three (3) right-of-way documents for alignment shift
- 3. Revise flood study to incorporate the hydrologic and hydraulic information provided by the City for a letter of map revision on Lynchburg Creek and its tributaries approved in July 2018

#### **Project C – Water Distribution System Improvements**

1. Removal of the 12-inch waterline parallel to the DCTA line

#### **Project D – Lake Sharon Drive Roundabout (New Project Element)**

- 1. Develop conceptual layouts for two (2) roundabouts alternatives at the Lake Sharon/Quail Run intersection in collaboration with Lee Engineering serving as a sub-consultant to our firm. One alternative will be a single lane roundabout and the other will be a hybrid facilitating two lanes east-west and one lane north-south.
- 2. Attend one (1) public meeting to present the alternatives in a public setting including a presentation discussing the benefits and functionality of roundabouts in general and specifically at this intersection.
- 3. Additional field surveys at the location of the roundabout

Mr. George Marshall, P.E., CFM Lake Sharon Drive – Engineering Services Agreement – Amendment No. 1 December 27, 2018 Page 2 of 3

- 4. Final design of the chosen roundabout alternative including signage and marking plans. This amendment presumes the roundabout will be bid as part of the Lake Sharon Drive extension project. No additional scope or fee is provided to bid the roundabout separately.
- 5. Additional construction contract administration
- 6. Additional or revisions to right-of-way exhibits and descriptions related to the roundabout on up to four (4) parcels.

NOTE: We understand that, should the City decide not to proceed with the roundabout at the Lake Sharon/Quail Run intersection, then Amendment Items D.4 through D.6 will not be implemented.

#### Project E - Quail Run Drive Realignment (New Project Element)

- Engineering Services related to the realignment and reconstruction of Quail Run Drive from IH-35E to Lake Sharon Drive. Quail Run Drive will be designed as a Type 'C' Collector (37-foot wide concrete road) with integral curb and gutter and underground storm system situated in a proposed 60-foot wide right of way.
- 2. Field surveys in support of the design and right-of-way plat and descriptions
- 3. Coordination with TxDOT and CoServ
- 4. Preparation of right-of-way exhibits and descriptions on up to five (5) parcels
- 5. Geotechnical analysis and report for design of the pavement section

The table attached replaces the Payment Schedule in Exhibit "B" in the original contract. Payment for the Basic Services shall remain on a lump sum basis. Payment for the Additional Services shall remain on a salary cost basis times a multiplier of 2.45, with expenses at actual invoice cost time 1.15. Field survey crew rate will be invoiced at \$155 per hour plus mileage. Automobile mileage for additional services will be invoiced at the IRS limit.

The City of Corinth hereby confirms they have chosen to proceed with the additional services outlined herein. If this Amendment No. 1 to our existing engineering services agreement for the Lake Sharon Drive Extension project dated January 8, 2018 meets with your approval, please have one original executed and returned to our office.

We are available to discuss this contract amendment further at your convenience.

Joseph T. Grajcwski, P.E.

# APPROVED BY THE CITY OF CORINTH, TX By:

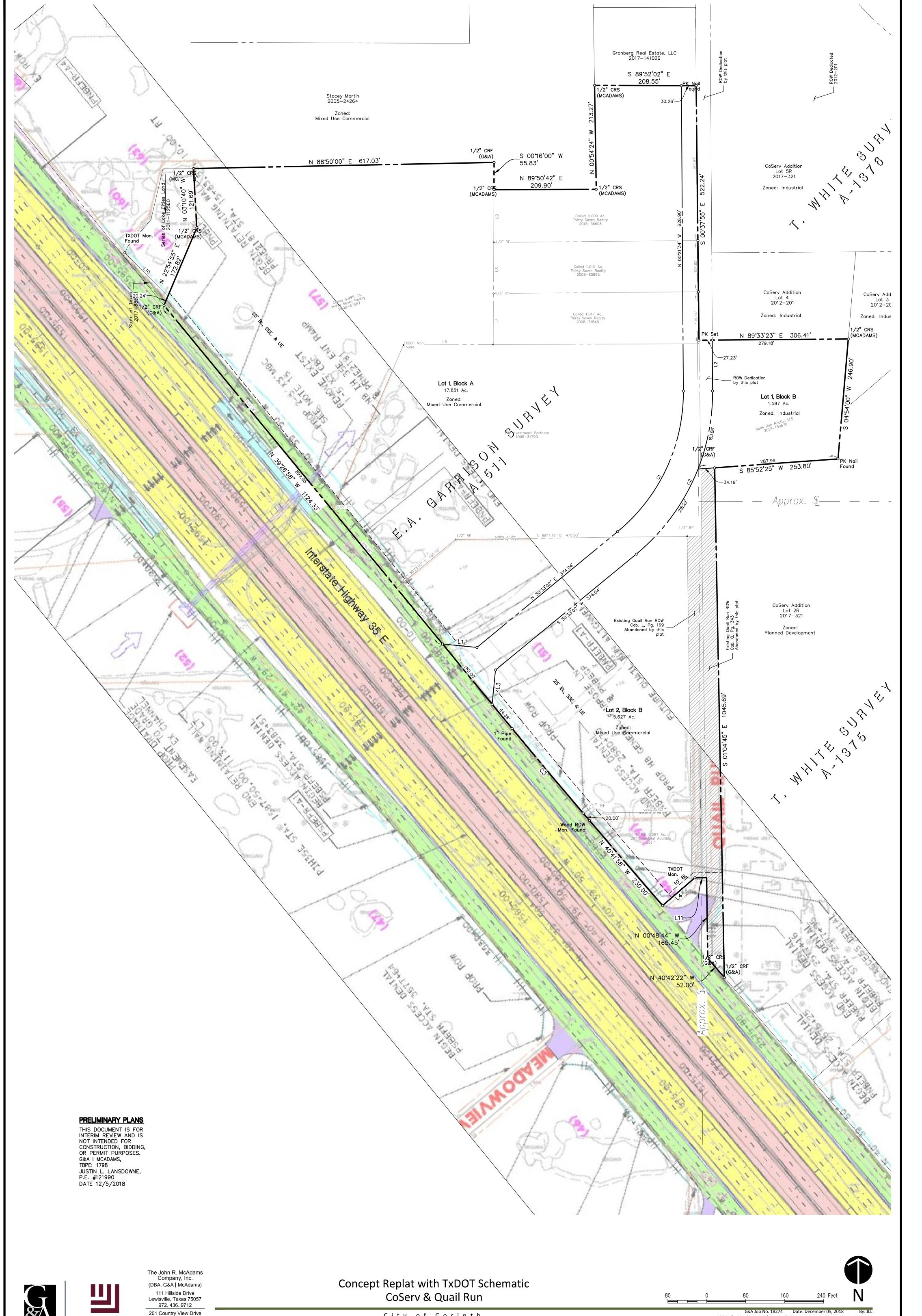
Date

Mr. George Marshall, P.E., CFM Lake Sharon Drive – Engineering Services Agreement – Amendment No. 1 December 27, 2018 Page 3 of 3

# Lake Sharon Drive Extension, Quail Run EST and Quail Run Realignment EXHIBIT B - Payment Schedule

Amendment No. 1

			Project A Lake Sharon Drive Extension			Project B Quail Run EST			Project C Water Distribution System Improvements			Project D Lake Sharon Drive Roundabout			Project E Quail Run Drive Realignment			Amendment No. 1	Projects A-E Revised Total
		Original Contract Amount	Amount Amendment No. 1	Revised Contract Amount	Original Contract Amount	Amount Amendment No. 1	Revised Contract Amount	Original Contract Amount	Amount Amendment No. 1	Revised Contract Amounts	Original Contract Amount	Amount Amendment No. 1	Revised Contract Amounts	Original Contract Amount	Amount Amendment No. 1	Revised Contract Amounts	Sub Total Throu	Through Amendment No. 1	
Basi	Basic Services (Lump Sum)																		
	Part I	Final Design	\$211,650	\$10,410	\$222,060	\$182,075	\$0	\$182,075	\$80,970	(\$12,145)	\$68,825	\$0	\$53,960	\$53,960	\$0	\$99,715	\$99,715	\$151,940	\$626,635
	Part II	Bidding	\$14,110	\$0	\$14,110	\$12,140	\$0	\$12,140	\$5,400	\$0	\$5,400	\$0	\$0	\$0	\$0	\$6,230	\$6,230	\$6,230	\$37,880
	Part III	Construction	\$56,440	\$0	\$56,440	\$48,555	\$0	\$48,555	\$21,595	(\$5,400)	\$16,195	\$0	\$7,200	\$7,200	\$0	\$18,695	\$18,695	\$20,495	\$147,085
Basi	ic Services	Subtotal:	\$282,200	\$10,410	\$292,610	\$242,770	\$0	\$242,770	\$107,965	(\$17,545)	\$90,420	\$0	\$61,160	\$61,160	\$0	\$124,640	\$124,640	\$178,665	\$811,600
Addi	Additional Services																		
Α.	Surveying		\$15,360	\$1,365	\$16,725	\$6,400	\$0	\$6,400	\$19,200	(\$4,770)	\$14,430	\$0	\$2,730	\$2,730	\$0	\$6,760	\$6,760	\$6,085	\$47,045
В.	CoServ Co	ordination			\$0	\$10,000	\$0	\$10,000			\$0			\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
C.	TxDOT Co	ordination	\$10,000	\$0	\$10,000			\$0			\$0			\$0	\$0	\$5,000	\$5,000	\$5,000	\$15,000
D.	TxDOT Permit Fees		\$2,500	\$0	\$2,500			\$0			\$0			\$0	\$0	\$2,500	\$2,500	\$2,500	\$5,000
E.	DART/DC	ΓA Coordiantion			\$0			\$0	\$10,000	(\$10,000)	\$0			\$0			\$0	(\$10,000)	\$0
F.	DART/DC	ΓA Permit Fees			\$0			\$0	\$2,875	(\$2,875)	\$0			\$0			\$0	(\$2,875)	\$0
G.	Billboard R	elocation	\$10,000	\$0	\$10,000			\$0			\$0			\$0			\$0	\$0	\$10,000
Н.	Easement I	Documents			\$0			\$0	\$25,000	(\$3,750)	\$21,250			\$0			\$0	(\$3,750)	\$21,250
I.	ROW Docu	iments	\$40,000	\$4,500	\$44,500			\$0			\$0	\$0	\$10,000	\$10,000	\$0	\$17,500	\$17,500	\$32,000	\$72,000
J.	Plat Prepara	ation			\$0	\$20,000	\$0	\$20,000			\$0			\$0			\$0	\$0	\$20,000
K.	Plotting &	Reproduction	\$1,750	\$0	\$1,750	\$500	\$0	\$500	\$1,000	\$0	\$1,000			\$0			\$0	\$0	\$3,250
L.	Geotechnic	al Reports	\$10,000	\$0	\$10,000	\$15,000	\$0	\$15,000			\$0			\$0	\$0	\$7,500	\$7,500	\$7,500	\$32,500
M.	Preliminary	Juris dictional Determination	\$11,435	\$0	\$11,435			\$0			\$0			\$0			\$0	\$0	\$11,435
N.	Nationwide	Permit 14	\$22,340	\$0	\$22,340			\$0			\$0			\$0			\$0	\$0	\$22,340
O.	Illumination	n Plans	\$15,000	\$0	\$15,000			\$0			\$0			\$0			\$0	\$0	\$15,000
P.	Flood Stud	у	\$22,170	\$3,135	\$25,305			\$0			\$0			\$0			\$0	\$3,135	\$25,305
Q.	Letter of M	ap Revision	\$12,740	\$0	\$12,740			\$0			\$0			\$0			\$0	\$0	\$12,740
		l Roundabout Layouts			\$0			\$0			\$0		\$28,175	\$28,175			\$0	\$28,175	\$28,175
S.	Roundabou	ıt Public Meeting			\$0			\$0		\$0	\$0		\$12,075	\$12,075			\$0	\$12,075	\$12,075
Additional Services Subtotal:			\$173,295	\$9,000	\$182,295	\$51,900	\$0	\$51,900	\$58,075	(\$21,395)	\$36,680	\$0	\$52,980	\$52,980	\$0	\$44,260	\$44,260	\$84,845	\$368,115
PROJECT BASE FEE GRAND TOTAL:			\$455,495	\$19,410	\$474,905	\$294,670	\$0	\$294,670	\$166,040	(\$38,940)	\$127,100	\$0	\$114,140	\$114,140	\$0	\$168,900	\$168,900	\$263,510	\$1,179,715







201 Country View Drive Roanoke, Texas 76262 940. 240. 1012 TBPE: 19762 TBPLS: 10194440 www.gacon.com www.mcadamsco.com

"Personally, I love them, and I'll tell you why. You only have to stop one lane of traffic, then go to the middle and wait.
The cars can't go much faster than 20 mph through the roundabout so the crossing aspect is great."

#### Denise Haltom

School Crossing Guard, Suamico, Wisconsin Green Bay Press-Gazette February 6, 2001

"We have had a lot of people not very happy about the idea of roundabouts, but after they are constructed, those fears mostly go away."

#### Brian Walsh

Washington State Department of Transportation Seattle Times June 5, 2002

"We all know people speed up to get through a yellow light. But at the roundabout, all the vehicles have to slow down ... we have almost 50 roundabouts now, we have a lot [fewer] personal injuries. We have fewer fatalities."

#### James Brainard

Mayor, City of Carmel, Indiana www.nbc17.com November 8, 2007

#### **Education** is key.

Education is vital to the acceptance and success of a roundabout. Navigating a roundabout is easy. But because people can be apprehensive about new things, it's important to educate the public about roundabout use.

There are just a few simple guidelines to remember when driving through a roundabout:

- 1. Slow down.
- 2. If there's more than one lane, use the left lane to turn left, the right lane to turn right, and all lanes to go through, unless directed otherwise by signs and pavement markings.
- 3. Yield to pedestrians and bicyclists.
- 4. Yield at the entry to circulating traffic.
- 5. Stay in your lane within the roundabout and use your rightturn signal to indicate your intention to exit.
- 6. Always assume trucks need all available space don't pass them!
- 7. Clear the roundabout to allow emergency vehicles to pass.

Visit safety.fhwa.dot.gov to learn more about roundabouts



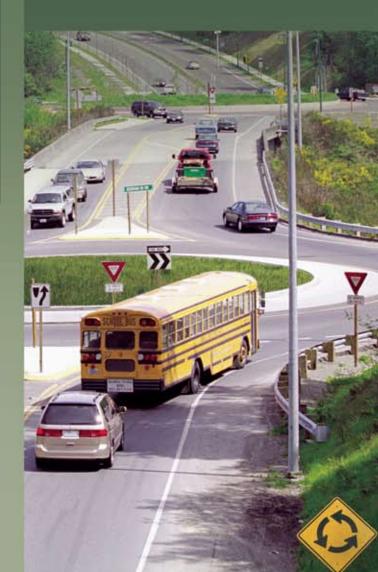
Design standards for roundabouts continue to evolve, and not all features of existing roundabouts meet current recommended practice. Please refer to FHWA's web site for recommendations on current design practice.

Original source photo by Lee Rodege 18. Photo has been altered to illustrate roundabout and updated signage.



# Roundabouts

A Safer Choice





#### What is a roundabout?

A roundabout is a type of circular intersection with yield control of entering traffic, islands on the approaches, and appropriate roadway curvature to reduce vehicle speeds.

Modern roundabouts are different from rotaries and other traffic circles. For example, roundabouts are typically smaller than the large, high-speed rotaries still in use in some parts of the country. In addition, roundabouts are typically larger than neighborhood traffic circles used to calm traffic.

A roundabout has these characteristics:

### No need to change lanes to exit Counterclockwise circulation - Yield signs at entries Generally Circular Shape Geometry that forces slow speeds Can have more than one lane

#### Why consider a roundabout?

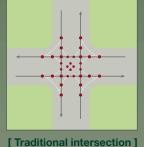
Compared to other types of intersections, roundabouts have demonstrated safety and other benefits.

#### Roundabouts:

#### > Improve safety

- More than 90% reduction in fatalities\*
- 76% reduction in injuries\*\*
- 35% reduction in all crashes\*\*
- Slower speeds are generally safer for pedestrians

With roundabouts, head-on and high-speed right angle collisions are virtually eliminated.





Potential vehicle conflict point

#### > Reduce congestion

- Efficient during both peak hours and other times
- Typically less delay

#### > Reduce pollution and fuel use

• Fewer stops and hard accelerations, less time idling

#### > Save money

- Often no signal equipment to install, power, and maintain
- Smaller roundabouts may require less right-ofway than traditional intersections
- Often less pavement needed

#### > Complement other common community values

- Quieter operation
- Functional and aesthetically pleasing



<sup>\* &</sup>quot;Safety Effect of Roundabout Conversions in the United States: Empirical Bayes
Observational Before-After Study." Transportation Research Record 1751, Transportation

<sup>\*\*</sup> NCHRP Report 572: Roundabouts in the 19th States. National Cooperative Highway

#### CONSENT ITEM 9.

**City Council Regular and Workshop Session** 

**Meeting Date:** 01/10/2019

Title: UTRWD Contract

Submitted For: Bob Hart, City Manager Submitted By: Kim Pence, City Secretary

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Consider and act on the Ratification of the Interlocal Agreement with Upper Trinity Regional Water District for the construction of the Lake Sharon Waterline.

#### AGENDA ITEM SUMMARY/BACKGROUND

The Upper Trinity Regional Water District approved an interlocal agreement between the District and the City of Corinth for the relocation of the water line under the Lake Sharon Road extension. The city council authorized the city manager to sign the agreement subject to ratification in January. This has been placed on the agenda for such ratification. The agreement provides that the city will pay the relocation costs of the water line incurred by the UTRWD. The UTRWD is currently soliciting bids for such work. It is the intention of both parties to complete this work not later than the 15th day of March 2019. Following the relation work, the city will be able to proceed with the construction of the Lake Sharon Road extension.

#### RECOMMENDATION

Approve the agreement with the Upper Trinity Regional Water District for relocation of the Lake Sharon Road extension water line.

#### PUBLIC HEARING 10.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: PACE Public Hearing
Submitted For: Bob Hart, City Manager

**Submitted By:** Julie Arrington, Administrative Assistant

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Conduct a Public Hearing to hear public opinion regarding the establishment of the Corinth Pace Program

#### AGENDA ITEM SUMMARY/BACKGROUND

On December 6, 2018, the Council passed a Resolution of Intent to Establish the City of Corinth PACE Program and scheduled a Public Hearing for January 10, 2019 at 7:00 p.m. In accordance with the PACE Act, the PACE Program Report has been published on the City's webpage for public review and made accessible to the public upon request in the General Administration Office at City Hall.

#### RECOMMENDATION

N/A

#### **BUSINESS ITEM** 11.

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** Pace Establishment Resolution

**Submitted For:** Bob Hart, City Manager

**Submitted By:** Julie Arrington, Administrative Assistant

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### **AGENDA ITEM**

Consider and act on a Resolution establishing the City of Corinth Property Assessed Clean Energy Program ("City of Corinth PACE") and providing for an effective date.

#### AGENDA ITEM SUMMARY/BACKGROUND

On December 6, 2018, the Council passed a Resolution of Intent to Establish the City of Corinth PACE Program and scheduled a Public Hearing for January 10, 2019 at 7:00 p.m. In accordance with the PACE Act, the PACE Program Report has been published on the City's webpage for public review and made accessible to the public upon request in the General Administration Office at City Hall.

The Property Assessed Clean Energy Act (the "PACE ACT") allows local governments to establish a PACE Program that enables commercial, industrial, agricultural, nonprofit, and multifamily property owners to voluntarily tie the obligation to repay the cost of energy and water efficiency improvements to their property with a property assessment. The PACE program is a voluntary tool that enables business owners to use its land value as part of the equity to pay for eligible water and/or energy conservation improvements with the savings generated by taking advantage of affordable, long-term financing provided by private capital providers. The property assessment eliminates the current barriers to investment in maintaining property and allows the obligation to stay with the property and transfer to subsequent owners. There is no exposure or liability to the city but provides a tool for economic development improvements to existing buildings.

#### RECOMMENDATION

Staff recommends approval

Attachments							
Resolution							

#### **RESOLUTION NO. 19-01-10-**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS ESTABLISHING THE CITY OF CORINTH PACE PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the 83<sup>rd</sup> Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act, Texas Local Government Code Chapter 399 (the "PACE Act"), which allows the governing body of a local government, including a municipality, to designate an area of the territory of the local government as a region within which an authorized representative of a local government and the record owners of commercial, industrial, and large multifamily residential (5 or more dwelling units) real property may enter into written contracts to impose assessments on the property to repay the financing by the owners of permanent improvements fixed to the property intended to decrease energy or water consumption or demand;

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, and large multifamily residential real property in the City of Corinth will further the goals of energy and water conservation without cost to the public;

WHEREAS, the City Council finds that third-party financing of energy and water conserving projects through contractual assessments maintained by the City ("PACE financing") furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, conserving water resources, and reducing greenhouse gas emissions;

WHEREAS, the City Council adopted a Resolution of Intent to establish a PACE program for the City of Corinth on December 6, 2018, including a reference to the report on the proposed program prepared as required by Section 399.009 of the PACE Act and made the report available to the public on the City's website and for inspection in the office of the City Manager at 3300 Corinth Parkway, Corinth, Texas 76208;

WHEREAS, The City Council finds that the administration of the PACE program by Texas PACE Authority, a qualified non-profit organization as an independent third-party Authorized Representative contracted by the City and compensated by application and administration fees paid by the participating property owners, will enable the program to be administered without use of City resources, will assure the objectives of impartiality and confidentiality of owner information, and will be convenient and advantageous to the City of Corinth; and

WHEREAS, the City Council also finds that because no City funds will be expended for PACE financing of the Authorized Representative's services, the selection of such an independent third-party Authorized Representative is not subject to the Professional Services Procurement Act or other City purchasing requirements; and

WHEREAS, the City Council held a public hearing on January 10, 2019 at 6:30pm in the City Council room, City Hall, 3300 Corinth Parkway, Corinth, Texas 76208, at which the public hearing could comment on the proposed program, including the report available for public inspection as mentioned above and as required by Section 399.008(a)(2):

NOW THEREFORE, be it resolved by the City Council of the City of Corinth that:

- 1. <u>Recitals.</u> The recitals to this Resolution are true and correct and are incorporated into this resolution for all purposes.
- 2. <u>Establishment of Program.</u> The City of Corinth hereby adopts this Resolution Establishing the City of Corinth Property Assessed Clean Energy Program ("City of Corinth PACE"), herein called "the Program," and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose and is convenient and advantageous to the City and its citizens.
- 3. <u>Contractual Assessments</u>. The City of Corinth will, at the property owner's request, impose contractual assessments on the property to repay PACE financing for qualified energy and water conserving projects available to owners of privately owned commercial, industrial, and large multifamily property.
- 4. <u>Qualified Projects</u>. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five (5) or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or lots undergoing development at the time of the assessment or the purchase or installation of products or devices not permanently fixed to real property.

- 5. <u>Region.</u> The boundaries of the entire geographic area within City's jurisdiction are included in the boundaries of the region where PACE financing and assessments can occur.
- 6. Third- Party Financing. Financing for qualified projects under the Program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the Authorized Representative to service the debt through assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to financing documents executed between the lenders and the owners. The City of Corinth will maintain and continue the assessments for the benefit of such lenders and will enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the City of Corinth PACE program.
- 7. <u>Authorized Representative.</u> The City Council designates Texas PACE Authority, a non-profit organization, to act as the Authorized Representative with authority to enter into written contracts with the record owners of real property in the City of Corinth to impose assessments pursuant to the PACE Act to repay the financing of qualified projects on the owners' property, to enter into written contracts with the parties that provide third-

party financing for such projects to service the debts through assessments, and to file written notice of each contractual assessment in the real property records of Denton County, all on behalf of the City of Corinth. The Authorized representative may make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute. The City Manager or his designee will be the liaison with the Authorized Representative.

- 8. <u>Enforcement.</u> The City will enforce the collection of past due assessments and may contract with a qualified law firm to assist in collection efforts.
- 9. <u>Report.</u> The final report on the PACE program, prepared in accordance with Section 399.009 of the Texas Local Government Code is attached and incorporated into this resolution. The City will post the resolution and report on the City's website.
- 10. <u>Amendment of Program.</u> The City Council may amend the City of Corinth PACE Program by resolution. However, another public hearing is required before the Program may be amended to provide for City financing of qualified improvements through assessments.

Adopted this day of, 2019.	
	Bill Heidemann, Mayor
ATTEST:	
Kimberly Pence, City Secretary	
APPROVED AS TO FORM:	
City Attorney	

## REPORT REQUIRED BY TEXAS LOCAL GOVERNMENT CODE SECTION 399.009

#### FOR PROPOSED CITY OF CORINTH

#### PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM

This Report is adopted by the City Council for the City of Corinth Property Assessed Clean Energy (PACE) Program (**the "program"**) in accordance with the requirements of the Property Assessed Clean Energy Act (**the "PACE Act"**) as set forth in Texas Local Government Code Chapter 399.

The City of Corinth and its constituents benefit when older existing buildings are modified with new technology and equipment that increases energy efficiency and reduces water consumption. As described in this Report, the City of Corinth is establishing the commercial PACE Program to encourage private sector investment in energy efficiency and water conservation. The PACE program will be offered to property owners on a strictly voluntary basis and will not require the use of any public funds or resources.

Authorized under the PACE Act enacted in 2013, the PACE program is an innovative financing program that enables private sector owners of privately owned commercial, industrial, and multifamily residential properties with five or more dwelling units to obtain low-cost, long-term loans to pay for water conservation, energy-efficiency improvements, and renewable energy retrofits. PACE loans provide up to 100% financing of all project costs, with little or no up-front out-of-pocket cost to the owner. The 2015 legislative session streamlined the process.

Loans made under the PACE Program will be secured by assessments on the property that are voluntarily imposed by the owner. Assessments may be amortized over the projected life of the improvements. The annual utility cost savings derived from improvements financed with PACE loans are expected to exceed the amount of the annual assessment payments. In turn, these improvements are able to generate positive cash flow upon installation because the debt service will be less than the savings.

PACE assessments are tied to the property and follow title from one owner to the next. Each owner is responsible only for payment of the assessments accruing during its period of ownership. When the property is sold, the payment obligation for the remaining balance of the assessment is transferred automatically to the next owner. As a result, the program will help property owners overcome market barriers which often discourage investment in energy efficiency and water conservation improvements.

## 1. Eligible Properties

The City of Corinth PACE program is a strictly voluntary program. All private sector owners of Eligible Properties located within the City's PACE region may participate in PACE financing. "Eligible Properties" include commercial, industrial, and multi-family residential properties with

five or more dwelling units. Government, residential<sup>1</sup>, and undeveloped property and property undergoing development at the time of the assessment are not Eligible Properties.

### 2. Qualified Improvements

PACE financing may be used to pay for Qualified Improvements to Eligible Properties. "Qualified Improvements" are permanent improvements intended to decrease water or energy consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that use energy technology to generate electricity, provide thermal energy, or regulate temperature. Under the PACE Act, products or devices that are not permanently fixed to real property are not considered to be Qualified Improvements.

The following items may constitute Qualified Improvements:

- High efficiency heating, ventilating and air conditioning ("HVAC") systems
- High efficiency chillers, boilers, and furnaces
- High efficiency water heating systems
- Energy management systems and controls
- Distributed generation systems
- High efficiency lighting system upgrades
- Building enclosure and envelope improvements
- Water conservation and wastewater recovery and reuse systems
- Combustion and burner upgrades
- Heat recovery and steam traps
- Water management systems and controls (indoor and outdoor)
- High efficiency irrigation equipment

### 3. Benefits of PACE to Property Owners

The PACE program will enable owners of Eligible Properties to overcome traditional barriers to capital investments in energy efficiency and water conservation improvements, such as unattractive returns on investment, split incentives between landlords and tenants, and uncertainty of recouping the investment upon sale of the property.

By financing Qualified Improvements through the program, property owners may achieve utility cost savings that exceed the amount of the assessment and reduce their exposure to utility price volatility. As a result, the value of the property will be enhanced, and the owner will only be obligated to pay the assessment installments that accrue during its period of ownership of the property. Additionally, by investing in energy efficiency and water conservation with PACE financing, property owners may also qualify for various rebate, tax credit, and incentive programs offered by utility providers and state or federal governmental authorities to encourage these types of investments.

<sup>&</sup>lt;sup>1</sup> This encompasses single family residential and any multi-family properties less than five units.

## 4. Benefits of PACE to the City of Corinth

Among other things, projects financed through PACE will:

- Enable property owners and occupants to save substantial amounts in utility costs
- Reduce demand on the electricity grid
- Mitigate greenhouse gas emissions associated with energy generation
- Enhance the value and efficiency of existing buildings
- Boost the local economy by creating new job opportunities for laborers and new business opportunities for contractors, engineers, commercial lenders, professionals, and equipment vendors and manufactures
- Increase business retention and expansion in the PACE region by enabling cost effective energy and water saving updates to existing property
- Improve productivity through optimized energy usage
- Support the State's water conservation plan
- Better enable the City to meet its water conservation goals

Finally, EPA regulations have significant impacts on air quality standards in Texas. For example, the recent adjustment in the NAAQS to a lower standard increased the difficulty for the City to bring the area into attainment. Being non-attainment for priority pollutants in the Clean Air Act endangers federal transportation funding. Through the reduction in energy consumption, as a result of the PACE program, there will be a decreased demand for power resulting in lower emissions from power plants.

The PACE program requires minimal support from the City. It is designed to be self-sustaining. Furthermore, because the PACE program is tax neutral, it achieves all of the benefits listed in this Report without imposing a burden on the City's general fund.

The 84<sup>th</sup> Texas Legislature added a provision that explicitly shields County and its employees members of the governing body of a local government, employees of a local government, and board members, executives, employees, and contractors of a third party who enter into a contract with a local government to provide administrative services for a program under this chapter.<sup>2</sup>

#### 5. The Benefits of PACE to Lenders

PACE loans are attractive to lenders because they are very secure investments. Like a property tax lien, the assessment lien securing the PACE loan has priority over other liens on the property. Therefore, the risk of loss from non-payment of a PACE loan is low compared to most other types of loans. PACE assessments provide lenders with an attractive new product to assist existing and new customers in addressing an almost universal pent-up demand for needed commercial and industrial property equipment modernization. In order to protect the interests of holders of existing mortgage loans on the property, the PACE Act requires their written consent to the PACE assessment as a condition to obtaining a PACE loan.

<sup>&</sup>lt;sup>2</sup> TX. Local Gov't Code §399.019. In the 85th legislature, HB 2654 clarified that the personal immunity provisions apply to all elected officials performing rights and duties under chapter 399 of the Local Government Code.

## 6. The Benefits of PACE to Contractors, Engineers, and Manufacturers

PACE loans provide attractive sources of financing for water and energy saving retrofits and upgrades, thereby encouraging property owners to make substantial investments in existing commercial and industrial buildings. As a result, PACE will unlock business opportunities for contractors, engineers, and manufacturers throughout the commercial and industrial sectors.

### 7. Administration of the PACE Program

Under the PACE Act, the establishment and operation of the program are considered to be governmental functions. The PACE Act further authorizes the City to enter into a contract with a third party to provide administrative services for the PACE program (the "Authorized Representative"). The City of Corinth intends to delegate administration of the PACE program to Texas PACE Authority, a qualified, non-profit organization that can administer the program at no cost to the City.

The Authorized Representative will be funded by transaction fees paid by the parties, charitable grants or other sources of revenue. The Authorized Representative will not receive compensation or reimbursement from the City. Periodic updates to the standard form documents (described in Section 9) will be necessary as the program evolves, incorporating best practices and standardizing the PACE contracts across various PACE programs. The Authorized Representative will be tasked with maintaining the form contracts and making technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute.

### 8. Eligible Lenders

The PACE Act does not set criteria for financial institutions or investors to be PACE lenders. The City will follow best practices of other PACE programs by recommending that lenders be:

- Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
- Any insurance company authorized to conduct business in one or more states;
- Any registered investment company, registered business development company, or a Small Business
- Small business investment company;
- Any publicly traded entity; or
- Any private entity that:
  - o Has a minimum net worth of \$5 million; and
  - O Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending; and
  - o Can provide independent certification as to availability of funds; and
- All lenders must have the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.

Any lender can participate in the PACE program as long as it is a financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts. The property owner, not the City or the Authorized Representative, selects the lender.

The Authorized Representative will not guarantee or imply that funding will automatically be provided from a third-party lender, imply or create any endorsement of, or responsibility for, any lender; or create any type of express or implied favoritism for any eligible lender.

### 9. Components of the PACE Program

As required under Section 399.009 of the PACE Act, the following describes all aspects of the PACE Program:

- a. <u>Map of Region.</u> A map of the boundaries of the region included in the program is attached to this Report as <u>Exhibit 1</u>. The region encompasses the City limits
- b. <u>Form Contract with Owner.</u> A form contract between the City of Corinth and the record owner of the Eligible Property is attached as <u>Exhibit 2</u>. It specifies the terms of the assessment under the PACE program and the financing to be provided by an Eligible Lender of the property owner's choosing.
- c. <u>Form Contract with Lender.</u> A form contract between the City of Corinth and the Eligible Lender chosen by a property owner is attached to this Report as <u>Exhibit 3</u>. It specifies the financing and servicing of the debt through assessments.
  - <u>Form Notice of Contractual Assessment Lien.</u> A form Notice of Assessment Lien to be filed by the City of Corinth with the county Clerk is attached to this Report as Exhibit 4.
- d. <u>Qualified Improvement.</u> The following types of projects are qualified improvements that may be subject to contractual assessments under the PACE program:

Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial or residential real property with five (5) or more dwelling units;<sup>3</sup> and (b) are intended to decrease energy or water consumption or demand by installing a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature. <sup>4</sup>

<sup>&</sup>lt;sup>3</sup> TX. Local Gov't Code §399.002(5).

<sup>&</sup>lt;sup>4</sup> TX. Local Gov't Code §399.002(3).

A sample list of potential Qualified Improvements appears in Section 2 above.

The PACE program may not be used to finance improvements to undeveloped lots or lots undergoing development at the time of the assessment, or for the purchase or installation of products or devices not permanently fixed to real property.<sup>5</sup>

- e. Authorized Representative. HB 3187 was signed into law on June 16, 2015. It authorizes a municipality to delegate administration of the PACE program to a third-party "representative." The City of Corinth intends to delegate all official administrative responsibilities, like the execution of individual contracts with property owners and lenders, to an Authorized Representative. This relationship will be monitored and maintained by the City Manager/ or his/her designee.
- f. Plans for Insuring Sufficient Capital<sup>6</sup>. Lenders will extend loans to finance Qualified Improvements. Financing documents executed between owners and lenders will impose a contractual assessment on Eligible Property to repay the owner's financing of the Qualified Improvements. The lenders will ensure that property owners demonstrate the financial ability to fulfill the financial obligations to be repaid through contractual assessments.
- g. No Use of Bonds or Public Funds. The City of Corinth does not intend to issue bonds or use any other public monies to fund PACE projects. Property owners will obtain all financing from the Eligible Lenders they choose.
- h. Limit on Length of Loan. One of the statutory criteria of a PACE loan is that the assessment payment period cannot exceed the useful life of the Qualified Improvement that is the basis for the loan and assessment. As part of the application process, the property owners will submit a third-party review showing the water or energy baseline conditions and the projected water or energy savings. This review will aid the Authorized Representative in making a determination that the period of the requested assessment does not exceed the useful life of the Qualified Improvement.
- i. Application Process. The Authorized Representative will accept applications from property owners seeking to finance Qualified Improvements under the program. Each application must be accompanied by the required application fee and must include:
  - (1) A description of the specific Qualified Improvements to be installed or modified on the property,
  - (2) A description of the specific real property to which the qualified improvements will be permanently fixed, and
  - (3) The total amount of financing, including any transaction costs, to be repaid through assessments.

TX. Local Gov't Code §399.004.

The Texas PACE Authority's website (www.texaspaceauthority.org) offers a non-exhaustive list of interested and qualified lenders to assist property owners in funding PACE projects in Texas.

Based on this information, the Authorized Representative may issue a preliminary letter indicating that, subject to verification of all requirements at closing, the proposed project appears to meet program requirements. Based on this preliminary letter, the property owner may initiate an independent third-party review of the project and submit the project to Eligible Lenders for approval of financing.

Once the above processes are completed, the property owner will submit the application to the Authorized Representative to obtain preliminary approval. The property owner is expected to produce the following documentation prior to closing on the PACE loan:

- (1) A Report conducted by a qualified, independent third party, showing water or energy baseline conditions and the projected water or energy savings, or the amount of renewable energy generated attributable to the project;
- (2) Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
- (3) All other information required by the Authorized Representative.
- j. <u>Financial Eligibility Requirements.</u> The Authorized Representative will determine whether the owner, the property and the improvements are eligible for financing under the program. The Eligible Lender chosen by the owner will determine whether the owner has demonstrated the financial ability to repay the financial obligations to be collected through contractual assessments. The statutory method<sup>7</sup> for ensuring such a demonstration of financial ability must be based on appropriate underwriting factors, including the following:
  - (1) verification that the person requesting to participate in the program is the legal record owner of the benefitted property,
  - (2) the applicant is current on mortgage and property tax payments,
  - (3) the applicant is not insolvent or in bankruptcy proceedings,
  - (4) the title of the benefitted property is not in dispute; and
  - (5) there is an appropriate ratio of the amount of the assessment to the assessed value of the property.
- k. Mortgage Holder Notice and Consent. As a condition to the execution of a written contract between the Authorized Representative and the property owner imposing an assessment under the program, the holder of any mortgage lien on the property must be given notice of the owner's intention to participate in the program on or before the 30<sup>th</sup> day before the date the contract is executed, and the owner must obtain the written consent of all mortgage holders.<sup>8</sup>

<sup>&</sup>lt;sup>7</sup> TX. Local Gov't Code §399.009(b).

<sup>8</sup> TX. Local Gov't Code §399.010.

- 1. <u>Imposition of Assessment.</u> The Authorized Representative will enter into a written contract with the property owner, only after:
  - (1) The property owner delivers to the Authorized Representative written consent of all mortgage lien holders;
  - (2) The Authorized Representative's determination that the owner and the property are eligible to participate in the program, that the proposed improvements are reasonably likely to decrease energy or water consumption or demand, and that the period of the requested assessment does not exceed the useful life of the Qualified Improvements; and
  - (3) The Eligible Lender notifies the Authorized Representative that the owner has demonstrated the financial ability to fulfill the financial obligations to be repaid through contractual assessments.

The contract will impose a contractual assessment on the owner's Eligible Property to repay the lender's financing of the Qualified Improvements. The Eligible Lender will file "A Notice of Contractual Assessment Lien," in substantially the form in <a href="Exhibit 4">Exhibit 4</a> in the Official Public Records of Denton County, depending on where the Eligible Property is located, as notice to the public of the assessment, from the date of filing. The contract and the notice must contain the amount of the assessment, the legal description of the property, the name of the property owner, and a reference to the statutory assessment lien provided under the PACE Act.

m. <u>Collection of Assessments</u>. The execution of the written contract between the Authorized Representative and the property owner and recording of the Notice of Contractual Assessment Lien incorporate the terms of the financing documents executed between the property owner and with the lender to repay the financing secured by the assessment. The third-party lender will advance financing to the owner, and the terms for repayment will be such terms as are agreed between the lender and the owner. Under the form lender contract attached as <u>Exhibit 3</u>, the lender or a designated servicer will agree to service the debt secured by the assessment.

With funds from the lender, the property owner can purchase directly the equipment and materials for the Qualified Improvement and contract directly, including through lease, power purchase agreement, or other service contract, for the installation or modification of the Qualified Improvements. Alternatively, the lender may make progress payments to the property owner as the Qualified Improvement is installed.

The lender will receive the owner's assessment payments to repay the debt and remit to the Authorized Representative any administrative fees. The lender will have the right to assign or transfer the right to receive the installments of the debt secured by the assessment, provided all of the following conditions are met:

The servicer will be responsible for maintaining payment records, account balances, and reporting to the Authorized Representative as required.

- (1) The assignment or transfer is made to an Eligible Lender, as defined above:
- (2) The property owner and the Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future installments should be mailed at least 30 days before the next installment is due according to the schedule for repayment of the debt; and (3) The assignee or transferee, by operation of the financing documents or otherwise, written evidence of which shall be provided, assumes lender's
- n. <u>Verification Review</u>. After a Qualified Improvement is completed, the Authorized Representative will require the property owner to provide verification by a qualified independent third-party reviewer that the Qualified Improvement was properly completed and is operating as intended. <sup>10</sup> The verification report conclusively establishes that the improvement is a Qualified Improvement and the project is qualified under the PACE program.

obligations under the lender contract.

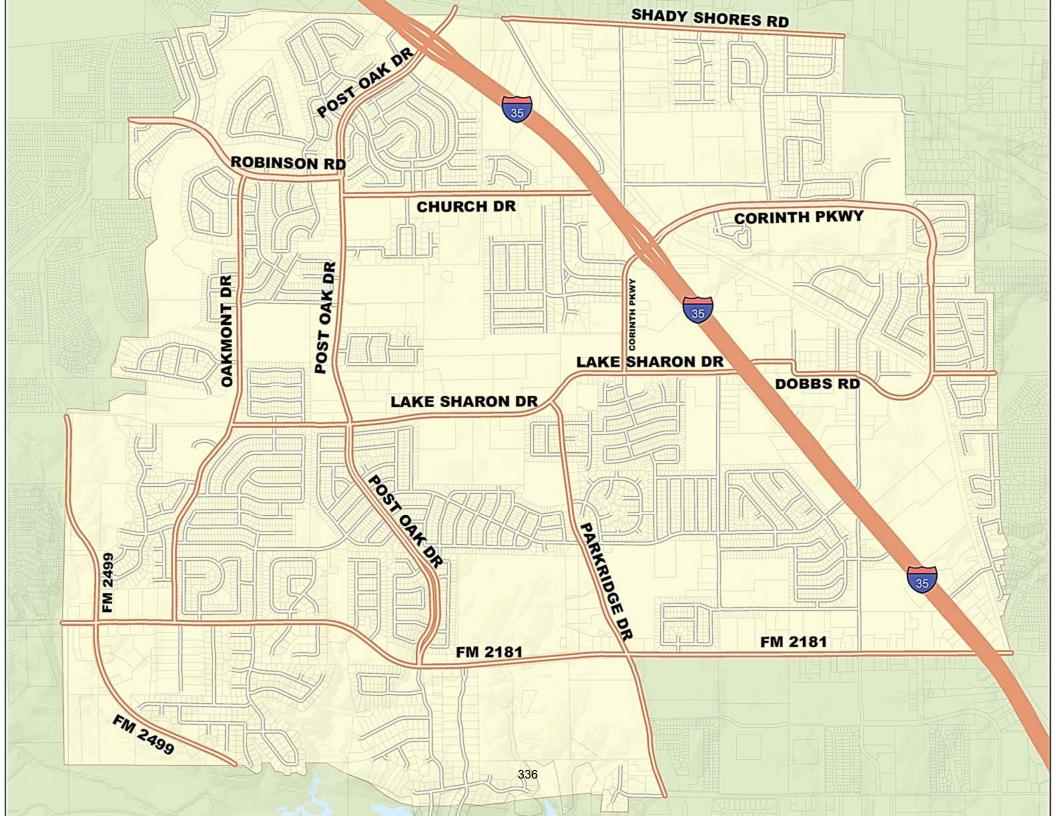
- o. Marketing and Education Services. The City of Corinth may subsequently enter into agreements with one or more other local governments or non-profit organizations that promote energy and water conservation and/or economic development to provide marketing and education services for the PACE program. The Program Administrator will provide service provider training workshops for contractors, engineers, property managers and other stakeholders, provide outreach and education for all stakeholders including presentations, conference booths and individual meetings, and provide written and electronic materials such as case studies, flyers, and webinars.
- p. Quality Assurance and Antifraud Measures. The Authorized Representative will institute quality assurance and antifraud measures for the Program. The Authorized Representative will review each PACE application for completeness and supporting documents through independent review and verification procedures. The application and required attachments will identify and supply the information necessary to ensure that the property owner, the property itself, and the proposed project all satisfy PACE program underwriting and technical standard requirements. Measures will be put in place to provide safeguards, including a review of the energy and water savings baseline and certification of compliance with the technical standards manual from an independent third-party reviewer (ITPR), who must be a registered professional engineer, before the project can proceed. This review will include a site visit, report, and a letter from the ITPR certifying that he or she has no financial interest in the project and is an independent reviewer. After the construction of the project is complete, an ITPR will conduct a final site inspection and determine whether the project was completed and is operating properly. The reviewer's certification will also include a statement that the reviewer is qualified and has no financial interest in the project.

<sup>&</sup>lt;sup>10</sup> TX. Local Gov't Code §399.011.

- q. <u>Delinquency</u>. Under the terms of the form lender contract attached as <u>Exhibit 3</u>, if a property owner fails to pay an agreed installment when due on the PACE assessment, the lender will agree to take at least the following steps to collect the delinquent installment:
  - (1) Mail to the owner a written notice of delinquency and demand for payment by both certified mail (return receipt requested) and first class mail, and
  - (2) Mail to the owner a second notice of delinquency and demand for payment by both certified mail (return receipt requested) and first class mail, at least 30 days after the date of the first notice if the delinquency is continuing.

If the owner fails to cure the delinquency within 30 days after mailing the second notice of delinquency, the lender may notify the Authorized Representative of the owner's default. Pursuant to Texas Local Government Code Section 399.014(c), the Authorized Representative will initiate steps for the City to enforce the assessment lien in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, of the Texas Constitution. Delinquent installments will incur penalties and interest in the same manner and at the same rate as delinquent property taxes, according to Texas Local Government Code Section 399.014(d), and such statutory penalties and interest will be due to the City to offset the cost of collection.

If the City files suit to enforce collection, the City may also recover costs and expenses, including attorney's fees, in a suit to collect a delinquent installment of an assessment in the same manner and at the same rate as in suit to collect a delinquent property tax. If a delinquent installment of an assessment is collected after the filing of a suit, the City will remit to the lender the net amount of the delinquent installments and contractual interest collected and remit to the Authorized Representative the amount of any administrative fees collected but will retain any statutory penalties, interest, and attorney's fees collected.



## **EXHIBIT 2**

## FORM OWNER CONTRACT

	THIS PROP	ERTY AS	SSESSED CLE	AN ENERGY	("PACE") OW	NER CONTRACT
("Own	er Contract"	) is made	as of the	day of		, by and between Government")
					("Local	Government")
and			("Prope	rty Owner").		
			RE	<u>CITALS</u>		
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and de represe comme to impo	Chapter 399, a signate a regentative of the ercial, industrips assessmen	authorizes ion within local gove al, and lar ats on the p	the governing lathe local government may enge multifamily	pody of a local ernment's juris ter into written residential (5 conce the cost of p	government to diction within we contracts with the or more dwelling permanent improve	s Local Governmen establish a program which an authorized he record owners o units) real property vements fixed to the
resoluti has des as the r describ a regio real pro	ion datedignated Texa epresentative ed herein, an ("Region") operty may e	s Property authorized d has desig within wh	, adopted Assessed Clean I to enter into the gnated the entire written contracts	d by the City C Energy Author e Assessment, e territory with ized Representations to impose ass	founcil (the "PAC ority ("Authorize Owner Contract a in the City of Co ative and the rec	E Act pursuant to a CE Program"), and de Representative" and Lender Contractorinth jurisdiction as cord owners of such as the financing by CE Program.
defined	l in Section 3	99.002 of t	_	within the Regi	-	l "real property," as
Local Control of Contr	Government to permanent in I, and which a 399.002 of cation of such in Section 3 Government on and has requy as set forth Energy Act to be of Contract	participate participate provementer or will lead the PAC palified participate provides the parti	te in the PACE I tts which are into be fixed to the P E Act (the "Q d Improvements the PACE Act ( this Owner Co al Government to ce Of Contracturation the in the Offi sment Lien"), a	Program by instended to decreate or comparison the Property as "qualified Imputes on the Properthe "Project"). Intract pursuant to impose an as al Assessment I cial Public Recopy of which	talling or modifying ase water or energified improvements"). The try will be a "que Property Owners to the PACE Assessment (the "Allien Pursuant To cords of Denton (is attached heret	wner has applied to ing on the Property gy consumption or ents", as defined in The installation or talified project" as has requested that Act and the PACE ssessment") on the Property Assessed County, Texas (the to as Exhibit A and the Property,

Qualified Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

- E. The financing of such Qualified Improvements will be provided to Property Owner by \_\_\_\_\_\_\_ ("Lender"), a qualified lender selected by Property Owner, pursuant to a written contract executed by Lender and Local Government as required by Section 399.006(c) of the PACE Act and by the PACE Program (the "Lender Contract"). The financing will include only those costs and fees for which an assessment may be imposed under the PACE Act. Local Government has agreed to maintain and continue the Assessment for the benefit of Lender until such financing is repaid in full and to release the Assessment upon notice from Lender of such payment, or foreclose the lien securing the Assessment for the benefit of Lender upon notice from Lender of a default by Property Owner.
- F. As required by Section 399.010 of the PACE Act, Property Owner notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of this Owner Contract of Property Owner's intention to participate in the PACE Program. The written consent of each mortgage holder to the Assessment was obtained prior to the date of this Owner Contract and is attached hereto as Exhibit B and made a part hereof.

#### **AGREEMENT**

The parties agree as follows:

- 2. <u>Maintenance and Enforcement of Assessment</u>. In consideration for Lender's agreement to advance financing to Property Owner for the Project pursuant to the Financing Documents, Local Government agrees to maintain and continue the Assessment on the Property for the benefit of Lender until the Assessment, including all interest, fees, penalties, costs, and other sums due under and/or authorized by the PACE Act, PACE Program and the Financing Documents are paid in full, and to release the Assessment upon notice from Lender of such payment. Local Government agrees to undertake reasonable efforts to enforce the Assessment against the Property for the benefit of Lender in the event of a default by Property Owner. Local Government agrees to send an annual notice of assessment to the Property Owner each year there is a PACE lien balance.

- 3. <u>Installments</u>. The Assessment, including the amount financed and contractual interest, is due and payable in installments as set forth in the Notice of Contractual Assessment Lien and the Financing Documents ("**Installments**"). The Assessment shall include: (1) an application fee paid by Property Owner to Authorized Representative at loan closing, and (2) a recurring administration fee paid by Property Owner to the Authorized Representative. The recurring administration fee amount shall be collected by Lender and paid to the Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing by the Program Administrator. The amounts due to the Authorized Representative are identified in <u>Exhibit C</u> hereto. As required by Section 399.009(a) (8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project. When the Assessment together with any prepayment premium, and/or default penalties and interest, if any, has been paid in full, Local Government's rights under this Owner Contract will cease and terminate. Upon notice from Lender that all amounts owing have been paid in full, Local Government will execute a release of the Assessment and this Owner Contract. Thereafter, the Authorized Representative will record the release.
- 4. <u>Assignment of Right to Receive Installments</u>. Lender will have the right to assign or transfer the right to receive the Installments of the financing secured by the Assessment, provided all of the following conditions are met:
  - (a) The assignment or transfer is made to a qualified lender as defined in the Lender Contract:
  - (b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Notice of Contractual Assessment Lien and the Financing Documents; and
  - (c) The assignee or transferee, by operation of the Financing Documents or otherwise, written evidence of which shall be provided to Authorized Representative, assumes Lender's obligations under this Lender Contract.

Upon written notice to Property Owner and Authorized Representative of an assignment or transfer of the right to receive the Installments that meets all of these conditions, the assignor shall be released of all of the obligations of the Lender under such Lender Contract accruing after the date of the assignment assumed by and transferred to such assignee or transferee and all of such obligations shall be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments that does not meet all of these conditions is void.

## 5. <u>Lien Priority and Enforcement</u>. Pursuant to Section 399.014 of the PACE Act,

(a) Delinquent Installments of the Assessment will incur interest and penalties in the same manner and in the same amount as delinquent property taxes, viz., a delinquent Installment incurs a penalty of 6% of the amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent.

However, an Installment delinquent on July 1 incurs a total penalty of 12% of the amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment will also accrue interest at the rate of 1% for each month or portion of a month that the Installment remains unpaid. Statutory penalties and statutory interest payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be assessed by Lender and retained by Lender.

- (b) The Assessment, together with any penalties and interest thereon,
- (1) is a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is filed in the Official Public Records of Denton County as provided by Section 399.014 of the PACE Act, until the financing secured by the Assessment and any penalties and interest are paid; and
- (2) such lien has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.
- (c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due is not eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for any past due portion of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse on Local Government or the Authorized Representative.
- (d) In the event of a default by Property Owner in payment of the Installments called for by the Financing Documents, the lien created by the Assessment will be enforced by Local Government in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.
- (e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender shall be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.
- (f) After written notice of the Assessment is recorded in the real property records of the county in which the Property is located as provided under Section 399.013 of the PACE Act, the lien created by the Assessment may not be contested on the basis that

the improvement is not a "qualified improvement" or the project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

- 6. Written Contract Required by PACE Act. This Owner Contract constitutes a written contract for the Assessment between the Property Owner and Local Government as required by Section 399.005 of the PACE Act. The Notice of Contractual Assessment Lien will be recorded in the Official Public Records of Denton County as notice of the contractual Assessment, in accordance with the requirements of Section 399.013 of the PACE Act.
- 7. <u>Qualified Improvements</u>. Property Owner agrees that all improvements purchased, constructed and/or installed through financing obtained pursuant to this Owner Contract shall be permanently affixed to the Property and will transfer with the Property to the transferee in the event of and sale or assignment of the Property.
- 8. <u>Water or Energy Savings</u>. For so long as the Assessment encumbers the Property, Property Owner agrees on or before January 31<sup>st</sup> of each year, to report to Authorized Representative the water or energy savings realized through the Project in accordance with the reporting requirements established by the Local Government.
- 9. <u>Construction and Definitions</u>. This Owner Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein, and not otherwise defined herein, shall have the meanings ascribed to them in: (1) the PACE Program, and/or (2) the PACE Act.
- 10. <u>Binding Effect</u>. This Owner Contract inures to the benefit of Local Government and is binding upon Property Owner, its heirs, successors, and assigns.
- 11. <u>Notices</u>. All notices and other communications required or permitted by this Owner Contract shall be in writing and mailed by certified mail, return receipt requested, addressed to the other party at its address shown below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.
- 12. <u>Governing Law.</u> This Owner Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.
- 13. <u>Entire Agreement</u>. This Owner Contract constitutes the entire agreement between Local Government and Property Owner with respect to the subject matter hereof and may not be amended or altered in any manner except by a document in writing executed by both parties.
- 14. <u>Further Assurances</u>. Property Owner further covenants and agrees to do, execute and deliver, or cause to be done, executed, and delivered all such further acts for implementing the intention of this Owner Contract as may be reasonably necessary or required.
- 15. <u>Captions</u>. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.

- 16. <u>Interest.</u> Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and contractual interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the "usury limit"). If the total amount of interest payable to Local Government and Lender exceeds the usury limit, the interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Owner Contract.
- 17. <u>Counterparts</u>. This Owner Contract may be executed in any number of counterparts, each counterpart may be delivered originally or by electronic transmission, all of which when taken together shall constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.
- 18. <u>Costs.</u> No provisions of this Owner Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.
- 19. <u>Construction Terms</u>. If the Lender Contract includes requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in <u>Exhibit D</u> attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

PROPERTY OWNER:		
By:		
Name:		
Title:		
Address:		
-		
	ACK	NOWLEDGEMENT
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STATE OF TEXAS	<b>§</b>	
COUNTY OF	§	
acknowledged before me	on	suant to Property Assessed Clean Energy Act was,, on behalf
of		,
		(print name)
		NOTARY PUBLIC, STATE OF TEXAS

## **LOCAL GOVERNMENT:**

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By:	_
AUTHORIZED REPRESENTATIVE	
Pursuant to Tex. Local Gov't Code §399.006(b)	
Name:	
	_
Title:	_
Address:	<del>-</del>
<del></del>	_
ACKNO	WLEDGEMENT
STATE OF TEXAS §	
STATE OF TEXAS	
COUNTY OF §	
This PACE Owner Contract pursuar	nt to Property Assessed Clean Energy Act was
acknowledged before me on	<u></u>
acknowledged before me on,,,, of, Texas.	, on behalf
of, Texas.	
	(print name)
	NOTARY PUBLIC, STATE OF TEXAS
	NOTAKI FUDLIC, STATE OF TEAAS

## EXHIBIT A

# NOTICE OF CONTRACTUAL ASSESSMENT LIEN PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT

# EXHIBIT B MORTGAGE HOLDER(S) CONSENT

# EXHIBIT C

# FINANCING DOCUMENTS

# Assessment Payment Schedule

Assessment Total: Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

## Financing Documents

<b>Document Title</b>	Parties	Date Executed

# EXHIBIT D

## **CONSTRUCTION TERMS**

[if applicable]

Date	Draw down Amount	Purpose

## **EXHIBIT 3**

## **FORM LENDER CONTRACT**

THIS PROPERTY ASSESSED CLEAN ENERGY ("PACE") LENDER CONTRACT
(the "Lender Contract") is made as of the day of,, by and between the City of Corinth, Texas ("Local Government") and
("Lender").
RECITALS
A. The Property Assessed Clean Energy Act ("PACE Act"), Texas Local Government Code Chapter 399, authorizes the governing body of a local government to establish a program and designate a region within the local government's jurisdiction within which an authorized representative of the local government may enter into written contracts with the record owners of commercial, industrial, agricultural, and large multifamily residential (5 or more dwelling units) real property to impose assessments on the property to finance the cost of permanent improvements fixed to the property intended to decrease water or energy consumption or demand.
B. Local Government has established a program under the PACE Act pursuant to a resolution dated, adopted by the City Council (the "PACE Program"), and has designated Texas Property Assessed Clean Energy Authority ("Authorized Representative") as the representative authorized to enter into the Assessment, Owner Contract and Lender Contract described herein, and has designated the entire territory within the City of Corinth, Texas jurisdiction as a region ("Region") within which the Authorized Representative and the record owners of such real property may enter into written contracts to impose assessments to repay the financing by owners of qualified improvements on the owner's property pursuant to the PACE Program.
C. Pursuant to Application number,
(the " <b>Property</b> ") by installing or modifying on the Property certain permanent improvements which are intended to decrease water or energy consumption or demand, and which are or will be fixed to the Property as "qualified improvements", as defined in Section 399.002 of the PACE Act (the " <b>Qualified Improvements</b> "). The installation or modification of such Qualified Improvements on the Property will be a "qualified project" as defined in Section 399.002 of the PACE Act (the " <b>Project</b> ").
D. Property Owner and Local Government have entered into a written contract as required by Section 399.005 of the PACE Act, a copy of which is attached hereto as <a href="Exhibit A">Exhibit A</a> and made a part hereof (the "Owner Contract"), in which Property Owner has requested that Local Government impose an assessment (the "Assessment") on the Property as set forth in the Notice Of Contractual Assessment Lien Pursuant To Property Assessed Clean Energy Act to be filed in

the in the Official Public Records of Denton County, Texas (the "Notice of Contractual Assessment Lien"), a copy of which is attached to the Owner Contract as Exhibit A, to repay the financing of such Qualified Improvements. The Property, Qualified Improvements and Assessment are more fully described in the Notice of Contractual Assessment Lien.

- E. Financing for the Project (the "**Financing**") will be provided to Property Owner by Lender in accordance with financing documents which are described or listed on <u>Exhibit B</u> attached hereto and made a part hereof (the "**Financing Documents**"). Such Financing includes only those costs and fees for which an assessment may be imposed under the PACE Act. This Lender Contract is entered into between Local Government and Lender as required by Section 399.006(c) of the PACE Act to provide for repayment of the Financing secured by the Assessment.
- F. As required by Section 399.010 of the PACE Act, Property Owner notified the holder(s) of any mortgage liens on the Property at least thirty (30) days prior to the date of the Owner Contract of Property Owner's intention to participate in the PACE Program. The written consent of each mortgage lien holder to the Assessment was obtained prior to the date of the Owner Contract, as shown by the copy of such consent(s) attached as Exhibit B to the Owner Contract.

## **AGREEMENT**

The parties agree as follows:

- Maintenance and Enforcement of Assessment. Lender agrees to provide the Financing for the Project in the total amount of \$\_\_\_\_\_\_, according to the terms set out in the Financing Documents attached hereto as Exhibit B. In consideration for the Financing provided or to be provided by Lender for the Project, and subject to the terms and conditions of this Lender Contract, Local Government agrees to maintain and continue the Assessment for the benefit of Lender until the Financing, all contractual interest, any prepayment premium, additional penalties and interest imposed by the Lender under the Financing Documents according to the Financing Documents, and any statutory penalties, interest, attorney's fees, or costs accrued in the event of default are paid in full. Local Government will not release the Assessment until which time Lender notifies Local Government that all amounts owing have been paid in full. Local Government shall not sell, assign or transfer the Assessment or the assessment lien against the Property to any third party without the prior written consent of the Lender. Local Government agrees to enforce the assessment lien against the Property for the benefit of Lender in the event of a default by Property Owner in accordance with the provisions set forth in paragraph 6. Local Government shall have no obligation to repurchase the assessment and no liability to Lender should there be a default or an event of default in the payment thereof or should there be any other loss or expense suffered by Lender or under any other circumstances.
- 2. <u>Installments.</u> The Assessment, including the amount financed and contractual interest, is due and payable to Lender in installments as set forth in the Notice of Contractual Assessment Lien and Financing Documents ("**Installments**"). The Assessment shall include: (1) an application fee paid by Property Owner to Authorized Representative at loan closing, and (2) a recurring administration fee paid by Property Owner to the Authorized Representative. The recurring administration fee amount shall be collected by Lender and paid to the Authorized Representative within thirty (30) days of receipt by Lender, unless otherwise agreed to in writing

by the Program Administrator. The amounts due to the Authorized Representative are identified in Exhibit B hereto. As required by Section 399.009(a)(8) of the PACE Act, the period during which such Installments are payable does not exceed the useful life of the Project. Notwithstanding the foregoing, in event of default by Property Owner resulting in an Installments payment delinquency, Lender will, upon notice to Program Administrator, stay any amounts due to Program Administrator until such default has been cured and payments are received from Property Owner. Lender agrees that any stay in payments due to Program Administrator shall not reduce the total payments due to Program Administrator under the Financing Documents. When the Assessment together with any prepayment premium, and/or default penalties and interest, if any, has been paid in full, Local Government's rights under this Lender Contract will cease and terminate. Upon notice from Lender that all amounts owing have been paid in full, Local Government will execute a release of the Assessment and this Lender Contract. Thereafter, the Authorized Representative will record the release.

- 3. <u>Assignment of Right to Receive Installments.</u> Lender will have the right to assign or transfer the right to receive the Installments of the Assessment, provided all of the following conditions are met:
  - (a) The assignment or transfer is made to a qualified lender, which may be one of the following:
    - (1) Any federally insured depository institution such as a bank, savings bank, savings and loan association and federal or state credit union;
    - (2) Any insurance company authorized to conduct business in one or more states;
    - (3) Any registered investment company, registered business development company, or a Small Business Administration small business investment company;
      - (4) Any publicly traded entity; or
      - (5) Any private entity that:
        - (i) Has a minimum net worth of \$5 million;
        - (ii) Has at least three years' experience in business or industrial lending or commercial real estate lending (including multifamily lending), or has a lending officer that has at least three years' experience in business or industrial lending or commercial real estate lending;
        - (iii) Can provide independent certification as to availability of funds; and

- (iv) Has the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts
- (6) A financially stable entity with the ability to carry out, either directly or through a servicer, the bookkeeping and customer service work necessary to manage the assessment accounts.
- (b) Property Owner and Authorized Representative are notified in writing of the assignment or transfer and the address to which payment of the future Installments should be mailed at least 30 days before the next Installment is due according to the payment schedule included in the Financing Documents; and
- (c) The assignee or transferee, by operation of the Financing Documents or otherwise, written evidence of which shall be provided to Authorized Representative, assumes Lender's obligations under this Lender Contract.

Upon written notice to Property Owner and Authorized Representative of an assignment or transfer of the right to receive the Installments that meets all of these conditions, the assignor shall be released of all of the obligations of the Lender under this Lender Contract accruing after the date of the assignment and all of such obligations shall be assumed by and transferred to the assignee. Any attempt to assign or transfer the right to receive the Installments of the Assessment that does not meet all of these conditions is void.

- 4. <u>Financing Responsibility</u>. Lender assumes full responsibility for determining the financial ability of the Property Owner to repay the Financing and for advancing the funds as set forth in the Financing Documents and performing Lender's obligations and responsibilities thereunder.
- 5. <u>Lien Priority and Enforcement</u>. As provided in the Owner Contract and Section 399.014 of the PACE Act:
  - (a) Delinquent Installments of the Assessment incur interest and penalties in the same manner and in the same amount as delinquent property taxes, viz., a delinquent Installment incurs a penalty of 6% of the amount of the Installment for the first calendar month it is delinquent plus 1% for each additional month or portion of a month the Installment remains unpaid prior to July 1 of the year in which it becomes delinquent. However, an Installment delinquent on July 1 incurs a total penalty of 12% of the amount of the delinquent Installment without regard to the number of months it has been delinquent. A delinquent Installment also accrues interest at the rate of 1% for each month or portion of a month the Installment remains unpaid. Statutory penalties and statutory interest payable under this paragraph will be retained by Local Government to compensate it for the cost of enforcing the Assessment. Additional interest at any default rate imposed by Lender pursuant to the Financing Documents, along with any other fees and charges that become due pursuant to the Financing Documents may be assessed by Lender and retained by Lender.

- (b) The Assessment, together with any penalties and interest thereon,
- (1) is a first and prior lien against the Property from the date on which the Notice of Contractual Assessment Lien is filed in the Official Public Records of Denton County, Texas, as provided by Section 399.014 of the PACE Act, until the Assessment and any penalties and interest are paid; and
- (2) such lien has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.
- (c) The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due is not eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for any past due portion of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse on Local Government or the Authorized Representative.
- (d) In the event of a default by Property Owner in payment of the Installments called for by the Financing Documents, the lien created by the Assessment will be enforced by Local Government in the same manner according to Texas Tax Code Secs. 33.41 to 34.23 that a property tax lien against real property may be enforced by a local government, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.
- (e) In a suit to collect a delinquent Installment of the Assessment, Local Government will be entitled to recover costs and expenses, including attorney's fees in the amount of 15% of the total amount of the delinquent Installment, penalties, and interest due, in the same manner according to Texas Tax Code Sec. 33.48 as in a suit to collect a delinquent property tax. Lender shall be entitled to any additional sums due to it under the Financing Documents in connection with a suit to collect a delinquent Installment of the Assessment.
- (f) After written notice of the Assessment is recorded in the real property records of the county in which the Property is located as provided under Section 399.013 of the PACE Act, the lien created by the Assessment may not be contested on the basis that the improvement is not a "qualified improvement" or the project is not a "qualified project", as such terms are defined in Section 399.002 of the PACE Act.

### 6. Servicing and Enforcement of Assessment.

(a) <u>Servicing</u>. The Assessment payments will be billed, collected, received, and disbursed in accordance with the procedures set out in the Financing Documents. Lender will be responsible for all servicing duties other than those specifically undertaken by Local Government in this Lender Contract. Local Government agrees to send an annual notice of assessment to the Property Owner each year there is a PACE lien balance.

- (b) <u>Remittances</u>. Each of the parties covenants and agrees to promptly remit to the other party any payments incorrectly received by such party with respect to the Assessment after the execution of this Lender Contract.
- (c) <u>Default and Enforcement</u>. In the event of a default in payment of any installment of the Assessment as specified in the Financing Documents, Lender agrees to take at least the following steps to collect the delinquent Installment:
  - (1) Mail a written notice of delinquency and demand for payment to the Property Owner by both certified mail, return receipt requested, and first class mail; and
  - (2) Mail a second notice of delinquency to the Property Owner by both certified mail, return receipt requested, and first class mail at least 30 days after the date of the first notice if the delinquency is continuing.

If the Property Owner fails to cure the delinquency within 30 days after the mailing of the second notice of delinquency, the Lender or its designated servicer may notify the Authorized Representative who will certify to the Local Government in writing of a default by the Property Owner, and upon receipt of such certification and after doing its own due diligence, Local Government will enforce the assessment lien for the benefit of Lender pursuant to Tex. Local Gov't Code Sec. 399.014(c), in the same manner as a property tax lien against real property may be enforced, to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution.

- (d) <u>Final Payment and Release</u>. When the Assessment has been satisfied and paid in full, together with all interest and prepayment premiums, if any, provided under the Financing Documents and all costs, fees, penalties, and interest applicable under the PACE Act and payable to Lender or Local Government, Local Government's rights under the Owner Contract will cease and terminate. Upon notice from Lender that all amounts owing have been paid in full, Local Government will execute a release of the Assessment and the Owner Contract. Thereafter, the Authorized Representative will record the Release.
- (e) <u>Limitations on Local Government's Actions</u>. Without the prior written consent of Lender, Local Government will not enter into any amendment or modification of or deviation from the Owner Contract. Local Government will not institute any legal action with respect to the Owner Contract, the Assessment, or the assessment lien without the prior written request of Lender.
- (f) <u>Limitations of Local Government's Obligations</u>. Local Government undertakes to perform only such duties as are specifically set forth in this Lender Contract, and no implied duties on the part of Local Government are to be read into this Lender Contract. Local Government will not be deemed to have a fiduciary or other similar relationship with Lender. Local Government may request written instructions for action from Lender and refrain from taking action until it receives satisfactory written instructions. Local Government will have no liability to any person for following such instructions, regardless of whether they are to act or refrain from acting.

- (g) <u>Costs</u>. No provisions of this Lender Contract will require Local Government to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.
- 7. <u>Lender's Warranties and Representations</u>. With respect to this Lender Contract, Lender hereby warrants and represents that on the date on which Lender executes this Lender Contract:
  - (a) Lender is a qualified lender under the PACE Program, as defined in paragraph 3(a) above, and is fully qualified under the PACE Program to enter into this Lender Contract and the Financing Documents;
  - (b) Lender has independently and without reliance upon Local Government conducted its own credit evaluation, reviewed such information as it has deemed adequate and appropriate, and made its own analysis of the Owner Contract, the Project, and Property Owner's financial ability to perform the financial obligations set out in the Financing Documents; and
  - (c) Lender has not relied upon any investigation or analysis conducted by, advice or communication from, or any warranty or representation by Local Government or any agent or employee of Local Government, express or implied, concerning the financial condition of the Property Owner or the tax or economic benefits of an investment in the Assessment.
- 8. <u>Written Contract Required by the PACE Act</u>. This Lender Contract constitutes a written contract between Local Government and Lender, as required under Section 399.006 (c) of the PACE Act.
- 9. <u>Construction and Definitions</u>. This Lender Contract is to be construed in accordance with and with reference to the PACE Program and PACE Act. Terms used herein, and not otherwise defined herein, shall have the meanings ascribed to them in: (1) the Notice of Contractual Assessment Lien, (2) the Owner Contract, (3) the PACE Program, and/or (4) the PACE Act.
- 10. <u>Binding Effect</u>. This Lender Contract is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.
- 11. <u>Notices</u>. All notices and other communications required or permitted hereunder shall be in writing and mailed by certified mail, return receipt requested, addressed to the other party at the address stated below the signature of such party or at such other address as such party may from time to time designate in writing to the other party, and shall be effective from the date of receipt.
- 12. <u>Governing Law</u>. This Lender Contract shall in all respects be governed by and construed in accordance with the laws of the State of Texas.

- 13. <u>Entire Agreement</u>. This Lender Contract constitutes the entire agreement between the parties with respect to the subject matter hereof and shall not be amended or altered in any manner except by a document in writing executed by both parties.
- 14. <u>Captions</u>. Paragraph and section titles are for convenience of reference only and shall not be of any legal effect.
- 15. <u>Counterparts</u>. This Lender Contract may be executed in any number of counterparts, each counterpart may be delivered originally or by electronic transmission, all of which when taken together shall constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart.
- 16. <u>Interest</u>. Interest and penalties in the event of default, as provided above, are explicitly authorized by Section 399.014(d) of the PACE Act. However, in no event will the total amount of interest on the Assessment, including statutory interest payable to Local Government and contractual interest payable to Lender under the Financing Documents, exceed the maximum amount or rate of nonusurious interest that may be contracted for, charged, or collected under Texas law (the "usury limit"). If the total amount of interest payable to Local Government and Lender exceeds the usury limit, interest payable to Local Government will be reduced and any interest in excess of the usury limit will be credited to the amount payable to Local Government or refunded. This provision overrides any conflicting provisions in this Lender Contract.
- 17. <u>Certification.</u> Local Government certifies that the PACE Program has been duly adopted and is in full force and effect on the date of this Lender Contract. Property Owner has represented to Lender and Local Government that the Project is a "qualified project" as defined in the PACE Program and Section 399.002 of the PACE Act. The Assessment has been imposed on the Property as a lien in accordance with the PACE Owner Contract and the PACE Act. Local Government has not assigned or transferred any interest in the Assessment or the PACE Owner Contract.
- 18. <u>Construction Terms</u>. If this Lender Contract includes requirements related to construction of the Project and disbursement of Financing, such requirements are set forth in <u>Exhibit C</u> attached hereto and incorporated herein by reference. Such requirements may include, among other things, (1) the disbursement schedule and (2) any holdback amount to be funded following verification of final project completion.

LENDER:		
By:		
Name:		
TD: 41		
Address:		
	ACI	KNOWLEDGEMENT
STATE OF TEXAS	§	
COUNTY OF	_	
This PACE Lend	ler Contract pu	rsuant to Property Assessed Clean Energy Act was
acknowledged before me	e on	n behalf of,
	, 01	
		(print name)
		NOTARY PUBLIC, STATE OF TEXAS

# **LOCAL GOVERNMENT:** CITY OF CORINTH, TEXAS By:\_\_ AUTHORIZED REPRESENTATIVE Pursuant to Tex. Local Gov't Code §399.006(b) Name: Title: Address: **ACKNOWLEDGEMENT** STATE OF TEXAS § COUNTY OF \_\_\_\_\_ § This PACE Lender Contract pursuant to Property Assessed Clean Energy Act was acknowledged before me on \_\_\_\_\_\_, \_\_\_\_ by \_\_\_\_\_\_, \_\_\_\_, on behalf of \_\_\_\_\_\_, Texas.

NOTARY PUBLIC, STATE OF TEXAS

\_\_\_\_\_(print name)

# EXHIBIT A

## **OWNER CONTRACT**

# EXHIBIT B

# FINANCING DOCUMENTS

# Assessment Payment Schedule

Assessment Total: Payment Frequency:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

## Financing Documents

Document Title	Parties	Date Executed

### EXHIBIT C

### **CONSTRUCTION TERMS**

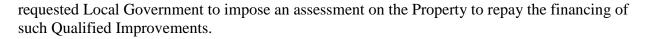
[if applicable]

Date	Draw down Amount	Purpose

### **EXHIBIT 4**

# NOTICE OF CONTRACTUAL ASSESSMENT LIEN PURSUANT TO PROPERTY ASSESSED CLEAN ENERGY ACT

STATE OF TEXAS	§ § §
CITY OF CORINTH	§ §
	RECITALS
Government Code Chapter 3 a program and designate a re authorized representative of record owners of commercia more dwelling units) real pro- permanent improvements fix	Assessed Clean Energy Act ("PACE Act"), Texas Local 99, authorizes the governing body of a local government to establish gion within the local government's jurisdiction within which an the local government may enter into written contracts with the l, industrial, agricultural, and large multifamily residential (5 or operty to impose assessments on the property to finance the cost of ed to the property intended to decrease water or energy consumption expressly provided herein, all terms used herein have the same in the PACE Act.
under the PACE Act pursuant Council (the "PACE Program Authority ("Authorized Repenforce the Assessment, Own designated the entire territory within which the Authorized enter into written contracts to	orinth, Texas ("Local Government") has established a program at to a resolution dated, adopted by the City am"), and has designated Texas Property Assessed Clean Energy oresentative") as the representative authorized to enter into and her Contract and Lender Contract described herein, and has within the City of Corinth jurisdiction as a region ("Region") Representative and the record owners of such real property may o impose assessments to repay the financing by owners of qualified is property pursuant to the PACE Program.
located at,	(" <b>Property Owner</b> ") is the legal and record owner of as defined in Section 399.002 of the PACE Act, within the Region, Texas, and more fully described in d made a part hereof (the " <b>Property</b> ").
Program by installing or mode in Exhibit B attached hereto energy consumption or dema improvements", as defined in Improvements"). The install Property will be a "qualified Qualified Project"). Property	der has applied to Local Government to participate in the PACE difying on the Property certain permanent improvements described and made a part hereof, which are intended to decrease water or and, and which are or will be fixed to the Property as "qualified a Section 399.002 of the PACE Act (the "Qualified llation or modification of such Qualified Improvements on the project" as defined in Section 399.002 of the PACE Act (the "Owner was only only on the PACE Act (the "Owner was only on the PACE Act and the PACE Program and has



E.	The financing of such Qualified Improvements will be provided to Property
Owner by	("Lender"), a qualified lender selected by Property Owner,
pursuant to a	written contract executed by Lender and Local Government as required by Section
399.006(c) o	f the PACE Act and by the PACE Program (the "Lender Contract"). Lender will
be responsibl	le for all servicing duties other than those specifically undertaken by Local
Government	in the Lender Contract.

Pursuant to Section 399.014 of the PACE Act,

- 1. The Assessment, including interest and any penalties, costs, or fees accrued thereon,
  - (i) is a first and prior lien on the Property from the date that this Notice of Contractual Assessment Lien is recorded in the Official Public Records of Denton County, Texas, until such Assessment, interest, penalties, costs, and fees are paid in full; and
  - (ii) such lien has the same priority status as a lien for any other ad valorem tax, pursuant to Section 399.014(a)(2) of the PACE Act.
- 2. The lien created by the Assessment runs with the land, and according to Section 399.014(b) of the PACE Act, any portion of the Assessment that has not yet become due is not eliminated by foreclosure of: (i) a property tax lien, or (ii) the lien for any past due portion of the Assessment. In the event of a sale or transfer of the Property by Property Owner, the obligation for the Assessment and the Property Owner's obligations under the Financing Documents will be transferred to the succeeding owner without recourse on Local Government or the Authorized Representative.
- 3. After this Notice of Contractual Assessment Lien is recorded in the real property records of the county in which the Property is located as provided under Section 399.013 of the PACE Act, the lien created by the Assessment may not be contested on the basis that the improvement is not a Qualified Improvement or the project is not a Qualified Project.

EXECUTED on	
	LOCAL GOVERNMENT: CITY OF CORINTH, TEXAS
	By:
	Name:
	Title:
	AUTHORIZED REPRESENTATIVE Pursuant to Tex. Local Gov't Code §399.006(b)
ACKNO	OWLEDGEMENT
STATE OF TEXAS §	
COUNTY OF §	
This Notice of Contractual Assessment Act was acknowledged before me on, of, Texas.	nent Lien pursuant to Property Assessed Clean Energy
	(print name)

# EXHIBIT A PROPERTY DESCRIPTION

# EXHIBIT B QUALIFIED IMPROVEMENTS

### EXHIBIT C

### **ASSESSMENT**

### Assessment Payment Schedule

Assessment Total:
Payment Frequency:
Interest Rate:

Payment Date	Total Payment	Principal Paid	Interest Paid	Administration Fee	Remaining Balance

INDEXING IN	NSTRUCTION	
Grantor: Grantees:		, Property Owner, Local Government, Lender
After recording	g, return to-	

### **BUSINESS ITEM 12.**

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

Title: PACE Profession Services Agreement

**Submitted For:** Bob Hart, City Manager

**Submitted By:** Julie Arrington, Administrative Assistant

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

#### AGENDA ITEM

Consider and act on a Resolution allowing the City Manager to enter into a Professional Services Agreement By and Between the City of Corinth, Texas and the Texas Property Assessed Clean Energy Authority (PACE) and providing for an effective date.

#### AGENDA ITEM SUMMARY/BACKGROUND

The Texas Assessed Clean Energy Authority is a non-profit business association that will act as a consultant to the City of Corinth for the purpose of administering the Corinth PACE Program. The administration of the PACE Program involves community outreach programs, application and approval processes, management and reporting processes and fee calculation and collections. There is no cost to the city for this service as fees are collected from participating businesses.

### RECOMMENDATION

Staff recommends approval to allow the city maanger to sign an agreement to engage Texas Assessed Clean Energy Authority to manage the PACE program.

#### **Attachments**

Resolution Prof Svc Agmt

### **RESOLUTION NO. 19-01-10-**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS ALLOWING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BY AND BETWEEN THE CITY OF CORINTH, TEXAS AND THE TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, this Agreement is made and entered by and between the City of Corinth, Texas, hereinafter referred to as "Local Government", and Texas Property Assessed Clean Energy (PACE) Authority (dba Texas PACE Authority), a Texas non-profit business association, hereinafter referred to as "Services Provider" to be effective from and after the date as provided herein; and

**WHEREAS**, the City Council of Local Government desires to engage the services of a qualified consultant to administer a Texas Property Assessed Clean Energy program for Local Government pursuant to the Property Assessed Clean Energy Act ("PACE Act"), Texas Local Government Code Chapter 399, and serve as Authorized Representative pursuant to Tex. Local Gov't Code §399.006(b), hereinafter referred to as the "Program"; and

**WHEREAS**, Services Provider desires to render such services for Local Government upon the terms and conditions provided herein.

**NOW, THEREFORE,** for and in consideration of the covenants contained herein, and for the mutual benefits to be obtained hereby, the parties hereto agree as follows:

### I. ENGAGEMENT

Local Government hereby agrees to retain Services Provider to serve as administrator of Local Government's Program and Services Provider agrees to perform such services in accordance with the terms and conditions of this Agreement.

### II. SCOPE OF SERVICES

The parties agree that Services Provider shall perform such services as are further described in Exhibit "A" hereto (collectively "Scope of Services"). The parties understand and agree that deviations or modifications in the Scope of Services may be authorized from time to time by Local Government, but said authorization must be made in writing.

### III. TERM OF AGREEMENT

The initial term of this Agreement shall commence upon the complete execution of the Agreement by Local Government and Services Provider. Notwithstanding the

termination of this Agreement, Services Provider shall be permitted to continue administration of any third-party agreements under the Program commenced prior to termination of this Agreement, and to recover any compensation due Services Provider for services performed in accordance with Section IV of this Agreement.

### IV. COMPENSATION AND EXPENSES

Services Provider shall be paid for performance of the Scope of Services set forth in Exhibit "A", in accordance with the compensation schedule set forth in Exhibit "B" hereto. Services Provider is entitled to payment in accordance with Exhibit "B"; however, Local Government shall have no obligation to pay Services Provider for performance of the Scope of Services. All payments to Services Provider shall be made by participants in the Program in accordance with the PACE Act

### V. <u>INSURANCE</u>

Services Provider agrees to meet all insurance requirements, and to require all consultants who perform work for Services Provider to meet all insurance requirements, as set forth in Exhibit "C" to this Agreement.

### VI. INDEMNIFICATION

Services provider agrees to indemnify and hold Local Government and its respective officers, agents and employees, harmless against any and all claims, lawsuits, judgments, fines, penalties, costs, and expenses for personal injury (including death), property damage or other harm or violations for which recovery of damages. fines, or penalties is sought from Local Government arising out of or occasioned by service provider's breach of any of the terms or provisions of this agreement, violations of law by Services Provider, or by any negligent, grossly negligent, intentional, or strictly liable act or omission of the Services Provider, its officers, agents, employees, invitees, subcontractors, or sub-subcontractors and their respective officers, agents, or representatives, or any other persons or entities for which the Services Provider is legal responsible in the performance of this agreement. The indemnity provided for in this paragraph shall not apply to any liability to the extent resulting from the negligence of Local Government, and its officers, agents, employees or separate contractors. Local Government does not waive any governmental immunity or other defenses available to it under Texas or Federal law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

### VII. INDEPENDENT CONTRACTOR

Services Provider covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of Local Government; that it shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and

omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of respondeat superior shall not apply as between Local Government and Services Provider, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating a partnership or joint enterprise between Local Government and Services Provider.

### VIII. ASSIGNMENT AND SUBLETTING

Services Provider agrees that this Agreement shall not be assigned without the prior written consent of Local Government, except to an Affiliate of Services Provider. Affiliate shall mean (1) any corporation or other entity controlling, controlled by, or under common control with (directly or indirectly) Services Provider, including, without limitation, any parent corporation controlling Services Provider or any subsidiary that Services Provider controls; (2) the surviving corporation resulting from the merger or consolidation of Services Provider; or (3) any person or entity which acquires all of the assets of Services Provider as a going concern. Services Provider shall be permitted to enter into subcontracts for performance of portions of the Scope of Services; however, Services Provider shall not subcontract the entirety of the Scope of Services to a single subcontractor without Local Government's consent. Services Provider further agrees that the assignment or subletting of any portion or feature of the work or materials required in the performance of this Agreement shall not relieve the Services Provider from its full obligations to Local Government as provided by this Agreement.

### IX. AUDITS AND RECORDS

Services Provider agrees that Local Government or its duly authorized representatives shall, until the expiration of three (3) years after termination under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of Services Provider which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Services Provider agrees that Local Government shall have access during normal working hours to all necessary Services Provider's facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. Local Government shall give Services Provider reasonable advance notice of intended audits.

### X. CONTRACT TERMINATION

The parties agree that **Local Government** shall have the right to terminate this Agreement with cause upon thirty (30) days written notice to **Services Provider**. In the event of such termination, **Services Provider** shall deliver to **Local Government** all finished or unfinished documents, data, studies, surveys, drawings, maps, models, reports, photographs or other items prepared by **Services Provider** in connection with

this Agreement. In the event of termination by **Local Government**, **Services Provider** shall be compensated in accordance with Section III of this Agreement with respect to any third party agreements under administration by **Services Provider** at the time of termination.

### XI. COMPLETE AGREEMENT

This Agreement, including the Exhibits lettered "A" through "C", constitute the entire agreement by and between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings. This Agreement may only be amended, supplemented, modified or canceled by a duly executed written instrument.

### XII. AMENDMENTS (Added)

Amendments to this agreement may be made at any time upon agreement by Local Government and Services Provider.

### XIII. MAILING OF NOTICES

Unless instructed otherwise in writing, Services Provider agrees that all notices or communications to Local Government permitted or required under this Agreement shall be addressed to Local Government at the following address:

City of Corinth Attn: Bob Hart 3300 Corinth Pkwy Corinth, TX 76208

Local Government agrees that all notices or communications to Services Provider permitted or required under this Agreement shall be addressed to Services Provider at the following address:

Texas Property Assessed Clean Energy Authority
Attn: Charlene Heydinger
PO Box 200368
Austin TX 78720-0368

All notices or communications required to be given in writing by one party or the other shall be considered as having been given to the addressee on the date such notice or communication is posted by the sending party.

### **XIV. AUTHORITY TO SIGN**

The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

### **XV. MISCELLANEOUS**

A. This is a contract for the purchase of personal or professional services and is therefore exempt from any competitive bidding requirements of **Local Government**.

### B. Paragraph Headings:

The paragraph headings contained herein are for convenience only and are not intended to define or limit the scope of any provision in this Agreement.

### C. Agreement Interpretation:

This is a negotiated Agreement, should any part be in dispute, the parties agree that the terms of the Agreement shall not be construed more favorably for either party.

### D. Venue/Governing Law:

The parties agree that the laws of the State of Texas shall govern this Agreement, and that it is performable in Milam County Texas. Exclusive venue shall lie in Milam County, Texas.

### E. Successors and Assigns:

Local Government and Services Provider and their partners, successors, subcontractors, executors, legal representatives, and administrators are hereby bound to the terms and conditions of this Agreement.

### F. Severability:

In the event a term, condition, or provision of this Agreement is determined to be void, unenforceable, or unlawful by a court of competent jurisdiction, then that term, condition, or provision, shall be deleted and the remainder of the Agreement shall remain in full force and effect.

### G. Effective Date:

This Agreement shall be effective from and after the date of execution by the last signatory hereto as evidenced below.

**SIGNED** on the date indicated below.

# TEXAS PROPERTY ASSESSED CLEAN ENERGY AUTHORITY

DATE:		BY				
			Name: (Title: pre	Charlene H esident	leydinger	
			rido. pr	30140111		
	AC	KNOWLEDG	<u>EMENTS</u>			
STATE OF TEXAS	§					
COUNTY OF	& & &					
This instrument	was ack	knowledged	before	me on	the	day of
	(Title) of TI	EXAS PRO				
<b>AUTHORITY</b> , on behalf	of said entit	ty.				
		Notary	Public, S	tate of		

### CITY OF CORINTH, TEXAS

DATE:			BY: Name		
			Title:	- 	
	D AS TO FO		-		
Attorney					
STATE OF TE		§ §			
This i	nstrument , 2019	was acknowle		me on the , (Authorized R _, on behalf of said	epresentative)
			Notary Public	State of Texas	

# Exhibit "A" Scope of Services

The **Services Provider** will perform the following services in the administration of the **Program**:

### Community Outreach

Maintain a website and database;

Respond to inquiries from property owners, vendors, contractors, consultants, and the general public;

Publish the Technical Standards Manual on the **Program** website;

List interested, qualified lenders on the **Program** website or link to another neutral non-profit directory of lenders to enable property owners to identify potential sources of private third-party financing;

Arrange for training of contractors and independent third-party reviewers on how to apply for PACE financing and comply with the PACE-in-a-Box Technical Standards Manual; and

Establish quality assurance measures.

Maintain uniform documents. Periodic updates to the standard form documents will be necessary as the program evolves, incorporating best practices and standardizing the PACE documents across various PACE programs. The Authorized Representative will be tasked with maintaining the form documents and making technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the Texas PACE Act.

### **Application and Approval Process**

Publish a Project Application Form based on PACE-in-a-Box model application form on the **Program** website;

Review submitted Application forms for administrative completeness and notify the applicants of any missing information;

Maintain the confidentiality of confidential owner information;

Maintain the PACE application process, including:

- Draft and distribute the PACE application, as well as accept and review the property owner's completed application;
- If the project meets eligibility requirements, provide written indication that the project meets PACE standards at this stage (subject to verification of all requirements at closing).

- Inform the property owner of his or her responsibilities in the process, including hiring a third-party reviewer, obtaining a lender, determining final project scope and completing and submitting a closing verification package.
- Conduct a Pre-Closing Verification, which will confirm the statutorily required eligibility requirements of the owner including that the property owner:
  - Is the legal property owner of the benefited property;
  - Is current on mortgage and tax payments;
  - Is not insolvent or the subject of bankruptcy proceedings;
  - Holds a title to the property to be subject to a PACE assessment that is not in dispute; and
  - Has consent of any pre-existing mortgagee to the proposed PACE assessment through a written contract.

Require independent third-party verification of expected energy or water savings resulting from a project (provided by engineer or consultant retained by applicant), according to the PACE-in-a-Box Technical Standards Manual. This review will include a:

- Site visit,
- Report stating the savings (energy, demand, and/or water) and expected project life are reasonable and in compliance with PACE in a Box program guidelines; and
- Letter from the ITPR certifying that he/she has no financial interest in the project and is an independent reviewer.

Require independent third-party verification, according to the PACE-in-a-Box Technical Services Manual, that the period of an assessment does not exceed the expected life of the improvements or thoroughly review waiver application and justification (provided by engineer or consultant retained by applicant);

Require lender to confirm in writing its determination, based on underwriting factors established by the lender, that the owner has demonstrated the financial ability to repay the financial obligations to be repaid through assessment.

Require the owner to notify the holder of any mortgage lien on the property of the owner's intention to participate in the **Program** and obtain the lienholder's written consent prior to the imposition of the PACE assessment;

Review and finalize the terms of every Owner Contract and Lender Contract prior to execution; The Contract must contain:

- Amount of the assessment;
- The legal description of the property;
- The name of the property owner; and
- A reference to the statutory assessment lien provided under the PACE Act.

Collect and retain owner application fees as compensation for administrative services;

Perform closing verification reviews and schedule assessment transaction closings when all requirements are met. Such closing verification must include:

- The report conducted by a qualified independent third-party reviewer of water or energy baseline conditions and the projected water or energy savings attributable to the project;
- Such financial information about the owner and the property as the lender chosen by the owner deems necessary to determine that the owner has demonstrated the financial ability to fulfill the financial obligations to be paid through assessments; and
- All other information required by the Services Provider.

Coordinate and take part in assessment transaction closings.

Execute contracts under the **Program** as authorized on behalf of **Local Government**.

Arrange for recordation of a Notice of Contractual Assessment Lien for each approved project in the Official Public Records of the county where the project is located; The Notice must contain:

- Amount of the assessment:
- The legal description of the property;
- The name of the property owner; and
- A reference to the statutory assessment lien provided under the PACE Act.

Require independent post-closing third-party verification (by engineer or consultant retained by Applicant) that each project was properly completed and is operating as intended; and

Collect and retain administration fees collected by lenders from owners that receive PACE financing.

### Management and Reporting

Manage communications with lenders regarding assessment servicing, payment, and default;

Upon notification by a lender of an owner's default in payment of an assessment and the lender's compliance with the requirements of the Lender Contract on collection after default, notify the **Local Government** to enforce the assessment lien in accordance with law and the agreements between the parties;

Receive and store owner reports on energy and water savings;

Maintain the form contracts and make technical and conforming updates as necessary so long as the changes are consistent with the resolution to establish the PACE program and the statute.

At the request of property owners, prepare annual notices of assessment to be issued by **Local Government** to the owners, stating the total amount of the payments due on

each assessment in the coming calendar year according to the owner contract and the financing documents;

Determine the amounts of the application and administration fees to be paid by owners; Produce annual report on Texas PACE financing usage and the resulting energy and water savings enabled through PACE Assessments.

### Exhibit "B"

### Compensation and Fees

**Service Provider** shall determine the amounts of the uniform application and administration fees to be paid by property Owners participating in the **Program**. Such fees will not exceed the fees below:

- An application fee of the greater of:
  - o \$2,500.00; or
  - 1% of the total project cost of the first \$5 million plus 0.5% of the marginal amount above \$5 million, to be paid as follows:
    - \$500.00 per project at the time of application submittal;
    - the balance of the full remaining application fee at closing; and
- A recurring administration fee of 0.10% of the outstanding principal balance, which amount shall be collected by lender and paid to the Services Provider as provided in the Owner Contract and the financing documents. This fee can also be capitalized and paid at closing. If paid under a negotiated regular schedule to the lender by the property owner, the lender shall pay this fee to Services Provider at the time of each payment by the property owner in accordance with the financing documents.
- No amounts shall be due by Local Government to Services Provider.

# Exhibit "C" Insurance Requirements

COVERAGE	LIMIT OF LIABILITY
Employer's Liability	\$500,000 per occurrence
General Liability	Bodily Injury and Property Damage, Combined Limits of \$500,000 each Occurrence, and \$1,000,000 aggregate

### **BUSINESS ITEM 13.**

City Council Regular and Workshop Session

**Meeting Date:** 01/10/2019

**Title:** Mitigation Rates for services

Submitted For: Bob Hart, City Manager Submitted By: Kim Pence, City Secretary

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** 

### **AGENDA ITEM**

Consider and act on an Ordinance establishing and implementing a program to charge mitigation rates for the deployment of emergency and non-emergency services by the Fire Department for services provided/rendered by the Lake Cities Fire Department.

### AGENDA ITEM SUMMARY/BACKGROUND

The City has used Fire Recovery, a California based company, to bill insurance companies for services rendered during emergency responses. Most insurance policies contain language specifying coverage for automobile accident and emergency incident services. By not billing, the individual is essentially paying for the service twice, once in their taxes and again in their premiums. They are simply leaving it to the local level government to determine if it is something they want to pursue. If a local government decides to bill to recover costs, they can pass an ordinance and it effectively becomes legal in that area.

Fire Recovery has been billing in Texas for over 10 years and have over 150 Texas clients. Texas state law supports department billing if they are part of: an emergency district, a home rule city, or a type A general law city.

### RECOMMENDATION

Staff recommends approval of the Ordinance establishing and implementing mitigation rates by the Lake Cities Fire Department.

### **Attachments**

Ordinance No 19-01-10-

Fire Recovery Services Agreement

### **ORDINANCE NO: 19-01-10-**

AN ORDINANCE ESTABLISHING AND IMPLEMENTING A PROGRAM TO CHARGE MITIGATION RATES FOR THE DEPLOYMENT OF EMERGENCY AND NON-EMERGENCY SERVICES BY THE FIRE DEPARTMENT FOR SERVICES PROVIDED/RENDERED BY THE LAKE CITIES FIRE DEPARTMENT.

WHEREAS, the emergency and non-emergency services response activity to incidents continues to increase each year; Environmental Protection requirements involving equipment and training, and Homeland Security regulations involving equipment and training, creating additional demands on all operational aspects of the fire department services; and

WHEREAS, the fire department has investigated different methods to maintain a high level of quality of emergency and non-emergency service capability throughout times of constantly increasing service demands, where maintaining an effective response by the fire department decreases the costs of incidents to insurance carriers, businesses, and individuals through timely and effective management of emergency situations, saving lives and reducing property and environmental damage; and

**WHEREAS**, raising real property tax to meet the increase in service demands would not be fair when the responsible party(s) should be held accountable for their actions; and

WHEREAS, the City Council of the City of Corinth desires to implement a fair and equitable procedure by which to collect said mitigation rates and shall establish a billing system in accordance with applicable laws, regulations and guidelines; Now, Therefore

# BE IT ORDAINED BY THE CITY COUNCIL OF THE CORINTH FIRE DEPARTMENT:

**SECTION 1**: The Lake Cities Fire Department shall initiate mitigation rates for the delivery of emergency and non-emergency services by the fire department for personnel, supplies and equipment to the scene of emergency and non-emergency incidents as listed in "EXHIBIT A". The mitigation rates shall be based on actual costs of the services and that which is usual, customary and reasonable (UCR) as shown in "EXHIBIT A", which may include any services, personnel, supplies, and equipment and with baselines established by addendum to this document.

**SECTION 2:** A claim shall be filed to the responsible party(s) through their insurance carrier. In some circumstances, the responsible party(s) will be billed directly.

**SECTION 3:** The City Council may make rules or regulations and from time to time may amend, revoke, or add rules and regulations, not consistent with this Section, as they may deem necessary or expedient in respect to billing for these mitigation rates or the collection thereof.

**SECTION 4:** It is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Ordinance were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in accordance with all legal requirements, and the Codified Ordinances of the City Council.

**SECTION 5:** This Ordinance shall take effect thirty days (30) from the date of adoption as permitted by law.

**SECTION 6:** The Mitigation Rates lists in Exhibit A will increase by 1.5% annually or based on the annual percentage increase in the Consumer Price Index (CPI), as developed by the Bureau of Labor Statistics of the U.S. Department of Labor, whichever is more. Rate adjustments will occur on the anniversary date of this ordinance/resolution to keep the fire department's cost recovery program in conformity with increasing operating expenses.

ATTEST:	Bill Heidemann, Mayor
Kimberly Pence, City Secretary	
APPROVE AS TO FORM:	
Patricia Adams, City Attorney	

### EXHIBIT A

### MITIGATION RATES BASED ON PER HOUR

The mitigation rates below are average "billing levels", and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the actual services provided.

### MOTOR VEHICLE INCIDENTS

### Level 1 - \$487.00

Provide hazardous materials assessment and scene stabilization. This will be the most common "billing level". This occurs almost every time the fire department responds to an accident/incident.

### Level 2 - \$554.00

Includes Level 1 services as well as clean up and material used (sorbents) for hazardous fluid clean up and disposal. We will bill at this level if the fire department has to clean up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

### Level 3 - CAR FIRE - \$677.00

Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident.

### ADD-ON SERVICES:

### **Extrication - \$1,461.00**

Includes heavy rescue tools, ropes, airbags, cribbing etc. This charge will be added if the fire department has to free/remove anyone from the vehicle(s) using any equipment. We will not bill at this level if the patient is simply unconscious and fire department is able to open the door to access the patient. This level is to be billed only if equipment is deployed.

### Creating a Landing Zone - \$448.00

Includes Air Care (multi-engine company response, mutual aid and helicopter). We will bill at this level any time a helicopter landing zone is created and/or is utilized to transport the patient(s).

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates, for each incident using, itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus, per personnel, plus products and equipment used.

### ADDITIONAL TIME ON-SCENE

Engine billed at \$448 per hour. Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

### **HAZMAT**

### Level 1 - \$784.00

**Basic Response:** Claim will include engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

### Level 2 - \$2,800.00

**Intermediate Response:** Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, set-up and command, Level A or B suit donning, breathing air and detection equipment. Set-up and removal of decon center.

### Level 3 - \$6,608.00

Advanced Response: Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command, Level A or B suit donning, breathing air and detection equipment and robot deployment. Set-up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene. Includes 3 hours of on scene time - each additional hour @ \$336.00 per HAZMAT team.

### **ADDITIONAL TIME ON-SCENE** (for all levels of service)

Engine billed at \$448 per hour. Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

### FIRE INVESTIGATION

Fire Investigation Team - \$308.00 per hour. Includes:

- Scene Safety
- Investigation
- Source Identification
- K-9/Arson Dog Unit
- Identification Equipment
- Mobile Detection Unit
- Fire Report

The claim begins when the Fire Investigator responds to the incident and is billed for logged time only.

#### **FIRES**

Assignment - \$448.00 per hour, per engine / \$560.00 per hour, per truck

### Includes:

- Scene Safety
- Investigation
- Fire / Hazard Control

This will be the most common "billing level". This occurs almost every time the fire department responds to an incident.

OPTIONAL: A fire department has the option to bill each fire as an independent event with custom mitigation rates.

Itemized, per person, at various pay levels and for itemized products use.

#### **ILLEGAL FIRES**

### Assignment - \$448.00 per hour, per engine / \$560.00 per hour, per truck

When a fire is started by any person or persons that requires a fire department response during a time or season when fires are regulated or controlled by local or state rules, provisions or ordinances because of pollution or fire danger concerns, such person or persons will be liable for the fire department response at a cost not to exceed the actual expenses incurred by the fire department to respond and contain the fire. Similarly, if a fire is started where permits are required for such a fire and the permit was not obtained and the fire department is required to respond to contain the fire the responsible party will be liable for the response at a cost not to exceed the actual expenses incurred by the fire department. The actual expenses will include direct labor, equipment costs and any other costs that can be reasonably allocated to the cost of the response.

#### WATER INCIDENTS

### Level 1

**Basic Response:** Claim will include engine response, first responder assignment, perimeter establishment, evacuations, first responder set-up and command, scene safety and investigation (including possible patient contact, hazard control). This will be the most common "billing level". This occurs almost every time the fire department responds to a water incident.

Billed at \$448 plus \$56 per hour, per rescue person.

#### Level 2

**Intermediate Response:** Includes Level 1 services as well as clean up and material used (sorbents), minor hazardous clean up and disposal. We will bill at this level if the fire department has to clean up small amounts of gasoline or other fluids that are spilled as a result of the incident.

Billed at \$896 plus \$56 per hour, per rescue person.

### Level 3

**Advanced Response:** Includes Level 1 and Level 2 services as well as D.A.R.T. activation, donning breathing apparatus and detection equipment. Set up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene.

Billed at \$2,240 plus \$56 per hour per rescue person, plus \$112 per hour per HAZMAT team member.

### Level 4

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates for each incident using itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized, per trained rescue person, plus rescue products used.

### BACK COUNTRY OR SPECIAL RESCUE

**Itemized Response:** Each incident will be billed with custom mitigation rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus per hour, per trained rescue person per hour, plus rescue products used.

Minimum billed \$448 for the first response vehicle plus \$56 per rescue person. Additional rates of \$448 per hour per response vehicle and \$56 per hour per rescue person.

#### **CHIEF RESPONSE**

This includes the set-up of Command, and providing direction of the incident. This could include operations, safety, and administration of the incident.

Billed at \$280 per hour.

### MISCELLANEOUS / ADDITIONAL TIME ON-SCENE

Engine billed at \$448 per hour. Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

### MITIGATION RATE NOTES

The mitigation rates above are average "billing levels", and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the actual services provided.

These average mitigation rates were determined by itemizing costs for a typical run (from the time a fire apparatus leaves the station until it returns to the station) and are based on the actual costs, using amortized schedules for apparatus (including useful life, equipment, repairs, and maintenance) and labor rates (an average department's "actual personnel expense" and not just a firefighter's basic wage). The actual personnel expense includes costs such as wages, retirement, benefits, workers comp, insurance, etc.

#### SERVICES AGREEMENT

### RECITALS

WHEREAS, Company engages in the business of performing billing services ("Company Services") for United States Fire Departments in connection with the motor vehicle incidents and other emergency incidents at which the Client provides emergency services: and

WHEREAS, Client seeks the services of Company to assist with the billing for services that Client provides in connection with motor vehicle incidents and other emergency incidents; and

WHEREAS, Company and Client desire to enter into this Agreement to memorialize their agreements regarding the Company Services to be provided to Client.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Client agree as follows:

### ARTICLE 1 ENGAGEMENT

1.1. <u>Engagement</u>: Client hereby engages Company to provide the Company Services described in Article 4 herein, and Client hereby accepts such engagement, all on the terms and conditions set forth herein. Company will determine the method, detail and means of performing the services detailed below.

### ARTICLE 2 REPRESENTATIONS AND WARRANTIES

- 2.1. <u>Representations and Warranties of Company</u>: Company hereby represents and warrants to Client that, at all times during the term of this Agreement, Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.
- 2.2. <u>Representations and Warranties of Client</u>: Client hereby represents and warrants to Company that, at all times during the term of this Agreement, Client is, or Governs, or Contracts with an organized fire department established pursuant to the laws and ordinances of the state in which Client is located.

### ARTICLE 3 COMPANY STATUS AND QUALIFICATIONS

- 3.1. <u>Independent Contractor</u>: Company enters into this Agreement, and will remain throughout the term of the Agreement, as an independent contractor. Company agrees that it will not become an employee, partner, agent or principal of Client while this Agreement is in effect.
- 3.2. <u>Payment of Income Taxes</u>: Company is responsible for paying when due all income taxes, including estimated taxes, incurred as a result of the compensation paid by Client to Company for services rendered under this Agreement. On request, Company will provide Client with proof of timely payment. Company agrees to indemnify Client for any claims, costs, losses, fees, penalties, interest, or damages suffered by Client resulting from Company's failure to comply with this provision.
- 3.3. <u>Use of Employees or Subcontractors</u>: Company may, at Company's own expense, use any employees or subcontractors as Company deems necessary to perform the services required of Company by this Agreement. Client may not control, direct, or supervise Company's employees or subcontractors in the performance of those services.
- 3.4. <u>Qualifications</u>: Company represents that it is qualified and has the skills necessary to perform the services under this Agreement in a competent and professional manner, without the advice or direction of Client.
  - 3.5. Ownership Interest: Company will have no ownership interest in Client.
- 3.6. <u>No Benefit Contributions</u>: Company shall have no obligation under this Agreement to compensate or pay applicable taxes or provide employee benefits of any kind to any person employed or retained by Client.
- 3.7. <u>Attorney-in-Fact</u>: Client appoints Company as Client's attorney-in-fact for the following purposes:
  - (a) <u>Billing and Collections</u>: To bill and collect ("Collections") all revenue earned by and due to Client, in connection with Client's provision of emergency services provided/rendered at the sites of motor vehicle incidents and other emergency incidents, and to receive all Collections on Client's behalf and to sue for and give satisfaction for monies due on account and to withdraw any claims, suits, or proceedings pertaining to or arising out of Company's or Client's right to collect such amounts; and
  - (b) <u>Endorsement</u>: To take possession of and endorse in Client's name any notes, checks, money orders, and any other instruments received as Collections.

### ARTICLE 4 GENERAL RESPONSIBILITIES OF COMPANY

4.1. <u>Minimum Amount of Service</u>: Company agrees to devote as much time and attention to the performance of the Company Services under this Agreement as may be, in Company's sole discretion, required to accomplish the tasks described herein to accomplish the results for which the Company is responsible under this Agreement.

- 4.2. <u>Company Services</u>: Company agrees to perform the Company Services as set forth in the "List of Company Services" attached hereto as Schedule "A" and incorporated herein by reference; including those additional services requested by Client and accepted in writing by the Company during the term of this Agreement.
- 4.3. <u>Non-Exclusive Relationship</u>: Company may represent, perform services for, and contract with as many additional clients, persons, or companies as Company, in Company's sole discretion, sees fit.
- 4.4. <u>Time and Place of Performing Work</u>: Company may perform the services under this Agreement at any suitable time and location Company chooses.
- 4.5. <u>Materials and Equipment</u>: Company will supply all materials and equipment required to perform the services under this Agreement.
- 4.6. <u>Workers' Compensation</u>: Company agrees to provide workers' compensation insurance for Company and Company's employees and agents and agrees to hold harmless and indemnify Client for any and all claims arising out of any injury, disability, or death of any of Company's employees or agents.
- 4.7. <u>Assignment</u>: Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Company without the prior written consent of Client, which consent shall not be unreasonably withheld.

## ARTICLE 5 COMPENSATION OF COMPANY

- 5.1. <u>Compensation for Company Services</u>: All Company Services provided pursuant to this Agreement will be provided in accordance with the terms, including compensation amounts and schedule of remittance, set forth in the "List of Company Services," attached hereto as Schedule A.
- 5.2. The provisions of Article 11 of this Agreement will govern any dispute associated with compensation.

# ARTICLE 6 OBLIGATIONS OF CLIENT

6.1. <u>Cooperation of Client</u>: The Client agrees to comply with all reasonable requests of Company and provide access to all documents reasonably necessary to the performance of Company's duties under this Agreement. The Client shall be responsible for initially insuring, and continuing to review, local and state laws in the Client's jurisdiction to assure adequate legal authority for Company to engage in the Services described herein on behalf of Client.

6.2. <u>Assignment</u>: Once a run is assigned to Company for processing, Company will pursue collection until all efforts have been exhausted. While Company is pursuing payment on a claim Client is precluded from assigning any duties or obligations under this Agreement to any other party, without the written consent of Company. Client may not negotiate a settlement of a run Company is processing without Company's written consent to the terms of the settlement and compensation due to Company for processing the run. Once Company has determined a run is not collectible it will either be archived and closed or sent to a collection agency (only if Client chooses to do so). Sending an account to collection incurs additional fees to Client. If payment is received from a collection agency, the amount received will be posted to Client's account by Company. Company will reimburse Client at the rate set forth in Schedule A, List of Company Services for that particular run, minus any additional fees from the collection agency.

# ARTICLE 7 CLIENT AUTHORIZATION

- 7.1. <u>Authorization</u>: Notwithstanding other provisions of this Agreement, Company shall obtain authorization from Client prior to performing any of the following:
  - (a) The sale conveyance, transfer, pledge exchange, assignment, hypothecation, or encumbrance of Client's interest in any sums owed to Client; and
  - (b) All other limitations as stated by the terms of this Agreement.

# ARTICLE 8 TERMINATION OF AGREEMENT

- 8.1. <u>Termination on Notice</u>: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement at any time by giving thirty days (30) written notice to the other party. Unless earlier terminated as set forth below, this Agreement shall be effective as of the date first set out above and shall continue for a period of one (1) year thereafter. This Agreement shall automatically renew for successive one (1) year periods, unless either party provides written notification to the other party of its decision not to renew this Agreement.
- 8.2. <u>Termination on Occurrence of Stated Events</u>: This Agreement will terminate automatically on the occurrence of any of the following events;
  - (a) Bankruptcy or insolvency of either party;
  - (b) The assignment of this Agreement by either party without the consent of the other party; the parties agree that neither party will unreasonably withhold consent to such an assignment.
- 8.3. <u>Termination for Default</u>: If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five days (5) after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Company's failure to complete the services specified in the Description of Services;
- (b) Client's material breach of any representation, warranty or agreement contained in this Agreement;
- (c) Company's material breach of any representation, warranty or agreement contained in this Agreement;
- (d) Client's yearly billable run volume is at or below six runs (6).

## ARTICLE 9 PROPRIETARY RIGHTS

- 9.1. Confidential Information: Any written, printed, graphic, or electronically or magnetically recorded information furnished by Client for Company's use are the sole property of Client. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning the Client's employees, products, services, prices, operations, and subsidiaries. Company will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with the Client's approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to Company's employees, agents, and subcontractors. On termination of this Agreement, Company will return any confidential information in Company's possession to Client.
- 9.2 <u>Confidential Information</u>: Any written, printed, graphic, electronically or magnetically recorded information, computer-based hardware, software, applications, software scripts, or software links furnished by Company for Client's use are the sole property of Company. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning the Company's employees, products, services, prices, operations, and subsidiaries. Client will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with the Company's approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to Client's employees, agents, and subcontractors. On termination of this Agreement, Client will return any confidential information in Client's possession to Company.

## ARTICLE 10 INDEMNIFICATION

10.1. <u>Indemnification</u>: To the extent permitted by applicable law, the Company will indemnify and hold the Client harmless from and against any and all loss, damage, liability, claims and/or injury resulting from all negligent actions performed by the Company, or its agents on the Company's behalf, in connection with this Agreement. However, this indemnification shall not apply with respect to any legal cause, action or consequential liability or losses as a result from inaccurate or incomplete information or unfounded or unreasonable submissions furnished to the Company by the Client nor shall it apply to any act, omission or negligence of the Client.

# ARTICLE 11 GENERAL PROVISIONS

- 11.1. <u>Governing Law</u>: This Agreement shall be governed in all respects by the laws of the State of California, without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction that would cause the application of the laws of any jurisdiction other that the State of California).
- 11.2. <u>Entire Agreement</u>: This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understanding of the parties.
- 11.3. <u>Successors and Assigns</u>: Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. No party may assign any of its rights or obligations hereunder without the express written consent of the other party hereto, which consent may not be unreasonably withheld; provided, however, any party may assign any and all of its rights and interests hereunder to one or more of its affiliates and designate one or more of its affiliates to perform its obligations hereunder; provided, however, that such party remains liable for full and total performance of its obligations hereunder.
- 11.4. <u>Notices</u>: Any notices authorized to be given hereunder shall be in writing and deemed given, if delivered personally or by overnight courier, on the date of delivery, if a Business Day, or if not a business day, on the first Business Day following delivery, or if mailed, three days after mailing by registered or certified mail, return receipt requested, and in each case, addressed, as follows:

If to the Company to:	with a copy to:
Fire Recovery USA, LLC 2271 Lava Ridge Court, Suite 120 Roseville CA 95661 Attention: Craig Nagler	The Watkins Firm, APC 4275 Executive Square, Suite 1020 La Jolla, CA 92037 Attention: Chris Popov, Esq.
If to Client to: Lake Cities Fire Department 3101 S. Garrison Rd. 3501 Fm 2181 5k 3 Corinth, TX 76210 Attention:	with a copy to:  Attention:

Or, if delivered by telecopy, on a Business Day before 4:00 PM local time of addressee, on transmission confirmed electronically, or if at any other time or day on the first Business Day succeeding transmission confirmed electronically, to the facsimile numbers provided above, or to such other address or telecopy number as any party shall specify to the other, pursuant to the foregoing notice provisions. When used in this Agreement, the term "Business Day" shall mean a day other than a Saturday, Sunday or a Federal Holiday.

11.5. <u>Waiver; Amendments</u>: This Agreement, and the Transaction Documents, (i) set forth the entire agreement of the parties respecting the subject matter hereof, (ii) supersede

any prior and contemporaneous understandings, agreements, or representations by or among the parties, written or oral, to the extent they related in any way to the subject matter hereof, and (iii) may not be amended orally, and no right or obligation of any party may be altered, except as expressly set forth in a writing signed by such party.

- 11.6. <u>Counterparts</u>: This Agreement may be signed in several counterparts.
- 11.7. <u>Expenses</u>: Each party shall bear its own expenses incurred with respect to the preparation of this Agreement and the consummation of the transactions contemplated hereby.

### 11.8. <u>Arbitration</u>:

- (a) If at any time there shall be a dispute arising out of or relating to any provision of this Agreement, any Transaction Document or any agreement contemplated hereby or thereby, such dispute shall be submitted for binding and final determination by arbitration in accordance with the regulations then obtaining of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) resulting from such arbitration shall be in writing, and shall be final and binding upon all involved parties. The site of any arbitration shall be at a site agreed to by the parties and the arbitration decision can be enforced in a "court of competent jurisdiction".
- (b) This arbitration clause shall survive the termination of this Agreement, any Transaction Document and any agreement contemplated hereby or thereby.
- 11.9. <u>Waiver of Jury Trial; Exemplary Damages</u>: THE PARTIES HERETO HEREBY WAIVE THEIR RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENT. NO PARTY SHALL BE AWARDED PUNITIVE OR OTHER EXEMPLARY DAMAGES RESPECTING ANY DISPUTE ARISING UNDER THIS AGREEMENT OR ANY TRANSACTION DOCUMENT CONTEMPLATED HEREBY.
- 11.10 <u>Cooperative Purchases</u>: This Agreement may be used by other government agencies. Company has agreed to offer similar serves to other agencies under the same or similar terms and conditions as stated herein except that the revenue share percentage (Compensation) may be negotiated between the Company and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. The City/County/or Client/Protection District will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchase by other agencies.

Signatures on following page:

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

COMPANY:
FIRE RECOVERY USA, LLC. a California limited liability company
Signature:
Name: M. Craig Nagler
-
Title: Manager
CLIENT:
Lake Cities Fire Department
Signature: Sob Dart
Name (printed): Boo HAR
Title: Massyca

# **SCHEDULE A**

#### LIST OF COMPANY SERVICES

- 1. Company agrees to bill the responsible party on the Client's behalf for services provided/rendered during motor vehicle incidents and other emergency incidents. The Mitigation Rates lists in Exhibit A will increase by 1.5% annually or based on the annual percentage increase in the Consumer Price Index (CPI), as developed by the Bureau of Labor Statistics of the U.S. Department of Labor, whichever is more. Rate adjustments will occur on the anniversary date of this ordinance/resolution to keep the fire department's cost recovery program in conformity with increasing operating expenses.
- 2. Company will provide, as a normal matter of business; entry of claims and submission to the responsible party, collections of monies deemed due to the Client, payments of the agreed upon percentage of said monies to Client, and reporting of progress.
- 3. Company agrees to bill to the best of its ability all claims provided to Company by the Client.
- 4. Company will not begin litigation against a person, entity, or insurance carrier without prior written approval by the Client.
- 5. Company agrees to reimburse Client a portion of the monies collected at a rate of 80% (eighty-percent) of the total monies collected on the Client's claims. Total monies collected will be net, after any credit card processing fees (charged at 4%) or any collection agency fees.
- 6. Company agrees to pay these monies collected to the Client on a monthly basis, within seven (7) working days after the close and accounting of the monthly billing cycle.
- 7. Company agrees to make available reports via a password protected website to the Client which detail billable claims outstanding (which are claims submitted, but not yet completed) and claims completed in the prior billing cycle.
- 8. Company will not be responsible for, nor accept any liability for, any erroneous, invalid, or illegal procedure codes or claims submitted to Company by the Client on the Run Sheets.

# **EXHIBIT A**

#### **MITIGATION RATES**

#### **BASED ON PER HOUR**

The mitigation rates below are average "billing levels", and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the actual services provided.

#### MOTOR VEHICLE INCIDENTS

#### Level 1 - \$487.00

Provide hazardous materials assessment and scene stabilization. This will be the most common "billing level". This occurs almost every time the fire department responds to an accident/incident.

# Level 2 - \$554.00

Includes Level 1 services as well as clean up and material used (sorbents) for hazardous fluid clean up and disposal. We will bill at this level if the fire department has to clean up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

# Level 3 - CAR FIRE - \$677.00

Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident.

# **ADD-ON SERVICES:**

# Extrication - \$1,461.00

Includes heavy rescue tools, ropes, airbags, cribbing etc. This charge will be added if the fire department has to free/remove anyone from the vehicle(s) using any equipment. We will not bill at this level if the patient is simply unconscious and fire department is able to open the door to access the patient. This level is to be billed only if equipment is deployed.

### Creating a Landing Zone - \$448.00

Includes Air Care (multi-engine company response, mutual aid, helicopter). We will bill at this level any time a helicopter landing zone is created and/or is utilized to transport the patient(s).

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates, for each incident using, itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus, per personnel, plus products and equipment used.

# ADDITIONAL TIME ON-SCENE

Engine billed at \$448 per hour.

Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

#### **HAZMAT**

#### Level 1 - \$784.00

**Basic Response:** Claim will include engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

## Level 2 - \$2,800.00

**Intermediate Response:** Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, set-up and command, Level A or B suit donning, breathing air and detection equipment. Set-up and removal of decon center.

#### Level 3 - \$6,608.00

Advanced Response: Claim will include engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command, Level A or B suit donning, breathing air and detection equipment and robot deployment. Set-up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene. Includes 3 hours of on scene time - each additional hour @ \$336.00 per HAZMAT team.

# ADDITIONAL TIME ON-SCENE (for all levels of service)

Engine billed at \$448 per hour. Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

# FIRE INVESTIGATION Fire Investigation Team - \$308.00 per hour. Includes:

- Scene Safety
- Investigation
- Source Identification
- K-9/Arson Dog Unit
- Identification Equipment
- Mobile Detection Unit
- Fire Report

The claim begins when the Fire Investigator responds to the incident and is billed for logged time only.

#### **FIRES**

Assignment - \$448.00 per hour, per engine / \$560.00 per hour, per truck

#### Includes:

- Scene Safety
- Investigation
- Fire / Hazard Control

This will be the most common "billing level". This occurs almost every time the fire department responds to an incident.

OPTIONAL: A fire department has the option to bill each fire as an independent event with custom mitigation rates.

Itemized, per person, at various pay levels and for itemized products use.

#### **ILLEGAL FIRES**

# Assignment - \$448.00 per hour, per engine / \$560.00 per hour, per truck

When a fire is started by any person or persons that requires a fire department response during a time or season when fires are regulated or controlled by local or state rules, provisions or ordinances because of pollution or fire danger concerns, such person or persons will be liable for the fire department response at a cost not to exceed the actual expenses incurred by the fire department to respond and contain the fire. Similarly, if a fire is started where permits are required for such a fire and the permit was not obtained and the fire department is required to respond to contain the fire the responsible party will be liable for the response at a cost not to exceed the actual expenses incurred by the fire department. The actual expenses will include direct labor, equipment costs and any other costs that can be reasonably allocated to the cost of the response.

## WATER INCIDENTS

#### Level 1

Basic Response: Claim will include engine response, first responder assignment, perimeter establishment, evacuations, first responder set-up and command, scene safety and investigation (including possible patient contact, hazard control). This will be the most common "billing level". This occurs almost every time the fire department responds to a water incident.

Billed at \$448 plus \$56 per hour, per rescue person.

#### Level 2

**Intermediate Response:** Includes Level 1 services as well as clean up and material used (sorbents), minor hazardous clean up and disposal. We will bill at this level if the fire

department has to clean up small amounts of gasoline or other fluids that are spilled as a result of the incident.

Billed at \$896 plus \$56 per hour, per rescue person.

#### Level 3

**Advanced Response:** Includes Level 1 and Level 2 services as well as D.A.R.T. activation, donning breathing apparatus and detection equipment. Set up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene.

Billed at \$2,240 plus \$56 per hour per rescue person, plus \$112 per hour per HAZMAT team member.

#### Level 4

**Itemized Response:** You have the option to bill each incident as an independent event with custom mitigation rates for each incident using itemized rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized, per trained rescue person, plus rescue products used.

#### **BACK COUNTRY OR SPECIAL RESCUE**

**Itemized Response:** Each incident will be billed with custom mitigation rates deemed usual, customary and reasonable (UCR). These incidents will be billed, itemized per apparatus per hour, per trained rescue person per hour, plus rescue products used.

Minimum billed \$448 for the first response vehicle plus \$56 per rescue person. Additional rates of \$448 per hour per response vehicle and \$56 per hour per rescue person.

# **CHIEF RESPONSE**

This includes the set-up of Command, and providing direction of the incident. This could include operations, safety, and administration of the incident.

Billed at \$280 per hour.

## MISCELLANEOUS / ADDITIONAL TIME ON-SCENE

Engine billed at \$448 per hour. Truck billed at \$560 per hour. Miscellaneous equipment billed at \$336.

#### MITIGATION RATE NOTES

The mitigation rates above are average "billing levels", and are typical for the incident responses listed, however, when a claim is submitted, it will be itemized and based on the

actual services provided.

These average mitigation rates were determined by itemizing costs for a typical run (from the time a fire apparatus leaves the station until it returns to the station) and are based on the actual costs, using amortized schedules for apparatus (including useful life, equipment, repairs, and maintenance) and labor rates (an average department's "actual personnel expense" and not just a firefighter's basic wage). The actual personnel expense includes costs such as wages, retirement, benefits, workers comp, insurance, etc.

#### **BUSINESS ITEM 14.**

**City Council Regular and Workshop Session** 

**Meeting Date:** 01/10/2019

Title: Chapter 380 Economic Development Incentive Agreement

Submitted For: Jason Alexander, Director Submitted By: Jason Alexander, Director

Finance Review: N/A Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

**Strategic Goals:** Economic Development

## **AGENDA ITEM**

Consider and act on a Resolution approving a Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and B.M.A.J., INC. to locate and operate a hotel within the City.

#### AGENDA ITEM SUMMARY/BACKGROUND

The Corinth Economic Development Corporation (the "CEDC") Board of Directors met in Special Session on December 10, 2019 to consider and provide a recommendation to the City Council on a request from B.M.A.J., Inc. (the "Applicant") for economic development incentives pursuant to Chapter 380 of the Texas Local Government Code. As proposed, the Chapter 380 Economic Development Incentive Agreement would incentivize the location and operation of the hotel --- Motel 6 --- by rebating 50 percent of the City of Corinth's (the 'City") and the CEDC's portion of sales and use tax revenues generated from the addition of personal property (e.g., construction materials, equipment, fixtures, furniture and other personal property used in connection with the operation of the hotel that is not for resale). Said rebate would be provided to the Applicant at the end of every calendar quarter, with the first quarter commencing on April 1, 2019 and ending on June 30, 2019 in exchange for compliance with the following, among other terms and conditions in the agreement:

- To operate the hotel as a Motel 6 franchise or a brand of equal or superior quality subject to the advance written approval of the City and the CEDC.
- To create and retain at least five (5) persons in Jobs (as defined in the economic development incentive agreement) on or before January 31, 2021. In addition, the Applicant will endeavor to give hiring preference to residents of the City and the surrounding communities.

Representing a collaborative effort among the City, the CEDC and the Applicant, the proposed agreement would introduce another revenue stream for the City, the CEDC and special sales and use tax funds if approved.

The term of the proposed agreement would last for approximately ten (10) years, and provide the Applicant with an opportunity to earn rebated sales and uses tax revenues generated from the addition of personal property on the site for a maximum of 39 calendar quarters.

# RECOMMENDATION

The proposed economic development incentive agreement was presented to the CEDC Board of Directors during a Special Session on December 10, 2018. Staff recommended that the Board of Directors make a positive recommendation to the City Council. The Board of Directors --- with four (4) in favor and one (1) against --- voted in favor of providing an affirmative recommendation to the City Council.

## **Attachments**

Motel 6 Chapter 380 Incentive Agreement
Application for Chapter 380 Economic Development Incentives

Estimated Costs
Development Schedule
Feasibility Analysis (Select Pages)

RESOLUTION NO.	-	•	-	-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS APPROVING
A CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE
CITY OF CORINTH, TEXAS, THE CORINTH ECONOMIC DEVELOPMENT CORPORATION
AND B.M.A.J., INC. PROVIDING ECONOMIC DEVELOPMENT INCENTIVES FOR THE
LOCATION AND OPERATION OF A HOTEL IN THE CITY; AUTHORIZING THE CITY
MANAGER AND THE CORINTH ECONOMIC DEVELOPMENT CORPORATION PRESIDENT
TO EXECUTE SAID AGREEMENT; AND DECLARING AN EFFECTIVE DATE.

# BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

- PART 1. The attached Chapter 380 Economic Development Incentive Agreement (the "AGREEMENT") is hereby approved.
- **PART 2.** The City Manager is authorized to execute the Agreement on behalf of the City of Corinth, Texas and the Corinth Economic Development Corporation President is authorized to execute the Agreement on behalf of the Corinth Economic Development Corporation.

ADOPTED on the	day of	, 20
	Bill Heidemann	
	Mayor	
ATTEST:		

This Resolution shall be in full force and effect from and after its passage.

PART 3.

Kimberly Pence	
City Secretary	
APPROVED TO FORM:	

City Attorney

1	EXHIBIT "A"
2	
3	CHAPTER 380
4	ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
5	
6	As of the, 20,
7	(the "EFFECTIVE DATE"), this Chapter 380 Economic Development Incentive Agreement (the
8	"AGREEMENT") is entered into between the City of Corinth, Texas (the "CITY"), the Corinth Economic
9	Development Corporation (the "CEDC") and B.M.A.J., Inc., a Texas corporation (the "COMPANY").
10	The City, the CEDC and the Company may also be referred to collectively as the "PARTIES" or
11	individually as a "PARTY". Capitalized terms not otherwise defined have the meaning given them in
12	Article I.
13	
14	ARTICLE I.
15	RECITALS
16	
17	<b>PARAGRAPH 1.01.</b> The Company is a hotel operator with locations in Texas.

18	PARAGRAPH 1.02. Commencing after the Effective Date and subject to the granting of
19	economic development incentives to Company from City and CEDC, Company intends to locate and
20	operate a hotel and related activities with finished building, landscape, parking and site improvements that
21	are of a higher quality and character in the City than required by City's development standards (the
22	"Business" as defined below).
23	PARAGRAPH 1.03. The City and the CEDC seek to promote local economic development and
24	to stimulate business and commercial activity in the City. Locating and operating the Company's hotel and
25	related activities will advance the City's and the CEDC's interests by creating jobs, increasing property and
26	sales tax revenues and enhancing the image of the City.
27	<b>PARAGRAPH 1.04.</b> The City is authorized under Chapter 380 of the Texas Local Government
28	Code to offer certain economic development incentives for public purposes, including promotion of local
29	economic development and the stimulation of business and commercial activity in the City.
30	PARAGRAPH 1.05. For the reasons stated in these Recitals, which are incorporated into and
31	made a part of this Agreement, and in consideration of the mutual benefits and obligations set forth herein,
32	the Parties enter into this Agreement and agree to the terms and conditions set forth in this Agreement.
33	

ARTICLE II.

35	DEFINITIONS
36	
37	PARAGRAPH 2.01. "BUSINESS" means the operations and activities of the Company's hotel
38	and related activities conducted by Company on the Site (as defined below).
39	PARAGRAPH 2.02. A "FORCE MAJEURE EVENT" means an event beyond the reasonable
40	control of a Party obligated to perform an act or take some action under this Agreement including, but not
41	limited to: acts of God; earthquake; fire; explosion; war; civil insurrection; acts of the public enemy; act of
42	civil or military authority; sabotage; terrorism; floods; lightning; hurricanes; tornadoes; severe snow storms;
43	utility disruption; strikes; lockouts; major equipment failure; or the failure of any major supplier to perform
44	its obligations. A Force Majeure Event pauses a Party's performance obligation for the duration of the event
45	but does not excuse it. If a Force Majeure Event occurs and such event prevents a Party from fulfilling its
46	obligations hereunder, the applicable time period for performing such obligations shall be extended by the
47	period of delay resulting from the Force Majeure Event.
48	PARAGRAPH 2.03. "JOB" means a full-time employment position at the Site, resulting from
49	the Business, which position:
50	A. Is not seasonal; AND

Is provided with at least 30 hours of employment per week.

B.

52	Any position not meeting such criteria does not qualify as a "JOB" for purposes of this Agreement.
53	PARAGRAPH 2.04. "PERSONAL PROPERTY" means all equipment, materials, supplies or
54	other personal property used in connection with the construction, equipping or maintenance of the Business
55	on the Site subject to sales and use tax imposed by Texas Tax Code, but does not include personal property
56	held for resale by the Business to or acquired by the Business for the purpose of transfer to another party.
57	PARAGRAPH 2.05. "SALES TAX REVENUE" means the amount of sales and use tax
58	revenues, not including Street Maintenance Sales Tax, the Crime Control and Prevention District Sales and
59	Use Tax, or any other special purpose district sales and use tax, that is generated from Personal Property
60	purchases attributable to the Business and collected by the Texas Comptroller of Public Accounts (or any
61	similar successor tax collection entity or agency of the State of Texas) and that are paid to and actually
62	received by the City and the CEDC.
63	A. Said Sales Tax Revenue shall be collected under a Texas Direct Payment
64	Sales Tax Permit issued by the Texas Comptroller of Public Accounts.
65	PARAGRAPH 2.06. "SALES TAX REVENUE COMPUTATION QUARTER" means each
66	calendar quarter beginning on January 1, April 1, July 1, or October 1, as applicable, and ending on the
67	succeeding March 31, June 30, September 30, or December 31, as applicable. The first Sales Tax Revenue

Computation Quarter shall commence on April 1, 2019 and end June 30, 2019 and is referred to herein as

- "COMPUTATION QUARTER 1", with each succeeding Computation Quarter within the Term of this
   Agreement being consecutively numbered, concluding with Computation Quarter 39.
- PARAGRAPH 2.07. "SALES TAX REVENUE GRANT PAYMENTS" means the City's and
  the CEDC's collective payments to the Company, at the end of every Sales Tax Revenue Computation
  Quarter, during the Term, in an amount equal to 50 percent of Sales Tax Revenue generated from Personal
  Property purchases attributable to the Business at the Site during the immediately preceding Sales Tax
  Revenue Computation Quarter.
  - PARAGRAPH 2.08. "SITE" means the real property within the corporate limits of the City of Corinth, Texas upon which the activities of the Company's Business are to locate and operate, the legal description of which is shown in Exhibit "A.1.", attached hereto and made a part of this Agreement for all purposes.

- **A.** The boundaries of the Site may be amended from time to time, subject to the advance written approval of the City.
  - PARAGRAPH 2.09. The "TERM" of this Agreement will commence on the Effective Date and continue until the 31<sup>ST</sup> day of DECEMBER, 2029, unless terminated sooner, as provided in this Agreement (the "TERMINATION DATE"); provided however, the Term of this Agreement shall extend beyond the Termination Date for the limited purpose of completing the last Sales Tax Revenue Grant Payment properly

due to the Company under Article IV of this Agreement, provided that the Company submits a certified Compliance Certificate (as defined in Paragraph 6.02.) for the year **2029**.

# <u>ARTICLE III</u>.

# **OBLIGATIONS OF THE COMPANY**

PARAGRAPH 3.01. During the Term of this Agreement, the Company shall maintain its Texas Direct Payment Sales Tax Permit, issued by the Texas Comptroller of Public Accounts, a copy of which shall be attached hereto as Exhibit "A.2." and made a part of this Agreement for all purposes. The Company will be responsible for completion and submittal of the Texas Application for Direct Payment Permit, as may be amended, together with all information that the Texas Comptroller of Public Accounts may request.

A. Failure to meet the obligation under this Paragraph is not subject to a Cure Period (as defined in Paragraph 5.01.) and such failure shall result in automatic forfeiture by the Company of any and all rights under this Agreement to receipt of any Sales Tax Revenue Grant Payments for the applicable Sales Tax Revenue Computation Quarter during which such failure occurs.

**PARAGRAPH 3.02.** The Company shall begin operation of the Business on the Site on or prior to the 1<sup>ST</sup> day of JULY, 2020, and shall continuously operate, maintain and manage the Business for the

duration of the Term, unless the Company determines that continued operation of the Business is not commercially reasonable, and if such determination is made by the Company, the Company shall automatically forfeit any and all rights under this Agreement, including without limitation the receipt of any Sales Tax Revenue Grant Payments.

A. The Business on the Site shall be branded as "MOTEL 6", and such brand shall be maintained for the Business during the Term, except that the Business may be branded as another brand that is comparable or superior to that of Motel 6 subject to the advance written approval of the City and the CEDC.

PARAGRAPH 3.03. The Company shall employ at least five (5) persons in Jobs on or before the 31<sup>ST</sup> day of JANUARY, 2021, and maintain such level of employment during the Term (the "MINIMUM JOBS REQUIREMENT"). The Company, in satisfying the Minimum Jobs Requirement, shall endeavor to recruit and hire residents of the City and the surrounding communities and such recruitment shall be conducted by Company with commercially reasonable diligence. As reasonably requested by the CEDC, the Company shall provide documentation of its efforts to comply with this Paragraph to the CEDC.

**PARAGRAPH 3.04.** The Company agrees to adopt and follow employment policies, rules and procedures intended to ensure that no discrimination will occur in the creation of Jobs on the basis of race,

creed, color, national origin, sex or disability or other characteristics for which protection is available under applicable local, state and federal anti-discrimination laws.

**PARAGRAPH 3.05.** In performing its obligations under this Article, the Company shall comply with all applicable laws, regulations and ordinances.

125 <u>ARTICLE IV</u>.

## ECONOMIC DEVELOPMENT INCENTIVE PROVIDED BY THE CITY AND THE CEDC

PARAGRAPH 4.01. Subject to the requirements and limitations of this Agreement, including without limitation, the requirements and limitations set forth in this Article IV and all other terms and conditions of this Agreement, and subject to compliance with State law, , the City and the CEDC (collectively the "CITY" for purposes of this Article) will make Sales Tax Revenue Grant Payments to the Company at the end of every Sales Tax Revenue Computation Quarter during the Term, in an amount equal to 50 percent of Sales Tax Revenue generated from Personal Property purchases attributable to the Business at the Site during the immediately preceding Sales Tax Revenue Computation Quarter.

**PARAGRAPH 4.02.** Within 30 days following the end of each Sales Tax Revenue Computation Quarter, the Company may request in writing to the City, initiation of the applicable Sales Tax Revenue

Grant Payment, as provided in this Article. The City shall not be required to make any Sales Tax Revenue
Grant Payment during any applicable Computation Quarter unless and until:

- A. The Company submits a certified statement acceptable to the City, that is signed by an authorized officer of the Company, providing the following information: (i) the total number of persons hired and employed in the preceding Computation Quarter and cumulatively since the Effective Date and (ii) a statement that the Company is in full compliance with its obligations under this Agreement or, if not in full compliance, a statement disclosing the nature of any non-compliance and any reasons therefore;
- **B.** The Sales Tax Revenue for the applicable Computation Quarter is received by the City and the CEDC from the Texas Comptroller of Public Accounts, if any; **AND**
- C. The funds are appropriated by the City Council of the City for the specific purpose of making a Sales Tax Revenue Grant Payment under this Agreement as part of the City's and the CEDC's ordinary budget and appropriations approval process.

Provided the foregoing conditions have been satisfied and the Company is otherwise in compliance with this Agreement, the City shall pay to the Company any Sales Tax Revenue Grant Payments due within 30 days after the last to occur of all of the events in Sub-paragraphs A., B. and C. of this Paragraph. The

City agrees to provide written notice to the Company within five (5) days of receiving notice that payment of local sales tax revenues from the Texas Comptroller of Public Accounts is delayed for any reason.

PARAGRAPH 4.03. The Sales Tax Revenue Grant Payments made and any other financial obligation of the City or the CEDC hereunder shall be paid solely from lawfully available funds that have been received by the Texas Comptroller of Public Accounts each applicable fiscal year of the City and the CEDC (beginning on October 1 and ending September 30) during the Term as provided in this Agreement. Under no circumstances shall the City's or the CEDC's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City and the CEDC shall have no obligation or liability to pay any Sales Tax Revenue Grant Payments or other payments to the Company unless the City and the CEDC receive

165 <u>ARTICLE V.</u>

# DEFAULT, TERMINATION AND REMEDIES

**PARAGRAPH 5.01.** Except as otherwise provided herein, at any time during the Term that the Company is not in compliance with its obligations under this Agreement, the City may send written notice

of such non-compliance to the Company. If such non-compliance is not cured within 30 days after the Company's receipt of such notice or, if non-compliance is not reasonably susceptible to cure within 30 days and a cure is not begun within such 30-day period and, thereafter, continuously and diligently pursued to completion on a schedule approved by the City (in either event, a "CURE PERIOD"), then the City and the CEDC may, at their sole discretion and option, terminate this Agreement or withhold Sales Tax Revenue Grant Payments that are otherwise due for the relevant time period in which the non-compliance occurred and continues.

PARAGRAPH 5.02. If the City and the CEDC elect to withhold Sales Tax Revenue Grant Payments under this Paragraph rather than to terminate this Agreement, then, upon a cure by the Company, the Company will be eligible to receive future Sales Tax Revenue Grant Payments (provided it is otherwise in compliance and subject to other limitations of this Agreement) for the remainder of the Term. However, a Sales Tax Revenue Grant Payment withheld by the City and the CEDC shall be deemed forfeited by the Company, and the City and the CEDC shall not be liable for retroactive payment of such forfeited Sales Tax Revenue Grant Payment. For example, if the Company is in default and has not affected a cure in the Computation Quarter ended June 30, 2019, the Company will not receive a Sales Tax Revenue Grant Payment for that Computation Quarter. The Company will, however, be eligible to receive a Sales Tax

186	Revenue Grant Payment for the subsequent Computation Quarter if the default is cured and the Company
187	has fully complied with all requirements of this Agreement.

- A. Except as to circumstances arising from a Force Majeure Event, the Term shall not be extended as a result of any Cure Period that is agreed to by the City and the CEDC under this Paragraph.
- PARAGRAPH 5.03. Notwithstanding any provision for written notice of non-compliance, and any opportunity to cure, the City and the CEDC may terminate this Agreement immediately by providing written notice to the Company if the Company, its officers or signatories to this Agreement misrepresented or misrepresent any material fact or information:
  - **A.** Upon which the City and the CEDC relied in entering into this Agreement;
- **B.** Upon which the City and the CEDC rely in making a Sales Tax Revenue
- 197 Grant Payment to the Company; **OR**

- C. As an inducement for the City and the CEDC to make a Sales Tax Revenue

  Grant Payment to the Company.
- **PARAGRAPH 5.04.** Upon breach of any obligation under this Agreement, in addition to any other remedies expressly set forth in this Agreement with respect to such breach, the City and the CEDC may pursue such remedies as are available at law or in equity for breach of this Agreement. Similarly, with

regard to violations of applicable ordinances of the City, the City may seek such relief as is available for violation so such ordinances, including fines and injunctive relief.

PARAGRAPH 5.05. It is acknowledged and agreed that, because the Sales Tax Revenue Grant Payments are from public funds, any verified overpayments to the Company may be recovered by the City through available remedies at law or in equity or by reducing future Sales Tax Revenue Grant Payments by the amount of any and all overpayments.

**PARAGRAPH 5.06.** With 60 days prior written notice, the City may deduct from any Sales Tax Revenue Grant Payments, as an offset, any delinquent and unpaid fees, sums of money or other fees, charges or taxes assessed and owed to or for the benefit of the City by the Company, if such delinquency is not cured within the 60 days.

PARAGRAPH 5.07. NEITHER THE CITY NOR THE CEDC SHALL BE OBLIGATED TO PAY ANY INDEBTEDNESS OR OBLIGATIONS OF THE COMPANY. THE COMPANY HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND THE CEDC, AND THE CITY'S AND THE CEDC'S OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST: ANY INDEBTEDNESS OR OBLIGATIONS OF THE COMPANY; ANY OTHER LOSS, CLAIM, DEMAND, LAWSUIT, LIABILITY OR DAMAGES ARISING FROM THE NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE COMPANY

220	IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT; AND BREACH
221	OF ANY REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT OF THE
222	COMPANY CONTAINED IN THIS AGREEMENT, WITHOUT REGARD TO ANY NOTICE OR
223	CURE PROVISIONS. THE COMPANY'S INDEMNIFICATION OBLIGATION HEREUNDER
224	SHALL INCLUDE PAYMENT OF THE CITY'S AND THE CEDC'S REASONABLE
225	ATTORNEYS' FEES, COSTS AND EXPENSES WITH RESPECT THERETO.
226	PARAGRAPH 5.08. The Company may terminate this Agreement at any time for convenience
227	with at least 30 days prior written notice, such termination to be effective as of the end of the full Sales Tax
228	Revenue Computation Quarter.
229	
230	ARTICLE VI.
231	INFORMATION
232	
233	PARAGRAPH 6.01. Subject to this Article, the Company shall, at such times and in such form
234	as the City may reasonably request from the Company, provide information and/or documentation
235	concerning the performance of the Company's obligations under this Agreement.

PARAGRAPH 6.02. Beginning in calendar year 2020 and continuing each calendar year thereafter during the Term, the Company shall submit to the City, on or before January 31 of each such year, a certified compliance certificate, acceptable to the City Manager of the City and signed by an authorized officer or employee of the Company certifying that the Company is in full compliance with its obligations under this Agreement or, if not in full compliance, a statement disclosing the nature of any noncompliance and any reasons therefor (the "COMPLIANCE CERTIFICATE"). Beginning in calendar year 2021, each Compliance Certificate shall also include information regarding the Company's satisfaction of the Minimum Jobs Requirement as of the end of the preceding calendar year, as defined in Paragraph 3.03. hereof. After receiving a timely submitted Compliance Certificate, the City shall have 30 days to notify the Company in writing of any questions that the City may have concerning any of the information provided by the Company in its Compliance Certificate, and the Company shall diligently work in good faith to respond to such questions to the City's reasonable satisfaction.

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PARAGRAPH 6.03. The Company agrees that the City shall have the right to review the business records of the Company that relate to its performance under this Agreement in order to determine the Company's compliance with the terms of this Agreement, subject to the Company's obligations of confidentiality and pursuant to applicable state and federal laws. Such review shall occur at any reasonable time, upon at least five (5) days' prior written notice to the Company, and may occur a maximum of one

(1) time each month. To the extent reasonably possible, the Company shall make all such records available in electronic form or otherwise available to be accessed through the internet.

PARAGRAPH 6.04. Subject to the requirements of the Texas Public Information Act, or order of a court of competent jurisdiction, the Company may be required to disclose or make available to the City and the CEDC any information relating to this Agreement. The Company agrees to cooperate with the City and the CEDC in response to any request for information under the Texas Public Information Act or court order. The City and the CEDC will endeavor to provide the Company with advance written notice of any such request for information or court order so that the Company may seek any relief to which the Company believes it is entitled. The City's and the CEDC's obligations under this Paragraph do not impose any duty upon the City or the CEDC to challenge any court order or ruling of the Texas Attorney General to release information in response to a specific request for information under the Texas Public Information Act.

265 <u>ARTICLE VII</u>.

# REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As of the Effective Date, the Company represents and warrants to the City and the CEDC that:

PARAGRAPH 7.01. The Company is a duly organized, validly existing company, in good
standing under the laws of the State of Texas and is authorized to conduct business or own real property in
the State of Texas. The activities that Company proposes to carry on at the Site may lawfully be conducted
by the Company.

**PARAGRAPH 7.02.** The execution, delivery and performance by the Company of this Agreement are within Company's powers and have been duly authorized.

**PARAGRAPH 7.03.** This Agreement is the legal, valid and binding obligation of the Company, and is enforceable against the Company in accordance with its terms except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

**PARAGRAPH 7.04.** The Company is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which they are parties or by which they or any of their property is bound that would have any material adverse effect on the Company's ability to perform under this Agreement.

**PARAGRAPH 7.05.** Neither this Agreement nor any schedule or Exhibit attached hereto in connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits

286	to state any material fact necess	ary to keep the statements contained herein or therein, in the light of the
287	circumstances in which they were	re made, from being misleading.
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289		ARTICLE VIII.
290		MISCELLANEOUS
291		
292	PARAGRAPH 8.01.	This Agreement, including the Recitals and the Exhibits hereto, contains
293	the entire agreement between	the Parties with respect to the transactions contemplated herein and
294	supersedes any prior understand	ings or written or oral agreements between the Parties.
295	PARAGRAPH 8.02.	This Agreement may only be amended, altered or terminated by written
296	instrument signed by all Parties.	
297	PARAGRAPH 8.03.	All notices required by this Agreement will be delivered to the following
298	by certified mail or electronic m	ail transmission:
299		THE CITY:
300		City Manager
301		City of Corinth
302		3300 Corinth Parkway

303	Corinth, Texas 76208
304	E-mail: bob.hart@cityofcorinth.com
305	THE CEDC:
306	Executive Director
307	Corinth Economic Development Corporation
308	3300 Corinth Parkway
309	Corinth, Texas 76208
310	E-mail: jason.alexander@cityofcorinth.com
311	THE COMPANY:
312	Arun Mohanlal
313	President
314	2205 Stennett Drive
315	Arlington, Texas 76006
316	E-mail: amohanlal21@gmail.com
317	Each Party will notify the other Parties in writing of any change in information required for notice
317	Each rarry win notify the other rarries in writing of any change in information required for notice

PARAGRAPH 8.04.	This Agreement is made and shall be construed and interpreted under the
laws of the State of Texas. Mand	atory venue for any legal proceedings shall lie in state court of appropriate
jurisdiction for the action locate	d in Denton County, Texas. Mandatory venue for any matters in federal
court will be in the United States	s District Court for the Eastern District of Texas, Sherman Division.

**PARAGRAPH 8.05.** The Company agrees that neither the City nor the CEDC shall assume any liability or responsibility by approving plans, issuing permits or approvals or making inspections related to any matter arising under this Agreement.

PARAGRAPH 8.06. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and in lieu of such deleted provision, there shall be added as part of this Agreement, a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.

**PARAGRAPH 8.07.** In the event litigation is commenced under the terms of this Agreement, the prevailing Party shall be entitled to recover from the other reasonable attorney fees and costs.

**PARAGRAPH 8.08.** It is acknowledged and agreed between the Parties that the City, the CEDC and the Company, in executing this Agreement, and in performing their respective obligations, are acting

independently, and not in any form of partnership or joint venture. THE CITY AND THE CEDC SHALL
ASSUME NO RESPONSIBILITY OR LIABILITY TO ANY THIRD PARTIES IN CONNECTION
WITH THIS AGREEMENT, AND THE COMPANY AGREES TO INDEMNIFY, DEFEND,
RELEASE AND HOLD HARMLESS THE CITY AND THE CEDC, AND THEIR OFFICERS AND
EMPLOYEES, FROM ANY SUCH LIABILITIES.

**PARAGRAPH 8.09.** This Agreement is for the exclusive benefit of the Parties and no third party may claim any right, title or interest in any benefit arising under this Agreement. The Company may not assign any of its rights, or delegate or sub-contract any of its duties under this Agreement, in whole or in part, without the prior written consent of the City and the CEDC.

PARAGRAPH 8.10. Nothing in this Agreement, and no action of the City and the CEDC under this Agreement, will constitute a waiver of any immunity of the City and the CEDC to suit or to liability or of any limitations on liability granted by applicable law, including without limitation, the Texas Constitution.

PARAGRAPH 8.11. The Company shall not and does hereby agree not to knowingly employ an "UNDOCUMENTED WORKER" as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), the Company shall repay the full amount of the Sales Tax Revenue Grant Payments received by the Company from the City and the CEDC as of the date

of such violation not later than one hundred twenty (120) days after the date the Company is notified by the City of a violation of this Paragraph, plus interest from the date the Sales Tax Revenue Grant Payments were paid to the Company, at the rate of five (5) percent per annum. The interest shall accrue from the date the Sales Tax Revenue Grant Payments were paid to the Company until the date that the payments are repaid to the City and the CEDC. The City and the CEDC may also recover court costs and reasonable attorneys' fees incurred from an action to recover the Sales Tax Revenue Grant Payments subject to repayment under this Paragraph. However, the Company will not be liable for a violation by its subsidiary, affiliate or person which whom the Company contracts.

PARAGRAPH 8.12. Subject to the requirements of Texas Government Code Chapter 2270, the Company certifies that it does not boycott Israel, and it will not boycott Israel during the Term. Pursuant to Texas Government Code Chapter 2252, Subchapter F, the Company affirms that is it not identified on a list created by the Texas Comptroller of Public Accounts as a company known to have contracts with or provide supplies or services to a foreign terrorist organization.


**PARAGRAPH 8.13.** No term or condition of this Agreement shall be deemed to have been waived, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument of the Party charged with such waiver or estoppel.

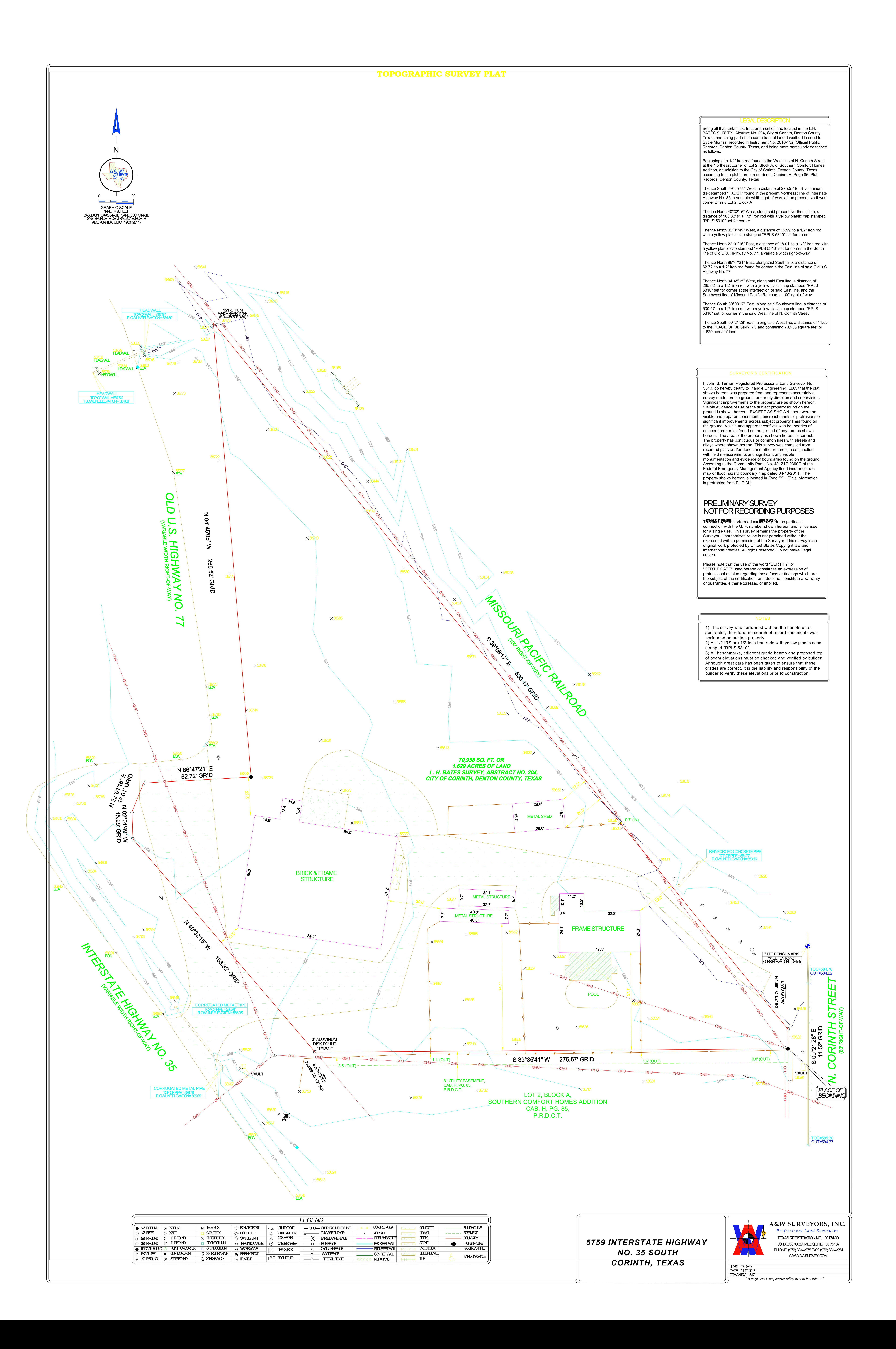
370		
371		
372		
373		
374	<b>EXECUTED</b> to be effective as of the Effective Date.	
375		
376		
377		
378		
379		
380	CITY OF CORINTH, TEXAS	
381		
382	By:	
383	Bob Hart, City Manager	
384		
385	CORINTH ECONOMIC DEVELOPMENT CORPORATION	
386		

387	By:	
	•	
388		Tina Henderson, President
389		
390	B.M.A.J., INC	
	24.24.24.3	
391		
392	By:	
393	Name:	
- > -		
394	Title	

## EXHIBIT "A.1."

# LEGAL DESCRIPTION OF SITE





## EXHIBIT "A.2."

# TEXAS DIRECT PAYMENT SALES TAX PERMIT

### THE CITY OF CORINTH, TEXAS

## APPLICATION FOR CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVES

The City of Corinth is dedicated to achieving and sustaining the highest quality of development in all areas of the City; and to a continuous improvement in the quality of life for its citizens. Towards this end, the City may elect, on a case-by-case basis, to give consideration to providing incentives as authorized by the Chapter 380 Economic Development Program Policies and Procedures, and pursuant to the provisions of Chapter 380 of the *Texas Local Government Code*. It is the policy of the City that said consideration will be provided in accordance with the guidelines and criteria as set forth therein. Nothing in the Chapter 380 Economic Development Program Policies and Procedures shall imply or suggest that the City is under any obligation to provide incentives to any applicant. All applications for incentives shall be considered on a case-by-case basis; and should be filed with the Executive Director of the Corinth Economic Development Corporation, 3300 Corinth Parkway, Corinth, Texas, 76208.

A.

Applicant information:

	- 1-1		B.M.A.J., Inc.	
	1.	Company name:		
	2.	Company representative:	Arun Mohanlal, President	
	3.	Company title:	Texas Corporation	
	4.	Website address:	N/A	
	5-	Mailing address:	2205 Stennett Dr	_
	6.	City, sate, zip:	Arlington, Texas 76006	
	7.	Telephone number:	972-951-0470	
	8.	E-mail address:	Amohanlal21@gmail.com	
В.	Prope	erty owner (if not the same as Item A.):		
	1.	Name:		
	2.	Mailing address:		
	3.	City, sate, zip:		

4.	Telephone number:					·	
5.	E-mail address:		****				
Will t	he applicant:						
1.	Own the property?	X	Yes.		No.		
2.	Lease the property?		Yes.	X	No.		
3.	If leasing, what is the lengt	h of the lease?					
				***************************************			
Desci	ribe the company's products ar	nd/or services.					
Th	is new construction comp	letely indoor	Motel 6	3 will pr	ovide limite	ed service	lodging for
tra	nsient travelers.						
Th	is project will consist of 81	l rooms and	87 park	king spa	aces. There	has also	been an
ac	cess easement establishe	d with the ac	djacent	propert	y. Highly ef	ficient des	sign with
LE	ED lighting, tinted windows	s, efficient P	TAC uni	ts, effic	ient laundr	y equipme	ent with
CO	mputer controlled dryers,	efficient toile	ets and	aerator	s in all sink	s, wood e	ffect flooring
_an	d high tech irrigation contr	rol.					
***************************************						**************************************	
Proie	ct description:						
1.	Will the project involve new	v construction	?				
		No.					
2.	Will the project involve the		an existir	na buildi	na?		
-		No.	6/115611	.5 201101	<i></i>		
3.	What is the estimated cost		ın?				
٥.	Milario nie estillatea cost	5. 5511361 00010					

	\$6,800,000
4-	What will be the size of the building or buildings (square feet)?
	31,000
5.	When could construction begin?
	Spring 2019
6.	When would construction end?
	Spring 2021
7.	How many construction jobs will be created?
	10-15
8.	What is the estimated payroll for new construction?
	\$1,500,000-2,000,000
Mi	nimum of 5
Proio	ect the number of full-time jobs this project will retain, ten (10) years from the estimated date of
	pancy, or the initiation of operations.
	nimum of 5
14111	
Proio	ct the number of full-time jobs this project will create and retain in each category, and at the
	nated date of occupancy, or the initiation of operations:  Executive.
1.	Executive.
2.	Dysfranianal
2	Professional
3. 4.	

6.		4	
	Production staff.		
7.	Total:	5	
Attach	a roster of all created and reta	ined positions, along with the average annual salaries and v	vages per
positio	n.		
The pro	ojected payroll at:		
1.	The estimated date of occup At the end of year 1 \$2	pancy, or initiation of operations. 203,602	
2.	The end of ten (10) years. \$2,120,000		
		n the estimated date of occupancy, or the initiation of oper	
N/in			ations.
Min	imum of 5		ations.
			ations.
Indicat	e the number of acres of real p	property to be developed or improved.	ations.
	e the number of acres of real p	property to be developed or improved.	ations.
Indicat	e the number of acres of real p		ations.
Indicat	e the number of acres of real p	d or improved, please attach the following:	ations.
Indicat  1.62  For the	e the number of acres of real p  real property to be developed  A time schedule to undertal	d or improved, please attach the following: ke and complete the project.	
1.62 For the	e the number of acres of real p  real property to be developed  A time schedule to undertal	d or improved, please attach the following:	

The Motel 6 project will provide a list of employments changes every year or as  Requested by the City. Any inquiries will be responded to in a timely manner. A Texas  Direct Sales Tax Permit has been applied for in order for the incentive to be valid. The  Building will meet all requirements from the City, and the Motel 6 franchise will remain  Throughout the term of the agreement.  How will this project attract other new businesses to Corinth?  The Motel 6 project has provided an easement to the adjacent property in order for the  Developer to meet the two access requirement. This franchise does not provide a full  Breakfast so customers will purchase food from restaurants locally, as well as conveni  Stores. Not only will this project benefit food establishments, but customers staying th  Night in Corinth will shop at clothing stores, pharmacies, and other local businesses  Throughout the duration of their stay.  What is the expected benefit to the local economy (i.e., projected local annual property and sales to generated directly from the project)? Attach a business pro forma or other documentation to project to expected benefits by each year, for ten (10) years after project completion.  Property tax to the city will be an estimated \$12,443 every	Ed	conomic Development Program Policies and Procedures.
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The existing value of real property to be developed or improved (please attach a copy of the most recent
property tax statement from the Denton County Appraisal District).
The existing value of business personal property (please attach a copy of the most recent property tax
statement from the Denton County Appraisal District).
The estimated value of real property improvements.
\$3,000,000
The estimated value of business personal property to be added.
\$600,000
The total estimated value of real property improvements and/or business personal property to be added
(total of Items S. and T.).

1.	Electricity. Electricity would be required for the business
2.	Natural gas.  Natural gas would be required for water heaters
3.	Roadways.
	Three points of access have been established. Motel 6 will pave the Old Hwy 77 porti
4.	Telecommunications. Cable tv, internet and phone would be required
5.	Wastewater. Drainage has been established
6.	Water.
0.	Water will be needed for the project.
Desc	ribe any environmental impacts associated with this project.
	ribe any environmental impacts associated with this project.  potential environmental impacts have been found.

X.	Is the	property	appropri	ately zoned for this project?
	X	Yes.		No.
Υ.	Will t	he projec	t require	any variances from the City of Corinth's codes, ordinances or regulations (e.g.,
	buildi	ng codes,	electrica	al codes, plumbing codes, zoning ordinances, et cetera)?
		Yes.	X	No.
Z.	Is the	property	platted?	
	X	Yes.		No.
AA.	If yes,	will re-pla	atting be	necessary?
		Yes	4	No

I certify that the information contained in this application (including all attachments) to be true and accurate to the best of my knowledge. I further certify that I have read the "City of Corinth Chapter 380 Economic Development Program Policies and Procedures," and that I agree to comply with the guidelines and criteria stated therein, and that participation in such incentives does not eliminate any obligation on my part to satisfy all codes, ordinances and regulations of the City of Corinth, Texas, or any other governmental entity that has jurisdiction regarding this project. The undersigned is authorized in all respects to submit this application on behalf of the named company:

**PRINT NAME:** 

Arun Mohanlal

SIGNATURE:

B.M.A.J., Inc.

COMPANY: TITLE:

President

DATE:

December 6, 2018

Applicants may attach additional sheets as necessary to complete the application. Upon receipt of this application, the City of Corinth shall require financial and other information as may be deemed appropriate for evaluating the financial capacity and other relevant factors of the applicant.

# 81-Room Limited-Service Economy Hotel Corinth, Texas

## **Project Financing Data**

<b>Project Data</b>
---------------------

Number of Sellable Guestrooms	81	Cost per Key
Land	\$ 790,000	0
Construction, FF&E & Indirect Costs	\$ 5,670,000	70,000
Total Estimated Project Cost	\$ 6,460,000	79,753

**Equity Sources:** 

Investor: 20% \$ (1,292,000)

Net Costs Needed to Finance: \$ 5,168,000

Debt: Bank Loan 80% \$ 5,168,000 5.50% 25 yrs.

Total Debt Financing \$ 5,168,000

Annual Debt Service ( P & I ): Bank Loan \$ 334,260.12

Total Debt Service: \$ 334,260.12

Time Schedule for Development:

- -Submit final plans to City December 2018
- -Break ground in February 2019
- -Complete construction by Spring 2020

## Discounted Cash Flow Analysis – For Test of Feasibility

Year	EBITDA Less Reserve	Discount Factor @ 10.25%	Discounted Cash Flow
2020/21	\$401,051	0.90703	\$363,765
2021/22	541,151	0.82270	445,206
2022/23	612,526	0.74622	457,076
2023/24	630,878	0.67684	427,003
2024/25	649,501	0.61391	398,737
2025/26	669,178	0.55684	372,623
2026/27	689,093	0.50507	348,039
2027/28	710,029	0.45811	325,273
2028/29	731,000	0.41552	303,817
2029/30	9,073,000	0.37689	3,419,378
		<b>Estimated Value</b>	\$6,860,918
		(SAY)	\$6,900,000
		Per Room	\$85,000
Reversion A	nalysis		
11	th Year's EBITDA Le	ess Reserves	\$775,896
Ca	pitalization Rate	ana maeneulinear	9.0%
To	tal Sales Proceeds		\$8,621,069
	Less: Transaction (	Costs @ 3.5%	301,737
Ne	t Sales Proceeds		\$8,319,331
*10th year n	et income of \$753,297	7 plus sales proceeds of \$	8,319,000

The proposed subject represents a hotel with 81 guestrooms and the appropriate public areas and back-of-the-house spaces for a hotel of this type. The proposed facility is further detailed in Chapter Three; please refer to this chapter for a full discussion of the proposed building.

### Proposed Subject Property – Cost to Construct (Estimate)

Item	Cost
Building, Pre-Opening & Working Capital, Soft Costs	\$5,022,000
Furniture, Fixtures, & Equipment	648,000
Land	800,000
Entrepreneurial Incentive	323,500
Total Cost New Estimate (Rounded)	\$6,800,000

FEASIBILITY ANALYSIS - 70

#### Tax Rates

Real Property		
Tax Rate		
2.24320		
2.19030		
2.16890		
2.11010		
2.29560		

Source: Denton County Appraisal District

#### Tax Burden

_	Real Property			
	Land	Real Property	Total	
Positioned (Assessed Value)	\$729,000	\$1,863,000	\$2,592,000	
Tax Rate			2.11010	
Tax Burden as of Base Year			\$54,694	

#### Tax Forecast – Real Property

		Real Property		
V	Total Tax Burden	Base Rate of Tax	% Positioned	Taxes
Year	(Positioned Prior to Increase)	Burden Increase	Tax Burden	Payable
Positioned		_		\$54,694
2020/21	\$54,694	8.2 %	100 %	\$59,187
2021/22	59,187	3.0	100	60,962
2022/23	60,962	3.0	100	62,791
2023/24	62,791	3.0	100	64,675

- Based upon the comparable data and the structural attributes of the proposed subject hotel, we project the
  proposed subject hotel's insurance expense at \$181 per available room by the stabilized year (positioned at \$155 on
  a per-available-room basis in base-year dollars). This forecast equates to 1.0% of total revenue on a stabilized basis.
- Based upon the results of this study, our review of comparable lodging facilities, and our industry expertise, we estimate
  that a reserve for replacement of 4.0% of total revenues is sufficient to provide for the timely and periodic replacement
  of the subject property's furniture, fixtures, and equipment. This amount is ramped up during the initial projection
  period.

The following table presents a detailed forecast through the third projection year, including amounts per available room and per occupied room. The second table illustrates our ten-year forecast of income and expense, presented with a lesser degree of detail. The forecasts pertain to years that begin on July 1, 2020, expressed in inflated dollars for each year.

INCOME CAPITALIZATION APPROACH - 63