

# AGENDA

## CITY OF PEARLAND ♦ CITY COUNCIL

June 23, 2014

6:30 p.m.

**MAYOR**  
**Tom Reid**

**Keith Ordeneaux**  
**Mayor Pro-Tem**  
**Position No. 4**

### COUNCIL MEMBERS

**Tony Carbone**  
**Position No. 1**

**Scott Sherman**  
**Position No. 2**

**Gary Moore**  
**Position No. 3**



**Greg Hill**  
**Position No. 5**

**Jon R. Branson**  
**Assistant City Manager**

**Clay Pearson**  
**City Manager**

**Darrin Coker**  
**City Attorney**

**Young Lorfing**  
**City Secretary**

In accordance with the Texas Open Meeting Act the Agenda is posted for public information, at all times, for at least 72 hours preceding the scheduled time of the meeting on the bulletin board located at the front entrance of the City Hall, 3519 Liberty Drive.



**RECOGNITION AND AWARDS NOTICE**

**The Mayor and Councilmembers will be present the following:**

Presentation of Proclamation proclaiming the month of July 2014 as “National Parks and Recreation Month” to be accepted by Michelle Graham.

Presentation will be held:

**Monday, June 23, 2014  
6:15 p.m.  
Council Chambers  
3519 Liberty Drive  
Pearland, Texas 77581**

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**CITY COUNCIL AGENDA**

**CITY OF PEARLAND  
REGULAR COUNCIL MEETING  
MONDAY, JUNE 23, 2014, | 6:30 P.M.  
COUNCIL CHAMBERS | PEARLAND CITY HALL | 3519 LIBERTY DRIVE  
281.652.1600**

- I. CALL TO ORDER**
- II. INVOCATION AND THE PLEDGE OF ALLEGIANCE TO THE UNITED STATES OF AMERICA FLAG AND TEXAS FLAG**
- III. ROLL CALL:** Mayor Reid, Councilmembers Carbone, Sherman, Moore, Ordeneaux and Hill
- IV. CITIZEN COMMENTS:** In order to hear all citizen comments at a reasonable hour, the City Council requests that speakers respect the three-minute time limit for individual comments and the five-minute time limit for an individual speaking on behalf of a group. This is not a question-answer session, however, it is an opportunity to voice your thoughts with City Council.

**V. CONSENT AGENDA:**

All items listed under the “Consent Agenda” are considered to be routine and require little or no deliberation by the City Council. These items will be enacted/approved by one motion unless a councilmember requests separate action on an item, in which event the item will be removed from the Consent Agenda and considered by separate action (*VI. matters removed from Consent Agenda*). Approval of the Consent Agenda enacts the items of legislation.

**A. Consideration And Possible Action – Approval Of Minutes:**

1. Minutes of the June 9, 2014, Regular Meeting, held at 6:30 p.m.

**B. Consideration and Possible Action – Second and Final Reading of Ordinance No. 2000M-114** – An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 16.871 acres of land situated in the H.T. & B.R.R. Co. Survey, Abstract 542, and identified as Lot 1, Block 1, Associated Industrial Park, Brazoria County, Texas, located (East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas), Zone Change 2013-18Z, a request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject. *Ms. Lata Krishnarao, Director of Community Development.*

**C. Consideration and Possible Action – Second and Final Reading of Ordinance No. 2000M-115** – An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 24.154 acres of land located within three (3) tracts originally identified as Tract 1 (now proposed as Tract C); Tract 2 (now proposed as Tract B); and Tract 3 (now proposed as Tract A) and legally described as Tract A: A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk’s File No. 20070659409 in the Harris County Clerk’s Office; Tract B: A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk’s File No. 2007062105 in the Brazoria County Clerk’s Office; and Tract C: A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk’s File No. 2007062105 in the Brazoria County Clerk’s Office; situated in the W.D.C. Hall Survey, Abstract No. 23; the Thomas J. Green Survey, Abstract No. 198; and the

Thomas J. Green Survey, Abstract No. 198, respectively; Brazoria County and Harris County, Texas (located at the northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX), Zone Change 2014-5Z, a request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

*Ms. Lata Krishnarao, Director of Community Development.*

- D. Consideration and Possible Action – Second and Final Reading of Ordinance No. 1499** – An Ordinance of the City Council of the City of Pearland, Texas extending traffic rules and regulations to certain private roads owned and maintained by the Lakes at Highland Glen Community Association and contained within the Lakes at Highland Glen Subdivision; providing for enforcement; providing for penalties and fines; providing for administration; providing for conflicts with other laws; providing for severability; providing for an effective date.  
*Mr. Darrin Coker, City Attorney.*
- E. Consideration and Possible Action – Second and Final Reading of Ordinance No. 1026-3** – An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 29, Article XVI, *Truck Traffic*, of the City of Pearland Code of Ordinances, as it may have been, from time to time amended, providing for enforcement and penalties, and containing other matters relating to the subject; providing a penalty for violation; having a savings clause, a repealer clause, a severability clause; providing for codification, publication and an effective date.  
*Mr. Darrin Coker, City Attorney.*
- F. Consideration and Possible Action** – Excuse Mayor Tom Reid from the June 9, 2014, Regular Council Meeting. *City Council.*
- G. Consideration and Possible Action – Resolution No. R2014-66** – A Resolution of the City Council of the City of Pearland, Texas, renewing a bid with the Pearland Journal, as the official newspaper of record for publishing City legal notices, in the estimated amount of \$15,000.00 annually. *Mr. Bob Pearce, Purchasing Officer.*
- H. Consideration and Possible Action – Resolution No. R2014-67** – A Resolution of the City Council of the City of Pearland, Texas, renewing unit supply bids for EMS Medical Supplies to Bound Tree Medical, Kentron Health Care and Moore Medical, and to award a unit supply bid for EMS Medical Supplies to Henry Schein EMS in the estimated amount of \$115,000.00 annually. *Mr. Bob Pearce, Purchasing Officer.*

- I. **Consideration and Possible Action – Resolution No. R2014-63** – A Resolution of the City Council of the City of Pearland, Texas, approving a proposed project associated the Edward Byrne Memorial Justice Assistance Formula Grant (JAG) for Police Department Equipment, and authorizing an Interlocal agreement with Brazoria County. *Pearland Police, Chief Chris Doyle.*

**VI. MATTERS REMOVED FROM CONSENT AGENDA**

**VII. NEW BUSINESS:**

1. **Consideration and Possible Action – First and Only Reading of Ordinance No. 1500** – An Ordinance of the City Council of the City of Pearland, Texas authorizing the issuance of permanent improvement and/or refunding bonds in one or more series; setting certain parameters for the bonds; authorizing refunding of certain outstanding obligations; authorizing a pricing officer to approve the amount, the interest rate, price, and terms thereof and certain other procedures and provisions relating thereto, and declaring an emergency. *Ms. Claire Bogard, Director of Finance.*
2. **Consideration and Possible Action – Resolution No. R2014-59** – A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into an Amended Lease Agreement for the Pearland Library located in the Shadow Creek Ranch Town Center, and authorizing Library expansion expenditures from the general fund balance. *Mr. Darrin Coker, City Attorney.*
3. **Consideration and Possible Action – Resolution No. R2014-65** – A Resolution of the City Council of the City of Pearland, Texas, authorizing a contract for professional services associated with the Parks and Recreation Master Plan Update, with Green Play, LLC., in the amount of \$89,695.00. *Ms. Michelle Graham, Director of Parks and Recreation.*
4. **Consideration and Possible Action – Resolution No. R2014-64** – A Resolution of the City Council of the City of Pearland, Texas, accepting the 2013 annual report for Tax Increment Reinvestment Zone #2. *Ms. Claire Bogard, Director of Finance.*
5. **Consideration and Possible Action – Resolution No. R2014-61** – A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for water meters and related parts with HD Supply and Park USA in an estimated amount of \$841,226.00 annually. *Ms. Claire Bogard, Director of Finance and Mr. Eric Wilson, Director of Public Works.*
6. **Consideration and Possible Action – Resolution No. R2014-62** – A Resolution of the City Council of the City of Pearland, Texas, renewing a bid for water treatment chemicals and water analysis services with Napco Chemical Company, Inc., in the estimated amount of \$795,000.00 annually. *Mr. Eric Wilson, Director of Public Works.*

7. **Consideration and Possible Action - Resolution No. R2014-68** – A Resolution of the City Council of the City of Pearland, Texas, expressing support for Texas Department of Transportation to Re-Establish in Project Scope the 8 Direct Connect Lanes from Beltway 8 to forthcoming new Route 288 Managed Lanes and support the overall project.
8. **Consideration and Possible Action** – Regarding Delinquent Property Tax and Fine & Forfeiture Collections. *Ms. Claire Bogard, Director of Finance.*
9. **Consideration and Possible Action** – Regarding Employee Health Care Strategies Fiscal Year 2014-2015. *Ms. Bonita Hall, Director of Human Resources.*

#### VIII. OTHER BUSINESS:

##### EXECUTIVE SESSION UNDER TEXAS GOVERNMENT CODE

1. **SECTION 551.074 – Personnel Matters** – Regarding appointments to the City's various Boards and Commissions. *Mayor Tom Reid.*
2. **SECTION 551.087 – Consultation with City Attorney** – Regarding Economic Development Incentives. *Mr. Matt Buchanan, President of Pearland Economic Development Corporation.*
3. **SECTION 551.072 – REAL PROPERTY:** Discussion regarding the sale, lease, purchase, or exchange of real property. *Mr. Clay Pearson, City Manager.*

##### NEW BUSINESS CONTINUED:

10. **Consideration and Possible Action** – Regarding appointments to the City's various Boards and Commissions. *City Council.*
11. **Consideration and Possible Action** – Regarding Economic Development Incentives. *City Council.*
12. **Consideration and Possible Action** – Regarding the sale, lease, purchase, or exchange of real property. *City Council.*

#### IX. MAYOR/COUNCIL ISSUES

#### X. ADJOURNMENT

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281.652.1840 prior to the meeting so that appropriate arrangements can be made.

# Consent Agenda Item A

**A. Consideration And Possible Action – Approval Of Minutes:**  
Minutes of the June 9, 2014, Regular Meeting, held at 6:30 p.m.

**MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, HELD ON MONDAY, JUNE 9, 2014, AT 6:30 P.M., IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.**

Mayor Pro-Tem Ordeneaux called the meeting to order at 6:30 p.m. with the following present:

Mayor Pro-Tem	Keith Ordeneaux
Councilmember	Tony Carbone
Councilmember	Scott Sherman
Councilmember	Gary Moore
Councilmember	Greg Hill
City Manager	Clay Pearson
City Attorney	Darrin Coker
City Secretary	Young Lorfing

Absent: Mayor Tom Reid.

Others in attendance: Claire Bogard Director of Finance; Jon Branson Assistant City Manager; Matt Buchanan President of Pearland Economic Development Cooperation; J.C. Doyle Police Chief; Trent Epperson Director of Engineering and Capital Projects; Bonita Hall Director of Human Resource and Safety Management; Lata Krishnarao Director of Community Development; Kim Sinistore Executive Director of the Convention/Visitors Bureau; Sparkle Anderson Communications Manager; Bob Pearce Purchasing Officer; Joel Hardy Grants Coordinator; Rosalyn Epting Assistant Director of Parks and Recreation; John Knight Information Technology Manager; Michael Leech Assistant Director of Public Works.

The invocation was given by Councilmember Carbone and the Pledge of Allegiance was led by Darrin Coker City Attorney.

**RECOGNITIONS AND AWARDS**

Pearland Pets representative presented a check from the Wags to Riches Fund Raising Gala that took place on Friday, March 28, 2014 to the City of Pearland Animal Shelter accepted by Shari Coleman Animal Control Manager and Jon Branson Assistant City Manager.

**CITIZEN COMMENTS:**

Lance Foss, 1409 O'Day Road, addressed Council stating he feels it would be useful to the citizens to acknowledge and/or make a comment on the City's new website regarding information they have read on the website. He stated for the first time he drove through Sugar Land and is thankful he lives in Pearland. He further stated he would like to see entrepreneurs with a tangible product be able to utilize vacant parking lots in Pearland to set up and sell their products.

## CONSENT AGENDA:

### A. Consideration And Possible Action – Approval Of Minutes:

1. Minutes of the May 19, 2014, Joint Public Hearing, held at 6:30 p.m.
2. Minutes of the May 12, 2014, Regular Meeting, held, at 7:30 p.m.
3. Minutes of the May 19, 2014, Regular Meeting, held, at 7:30 p.m.
4. Minutes of the May 19, 2014, Special Meeting, held, at 6:00 p.m. .

### B. Consideration and Possible Action – Second and Final Reading of Ordinance No.1498 – An ordinance of the City Council of the City of Pearland, Texas, abandoning a portion of Bardet Drive, a certain sixty foot (60') road right-of-way recorded in the plat records of Brazoria County, Texas, within the corporate city limits of Pearland, Brazoria County, Texas; having a savings clause and a severability clause; and providing for an effective date. *Mr. Darrin Coker, City Attorney.*

### C. Consideration and Possible Action – Resolution No. R2014-56 – A Resolution of the City Council of the City of Pearland, Texas, awarding a bid for the purchase of pipe, fittings and fire hydrants from HD Supply Waterworks in the amount of \$66,852.96 for the East Orange Street Waterline Upgrade Project. *Mr. Eric Wilson, Director of Public Works.*

### D. Consideration and Possible Action – Resolution No. R2014-54 – A Resolution of the City Council of the City of Pearland, Texas, renewing a bid for custodial services with A & A Cleaning Services in the amount of \$69,720.00 annually. *Ms. Michelle Graham, Director of Parks and Recreation.*

Councilmember Carbone made the motion, seconded by Councilmember Sherman, to adopt Consent Agenda Items A through D as presented on the Consent Agenda.

Voting “Aye” Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting “No” None.

Motion Passed 5 to 0.

**MATTERS REMOVED FROM CONSENT AGENDA:** None.

## NEW BUSINESS:

**First Reading of Ordinance No. 2000M-114** – An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 16.871 acres of land situated in the H.T. & B.R.R. Co. Survey, Abstract 542, and identified as Lot 1, Block 1, Associated Industrial Park, Brazoria County, Texas, located (East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas), Zone Change 2013-18Z, a request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on

approximately 16.871 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject. *Ms. Lata Krishnarao, Director of Community Development.*

Councilmember Sherman made the motion, seconded by Councilmember Carbone to approve Ordinance No. 2000M-114 on its First Reading.

Mayor Pro-Tem Ordeneaux read into the record the Planning & Zoning Commission's recommendation to forward to Council for approval of Zone Change 2013-18Z.

City Manager Clay Pearson reported the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use Map and any incorporated sector plan maps. Council is being asked to consider the change in zoning from GC, General Commercial to M-1, Light Industrial on the approximately 16.87 1 acre site.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**First Reading of Ordinance No. 2000M-115** – An Ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 24.154 acres of land located within three (3) tracts originally identified as Tract 1 (now proposed as Tract C); Tract 2 (now proposed as Tract B); and Tract 3 (now proposed as Tract A) and legally described as Tract A: A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office; Tract B: A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; and Tract C: A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; situated in the W.D.C. Hall Survey, Abstract No. 23; the Thomas J. Green Survey, Abstract No. 198; and the Thomas J. Green Survey, Abstract No. 198, respectively; Brazoria County and Harris County, Texas (located at the northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX), Zone Change 2014-5Z, a request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and

other provisions related to the subject. *Ms. Lata Krishnarao, Director of Community Development.*

Councilmember Moore made the motion, seconded by Councilmember Sherman to approve Ordinance No. 2000M-115 on its First Reading.

Mayor Pro-Tem Ordeneaux read into the record the Planning & Zoning Commission's recommendation to forward to Council for approval of Zone Change 2014-5Z.

City Manager Clay Pearson reported Council is being asked to consider the change in zoning to amend the Province Village Planned Unit Development (PUD) to decrease Office Professional uses by 5.6 acres, remove 87 townhomes/condominiums and 27 garden homes, and add 95 single-family residential.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**First Reading of Ordinance No. 1499** – An Ordinance of the City Council of the City of Pearland, Texas extending traffic rules and regulations to certain private roads owned and maintained by the Lakes at Highland Glen Community Association and contained within the Lakes at Highland Glen Subdivision; providing for enforcement; providing for penalties and fines; providing for administration; providing for conflicts with other laws; providing for severability; providing for an effective date. *Mr. Darrin Coker, City Attorney.*

Councilmember Hill made the motion, seconded by Councilmember Sherman to approve Ordinance No. 1499 on its First Reading.

City Attorney Darrin Coker reported the neighborhood Property Owners Association recently petitioned the City seeking the authorization for the enforcement of traffic laws in accordance with Section 542.008. The proposed ordinance would allow for traffic enforcement to occur once all of the correct traffic signage has been installed at the expense of the POA, but no sooner than July 1, 2014.

The President of the Property Owner Association of Lakes at Highland Glen stated the growth of Lakes of Highland Glen and the disregard of stop signs leaves the Association no choice but to petition the City seeking the authorization for enforcement of traffic laws before there is a fatal accident.

Discussion ensued between Council and City Attorney Darrin Coker regarding speed limit signs at 30 miles per hour and the issuance of traffic citations.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**First Reading of Ordinance No. 1026-3** – An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 29, Article XVI, *Truck Traffic*, of the City of Pearland Code of Ordinances, as it may have been, from time to time amended, providing for enforcement and penalties, and containing other matters relating to the subject; providing a penalty for violation; having a savings clause, a repealer clause, a severability clause; providing for codification, publication and an effective date. *Mr. Darrin Coker, City Attorney.*

Councilmember Carbone made the motion, seconded by Councilmember Sherman to approve Ordinance No. 1026-3 on its First Reading.

City Attorney Darrin Coker reported Staff has been working with the Police department on proposed amendments to the City's truck route ordinance. The changes will bring the ordinance into compliance by using terminology that is currently in the Transportation Code. The most notable change is the addition of Dixie Farm Road, from north city limits to State Highway 35 as a new truck route.

Discussion ensued between Council and Police Chief J.C. Doyle regarding alternate locations, traffic, and the design of Dixie Farm Road constructed for heavy loads.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**Council Action – Resolution No. R2014-58** – A Resolution of the City Council of the City of Pearland, Texas, approving the U. S. Department of Housing and Urban Development Community Development Block Grant Program Projects for program year 2014 and fiscal year 2015. *Mr. Joel Hardy, Grants Coordinator.*

Councilmember Sherman made the motion, seconded by Councilmember Hill to approve Resolution No. R2014-58.

City Manager Clay Pearson reported Council is being asked to approve these projects presented herein to be included in the Community Development Block Grant Program for program year 2014 and fiscal year 2015.

Discussion ensued between Council, Grants Coordinator Joel Hardy and Representative with MKP Consulting Margaret Purser regarding other cities involved with housing rehabilitation and a Community Development Advisory Board.

Voting "Aye" Councilmembers Hill, and Ordeneaux.

Voting "No" Councilmembers Carbone, Sherman, and Moore.

Motion Failed 3 to 2.

Councilmember Sherman made the motion, seconded by Mayor Pro-Tem Ordeneaux to reconsider New Business Item No. 5, R2014-58.

Councilmember Sherman stated the reason he would like to reconsider this Item is because Staff has put a lot of work into this program, and he is in favor of this program. His vote was based on the fact that Pearland Neighborhood Center was not present and he hopes they will attend a meeting in the future. He further stated he did not want his vote to be the one that kills the program and that is why he asked that it be reconsidered at this time.

Voting "Aye" Councilmembers Sherman, Hill, and Ordeneaux.

Voting "No" Councilmembers Carbone, and Moore.

Motion Passed 3 to 2.

**Council Action – Resolution No. R2014-53** – A Resolution of the City Council of the City of Pearland, Texas, adopting City Council Rules and Order of Business ("Rules") as guidelines for the organization and governance of the City Council. *Mr. Darrin Coker, City Attorney.*

Councilmember Moore made the motion, seconded by Councilmember Carbone to approve Resolution No. R2014-53.

City Attorney Darrin Coker reported the purpose of the rules is to consolidate the information into one location to serve as centrally located guidelines for the manner of conducting business. It is anticipated that the rules would need to be amended periodically to address changing circumstances.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**Council Action – Resolution No. R2014-55** – A Resolution of the City Council of the City of Pearland, Texas, renewing, a unit supply bid for electric and Supervisory Control And Data Acquisition (SCADA) services to Boyer, Inc. in the estimated amount of \$515,000 annually. *Mr. Eric Wilson, Director of Public Works.*

Councilmember Hill made the motion, seconded by Councilmember Sherman to approve Resolution No. R2014-55.

City Manager Clay Pearson reported Council is being asked to award a bid for provision of electrical and Supervisory Control and Data Acquisition (SCADA) services to Boyer Inc. of Houston, Texas.

Assistant City Manager Jon Branson stated he would like to clarify that this is not a renewal. It was bid out separately. The company that is being recommended was bought out by another company. They were the low bidder on this item so this is a new award.

Discussion ensued between Council and the representative with Boyer Inc. regarding the quality of work.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**Council Action – Resolution No. R2014-57** – A Resolution of the City Council of the City of Pearland, Texas, awarding a unit price bid for the purchase of motor fuel from Houston-Pasadena Apache Oil in an estimated amount of \$1,163,000 annually.

*Mr. Eric Wilson, Director of Public Works.*

Councilmember Carbone made the motion, seconded by Councilmember Sherman to approve Resolution No. R2014-57.

City Manager Clay Pearson reported Council is being asked to award a bid for motor fuel supply to Houston-Pasadena Apache Oil with pricing margins above the Oil Price Information Service (OPIS) daily average.

Voting "Aye" Councilmembers Carbone, Sherman, Moore, Hill, and Ordeneaux.

Voting "No" None.

Motion Passed 5 to 0.

**Discussion** – Regarding Council Policy Development Debt Structure – Tax Backed Obligations. *Ms. Claire Bogard, Director of Finance.*

City Manager Clay Pearson reported the City is ready to proceed with its FY2014 debt issuances as planned for the City's 2013-2014 fiscal year. Based upon City Council direction at the June 9<sup>th</sup> Council meeting, if the City Council is ready, staff will begin processing to issue the new debt as well as refund and restructure the \$69.5 million in existing debt, watching the interest rate environment which is currently favorable. Also, Council direction will greatly assist the staff with preparing and presenting the FY2015 budget and forecast for the City's Debt Service Fund, to be filed with City Council the end of July. Current projections, in line with last year's multi-year forecast predict \$0.01 in separate tax rate increase for operations and maintenance for City services.

Director of Finance Claire Bogard expounded on the Debt Service Structures.

Bosc, Inc. Representative John Robuck gave a presentation of the Overview of Debt Service Structures and Financing Options.

Discussion ensued between Council and Bosc, Inc. Representative John Robuck, City Manager Clay Pearson, and Director of Finance Claire Bogard regarding Rate Analysis, Tax Rate, and Dept.

Director of Finance Claire Bogard asked Council for input on how Staff needs to proceed.

Mayor Pro-Tem Ordeneaux stated he would like to see the City restructure and go with the 20 year Level Principal.

Councilmember Carbone stated he is in favor of the City going with the 20 year Level Principal, but not restructure.

Councilmember Moore stated he is also in favor of the City going with the 20 year Level Principal, but not restructure.

Councilmember Hill stated from a common sense standpoint if your debt service is lower you will have more money. He would like to see the City go with the 20 year Level Principal and restructure.

Councilmember Sherman stated he would like to see the City go with the 20 year Level Principal and restructure.

**OTHER BUSINESS:**

**EXECUTIVE SESSION UNDER TEXAS GOVERNMENT CODE**

Council adjourned into Executive Session under Texas Government Code at 8:23 p.m. to discuss the following:

1. **SECTION 551.074 - PERSONNEL MATTERS** – Discussion with City Manager regarding personnel matters. *City Council.*

**NEW BUSINESS CONTINUED:**

Council returned from Executive Session at 9:07 p.m.

**COUNCIL ACTION** – Regarding personnel matters. *City Council.*

No Council action taken.

**ADJOURNMENT**

Meeting was adjourned at 9:07 p.m.

Minutes approved as submitted and/or corrected this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2014.

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Tom Reid  
Mayor

ATTEST:

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Young Lorfing, TRMC  
City Secretary

# Consent Agenda Item B

- B. Consideration and Possible Action – Second and Final Reading of Ordinance No. 2000M-114** – An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 16.871 acres of land situated in the H.T. & B.R.R. Co. Survey, Abstract 542, and identified as Lot 1, Block 1, Associated Industrial Park, Brazoria County, Texas, located (East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas), Zone Change 2013-18Z, a request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject. *Ms. Lata Krishnarao, Director of Community Development.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> June 23, 2014	<b>DATE</b>	<b>ITEM NO.</b> Ordinance No. 2000M-114	
<b>SUBMITTED:</b> May 27, 2014		<b>DEPT. OF ORIGIN:</b> Planning	
<b>PREPARED BY:</b> Johnna Matthews		<b>PRESENTOR:</b> Lata Krishnarao	
<b>REVIEWED BY:</b> Mike Hodge		<b>REVIEW DATE:</b> May 30, 2014	
<p><b>SUBJECT:</b> A request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, on the following described property, to wit:</p> <p><b>General Location:</b> East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas</p>			
<p><b>ATTACHMENTS:</b> Ordinance No. 2000M-114 and Exhibits (Exhibit A – Application; Exhibit B - Vicinity and Zoning Map; Exhibit C - Legal Ad; Exhibit D - Planning and Zoning Commission Recommendation); Joint Public Hearing Staff Report, Future Land Use Map, Notification Map, Notification List, Aerial Map</p>			
<p><b>EXPENDITURE REQUIRED:</b> N/A</p> <p><b>AMOUNT AVAILABLE:</b> N/A</p> <p><b>ACCOUNT NO.:</b> N/A</p>		<p><b>AMOUNT BUDGETED:</b> N/A</p> <p><b>PROJECT NO.:</b> N/A</p>	
<p><b>ADDITIONAL APPROPRIATION REQUIRED:</b> N/A</p> <p><b>ACCOUNT NO.:</b> N/A</p> <p><b>PROJECT NO.:</b> N/A</p>			
<b>To be completed by Department:</b>			
Finance	Legal	Ordinance	Resolution

**EXECUTIVE SUMMARY**

The subject property includes a total of 16.871 acres of land, of which the applicant is requesting approval of a change in zoning from the General Commercial (GC) zoning district to the Light Industrial (M-1) zoning district. The purpose of the zone change request is to continue to use the property and existing building for industrial type uses.

The existing zoning district does not permit the existing use by right, which is considered “Warehouse and Distribution Facility.” The change in zoning will result in bringing a non-conforming use into conformance with the current UDC.

**PUBLIC NOTIFICATION:** Public notices, comment forms, and a vicinity map were mailed to the applicant as well as property owners within 200 feet of the subject property under consideration for the change in zoning. Staff has not received any returned notices.

**STAFF RECOMMENDATION:** Staff recommends approval of the request to rezone the 16.871 acre site from General Commercial (GC) to Light Industrial (M-1), for the following reasons:

1. Pursuant to Section 2.2.1.4 (Criteria for Approval):

- A. The proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use Map and any incorporated sector plan maps.

One of the main objectives of the 1999 Comprehensive Plan (“The Plan”) was to meet Pearland 2020 objectives, but to also respect existing land use patterns. The Plan identified ten (10) initiatives and one was to “designate sizeable areas for industrial and light industrial economic development. One of the areas identified was the “North Central District,” which encompasses the Main Street corridor north of the Old Townsite and the McHard Road corridor. The subject property is located within the “North Central District.” This area was chosen for this type of development at the time of the adoption of the Comprehensive Plan because of the industrial development that already existed.

As a result, the future land use designation of the property is “Industrial.” According to the Comprehensive Plan, major features of the “Industrial” future land use designation include uses such as warehousing, distribution, assembly, fabrication and light manufacturing; industrial parks; and high tech industries. The Plan suggests that supporting uses such as retail, office and service uses should be congregated at street intersections. It recommends zoning districts such as Light Industrial (M-1) and Heavy Industrial (M-2).

- B. The uses permitted by the proposed change in zoning district classification and the standards applicable to such uses will be appropriate in the immediate area of the land to be reclassified.

The proposed Light Industrial (M-1) zoning district is intended to permit a wide variety of light industrial, manufacturing, wholesale and service type uses. The intent of the proposed M-1 zoning district is consistent with the existing use and structures on site, development and the vision, according to the Comprehensive Plan of the “North Central District” (see above), which

encompasses the Main Street corridor north of the Old Townsite and the McHard corridor. The “North Central District” is approximately 1,240 acres, or 1.9 square miles.

- C. The proposed change is in not in relation to any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers and other public services and utilities to the area.

The proposed change is not in relation to any existing or proposed plans for providing public schools, streets water supply, sanitary sewers or other public services or utilities in the area. The existing building is currently connected to public water and sewer. Any new development proposed will have access to public infrastructure; however, the extension of infrastructure will likely be required.

2. The requested change in zoning from GC to M-1 will result in bringing a nonconforming use into conformance with the UDC. The UDC defines a nonconforming use as any use that does not conform to the regulations of the UDC. The previous zoning district, Commercial (C) and the current zoning district General Commercial (GC) require approval of a Specific Use Permit (SUP), as it was called under the previous Code or a Conditional Use Permit (CUP), for the existing use. There is no record of an SUP or CUP having been approved by the City Council. The proposed zoning district of M-1 permits the existing use by-right.

**PLANNING AND ZONING COMMISSION DISCUSSION:** At the regular meeting of the Planning and Zoning Commission on May 19, 2014, Planning and Zoning Commission Commissioner Daniel Tunstall made a motion to approve the change in zoning from GC to M-1. The motion was seconded by Commissioner Derrick Reed. The motion passed with a 6/0 vote.

**STAFF RECOMMENDATION TO COUNCIL:** Consider the change in zoning from GC to M-1 on the approximately 16.871-acre site.

## **Ordinance No. 2000M-114**

An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 16.871 acres of land situated in the H.T. & B.R.R. Co. Survey, Abstract 542, and identified as Lot 1, Block 1, Associated Industrial Park, Brazoria County, Texas, located (East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas), Zone Change 2013-18Z, a request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

**WHEREAS**, Gerald Koza, owner/applicant is seeking approval of a change in zoning from GC to M-1 on approximately 16.871 acres; said property being legally described in the legal description attached hereto and made a part hereof for all purposes as Exhibit "A", and more graphically depicted in the vicinity and zoning map attached hereto and made a part hereof for all purposes as Exhibit "B"; and

**WHEREAS**, on the 19th day of May, 2014, a Joint Public Hearing was held before the Planning and Zoning Commission and the City Council of the City of Pearland, Texas, notice being given by publication in the official newspaper of the City, the affidavit of publication being attached hereto and made a part hereof for all purposes as Exhibit "C", said call and notice being in strict conformity with provisions of Section 1.2.2.2 of Ordinance No. 2000T; and

**WHEREAS**, on the 19<sup>th</sup> day of May, 2014, the Planning and Zoning Commission of the City submitted its report and recommendation to the City Council regarding the proposed zone change application of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, said recommendation attached hereto and made a

part hereof for all purposes as Exhibit "D"; and

**WHEREAS**, upon receipt of the report from the Planning and Zoning Commission, City Council considered this application and the recommendation of the Planning and Zoning Commission at regular meetings on the 9<sup>th</sup> day of June 2014 and the 23<sup>rd</sup> day of June 2014; and

**WHEREAS**, the City Council having fully heard the testimony and argument of all interested parties, and having been fully advised in the premises, finds that in the case of the application of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, presented which, in the judgment of the City Council, would justify the approval of said application; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section I.** The following described property located within the corporate City Limits of the City of Pearland, Texas, and presently classified as General Commercial (GC) to Light Industrial (M-1), in accordance with all conditions and requirements of the current Unified Development Code and incorporated for all purposes, such property being more particularly described as:

**LEGAL DESCRIPTION:** Lot 1, Block 1, Associated Industrial Park, located in the H.T. & B.R.R. Co. Survey, Abstract 542, Brazoria County, Texas

**GENERAL LOCATION:** East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas

**Section II.** The City Council of the City of Pearland finds and determines that the recitations in the preamble hereof are true and that all necessary prerequisites of law have been accomplished and that no valid protest of the proposed change has been made. The City Council further finds and determines

that there has been compliance with the mandates of law in the posting and presentation of this matter to the Planning and Zoning Commission and to the City Council for consideration and decision.

**Section III.** The City Council of the City of Pearland finds and determines that the amendment adopted herein promotes the health, safety, and general welfare of the public and is a proper valid exercise of the City's police powers.

**Section IV.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**Section V.** All rights and remedies, which have accrued in the favor of the City under this Ordinance and its amendments thereto, shall be and are preserved for the benefit of the City.

**Section VI.** The City Secretary is hereby directed to cause to be prepared an amendment to the official Zoning District Map of the City, pursuant to the provisions of Section 2.3.2.2 of Ordinance No. 2000-M and consistent with the approval herein granted for the reclassification of the herein above described property.

**Section VII.** This Ordinance shall become effective after its passage and approval on second and final reading.

PASSED, APPROVED, and ADOPTED on First Reading this 9<sup>th</sup> day of June, 2014.

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TOM REID  
MAYOR

ATTEST:

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YOUNG LORFING, TRMC  
CITY SECRETARY

PASSED, APPROVED, and ADOPTED on Second and Final Reading this 23rd  
day of June, 2014.

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TOM REID  
MAYOR

ATTEST:

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YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

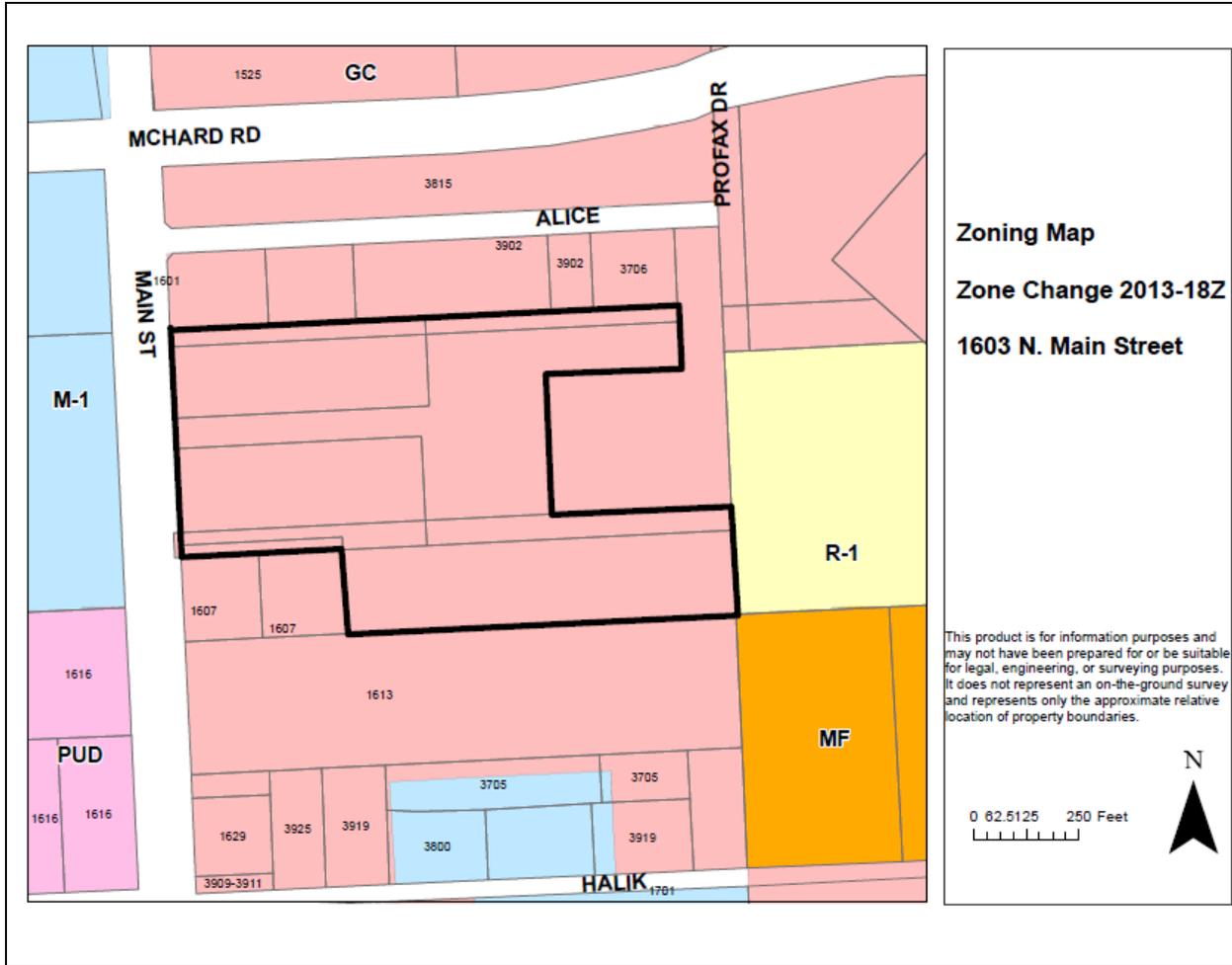
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DARRIN M. COKER  
CITY ATTORNEY

**Exhibit A**  
**Legal Description**

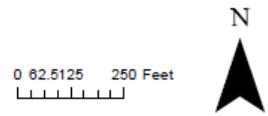
Lot 1, Block 1, Associated Industrial Park, located in the H.T. & B.R.R. Co. Survey,  
Abstract 542, Brazoria County, Pearland Texas.

**Exhibit B  
Vicinity and Zoning Map**



**Zoning Map  
Zone Change 2013-18Z  
1603 N. Main Street**

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



**Exhibit C  
Legal Ad**

**NOTICE OF A JOINT PUBLIC HEARING OF THE CITY COUNCIL  
AND  
THE PLANNING AND ZONING COMMISSION  
OF THE CITY OF PEARLAND, TEXAS**

**ZONE CHANGE APPLICATION NO. 2013-18Z**

Notice is hereby given that on May 19, 2014 at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, more specifically described as:

Lot 1, Block 1, Associated Industrial Park, located in the H.T. & B.R.R. Co. Survey, Abstract 542, Brazoria County, Texas.

General Location: 1603 N. Main Street  
Pearland, TX

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1765.

Johnna Matthews  
City Planner

**Exhibit D**  
**Planning and Zoning Commission Recommendation Letter**



# Planning & Zoning Commission

May 20, 2014

Honorable Mayor and City Council Members  
3519 Liberty Drive  
Pearland, TX 77581

Re: Recommendation on Zone Change No. 2013-18Z

Honorable Mayor and City Council Members:

At their meeting on May 19, 2014, the Planning and Zoning Commission considered the following:

A request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, on the following described property, to wit:

**Legal Description:** Lot 1, Block 1, Associated Industrial Park, located in the H.T. & B.R.R. Co. Survey, Abstract 542, Brazoria County, Texas.

**General Location:** East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas

After staff presentation Commissioner Daniel Tunstall made a motion to approve the change in zoning from GC to M-1. The motion was seconded by Commissioner Derrick Reed. The motion passed with a 6/0 vote.

Sincerely,

Johnna Matthews

City Planner  
On behalf of the Planning and Zoning Commission



## Joint Public Hearing Staff Report

### **SUMMARY OF ANALYSIS:**

The applicant is requesting approval of a change in zoning from General Commercial (GC) to Light Industrial (M-1) on approximately 16.871 acres of land located on the east side of Main Street and south of Mchard Road, and commonly known as 1603 N. Main Street, Pearland, Texas. The purpose of the zone change request is to ensure consistency with the existing industrial/warehouse structure and zoning as well as with the future land use designation of the site, as indicated by the Comprehensive Plan, which is "Industrial." According to the applicant, the intent is to continue to use the property and existing building for industrial type uses. The subject property is developed with an office building, which faces Main Street with an attached warehouse structure with bays which was added on to the rear of the structure. The existing building is currently occupied by Profax; a manufacturer of welding products. The existing use is considered "Warehouse and Distribution Facility," which is defined as an enclosed structure for the storage of goods and distribution or transfer to another location. The change in zoning will result in bringing a non-conforming use into conformance with the current UDC.

**SITE HISTORY:** The property was annexed into the City of Pearland in 1960. Prior to the adoption of the Unified Development Code (UDC) in 2006, the property was located within the Commercial (C) zoning district. When the UDC was adopted the site was rezoned to its current zoning designation of GC. The subject property is developed with an office building, which faces Main Street with an attached warehouse structure with bays which was added on to the rear of the structure. Brazoria County nor do City records indicate when the structure was originally built, however, the applicant has indicated that the building was constructed in 1982 and has been occupied by Profax; a manufacturer of welding products, since its construction. According to city records, the attached warehouse additions were made to the building in 2001, 2006 and 2010. Additionally, in 2011 a new detention area was added and a driveway was constructed. The existing use is considered non-conforming, as neither the previous zoning district nor the existing zoning district permits the existing use by right, which is considered "Warehouse and Distribution Facility."

The site is surrounding by nonresidential uses to the north and south and are developed in accordance with the below table. Uses east and west of the site are mostly undeveloped with the exception of the water tower to the east. Property to the east is also zoned for single family uses; however, remain undeveloped at this time.

The below table identifies surrounding uses and zoning districts:

**SURROUNDING ZONING AND LAND USES:**

	<b>Zoning</b>	<b>Land Use</b>
<b>North</b>	General Commercial (GC)	Pearland Animal Hospital and Warehouse Structures
<b>South</b>	General Commercial (GC)	Lifestyle of Christ Church and Pearland Gold and Diamond
<b>East</b>	General Commercial (GC) & Single-Family Residential 1 (R-1)	Pearland Water Tower and Undeveloped Land
<b>West</b>	Light Industrial (M-1)	Undeveloped Land

**CONFORMANCE WITH THE UNIFIED DEVELOPMENT CODE (UDC):** The subject property is located within the General Commercial (GC) zoning district. The purpose of the aforementioned zoning district is to permit a wide variety of businesses characterized by those uses that may require an extensive amount of land for the conduct of business and/or activity that may require outside storage areas. The existing use on site is categorized as “Warehouse and Distribution Facility” by the land use matrix of the

UDC. The UDC defines the aforementioned use as an enclosed structure for the storage of goods for distribution or transfer to another location. The existing use is permitted in the existing zoning district, with approval of a Conditional Use Permit (CUP). There is no record of a CUP having been approved by the City Council for the existing use. The existing use is permitted by right within the proposed zoning district of Light Industrial (M-1), which purpose is to permit a wide variety of light industrial, manufacturing, wholesale and service type uses. The change in zoning will result in bringing a non-conforming use in compliance with the UDC.

The site is also located within the Corridor Overlay District (COD). A site plan is not required for a change in zoning, and therefore staff is unable to determine if the site is in compliance with the COD regulations, however, as the building was constructed in 1982, according to the applicant, it is not likely that the site complies with these regulations. Pursuant to Chapter 4 of the UDC, if in the future, the applicant proposes to expand, any expansion will trigger compliance with parking and screening/fencing requirements. . An expansion that exceeds 500 square feet will trigger not only trigger compliance with parking and screening/fencing requirements, but also with façade, sidewalks and landscaping requirements.

**PLATTING STATUS:** The property is platted, and received final plat approval in March, 2014.

**CONFORMANCE WITH THE COMPREHENSIVE PLAN:** The site is in compliance with the Comprehensive Plan. The Comprehensive Plan designated the “North Central District” as the Main Street corridor, north of Old Townsite and the McHard Road Corridor, for industrial and light industrial economic development. The Corridor is inclusive of the subject property and includes approximately 1.9 square miles. The future land use designation of the property is “Industrial.” According to the Comprehensive Plan, major features of the “Industrial” future land use designation include uses such as warehousing, distribution, assembly, fabrication and light manufacturing; industrial parks; and high tech industries. The Plan suggests that supporting uses such as retail, office and service uses should be congregated at street intersections. It recommends zoning districts such as Light Industrial (M-1) and Heavy Industrial (M-2). The site is currently developed with what appears to have been a stand-alone office at one time, which includes an attached warehouse structure with bays that was added on to the property in 2001, 2006, and 2010, according to City of Pearland records. The existing building is used for industrial purposes and is occupied by a manufacturer of welding products; Profax. Profax has occupied the building since it was constructed in 1982, and according to their website, originated in 1969 in Pearland and manufacture and ship their products from this location in Pearland

**AVAILABILITY OF UTILITIES:** The existing building is currently connected to public water and sewer. Any new development proposed will have access to public infrastructure; however, the extension of infrastructure will likely be required. There is a 16-inch public waterline on the west side of Main Street to the northwest corner of the subject property and a 12 inch public waterline on Alice Street, which was extended from the Highway35 project and connected to the existing 10 inch AC waterline. Additionally, there is an existing 8 inch gravity sanitary sewer line, which runs along the northern portion of the subject property.

**IMPACT ON EXISTING AND FUTURE DEVELOPMENT:** The proposed change in zoning will not significantly impact surrounding properties or developments, as the property is currently developed with an industrial use. The proposed zone change will bring the use into compliance with the UDC as well as the future land use designation of the property. All surrounding properties are zoned for non-residential uses and zoning districts, with the exception of the property to the east, which is undeveloped and zoned Single Family Residential- 1 (R-1) for single family residential uses. The area that directly abuts the R-1 zoning district to the east includes approximately 250 feet. The restrictions in place in the proposed zoning district as well as the Corridor Overlay District will ensure that as these properties develop, residential adjacency screening requirements, which include a 25-foot wide landscape buffer along the property line adjacent to such use or district. The landscape buffer shall remain open and unobstructed (i.e., no parking, driveways) and shall be planted with ground cover such as grass or ivy.

**ADDITONAL COMMENTS:** This request has been reviewed by the City's Development Review Committee and there were no additional comments from other departments at the time of this report.

**PUBLIC NOTIFICATION:** Staff sent ten (10) public notices, comment forms and a vicinity map to the applicant, the owner of the property and to property owners within 200 feet of the subject property under consideration for the zone change on May 9, 2014. Additionally, a legal notice of the public hearing was published in the local newspaper on Thursday, May 1, 2004 and a notification sign was placed on the property by the applicant. Staff has not received any returned notices from property owners within 200 feet of the site.

**OPPOSITION TO OR SUPPORT OF PROPOSED REQUEST:** Staff has not received any comments either in opposition to or in support of the proposed change in zoning request.

**RECOMMENDATION:** Staff recommends approval of the request to rezone the 16.871-acre site from General Commercial (GC) to Light Industrial (M-1), for the following reasons:

1. Pursuant to Section 2.2.1.4 (Criteria for Approval), in making a determination regarding a requested zoning change, the Planning and Zoning Commission and the City Council may consider the following factors. Below is the criteria for approval and how the proposal meets the criteria:
  - Whether the proposed zoning map amendment implements the policies of the adopted Comprehensive Plan, including the land use classification of the property on the Future Land Use Map and any incorporated sector plan maps.

One of the main objectives of the 1999 Comprehensive Plan ("The Plan") was to meet Pearland 2020 objectives, but to also respect existing land use patterns. The Plan identified ten (10) initiatives and one was to "designate sizeable areas for industrial and light industrial economic development. One of the areas identified was the "North Central District," which encompasses the Main Street corridor north of the Old Townsite and the McHard Road corridor. The subject property is located within

the “North Central District.” This area was chosen for this type of development at the time of the adoption of the Comprehensive Plan because of the industrial development that already existed.

As a result, the future land use designation of the property is “Industrial.” According to the Comprehensive Plan, major features of the “Industrial” future land use designation include uses such as warehousing, distribution, assembly, fabrication and light manufacturing; industrial parks; and high tech industries. The Plan suggests that supporting uses such as retail, office and service uses should be congregated at street intersections. It recommends zoning districts such as Light Industrial (M-1) and Heavy Industrial (M-2). The site is currently developed with what appears to have been a stand-alone office at one time, which includes an attached warehouse structure with bays that was added on to the property in 2001, 2006, and 2010, according to City of Pearland records. The existing building is used for industrial purposes and is occupied by a manufacturer of welding products; Profax. Profax has occupied the building since it was constructed in 1982, and according to their website originated in 1969 in Pearland and manufacture and ship their products from this location in Pearland.

- Whether the uses permitted by the proposed change in zoning district classification and the standards applicable to such uses will be appropriate in the immediate area of the land to be reclassified.

The proposed Light Industrial (M-1) zoning district is intended to permit a wide variety of light industrial, manufacturing, wholesale and service type uses. The intent of the proposed M-1 zoning district is consistent with existing uses, development and the vision, according to the Comprehensive Plan of the “North Central District” (see above), which encompasses the Main Street corridor north of the Old Townsite and the McHard corridor. The “North Central District” is approximately 1,240 acres, or 1.9 square miles.

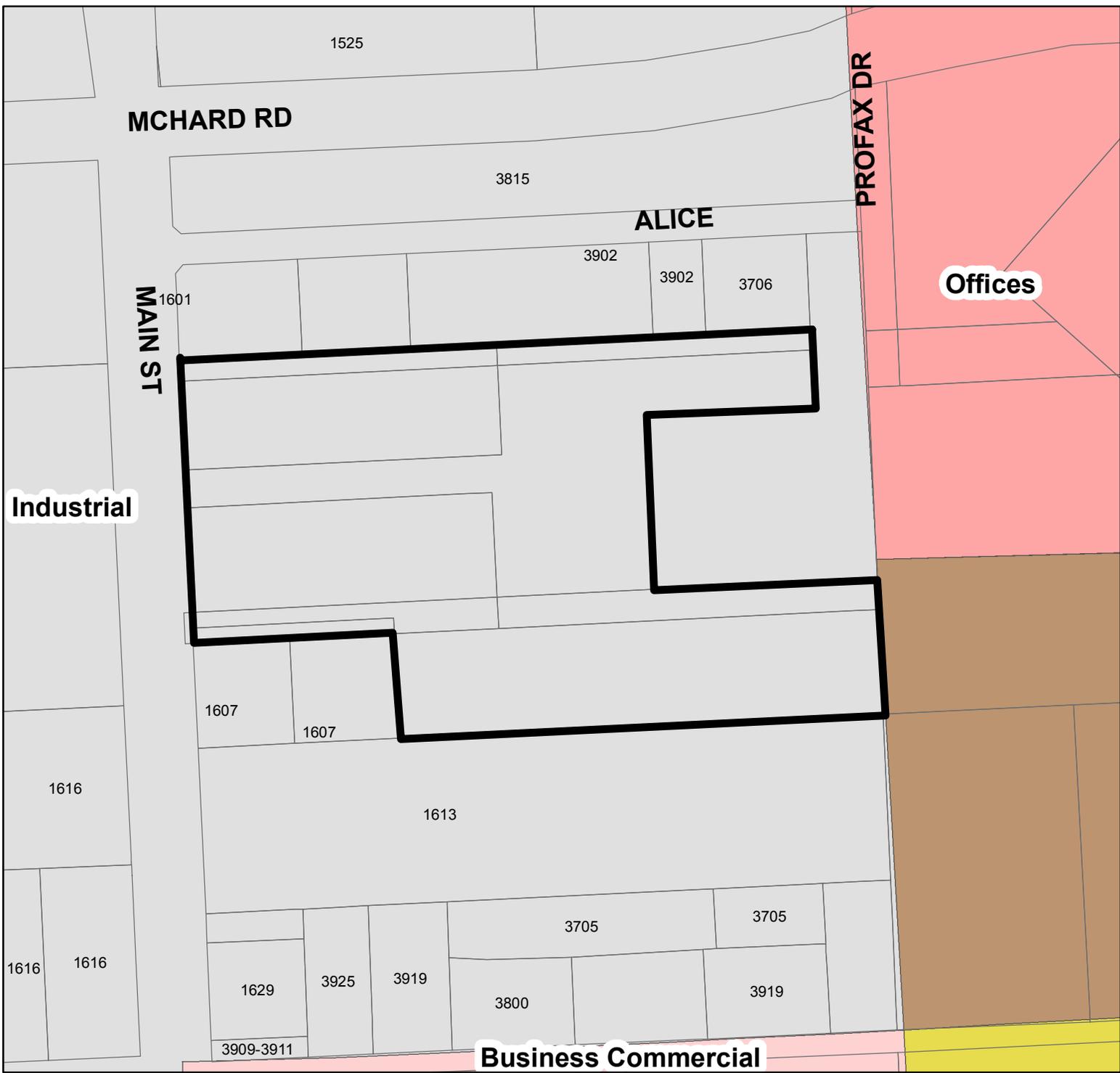
The subject property is occupied by an industrial use; Profax and Profax has occupied the building since it was constructed in 1982. Profax originated in Pearland, Texas in 1969 and is a manufacturer of welding products. The use is considered “Warehouse and Distribution Facility” by the Unified Development Code, and is a permitted use within the proposed zoning district of M-1. The use is defined as “an enclosed structure for the storage of goods for distribution or transfer to another location.”

- Whether the proposed change is in accord with any existing or proposed plans for providing public schools, streets, water supply, sanitary sewers and other public services and utilities to the area.

The proposed change is not in relation to any existing or proposed plans for providing public schools, streets water supply, sanitary sewers or other public services or utilities in the area. The existing building is currently connected to public water and sewer. Any new development proposed will have access to public infrastructure; however, the extension of infrastructure will likely be required. There is a 16-inch public waterline on the west side of Main Street to the northwest corner

of the subject property and a 12 inch public waterline on Alice Street, which was extended as a result of the Highway35 project and connected to the existing 10 inch AC waterline. Additionally, there is an existing 8 inch gravity sanitary sewer line, which runs along the northern portion of the subject property.

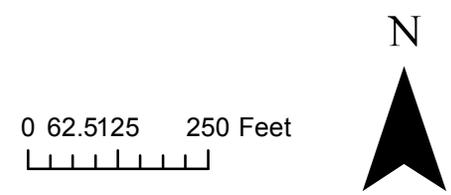
2. The requested change in zoning from GC to M-1 will result in bringing a nonconforming use into conformance with the Unified Development Code (UDC). The UDC defines a nonconforming use as any use that does not conform to the regulations of the UDC. The previous zoning district, Commercial (C) and the current zoning district General Commercial (GC) require approval of a Specific Use Permit (SUP), as it was called under the previous Code or a Conditional Use Permit (CUP), for the existing use. There is no record of an SUP or CUP having been approved by the City Council. The proposed zoning district of M-1 permits the existing use by-right.



# Future Land Use Map

**FLUP Map**  
**Zone Change 2013-18Z**  
**1603 N. Main Street**

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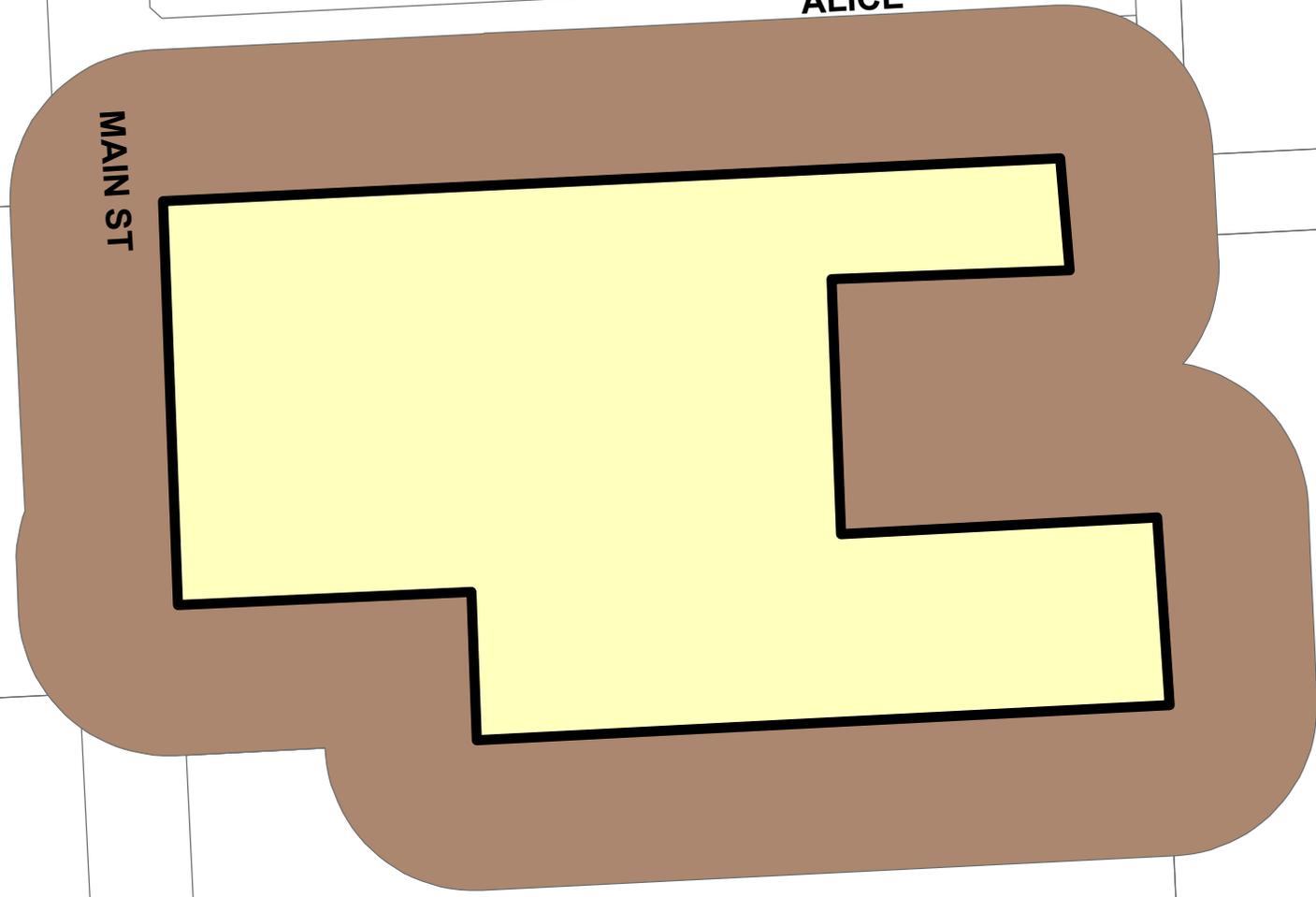
**Business Commercial**

MCHARD RD

PROFAX DR

ALICE

MAIN ST



HALIK

# Notification Map

## Notification Map

Zone Change  
18Z

1603 N. Main Street

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0 55 110 220 Feet



## Notification List

### Zone Change 2013-18Z

NAME	ADD_LINE2	CITY	STATE	ZIP
ALVAREZ INTEREST LTD & KOZA INTERESTS LTD	1603 N MAIN ST	PEARLAND	TX	77581
DAL TRAILER COURTS, INC	5720 LBJ FREEWAY	DALLAS	TX	75240
MKH PROPERTIES CO LTD	4505 S WASATCH BLVD	SALT LAKE CTY	UT	84124
GEEFO TEXAS LLC				
KOZA INTERESTS LTD & ALVAREZ INTERESTS LTD & RICHARD ASHLEY	1603 N MAIN ST	PEARLAND	TX	77581
ASSOCIATED PROPERTIES INC	1603 N MAIN ST	PEARLAND	TX	77581
MONTALBANO LUMBER CO INC	1309 HOUSTON AVE	HOUSTON	TX	77007
ALEXANDER T & B FAMILY LTD PRTNSHP	2411 PARK AVE	PEARLAND	TX	77581
RAJU PALIVELA P TRUSTEE	12121 RICHMOND AVE	HOUSTON	TX	77082
VETERINARY PROPERTIES OF TEXAS	5205 MAGNOLIA ST	PEARLAND	TX	77584



# Aerial Map

Aerial Map

Zone Change 2013-18Z

1603 N. Main Street

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

0 62.5125 250 Feet  
|-----|-----|-----|-----|-----|





# Planning & Zoning Commission

May 20, 2014

Honorable Mayor and City Council Members  
3519 Liberty Drive  
Pearland, TX 77581

Re: Recommendation on Zone Change No. 2013-18Z

Honorable Mayor and City Council Members:

At their meeting on May 19, 2014, the Planning and Zoning Commission considered the following:

A request of Gerald Koza, owner/applicant, for approval of a change in zoning from GC, General Commercial to M-1, Light Industrial on approximately 16.871 acres of land, on the following described property, to wit:

**Legal Description:** Lot 1, Block 1, Associated Industrial Park, located in the H.T. & B.R.R. Co. Survey, Abstract 542, Brazoria County, Texas.

**General Location:** East side of Main Street and south of Mchard Road; 1603 N. Main Street, Pearland, Texas

After staff presentation Commissioner Daniel Tunstall made a motion to approve the change in zoning from GC to M-1. The motion was seconded by Commissioner Derrick Reed. The motion passed with a 6/0 vote.

Sincerely,

Johnna Matthews

City Planner

On behalf of the Planning and Zoning Commission

# Consent Agenda Item C

- C. Consideration and Possible Action – Second and Final Reading of Ordinance No. 2000M-115** – An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 24.154 acres of land located within three (3) tracts originally identified as Tract 1 (now proposed as Tract C); Tract 2 (now proposed as Tract B); and Tract 3 (now proposed as Tract A) and legally described as Tract A: A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office; Tract B: A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; and Tract C: A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; situated in the W.D.C. Hall Survey, Abstract No. 23; the Thomas J. Green Survey, Abstract No. 198; and the Thomas J. Green Survey, Abstract No. 198, respectively; Brazoria County and Harris County, Texas (located at the northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX), Zone Change 2014-5Z, a request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development

(PUD) to allow for single family homes, on approximately 24.154 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject. *Ms. Lata Krishnarao, Director of Community Development.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<p><b>AGENDA OF:</b> June 23, 2014</p> <p><b>DATE SUBMITTED:</b> June 4, 2014</p> <p><b>PREPARED BY:</b> Johnna Matthews</p> <p><b>REVIEWED BY:</b> Lata Krishnarao</p>	<p><b>ITEM NO.:</b> Ordinance No. 2000M-115</p> <p><b>DEPT. OF ORIGIN:</b> Planning</p> <p><b>PRESENTOR:</b> Lata Krishnarao</p> <p><b>REVIEW DATE:</b> June 4, 2014</p>				
<p><b>SUBJECT:</b> A request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land</p> <p><b>General Location:</b> Northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX</p>					
<p><b>ATTACHMENTS:</b> Ordinance No. 2000M-115 and Exhibits (Exhibit A – Province Village PD Amendment # 2; Exhibit B – Legal Description; Exhibit C - Vicinity and Zoning Map; Exhibit D- Legal Ad; Exhibit E - Planning and Zoning Commission Recommendation Letter); Joint Public Hearing Staff Report, Vicinity and Zoning Map, Future Land Use Map, Aerial Map, Planning and Zoning Commission Recommendation Letter, 2009 Province Village PD Amendment # 1, Applicant Packet, Including Proposed Amendment # 2</p>					
<p><b>EXPENDITURE REQUIRED:</b> N/A                      <b>AMOUNT BUDGETED:</b> N/A</p> <p><b>AMOUNT AVAILABLE:</b> N/A                      <b>PROJECT NO.:</b> N/A</p> <p><b>ACCOUNT NO.:</b> N/A</p> <p><b>ADDITIONAL APPROPRIATION REQUIRED:</b> N/A</p> <p><b>ACCOUNT NO.:</b> N/A</p> <p><b>PROJECT NO.:</b> N/A</p>					
<p><b>To be completed by Department:</b></p> <table style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">Finance</td> <td style="width: 25%;">Legal</td> <td style="width: 25%;">Ordinance</td> <td style="width: 25%;">Resolution</td> </tr> </table>		Finance	Legal	Ordinance	Resolution
Finance	Legal	Ordinance	Resolution		

## **EXECUTIVE SUMMARY**

In summary, the amendment proposed is to decrease Office Professional uses by 5.6 acres, remove 87 townhomes/condominium and 27 garden homes , and add 95 single-family residential. The applicant is seeking approval of an amendment to three (3) tracts originally identified as Tracts 1, 2 and 3 located within the Province Village Planned Unit Development (PUD) to allow for single family homes, to change the identification of Tract 1 to Tract C; Tract 2 to Tract B and Tract 3 to Tract A, and to provide additional improvements This will be the second amendment to the PD, as an amendment was approved in 2009.

**PUBLIC NOTIFICATION:** Public notices, comment forms, and a vicinity map were mailed to the applicant as well as property owners within 200 feet of the subject property under consideration for the change in zoning. Staff has not received any returned notices.

**PLANNING AND ZONING COMMISSION DISCUSSION:** At the regular meeting of the Planning and Zoning Commission on May 19, 2014, Planning and Zoning Commissioner Derrick Reed made a motion to postpone, and Commissioner Daniel Tunstall seconded to allow the applicant time to work with Centerpoint Energy regarding the relocation of above ground utility lines and to work with staff in providing enhanced open space and codifying amenities. The motion passed 5/1, with Chairman Henry Fuertes voting in opposition.

At the regular meeting of the Planning and Zoning Commission on June 2, 2014, after a brief staff presentation regarding the outcome of the May 19, 2014 meeting, the applicant reiterated that they were not proposing any additional changes to the PD. Commissioner Daniel Tunstall made a motion to approve the proposed PD amendment and the motion was seconded by Commissioner Mary Starr. The motion passed 7/0.

**STAFF RECOMMENDATION TO COUNCIL:** Consider the change in zoning to amend the Province Village PD to decrease Office Professional uses by 5.6 acres, remove 87 townhomes/condominium and 27 garden homes , and add 95 single-family residential.

## Ordinance No. 2000M-115

An ordinance of the City Council of the City of Pearland, Texas, amending Ordinance No. 2000M, the zoning map of the City of Pearland, Texas, for the purpose of changing the classification of certain real property, being 24.154 acres of land located within three (3) tracts originally identified as Tract 1 (now proposed as Tract C); Tract 2 (now proposed as Tract B); and Tract 3 (now proposed as Tract A) and legally described as Tract A: A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176- acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office; Tract B: A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; and Tract C: A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office; situated in the W.D.C. Hall Survey, Abstract No. 23; the Thomas J. Green Survey, Abstract No. 198; and the Thomas J. Green Survey, Abstract No. 198, respectively; Brazoria County and Harris County, Texas (located at the northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX), Zone Change 2014-5Z, a request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land, providing for an amendment of the zoning district map; containing a savings clause, a severability clause, and an effective date and other provisions related to the subject.

**WHEREAS**, Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; is seeking approval of an amendment to three (3) tracts originally identified as Tracts 1, 2 and 3 located within the Province Village Planned Unit Development (PUD) to allow for single family homes, to change the identification of Tract 1 to Tract C; Tract 2 to Tract B and Tract 3 to Tract A, and to provide additional improvements, amendment attached hereto and made a part hereof for all purposes as Exhibit "A", on approximately 24.154 acres of land; said property being legally described in the legal description attached hereto and made a part hereof for all purposes as Exhibit "B", and more graphically depicted in the vicinity and zoning map attached hereto and made a part hereof for all

purposes as Exhibit “C”; and

**WHEREAS**, on the 19<sup>th</sup> day of May, 2014, a Joint Public Hearing was held before the Planning and Zoning Commission and the City Council of the City of Pearland, Texas, notice being given by publication in the official newspaper of the City, the affidavit of publication being attached hereto and made a part hereof for all purposes as Exhibit "D", said call and notice being in strict conformity with provisions of Section 1.2.2.2 of Ordinance No. 2000T; and

**WHEREAS**, on the 19<sup>th</sup> day of May, 2014, the Planning and Zoning Commission of the City postponed the item regarding the proposed change in zoning to amend the Province Village PD to allow for single family developments, to change the tract identifications and provide for additional improvements on approximately 24.154; and

**WHEREAS**, on the 2<sup>nd</sup> day of June, 2014, the Planning and Zoning Commission submitted its report and recommendation to the City Council regarding the proposed zone change application of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of a change in zoning to amend the three tracts, identified as Tracts, 1, 2, and 3 to allow for single family developments, change the identification of Tract 1 to Tract C; Tract 2 to Tract B and Tract 3 to Tract A, and provide for additional improvements on approximately 24.154 acres of land, said recommendation attached hereto and made a part hereof for all purposes as Exhibit “E”; and

**WHEREAS**, upon receipt of the report from the Planning and Zoning Commission, City Council considered this application and the recommendation of the Planning and Zoning Commission at regular meetings on the 9<sup>th</sup> day of June 2014 and the 23<sup>rd</sup> day of June 2014; and

**WHEREAS**, the City Council having fully heard the testimony and argument of all interested parties, and having been fully advised in the premises, finds that in the case of the application of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to the Province Village PD including three (3) tracts originally identified as Tracts 1, 2 and 3, to allow for single family developments, to change the identification of Tract 1 to Tract C; Tract 2 to Tract B; and Tract 3 to Tract A, and to provide for additional improvements on approximately 24.154 acres of land, presented which, in the judgment of the City Council, would justify the approval of said application; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section I.** The following described property located within the corporate City Limits of the City of Pearland, Texas, and presently classified as PD to an amended PD, in accordance with all conditions and requirements of the current Unified Development Code and incorporated for all purposes, such property being more particularly described as:

**LEGAL DESCRIPTION:**

**Tract A:** A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office

**Tract B:** A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**Tract C:** A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the

Brazoria County Clerk's Office

**GENERAL LOCATION:** Northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX

**Section II.** The City Council of the City of Pearland finds and determines that the recitations in the preamble hereof are true and that all necessary prerequisites of law have been accomplished and that no valid protest of the proposed change has been made. The City Council further finds and determines that there has been compliance with the mandates of law in the posting and presentation of this matter to the Planning and Zoning Commission and to the City Council for consideration and decision.

**Section III.** The City Council of the City of Pearland finds and determines that the amendment adopted herein promotes the health, safety, and general welfare of the public and is a proper valid exercise of the City's police powers.

**Section IV.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**Section V.** All rights and remedies, which have accrued in the favor of the City under this Ordinance and its amendments thereto, shall be and are preserved for the benefit of the City.

**Section VI.** The City Secretary is hereby directed to cause to be prepared an amendment to the official Zoning District Map of the City, pursuant to the provisions of

Section 2.3.2.2 of Ordinance No. 2000-M and consistent with the approval herein granted for the reclassification of the herein above described property.

**Section VII.** This Ordinance shall become effective after its passage and approval on second and final reading.

PASSED, APPROVED, and ADOPTED on First Reading this 9<sup>th</sup> day of June, 2014.

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TOM REID  
MAYOR

ATTEST:

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YOUNG LORFING, TRMC  
CITY SECRETARY

PASSED, APPROVED, and ADOPTED on Second and Final Reading this 23<sup>rd</sup> day of June, 2014.

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TOM REID  
MAYOR

ATTEST:

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YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

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DARRIN M. COKER  
CITY ATTORNEY

# Exhibit A PD Amendment

## Province Village Planned Unit Development Amendment #2

### I Introduction

This Amendment #2 applies only to the Tracts A, B, and C as shown on Exhibit 1 and described by metes and bounds in Exhibit 4. The provisions of Amendment #1 continue to apply to all other property within this PUD.

#### A. Description of the Property

The PUD is bounded on the east by Country Club Drive, on the west by Pearland Parkway, on the north by Clear Creek Park subdivision and Clear Creek, and on the south by FM 518. Province Village Drive, a minor collector, crosses the property from Country Club Drive to Pearland Parkway. Existing development consists of a bank, a restaurant, a retail strip center, and detention ponds. Tracts A, B, and C, the subject of this Amendment #2, are vacant.

The Province Village PUD was originally adopted in 2004 and revised by Amendment # 1 in 2009. Tract A is designated as R-4 with a further limitation for patio homes only. Tract B is designated as R-4 with a further limitation for townhomes only. Tract C was originally designated for townhome uses, but was revised to Office & Professional in 2009. Despite several development efforts, demand for townhomes and patio homes in this location has not occurred in the 10 years since the PUD was adopted and much of the PUD remains vacant and under-utilized. The proposed park and trail system have not been developed as of this date.

#### B. Description of Proposed Development

The proposed use of Tracts A, B, and C is single family residential. In addition, recreational and esthetic improvements will be made along Province Village Drive and within the park and detention reserves as part of the residential development.

#### C. Description of the Land

Tracts A, B, and C are shown on Exhibit 1 and described in Exhibit 5. Tract A is approximately 5.1 acres; Tract B 13.4 acres; and Tract C 5.6 acres.

#### D. Purpose

The purpose of this amendment is to update the zoning of Tracts A, B, and C. This Amendment 2 will remove the townhome and patio home restrictions to allow for traditional single family development. Additionally, this amendment places several development conditions on the residential developer to implement a variety of recreational and esthetic improvements that will enhance the appearance of Province Village Drive and provide recreational features for residents of Province Village and the public in general. This amendment will reduce the allowed

number of residential units from 112 in the current PUD to no more than 95 homes in the updated plan.

The benefits of this Amendment include:

- A reduction in residential density from the currently approved plan.
- Repurposing of the land to a use more likely to be developable instead of the current allowed uses which have not developed in the 10 years since it was approved.
- Housing types that are compatible with surrounding development.
- Province Village streetscape improvements including masonry fencing, trees/landscaping, and monumentation.
- Park and trail improvements available to the general public.
- Implementation of a portion of the City's Clear Creek Trail master plan.
- Construction of a parking area that will serve as a trailhead for the Clear Creek trail.
- Development of a .57 acre park to be maintained by the HOA.
- Amenitization of the existing detention pond adjacent to the park site.

## **II Zoning and Land Use**

### **A. Existing Zoning**

Properties within the PUD have an underlying zoning of Office & Professional, General Business, and R-4 Single Family Residential as shown in Exhibit 1. Tract A is designated R-4 with a further limitation for patio homes only. Tract B is designated R-4 with a further limitation for townhomes only. Tract C is designated as Office & Professional.

### **B. Proposed Base Zoning Districts**

Proposed zoning is shown on Exhibit 2. Tracts A and B will remain as R-4, but with the townhome and patio home restriction removed. Tract C is proposed to be repurposed as R-4. A condition of a minimum lot width of 55' feet is proposed, greater than the typical 50' for standard R-4 and the 30' width that is allowed in the current PUD.

### **C. Standards and Land Use Summary**

Tracts A, B, and C will conform to the UDC requirements of R-4 zoning for traditional single family dwellings, except the minimum lot width is 55' with a minimum lot area of 6,600 square feet. There will be no more than 95 single family residential lots.

#### **1. Land Use Summary**

The land use summary for the entire PUD assuming the proposed amendments to Tracts A, B, and C is shown in Table 1 below:

**Table 1**  
**Land Use Summary Table**

Use	Acres	% of Total	Zoning District
Single Family (Tracts A, B, & C) - Includes +- 2.0 acres of internal open space areas to be maintained by the HOA	24.1	51%	R-4
General Business	5.0	10%	GB
Office & Professional	6.69	14%	OP
Detention	8.59	18%	PUD
Parkland to be maintained by the HOA	0.57	1%	PUD
Collector Street	2.7	6%	PUD
<b>Total</b>	<b>47.65</b>	<b>100%</b>	

Overall Gross Residential Density: 2.86 homes/gross residential acre

Net Residential Density: 3.94 homes/net residential acre

**2. Residential Lot Summary**

**Table 2**

Zone	Lot Area	Number
R-4	6,600 SF	95 maximum

**3. Residential Density**

**Table 3**

Zone	Net Residential	Gross Residential	Overall PUD
R-4	3.94	2.86	2.01

**D. Permitted, Conditional and Accessory Uses**

For Tracts A, B, and C, only those permitted, conditional, and accessory uses as may be allowed in the UDC R-4 zoning classification are allowed.

**iii Design Standards**

**A. Design Enhancements**

The following design enhancements, amenities, and recreational facilities, shown below in Table 4, will be implemented with the development of Tracts A, B, and C. Refer to the Design Plan in Exhibit 3 and the Park and Detention Amenities Plan in Exhibit 4 for additional clarification.

**Table 4**  
**Design Enhancements, Amenities, and Recreational Facilities**

Item	General Location
Six-foot height brick masonry fence	Adjacent to Province Village Drive and Country Club Drive
Six-foot height "fence-crete" masonry fence	Between Tract B and GB use and Centerpoint substation tract; Between Tract C and OP use
Six-foot height upgraded wood fence (rot board and cap rail with brick columns at +/- 100-foot spacing)	West side of Tract B
Ten-foot landscape reserve along Province Village Drive	Adjacent to Tracts A, B, & C
Street trees along Province Village Dr.	Adjacent to Tracts A, B, C, detention, and park
Primary entry monument	West side of tract C
Secondary entry monument	At Country Club Dr.
Landscape/Open Space Reserves	Tracts A, B, and C
.57-acre park with irrigation (1)	Park
Trees/Landscaping with irrigation (1)	Park and Detention
One age appropriate playground (1)	Park
Two picnic tables (1)	Park
Two barbeque grills	Park
One Shade structure (1)	Park
Eight Benches & other site furniture (1)	Detention
Four workout stations (1)	Detention
Ten-foot trail (2)	Detention-adjacent to Clear Creek
Six-foot trail (1)	Detention-connecting park to 10' trail
Four-foot trail	West side of Tract B
Parking lot/Trailhead (1)	Park

(1) Eligible for park fee credits and will be conveyed to the HOA for ownership and maintenance.

(2) Eligible for park fee credits and will be conveyed to City for ownership and maintenance.

All items will be completed prior to the issuance of the first single family home certificate of occupancy (excluding models), unless financial surety in a form acceptable to the City is posted.

**B. Design Plan Elements**

Refer to the Design Plan in Exhibit 3 and the Park and Detention Amenities Plan in Exhibit 4 for a graphical representation of the items in the list above. Locations and quantities shown on the Design Plan and the Park and Detention Amenities Plan are approximate. The residential street configuration and lot layout are subject to change at the discretion of the owner, provided that the total number of lots does not exceed the maximum specified in this Amendment.

**C. Deviations**

No deviations from the R-4 zoning district requirements are proposed.

**D. Unified Development Code Compliance**

Tracts A, B, and C will conform to the requirements of the Unified Development Code unless specifically called out in this Amendment.

**IV Required Dedications**

Residential streets will be dedicated to the City via plat. There are no other required dedications of land. Improvements within the 0.57-acre park will be conveyed to the HOA for ownership and maintenance. The ten-foot Clear Creek trail section will be conveyed to the City for ownership and maintenance.

**V Phasing**

Tracts A, B, and C are anticipated to be developed in a single phase. All design enhancements described in Section III will be completed prior to the issuance of the first single family home certificate of occupancy (excluding models), unless financial surety in a form acceptable to the City is posted.

**VI Exhibits**

1. Existing PUD Zoning Designations
2. Proposed PUD Zoning Designations (only modifications are to Tracts A, B, & C)
3. Design Plan for Tracts A, B, and C
4. Park and Detention Amenity Plan Detail
5. Tracts A, B, and C Metes and Bounds Descriptions
6. Representative home elevations (These are provided to convey a sense of the style and level of finish that is anticipated, but actual elevations may differ from these samples.)





Park and Detention Amenities Plan  
 Province Village- Tracts A,B, & C  
 Exhibit 4



# Gehan<sup>★</sup>HOMES

## the Mimosa



Disc 1011

This spacious home combines an elegant appearance with comfortable, family-oriented design. Downstairs, the oversized kitchen is perfect for the aspiring gourmet cook and features a huge walk-in pantry, granite countertops, hardwood cabinetry and stainless steel appliances. The breakfast nook overlooks the optional covered patio with optional outdoor kitchen and fireplace – perfect for entertaining al fresco – while the expansive family room features a wall of windows that look into the large backyard. Traverse up the wood or wrought iron staircase to the bedrooms. The sumptuous master suite features plenty of natural lighting, while the bath boasts a separate garden tub, glass-enclosed shower and huge walk-in closet.

### *Floor Plan Description*

#### **Premier Series**

Square Footage:	2731	Baths:	2.5
Stories:	2	Garages:	2
Bedrooms:	4	Dining Rooms:	2

gehanhomes.com

# Gehan<sup>★</sup>HOMES

## the Sycamore



Elevation P

### Premier Series

3270 Square Feet

Options

Stories  
Bedrooms

2  
5

Baths  
Garages

2.5  
2

Study • Master Suite Bay Window • 3rd Bath  
2-Story Family Room • 6th Bedroom with Bath  
Media Room • 3-Car Garage • Covered Patio  
Outdoor Living



gehanhomes.com



**Exhibit B  
Legal Description**

**Tract A:**

**Gehan Homes, LTD.  
5.176 Acres**

**W.D.C. Hall Survey  
Abstract No. 23**

**TRACT "A"**

STATE OF TEXAS     §

COUNTY OF HARRIS   §

METES AND BOUNDS DESCRIPTION of a 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acre is in a 5.732-acre tract described in a deed to TEXPROJ2006, L.L.C. as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office and is more particularly described by metes and bounds as follows:

BEGINNING at the point of intersection of the northwesterly right-of-way line of Country Club Drive, (based on a width of 80-feet), with the northeasterly cut-back corner of Province Village Drive, (based on a width of 60-feet at this location), as shown on the Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office, said point is in the east line of said 5.732-acre tract and is the point of curvature of a curve to the right;

THENCE, along said cutback corner and with said curve to the right, having a radius of 35.00 feet, a central angle of 89°56'11", (chord bears South 79°23'59" West, 49.47 feet), for an arc length of 54.94 feet to the point of tangency;

THENCE, North 55°37'59" West, along the north line of said Province Village Drive (60-foot wide at this point) for a distance of 71.39 feet to the point of curvature of a curve to the right for the cut-back corner of the southeasterly right-of-way line of Country Club Crossing (not open, based on a width of 80-feet);

THENCE, along the southeasterly line of said Country Club Crossing, and with said curve to the right, having a radius of 25.00 feet, a central angle of 89°12'27", (chord bears North 11°01'47" West, 35.11 feet), for an arc length of 38.92 feet to a point for corner;

THENCE, North 55°34'03" West, crossing said Country Club Crossing for a distance of 80.00 feet to the northwesterly line of said Country Club Crossing;

THENCE, South 34°25' 57" West, along the northwesterly line of said Country Club Crossing for a distance of 1.20 feet to the point of curvature of a curve to the right for a cut-back corner;

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 86°58'32", (chord bears South 77°54'49" West, 34.41 feet), for an arc length of 37.95 feet to the point of reverse curvature of a curve to the left on the aforementioned north line of Province Village Drive;

THENCE, along the north line of said Province Village Drive, and with said curve to the left, having a radius of 500.00 feet, a central angle of 13°44'09", (chord bears North 65°26'23" West, 119.58 feet), for an arc length of 119.87 feet to the point of reverse curvature of a curve to the right;

THENCE, continuing along the north line of said Province Village Drive, and with said curve to the right, having a radius of 500.00 feet, a central angle of 01°43'42", (chord bears North 71°28'36" West, 15.08 feet), for an arc length of 15.08 feet to a point for corner, said point is the south corner of Reserve "C" of the aforementioned Final Plat of Province Village Drive, Office Park and Reserves;

THENCE, North 12°31'34" West, along the northeasterly line of said Reserve "C" for a distance of 184.09 feet to a point in the southeasterly line of an 8.805-acre tract described in a deed to Houston Lighting & Power Company as recorded in Clerk's File No. D739468 in the Harris County Clerk's Office;

THENCE, North 42°12'15" East, along the southeasterly line of said 8.805-acre tract, for a distance of 543.84 feet to the most northerly corner of the aforementioned 5.732-acre tract;

THENCE, South 04°51'02" East, along the northeasterly line of said 5.732-acre tract for a distance of 32.98 feet to the point of curvature of a curve to the left;

THENCE, continuing along the northeasterly line of said 5.732-acre tract and with said curve to the left having a radius of 595.00 feet, a central angle of 42°58'54", (chord bears South 26°19'01" East, 435.98 feet), for an arc length of 446.35 feet to the point of tangency;

THENCE, South 47°32'59" East, continuing along the northeasterly line of said 5.732-acre tract for a distance of 27.39 feet to a point for corner in the aforementioned northwesterly line of Country Club Drive;

THENCE, South 34°26'05" West, along the northwesterly line of said Country Club Drive for a distance of 360.79 feet to the POINT OF BEGINNING, containing a computed area of 5.176-acres (225,475 square feet).

**NOTES:**

1. The bearings shown hereon are based on the recorded Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office.
2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

The Wilson Survey Group, Inc.  
2006 East Broadway, Suite 103  
Pearland, Texas 77588  
(281) 485-3991  
Job No. 14-127

**Tract B:**

**Gehan Homes, LTD**  
13.361 Acres

**Thomas J. Green Survey**  
Abstract No. 198

**TRACT "B"**

STATE OF TEXAS                   §  
COUNTY OF BRAZORIA           §

**METES AND BOUNDS DESCRIPTION** of a 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acre is in a 21.898-acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office and is more particularly described by metes and bounds as follows:

COMMENCING at the southwest corner of Restricted Lot "A" of the of Province Village General Business Amending Plat No.1 as recorded in Clerk's File No. 2006031446 in the Brazoria County Clerk's Office, said point is at the point of intersection of the northeast right-of-way line of Broadway Street, (aka: FM 518, based on a width of 120-feet) with the east line of a 90-foot wide City of Pearland Drainage Easement as recorded in Volume (87) 496, Page 765 in the Brazoria County Deed Records;

THENCE, North 41°28'18" East, along the westerly line of said Restricted Reserve "A", same being the east line of said drainage easement, for a distance of 300.00 feet to the POINT OF BEGINNING and southwest corner of the aforementioned 21.898-acre tract, same being the southwest corner of the herein described tract;

THENCE, North 41°28'18" East, continuing along the east line of said drainage easement, same being the west line of said 21.898-acre tract, for a distance of 465.23 feet to an angle point;

THENCE, North 48°57'15" East, continuing along the east line of said drainage easement, same being the west line of said 21.898-acre tract, for a distance of 108.27 feet to an angle point;

THENC, North 63°18'12" East, continuing along the east line of said drainage easement, same being the west line of said 21.898-acre tract, for a distance of 42.13 feet to a point in the south right-of-way line of Province Village Drive, (based on a width of 50-feet), as shown on the Amending Plat No. 1 of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2008019410 in the Brazoria County Clerk's Office, said point is the most northerly corner of the herein described tract and is in a curve to the left,

THENCE, along the south line of said Province Village Drive, and with said curve to the left, having a radius of 825.00 feet, a central angle of 02°58'48", (chord bears South 43°42'25" East, 42.90 feet), for an arc length of 42.91 feet to the point of tangency,

THENCE, South 45°11'48" East, continuing along the south line of said Province Village Drive, for a distance of 65.89 feet to the point of curvature of a curve to the left;

THENCE, continuing along the south line of said Province Village Drive, and with said curve to the left, having a radius of 825.00 feet, a central angle of 13°27'52", (chord bears South 51°55'45" East, 193.43 feet), for an arc length of 193.88 feet to the point of reverse curvature of a curve to the right, said point is the cut-back corner of Parkside Village Boulevard, (not open, based on a width of 80.00-feet);

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 81°50'21", (chord bears South 17°44'57" East, 32.75 feet), for an arc length of 35.71 feet to the point of tangency;

THENCE, South 23°09'47" West, along the northwesterly line of said Parkside Village Boulevard, for a distance of 8.53 feet to a point for corner;

THENCE, South 66°50'13" East, crossing said Parkside Village Boulevard, for a distance of 80.01 feet to a point in the southeasterly line of said Parkside Village Boulevard, said point is the point of curvature of a cut-back corner to the right;

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 90°00'54", (chord bears North 69°46'54" East, 35.36 feet), for an arc length of 39.28 feet to the point of tangency in the aforementioned south right-of-way line of Province Village Drive;

THENCE, South 65°13'06" East, along the south line of said Province Village Drive, for a distance of 24.45 feet to the point of curvature of a curve to the left;

THENCE, continuing along the south line of said Province Village Drive, and with said curve to the left, having a radius of 825.00 feet, a central angle of 09°50'06", (chord bears South 70°08'09" East, 141.44 feet), for an arc length of 141.61 feet to the point of tangency;

THENCE, South 75°03'12" East, continuing along the south line of said Province Village Drive for a distance of 239.53 feet to the point of curvature of a cut-back corner of Park Village Lane (not open, based on a width of 50-feet), said cut-back is a curve to the right;

THENCE, along the cut-back corner of said Park Village Lane, and with said curve to the right, having a radius of 25.00 feet, a central angle of 98°13'32", (chord bears South 25°56'43" East, 37.80 feet), for an arc length of 42.86 feet to a point for corner;

THENCE, South 60°50'13" East, crossing said Park Village Lane for a distance of 50.00 feet to a point in the southeasterly line of said Park Village Lane;

THENCE, North 23°09'43" East, along the southeasterly line of said Park Village Lane, for a distance of 14.44 feet to the point of curvature of a cut-back corner, said cut-back corner is a curve to the right;

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 81°46'43", (chord bears North 64°03'17" East, 32.73 feet), for an arc length of 35.68 feet to the point of tangency in the aforementioned south line of Province Village Drive;

THENCE, South 75°03'12" East, along the south line of said Province Village Drive for a distance of 50.66 feet to a point in the westerly line of a 1.916 acre tract of land, called "Tract 2", as described in a deed to Houston Lighting & Power Company as recorded in Volume 1147, Page 19 in the Brazoria County Deed Records, said point is in the east line of the aforementioned 21.898-acre tract:

THENCE, South 41°10'05" West, along the west line of said "Tract 2", same being the east line of said 21.898-acre tract, for a distance of 648.11 feet to the northeast corner of a 1.955-acre tract, called "Tract 2", as described in a deed to Houston Lighting & Power Company as recorded in Volume 1147, Page 19 in the Brazoria County Clerk's Office, said point is the most southerly corner of the herein described tract;

THENCE, North 48°49'50" West, along the north line of said "Tract 2", same being the south line of said 21.898-acre tract, for a distance of 249.99 feet to the north corner of said "Tract 2";

THENCE, South 41°10'10" West, along the west line of said "Tract 2", same being an interior line of said 21.898-acre tract, for a distance of 81.21 feet to the northeast corner of Restricted Lot "C" of the aforementioned Province Village General Business Amending Plat 1;

THENCE, North 66°45'54" West, along the north line of said Restricted Lot "C" for a distance of 164.99 feet to the north corner of said Restricted Lot "C", same being the east corner of Restricted Lot "B" of said Province Village General Business Amending Plat 1;

THENCE, North 66°49'46" West, along the north line of said Restricted Lot "B" for a distance of 434.03 feet to the north corner of said Restricted Lot "B", said point is the east corner of the aforementioned Restricted Lot "A";

THENCE, North 66°45'54" West, along the north line of said Restricted Lot "A", for a distance of 165.00 feet to the POINT OF BEGINNING, containing a computed area of 13.361-acres (582,012 square feet).

**NOTES:**

1. The bearings shown hereon are based on the recorded Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office.
2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

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(281) 485-3991  
Job No. 14-127

## Tract C

Gehan Homes, LTD.  
5.617 Acres

Thomas J. Green Survey  
Abstract No. 198

### TRACT "C"

STATE OF TEXAS       §

COUNTY OF BRAZORIA §

METES AND BOUNDS DESCRIPTION of a 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617-acre is in a 9.805-acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office and is more particularly described by metes and bounds as follows:

BEGINNING at a point in the north right-of-way line of Province Village Drive, (based on a width of 50-feet), as shown on the Amending Plat No. 1 of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2008019410 in the Brazoria County Clerk's Office, said point is the southeast corner of Lot 1 of the Development Plat of Hometown Bank Pearland as recorded in Clerks' File No. 2012013017 in the Brazoria County Clerk's Office;

THENCE, North 41°57'29" East, along the east line of said Lot 1 for a distance of 197.70 feet, to an angle point;

THENCE, North 23°13'37" East, continuing along the east line of said Lot 1 for a distance of 96.94 feet to the northeast corner of said Lot 1, said point is in the south line of Lot 3, Block 5 of the Amending Plat of Clear Creek Park as recorded in Volume 21, Pages 35-36 in the Brazoria County Plat Records;

THENCE, South 66°46'23" East, along the south line of said Clear Creek Park, for a distance of 673.35 feet, to the east corner of the herein described tract;

THENCE, South 23°13'37" West, along the southeasterly line of the herein described tract for a distance of 350.44 feet to a point for corner in the westerly line of a 90-foot wide City of Pearland Drainage Easement as recorded in Volume (87) 496, Page 765 in the Brazoria County Deed Records;

THENCE, South 69°53'28" West, along the westerly line of said drainage easement for a distance of 97.58 feet to an angle point;

THENCE, South 63°16'08" West, continuing along the westerly line of said drainage easement, for a distance of 78.94 feet to a point in the north line of the aforementioned Province Village Drive, said point is in a curve to the right;

THENCE, along the north line of said Province Village Drive and with said curve to the right, having a radius of 775.00 feet, a central angle of 00°05'44", (chord bears North 38°23'14" West, 1.29 feet), for an arc length of 1.29 feet to the point of tangency;

THENCE, North 36°19'48" West, continuing along the north line of said Province Village Drive for a distance of 221.54 feet to the point of curvature of a curve to the left;

THENCE, continuing along the north line of said Province Village Drive, and with said curve to the left, having a radius of 575.00 feet, a central angle of 19°23'37", (chord bears North 46°01'36" West, 193.70 feet), for an arc length of 194.63 feet to the point of reverse curvature of a curve to the right, said point is the cut-back corner of the southeasterly right-of-way line of Parkside Village Gardens, (not open), (based on a width of 80-feet);

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 78°46'50", (chord bears North 16°20'18" West, 31.73 feet), for an arc length of 34.38 feet to the point of tangency;

THENCE, North 23°02'52" East, along the southeasterly line of said Parkside Village Gardens, for a distance of 11.54 feet to a point for corner;

THENCE, North 66°57'11" West, crossing said Parkside Village Gardens, for a distance of 80.00 feet to the point of curvature of a curve to the right, said point is the cut-back corner of the northwesterly right-of-way of said Parkside Village Gardens;

THENCE, along the northwesterly cut-back corner of said Parkside Village Gardens, and with said curve to the right, having a radius of 25.00 feet, a central angle of 90°12'35", (chord bears South 68°09'10" West, 35.42 feet), for an arc length of 39.36 feet to the point of tangency in the north line of the aforementioned Province Village Drive;

THENCE, North 66°44'29" West, along the north line of said Province Village Drive, for a distance of 79.00 feet to the point of curvature of a curve to the right;

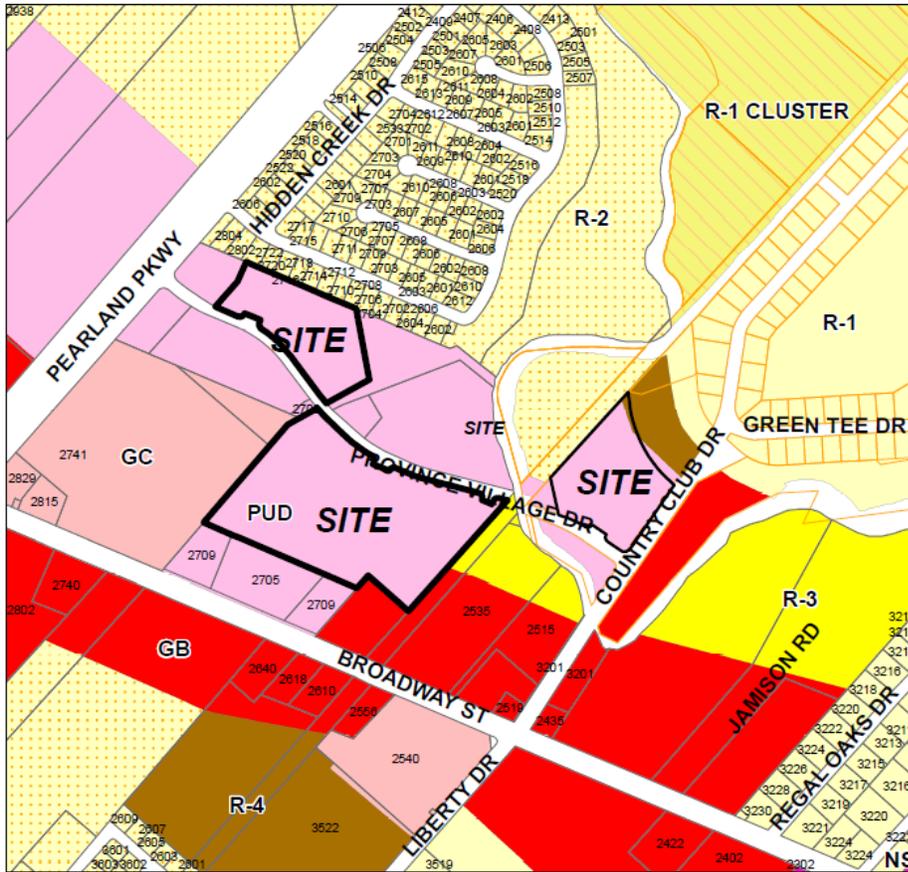
THENCE, continuing along the north line of said Province Village Drive, and with said curve to the right, having a radius of 500.00 feet, a central angle of 04°18'30", (chord bears North 64°34'45" West, 37.59 feet), for an arc length of 37.60 feet to the POINT OF BEGINNING, containing a computed area of 5.617-acres (244,661 square feet).

**NOTES:**

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2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

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## Exhibit C Vicinity and Zoning Map



Vicinity and Zoning Map  
 Zone Change 2014-5Z  
 Province Village PUD  
 Amendment

This product is for information purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

0 125 250 500 Feet



**Exhibit D  
Legal Ad**

**NOTICE OF A JOINT PUBLIC HEARING OF THE CITY COUNCIL  
AND  
THE PLANNING AND ZONING COMMISSION  
OF THE CITY OF PEARLAND, TEXAS**

**ZONE CHANGE APPLICATION NO. 2014-5Z**

Notice is hereby given that on May 19, 2014 at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land, more specifically described as:

**Tract A:** A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office

**Tract B:** A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**Tract C:** A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

General Location: Northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive  
Pearland, TX

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1765.

Johnna Matthews  
City Planner

**Exhibit E**  
**Planning and Zoning Commission Recommendation Letter**



# Planning & Zoning Commission

June 3, 2014

Honorable Mayor and City Council Members  
3519 Liberty Drive  
Pearland, TX 77581

Re: Recommendation on Zone Change No. 2014-5Z

Honorable Mayor and City Council Members:

At their meeting on May 19, 2014, the Planning and Zoning Commission considered the following:

A request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land on the following described property, to wit:

**Legal Description:**

**Tract A:** A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office

**Tract B:** A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**Tract C:** A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**General Location:** Northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX

After staff presentation and discussion between the applicant, staff and the Planning and Zoning Commission, Commissioner Derrick Reed made a motion to postpone, and Commissioner Daniel Tunstall seconded to allow the applicant time to work with Centerpoint Energy regarding the relocation of above ground utility lines and to work with staff in providing enhanced open space and codifying amenities. The motion passed 5/1, with Chairman Henry Fuertes voting in opposition.

At the regular meeting of the Planning and Zoning Commission on June 2, 2014, after a brief staff presentation regarding the outcome of the May 19, 2014 meeting, the applicant reiterated that they were not proposing any additional changes to the PD. Commissioner Daniel Tunstall made a motion to approve the proposed PD amendment and the motion was seconded by Commissioner Mary Starr. The motion passed 7/0.

Sincerely,

Johnna Matthews

City Planner  
On behalf of the Planning and Zoning Commission



## Staff Report

### SUMMARY OF ANALYSIS:

The original Province Village PD was approved in 2004, and allowed for a mix of uses including townhomes/condominiums, garden-style single family homes, and General Business (GB) commercial uses such as restaurants and retail uses. The PD includes approximately 47.65 acres located within three (3) tracts which were identified as Tracts 1, 2, and 3. Tract 1 includes approximately 15 acres and is bounded by Pearland Parkway to the west, Province Village to the south and Clear Creek Park residential subdivision to the north, and includes a 3.7- acre tract for detention. Tract 2 is more centrally located within the PD and includes 26.92 acres, and is bounded by Broadway Street to the south, CenterPoint Electric substation to the east, and by Clear Creek to the north. Tract 3 includes 5.74 acres and is bounded by Country Club Drive to the east. The original PD allowed for a mix of uses including townhomes/condominium homes, traditional single family homes and General Business (GB) commercial uses, such as restaurants and retail.

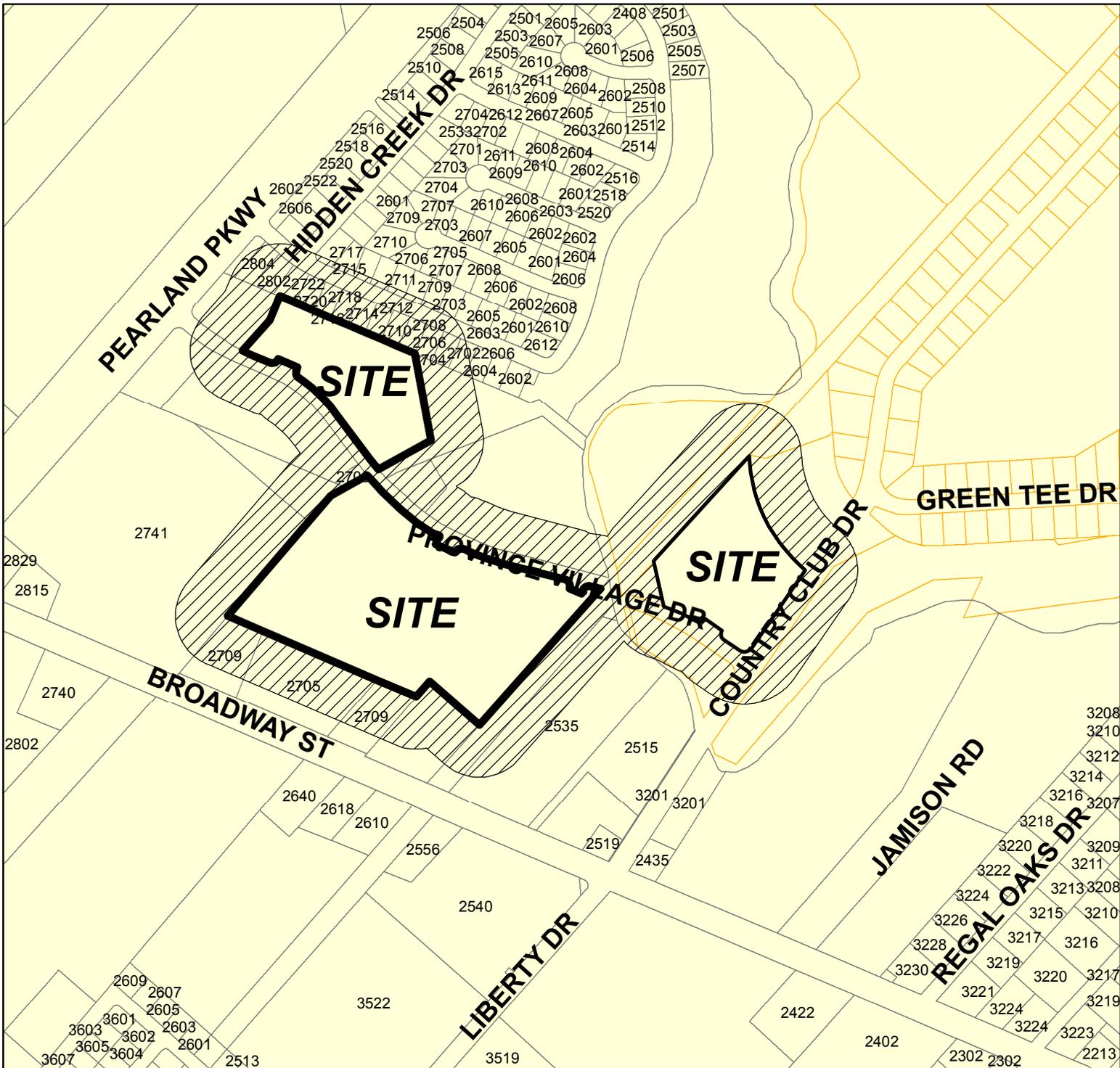
In 2009, Tract 1 of the PD was amended to change the original allowable land uses from townhomes to Office Professional (OP) zoning district uses. Language in the PD also allowed for a 5-acre General Business (GB) zoning district, within Tract 1. However, as indicated in other areas of the 2009 Amendment to the PD, including Exhibit 5 (Land Use Map), the 5-acre GB tract is located within Tract 2, and is developed with a Chili's and a retail strip center which includes restaurant and office uses .

As proposed in 2009, the townhome development would be located on Tract 2, adjacent to the General Business (GB) uses and the Lowe's Center, with the single family in the rear portions of the property on Tract 3, adjacent to existing single family zoning district and homes. The Office Professional (OP) zoning district approved for Tract 1 provides a great transition between the existing Lowe's and the higher density townhomes, as proposed in the 2009 amendment to Tract 2. Additionally, the 2009 PD provided for 4.99 acres of open space. The center of the project offered a ½ acre park and approximately 2.8 acres in common space, supplemented with a trail system which provided connection to the Clear Creek Trail system.

The 2009 amendment to the Province Village PD included the following uses for each tract:

Tract	Acreage	Uses
1	15	12. 3 Office Professional (OP) district yielding approximately 107,160 square feet of office space and a 5-acre General Business (GB) district
2	26.9158	84 unit townhome/condominium residential neighborhood
3	5.7375	27 single family homes within a gated neighborhood
Total Acreage: 47		



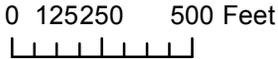


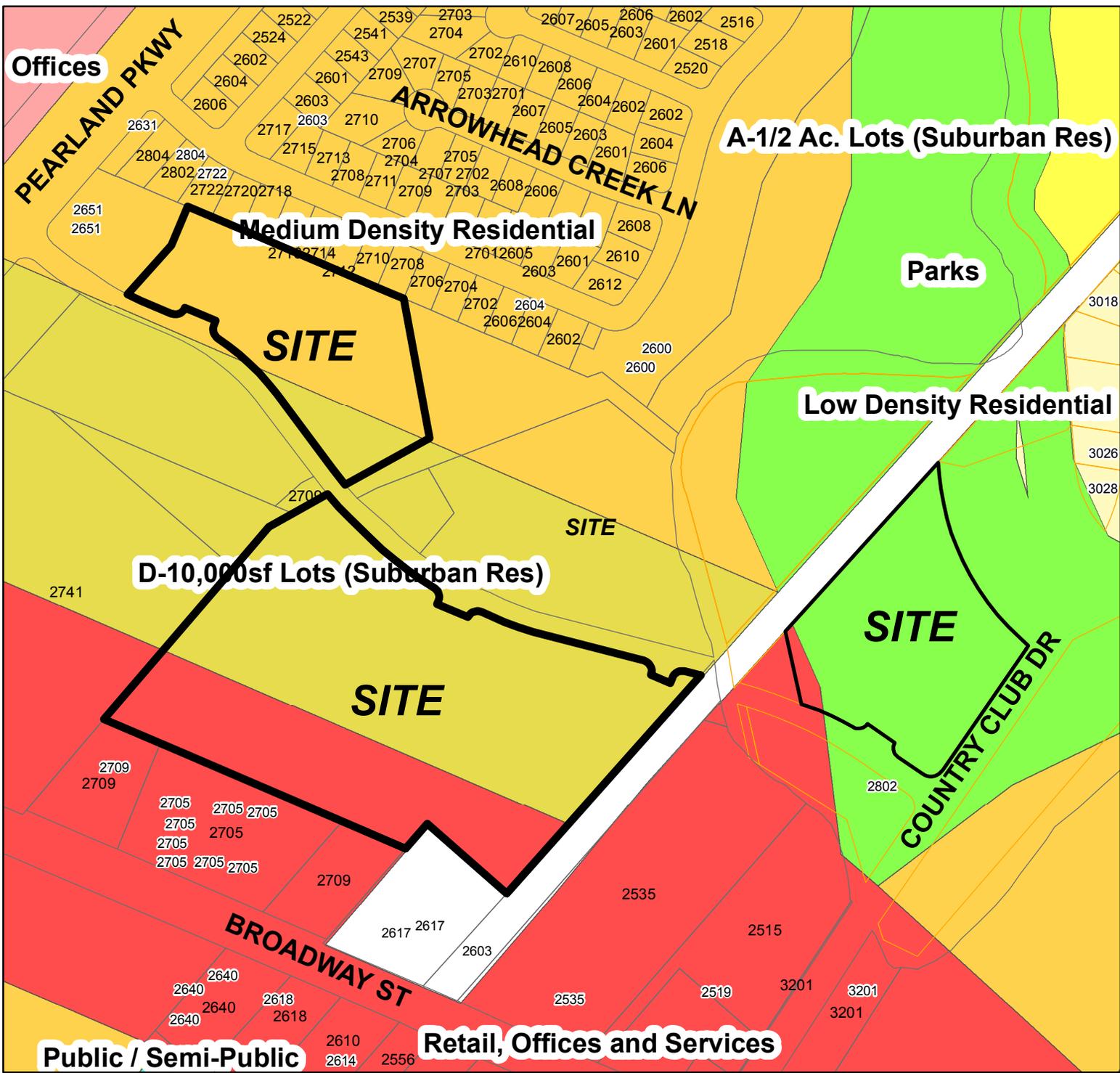
# Notification Map

## Zone Change 2014-5Z

### Province Village PUD Amendment

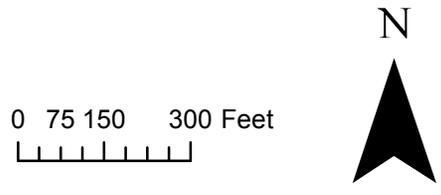
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**FLUP Map**  
**Zone Change 2014-5Z**  
**Province Village PUD**  
**Amendment**

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**Public / Semi-Public**      **Retail, Offices and Services**





# Planning & Zoning Commission

June 3, 2014

Honorable Mayor and City Council Members  
3519 Liberty Drive  
Pearland, TX 77581

Re: Recommendation on Zone Change No. 2014-5Z

Honorable Mayor and City Council Members:

At their meeting on May 19, 2014, the Planning and Zoning Commission considered the following:

A request of Alan Mueller, applicant; on behalf of Texproj2008, LLC, owner; for approval of an amendment to three (3) tracts identified as Tracts A, B and C located within the Province Village Planned Unit Development (PUD) to allow for single family homes, on approximately 24.154 acres of land on the following described property, to wit:

## **Legal Description:**

**Tract A:** A 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acres is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C., as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office

**Tract B:** A 13.361-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 13.361-acres is in a 21.898- acre tract described in a

deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**Tract C:** A 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617- acres is in a 9.805-acre tract described in a deed to TEXPROJ2008, LLC, as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office

**General Location:** Northeast of the intersection of Broadway Street and Pearland Parkway and west of Country Club Drive, Pearland, TX

After staff presentation and discussion between the applicant, staff and the Planning and Zoning Commission, Commissioner Derrick Reed made a motion to postpone, and Commissioner Daniel Tunstall seconded to allow the applicant time to work with Centerpoint Energy regarding the relocation of above ground utility lines and to work with staff in providing enhanced open space and codifying amenities. The motion passed 5/1, with Chairman Henry Fuertes voting in opposition.

At the regular meeting of the Planning and Zoning Commission on June 2, 2014, after a brief staff presentation regarding the outcome of the May 19, 2014 meeting, the applicant reiterated that they were not proposing any additional changes to the PD. Commissioner Daniel Tunstall made a motion to approve the proposed PD amendment and the motion was seconded by Commissioner Mary Starr. The motion passed 7/0.

Sincerely,

Johnna Matthews

City Planner

On behalf of the Planning and Zoning Commission

## ORDINANCE NO. 2000M-70

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AMENDING ORDINANCE NO. 2000M, THE ZONING MAP OF THE CITY OF PEARLAND, TEXAS, FOR THE PURPOSE OF CHANGING THE CLASSIFICATION OF CERTAIN REAL PROPERTY, LOCATION BEING APPROXIMATELY A 15 ACRE TRACT OF LAND OUT OF THE DISSEN CALLED 136.995 ACRE TRACT, RECORDED IN VOLUME 505, PAGE 86, OF THE DEED OF RECORDS OF BRAZORIA COUNTY, TEXAS, SITUATED IN THE THOMAS J. GREEN SURVEY, ABSTRACT 198, BRAZORIA COUNTY, TEXAS, AND A 26.9158 ACRE TRACT OF LAND IN THE THOMAS J. GREEN SURVEY, ABSTRACT 165, BRAZORIA COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 136.955 ACRE TRACT CONVEYED FROM JENNIE J. SETTLEGAST, ET AL, TO W.J. DISSEN BY INSTRUMENT RECORDED IN VOLUME 505, PAGE 86, OF THE DEED OF RECORDS OF BRAZORIA COUNTY, TEXAS, AND 5.7375 ACRES OF LAND BEING SITUATED IN THE W.D.C. HALL SURVEY, ABSTRACT NO. 23, HARRIS COUNTY, TEXAS, AND BEING OUT OF 468.92 ACRE TRACT BEING MORE FULLY DESCRIBED IN VOLUME 1676, PAGE 362 OF THE DEEDS OF RECORDS OF HARRIS COUNTY, TEXAS SAID 1.3366 ACRES IN HARRIS COUNTY TEXAS, AND GENERALLY LOCATED ON THE EAST SIDE OF PEARLAND PARKWAY, NORTH OF BROADWAY, WEST OF COUNTRY CLUB DRIVE, **(ZONE CHANGE APPLICATION NO. 2009-11Z)**, FROM PLANNED DEVELOPMENT DISTRICT (PD) TO PLANNED DEVELOPMENT DISTRICT (PD), AN AMENDMENT TO THE EXISTING PD FOR PROVINCE VILLAGE PLANNED DEVELOPMENT DISTRICT (PD), LJA ENGINEERING & SURVEYING, INC., APPLICANT FOR TEXPROJ 2008 LLC, OWNER, PROVIDING FOR AN AMENDMENT OF THE ZONING DISTRICT MAP; CONTAINING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE, AN EFFECTIVE DATE AND OTHER PROVISIONS RELATED TO THE SUBJECT

**ORDINANCE NO. 2000M-70**

**WHEREAS**, on the 21st day of September, 2009, a Joint Public Hearing was held before the Planning and Zoning Commission and the City Council of the City of Pearland, Texas, notice being given by publication in the official newspaper of the City, the affidavit of publication being attached hereto and made a part hereof for all purposes as Exhibit "C", said call and notice being in strict conformity with provisions of Section 1.2.2.2 of Ordinance No. 2000T; and

**WHEREAS**, on the 16th day of November, 2009, the Planning and Zoning Commission of the City submitted its report and recommendation to the City Council regarding the proposed amendment application by LJA Engineering & Surveying, Inc., applicant for TexProj 2008 LLC, Owner, whereby the Commission recommended approval of the change of classification for the described property from its existing classification of Planned Development District (PD) to Planned Development District (PD), an amendment to the existing PD for Province Village, said recommendation attached hereto and made a part hereof for all purposes as Exhibit "D"; and

**WHEREAS**, upon receipt of the report from the Planning and Zoning Commission, the City Council considered this application and the recommendation of the Planning and Zoning Commission at a regular meeting on December 14th, 2009; and

**WHEREAS**, the City Council having fully heard the testimony and argument of all

**ORDINANCE NO. 2000M-70**

**Section I.** The following described property located within the corporate City limits of the City of Pearland, Texas, and presently classified as Planned Development District (PD) is hereby zoned to Planned Development District (PD), in accordance with all conditions and requirements listed in the Planned Development (PD) Document, also known as Exhibit "E" attached hereto and incorporated for all purposes, such property being more particularly described as:

Approximately a 15 acre tract of land out of the Dissen called 136.995 acre tract, recorded in Volume 505, Page 86, of the Deed of Records of Brazoria County, Texas, situated in the Thomas J. Green Survey, Abstract 198, Brazoria County, Texas, and a 26.9158 acre tract of land in the Thomas J. Green Survey, Abstract 165, Brazoria County, Texas and being a part of that certain 136.955 acre tract conveyed from Jennie J. Settlegast, et al, to W.J. Dissen by instrument recorded in Volume 505, Page 86, of the Deed of Records of Brazoria County, Texas, and 5.7375 acres of land being situated in the W.D.C. Hall Survey, Abstract No. 23, Harris county, Texas, and being out of 468.92 acre tract being more fully described in Volume 1676, Page 362 of the Deeds of Records of Harris county, Texas said 1.3366 acres in Harris County Texas.

**Section II.** The City Council of the City of Pearland finds and determines that the recitations in the preamble hereof are true and that all necessary prerequisites of law have been accomplished and that no valid protest of the proposed change has been made. The City Council further finds and determines that there has been compliance with the mandates of law in the posting and presentation of this matter to

**ORDINANCE NO. 2000M-70**

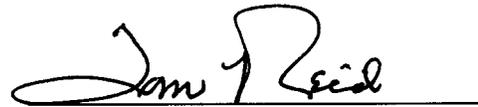
competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**Section V.** All rights and remedies, which have accrued in the favor of the City under this Ordinance and its amendments thereto, shall be and are preserved for the benefit of the City.

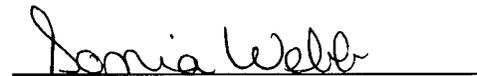
**Section VI.** The City Secretary is hereby directed to cause to be prepared an amendment to the official Zoning District Map of the City, pursuant to the provisions of Section 2.3.2.2 of Ordinance No. 2000-T and consistent with the approval herein granted for the reclassification of the herein above described property.

**Section VII.** This Ordinance shall become effective after its passage and approval on second and final reading.

PASSED, APPROVED, and ADOPTED on First Reading this 14<sup>th</sup> day of December, 2009.

  
\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

  
\_\_\_\_\_

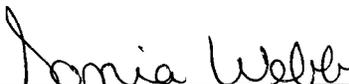


**ORDINANCE NO. 2000M-70**

PASSED, APPROVED, and ADOPTED on Second and Final Reading this 14<sup>th</sup>  
day of December, 2009.

  
\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

  
\_\_\_\_\_  
SONIA WEBB  
DEPUTY CITY SECRETARY

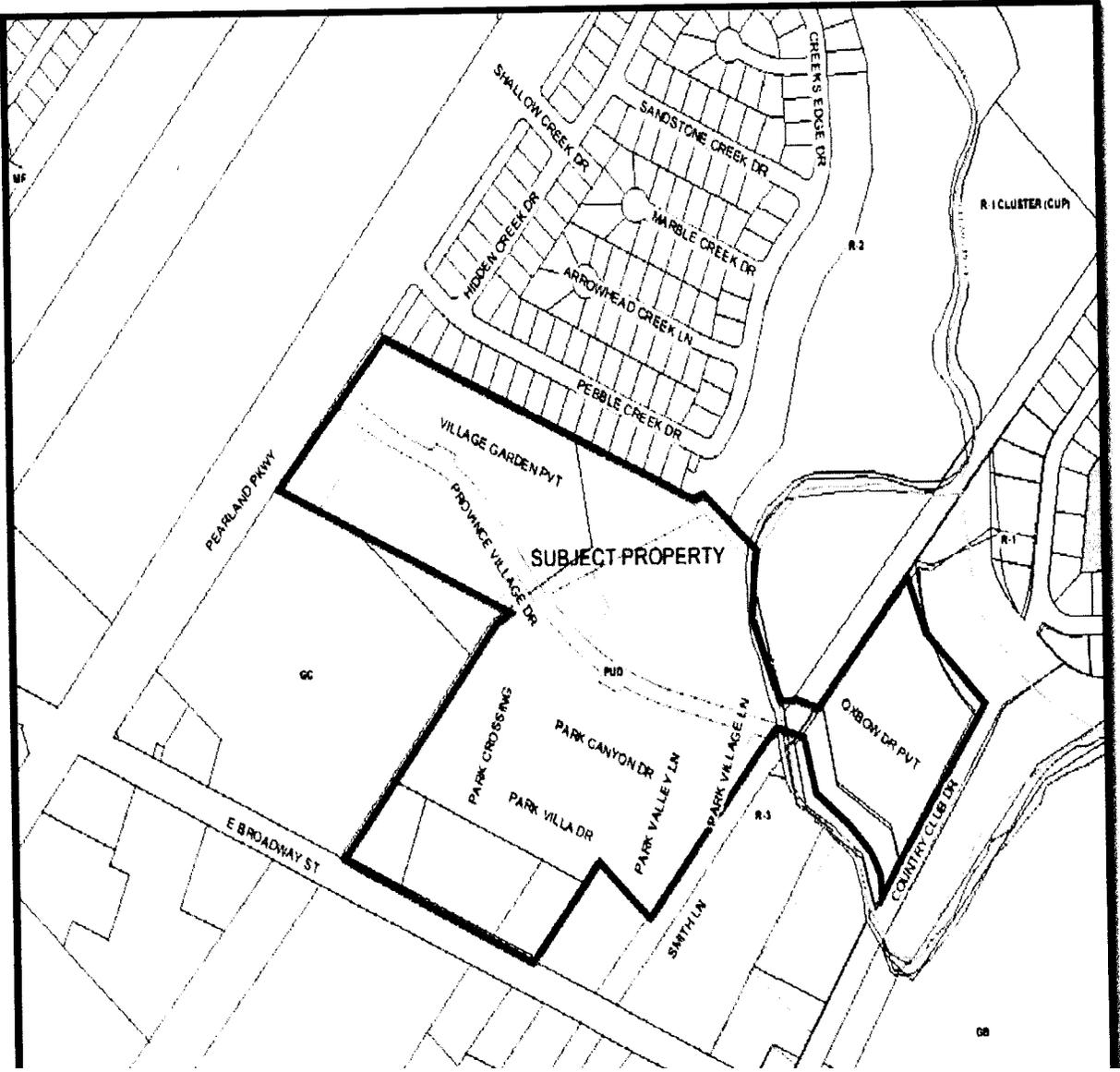


APPROVED AS TO FORM:

  
\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY



Exhibit "B"  
Location Map  
Ordinance No. 2000M-70



# AFFIDAVIT OF PUBL

The Friendswood Reporter News  
P.O. Box 954  
Friendswood, Texas 77546

State of Texas

Galveston and Harris Counties

I, Lloyd Morrow, hereby certify that the notice hereby appended was published in  
THE REPORTER NEWS, a newspaper of general circulation in Galveston, Harris and  
Brazoria Counties, for 1 issues, as follows:

No. 1 Date 10-28 20 09

No. \_\_\_\_\_ Date \_\_\_\_\_ 20 \_\_\_\_\_

*Lm*

Published October 28,  
2009

**LEGAL'S**

Broadway

At said hearing all interested parties shall have the right and opportunity to appear and be heard on the subject.

Angela Gantuah  
Senior Planner

**NOTICE OF A JOINT  
PUBLIC HEARING OF  
THE CITY COUNCIL  
AND THE PLANNING  
AND ZONING COM-  
MISSION OF THE CITY  
OF PEARLAND,  
TEXAS**

**ZONE CHANGE APPLI-  
CATION NO. 2009-11Z**

Notice is hereby given that on November 18, 2009, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, on the request of LJA Engineering & Surveying, Inc., applicant for TexProj 2008 LLC, owner, for an amendment to Ordinance No. 2000M, the Zoning Map of the City of Pearland, for approval of a change in zoning district from clas-

**Legal Description:**  
Approximately a 15 acre tract of land out of the Dissen called 136.995 acre tract, recorded in Volume 505, Page 86; of the Deed of Records of Brazoria County, Texas, situated in the Thomas J. Green Survey, Abstract 198, Brazoria County, Texas, and a 26.9158 acre tract of land in the Thomas J. Green Survey, Abstract 165, Brazoria County, Texas and being a part of that certain 136.955 acre tract conveyed from Jennie J. Settlegast, et al, to W.J. Dissen by instrument recorded in Volume 505, Page 86, of the Deed of Records of Brazoria County, Texas, and 5.7375 acres of land being situated in the W.D.C. Hall Survey, Abstract No. 23, Harris county, Texas, and being out of 488.92 acre tract being more fully described in Volume 1676, Page 362 of the Deeds of Records of Harris county, Texas said 1.3366 acres in Harris County Texas.

**Location:** Generally

# Planning & Zoning Commission

---

## Recommendation Letter

December 1, 2009

Honorable Mayor and City Council Members  
3519 Liberty Drive  
Pearland, TX 77581

Re: Recommendation on 2009-11Z

Honorable Mayor and City Council Members:

At their meeting of November 16, 2009, the Planning and Zoning Commission considered the following:

Request of LJA Engineering & Surveying, Inc., applicant for TexProj 2008 LLC, owner, for an amendment to Ordinance No. 2000M, the Zoning Map of the City of Pearland, for approval of a change in zoning district from classification Planned Development District (PD) to Planned Development District (PD), an amendment to the existing PD for Province Village, on the following described property, to wit:

**LEGAL DESCRIPTION:** Approximately a 15 acre tract of land out of the Dissen called 136.995 acre tract, recorded in Volume 505, Page 86, of the Deed of Records of Brazoria County, Texas, situated in the Thomas J. Green Survey, Abstract 198, Brazoria County, Texas, and a 26.9158 acre tract of land in the Thomas J. Green Survey, Abstract 165, Brazoria County, Texas and being a part of that certain 136.955 acre tract conveyed from Jennie J. Settlegast, et al, to W.J. Dissen by instrument recorded in Volume 505, Page 86, of the Deed of Records of Brazoria County, Texas, and 5.7375 acres of land being situated in the W.D.C. Hall Survey, Abstract No. 23, Harris county, Texas, and being out of

changing Tract one from single Family Residential-4 (R-4) to Office Professional (OP) and Commissioner Ron Capehart seconded the motion. A vote was taken and was approved, 4-0 in favor with Commissioner Darrell Diggs abstaining as he had not been present for previous discussions regarding the amendment for the Province Village Planned Development.

Sincerely,

Angela Gantuah, Senior Planner  
On behalf of the Planning and Zoning Commission



Province Village

**Planned Unit Development  
Amendment No. 1**

**City of Pearland**

City Council  
&  
Planning & Zoning Commission

November 30, 2009

Submitted on behalf of:

Tex Proj 2008 LLC, Dan Brown  
3049 Sherwood Forest  
Baton Rouge, LA 70816

Prepared by:

LJA Engineering & Surveying, Inc.  
2929 Briarpark Drive, Suite 600  
Houston, Texas 77042-3703

**Province Village Planned Unit Development**

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**EXHIBITS**

- Exhibit 1 - AREA LOCATION
- Exhibit 2 - EXISTING CONDITIONS
- Exhibit 3 - TOPOGRAPHY
- Exhibit 4 - EXISTING ZONING
- Exhibit 5 - PROPOSED LAND USE

## Executive Summary

The purpose of this planned unit development (PUD) amendment application is to change the current designation of tract one which is 15 acres in the City of Pearland for the purpose of developing a mixed-use project consistent with the City's land development regulations. The site is currently under the Province PUD which we propose to change Tract One from Single Family Residential (R-4 PUD) to Office Professional (OP). As contemplated in the City's zoning ordinance, the PUD designation will allow the development of a project which is planned comprehensively and in a unitary fashion, and that will provide flexibility of development within a site that, because of several physical constraints would challenge the ability to develop under the current zoning designations.

Prior to the approved PUD, Tract One, a 15 acre tract which of the tract fronts Pearland Parkway, had a 200' section of land that is zoned R-3 across the southern 1/3 of the site with the balance being zoned Single Family Residential 2 (R-2). Tract Two, is a 26.90 acre tract that fronts East Broadway and had three bands of zoning, primarily GB and R-3. Tract Three, fronting Country Club Drive, is the smallest of the tracts containing 5.74 acres which roughly measures 400' by 500', and had a 150' section of land that was zoned across the southern portion. The balance of Tract Three is (R-4 PUD) of R-3 across the southern portion of the property with the balance being R-4.

Zoning districts are typically bounded by a physical feature, existing land use or political boundary that offers a logical break from one zoning classification to another. Also, conventional zoning typically provides a hierarchy of residential densities when adjacent to commercial uses normally with the highest density residential being placed next to the commercial with a transition to lower densities away from commercial.

The proposed Amended *Province Village PUD* will consist of approximately 27 single family homes within one gated neighborhood in tract Three, an 84 unit townhome neighborhood located in Tract Two, a 12.3 acre Office Professional (OP) district yielding approximately 107,160 square feet of potential space office space in tract One and a 5 acre GB – General Business district in Tract One as well. The residential yield will not exceed 112 single-family units. This comparison assumes similar detention requirements. This comparison modeled DU/AC (number of units per acre) after similar average densities per lot size found in the Shadow Creek Ranch community. Following more conventional zoning patterns, the plan proposes the higher density townhome neighborhood adjacent to the GB district and the existing Lowe's Center while placing the Garden Home sections in the rear portions of the

## **I. Existing Conditions**

### **SITE DESCRIPTION**

The site of the proposed mixed-use development is composed of three tracts - Tract One being a 15.00 acre tract situated on the west side of the overall site, Tract Two being a 26.92 acre tract situated in the center of the overall site, and Tract Three being a 5.74 acre tract situated on the east side of the overall site. A 90' City of Pearland drainage easement physically separates Tracts One and Two while Clear Creek and an 80' HL&P (CenterPoint Energy) easement physically separates Tracts Two and Three.

Tract One is bounded on the west by Pearland Parkway, on the north by Clear Creek Park residential subdivision, and situated just north of the Lowe's Home Center site located at the corner of Pearland Parkway and East Broadway. Tract One includes a 7.16 acre Office Professional tract north of Province Village Drive (proposed), a 5.19 acre Office Professional tract, a 1.16 acre tract of Province Village Parkway, and a 1.49 acre detention tract. (see Exhibit 5)

Tract Two is bounded on the south by F.M. 518 (East Broadway), and on the east by a CenterPoint Energy substation (located to the southeast of Tract Two along East Broadway) and by an 80' HL&P (CenterPoint Energy) easement along the east, and on the north by Clear Creek. The Lowe's Home Center site is situated west and southwest of Tract Two. Tract Two Includes the 3.79 acre Detention, the 1.62 acre trail tract, the .58 park tract, the 13.44 R-4 PUD Single family tract, the 1.49 detention, the 5 acre GB tract, and the 1.44 tract of Province Village Drive.

Tract Three is bounded on the east by Country Club Drive, on the west by the 80' HL&P (CenterPoint Energy) easement and on the south by Clear Creek and on the north by a Clear Creek diversion channel easement. Currently the land is rural agriculture in nature except for the 5 acre General Business portion that is adjacent to FM 518 Broadway. Tract 3 is 5.74 acres of R-4 PUD including the portion of Province Village Drive within Tract 3.

Please refer to Exhibit 1 – Area Location that illustrates the sites location within the City of Pearland and Exhibit 2 – Existing Conditions that illustrates the three tracts comprising the site and its relationship to surrounding land uses.

Within approximately 150' of the northern boundary the site slopes downward 12 to 14 feet with an elevation of 22 at Clear Creek along the northern boundary of the tract. While the majority of Tract Two is open pasture and cultivated field, there are trees and vegetative cover near the northern boundary where the property begins to slope toward Clear Creek as well as along some of the land adjacent to the HL&P (CenterPoint Energy) easement. Most of this vegetative cover is within the proposed detention area and it cannot be determined at this time if any of this material can be preserved.

A small ridge makes a protrusion near the center of Tract Three nearing elevation 43 descending to elevation 32 along Country Club Drive to the east and elevation 37 along the west, adjacent the 80' HL&P easement. The slope descends to elevation 34 along the south boundary. Tract Three has some limited tree and vegetative cover along the perimeter of Country Club Drive and the HL&P (CenterPoint Energy) easement.

### **SURROUNDING LAND USE**

Land Uses surrounding Province Village PUD include Clear Creek Park Single-Family Residential to the north of Tract One, Green Tee Terrace Single-Family Residential and the Golfcrest Country Club to the north of Tract Three (both in Harris County), low-density residential uses to the east, an HL&P (CenterPoint Energy) substation to the east/southeast of Tract Two, a General Business District (Victory Plaza) to the southeast of Tract Two fronting FM 518 Broadway, a non-developed tract to the south of Tract Two fronting opposite side of East Broadway that is rural in nature, a General Business District (Rehoboth Acres) to the southwest of Tract Two fronting opposite side of East Broadway, a Commercial District (Lowe's Home Improvement Center) to the west of Tract Two and south of Tract One, and a non-developed tract to the west of Tract One fronting the opposite side of Pearland Parkway that is rural in nature. In general, the East Broadway corridor was zoned primarily GB - General Business District while the Pearland Parkway corridor is zoned Single Family Residential. Refer to Exhibit – 2 Existing Conditions and Exhibit 4 – Existing Zoning.

## **II. Project Objectives**

### **PROJECT OVERVIEW**

The proposed *Province Village PUD Amendment* consists of a 47.65 Acre mixed-use project located within the City of Pearland, Texas. This application was prepared on behalf of Tex Proi 2008 LLC, Dan Brown pursuant to the City of Pearland ordinance

The PUD as proposed will consist of GB – General Business, OP – Office Professional and R4 – High Density Single-Family Residential. Approximately 11% of the overall land will be dedicated to parks, recreation, trails, open and green space. Approximately 12% of the overall site will be utilized for detention.

### **GOALS & OBJECTIVES**

The goals of the *Province Village PUD* are to provide guidelines for the creation of a planned development that provides community cohesiveness, flexibility of development, uniformity in building construction, long-term sustainability, orderly growth and desired visual results. Further, the goals reflect the flexibility to achieve a quality mixed-use development in a coordinated urban setting while promoting a more economical and efficient use of the land.

The goals and objectives will be achieved through the implementation of a planning strategy designed to maintain flexibility in the market place. The goal is to provide retail and office opportunities within the East Broadway and Pearland Parkway corridors while providing single-family residential within the interior of the site enhanced by aesthetically pleasing open space, a trail system within recreational opportunities for the residents paired with a half acre park site and other neighborhood amenities.

The project's character will be ensured through guidelines and controls for architectural and design aesthetics, open space and landscaping, perimeter treatments and neighborhood amenities, such as sidewalks and neighborhood recreation spaces.

Orderly growth will be achieved through this plan to ensure a completed project that is consistent in character and content, providing residents, businesses, and visitors with a clear sense of community. The goals and objectives outlined in the following matrix are intended to facilitate a successful long-term development offering variety.

<b>Goal</b>	<b>Objective</b>
▪ Flexible Growth	Provide the ability for flexibility in the development program to respond to market demands.
▪ Orderly Growth	Provide orderly and controlled growth via mechanisms that ensure thoughtful application of

### **III. Project Description**

#### **AUTOMOBILE CIRCULATION**

*Province Village PUD* will have superior traffic mobility with frontage along Pearland Parkway to the west and Country Club Drive on the east. A local collector connects these two streets along an east/west alignment parallel to East Broadway. This alignment of this collector is centrally positioned to allow for excellent ingress/egress to each development cell. Collector width and design has been approved by the City. Collector street parking was not anticipated or provided for. The proposed 5 acre GB - General Business site adjacent to East Broadway, separated from the balance of the site by proposed residential uses, has excellent frontage across its entire width. The East Broadway at Pearland Parkway intersection provides excellent access to any location within the City as well as the region. Northbound Pearland Parkway provides easy access to Harris County and Beltway 8 (Sam Houston Tollway). Westbound Broadway (F.M. 518) provides access to the older business area, the Village District, and connects to Texas 288, the most prominent centrally located north/south arterial thoroughfare within Brazoria County. Eastbound Broadway connects the site to the Galveston Bay area including Friendswood, Baybrook, Clear Lake and I-45. A TIA has been provided and approved by the City.

#### **PEDESTRIAN CIRCULATION**

The pedestrian circulation layout is designed to integrate the individual residential neighborhoods while providing easy access to the park and the centrally located Common Open Space outside of the individual residential cells. The main public walkway is 6' wide, located along the both sides of the collector street. This walk runs completely through the site, along an east/west axis and will connect with public sidewalks along Pearland Parkway. Walks along Pearland Parkway will be constructed as part of this proposed development and will tie into the existing walk along Pearland Parkway. A 6' conventional sidewalk will be constructed within the projects frontage on Country Club Drive. There currently is no existing sidewalk on Country Club Drive. These walks provide easy access to the Office Professional site within the project and to designations outside of the project site.

In addition to a 4' walk, the trail will offer a link from the public walk to an 8' walk section for the proposed Clear Creek trail system. Compliance with the City of Pearland's typical sidewalk requirements will be maintained throughout the balance of the project. completing the overall

## **GENERAL LANDSCAPE AND PERIMETER TREATMENT**

The *Province Village PUD* will be thoroughly landscaped along the streets and common areas. Street trees will be planted along the collector street and along the frontage of Pearland Parkway and Country Club Drive according to City regulations. The project will have entry statements both at the Collector Street and Pearland Parkway intersection and also at the Country Club Lane intersection. Entry statements and signage shall meet the City's requirements. The individual residential cells will each have a boulevard entry and entry statement fully landscaped utilizing minimum of 2" caliper trees, shrubs, seasonal plantings and ground covers. These areas will be irrigated.

The perimeter treatment of the residential cells includes evergreen screening of areas outside of the individual lots and removed from the public street right-of-ways. In addition a 6' height masonry screen wall will be constructed along the south property line of the OP – Office Professional site adjacent to the Lowe's Center and along the western, southern, and eastern property line of the Tract Two Townhome section.

Two trees shall be planted along interior streets per lot. Maintenance of all open spaces, parks, trails, and open areas will be the responsibility of HOA or private entity and not the City's responsibility.

## **PROJECT ARCHITECTURE**

The project architecture regarding the public portions of the development will have a common architecture theme. This would include the entry statements and the OP – Office Professional architectural facades and elements. Efforts will be made to insure harmony in the design. While actual design has not been initiated at this time, several photographic examples of what the developer has constructed similar in nature to the proposed product are included to provide a sense of architectural direction for the project. Actual design for the *Province Village PUD* may vary. In general, the architecture will consist of mostly masonry and glass facades of buildings as required by zoning regulations.

## **IV. Quantitative Data**

The property is proposed to be comprised of Office Professional. General Business and High-

**Table 1 - Composition of Land Uses**

Overall Site – Land Use	Acres
<b>General Business - GB District</b>	<b>5.0</b>
<b>Office Professional – OP District</b>	<b>12.3</b>
<b>Gated Garden Home Residential – R4</b>	<b>3.5</b>
<b>Townhomes Residential - R4 District.</b>	<b>11.85*<sup>2</sup></b>
<b>Detention Basin Reserves(built)</b>	<b>5.28</b>
<b>Park, Recreation, Open &amp; Green Space</b>	<b>4.38</b>
<b>East/West Local Collector Right-of-Way (built)</b>	<b>2.70*<sup>1</sup></b>
<b>Interior Street (Residential) Right-of-Way</b>	<b>1.65</b>

**Total Acreage.....47.65**

**\*<sup>1</sup> Other (Off-site Collector Right-of-Way).....0.53**  
 (Includes crossing of 90' City of Pearland Drainage Easement & 80' HL&P Easement)

**\*<sup>2</sup> Excludes interior street Right-of-Way. With Right-of-Way of residential acreage included total would be 22.52 acres.**

**Table 2 – Acreage per Land Use Summary**

Land Use Category	Acreage	% Of Gross Acreage
<b>CONSTRAINTS</b>	<b>7.98 Ac</b>	<b>17%</b>
Collector Street* (built)	2.7 Ac	
Proposed Drainage / Detention Facility ** (built)	5.28 Ac	
<b>COMMUNITY ELEMENTS</b>	<b>4.99 Ac</b>	<b>11%</b>
Park Reserve	0.58 Ac	
Recreation, Green & Open Space	4.41	
<b>SINGLE FAMILY RESIDENTIAL - R4 DISTRICT</b>	<b>47.40</b>	<b>100%</b>

The assigned zoning designations and the total acreage for each are as follows:

**Table 3 – Assigned Zoning Designations**

<b>Land Use</b>	<b>Acreage</b>	<b>Zoning Designation</b>
Office Professional General Business	12.29 5.0 Ac.	OP – Office Professional GB – General Business
Parks, Recreation, Green or Common Open Space	4.99	R-4 Maximum Density Single-Family
Collector Streets	2.70 Ac.	
Proposed Detention Facilities	5.28 Ac.	
R-4 PUD Single-Family Residential	17.43	
<b>Total</b>	<b>47.65 Ac</b>	

\* Represents off-site Right-of-Way needed for Collector, excluded from Total Acreage. Includes crossing of 90' City of Pearland Drainage Easement and 80' HL&P (CenterPoint Energy) Easement.

**V. Proposed Land Use Revisions and Regulatory Compliance**

In order to implement the proposed land use plan as currently proposed, each of the proposed land uses have been assigned zoning categories consistent with the current City of Pearland zoning regulations. The proposed zoning differs somewhat from the zoning designations currently in place for the parcels that comprise the proposed development. Please refer to Exhibit 4 – Existing Zoning and Exhibit 7 – Proposed Zoning Categories by Land Use.

Land use shall be regulated on a total acreage basis with a maximum density of 112 lots. Lot sizes to conform to PUD. The percentage land use area change is required to ensure the success of the development by maintaining the flexibility to modify land use sizes in response to changes in economic and market conditions. This will allow the project to remain competitive in the real estate market over the life of the development phases and the ability to make adjustments as necessary to accommodate specific end users in a timely manner.

The proposed Amended Province Village PUD is changing a 7.16 acre Garden Home section to Office Professional (OP zone) use. The property is north of Province Village

Social & Recreational Building, including homeowner's association neighborhood recreation centers

Onsite Detention Facility

**Entertainment & Recreational Uses**

Park and/or Playground (Private)

Park and/or Playground (Public;Municipal)

Swimming Pool, Private (Uses Only By Resident)

Tennis or Swim Club (Private, For Profit)

Tennis Court (Private/Not Lighted)

**Office Uses**

Clinic, Medical or Dental

Credit Agency

Financial Institution (No Motor Bank Services)

Financial Institution (With Motor Bank Services)

Financial Services (Advice/Invest)

Insurance Agency Offices

Office, Brokerage Services

Office, Legal Service

Office, Medical/Dental {Defined Under Medical Facilities}

Office, Professional and General Business (other than those listed)

Office, Real Estate

Security Monitoring Company (No Outside Storage)

Travel Agency, Bureau or Consultant

Automatic Teller Machine (ATM)

Barber/Beauty Shop/Tanning Studios (No Related School/College)

Mailing Service (Private)

Pharmacy (Retail Only)

Seamstress or Dressmaker (Retail Only)

**Retail & Business Service Uses**

Antique Shop (No outside storage)

Art Supply Store

Bakery or Confectionery Shop (Retail Sales, Inside Service Only)

Book/Stationery Shop (Retail Only)

Camera Shop (Retail Only)

Day Camp (For Children)  
Governmental Building or Use (County, State, or Federal)  
Hospice (Defined Under Household Care Facility)  
Institution of Religious, Educational or Philanthropic Nature  
Library, Public  
Municipal Public Administration Offices  
Museum (Indoors Only)  
Rectory/Parsonage  
School- Other than Public or Parochial  
Studio for Radio and/or Television (No Tower[s])

**Utility Related Service Uses**

Satellite Dish (Private, less than 4' in diameter) {See Telecommunications Regs. Chp. 2, Art. 5 Div. 5 of the UDC}  
Telephone Business Office

**Commercial & Related Service Uses**

Contractor's Temporary On-Site Construction Office (only with permit from B.O.)

**Bank Site (Additional Restrictions)**

The following additional restrictions are being placed on the 1.53 acre proposed bank site located in the northwest corner of the proposed Restricted OP Zone:

The drive thru on any bank shall be oriented so that the following conditions will not occur:

- 1) While a vehicle is stationary (conducting transactions) in the drive thru lane, the vehicles lights will not shine directly onto the residential area to the North.
- 2) The queue (vehicle stacking) for the drive thru will not cause a blockage of traffic on any adjacent public streets.
- 3) The bank site will have lights that are hooded or constructed in such a way so that the bulb is not visible from the adjacent residential property on the north side of the 1.53 acre development. A photometric drawing will be sent to the City Engineer for review and approval.

The façade of the proposed bank building on the Pearland Parkway side will meet the requirements for the Corridor Overlay District. The requirements of the Corridor Overlay District include articulation of the wall, minimum glass coverage and construction

If the required 8 foot fence is not able to be placed on the property line then it will be placed approximately 10 feet from the property line (along the south line of the 10-foot drainage easement) with periodic access for maintenance of the drainage swale. This alternate placement of the fence will permit the applicant to comply with light and noise issues and meet all the requirements of the current Unified Development Code.

The height of buildings allowed on this 7.16 acre site will be restricted. As shown on Exhibit 8, a rear setback line in excess of the 25' minimum may be required depending on the height of the proposed building. For properties and uses adjacent to the northern property line, the lighting must face south and away from the adjacent residential uses and zoning district. This additional requirement will greatly minimize the visibility of any proposed building from the neighboring residential area to the north.

The hours of business operation in the proposed 7.16 acre OP Zone shall be restricted to 6 a.m. to 9 p.m.

## **VI. Phasing and Development Schedule**

It is anticipated that Province Village PUD would be developed in phases with Tract One anticipated within the initial phasing and a portion of the General Business parcel fronting East Broadway. However, the location and timing of phases will be dependent upon market driven forces. At the time of this submittal, it is the intent of the applicant to develop the Office Professional parcel as well as retaining some out parcels for the real estate market where also, at this time the applicant intends on providing street and infrastructure construction within the

## VII. Legal Description and Boundary Survey

### LEGAL DESCRIPTION

Province Village P.U.D. consists of three parcels. As of the date of this application Tracts One and Two are owned by Tex Proj 2008 LLC, Dan Brown, 3049 Sherwood Forest, Baton Rouge, Louisiana 70815. Tract Three is owned by T. & B. Alexander Family, L.P., General Partner: T. & B. Alexander Limited, Inc.

### Legal Description, City of Pearland, Province Village P.U.D.

---

The following descriptions comprise 47.65 Acres, divided into three parcels. Tract One contains 15.00 acres, Tract Two contains 26.9158 acres with Tract Three containing 5.7375 acres.

#### **Tract One**

#### DESCRIPTION OF 15.000 ACRES

#### TRACT ONE

Of a 15.000 acre tract of land out of the Dissen called 136.955 acre tract, recorded in Volume 505, Page 86, of the Deed Records of Brazoria County, Texas, situated in the Thomas J. Green Survey, Abstract 198, Brazoria County, Texas, more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod set in the southeasterly line of Pearland Parkway (130' R.O.W.) marking the westerly corner of herein described tract and the northerly corner of a 18.000 acre tract that bears South 62° 50' 53" East, 68.63' and North 45° 52' 02" East, 931.96' from a 1/2-inch iron rod found marking the west corner of aforesaid 136.955 acre Dissen tract

THENCE South 67° 12' 31" West continuing along said easement a distance of 163.33' to a 5/8-inch iron rod set at an angle point in said easement for corner;

THENCE South 52° 53' 48" West continuing along said easement a distance of 79.97' to a 5/8-inch iron rod set, marking the southerly corner of herein described tract. Also being the east corner of aforesaid 18.000 acre tract;

THENCE North 62° 50' 53" West with the common line of said 18.000 acre tract and herein described tract containing 15.000 acres or 653,400 square feet of land.

**Tract Two**

DESCRIPTION OF  
26.9158 ACRES

TRACT TWO

Of a 26.9158 acre tract of land in the Thomas J. Green Survey, Abstract 165, Brazoria County, Texas and being a part of that certain 136.955 acre tract conveyed from Jennie J. Settegast, et al, to W.J. Dissen by instrument recorded in Volume 505, Page 86 of the Deed Records of Brazoria County, Texas, more particularly described as follows:

BEGINNING at a point in the northerly line of F.M. 518 (Broadway) marking the most southerly and beginning corner of herein described tract that bears North 62° 50' 53" West, 347.72' from a 5/8-inch steel rod found marking the southerly corner of aforesaid 136.955 acre tract from said point beginning a found 3/4-inch steel rod bears North 45° 05' 47" East, 0.58' also being the westerly corner of a 1.955 acre tract conveyed to H. L. & P. Company by instrument recorded in Volume 1147, Page 19 of the Deed Records of Brazoria County;

THENCE North 62° 50' 53" West with the northerly line of F.M. 518 and southerly line of said 136.955 acre tract a distance of 765.52' to 5/8-inch steel rod set marking the westerly corner of herein described tract being the southerly corner of a 90' wide drainage easement recorded in Volume (87) Page 765 of the Official Records of Brazoria County, Texas;

THENCE North 45° 23' 48" East with the southeasterly line of said 90' easement a distance of 765.40' (called 765.02') to a 5/8-inch steel rod set an angle point in said drainage easement:

to a point on the centerline of Clear Creek for corner being on the Harris County and Brazoria County Line;

THENCE along the centerline of Clear Creek and county line of the following courses and distances:

South 08° 58' 14" West, 52.01' feet to an angle point for corner;

South 01° 58' 30" West, 34.90' feet to an angle point for corner;

South 15° 20' 57" East, 39.69' feet to an angle point for corner;

South 19° 42' 33" East, 57.52' feet to an angle point for corner;

South 14° 09' 52" East, 79.51' feet to an angle point for corner;

South 14° 33' 54" East, 57.77' feet to an angle point for corner;

South 17° 08' 04" East, 75.39' feet to an angle point for corner being in the northwesterly line of a 80' wide H. L. & P. Company transmission easement conveyed as Tract 2 by instrument recorded in Volume 1147, Page 19 of the Deed Records of Brazoria County, Texas;

THENCE South 45° 07' 16" West departing the centerline of Clear Creek a distance of 64.30' to a 5/8-inch rod set at an angle point for corner;

THENCE South 45° 06' 05" West continuing along the northwesterly line of said 80' easement a distance of 724.73' to a 3/4-inch steel rod found for corner being the easterly corner of aforesaid H.L. & P. Company 1.955 acre tract;

THENCE North 44° 56' 04" West with the northeasterly line of said 1.955 acre tract a distance of 260.00' to a 3/4-inch steel rod found for corner being the northerly corner of said 1.955 acre tract;

THENCE South 45° 05' 47" West with the northwesterly line of said 1.955 acre tract at 380.91' (called 381.19') pass a 3/4-inch steel rod found continuing for a total distance of 381.49' to a point of beginning of herein described tract containing 26.9158 acres of land. Subject to 2.7 acres more or less within the flood plain.

BEGINNING at a 5/8-inch iron rod set for corner in the northwesterly right-of-way line of Country Club Drive, said iron rod bears North 37° 14' 08" East, a distance of 166.33 feet from the intersection of the northwesterly right-of-way line of said Country Club Drive and the described centerline of Clear Creek;

THENCE North 14° 10' 00" West along the easterly line of a residue of a 240 foot drainage easement, as recorded in Volume 2582, Page 164 of the Deed Records of Harris County, Texas, a distance of 101.60 feet to a 5/8-inch iron rod set for corner;

THENCE North 54° 56' 00" West continuing along the easterly line of said residue, a distance of 241.07 feet to a 5/8-inch iron rod set for corner;

THENCE North 09° 49' 00" West continuing along the easterly line of said residue, a distance of 243.61 feet to a 5/8-inch iron rod set for corner in the northwesterly line of said 568.92 acre tract, same being the southerly line of an 80 foot wide Houston Lighting & Power Company easement recorded in Harris County Clerk's File No. D739468;

THENCE North 45° 00' 30" East along the northwesterly line of said 468.92 acre tract and the southerly line of said 80 foot wide Houston Lighting & Power Company easement, a distance of 543.53 feet to a 5/8-inch iron rod set in the westerly line of a Harris County Flood Control easement;

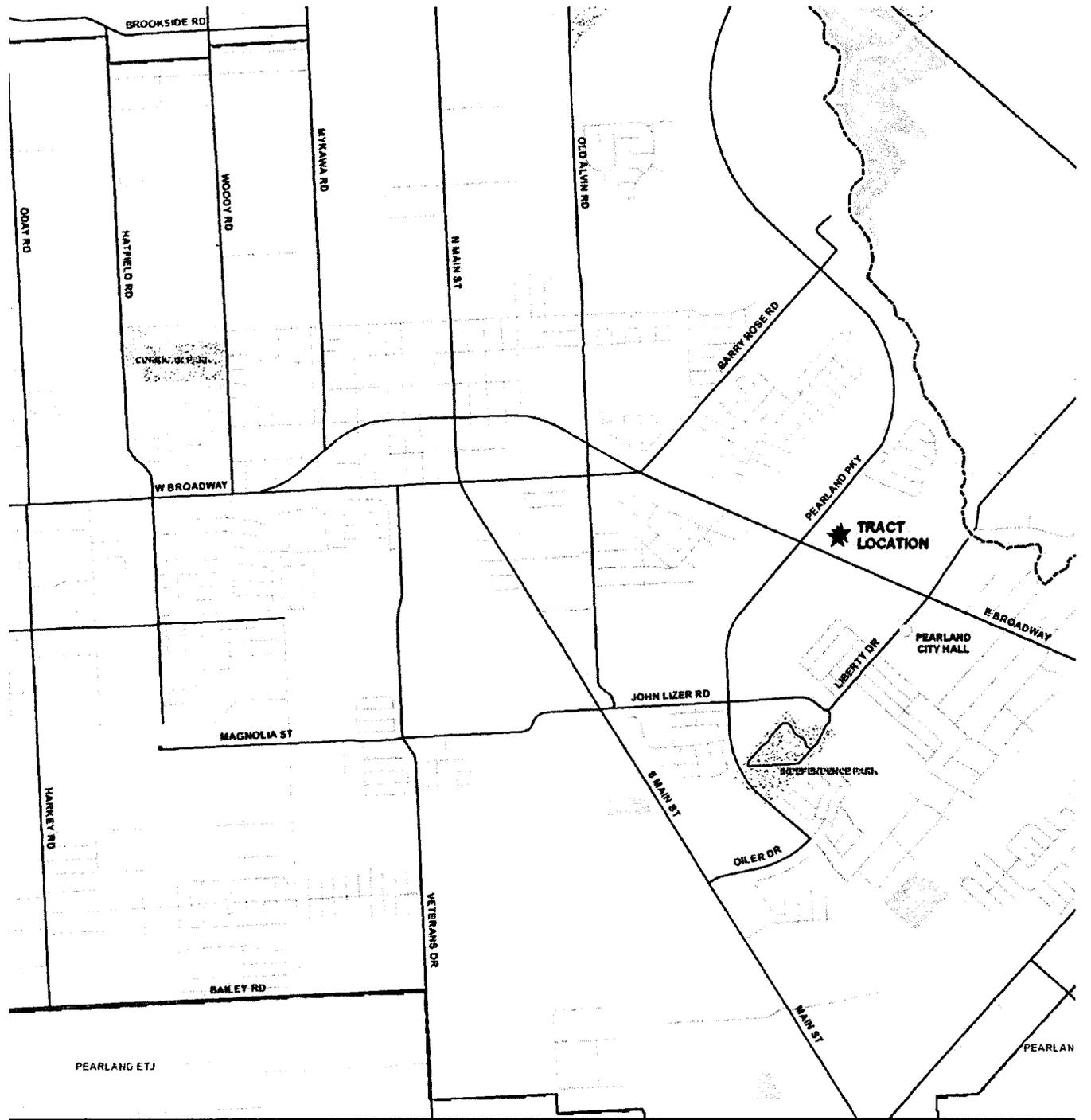
THENCE South 02° 00' 00" East along the westerly line of said Harris County Flood Control easement, a distance of 27.78 feet to a 5/8-inch iron rod set for the beginning of a curve to the left;

THENCE with said curve to the left, having a radius of 595.00 feet, a central angle of 42° 59' 31", an arc length of 446.46 feet, a chord bearing of South 23° 29' 43" East and a chord distance of 436.06 feet to a 5/8-inch iron rod set for a point of tangency;

THENCE South 44° 59' 30" East, a distance of 27.41 feet to a 5/8-inch iron rod set for corner on the northerly right-of-way line of County Club Drive (based on a 80.00 foot wide right-of-way);

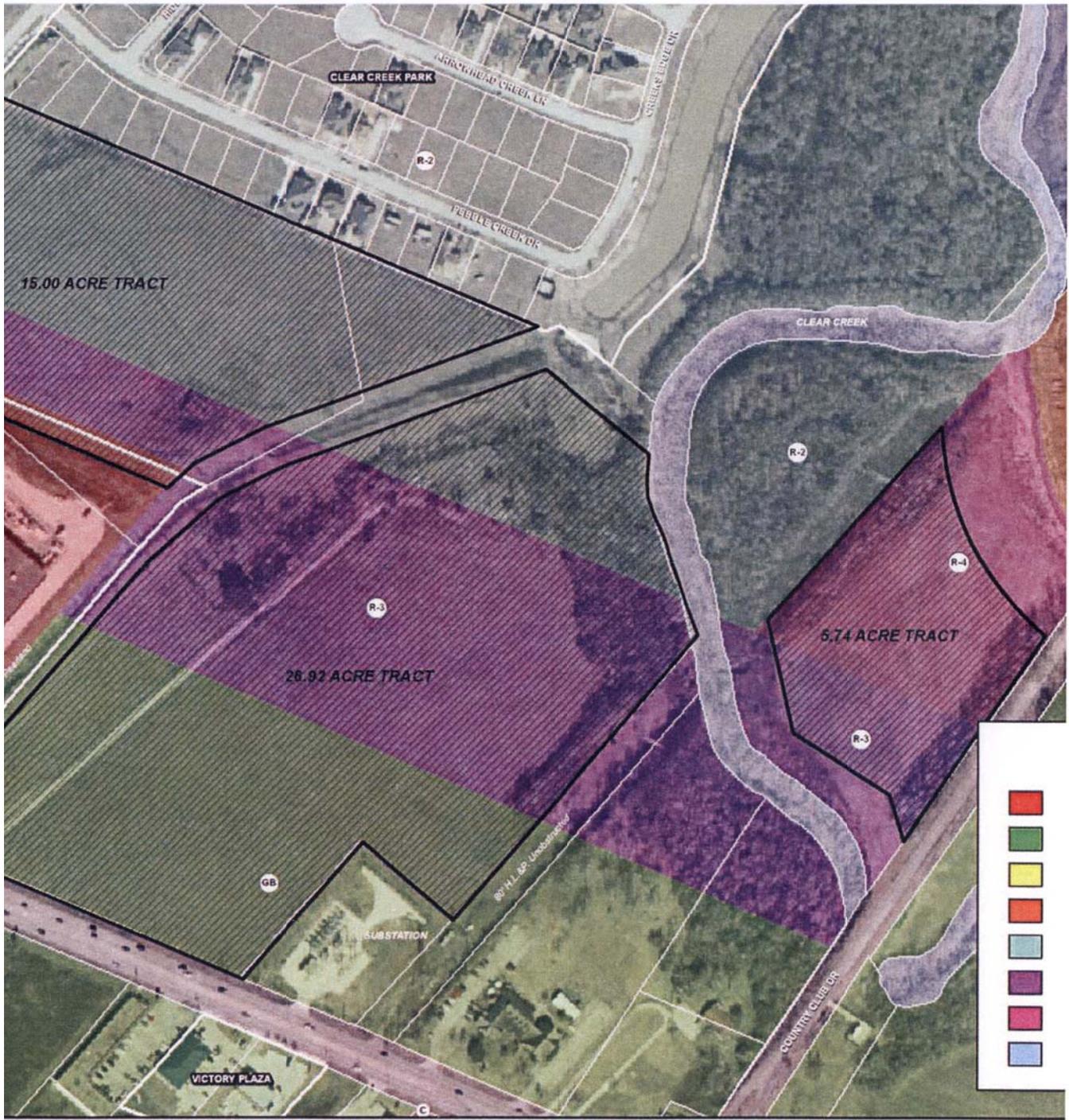
THENCE South 37° 14' 08" West along the northwest right-of-way line of said Country Club Drive, a distance of 520.36 feet to a 5/8-inch iron rod set for the PLACE OF BEGINNING of the herein described tract and containing within these calls 249.925 square feet or 5.7375

Filename: Province Village PUD ammendment 11-11-09  
Directory: L:\ggurrola\Warren's Province\New Folder  
Template: C:\Documents and Settings\ggurrola\Application  
Data\Microsoft\Templates\Normal.dot  
Title: Province Village  
Subject:  
Author: LJA Engineering  
Keywords:  
Comments:  
Creation Date: 11/10/2009 5:45:00 PM  
Change Number: 6  
Last Saved On: 11/24/2009 2:24:00 PM  
Last Saved By: wescovy  
Total Editing Time: 53 Minutes  
Last Printed On: 11/30/2009 11:22:00 AM  
As of Last Complete Printing  
Number of Pages: 17  
Number of Words: 6,511 (approx.)  
Number of Characters: 34,578 (approx.)







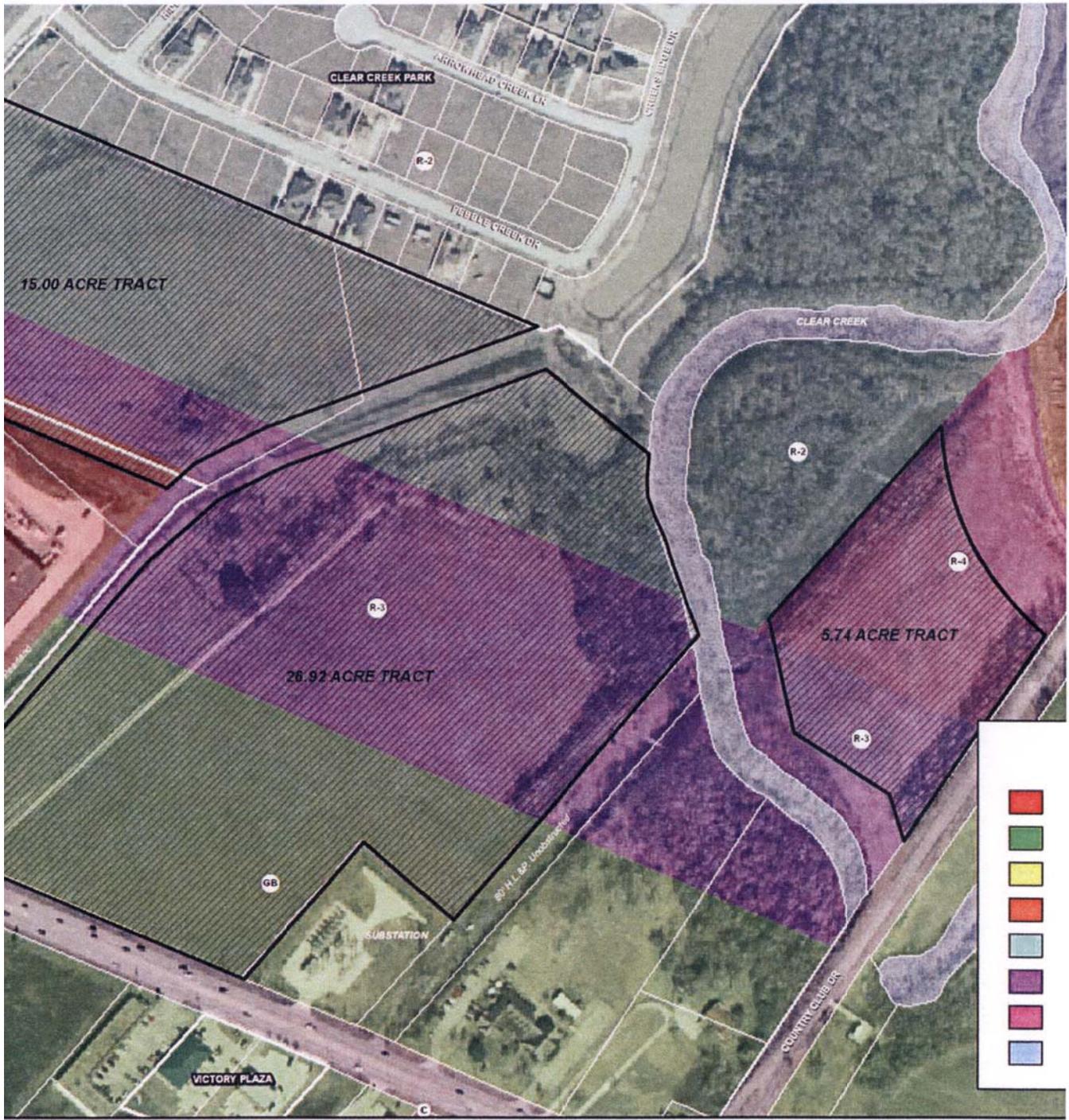




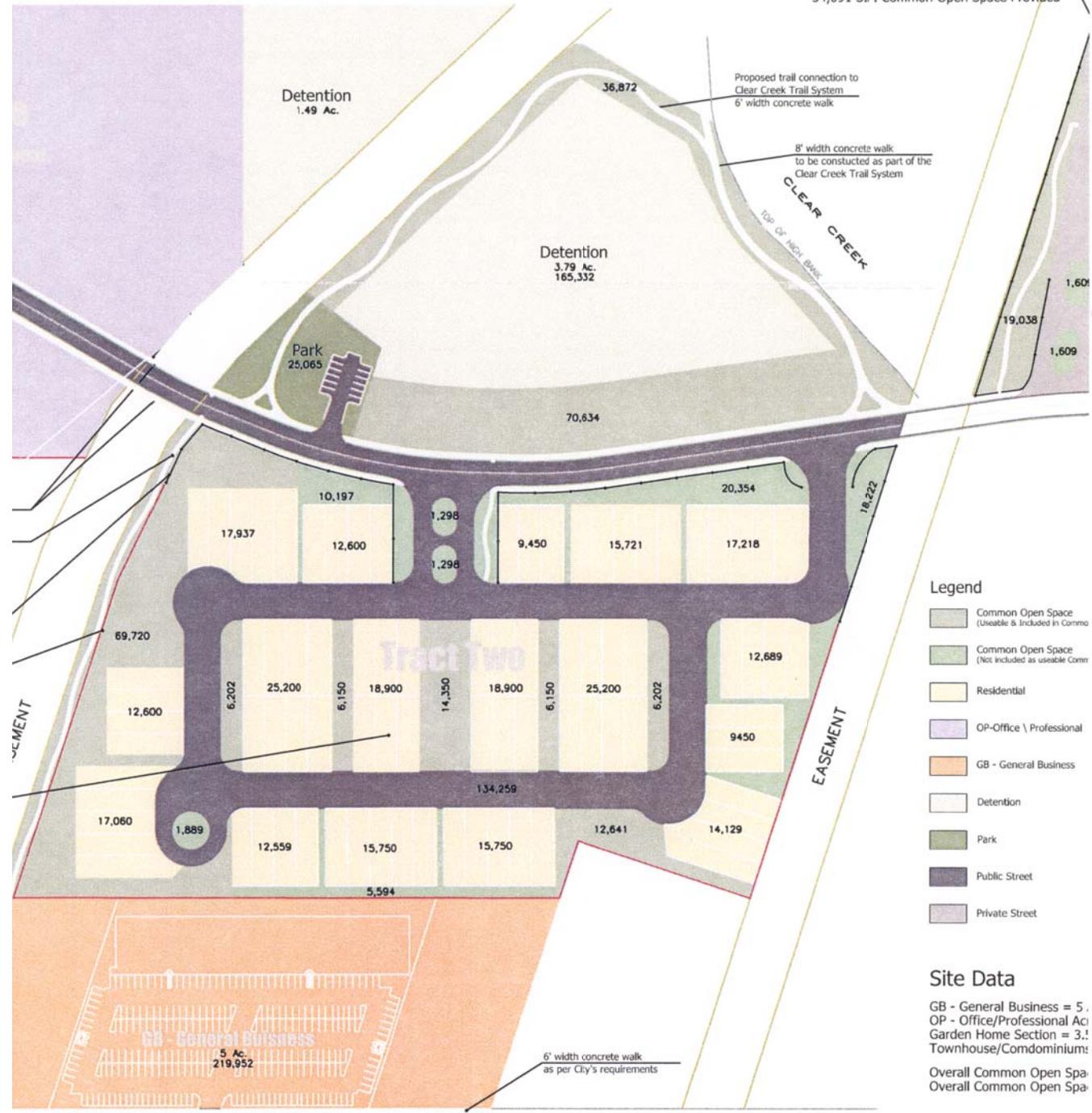








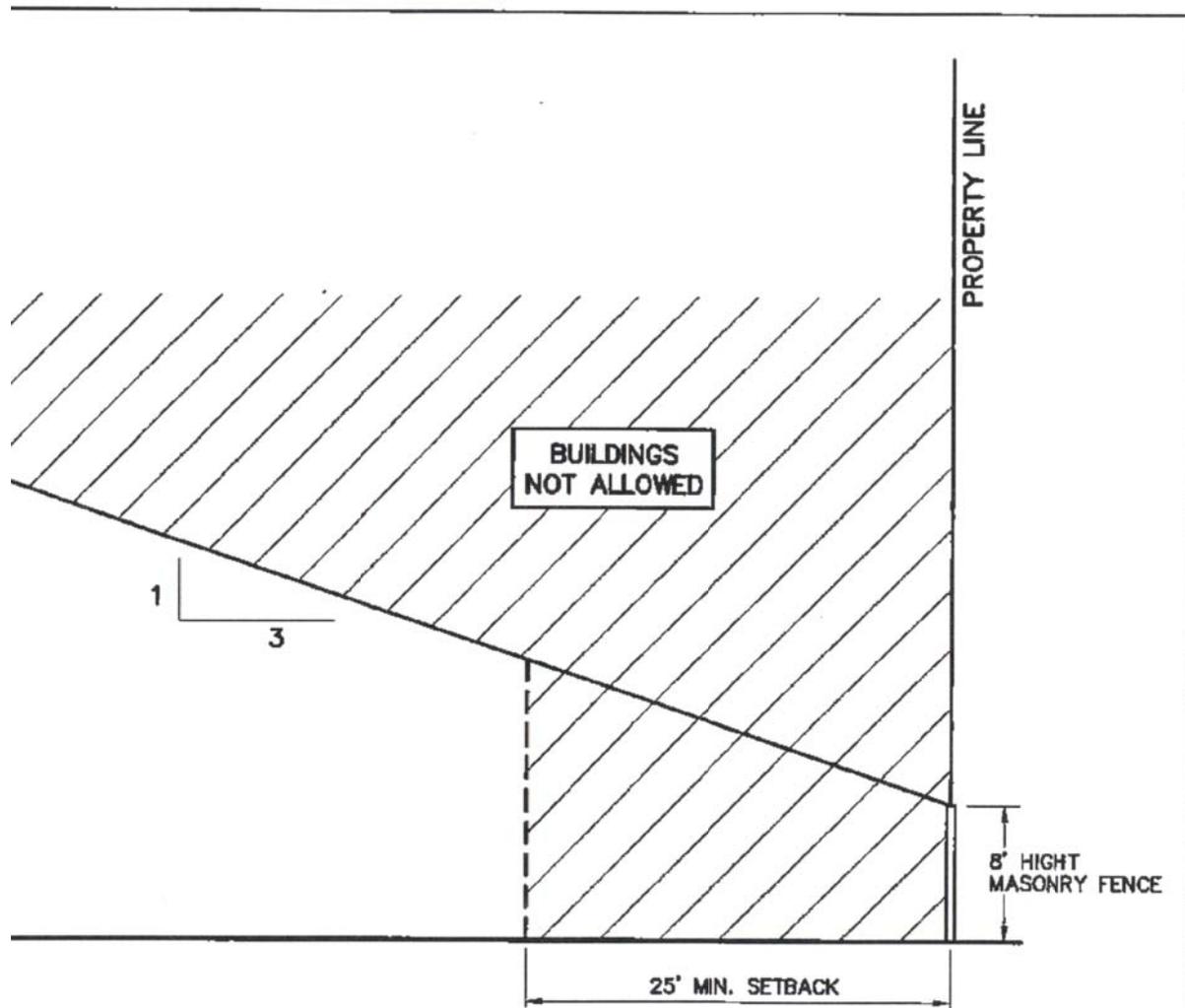
24,300 S.F. Common Open Space Required  
 34,091 S.F. Common Open Space Provided



(Broadway)







**EXHIBIT 8**  
**REAR SETBACK REQUIREMENT**  
SCALE 1"=10'



# APPLICATION FOR A CHANGE IN ZONING

City of Pearland  
Community Development  
3523 Liberty Drive  
(Community Center)  
Pearland, Texas 77581  
281-652-1768  
281-652-1702 fax  
www.cityofpearland.com

Current Zoning District: PUD - Province Village

Proposed Zoning District: PUD - Amendment #2

**Property Information:**

Address or General Location of Property: Province Village Dr.

Tax Account No. Harris County: 0402230000196 Brazoria County Property ID 59940  
Thomas J Green Survey Abstract 198 & 290

Subdivision: W.D.C. Hall Survey Abstract 70 & 23 Lot: \_\_\_\_\_ Block: \_\_\_\_\_

**A complete application must include all information shown on the Application Checklist attached to this application.**

**PROPERTY OWNER INFORMATION:**

NAME Texproj 2008 LLC  
ADDRESS PO Box 800  
CITY Francisville STATE LA ZIP 70775  
PHONE (225) 571 7133  
FAX ( ) \_\_\_\_\_  
E-MAIL ADDRESS danbrown1957@yahoo.com

**APPLICANT/AGENT INFORMATION:**

NAME Alan Mueller  
ADDRESS 4201 Broadway  
CITY Pearland STATE TX ZIP 77581  
PHONE (832) 512 1200  
FAX (281) 412 9060  
E-MAIL ADDRESS alan@gromatexas.com

\*Property owner must be the current owner of the property at the time of submittal of the application, and not the party that has the property under contract.

As owner and applicant, I hereby request approval of the above described request as provided for by the Unified Development Code of the City of Pearland.

Owner's Signature: Donald Brown Date: 4-24-14

Agent's/Applicant's Signature: Alan Mueller Date: 4/24/14

**OFFICE USE ONLY:**

FEES PAID:	DATE PAID:	RECEIVED BY:	RECEIPT NUMBER:
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Application No. \_\_\_\_\_

## APPLICATION CHECKLIST FOR THE FOLLOWING

- Zone Changes
- Planned Development Districts (PD)

- Application, filled out completely, and signed by the owner of the property to be considered for the conditional use permit.
- If the applicant is the designated agent, the application shall include a written statement from the property owner authorizing the agent to file the application on his behalf. **Section 1.2.1.1 (a) of the Unified Development Code.**
- Metes and Bounds Description, (Survey, or a Plat of the property that provides or contains the metes and bounds description). *Exhibit 5 in the Amendment*
- Parcel map, printed from the City of Pearland website, indicating the location and boundaries of the subject property.
- Letter of Intent, explaining the zone change request in detail and why the zoning is being requested to be changed, and state the uses being proposed

\*Letter of Intent is not required for a PD.

- Application fee, as determined below, by cash, check made payable to the City of Pearland, or credit card (Visa and MasterCard only)
  - **Zero (0) to less than 25 acres:**
    - \$ 750.00 plus \$25.00 per each type of zoning district requested; or
    - \$ 800.00 if requesting a Planned Development (PD)
  - **25 to less than 50 acres:**
    - \$ 800.00, plus \$25.00 per each type of zoning district requested; or
    - ○ \$ 850.00 if requesting a Planned Development (PD)
  - **50 to less than 75 acres:**
    - \$ 850.00, plus \$25.00 per each type of zoning district requested; or
    - \$ 900.00 if requesting a Planned Development (PD)
  - **75 to less than 100 acres:**
    - \$ 900.00, plus \$25.00 per each type of zoning district requested; or
    - \$ 950.00 if requesting a Planned Development (PD)
  - **100 acres and above:**
    - \$ 950.00, plus \$25.00 per each type of zoning district requested; or
    - \$ 1000.00 if requesting a Planned Development (PD)

- For PD's Only: the proposed PD document in electronic form by date of application (either emailed or on a CD) (see PD Format for guidelines on how to prepare the PD).

*Emailed to Lata 4/3/14*

- Acknowledgement of the sign to be posted on the property 10 days prior to the public hearing. *Will post one sign on each tract - 3 Total*
- Provide evidence or proof that all taxes and obligations have been paid regarding the subject property. *Ordered 4/24/14*
- Application packets that are not **complete** will not be accepted. **When a completed application packet has been accepted and reviewed, additional information may be required by staff as a result of the review, it may be necessary to postpone the proposed CUP/Zone Change and remove it from the scheduled agenda and place it on a future agenda date according to Section 1.2.1.2. of the Unified Development Code.**

### **Additional Information:**

- Upon making an application for a zoning change or conditional use permit, the applicant shall place sign(s) as required. The City shall inspect such sign(s) to ensure compliance as required by the UDC.
- After the zoning change or conditional use permit request is approved by the City Council, denied by the City Council, or withdrawn by the applicant, the applicant shall remove the sign from the area of the request within ten (10) days of such event.
- It shall be unlawful for anyone to remove, destroy, deface or obstruct the view of a sign which gives notice that a zoning change or conditional use permit has been requested.
- In the event the applicant shall fail to erect and/or maintain signs in accordance with this section, then the public hearing before the Planning and Zoning Commission/City Council shall be postponed to a date in the future, which would allow time for compliance.
- The erection of any sign required by this section shall not require a permit under Section 4.1.2.6 of this UDC.
- The owner or applicant shall promptly notify the Planning Department of any sign required by this section, which becomes lost, stolen or vandalized. The Planning and Zoning Commission shall have the power to decide whether or not there has been substantial compliance with the posting requirements in the case of lost, stolen or vandalized signs.

ZONE CHANGE/ VARIANCE/ [REDACTED] RECORDATION

\$850

(Circle one)  
BA

or



or FE

Description: Input who the check is from

COMMENTS/DESCRIPTION (F10):

Location or

Address

Prairie Village PD

Applicant

Alan Moeller

Owner \_\_\_\_\_

CITY OF PEARLAND  
R E P R I N T

\*\*\* CUSTOMER RECEIPT \*\*\*

Oper: JCOTTER Type: OC Drawer: 1  
Date: 4/24/14 01 Receipt no: 210408

Description	Quantity	Amount
BA BOARD OF ADJUSTMENTS	1.00	\$850.00
Trans number:		4446315

PRAIRIE VILLAGE PD  
ALAN MOELLER  
VISA

Tender detail	
BR CREDIT CARD	\$850.00
Total tendered	\$850.00
Total payment	\$850.00

Trans date: 4/24/14 Time: 9:14:48

April 24, 2014

Lata Krishnarao  
Director of community Development  
City of Pearland  
3519 Liberty Drive  
Pearland TX 77581

RE: Letter of Intent  
Province Village PUD – Amendment #2

Ms. Krishnarao:

The purpose of this amendment is to update the zoning of Tracts A, B, and C as described in the attached Province Village Amendment # 2 document. This Amendment will remove the townhome and patio home restrictions to allow for traditional single family development. Additionally, this amendment places several development conditions on the residential developer to implement a variety of recreational and esthetic improvements that will enhance the appearance of Province Village Drive and provide recreational features for residents of Province Village and the general public. This amendment will reduce the allowed number of residential units from 112 in the current PUD to no more than 95 homes in the updated plan.

The Province Village PUD was originally adopted in 2004 and revised by Amendment # 1 in 2009. Tract A is designated as R-4 with a further limitation for patio homes only. Tract B is designated as R-4 with a further limitation for townhomes only. Tract C was originally designated for townhome uses, but was revised to Office & Professional in 2009. Despite several development efforts, demand for townhomes and patio homes in this location has not occurred in the 10 years since the PUD was adopted and much of the PUD remains vacant and under-utilized. The proposed park and trail system have not been developed as of this date.

The benefits of this Amendment include:

- A reduction in residential density from the currently approved plan.
- Repurposing of the land to a use more likely to be developable instead of the currently allowed uses which have not developed in the 10 years since the PUD was approved.
- Housing types that are compatible with surrounding development.
- Implementation of regional wastewater improvements which were included in the Province Village oversizing agreement, which was defaulted upon by the original developer.
- Province Village streetscape improvements including masonry fencing, trees/landscaping, and monumentation.
- Park and trail improvements available to the general public.
- Implementation of a portion of the City's Clear Creek Trail master plan.
- Construction of a parking area that will serve as a trailhead for the Clear Creek trail.
- Development of a .57 acre park to be maintained by the HOA.
- Amenitization of the existing detention pond adjacent to the park site.

This PUD amendment is required to facilitate development of the property. It has been 10 years since approval of the original PUD, which is more than adequate time to illustrate that this location is not marketable as a townhome/patio home product. Approval of this amendment will encourage timely development of the property, allow for the completion of overdue public improvements, and allow the City to benefit from the additional esthetic and recreational improvements contained in this amendment that are above and beyond the current requirements of the PUD.

Please contact me if you have any questions.

Sincerely,



Alan R. Mueller

Lata Krishnarao  
Director of community Development  
City of Pearland  
3519 Liberty Drive  
Pearland TX 77581

RE: Authorization to file applications

Ms. Krishnarao:

I hereby assign Alan Mueller as agent on behalf of Texproj2008, LLC, for the sole purpose of representing Texproj2008, LLC, in its zoning and/or planned development applications for amendment of the Province Village PUD. This representation as agent is only for this transaction and would not be for any other use. This authorization as agent does not include the power to bind Texproj2008, LLC, to any liability or payment obligation.

Please contact me if you have any questions.

Sincerely,



Texproj2008, LLC

By: Dan Brown

Its: Manager

PO Box 800

St. Francisville LA 70775

4/23/14

Date

**Province Village  
Planned Unit Development  
Amendment #2**

**Submitted April 3, 2014**

**Province Village  
Planned Unit Development  
Amendment #2**

**I Introduction**

This Amendment #2 applies only to the Tracts A, B, and C as shown on Exhibit 1 and described by metes and bounds in Exhibit 4. The provisions of Amendment #1 continue to apply to all other property within this PUD.

**A. Description of the Property**

The PUD is bounded on the east by Country Club Drive, on the west by Pearland Parkway, on the north by Clear Creek Park subdivision and Clear Creek, and on the south by FM 518. Province Village Drive, a minor collector, crosses the property from Country Club Drive to Pearland Parkway. Existing development consists of a bank, a restaurant, a retail strip center, and detention ponds. Tracts A, B, and C, the subject of this Amendment #2, are vacant.

The Province Village PUD was originally adopted in 2004 and revised by Amendment # 1 in 2009. Tract A is designated as R-4 with a further limitation for patio homes only. Tract B is designated as R-4 with a further limitation for townhomes only. Tract C was originally designated for townhome uses, but was revised to Office & Professional in 2009. Despite several development efforts, demand for townhomes and patio homes in this location has not occurred in the 10 years since the PUD was adopted and much of the PUD remains vacant and under-utilized. The proposed park and trail system have not been developed as of this date.

**B. Description of Proposed Development**

The proposed use of Tracts A, B, and C is single family residential. In addition, recreational and esthetic improvements will be made along Province Village Drive and within the park and detention reserves as part of the residential development.

**C. Description of the Land**

Tracts A, B, and C are shown on Exhibit 1 and described in Exhibit 5. Tract A is approximately 5.1 acres; Tract B 13.4 acres; and Tract C 5.6 acres.

**D. Purpose**

The purpose of this amendment is to update the zoning of Tracts A, B, and C. This Amendment 2 will remove the townhome and patio home restrictions to allow for traditional single family development. Additionally, this amendment places several development conditions on the residential developer to implement a variety of recreational and esthetic improvements that will enhance the appearance of Province Village Drive and provide recreational features for residents of Province Village and the public in general. This amendment will reduce the allowed

number of residential units from 112 in the current PUD to no more than 95 homes in the updated plan.

The benefits of this Amendment include:

- A reduction in residential density from the currently approved plan.
- Repurposing of the land to a use more likely to be developable instead of the current allowed uses which have not developed in the 10 years since it was approved.
- Housing types that are compatible with surrounding development.
- Province Village streetscape improvements including masonry fencing, trees/landscaping, and monumentation.
- Park and trail improvements available to the general public.
- Implementation of a portion of the City's Clear Creek Trail master plan.
- Construction of a parking area that will serve as a trailhead for the Clear Creek trail.
- Development of a .57 acre park to be maintained by the HOA.
- Amenitization of the existing detention pond adjacent to the park site.

## **II Zoning and Land Use**

### **A. Existing Zoning**

Properties within the PUD have an underlying zoning of Office & Professional, General Business, and R-4 Single Family Residential as shown in Exhibit 1. Tract A is designated R-4 with a further limitation for patio homes only. Tract B is designated R-4 with a further limitation for townhomes only. Tract C is designated as Office & Professional.

### **B. Proposed Base Zoning Districts**

Proposed zoning is shown on Exhibit 2. Tracts A and B will remain as R-4, but with the townhome and patio home restriction removed. Tract C is proposed to be repurposed as R-4. A condition of a minimum lot width of 55' feet is proposed, greater than the typical 50' for standard R-4 and the 30' width that is allowed in the current PUD.

### **C. Standards and Land Use Summary**

Tracts A, B, and C will conform to the UDC requirements of R-4 zoning for traditional single family dwellings, except the minimum lot width is 55' with a minimum lot area of 6,600 square feet. There will be no more than 95 single family residential lots.

#### **1. Land Use Summary**

The land use summary for the entire PUD assuming the proposed amendments to Tracts A, B, and C is shown in Table 1 below:

**Table 1**  
**Land Use Summary Table**

Use	Acres	% of Total	Zoning District
Single Family (Tracts A, B, &C) - Includes +- 2.0 acres of internal open space areas to be maintained by the HOA	24.1	51%	R-4
General Business	5.0	10%	GB
Office & Professional	6.69	14%	OP
Detention	8.59	18%	PUD
Parkland to be maintained by the HOA	0.57	1%	PUD
Collector Street	2.7	6%	PUD
<b>Total</b>	<b>47.65</b>	<b>100%</b>	

Overall Gross Residential Density: 2.86 homes/gross residential acre  
 Net Residential Density: 3.94 homes/net residential acre

**2. Residential Lot Summary**

**Table 2**

Zone	Lot Area	Number
R-4	6,600 SF	95 maximum

**3. Residential Density**

**Table 3**

Zone	Net Residential	Gross Residential	Overall PUD
R-4	3.94	2.86	2.01

**D. Permitted, Conditional and Accessory Uses**

For Tracts A, B, and C, only those permitted, conditional, and accessory uses as may be allowed in the UDC R-4 zoning classification are allowed.

**III Design Standards**

**A. Design Enhancements**

The following design enhancements, amenities, and recreational facilities, shown below in Table 4, will be implemented with the development of Tracts A, B, and C. Refer to the Design Plan in Exhibit 3 and the Park and Detention Amenities Plan in Exhibit 4 for additional clarification.

**Table 4**  
**Design Enhancements, Amenities, and Recreational Facilities**

Item	General Location
Six-foot height brick masonry fence	Adjacent to Province Village Drive and Country Club Drive
Six-foot height "fence-crete" masonry fence	Between Tract B and GB use and Centerpoint substation tract; Between Tract C and OP use
Six-foot height upgraded wood fence (rot board and cap rail with brick columns at +- 100-foot spacing)	West side of Tract B
Ten-foot landscape reserve along Province Village Drive	Adjacent to Tracts A, B, & C
Street trees along Province Village Dr.	Adjacent to Tracts A, B, C, detention, and park
Primary entry monument	West side of tract C
Secondary entry monument	At Country Club Dr.
Landscape/Open Space Reserves	Tracts A, B, and C
.57-acre park with irrigation (1)	Park
Trees/Landscaping with irrigation (1)	Park and Detention
One age appropriate playground (1)	Park
Two picnic tables (1)	Park
Two barbeque grills	Park
One Shade structure (1)	Park
Eight Benches & other site furniture (1)	Detention
Four workout stations (1)	Detention
Ten-foot trail (2)	Detention-adjacent to Clear Creek
Six-foot trail (1)	Detention-connecting park to 10' trail
Four-foot trail	West side of Tract B
Parking lot/Trailhead (1)	Park

(1) Eligible for park fee credits and will be conveyed to the HOA for ownership and maintenance.

(2) Eligible for park fee credits and will be conveyed to City for ownership and maintenance.

All items will be completed prior to the issuance of the first single family home certificate of occupancy (excluding models), unless financial surety in a form acceptable to the City is posted.

**B. Design Plan Elements**

Refer to the Design Plan in Exhibit 3 and the Park and Detention Amenities Plan in Exhibit 4 for a graphical representation of the items in the list above. Locations and quantities shown on the Design Plan and the Park and Detention Amenities Plan are approximate. The residential street configuration and lot layout are subject to change at the discretion of the owner, provided that the total number of lots does not exceed the maximum specified in this Amendment.

**C. Deviations**

No deviations from the R-4 zoning district requirements are proposed.

**D. Unified Development Code Compliance**

Tracts A, B, and C will conform to the requirements of the Unified Development Code unless specifically called out in this Amendment.

**IV Required Dedications**

Residential streets will be dedicated to the City via plat. There are no other required dedications of land. Improvements within the 0.57-acre park will be conveyed to the HOA for ownership and maintenance. The ten-foot Clear Creek trail section will be conveyed to the City for ownership and maintenance.

**V Phasing**

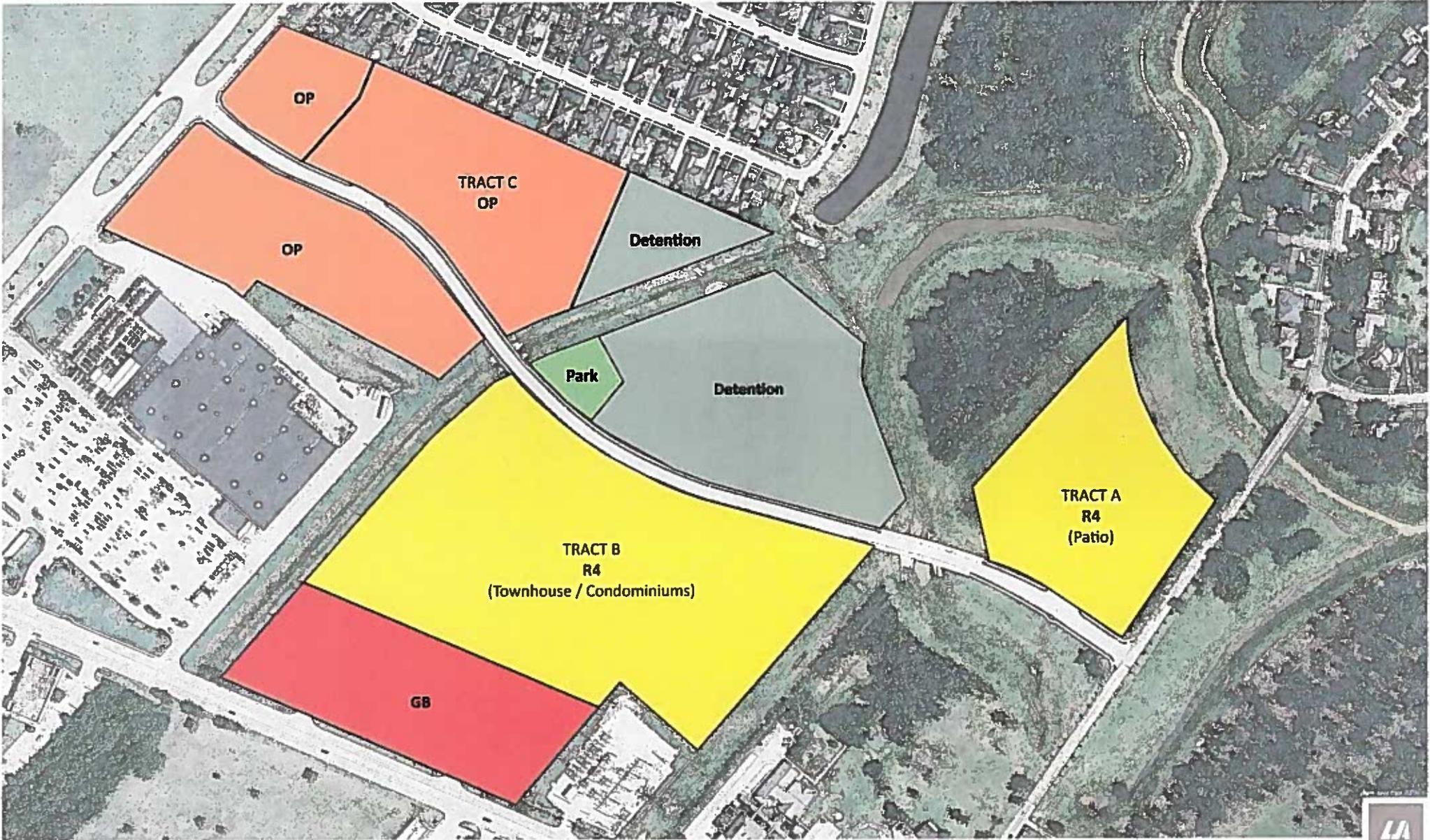
Tracts A, B, and C are anticipated to be developed in a single phase. All design enhancements described in Section III will be completed prior to the issuance of the first single family home certificate of occupancy (excluding models), unless financial surety in a form acceptable to the City is posted.

**VI Exhibits**

1. Existing PUD Zoning Designations
2. Proposed PUD Zoning Designations (only modifications are to Tracts A, B, & C)
3. Design Plan for Tracts A, B, and C
4. Park and Detention Amenity Plan Detail
5. Tracts A, B, and C Metes and Bounds Descriptions
6. Representative home elevations (These are provided to convey a sense of the style and level of finish that is anticipated, but actual elevations may differ from these samples.)

# **Exhibit 1**

## **Existing Zoning**

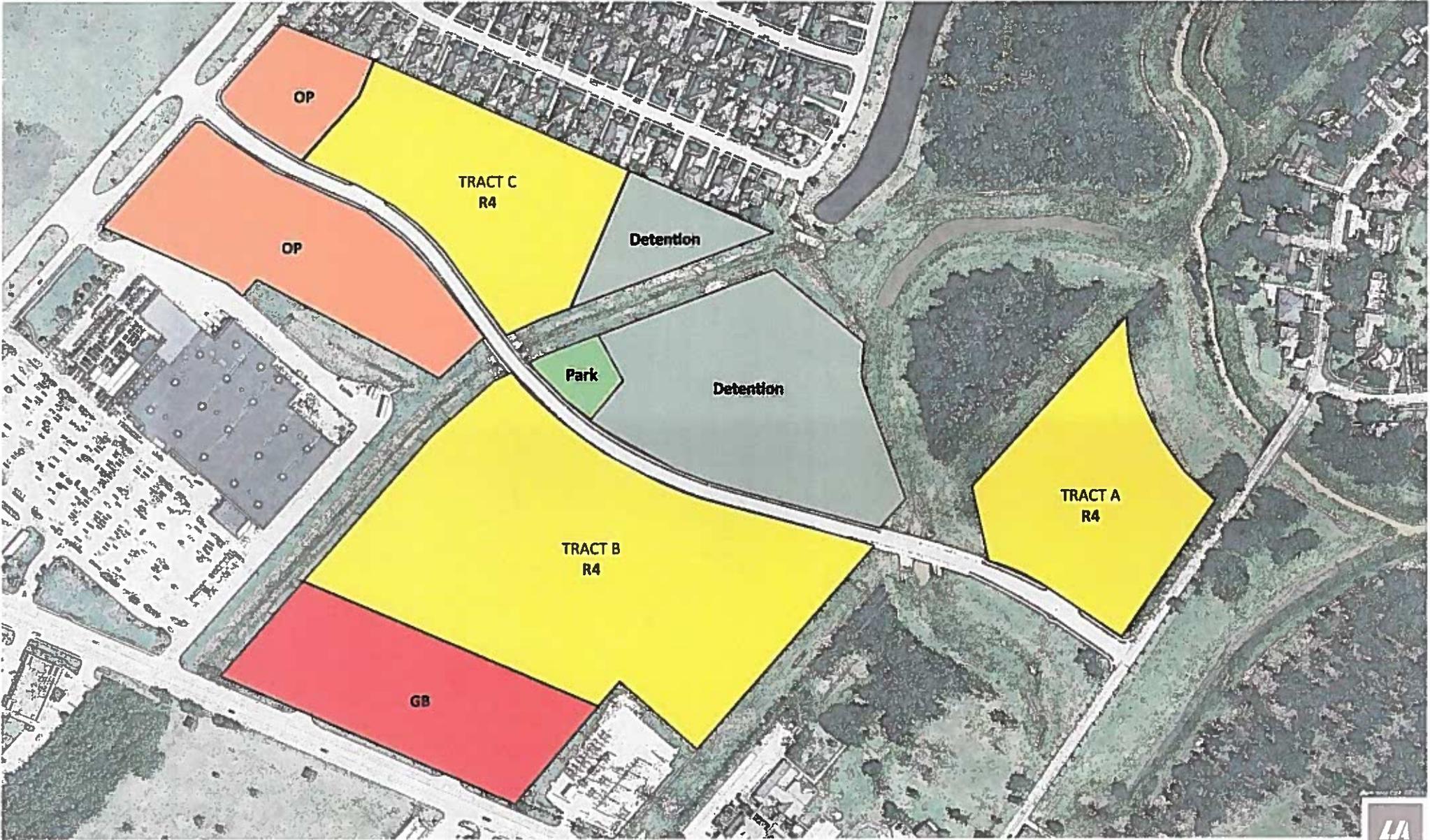


Existing Zoning  
**Province Village**  
 Exhibit 1



# **Exhibit 2**

## **Proposed Zoning**



Proposed Zoning  
**Province Village**  
 Exhibit 2



# **Exhibit 3**

## **Design Plan Tracts A, B, & C**



Design Plan  
 Province Village- Tracts A, B, & C  
 Exhibit 3



# **Exhibit 4**

## **Park & Detention Amenity Plan**



Park and Detention Amenities Plan  
Province Village- Tracts A,B, & C  
Exhibit 4

# **Exhibit 5**

## **Metes and Bounds Descriptions**

### **Tracts A, B, & C**

**Gehan Homes, LTD.  
5.176 Acres**

**W.D.C. Hall Survey  
Abstract No. 23**

**TRACT "A"**

STATE OF TEXAS       §

COUNTY OF HARRIS   §

**METES AND BOUNDS DESCRIPTION** of a 5.176-acre tract in the W.D.C. Hall Survey, Abstract No. 23, Harris County, Texas. Said 5.176-acre is in a 5.732-acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 20070659409 in the Harris County Clerk's Office and is more particularly described by metes and bounds as follows:

**BEGINNING** at the point of intersection of the northwesterly right-of-way line of Country Club Drive, (based on a width of 80-feet), with the northeasterly cut-back corner of Province Village Drive, (based on a width of 60-feet at this location), as shown on the Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office, said point is in the east line of said 5.732-acre tract and is the point of curvature of a curve to the right;

**THENCE**, along said cutback corner and with said curve to the right, having a radius of 35.00 feet, a central angle of 89°56'11", (chord bears South 79°23'59" West, 49.47 feet), for an arc length of 54.94 feet to the point of tangency;

**THENCE**, North 55°37'59" West, along the north line of said Province Village Drive (60-foot wide at this point) for a distance of 71.39 feet to the point of curvature of a curve to the right for the cut-back corner of the southeasterly right-of-way line of Country Club Crossing (not open, based on a width of 80-feet);

**THENCE**, along the southeasterly line of said Country Club Crossing, and with said curve to the right, having a radius of 25.00 feet, a central angle of 89°12'27", (chord bears North 11°01'47" West, 35.11 feet), for an arc length of 38.92 feet to a point for corner;

**THENCE**, North 55°34'03" West, crossing said Country Club Crossing for a distance of 80.00 feet to the northwesterly line of said Country Club Crossing;

**THENCE**, South 34°25' 57" West, along the northwesterly line of said Country Club Crossing for a distance of 1.20 feet to the point of curvature of a curve to the right for a cut-back corner;

**THENCE**, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 86°58'32", (chord bears South 77°54'49" West, 34.41 feet), for an arc length of 37.95 feet to the point of reverse curvature of a curve to the left on the aforementioned north line of Province Village Drive;

THENCE, along the north line of said Province Village Drive, and with said curve to the left, having a radius of 500.00 feet, a central angle of 13°44'09", (chord bears North 65°28'23" West, 119.58 feet), for an arc length of 119.87 feet to the point of reverse curvature of a curve to the right;

THENCE, continuing along the north line of said Province Village Drive, and with said curve to the right, having a radius of 500.00 feet, a central angle of 01°43'42", (chord bears North 71°28'36" West, 15.08 feet), for an arc length of 15.08 feet to a point for corner, said point is the south corner of Reserve "C" of the aforementioned Final Plat of Province Village Drive, Office Park and Reserves;

THENCE, North 12°31'34" West, along the northeasterly line of said Reserve "C" for a distance of 184.09 feet to a point in the southeasterly line of an 8.805-acre tract described in a deed to Houston Lighting & Power Company as recorded in Clerk's File No. D739468 in the Harris County Clerk's Office;

THENCE, North 42°12'15" East, along the southeasterly line of said 8.805-acre tract, for a distance of 543.84 feet to the most northerly corner of the aforementioned 5.732-acre tract;

THENCE, South 04°51'02" East, along the northeasterly line of said 5.732-acre tract for a distance of 32.98 feet to the point of curvature of a curve to the left;

THENCE, continuing along the northeasterly line of said 5.732-acre tract and with said curve to the left having a radius of 595.00 feet, a central angle of 42°58'54", (chord bears South 26°19'01" East, 435.96 feet), for an arc length of 446.35 feet to the point of tangency;

THENCE, South 47°32'59" East, continuing along the northeasterly line of said 5.732-acre tract for a distance of 27.39 feet to a point for corner in the aforementioned northwesterly line of Country Club Drive;

THENCE, South 34°26'05" West, along the northwesterly line of said Country Club Drive for a distance of 360.79 feet to the POINT OF BEGINNING, containing a computed area of 5.176-acres (225,475 square feet).

**NOTES:**

1. The bearings shown hereon are based on the recorded Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office.
2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

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2006 East Broadway, Suite 103  
Pearland, Texas 77588  
(281) 485-3991  
Job No. 14-127



THENCE, continuing along the south line of said Province Village Drive, and with said curve to the left, having a radius of 825.00 feet, a central angle of  $13^{\circ}27'52''$ , (chord bears South  $51^{\circ}55'45''$  East, 193.43 feet), for an arc length of 193.88 feet to the point of reverse curvature of a curve to the right, said point is the cut-back corner of Parkside Village Boulevard, (not open, based on a width of 80.00-feet);

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of  $81^{\circ}50'21''$ , (chord bears South  $17^{\circ}44'57''$  East, 32.75 feet), for an arc length of 35.71 feet to the point of tangency;

THENCE, South  $23^{\circ}09'47''$  West, along the northwesterly line of said Parkside Village Boulevard, for a distance of 8.53 feet to a point for corner;

THENCE, South  $66^{\circ}50'13''$  East, crossing said Parkside Village Boulevard, for a distance of 80.01 feet to a point in the southeasterly line of said Parkside Village Boulevard, said point is the point of curvature of a cut-back corner to the right;

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of  $90^{\circ}00'54''$ , (chord bears North  $69^{\circ}46'54''$  East, 35.36 feet), for an arc length of 39.28 feet to the point of tangency in the aforementioned south right-of-way line of Province Village Drive;

THENCE, South  $65^{\circ}13'06''$  East, along the south line of said Province Village Drive, for a distance of 24.45 feet to the point of curvature of a curve to the left;

THENCE, continuing along the south line of said Province Village Drive, and with said curve to the left, having a radius of 825.00 feet, a central angle of  $09^{\circ}50'06''$ , (chord bears South  $70^{\circ}08'09''$  East, 141.44 feet), for an arc length of 141.61 feet to the point of tangency;

THENCE, South  $75^{\circ}03'12''$  East, continuing along the south line of said Province Village Drive for a distance of 239.53 feet to the point of curvature of a cut-back corner of Park Village Lane (not open, based on a width of 50-feet), said cut-back is a curve to the right;

THENCE, along the cut-back corner of said Park Village Lane, and with said curve to the right, having a radius of 25.00 feet, a central angle of  $98^{\circ}13'32''$ , (chord bears South  $25^{\circ}56'43''$  East, 37.80 feet), for an arc length of 42.86 feet to a point for corner;

THENCE, South  $60^{\circ}50'13''$  East, crossing said Park Village Lane for a distance of 50.00 feet to a point in the southeasterly line of said Park Village Lane;

THENCE, North  $23^{\circ}09'43''$  East, along the southeasterly line of said Park Village Lane, for a distance of 14.44 feet to the point of curvature of a cut-back corner, said cut-back corner is a curve to the right;

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of  $81^{\circ}46'43''$ , (chord bears North  $64^{\circ}03'17''$  East, 32.73 feet), for an arc length of 35.68 feet to the point of tangency in the aforementioned south line of Province Village Drive;

THENCE, South 75°03'12" East, along the south line of said Province Village Drive for a distance of 50.66 feet to a point in the westerly line of a 1.916 acre tract of land, called "Tract 2", as described in a deed to Houston Lighting & Power Company as recorded in Volume 1147, Page 19 in the Brazoria County Deed Records, said point is in the east line of the aforementioned 21.898-acre tract:

THENCE, South 41°10'05" West, along the west line of said "Tract 2", same being the east line of said 21.898-acre tract, for a distance of 648.11 feet to the northeast corner of a 1.955-acre tract, called "Tract 2", as described in a deed to Houston Lighting & Power Company as recorded in Volume 1147, Page 19 in the Brazoria County Clerk's Office, said point is the most southerly corner of the herein described tract;

THENCE, North 48°49'50" West, along the north line of said "Tract 2", same being the south line of said 21.898-acre tract, for a distance of 249.99 feet to the north corner of said "Tract 2";

THENCE, South 41°10'10" West, along the west line of said "Tract 2", same being an interior line of said 21.898-acre tract, for a distance of 81.21 feet to the northeast corner of Restricted Lot "C" of the aforementioned Province Village General Business Amending Plat 1;

THENCE, North 66°45'54" West, along the north line of said Restricted Lot "C" for a distance of 164.99 feet to the north corner of said Restricted Lot "C", same being the east corner of Restricted Lot "B" of said Province Village General Business Amending Plat 1;

THENCE, North 66°49'46" West, along the north line of said Restricted Lot "B" for a distance of 434.03 feet to the north corner of said Restricted Lot "B", said point is the east corner of the aforementioned Restricted Lot "A";

THENCE, North 66°45'54" West, along the north line of said Restricted Lot "A", for a distance of 165.00 feet to the POINT OF BEGINNING, containing a computed area of 13.361-acres (582,012 square feet).

**NOTES:**

1. The bearings shown hereon are based on the recorded Final Plat of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2007070406 in the Brazoria County Clerk's Office.
2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

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**Gehan Homes, LTD.  
5.617 Acres**

**Thomas J. Green Survey  
Abstract No. 198**

**TRACT "C"**

STATE OF TEXAS       §

COUNTY OF BRAZORIA §

**METES AND BOUNDS DESCRIPTION** of a 5.617-acre tract in the Thomas J. Green Survey, Abstract No. 198, Brazoria County, Texas. Said 5.617-acre is in a 9.805-acre tract described in a deed to TEXPROJ2008, L.L.C. as recorded in Clerk's File No. 2007062105 in the Brazoria County Clerk's Office and is more particularly described by metes and bounds as follows:

**BEGINNING** at a point in the north right-of-way line of Province Village Drive, (based on a width of 50-feet), as shown on the Amending Plat No. 1 of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2008019410 in the Brazoria County Clerk's Office, said point is the southeast corner of Lot 1 of the Development Plat of Hometown Bank Pearland as recorded in Clerks' File No. 2012013017 in the Brazoria County Clerk's Office;

**THENCE**, North 41°57'29" East, along the east line of said Lot 1 for a distance of 197.70 feet, to an angle point;

**THENCE**, North 23°13'37" East, continuing along the east line of said Lot 1 for a distance of 96.94 feet to the northeast corner of said Lot 1, said point is in the south line of Lot 3, Block 5 of the Amending Plat of Clear Creek Park as recorded in Volume 21, Pages 35-36 in the Brazoria County Plat Records;

**THENCE**, South 66°46'23" East, along the south line of said Clear Creek Park, for a distance of 673.35 feet, to the east corner of the herein described tract;

**THENCE**, South 23°13'37" West, along the southeasterly line of the herein described tract for a distance of 350.44 feet to a point for corner in the westerly line of a 90-foot wide City of Pearland Drainage Easement as recorded in Volume (87) 496, Page 765 in the Brazoria County Deed Records;

**THENCE**, South 69°53'28" West, along the westerly line of said drainage easement for a distance of 97.58 feet to an angle point;

**THENCE**, South 63°16'08" West, continuing along the westerly line of said drainage easement, for a distance of 78.94 feet to a point in the north line of the aforementioned Province Village Drive, said point is in a curve to the right;

**THENCE**, along the north line of said Province Village Drive and with said curve to the right, having a radius of 775.00 feet, a central angle of 00°05'44", (chord bears North 36°23'14" West, 1.29 feet), for an arc length of 1.29 feet to the point of tangency;

THENCE, North 36°19'48" West, continuing along the north line of said Province Village Drive for a distance of 221.54 feet to the point of curvature of a curve to the left;

THENCE, continuing along the north line of said Province Village Drive, and with said curve to the left, having a radius of 575.00 feet, a central angle of 19°23'37", (chord bears North 46°01'36" West, 193.70 feet), for a arc length of 194.63 feet to the point of reverse curvature of a curve to the right, said point is the cut-back corner of the southeasterly right-of-way line of Parkside Village Gardens, (not open), (based on a width of 80-feet);

THENCE, along said cut-back corner and with said curve to the right, having a radius of 25.00 feet, a central angle of 78°46'50", (chord bears North 16°20'18" West, 31.73 feet), for an arc length of 34.38 feet to the point of tangency;

THENCE, North 23°02'52" East, along the southeasterly line of said Parkside Village Gardens, for a distance of 11.54 feet to a point for corner;

THENCE, North 66°57'11" West, crossing said Parkside Village Gardens, for a distance of 80.00 feet to the point of curvature of a curve to the right, said point is the cut-back corner of the northwesterly right-of-way of said Parkside Village Gardens;

THENCE, along the northwesterly cut-back corner of said Parkside Village Gardens, and with said curve to the right, having a radius of 25.00 feet, a central angle of 90°12'35", (chord bears South 68°09'10" West, 35.42 feet), for an arc length of 39.36 feet to the point of tangency in the north line of the aforementioned Province Village Drive;

THENCE, North 66°44'29" West, along the north line of said Province Village Drive, for a distance of 79.00 feet to the point of curvature of a curve to the right;

THENCE, continuing along the north line of said Province Village Drive, and with said curve to the right, having a radius of 500.00 feet, a central angle of 04°18'30", (chord bears North 64°34'45" West, 37.59 feet), for an arc length of 37.60 feet to the POINT OF BEGINNING, containing a computed area of 5.617-acres (244,661 square feet).

**NOTES:**

1. The bearings shown hereon are based on the recorded Amending Plat No. 1 of Province Village Drive, Office Park and Reserves as recorded in Clerk's File No. 2008019410 in the Brazoria County Clerk's Office.
2. This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the zone application for which it was prepared.

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# **Exhibit 6**

## **Elevation Sample Illustrations**

# Gehan<sup>★</sup>HOMES

## the Mimosa



*Elevation P*

This spacious home combines an elegant appearance with comfortable, family-oriented design. Downstairs, the oversized kitchen is perfect for the aspiring gourmet cook and features a huge walk-in pantry, granite countertops, hardwood cabinetry and stainless steel appliances. The breakfast nook overlooks the optional covered patio with optional outdoor kitchen and fireplace – perfect for entertaining al fresco – while the expansive family room features a wall of windows that look into the large backyard. Traverse up the wood or wrought-iron staircase to the bedrooms. The sumptuous master suite features plenty of natural lighting, while the bath boasts a separate garden tub, glass-enclosed shower and huge walk-in closet.

### *Floor Plan Description*

#### *Premier Series*

Square Footage:	2731	Baths:	2.5
Stories:	2	Garages:	2
Bedrooms:	4	Dining Rooms:	2

# Gehan<sup>★</sup>HOMES

## the Sycamore



Elevation P

## Premier Series

3270 Square Feet

Options

Stories: 2  
Bedrooms: 5  
Baths: 2.5  
Garages: 2

Study • Master Suite Bay Window • 3rd Bath  
2-Story Family Room • 6th Bedroom with Bath  
Media Room • 3-Car Garage • Covered Patio  
Outdoor Living



[gehanhomes.com](http://gehanhomes.com)



**Multi-Parcel Tax Certificate**

Remit certificate fee to :

Customer : EMPIRE TITLE - HOUSTON (Branch etb)

Certificate Number : 6376196

User : Joe Pumphrey

Print Date : 04/23/2014

GF Number : 2014-02-6519

Closer : bda

Fee : \$30.00 (includes sales tax)

Buyer(s) : Gehan Homes, Ltd.

National TaxNet  
P.O. Box 848123  
Dallas, Texas 75284-8123

Certificate Current Year Tax Summary		
Jurisdiction	Tax Year	Base Tax
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	2013	\$4,245.39
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	2013	\$8,724.53
PEARLAND CITY	2013	\$7,502.04
PEARLAND ISD	2013	\$15,062.58
BRAZORIA COUNTY DD #4	2013	\$1,346.05
HARRIS COUNTY	2013	\$1,279.79
Current Year Total (as available)		\$38,160.38

Certificate Totals of Taxes Due by Collector			
PAYABLE TO:	Balance Due w/o Penalties	Amount Due 04/2014	Amount Due 05/2014
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	\$0.00	\$0.00	\$0.00
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	\$0.00	\$0.00	\$0.00
HARRIS COUNTY	\$0.00	\$0.00	\$0.00

**Notice**

PLEASE READ THE CERTIFICATE CAREFULLY, AS IMPORTANT COMMENTS AND/OR WARNINGS MAY BE INCLUDED.  
PLEASE CONTACT YOUR BRANCH WITH ANY QUESTIONS YOU MAY HAVE REGARDING THESE COMMENTS/WARNINGS.

**IMPORTANT CERTIFICATE COMMENTS**

## ORDERED AS:

TR A: 5.176 ACRES IN ABST 23. REPORTING ACCT 040-223-000-196 (5.13 ACRES) PER M&amp;B.

TR B: 13.361 ACRES IN ABST 198. REPORTING ACCTS 0198-0003-000 (19.744 ACRES), 7156-0002-001 (0.572 ACRES) AND -002 (6.752 ACRES) PER M&amp;B. SPLIT OUT IS REQUIRED.

TR C: 5.617 ACRES IN ABST 198. REPORTING ACCT 0198-0003-000 (19.7441 ACRES) PER M&amp;B. SPLIT OUT IS REQUIRED.

**CAD Account Number(s)**

0402230000196

71560002002

01980003000

71560002001

Assessment Information		2013 Assessed Values	
Account Number:	0402230000196 (Parcel 1 of 4)		
Owner Name(s):	TEXPROJ2008 LLC	Land:	201,117
Mailing Address:	30349 S SHERWOOD BLVD Unit 300 BATON ROUGE LA 70816	Imprv:	0
Property Address:	COUNTRY CLUB DR	Total:	201,117
Legal Description:	TR 1N ABST 23 WD C HALL		
Acreage:	5.13000		
2013 Exemptions:	None	Total Est. Taxes w/o Exempt: \$7,194.23	
Warnings:	Property is assessed as land only. Please verify no improvements prior to closing or additional taxes may be due.		

Tax Information Detail - CAD Account 0402230000196				
BRAZORIA COUNTY MUD #28 (ASMT OF SW) PO BOX 1388 FRIENDSWOOD, TX 77549 (281) 482-0216		Payments as of :	04/07/2014 Current Year Taxes	
2013 Tax Rate: 0.820000 Est. Taxes w/o Exempt: \$1,649.16			04/07/2014 Prior Year Taxes	
Bill Ref: 710402230000196	Tax Year	Base Tax	Amount Due 04/2014	Amount Due 05/2014
	2013	\$1,649.16	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$1,649.16</b>	<b>\$0.00</b>	<b>\$0.00</b>
<ul style="list-style-type: none"> <li>● Bonds Approved: \$89,155,000.00</li> <li>● Bonds Issued: \$0.00</li> <li>● No Standby fee assessed</li> </ul>				

Tax Information Detail - CAD Account 0402230000196				
HARRIS COUNTY P.O. BOX 3547 HOUSTON, TX 77253 (713) 368-2000		Payments as of :	04/15/2014 Current Year Taxes	
2013 Tax Rate: 0.636338 Est. Taxes w/o Exempt: \$1,279.78			04/15/2014 Prior Year Taxes	
	Tax Year	Base Tax	Amount Due 04/2014	Amount Due 05/2014
	2013	\$1,279.79	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$1,279.79</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 0402230000196				
PEARLAND ISD COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR 111 E LOCUST ANGLETON, TX 77515 (979) 864-1340	2013 Tax Rate: 1.415700 Est. Taxes w/o Exempt: \$2,847.21	Tax Year	Base Tax	Payments as of : 04/04/2014 Current Year Taxes
				04/04/2014 Prior Year Taxes
Bill Ref: 08001001100			Amount Due 04/2014	Amount Due 05/2014
	2013	\$2,847.21	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$2,847.21</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 0402230000196				
PEARLAND CITY COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR 111 E LOCUST ANGLETON, TX 77515 (979) 864-1340	2013 Tax Rate: 0.705100 Est. Taxes w/o Exempt: \$1,418.08	Tax Year	Base Tax	Payments as of : 04/04/2014 Current Year Taxes
				04/04/2014 Prior Year Taxes
Bill Ref: 08001001100			Amount Due 04/2014	Amount Due 05/2014
	2013	\$1,418.08	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$1,418.08</b>	<b>\$0.00</b>	<b>\$0.00</b>

Account Summary of Taxes Due			
Payable to:	Balance Due w/o Penalties	Amount Due 04/2014	Amount Due 05/2014
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	\$0.00	\$0.00	\$0.00
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	\$0.00	\$0.00	\$0.00
HARRIS COUNTY	\$0.00	\$0.00	\$0.00

Assessment Information		2013 Assessed Values	
Account Number:	71560002002 (Parcel 2 of 4)		
Owner Name(s):	TEXPROJ2008 LLC	Land:	2,700
Mailing Address:	PO BOX 800 SAINT FRANCISVILLE, LA 70775-8000	Imprv:	0
Property Address:		Total:	2,700
Legal Description:	PROVINCE VILLAGE DRIVE OFFICE PARK & RESERVES (A0198-A0070) BLOCK 2 TRACT B (DETENTION)		
Geo Id:	000000599440		
2013 Exemptions:	None	Total Est. Taxes w/o Exempt:	\$96.90
Warnings:	Property is assessed as land only. Please verify no improvements prior to closing or additional taxes may be due.		

Tax Information Detail - CAD Account 71560002002				
PEARLAND CITY COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.705100 Est. Taxes w/o Exempt: \$19.04			Amount Due 04/2014	Amount Due 05/2014
	Tax Year	Base Tax		
	2013	\$19.04	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$19.04</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002002				
BRAZORIA COUNTY DD #4 COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.156000 Est. Taxes w/o Exempt: \$4.21			Amount Due 04/2014	Amount Due 05/2014
	Tax Year	Base Tax		
	2013	\$4.21	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$4.21</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002002				
BRAZORIA COUNTY ROVIN GARRETT RTA ASSR 111 E LOCUST ANGLETON, TX 77515 (979) 864-1340		Payments as of :		04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes
2013 Tax Rate: 0.492020 Est. Taxes w/o Exempt: \$13.28				
	<u>Tax Year</u>	<u>Base Tax</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
	2013	\$13.28	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$13.28</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002002				
BRAZORIA COUNTY MUD #28 (ASMT OF SW) PO BOX 1368 FRIENDSWOOD, TX 77549 (281) 482-0216		Payments as of :		04/07/2014 Current Year Taxes 04/07/2014 Prior Year Taxes
2013 Tax Rate: 0.820000 Est. Taxes w/o Exempt: \$22.14				
	<u>Tax Year</u>	<u>Base Tax</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
	2013	\$22.14	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$22.14</b>	<b>\$0.00</b>	<b>\$0.00</b>
Bill Ref: 7171560002002				
<ul style="list-style-type: none"> <li>● Bonds Approved: \$89,155,000.00</li> <li>● Bonds Issued: \$0.00</li> <li>● No Standby fee assessed</li> </ul>				

Tax Information Detail - CAD Account 71560002002				
PEARLAND ISD COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 1.415700 Est. Taxes w/o Exempt: \$38.22			Amount Due 04/2014	Amount Due 05/2014
	Tax Year	Base Tax		
	2013	\$38.22	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$38.22</b>	<b>\$0.00</b>	<b>\$0.00</b>

Account Summary of Taxes Due			
Payable to:	Balance Due w/o Penalties	Amount Due 04/2014	Amount Due 05/2014
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	\$0.00	\$0.00	\$0.00
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	\$0.00	\$0.00	\$0.00

Assessment Information		2013 Assessed Values	
Account Number:	01980003000 (Parcel 3 of 4)		
Owner Name(s):	TEXPROJ2008 LLC	Land:	860,050
Mailing Address:	PO BOX 800 SAINT FRANCISVILLE, LA 70775-8000	Imprv:	0
Property Address:	2709 BROADWAY	Total:	860,050
Legal Description:	A0198 T J GREEN (PEARLAND) TRACT 6-6A ACRES 19.7441		
Geo Id:	000000164164		
Acreage:	19.74410		
2013 Exemptions:	None	Total Est. Taxes w/o Exempt:	\$30,865.65
Warnings:	Property is assessed as land only. Please verify no improvements prior to closing or additional taxes may be due.		

IMPORTANT ACCOUNT COMMENTS
THIS PROPERTY DID HAVE AN AG EXEMPTION FOR TAX YEAR 2004. PER BRAZORIA COUNTY TAX OFFICE, ROLLBACK TAXES OF \$121,908.08 WERE PAID FOR 2003-2004 ROLLBACK YEARS. NO AG EXEMPTION FOR TAX YEARS 2005-2008. PROPERTY IS NOT SUBJECT TO FURTHER ROLLBACK TAXES. (JDS)

Tax Information Detail - CAD Account 01980003000				
PEARLAND CITY COLLECTED BY BRAZORIA COUNTY ROVIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.705100 Est. Taxes w/o Exempt: \$6,064.21	Tax Year	Base Tax	Amount Due 04/2014	Amount Due 05/2014
	2013	\$6,064.21	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$6,064.21</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 01980003000				
BRAZORIA COUNTY DD #4 COLLECTED BY BRAZORIA COUNTY ROVIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.156000 Est. Taxes w/o Exempt: \$1,341.68	Tax Year	Base Tax	Amount Due 04/2014	Amount Due 05/2014
	2013	\$1,341.68	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$1,341.68</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 01980003000				
BRAZORIA COUNTY ROVIN GARRETT RTA ASSR 111 E LOCUST ANGLETON, TX 77515 (979) 864-1340		Payments as of :		04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes
2013 Tax Rate: 0.492020 Est. Taxes w/o Exempt: \$4,231.62		Tax Year	Base Tax	Amount Due 04/2014
		2013	\$4,231.62	Paid
		SUBTOTAL	\$4,231.62	\$0.00
				Amount Due 05/2014
				Paid
				\$0.00

Tax Information Detail - CAD Account 01980003000				
BRAZORIA COUNTY MUD #28 (ASMT OF SW) PO BOX 1368 FRIENDSWOOD, TX 77549 (281) 482-0216		Payments as of :		04/07/2014 Current Year Taxes 04/07/2014 Prior Year Taxes
2013 Tax Rate: 0.820000 Est. Taxes w/o Exempt: \$7,052.41		Tax Year	Base Tax	Amount Due 04/2014
Bill Ref: 7101980003000		2013	\$7,052.41	Paid
		SUBTOTAL	\$7,052.41	\$0.00
				Amount Due 05/2014
				Paid
				\$0.00

- Bonds Approved: \$89,155,000.00
- Bonds Issued: \$0.00
- No Standby fee assessed

Tax Information Detail - CAD Account 01980003000				
PEARLAND ISD COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR (979) 864-1340			Payments as	04/04/2014 Current Year
			of :	Taxes
2013 Tax Rate: 1.415700 Est. Taxes w/o Exempt: \$12,175.73				04/04/2014 Prior Year Taxes
	Tax Year	Base Tax	Amount Due 04/2014	Amount Due 05/2014
	2013	\$12,175.73	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$12,175.73</b>	<b>\$0.00</b>	<b>\$0.00</b>

Account Summary of Taxes Due			
Payable to:	Balance Due w/o Penalties	Amount Due 04/2014	Amount Due 05/2014
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	\$0.00	\$0.00	\$0.00
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	\$0.00	\$0.00	\$0.00

Assessment Information		2013 Assessed Values	
Account Number:	71560002001 (Parcel 4 of 4)		
Owner Name(s):	TEXPROJ2008 LLC	Land:	100
Mailing Address:	PO BOX 800 SAINT FRANCISVILLE, LA 70775-8000	Imprv:	0
Property Address:		Total:	100
Legal Description:	PROVINCE VILLAGE DRIVE OFFICE PARK & RESERVES (A0198-A0070) BLOCK 2 TRACT A (PARK)		
Geo Id:	000000599439		
2013 Exemptions:	None	Total Est. Taxes w/o Exempt: \$3.59	
Warnings:	Property is assessed as land only. Please verify no improvements prior to closing or additional taxes may be due.		

Tax Information Detail - CAD Account 71560002001				
PEARLAND CITY COLLECTED BY BRAZORIA COUNTY ROVIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.705100 Est. Taxes w/o Exempt: \$0.71			Amount Due 04/2014	Amount Due 05/2014
	Tax Year	Base Tax		
	2013	\$0.71	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$0.71</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002001				
BRAZORIA COUNTY DD #4 COLLECTED BY BRAZORIA COUNTY ROVIN GARRETT RTA ASSR (979) 864-1340		Payments as of :	04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
2013 Tax Rate: 0.156000 Est. Taxes w/o Exempt: \$0.16			Amount Due 04/2014	Amount Due 05/2014
	Tax Year	Base Tax		
	2013	\$0.16	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$0.16</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002001				
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR 111 E LOCUST ANGLETON, TX 77515 (979) 864-1340		Payments as of :		04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes
2013 Tax Rate: 0.492020 Est. Taxes w/o Exempt: \$0.49			Amount Due 04/2014	Amount Due 05/2014
	<u>Tax Year</u>	<u>Base Tax</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
	2013	\$0.49	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$0.49</b>	<b>\$0.00</b>	<b>\$0.00</b>

Tax Information Detail - CAD Account 71560002001				
BRAZORIA COUNTY MUD #28 (ASMT OF SW) PO BOX 1368 FRIENDSWOOD, TX 77549 (281) 482-0216		Payments as of :		04/07/2014 Current Year Taxes 04/07/2014 Prior Year Taxes
2013 Tax Rate: 0.820000 Est. Taxes w/o Exempt: \$0.82			Amount Due 04/2014	Amount Due 05/2014
	<u>Tax Year</u>	<u>Base Tax</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
	2013	\$0.82	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$0.82</b>	<b>\$0.00</b>	<b>\$0.00</b>
<ul style="list-style-type: none"> <li>• Bonds Approved: \$89,155,000.00</li> <li>• Bonds Issued: \$0.00</li> <li>• No Standby fee assessed</li> </ul>				

Tax Information Detail - CAD Account 71560002001				
PEARLAND ISD COLLECTED BY BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR (979) 864-1340	Payments as of :		04/04/2014 Current Year Taxes 04/04/2014 Prior Year Taxes	
	2013 Tax Rate: 1.415700 Est. Taxes w/o Exempt: \$1.42			
	<u>Tax Year</u>	<u>Base Tax</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
	2013	\$1.42	Paid	Paid
	<b>SUBTOTAL</b>	<b>\$1.42</b>	<b>\$0.00</b>	<b>\$0.00</b>

Account Summary of Taxes Due			
<u>Payable to:</u>	<u>Balance Due w/o Penalties</u>	<u>Amount Due 04/2014</u>	<u>Amount Due 05/2014</u>
BRAZORIA COUNTY RO'VIN GARRETT RTA ASSR	\$0.00	\$0.00	\$0.00
BRAZORIA COUNTY MUD #28 (ASMT OF SW)	\$0.00	\$0.00	\$0.00

Exclusions and Conditions of Tax Certificates
ALL APPLICABLE AD VALOREM TAXES ON THE ABOVE REFERENCED PROPERTY(S) ARE FOUND TO HAVE THE STATUS PROVIDED EXCEPT:
<ul style="list-style-type: none"> <li>a. THE STATUS DOES NOT COVER ANY CHANGES MADE TO THE TAX RECORDS OF THE AGENCIES LISTED AFTER THE "PAYMENTS AS OF" DATE</li> <li>b. DOES NOT INCLUDE OR IS NOT A CERTIFICATION OF ANY <ul style="list-style-type: none"> <li>1. MINERAL TAXES</li> <li>2. PERSONAL PROPERTY TAXES (INCLUDING MOBILE HOMES)</li> <li>3. ANY OTHER NON AD VALOREM TAXES</li> </ul> </li> </ul>

Texas Tax Information
<ul style="list-style-type: none"> <li>• Texas taxes are usually billed for the calendar year on or around October 1st</li> <li>• Taxes are delinquent on February 1st</li> <li>• Additional penalties apply to current year delinquencies on July 1st</li> </ul>



**HOA Certificate**

National TaxNet  
P.O. Box 848123  
Dallas, Texas 75284-8123

Customer : EMPIRE TITLE - HOUSTON (Branch etb)      Certificate Number : 6376196  
User : Joe Pumphrey      Print Date : 04/23/2014  
GF Number : 2014-02-6519  
Closer : bda  
Buyer(s) : Gehan Homes, Ltd.

**PROPERTY INFORMATION**

Owner Name(s): TEXPROJ2008 LLC  
Legal Description: PROVINCE VILLAGE DRIVE OFFICE PARK & RESERVES (A0198-A0070) BLOCK 2 TRACT A (PARK)  
Situs Address:  
CAD Account: BRAZORIA, #71560002001

**HOMEOWNER'S ASSOCIATION INFORMATION**

HOA Name: NO MAINTENANCE ASSESSED  
Collection Cycle: Unknown  
Collector: NO MAINTENANCE ASSESSED  
Phone:  
Fax:  
Contact:  
Comments: THE LEGAL DESCRIPTION REQUESTED IS NOT ASSESSED BY A HOMEOWNERS ASSOCIATION.  
NO HOMEOWNERS ASSOCIATION FEES APPLY.

**ASSESSMENT INFORMATION**

Billing Cycle	Assessment Type	Base Amount	Balance Due	Payoff	Payoff	Payoff
			<b>Total Due:</b>	\$0.00	\$0.00	\$0.00
<b>Comments:</b>						
HOA Bill Status: Ready						

# HOA Certificate

National TaxNet  
 P.O. Box 848123  
 Dallas, Texas 75284-8123

Customer : EMPIRE TITLE - HOUSTON (Branch etb)      Certificate Number : 6376196  
 User : Joe Pumphrey      Print Date : 04/23/2014  
 GF Number : 2014-02-6519  
 Closer : bda  
 Buyer(s) : Gehan Homes, Ltd.

PROPERTY INFORMATION	
Owner Name(s):	TEXPROJ2008 LLC
Legal Description:	PROVINCE VILLAGE DRIVE OFFICE PARK & RESERVES (A0198-A0070) BLOCK 2 TRACT B DETENTION)
Situs Address:	
CAD Account:	BRAZORIA, #71560002002

HOMEOWNER'S ASSOCIATION INFORMATION	
HOA Name:	NO MAINTENANCE ASSESSED
Collection Cycle:	Unknown
Collector:	NO MAINTENANCE ASSESSED
	Phone: Fax: Contact:
Comments:	THE LEGAL DESCRIPTION REQUESTED IS NOT ASSESSED BY A HOMEOWNERS ASSOCIATION.  NO HOMEOWNERS ASSOCIATION FEES APPLY.

ASSESSMENT INFORMATION						
Billing Cycle	Assessment Type	Base Amount	Balance Due	Payoff	Payoff	Payoff
			Total Due:	\$0.00	\$0.00	\$0.00
Comments: HOA Bill Status: Ready						

**Preliminary HOA Information**National TaxNet  
P.O. Box 848123  
Dallas, Texas 75284-8123

Customer : EMPIRE TITLE - HOUSTON (Branch etb)

Certificate Number : 6376196

User : Joe Pumphrey

Print Date : 04/23/2014

GF Number : 2014-02-6519

Closer : bda

Buyer(s) : Gehan Homes, Ltd.

**PROPERTY INFORMATION**

Owner Name(s): TEXPROJ2008 LLC  
 Legal Description: TR 1N ABST 23 W D C HALL  
 Situs Address: COUNTRY CLUB DR  
 CAD Account: HARRIS, #0402230000196

**HOMEOWNER'S ASSOCIATION INFORMATION**

HOA Name: ASHLEY POINTE HOA \*\* NEW SUB \*\*  
 Collection Cycle: Annually  
 Collector: ASHLEY POINTE HOA \*\* NEW SUB \*\*  
 SAGEGLEN  
 11610 SAGEYORK  
 HOUSTON, TX 77089  
 Phone: 2814812160  
 Fax: 2814812070  
 Contact: CATHERINE SMITH

Comments: \*\*\*SAGEGLEN CHARGES A \$25.00 RUSH FEE

\*\*NTN MUST HAVE IN WRITING FROM THE TITLE COMPANY THEY WILL PAY THE RUSH FEE BEFORE NTN WILL RUSH THE FILE.

\*\*ATTENTION NTN STAFF EMAIL ADDRESS IS SAGEGLEN@SBCGLOBAL.NET AND IS PROGRAMMED IN MACHINE IF FAX FAILS

ASSESSMENTS ARE PAYABLE TO ASHLEY POINT HOA IN A SEPARATE CHECK.

REFINANCE FEE OF \$100.00 PAYABLE TO ASHLEY POINTE HOA.

TRANSFER FEE OF \$100.00 PAYABLE TO ASHLEY POINTE HOA.

RESALE CERTIFICATE IS \$150.00 PAYABLE TO SAGEGLEN C.A.

\*\*\*CAP FEE IS REQUIRED ON ALL HMR TO HMR SALES.\*\*\*

**ASSESSMENT INFORMATION**

Billing Cycle	Assessment Type	Base Amount	Balance Due	Payoff	Payoff	Payoff
			Total Due:	\$0.00	\$0.00	\$0.00
Comments:						
HOA Bill Status: Pending						



# Consent Agenda Item D

- D. **Consideration and Possible Action – Second and Final Reading of Ordinance No. 1499** – An ordinance of the City Council of the City of Pearland, Texas extending traffic rules and regulations to certain private roads owned and maintained by the Lakes at Highland Glen Community Association and contained within the Lakes at Highland Glen Subdivision; providing for enforcement; providing for penalties and fines; providing for administration; providing for conflicts with other laws; providing for severability; providing for an effective date. *Mr. Darrin Coker, City Attorney.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> June 23, 2014	<b>ITEM NO.:</b> Ordinance No. 1499
<b>DATE SUBMITTED:</b> 6-2-14	<b>DEPARTMENT OF ORIGIN:</b> Legal
<b>PREPARED BY:</b> Darrin Coker	<b>PRESENTOR:</b> Darrin Coker
<b>REVIEWED BY:</b> NA	<b>REVIEW DATE:</b> NA
<b>SUBJECT:</b> Lakes at Highland Glen (Traffic Law Enforcement)	
<b>EXHIBITS:</b> Ordinance No. 1499	
<b>EXPENDITURE REQUIRED:</b> <b>AMOUNT AVAILABLE:</b> <b>ACCOUNT NO.:</b>	<b>AMOUNT BUDGETED:</b> <b>PROJECT NO.:</b>
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> <b>ACCOUNT NO.:</b> <b>PROJECT NO.:</b>	
<b>To be completed by Department:</b> <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Legal <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

Section 542.008 of the Texas Transportation Code allows a City to extend its enforcement of traffic laws in private street subdivisions upon the request of the entity that owns and maintains the private streets. To date, the Cabot Cove, the Lakes at Country Place and Bellavita are the only gated neighborhoods that have petitioned the City for such enforcement. The neighborhood POA recently petitioned the City seeking the authorization for the enforcement of traffic laws in accordance with Section 542.008. The proposed ordinance would allow for traffic enforcement to occur once all of the correct traffic signage has been installed at the expense of the POA, but no sooner than July 1, 2014.

**ORDINANCE NO. 1499**

**An ordinance of the City Council of the City of Pearland, Texas extending traffic rules and regulations to certain private roads owned and maintained by the Lakes at Highland Glen Community Association and contained within the Lakes at Highland Glen Subdivision; providing for enforcement; providing for penalties and fines; providing for administration; providing for conflicts with other laws; providing for severability; providing for an effective date.**

**WHEREAS**, Texas Transportation Code § 542.008 provides that traffic rules may be extended by a municipality to privately owned or maintained roads within certain private subdivisions upon the request of certain individuals or entities; and

**WHEREAS**, a request by the Lakes at Highland Glen Community Association, a Texas non-profit property owners association, which owns or maintains those roads within the Lakes at Highland Glen Subdivision has been made to the City pursuant to Texas Transportation Code § 542.008 to enforce certain traffic rules on said private roads; and

**WHEREAS**, the City recognizes its responsibility and authority to impose ordinances, acts, laws, or regulations that are necessary for the government of the City; and,

**WHEREAS**, the purpose of this Ordinance is to protect the public and provide for welfare of the City; and,

**WHEREAS**, the City finds this ordinance in the interest of the municipality generally:

**ORDINANCE NO. 1499**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND,  
TEXAS:**

**Section 1. ADOPTION**

The City hereby adopts Title 7 of the Texas Transportation Code to be enforced upon the private roads of the Lakes at Highland Glen Subdivision according to the map or plat of record filed in the Plat Records of Brazoria County

**Section 2. ENFORCEMENT**

Any police officer of the City or any officer of any law enforcement agency authorized to enforce an ordinance of the City may enforce this Ordinance.

**Section 3. ADMINISTRATION**

Any violation of this ordinance shall be prosecuted in the Municipal Court of the City.

**Section 4. PENALTIES AND FINES**

1. A person commits an offense pursuant to this Ordinance if that person commits, causes, permits, allows, or maintains a violation of this Ordinance or the provisions of the Texas Transportation Code adopted herein.
2. A person convicted of an offense that is a misdemeanor under this Ordinance or the portions of the Texas Transportation Code adopted herein for which another penalty is not provided by the applicable portions of the Texas Transportation Code adopted herein shall be punished by a fine of not less than \$1 or more than \$200.
3. No culpable mental state is required for an offense under this Ordinance, unless the applicable provisions of the Texas

**ORDINANCE NO. 1499**

Transportation Code adopted herein otherwise require a culpable mental state.

**Section 5. CONFLICT WITH OTHER STATUTES OR LAWS**

1. This Ordinance does not preempt, and is in addition to, any other applicable statute, law, ordinance, rule, or regulation.
2. Whenever any provision of this Ordinance conflicts with those contained in another ordinance, the most stringent or restrictive provision shall control.

**Section 6. SEVERABILITY**

Should any portion of this Ordinance be held invalid or unenforceable for any reason, the same shall not be construed to affect any other valid portion thereof, and all valid portions shall remain in full force and effect.

**Section 7. EFFECTIVE DATE**

This Ordinance shall become effective July 1, 2014.

**PASSED and APPROVED ON FIRST READING this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2014.**

\_\_\_\_\_  
**TOM REID  
MAYOR**

**ATTEST:**

\_\_\_\_\_  
**YOUNG LORFING  
CITY SECRETARY**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**DARRIN M. COKER**

**ORDINANCE NO. 1499**

**CITY ATTORNEY**

PASSED and APPROVED ON SECOND AND FINAL READING this the \_\_\_\_\_  
day of \_\_\_\_\_, A. D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

C/O MMC, Inc.  
P.O. Box 218844  
Houston, TX 77218  
281/647-6166 – Office  
281/647-6174 - Fax

**Lakes at Highland  
Glen CA, Inc.**

# Memo

**To:** Darren Coker, Attorney for the City of Pearland

**Sent Via Email:** [dcoker@ci.pearland.tx.us](mailto:dcoker@ci.pearland.tx.us)

**From:** Shontele Redeaux

**CC:**

**Date:** March 4, 2014

**Re:** Request for City Police to Issue Citations on the Gated Side of this Community

---

Attached please find the meeting minutes from a meeting held by the Board of Directors for the Lakes at Highland Glen CA, Inc.

Per the minutes the Board has approved the City of Pearland to enter and issue citations to speeders in the gated section of the community,

Please advise the next step in this process.

Should you have any questions, please contact my office at 281/647-6166 or via E-Mail at [shontele@mymcinc.com](mailto:shontele@mymcinc.com).

Kindest Regards,

Shontele Redeaux

Lakes at Highland Glen CA, Inc.

Managing Agent

**LAKES AT HIGHLAND GLEN COMMUNITY ASSOCIATION, INC.**  
**BOARD OF DIRECTORS MEETING MINUTES**  
**JANUARY 13, 2014**

**PRESENT:**

**Board Members**

JR Johnson  
Arwen Jackson  
Nghiem Doan  
Jack Ferrante  
Tami Swinbank

**MMC, Inc.:**

Shontele Redeaux

The homeowners as listed on the sign-in log.

**CALL TO ORDER AND ESTABLISH QUORUM:**

A quorum being established the regular session meeting was called to order at 7:37 P.M.

**SUMMARY OF BOARD DECISIONS IN EXECUTIVE SESSION:**

The following items were discussed during Executive Session:

- \*The Board approved the September 9, 2013 Executive Session meeting minutes.
- \*The Board reviewed and approved the collection report.
- \*The Board reviewed seven (7) homeowner requests.
- \*The Board reviewed and approved the deed restriction report.
- \*The Board reviewed twelve (12) deed restriction issues.
- \*The Board reviewed and approved the attorney status report.

**MINUTE REVIEW:**

The Board reviewed the September 9, 2013 meeting minutes. A motion was made, seconded, and unanimously approved to accept the minutes as presented.

**FINANCIAL PRESENTATION:**

The Board reviewed the December 31, 2013 financial statement. A motion was made, seconded, and unanimously approved to accept the financial statement as presented.

The Board instructed management not to send reminder statements to homeowners who have not paid their 2014 assessments.

The Board asked management to advise when the December 2013 financials are posted to the website.

**OLD BUSINESS:**

**WIND COVERAGE**

The Board was advised the Texas Wind Commission came back and stated the premium to insure the Association's items would cost \$55,000. The insurance agent was able to get this number down, however, the Texas Wind Commission requested WP-8's on every structure to be insured. The Board was advised without the WP-8's the policy was cancelled and premium returned. Should the Board wish to pursue this in the future WP-p's would need to be obtained. Director Swinbank advised she would contact her brother-in-law to get additional information on how wind coverage works and if WP-8's are required on all items being insured.

**POOL REPLASTER BIDS**

The Board reviewed bids presented by Poseidon Pools, Sweetwater Pools and A-Beautiful Pools in order to replaster the pool. After discussion, the Board asked management to contact Poseidon Pools to determine if they would be willing to match the lowest bid. The Board will make a decision on this via email.

**Lakes at Highland Glen CA, Inc.**  
**Board Meeting Minutes**  
**January 13, 2014**  
**Page 2**

**PRIMROSE SPONSORSHIP**

The Board reviewed the request by Primrose to sponsor events in the community. After discussion, Director Jackson advised she would follow up with Primrose on their request.

**NEW J-BOX ON METAL POLE**

The Board reviewed a bid to replace the rusted j-boxes with metal boxes. After discussion, the Board asked management to determine if fiberglass j-boxes can be installed instead.

**NEW BUSINESS:**

**2014 MEETING DATES**

February 10<sup>th</sup>

February 19<sup>th</sup> – Annual Meeting

March 31<sup>st</sup>

April – no meeting

May 12<sup>th</sup>

June – no meeting

July 14<sup>th</sup>

August – no meeting

September 8<sup>th</sup>

October – no meeting

November 10<sup>th</sup>

December – no meeting

The Board asked management to secure the school for the Annual Meeting and get pool tag stickers to be handed out at the Annual Meeting.

**2013 TAX RETURN**

The Board reviewed a bid from CPA Joe Stoller; after discussion, a motion was made, seconded and unanimously approved to accept the proposal to have Joe Stoller prepare the necessary 2013 and 2014 tax forms.

**PHOTOCELL BID**

The Board reviewed a bid to change the lighting on the gated side from timers to photocells. After discussion, a motion was made, seconded and unanimously approved to accept the bid from Warfield Electric as presented.

**PAINT WROUGHT IRON FENCE ON GATED SIDE**

The Board was presented with bids to paint the wrought iron fencing leading into the gated section. After discussion, the Board instructed management to contact McKenna Construction to determine their warranty as they repainted that fence in 2011 for \$1,500.

**PEARLAND POLICE DEPARTMENT TO ISSUE CITATIONS**

The Board discussed giving Pearland Police Department the ability to issue traffic citations on the gated side. After discussion, a motion was made, seconded and approved to allow Pearland Police Department to issue citations in the gated section. Director Doan denied this vote. It was recommended the Board President issue a letter to the City Council for the City of Pearland.

**Lakes at Highland Glen CA, Inc.**  
**Board Meeting Minutes**  
**January 13, 2014**  
**Page 3**

**POSEIDON POOLS 2014 CONTRACT**

The Board reviewed the 2014 contract presented by Poseidon Pools. After discussion, the Board tabled this matter and advised they would vote via email.

**POSEIDON POOLS SUMMER EVENTS**

The Board discussed having the free events offered by Poseidon Pools. After discussion, Director Jackson advised she would contact Poseidon Pools in order to discuss what function if any to have in the summer.

**WINTERIZE THE POOL**

The Board asked management to ensure Poseidon Pools winterizes the pool.

**ICS DATA BASE CONTRACT**

The Board reviewed a bid presented by ICS to maintain the gate data base. After discussion, the Board advised management to contact ICS concerning this bid, the Board advised ICS will either need to fix the issue associated with management not being able to program from their office or they need to perform the programming at no additional cost.

**ICS MAINTENANCE CONTRACT**

The Board reviewed the contract presented by ICS. After discussion, the Board decided to table this contract at this time. The Board will vote on this via email once ICS provides answers concerning the data base.

**GATE REPAIR BID**

The Board reviewed a bid from ICS to make repairs to the wrought iron gate. After discussion, the Board asked management to obtain a bid from Houston Fence concerning the issues raised by ICS. In addition, the Board asked management to have Houston Fence bid on repainting the wrought iron fence.

**LAKE PRO 2014 CONTRACT**

The Board reviewed the 2014 contract presented by Lake Pro. After discussion, the Board asked management to obtain a bid from Lake Pro to perform monthly service with no additional trip charges. The Board asked management to obtain a few additional lake management bids.

**LAKE PRO PROBE RELOCATION AND FOUNTAIN REPAIR BIDS**

The Board asked management to contact Alameda Water Well to get a bid directly from them to replace the Control Panel and to relocate the probes. The Board approved the fountain repair bid as presented by Lake Pro, the Board asked management to determine the warranty when Lake Pro overhauls a unit.

**WESTCO BID TO REPAIR VEHICLE DAMAGE**

The Board reviewed a bid from Westco to repair areas damaged by a vehicle. After discussion, a motion was made, seconded and unanimously approved to accept the proposal as presented.

**WESTCO BID TO MOW BEHIND BRIGHTON BROOK LANE**

The Board reviewed a bid from Westco to cut a single pass behind Brighton Brook Lane. After discussion, the Board declined to initiate this service as the area in question does not belong to the

**Lakes at Highland Glen CA, Inc.**  
**Board Meeting Minutes**  
**January 13, 2014**  
**Page 4**

Association. While the Board understands this area may have been mowed while under development the Association will not trespass.

**CYPRESS CREEK PEST CONTROL**

The Board reviewed a bid from Cypress Creek Pest Control to perform mosquito fogging of the community for \$104.74 per application. After discussion, a motion was made, seconded and unanimously approved to accept this contract as presented.

**RATIFY EMAIL VOTE – ABC PEST CONTROL**

A motion was made, seconded and unanimously approved to ratify in the minutes the approval to have ABC Pest Control treat around the lake control panels monthly as to prevent damage caused by tawny ants.

**WEBSITE**

The Board instructed management to have a link put on the website to pay HOA dues and instructions on how to make payments online.

**MMC CONTRACT ADDENDUM**

A motion was made, seconded and unanimously approved MMC's contract addendum to increase the management fee by three percent.

**MONUMENT LIGHTS**

The Board asked management to contact an electrician to meet with Director Jackson to check all of the monument signs and provide a bid to repair/replace any damaged lights.

**LIGHT AT PARK**

The Board asked management to follow up with Pete Thrasher to determine if the bid he presented to install an additional light is still valid. In addition, the Board advised the light in the park is no longer working.

**HOMEOWNER FORUM:**

A homeowner in attendance asked the Board if moving the community garage sale to before school starts can be an option for 2014.

A homeowner in attendance recommended all homeowners bring their pools tags to the meeting when they get their pools tags updated for 2014.

**NEXT BOARD MEETING:**

The next meeting of the Board is tentatively scheduled for Monday, February 10, 2014.

**ADJOURNMENT:**

There being no further business to come before the Board, the meeting was adjourned at 9:45 P.M.

Approved by:

Date:

# Consent Agenda Item E

- E. Consideration and Possible Action – Second and Final Reading of Ordinance No. 1026-3** – An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 29, Article XVI, *Truck Traffic*, of the City of Pearland Code of Ordinances, as it may have been, from time to time amended, providing for enforcement and penalties, and containing other matters relating to the subject; providing a penalty for violation; having a savings clause, a repealer clause, a severability clause; providing for codification, publication and an effective date. *Mr. Darrin Coker, City Attorney.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> June 23, 2014	<b>ITEM NO.:</b> Ordinance No. 1026-3
<b>DATE SUBMITTED:</b> 6-2-14	<b>DEPARTMENT OF ORIGIN:</b> PD
<b>PREPARED BY:</b> Darrin Coker	<b>PRESENTOR:</b> Darrin Coker
<b>REVIEWED BY:</b> NA	<b>REVIEW DATE:</b> NA
<b>SUBJECT:</b> Truck Route Ordinance	
<b>EXHIBITS:</b> Ordinance 1026-3; Map	
<b>EXPENDITURE REQUIRED:</b> <b>AMOUNT AVAILABLE:</b> <b>ACCOUNT NO.:</b>	<b>AMOUNT BUDGETED:</b> <b>PROJECT NO.:</b>
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> <b>ACCOUNT NO.:</b> <b>PROJECT NO.:</b>	
<b>To be completed by Department:</b> <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Legal <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

Staff has been working with the police department on proposed amendments to the City's truck route ordinance. The draft amendments were provided to the Council in the May 22<sup>nd</sup> Admin Packet, and include the following:

- Regulation of oversized in addition to overweight vehicles
- Proper references to applicable state laws
- Establishment of the Engineering Department as the permitting authority
- Requirement for the posting of a bond, as part of the permitting process, to guarantee the restoration of damaged City infrastructure
- Designation of a truck route for Dixie Farm Road from FM 518 to SH 35
- Additional enforcement mechanisms for overweight vehicles
- Truck route map that will be posted on the City's website

**ORDINANCE NO. 1026-32**

An Ordinance of the City Council of the City of Pearland, Texas, amending Chapter 29, Article XVI, *Truck Traffic*, of the City of Pearland Code of Ordinances, as it may have been, from time to time amended, providing for enforcement and penalties, and containing other matters relating to the subject; providing a penalty for violation; having a savings clause, a repealer clause, a severability clause; providing for codification, publication and an effective date.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That Chapter 29, Article XVI, of the City Code of Ordinances is hereby amended to read as follows:

**"ARTICLE XVI**

**TRUCK TRAFFIC**

**Sec. 29-351 Load Limits and Oversized Vehicles.**

- (a) It shall be unlawful for any person to operate any commercial motor vehicle over, on, or upon any public street or right-of-way in the City of Pearland, Texas, other than state-owned or maintained highways, which has a gross weight in excess of one or more of the following limitations:
- (1) The total gross weight for which the commercial motor vehicle is licensed with the State of Texas; or
  - (2) Twenty thousand (20,000) pounds per single axle as defined in the Texas Transportation Code (hereinafter, the "Code"). ~~Six hundred fifty pounds (650 lbs.) per inch width of tire upon any wheel concentrated upon the surface of the roadway, up to twenty thousand pounds (20,000 lbs.) per single axle, thirty-four thousand pounds (34,000 lbs.) per tandem axle; or~~

**ORDINANCE NO. 1026-32**

(3) Thirty-four thousand (34,000) pounds per tandem axle as defined in the Code. In no event shall the registered gross weight of any commercial vehicle traveling on a road not designated as a truck route exceed 40,000 pounds, including all enforcement tolerances, in the absence of a permit from the Chief of Police; or

(4) Recyclable/solid waste trucks operated in compliance with Chapter 622 of the Code; or In no event shall the registered gross weight of any commercial vehicle traveling on a City owned and maintained road that is designated as a truck route exceed 60,000 pounds.

(5) Ready Mix concrete trucks operated in compliance with Chapter 622 of the Code; or

~~(4)~~(6) Eighty thousand (80,000) pounds gross vehicle weight.

(b) Commercial motor vehicles operating in compliance with Chapter 623 of the Code shall be authorized to have additional weight permitted as described in the Code. It shall be unlawful to operate any commercial vehicle on any state highway within the City of Pearland with a registered gross weight or axles weight in excess of that allowed by state law for state highways outside the limits of incorporated cities and towns.

(c) Commercial motor vehicles requiring an oversize (height or width) permit from the State of Texas shall obtain a permit from the City if the vehicle will be operated on a City maintained roadway. The permit, or copy thereof, shall

**ORDINANCE NO. 1026-32**

be carried in the vehicle and made available, on demand by any police officer, for verification that the vehicle is operating on a City approved route.

~~(b) \_\_\_\_\_~~

**Sec. 29-352 Permits.**

(a) \_\_\_\_\_ The City Engineering Department ("Department")~~Chief of Police~~ may issue a permit for the travel of commercial vehicles over City streets or state highways within the City of Pearland with loads in excess of the load limits provided in Section 29-351 of this Chapter~~4~~, but only when it is impossible or impractical to reduce the weight of the load or use a vehicle capable of hauling the load within the prescribed limit. Such permit shall be issued for only one (1) day and for only one (1) trip by each vehicle. The Department~~Director of Public Works~~ shall determine the route of travel of said vehicle and the permit shall specify the date of the trip, the license plate number of the vehicle, and the route of travel. The permit applicant, prior to issuance of a permit, shall -pay a permit fee in the amount of ~~ten~~ two hundred ten dollars (\$210.00). The permit, or copy thereof, shall be carried in the vehicle and made available, on demand by any police officer, for verification that the vehicle is operating on a City approved route.  
~~for the issuance of such permit shall be paid to the City Secretary by the applicant therefor, prior to issuance.~~

**ORDINANCE NO. 1026-32**

(b) The limitation on weight prescribed by Section 29-351 of this Chapter shall not apply to road construction and maintenance machinery operated on a street by the City or other governmental entity, or any contractor operating such machinery in the performance of a contract with the City or other governmental entity. In the event the machinery described by this section exceeds the weight limits of Section 29-351, the person in charge thereof shall first obtain a permit from the Department that designates the route, including streets and bridges, over which the machinery will operate.

(a)(c) Any person operating a vehicle or machinery that exceeds the weight limits contained in this Chapter shall be liable to the City for any damage to City infrastructure resulting from such operation. The applicant, prior to issuance of a permit, shall file a surety bond, issued by a surety company authorized to do business in the State of Texas, in an amount established by the Department, to guarantee the restoration of any damage to City infrastructure resulting from the operation of the permitted vehicle in the City.

**Sec. 29-353 -Truck Routes.** All commercial motor vehicles shall confine their travel within the City of Pearland to the following streets or highways or parts thereof:

- 1) State Highway 288, from north city limits to south city limits;
- 2) State Highway 35 (Main Street), from north city limits to south city limits;
- 3) FM 518 (Broadway Street), from SH 288 to east city limits;
- 4) Mykawa Road, from FM 518 (Broadway Street) to north city limits;

**ORDINANCE NO. 1026-32**

- 5) McHard Road, from State Highway 35 (Main Street) to Mykawa Road;
- 6) FM 1128 (Manvel Road) from FM 518 (Broadway Street) to south city limits;
- 7) FM 2234 (Shadow Creek Parkway) from State Highway 288 west to FM 521 (Almeda Road);

8) FM 865 (Cullen Road) from FM 518 (Broadway Street) to north city limits.

8)9) Dixie Farm Road, from north city limits to State Highway 35.

Each ~~of such~~ commercial routes shall be clearly marked as aA Truck Route~~@~~ at its intersection with the city limits, at each intersection with other truck routes, and at such other locations along its course as shall be deemed necessary by the Department, Director of Public Works to adequately designate it for commercial motor vehicle travel.

Sec.29-354 Weight Limits on Specific Streets. No person shall operate a vehicle, with a gross weight in excess of the posted weight limits or allowable axles, on a City street for which a sign has been posted giving notice of the limitations.

**Sec. 29-35~~4~~5 Periods of Loading and Unloading.** In the event that a commercial vehicle completely or partially loads and/or unloads at a point which does not lie on a designated truck route, the commercial vehicle may proceed to and from such points of loading and/or unloading, providing that the commercial vehicle follows the shortest route from a designated truck route to and from each point of loading or unloading or otherwise as may be specified by the Director of Public Works.

**Sec. 29-35~~5~~6 Exceptions.**

- (a) Emergency Vehicles. The operation of emergency vehicles upon any street in the City.

**ORDINANCE NO. 1026-32**

- (b) City Vehicles. The operation of commercial vehicles owned or operated by the City upon any street in the City.
- (c) Detoured Trucks. The operation of commercial vehicles upon detours established by the Director of Public Works, provided such commercial vehicle could lawfully be operated upon the street for which such detour is established.
- (d) Local Operations. Any commercial vehicle traveling to and ~~from~~ its base of operation or storage not located on a designated truck route, provided the base of operation or storage is designated as a place of business on the tax rolls of the City and was in operation prior to the passage of this Article or annexation of said base of operation or storage into the City. For purposes of this ordinance, a landfill shall be considered the base of operation for commercial vehicles traveling to or from its location.

**Sec. 29-25~~7~~6 Enforcement.**

- (1) The ~~Department~~City Secretary shall keep and maintain accurate maps setting out truck routes and streets upon which commercial vehicle traffic is permitted. The maps shall be posted on the City's website, kept maintained on file in the office of the City Secretary, and shall be made available to the public.
- (2) Any police officer having reason to believe that the gross weight or axle load of a motor vehicle is unlawful, is authorized to weigh the same by means of certified portable or stationary scales, or the officer may cause the vehicle to be weighed by any public weight service and require the vehicle to be driven to the nearest

**ORDINANCE NO. 1026-32**

~~available scales for the purpose of weighing the vehicle. After weighing, if it is determined that the vehicle exceeds the weight limits of this Chapter, then the cost of the weighing shall be due and payable by the operator of the vehicle to the individual that provided the weighing service. The Chief of Police shall have the authority to require any person driving or in control of any commercial vehicle to proceed to any municipal, public, or private scale available for the purpose of weighing and determining whether this Article has been complied with. Upon such weighing, if it is determined that the commercial vehicle so weighed in excess of the load limit, then the cost of such weighing shall be immediately due and payable by the operator of such commercial vehicle and such commercial vehicle may be lawfully detained by the Police Department until such charge has been paid. In the event that the weight of such commercial vehicle is not in excess of the load limit, any charges for weighing under the terms of this Article shall be in addition to any fine imposed for a violation of its provisions."~~

~~(2)~~(3) In the event the gross weight of a commercial vehicle or an axle load exceeds the maximum allowed weight plus a tolerance of five percent (5%) of the gross weight of authorized by law, any police officer may require the operator of the vehicle to unload or rearrange the cargo to comply with the requirements of this Chapter if the police officer determines that such unloading and rearranging of cargo may be safely accomplished at the location where the vehicle was weighed or the police officer may require the operator of the vehicle to proceed to an alternate location.

**ORDINANCE NO. 1026-32**

Any alternate location shall be the nearest such place to public property, property under the control of the operator or their principal, or property where consent to unload and rearrange cargo has been obtained.

**Section 2. Penalty.** Any person who violates the provisions of this section shall be deemed guilty of a misdemeanor and shall, upon conviction by a court of competent jurisdiction, be punished by a fine not to exceed Five Hundred Dollars (\$500.00).

**Section 3. Declaration of Emergency.** The Council finds and determines that the need to decrease allowable truck weight and to update street names and truck routes inures to the benefit of the traveling public and, therefore, bears directly upon the health, safety and welfare of the citizenry; and that this Ordinance shall be adopted as an emergency measure, and that the rule requiring this Ordinance to be read on two (2) separate occasions be, and the same is hereby waived.

**Section 4. Savings.** All rights and remedies which have accrued in favor of the City under this Chapter and amendments thereto shall be and are preserved for the benefit of the City.

**Section 5. Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

**ORDINANCE NO. 1026-32**

**Section 6. Repealer.** All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

**Section 7. Codification.** It is the intent of the City Council of the City of Pearland, Texas, that the provisions of this Ordinance shall be codified in the City's official Code of Ordinances as provided hereinabove.

**Section 8. Publication and Effective Date.** The City Secretary shall cause this Ordinance, or its caption and penalty, to be published in the official newspaper of the City of Pearland, upon passage of such Ordinance. The Ordinance shall then become effective ten (10) days from and after its publication, or the publication of its caption and penalty, in the official City newspaper.

PASSED and APPROVED ON FIRST AND ONLY READING this the \_\_\_\_\_ day of \_\_\_\_\_, A. D., 201409.

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TOM REID  
MAYOR

ATTEST:

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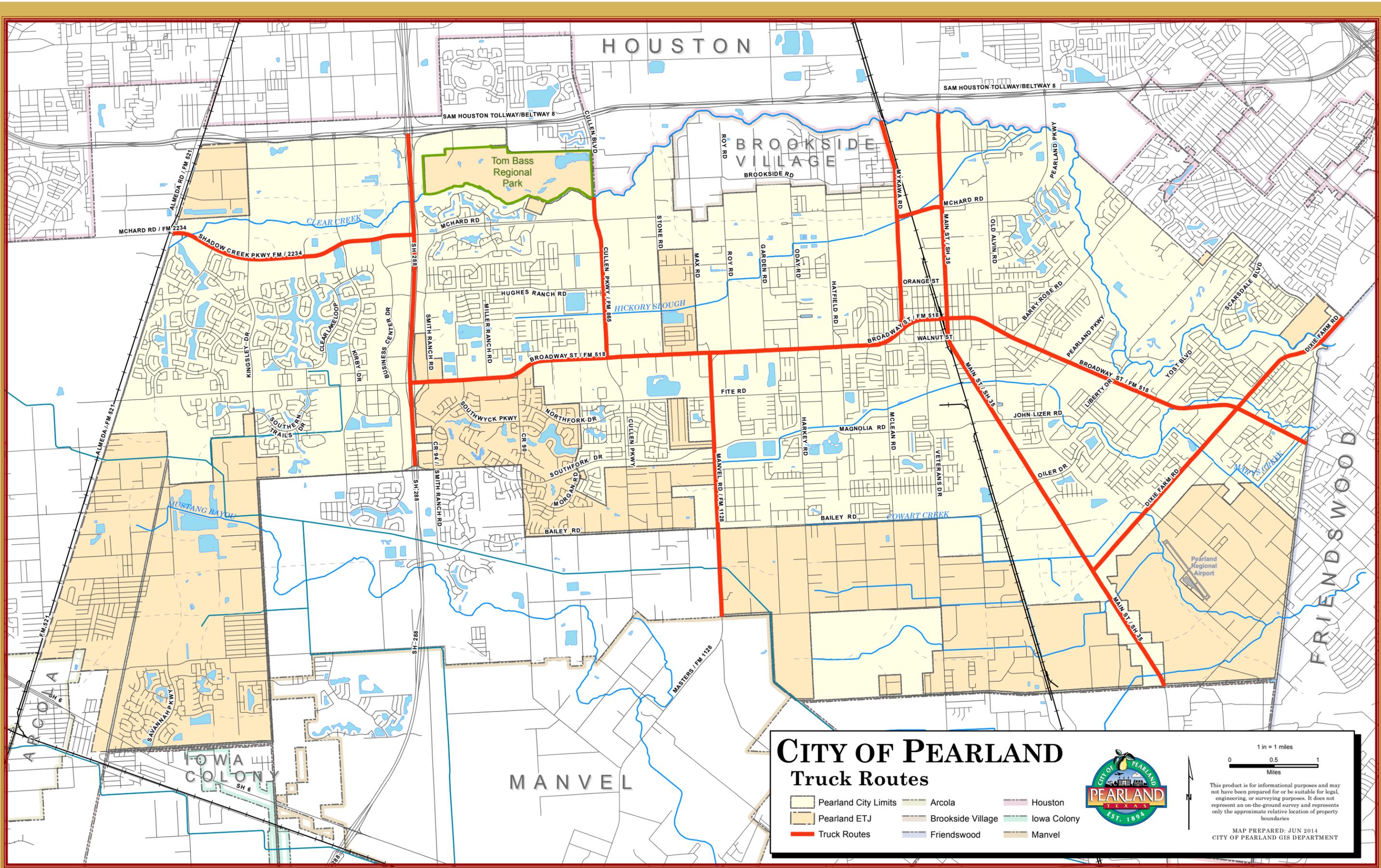
YOUNG LORFING  
CITY SECRETARY

APPROVED AS TO FORM:

| **ORDINANCE NO. 1026-32**

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DARRIN M. COKER  
CITY ATTORNEY



## CITY OF PEARLAND Truck Routes

Pearland City Limits	Arcola	Houston
Pearland ETJ	Brookside Village	Iowa Colony
Truck Routes	Friendswood	Manvel

1 in = 1 miles

0 0.5 1  
Miles

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

MAP PREPARED: JUN 2014  
CITY OF PEARLAND GIS DEPARTMENT

# Consent Agenda Item F

- F. **Consideration and Possible Action** – Excuse Mayor Tom Reid from the June 9, 2014, Regular Council Meeting. *City Council.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF: 06-23-201</b>	<b>ITEM NO.:</b> Consent Agenda Item
<b>DATE SUBMITTED: 06-16-2014</b>	<b>DEPARTMENT OF ORIGIN:</b> City Secretary
<b>PREPARED BY: Maria E. Rodriguez</b>	<b>PRESENTOR:</b> City Council
<b>REVIEWED BY: Clay Pearson</b>	<b>REVIEW DATE: 06-17-2014</b>
<b>SUBJECT:</b> Excuse the absence of Mayor Tom Reid from the Regular Council Meeting held on June 6, 2014.	
<b>EXHIBITS:</b> None	
<b>EXPENDITURE REQUIRED:</b> N/A <b>AMOUNT AVAILABLE:</b> N/A <b>ACCOUNT NO.:</b> N/A	<b>AMOUNT BUDGETED:</b> N/A <b>PROJECT NO.:</b> N/A
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> N/A <b>ACCOUNT NO.:</b> N/A <b>PROJECT NO.:</b> N/A	
<b>To be completed by Department:</b> <input type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

Excuse Mayor Tom Reid's absence from the June 6, 2014, Regular Council Meeting.

**RECOMMENDED ACTION**

Council action required.

# Consent Agenda Item G

- G. Consideration and Possible Action – Resolution No. R2014-66 –**  
A Resolution of the City Council of the City of Pearland, Texas, renewing a bid with the Pearland Journal, as the official newspaper of record for publishing City legal notices, in the estimated amount of \$15,000.00 annually. *Mr. Bob Pearce, Purchasing Officer.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b> Resolution No. R2014-66
<b>DATE SUBMITTED:</b>	June 13, 2014	<b>DEPT. OF ORIGIN:</b> Finance
<b>PREPARED BY:</b>	Bob Pearce	<b>PRESENTOR:</b> Bob Pearce
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b> 6/16/14
<b>SUBJECT:</b> Renewal of Bid for Official Newspaper of Record for One (1) Year from 7/23/14		
<b>EXHIBITS:</b> Resolution #R2014-66 Memo from Thursday Administrative Packet Bid Tabulation Legal Notice Samples		
<b>FUNDING:</b>		
<input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Grant <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> Developer/Other <input checked="" type="checkbox"/> Cash <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold		
<b>EXPENDITURE REQUIRED:</b> \$12,000 (est.)		<b>AMOUNT BUDGETED:</b> \$12,000
<b>AMOUNT AVAILABLE:</b> \$12,000		<b>PROJECT NO.:</b>
<b>ACCOUNT NO.:</b> Various Accounts		
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>		
<b>ACCOUNT NO.:</b>		
<b>PROJECT NO.:</b>		
<b>To be completed by Department:</b>		
X Finance	X Legal	Ordinance    X Resolution

**EXECUTIVE SUMMARY**

**BACKGROUND**

Pursuant to Article 10, Section 10.03 of the City Charter, the City Council is to contract annually with, and by resolution designate, a public newspaper of general circulation in the city as the official newspaper of record. This bid covers publications of notices, ordinances and other matters required by City, State and Federal statutes to be published.

**SCOPE OF CONTRACT**

The awarded contractor shall provide advertising services for publication of legal advertisements on an as needed basis for the City of Pearland, for a period of one (1) year from the current award expiration date of July 23, 2014.

**BID AND AWARD**

Two (2) sealed bids were received June 27, 2013 for a unit price bid for publication of legal advertisements and for designating the official newspaper of record for the City of Pearland. Bid specifications required the submission of advertisement pricing per column inch, with priced samples of the City’s most common legal notices: invitations to bidders, City ordinance posting, and Planning/Zoning notices.

Of the two (2) bids received, the Reporter News column inch rate of \$2.60 was lower than the Pearland Journal’s rate of \$2.75. However, the Reporter News publication samples reflected a narrower column width, resulting in more column inches required to publish comparable text than the wider column samples submitted by the Journal. The sample pricing was applied to the actual number of each type of legal advertisements actually published in the prior fiscal year in order to appropriately weight the respective sample costs, with the Pearland Journal’s weighted total being less. As such, the Pearland Journal was determined to offer the lower overall pricing, and was awarded the bid. The respective circulations at the time of the bid in 2013 were as follow:

Reporter News: 2,200 paid subscriptions; 26,000 free distributions.  
Pearland Journal: 677 paid subscriptions; 19,803 free distributions.

Bid specifications allow for two (2) one-year renewal options upon the mutual agreement of both parties and the approval of City Council. Contractor price adjustment is permitted at renewal when supported by a commensurate change for the preceding 12 months in the Consumer Price Index, Houston-Brazoria-Galveston region. The Pearland Journal has agreed to this first renewal period with no price increase, therefore, the pricing will be as originally awarded. City personnel have indicated a high degree of satisfaction with the newspaper of record and recommend renewal of this award.

**SCHEDULE**

Advertising services will occur as needed throughout the term of the agreement.

**POLICY/GOAL CONSIDERATION**

This purchase is recommended for the purpose of designating the official newspaper of record for the City of Pearland.

**CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE**

Funding for these services will come from various accounts.

**O&M IMPACT INFORMATION**

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Est. Expenditures</b>	\$12,000	\$12,400	Re-Bid

**RECOMMENDED ACTION**

Staff recommends approval of a resolution to award a bid for the official newspaper of the City of Pearland to the Pearland Journal at a rate of \$2.75 per column inch of legal advertisements.

**RESOLUTION NO. R2014-66**

**A Resolution of the City Council of the City of Pearland, Texas, renewing a bid with the Pearland Journal, as the official newspaper of record for publishing City legal notices, in the estimated amount of \$15,000.00 annually.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That the City previously awarded a bid for the Official Newspaper of Record in the City.

**Section 2.** That the City Council hereby renews a bid with the Pearland Journal, at the rate of \$2.75 per column inch of legal advertisements.

**Section 3.** The City Manager or his designee is hereby authorized to execute a contract with the Pearland Journal.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY



## Memo

To: Clay Pearson, City Manager

From: Bob Pearce, Purchasing Officer

CC: Claire Bogard, Director of Finance

Date: June 4, 2014

Re: Newspaper of Record – Background Info for 6/23/14 Council AR

6/5/14  
To: Mayor & City Council Members  
FYI on future contract renewal for consideration

In July, 2012, Purchasing staff submitted an Agenda Request to award a bid for the City's newspaper of record to the Reporter News. Between the time of that award and the subsequent eligible renewal period in July, 2013, Council expressed periodic questions regarding the Reporter News as the City's official newspaper, which dissuaded staff from bringing a renewal request before Council, opting instead to re-bid the services in advance of the July, 2013 original contract term expiration.

The subsequent bid yielded two responses, from Pearland Journal and Reporter News. While the Reporter News quoted a lower column inch rate for legal notices, their narrower column width (they had historically used a 9 column per page layout, while the Journal utilized a 6 column layout, resulting in a wider column, thus less vertical column inches per ad sample for the same text) resulted in a higher overall price for the ad samples included in the bid. At the Council meeting of July 22, 2013, Laura Emmons of the Reporter News indicated that she would change to a 6 column layout and keep her column inch rate as bid. However, as this was not the layout of the ad samples included in the Reporter News' own competitive bid response, Council elected to approve the bid award to the Pearland Journal as recommended by staff.

As we approach the initial term expiration on July 23, 2014, Purchasing staff has recently fielded a number of calls from Ms. Emmons requesting a re-bid of the newspaper of record services. Staff has repeatedly informed Ms. Emmons that the current bid award was for a one-year term, with two one-year renewal options, and that given the high satisfaction level of City departments currently utilizing the Journal and the fact that the Journal has requested no price increase, Purchasing staff recommendation would be for renewal of the existing award. Pursuant to your discussion with Claire earlier today, Purchasing will proceed with an Agenda Request for award renewal for the meeting of June 23, 2014.

Analysis of the spending for the past two calendar years, in consideration of the respective bid award dates, yields the following annual expenditures for publication of City notices:

Pearland Journal – July, 2013 to present, total expenditure of \$7,896.91  
Reporter News – July, 2012 to July, 2013, total expenditure of \$14,515.77

It should be noted that there have been approximately 30% fewer Invitations to Bidders in the present period with the Journal than in the prior period with the Reporter News, primarily due to a preponderance of current-year renewals of supply/service bids from the previous year, a reduction in CIP project bids, and the current period representing slightly less than a full year – however, it is presumed that current-period P&Z notices and ordinance postings have remained level with the prior year.

**NOTE:** While the annual expenditure for this service does not approach the \$50,000 statutory threshold for governing body approval, Council approval is required pursuant to City Charter, Section 10.03.

**Bid #0613-59 - Official Newspaper Publication Services**

**Newspaper sample pricing, extended to prior year actual publications:**

	<b>Pearland Journal</b>
Bid Notice Pricing (Exhibit A):	\$35.75
Quantity:	90
Sub-Total:	\$3,217.50
Ordinance Notice Pricing (Exhibit B):	\$30.25
Quantity:	7
Sub-Total:	\$211.75
Planning & Zoning Notice Pricing (Exhibit C):	\$30.25
Quantity:	23
Sub-Total:	\$695.75
<b>Total</b>	<b>\$4,125.00</b>

<b>Reporter News</b>
\$39.00
90
\$3,510.00
\$24.70
7
\$172.90
\$32.50
23
\$747.50
<b>\$4,430.40</b>

# EXHIBIT A

## Pearland Journal

### NOTICE TO BIDDERS CITY OF PEARLAND, TEXAS

Sealed Bids will be accepted until 2:00 p.m. on Thursday, May 10, 2012, and read aloud into the public record for the following project:

**Dixie Farm Road Street Lighting  
From Willits Rd to Clear Creek  
City of Pearland, Texas  
COP PN: TR0805  
BID NO.: 0412-33**

The Project entails installation and construction of approximately 1,400 LF of street light conduit, 8 street light poles and foundations and one power source connection.

A Mandatory Pre-Bid Conference will be held at the City of Pearland City Hall at 3519 Liberty Drive, Pearland, Texas 77581 at 2:00 p.m., Thursday, May 3, 2012.

All bids should be submitted through the E-Bid system located on the City's website at: [www.cityofpearland.org/bids](http://www.cityofpearland.org/bids). All interested Bidders are advised to register as a "supplier" on the City's E-Bid System at the above website by clicking on "Supplier Registration" and completing a short registration questionnaire. Electronic Bid Documents, including Plans, Technical Specifications and Bid Forms are available for download after registration is approved by City Purchasing office. No plan fees or deposits are required for bid documents obtained through the City's E-bid System. Questions regarding electronic bidding should be directed to City Purchasing Officer at [ebids@ci.pearland.tx.us](mailto:ebids@ci.pearland.tx.us).

Bid Documents are also available for review at the City of Pearland's Purchasing Department by appointment (281 652-1600) at the above address or, from the following plan houses:

Amtek Plan Room (713) 956-0100  
The Associated General Contractors of America, Inc. (713) 334-7100  
Associated Builders & Contractors of Greater Houston (713) 523-6222  
Dodge Reports (713) 316-9411

Bid Security, in the form of Cashier's Check, Certified Check, or Bid Bond, payable to the City of Pearland in the amount of 5% of the total base bid price, must accompany each Bid proposal. See Instructions to Bidders for Bond submittal information and instructions.

The City of Pearland reserves the right to reject any or all bids.

Young Lorling, TRMC  
City Secretary, City of Pearland  
First Publication date April 25, 2012  
Second Publication date May 2, 2012

## Pearland Reporter News

Published April 25 & May 2, 2012

### NOTICE TO BIDDERS CITY OF PEARLAND, TEXAS

Sealed Bids will be accepted until 2:00 p.m., on Thursday, May 10, 2012 and read aloud into the public record for the following project:

**Dixie Farm Road  
Street Lighting  
From Willits Rd to  
Clear Creek  
City of Pearland,  
Texas  
COP PN: TR0805  
BID NO.: 0412-33**

The Project entails installation and construction of approximately 1,400 LF of street light conduit, 8 street light poles and foundations and one power source connection.

A Mandatory Pre-Bid Conference will be held at the City of Pearland City Hall at 3519 Liberty Drive, Pearland, Texas 77581 at 2:00 p.m., Thursday, May 3, 2012.

All bids should be submitted through the E-Bid system located on the City's website at: [www.cityofpearland.org/bids](http://www.cityofpearland.org/bids). All interested Bidders are advised to register as a "supplier" on the City's E-Bid System at the above website by clicking on "Supplier Registration" and completing a short registration questionnaire. Electronic Bid Documents, including Plans, Technical Specifications and Bid Forms are available for download after registration is approved by City Pur-

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Dodge Reports (713) 316-9411

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Young Lorling, TRMC  
City Secretary,  
City of Pearland

First Publication date April 25, 2012  
Second Publication date May 2, 2012

**EXHIBIT B**

Pearland Journal

Pearland Reporter News

**ORDINANCE NO. 1286-1**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AMENDING CHAPTER 14, ARTICLE III, JUNKED VEHICLES, OF THE CITY OF PEARLAND CODE OF ORDINANCES, FOR THE; HAVING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE, AND A REPEALER CLAUSE; PROVIDING FOR PUBLICATION, CODIFICATION, AND AN EFFECTIVE DATE.**

**Section 2. Penalty.** Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not more than Two Hundred Dollars (\$200).

PASSED and APPROVED ON SECOND AND FINAL READING this the 26th day of March, A. D., 2012.

\_\_\_\_\_/s/  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

**VOTING RECORD SECOND AND FINAL READING**

March 26, 2012

Voting "Aye" - Councilmembers Owens, Sherrouse, Sherman, Harris and Hill.

Voting "No" - None.

Motion passes 5 to 0.

PUBLICATION DATE:  
April 4, 2012

EFFECTIVE DATE:  
April 13, 2012

PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS

Published April 4, 2012

ORDINANCE  
NO. 1286-1

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AMENDING CHAPTER 14, ARTICLE III, JUNKED VEHICLES, OF THE CITY OF PEARLAND CODE OF ORDINANCES, FOR THE; HAVING A SAVINGS CLAUSE, A SEVERABILITY CLAUSE, AND A REPEALER CLAUSE; PROVIDING FOR PUBLICATION, CODIFICATION, AND AN EFFECTIVE DATE.

**Section 2. Penalty.** Any person violating any of the provisions of this ordinance shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not more than Two Hundred Dollars (\$200).

PASSED and APPROVED ON SECOND AND

FINAL READING this the 26th day of March, A. D., 2012.

/s/ Tom Reid, Mayor

ATTEST:  
/s/ Young Lorfing, TRMC  
City Secretary

APPROVED AS TO FORM:  
/s/ Darrin M. Coker  
City Attorney

**VOTING RECORD SECOND AND FINAL READING**

March 26, 2012

Voting "Aye" - Councilmembers Owens, Sherrouse, Sherman, Harris and Hill.

Voting "No" - None.  
Motion passes 5 to 0.

PUBLICATION DATE:  
April 4, 2012

EFFECTIVE DATE:  
April 13, 2012

PUBLISHED AS REQUIRED BY SECTION 3.10 OF THE CHARTER OF THE CITY OF PEARLAND, TEXAS.

# EXHIBIT C

## Pearland Journal

**To Be Published in the  
PEARLAND REPORTER-NEWS  
Wednesday, March 28, 2012**

**NOTICE OF A JOINT PUBLIC HEARING  
OF THE CITY COUNCIL AND  
THE PLANNING AND ZONING COMMISSION  
OF THE CITY OF PEARLAND, TEXAS**

**ZONE CHANGE APPLICATION NO. 201204Z**

Notice is hereby given that on April 16, 2012, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Alan Mueller, applicant, on behalf of Musgrave-Grohman Ventures, Ltd. and Brandon Lee Investments, Inc., owner(s), for approval of a zone change from the Planned Development (PD) zone to the Planned Development (PD) zone for 123.33 acres, more specifically described as:

Being a 39.50 acre tract of land being out of the D.H.M. Hunter Survey, Abstract 76, being a portion of the same 181.6209 acre survey as described in a deed dated June 4, 1981, from the C.H. Alexander Trust to Sue Alexander Morrison a.k.a. Susie Alexander Morrison, and recorded in Volume 1596, Page 93 et seq of the Brazoria County Deed Records (B.C.D.R.);

and

Being a 83.83 acre tract of land being out of the D.H.M. Hunter Survey, Abstract 76 and the H.T. & B.R.R. Company Survey, Abstract 233, being a portion of the same 181.6209 acre survey as described in a deed dated June 4, 1981, from the C.H. Alexander Trust to Sue Alexander Morrison a.k.a. Susie Alexander Morrison, and recorded in Volume 1596, Page 93 et seq of the Brazoria County Deed Records (B.C.D.R.)

General Location: East and West Sides of Pearland Pkwy, North of Barry Rose Road

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1768.

Harold Ellis  
**Senior Planner**

## Pearland Reporter News

Published March 28,  
2012

**NOTICE OF A JOINT  
PUBLIC HEARING OF  
THE CITY COUNCIL  
AND THE PLANNING  
AND ZONING COM-  
MISSION OF THE CITY  
OF PEARLAND,  
TEXAS  
ZONE CHANGE  
APPLICATION  
NO. 2012-05Z**

Notice is hereby given that on April 16, 2012, at 6:30 p.m., the City Council and Planning and Zoning Commission of the City of Pearland, in Brazoria, Harris and Fort Bend Counties, Texas, will conduct a joint public hearing in the Council Chambers of City Hall, located at 3519 Liberty Drive, Pearland, Texas, at the request of Alan Mueller, applicant, on behalf of Musgrave-Grohman Ventures, Ltd. and Brandon Lee Investments, Inc., owner(s), for approval of a zone change from the Planned Development (PD) zone to the Planned Development (PD) zone for 123.33 acres, more specifically described as:

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General Location:  
East and West Sides of  
Pearland Pkwy, North of  
Barry Rose Road

At said hearing, all interested parties shall have the right and opportunity to appear and be heard on the subject. For additional information, please contact the Planning Department at 281-652-1768.

Harold Ellis  
**Senior Planner**

# Consent Agenda Item H

- H. Consideration and Possible Action – Resolution No. R2014-67–**  
A Resolution of the City Council of the City of Pearland, Texas, renewing unit supply bids for EMS Medical Supplies to Bound Tree Medical, Kentron Health Care and Moore Medical, and to award a unit supply bid for EMS Medical Supplies to Henry Schein EMS in the estimated amount of \$115,000.00 annually. *Mr. Bob Pearce, Purchasing Officer.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b>	Resolution No. R2014-67
<b>DATE SUBMITTED:</b>	June 13, 2014	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Bob Pearce	<b>PRESENTOR:</b>	Bob Pearce
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b>	6/16/14
<b>SUBJECT:</b> Renewal and Award of Bid for Purchase of EMS Medical Supplies			
<b>EXHIBITS:</b> R2014-2014-67 Exhibit A – Bid Items Exhibit B – Bid Items			
<b>FUNDING:</b>			
<input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold			
<b>EXPENDITURE REQUIRED:</b> \$115,000 (annual est.)			
<b>AMOUNT AVAILABLE:</b> \$115,000		<b>AMOUNT BUDGETED:</b> \$115,000	
<b>ACCOUNT NO.:</b> 010-2460-542-15-00; 010-2320-542-15-00		<b>PROJECT NO.:</b>	
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>		<b>ACCOUNT NO.:</b>	
<b>PROJECT NO.:</b>			
<b>To be completed by Department:</b>			
X Finance		X Legal	
		Ordinance	
		X Resolution	

**EXECUTIVE SUMMARY**

**BACKGROUND**

City Council approved a bid award in June, 2013 for the purchase of EMS medical supplies. The award was predicated on the lowest responsive, responsible bidder for each line item, with the provision that a vendor must win at least 20% of the total items in the bid to be considered for award, in order to avoid an unwieldy number of vendors for the department when ordering supplies.

**SCOPE OF CONTRACT**

One (1) year agreement for the purchase of medical supplies as needed by the City's Fire Department.

**BID AND AWARD**

The bid specifications required firm unit costs for a period of one (1) year, with a one (1) year renewal option available upon the mutual agreement of both parties, and the subsequent approval of City Council. Specifications allow awarded contractors, at the time of renewal, the opportunity to request a price increase percentage not to exceed the rate of increase in the "All Items" category of the Consumer Price Index (CPI), Houston-Galveston-Brazoria region, during the prior 12 month period.

In advance of the current renewal, all awarded vendors were contacted to obtain their agreement to renew their award for another one-year term. Bound Tree Medical, Kentron Healthcare and Moore Medical all requested increases in compliance with the allowable 12 month CPI increase, currently 2.9%, with the resultant unit prices reflected in Exhibit A. Henry Schein EMS requested an increase in excess of the allowable percentage, therefore, their previously-awarded items were recently re-bid and are recommended for award as denoted by the highlighted items in the bid tabulation, attached hereto as Exhibit B. Fire Department personnel have reviewed the responses and concur with the awards as reflected.

**SCHEDULE**

Supply of medical supplies will occur as needed throughout the term of the agreement.

**POLICY/GOAL CONSIDERATION**

Purchase of these medical supplies will ensure the Fire Department's continued capability to provide outstanding emergency medical services to its citizens.

**CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS**

Funding for these items come from the General Fund for EMS Materials and Supplies.

**O&M IMPACT INFORMATION**

Fiscal Year	2014	2015
Est. Expenditure	\$25,000	Approximately \$90,000; re-bid in Spring 2015

**RECOMMENDED ACTION**

City Council consideration and approval of a resolution to award a one-year renewal for the purchase of medical supplies to Bound Tree Medical, Kentron Health Care and Moore Medical at the unit costs reflected in Exhibit A, and a one-year award of additional bid items to Henry Schein EMS and the companies above as denoted by the highlighted portions of Exhibit B.

**RESOLUTION NO. R2014-67**

**A Resolution of the City Council of the City of Pearland, Texas, renewing unit supply bids for EMS Medical Supplies to Bound Tree Medical, Kentron Health Care and Moore Medical, and to award a unit supply bid for EMS Medical Supplies to Henry Schein EMS in the estimated amount of \$115,000.00 annually.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That the City previously awarded unit supply bids for the supply of EMS Medical Supplies and re-bid certain supply items

**Section 2.** That the City Council hereby renews bids with Bound Tree Medical, Kentron Health Care and Moore Medical, in the unit price amounts reflected in Exhibit "A" and awards a bid to Henry Schein EMS in the unit price amounts reflected in highlighted portions of Exhibit "B" attached hereto.

**Section 3.** The City Manager or his designee is hereby authorized to execute supply contracts for EMS Medical Supplies.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER

**EXHIBIT A - Renewal Items from Prior Award -Bid #0513-51 - Purchase of EMS Supplies**

*MOORE MEDICAL LLC		KENTRON HEALTH CARE, INC		*BOUND TREE MEDICAL	
Description	Price	Description	Price	Description	Price
ET/STYLE NO CUFF 4.0 MM RUSCH FLEXI SET	\$3.45	AUTOVENT 3000 PATIENT VENTILATOR CIRUIT	\$5.29	DETECTOR CO2 ADULT IMPROVED EASY CAP	\$9.014
ET/STYLE NO CUFF 4.5 MM RUSCH FLEXI SET	\$3.45	BLADE FIBEROPTIC MAX 1 AMERICAN STAINLESS DISP.	\$3.19	DETECTOR CO2 PEDIATRIC EASY CAP	\$9.014
ET/STYLE CUFF 5.0 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MAX 2 AMERICAN STAINLESS DISP.	\$3.19	EMERGENT CPAP BREATHING CIRCUIT	\$33.875
ET/STYLE CUFF 5.5 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MAX 3 AMERICAN STAINLESS DISP.	\$3.19	EMERGENT CPAP LARGE MASK	\$6.1226
ET/STYLE CUFF 6.0 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MAX 4 AMERICAN STAINLESS DISP.	\$3.19	EMERGENT CPAP SMALL MASK	\$8.0571
ET/STYLE CUFF 6.5 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MIL 0 AMERICAN STAINLESS DISP.	\$3.19	END TIDAL CO2 DETECTOR PHILLIPS MONITOR #M2526A	\$9.0552
ET/STYLE CUFF 7.0 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MIL 1 AMERICAN STAINLESS DISP.	\$3.19	END TIDAL CO2 DETECTOR PHILLIPS CANNULA #M1920A	\$7.5117
ET/STYLE CUFF 7.5 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MIL 2 AMERICAN STAINLESS DISP.	\$3.19	ET TUBE STYLET ADULT	\$1.46
ET/STYLE CUFF 8.0 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MIL 3 AMERICAN STAINLESS DISP.	\$3.19	ET TUBE STYLET PEDIATRIC	\$1.46
ET/STYLE CUFF 8.5 MM RUSCH FLEXI-SET	\$3.57	BLADE FIBEROPTIC MIL 4 AMERICAN STAINLESS DISP.	\$3.19	FORCEP KELLY STRAIGHT 5.5"	\$0.73
ET/STYLE CUFF 9.0 MM RUSCH FLEXI-SET	\$3.57	BOUGIE TUBE INDUCER 15 FR X 70 CM	\$2.89	FORCEPS MAGILL CHILD 8"	\$2.624
ET/STYLE NO CUFF 2.5 MM RUSCH FLEXI-SET	\$3.45	FORCEPS MAGILL ADULT 10"	\$2.99	KING TUBE KLTD 212 SIZE 2	\$30.0674
ET/STYLE NO CUFF 3.0 MM RUSCH FLEXI-SET	\$3.45	HANDLE LARYN LARGE STANDARD FIBER OPTIC	\$22.19	KING TUBE KLTD 2125 SIZE 2.5	\$30.0674
ET/STYLE NO CUFF 3.5 MM RUSCH FLEXI-SET	\$3.45	HANDLE LARYN SMALL STANDARD FIBER OPTIC	\$22.19	KING TUBE KLTSO 413 SIZE 3	\$34.08
MASK OX INFANT SIMPLE FACE MASK 50/CS	\$31.39	MASK OX PEDI/CHILD NON-REBREATHER 50/CS	\$33.39	KING TUBE KLTSO 414 SIZE 4	\$34.08
SUCTION CANISTER 1200 CC DISP BEMIS ONLY	\$2.83	MASK OX ADULT NON-REBREATHER 50/CS	\$32.45	KING TUBE KLTSO 415 SIZE 5	\$34.08
SUCTION TUBING 6' LONG 1/4 ID	\$0.68	NEBULIZER ADULT MASK 7' 50/CS	\$39.69	KING VISION DISP BLADE CHANNELED 18MM	\$27.6595
HYDROGEN PEROXIDE 3% 16 OZ.	\$0.45	SUCTION YANKAUER W/VACUUM CONTROL	\$0.37	LUBRICATING JELLY IND. PACK	\$0.0412

*MOORE MEDICAL LLC		KENTRON HEALTH CARE, INC		*BOUND TREE MEDICAL	
Description	Price	Description	Price	Description	Price
ICE PACKS DISPOSABLE	\$0.23	BLADE FOR RING CUTTER	\$0.89	MECONIUM ASPIRATOR	\$3.9617
ADENOSINE 6 MG/2 VIAL ADENOCARD	\$4.24	BURN SHEET 60 X 96 STERILE	\$1.15	NASAL CANNULA ADULT 7' 50/CS	\$11.1665
ALBUTEROL SULFATE 3 ML 25/BX	\$3.65	GUAZE 4 X 4 3 PLY 4000/CS NON- STERILE	\$23.00	OPA 100 MM	\$0.1441
AMIODARONE 150 MG/3 ML VIAL	\$1.38	KED OR GENERIC EQUIVALENT	\$52.99	OPA 110MM	\$0.1441
ASPIRIN CHILD 81 MG CHEWABLE 36/BTL	\$0.69	RING CUTTER	\$3.59	OPA 43MM	\$0.1441
ETOMIDATE 2 MG/ML 40 MG VIAL	\$7.98	SAM SPLINT OR EQUIVALENT	\$2.79	OPA 60MM	\$0.1441
FUROSEMIDE 100 MG/10ML VIAL	\$0.85	SPLINT FERNOTRAC TRACTION ADULT	\$119.00	OPA 80MM	\$0.1441
KETAMINE 500 MG/10ML VIAL	\$4.23	SPLINT FERNOTRAC TRACTION PEDI	\$119.00	OPA 90MM	\$0.1441
METOPROLOL 5 MG/5ML VIAL	\$0.73	TAPE CLEAR 1" X 10 YD. TRANSPORE 3M BRAND ONLY 12/BX	\$10.89	RESUS ADULT BAG MASK COLLAPSED	\$8.4995
PROMETHAZINE 25 MG/1 ML AMPULE	\$0.95	TAPE CLOTH 1" X 10 YD. HYPO SILK 12/BX	\$6.90	RESUS INFANT BAG MASK MAN COLLAPSED	\$8.4995
TORADOL/KETOROLAC 60 MG VIAL	\$0.73	TAPE CLOTH 2" X 10 YD. HYPO SILK 6/BX	\$6.90	RESUS PEDI BAG MASK MAN COLLAPSED	\$8.4995
VERSED/MIDAZOLAM 10MG/2 ML VIAL	\$1.09	PETROLEUM GAUZE 3 X 9	\$0.49	THOMAS ADULT ET TUBE HOLDER	\$2.5622
XOPENEX 0.63 MG 24/BX	\$86.93	BLOOD PRESSURE CUFF CHILD NAVY BLUE LATEX INFLATION BLADDER & BULB LEATHERETTE CARRYING CASE	\$5.74	THOMAS PEDI ET TUBE HOLDER	\$2.5622
XOPENEX 1.25 MG 24/BX	\$86.93	BLOOD PRESSURE CUFF INFANT NAVY BLUE LATEX INFLATION BLADDER & BULB LEATHERETTE CARRYING CASE	\$5.74	SUCT. CATH 10 FR STRAIGHT GRAD	\$0.16
ARMBORAD IV DISP 2" X 6"	\$0.61	BLOOD PRESSURE CUFF LARGE ADULT NAVY BLUE LATEX INFLATION BLADDER & BULB LEATHERETTE CARRYING CASE	\$5.74	SUCT. CATH 12 FR STRAIGHT GRAD	\$0.16
LANCETS DISPOSABLE SAFETY 100/BX	\$6.01	EMESIS BAG WHITE OPAQUE	\$0.91	SUCT. CATH 14 FR STRAIGHT GRAD	\$0.1646
N95 MASK LARGE 20/BX	\$15.80	OB KIT PLASTIC BAG	\$3.89	SUCT. CATH 16 FR STRAIGHT GRAD	\$0.1646

*MOORE MEDICAL LLC			KENTRON HEALTH CARE, INC			*BOUND TREE MEDICAL		
Description	Price		Description	Price		Description	Price	
N95 MASK MEDIUM 20/BX	\$15.80		PORTABLE O2 REGULATOR 1-25 LPM W/ONE PTO	\$27.95		SUCT. CATH 18 FR STRAIGHT GRAD	\$0.1646	
N95 MASK SMALL 20/BX	\$15.80		PPE KIT DISPOSABLE ECONOMY	\$2.89		SUCT. CATH 8 FR STRAIGHT GRAD	\$0.16	
PEDI-WHEEL	\$7.10		PRESSURE INFUSER DISPOSABLE 1000 CC	\$7.95		C-COLLAR AMBU PERFIT AGE ADULT	\$4.2189	
PENLIGHT DISPOSABLE	\$0.51		RAZOR PREP DISPOSABLE	\$8.95		C-COLLAR AMBU MINI PERFIT AGE PEDI	\$4.2189	
SHARPS CONTAINER 5 QT W/LID NO MFG. PREFERENCE 12 H X 11.25 W X 4.25 D	\$2.63		SHARPS CONTAINER 1 QT W/LID NO MFG. PREFERENCE 6.25 X 4.25 X 4.5	\$1.29		HEAD IMMOBILIZER/I-TEC MULTI-GRIP	\$3.9514	
SYRINGE 3 CC LUER LOCK	\$0.08		SHEARS UTILITY/EMS 5.5 INCH	\$0.66		HEAT PACK DISPOSEABLE 24/CA	\$0.277	
THERMOMETER PROBE COVERS WELCH ALLYN #05031	\$0.04		SILVER EMERGENCY BLANKET	\$0.49		KERLEX BANDAGE 4" CRINKLE GAUZE NON-STERILE	\$0.6277	
			STETHOSCOPE PROSCOPE DUAL HEAD	\$2.99		MCI TRIAGE TAGS	\$0.78	
			STRETCHER ALUMINUM BREAK APART	\$2.79		TAPE CLOTH 1/2" X 10 YD. HYPO SILK 24/BX	\$7.90	
			TOURNIQUET NON-LATEX	\$0.085		TRAUMA DRISSING 12" X 30" STERILE	\$0.741	
			VIONEX TOWELETTE OR EQUIVALENT	\$69.00		TRAIINGUL/BANDAGE 40 X 40 X 56	\$0.20	
						WEBBING PRE-CUT 30 FT. ROLL	\$5.958	
						WHITE MEDICAL TAPE "DUCT TAPE" 2" X 60 YDS.	\$5.00	
						ACETAMINOPHEN SUSPENSION 160 MG/5ML	\$1.544	
						ALBUTEROL SULFATE 3 ML 25/BX	\$3.643	
						ASPIRIN CHILD 81 MG CHEWABLE 36/BTL	\$0.6894	
						ATROPIN SULFATE 1 MG/10 ML LUER JET	\$2.747	
						BENADRYL HCL 50 MG/ML 1 ML VIAL	\$4.017	
						CALCIUM CHLR 10% 1000 MG/10 ML LUER JET	\$3.427	

*MOORE MEDICAL LLC			KENTRON HEALTH CARE, INC			*BOUND TREE MEDICAL		
Description	Price		Description	Price		Description	Price	
						CARDIZEM 25 MG/5 ML VIAL	\$0.8849	
						DEXTROSE 25% 2.5 G/10 ML INJ ANSYR	\$5.84	
						DEXTROSE INJ 50% 25 G/50 ML LUER JET	\$4.7128	
						DOPAMINE 40 MG/ML VIAL	\$1.0599	
						EPINEPHRINE INJECTION USP 1:10000 1 MG/10 ML LUER JET	\$2.2432	
						EPINEPHRINE 1 MG AMPULE 1-1000 ML INJECTION	\$1.12	
						EPINEPHRINE RACEMIC 2.25%	\$1.369	
						EPINEPHRINE 1:1000 1 MG/ML MULTI-DOSE 30 ML	\$6.236	
						ETOMIDATE 2 MG/ML 40 MG VIAL	\$7.975	
						IV NITRO 50 MG/250 ML GLASS CONTAINER	\$5.752	
						LIDOCAINE 1 GRAM VIAL	\$0.885	
						LIDOCAINE HCI INJECTION USP 2% 100 MG/5 ML LUER JET	\$2.4799	
						MAGNESIUM SULFATE 1 G/2 ML VIAL	\$1.214	
						MORPHINE 10 MG/1 ML VIAL	\$1.091	
						NACL 0.9% INJ 1000 ML	\$0.967	
						NACL 0.9% USP 100 ML INJ	\$1.204	
						NACL 0.9% PREFILL 10 CC SYRINGE W/MALE LUER LOCK	\$0.298	
						NITROMIST SPRAY 230 METERED DOSES	\$166.04	
						ORAL GLUTOSE/GLUCOSE 15 G GEL TUBE	\$1.0633	
						OXYTOCIN/PITOCIN 10 UNITS VIAL	\$0.7718	
						SODIUM BICARB 8.4% 50 MEQ/50 ML LUER JET	\$3.1487	
						SOLUMEDROL ACTVIL 125 MG/2 ML	\$5.52	
						THIAMINE 100 MG/2 ML VIAL	\$11.278	
						VASOPRESSIN 40 UNITS VIAL	\$2.3667	

*MOORE MEDICAL LLC			KENTRON HEALTH CARE, INC			*BOUND TREE MEDICAL		
Description	Price		Description	Price		Description	Price	
						VECURONIUM 10 MG/10 ML VIAL	\$3.972	
						ZEMURON 10 MG/10 ML VIAL	\$8.1497	
						BAG RED BIOHAZARD 23 X 23 1.2 MIL 500/CS	\$41.16	
						BAG RED BIOHAZARD 33 X 39 1.2 MIL 250/CS	\$49.608	
						C-COLLAR BAG BLUE	\$14.097	
						CONMED ECG ELECTRODES HUGGABLES PEDI 4 PACK 600/CS	\$96.726	
						CONMED ECT ELECTRODES SURETRACE ADULT 30/PK 20 PKS/CS 600/CS	\$80.879	
						ECONOMY SAFETY GOGGLES	\$1.5435	
						EXT SET ICU MEDICAL #B3302 WITH MICROCLAVE CLAMP AND ROTATING LUER	\$2.1095	
						FILTER STRAW 5 MICRON	\$0.38	
						GLOVE LARGE NITRILE NON-LATEX DEFENDER 10" CUFF	\$8.9214	
						GLOVE MEDIUM NITRILE NON-LATEX DEFENDER 10" CUFF	\$8.9214	
						GLOVE X-SMALL NITRILE NON-LATEX DEFENDER 10" CUFF	\$8.9214	
						GLOVE SMALL NITRILE NON-LATEX DEFENDER 10" CUFF		
						GLOVE X-LARGE NITRILE NON-LATEX DEFENDER 10" CUFF	\$8.9214	
						GLUCOMETER TEST STRIPS PRECISION XTRA 50/BX	\$20.066	
						INTEROSSEOUS NEEDLE 15 GAUGE	\$8.8288	
						UNIVERSAL IV ADMIN SET FOR MTP IV STANDARD INFUSION PUMP 25/BX 250/CS	\$1,848.50	
						UNIVERSAL IV NITROGLYCERINE ADMIN SET FOR MTP IV STANDARD INFUSION	\$787.70	

*MOORE MEDICAL LLC			KENTRON HEALTH CARE, INC			*BOUND TREE MEDICAL		
Description	Price		Description	Price		Description	Price	
						IV DRIP SET BRAND ICU MEDICAL #B9900-299 84" Y TYPE	\$4.0234	
						IV CATH PROTECTIVE PLUS 14 G X 1.25" 50/BX	\$1.6773	
						IV CATH PROTECTIVE PLUS 16 G X 1.25" 50/BX	\$1.6773	
						IV CATH PROTECTIVE PLUS 18 G X 1.25" 50/BX	\$1.6773	
						IV CATH PROTECTIVE PLUS 20 G X 1.25" 50/BX	\$1.6773	
						IV CATH PROTECTIVE PLUS 22 G X 1" 50/BX	\$1.6773	
						IV CATH PROTECTIVE PLUS 24 G X 3/4" 50/BX	\$1.6773	
						MULTIFUNCTION PADS KENDALL MEDITRACE #1310P	\$8.3503	
						MULTIFUNCTION PADS PHILLIPS HEARTSTART MONITOR PEDI M3717A	\$10.8971	
						MULTIFUNCTION PADS PHILLIPS HEARTSTART MRX MONITOR ADULT M3713A	\$10.1922	
						GASTRIC SUMP TUBE W/RADIOPAQUE LINE 10 FR	\$1.7802	
						GASTRIC SUMP TUBE W/RADIOPAQUE LINE 12 FR	\$1.7802	
						GASTRIC SUMP TUBE W/RADIOPAQUE LINE 14 FR	\$1.7802	
						GASTRIC SUMP TUBE W/RADIOPAQUE LINE 16 FR	\$1.7802	
						GASTRIC SUMP TUBE W/RADIOPAQUE LINE 18 FR	\$1.7802	
						PHILLIPS MONITOR PAPER ROLL 75 MM #989803138171	\$4.1057	
						PORTACATH NEEDLE 19 G X 1" 90 DEGREE ANGLE	\$2.4758	
						SAFETY CONTROL DRUG SEALS PLASTIC RED NUMBERED	\$0.146	

*MOORE MEDICAL LLC			KENTRON HEALTH CARE, INC			*BOUND TREE MEDICAL	
Description	Price		Description	Price		Description	Price
						SOFT PATIENT RESTRAINTS PAIR DISPOSABLE W/D-RING	\$1.6361
						STERILE WATER IRRIG POUR BOTTLE 500 ML	\$0.98
						SYRINGE 10 CC LUER LOCK	\$0.0823
						SYRINGE 30 CC LUER LOCK	\$0.3087
						TUBEX HOLDER	\$0.0206
						VENI-GARD TM TAPE 100/BX	\$0.256
						WRENCH D/E CYL PLASTIC	\$0.41
						WRENCH METAL LARGE	\$3.6324

\*2.9% Price Increase - at the time of  
Renewal Inquiry 4/1/14

EXHIBIT B - Tabulation of Bid #0514-42i (re-bid items) - EMS Supplies

	QUAMED,INC. *	Southeastern Emergency Equipment *	Henry Schein EMS	Life-Assist, Inc. *	Moore Medical LLC	MMS- A Medical Supply Co. *	Bound Tree Medical
Description	Price	Price	Price	Price	Price	Price	Price
BITE STICK INDIVIDUAL	\$0.47	\$0.37	\$0.23	\$0.31	\$0.22	\$0.30	\$0.22
ET/STYLE NO CUFF 2.0 MM RUSCH FLEXI-SET	\$3.37	\$3.89	\$4.06	\$1.95	\$3.86	\$4.059	\$4.23
NEBULIZER PEDI MASK 7" 50/CASE	\$42.00	\$46.00	\$28.01	\$61.95	\$39.00	\$0.91	\$57.00
RES-Q-POD	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid	No Bid
BAND-AID KNUCKLE, 100/BX	\$3.60	\$3.51	\$1.92	\$3.64	\$2.13	\$2.74	\$3.30
BAND-AID 1X3, 100/BX	\$2.07	\$1.40	\$0.92	\$1.58	\$0.98	\$1.17	\$2.16
EYEWASH 4 OZ.	\$1.62	\$1.82	\$1.09	\$2.02	\$1.22	\$1.93	\$2.23
GAUZE SP 4" STR 12 PLY 2 PK 25/PK 600/CS	\$40.77	\$30.77	\$48.25	\$52.00	\$50.40	\$17.64	\$42.00
NEEDLE DECOMPRESSION KIT TO CONTAIN (AT A MINIMUM): IODINE SWABS STERILE GAUZE 20 CC SYRINGE WITH SLIP LOCK 14 G X 2" CATHETERS 3 WAY STOPCOCK WITH 21" TUBING	No Bid	\$25.58	\$12.13	\$72.71	No Bid	\$13.48	\$8.74
RING CUTTER	\$4.80	\$4.54	\$2.03	\$6.49	\$5.83	\$11.90	\$4.60
ATROVENT .5 MG UNIT DOSE, 25/BX	No Bid	No Bid	\$2.73	No Bid	\$7.89	\$4.89	\$3.90
EPIPEN EPINEPHRINE AUTO-INJECTOR 0.3 MG FOR ADULTS 66 LBS. OR MORE	No Bid	No Bid	\$226.97	\$399.00	\$232.795	\$234.98	\$398.80
EPIPEN JR. EPINEPHRINE AUTO-INJECTOR FOR PEDI	No Bid	No Bid	\$226.97	\$399.00	\$232.795	\$234.98	\$398.80
FENTENYL 100 MCG/2 ML AMPULE	No Bid	No Bid	\$0.55	\$10.00	\$5.20	\$0.627	\$0.37
GLUCAGEN INJ 1 MG	No Bid	No Bid	\$171.60	\$136.85	\$160.98	\$199.86	\$209.82
LABELALOL 100 MG/20 ML VIAL	No Bid	No Bid	\$7.50	\$4.03	\$1.89	\$2.17	\$1.95
LORAZEPAM 4 MG/1 ML VIAL	No Bid	No Bid	\$2.56	No Bid	No Bid	No Bid	\$2.07
NACL 0.9% INJ 250 ML	No Bid	No Bid	\$0.74	\$1.68	\$1.02	\$1.39	\$1.18

	QUADMED,INC. *	Southeastern Emergency Equipment *	Henry Schein EMS	Life-Assist, Inc. *	Moore Medical LLC	MMS- A Medical Supply Co. *	Bound Tree Medical
Description	Price	Price	Price	Price	Price	Price	Price
NALOXONE .4 MG/ML 10 ML VIAL	No Bid	No Bid	\$0.87	\$39.90	\$159.17	\$182.73	\$164.00
NITRO LINGUAL TABLETS 0.4 MG SL 25 COUNT	No Bid	No Bid	\$10.17	\$13.00	\$16.57	\$14.61	\$0.54
ONDANSETRON 4 MG/2 ML VIAL	No Bid	No Bid	\$0.45	\$0.58	\$0.4392	\$0.5112	\$0.46
SODIUM BICARB 4.2% PEDI LUER LOCK	No Bid	No Bid	\$12.21	\$8.99	\$9.45	\$12.32	\$9.93
SUCCINYLCHOLINE 20 MG/1 ML 200 MG VIAL	No Bid	No Bid	\$12.69	\$11.00	\$11.28	\$11.28	\$3.88
B-D INTERLINK VIAL ACCESS CANNULA #303067	\$0.35	\$0.33	\$0.32	\$0.39	No Bid	\$0.326	\$0.36
BLOOD PRESSURE CUFF ADULT NAVY BLUE LATEX INFLATION BLADDER & BULB LEATHERETTE CARRYING CASE	\$5.78	\$18.10	\$5.69	\$6.00	\$9.72	\$5.06	\$7.25
FACEMASK DISP W/EYE SHIELD	\$1.02	\$0.92	\$0.28	\$6.18	\$12.12	\$0.5172	\$4.16
IODINE PREP PADS 100/BX	\$5.00	\$3.52	\$3.31	\$5.06	\$3.09	\$3.44	\$3.48
LEVER LOCK/CLIP LOCK CANNULAS	\$0.46	\$0.48	\$0.31	\$0.48	\$0.451	\$0.472	\$0.60
MUCOSAL ATOMIZATION DEVICE 3 CC SYR	\$3.87	\$4.71	\$3.09	\$3.73	\$3.60	\$3.76	\$3.86
NEEDLE 18 G X 1" W/SAFETY CAP OR NEEDLE SAFETY DEVICE 100/BX	\$17.92	\$14.98	\$19.12	\$5.00	\$20.27	\$23.48	\$32.00
NEEDLE 23 G X 1" W/SAFETY CAP OR NEEDLE SAFETY DEVICE 100/BX	\$17.92	\$14.98	\$18.93	\$5.00	\$20.27	\$19.88	\$32.00
PADS ALCOHOL MEDIUM 200/BX STERILE	\$1.44	\$1.71	\$1.30	\$1.56	\$1.44	\$1.48	\$1.39
PEDI-MATE PEDIATRIC RESTRAINT DEVICE	\$248.79	\$151.40	\$199.29	\$247.80	\$245.83	\$273.30	\$223.00
PORTABLE O2 REGULATOR SEAL PLASTIC	\$0.79	\$0.10	\$0.76	\$0.25	No Bid	\$0.197	\$624.26
SCALPEL #10 SAFETY	\$1.50	\$0.42	\$0.36	\$0.88	\$0.619	\$0.67	\$0.44

	QUADMED,INC. *	Southeastern Emergency Equipment *	Henry Schein EMS	Life-Assist, Inc. *	Moore Medical LLC	MMS- A Medical Supply Co. *	Bound Tree Medical
Description	Price	Price	Price	Price	Price	Price	Price
SYRINGE 20 CC LUER LOCK	\$0.33	\$0.23	\$0.06	\$0.31	\$0.2723	\$0.203	\$0.22
SYRINGE 1 CC LUER LOCK	\$0.26	\$0.08	\$0.08	\$0.15	\$0.3472	\$0.1352	\$0.36
SYRINGE 60 CC CATHETER TIP	\$0.62	\$0.44	\$0.52	\$0.44	\$0.8278	\$0.38	\$0.46
WRENCH METAL LARGE	\$4.95	\$6.81	\$3.61	\$4.91	\$3.64	\$4.87	\$3.98

\*Bidder did not win at least 20% of total bid items.

**Recommended Award**  
**Wrong Item Bid by Vendor**

# Consent Agenda Item I

- I. **Consideration and Possible Action – Resolution No. R2014-63 –**  
A Resolution of the City Council of the City of Pearland, Texas, approving a proposed project associated the Edward Byrne Memorial Justice Assistance Formula Grant (JAG) for Police Department Equipment, and authorizing an Interlocal agreement with Brazoria County. *Pearland Police, Chief Chris Doyle.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF: 6/23/2014</b>	<b>ITEM NO.:</b> Resolution No. R2014-63
<b>DATE SUBMITTED: 6/09/2014</b>	<b>DEPARTMENT OF ORIGIN:</b> Finance
<b>PREPARED BY:</b> Joel Hardy	<b>PRESENTOR:</b> Chris Doyle
<b>REVIEWED BY:</b> CJP	<b>REVIEW DATE:</b> 6/16/14
<b>SUBJECT: Edward Byrne Memorial Justice Assistance (JAG) Formula Grant Program 2014</b>	
<b>EXHIBITS:</b> A. JAG Grant Resolution R2014-63 B. PROGRAM ABSTRACT AND NARRATIVE C. COP and Brazoria Budget PY 14 D. Public Notice F. Interlocal Agreement	
<b>EXPENDITURE REQUIRED: -0- AMOUNT AVAILABLE: N/A ACCOUNT NO.: N/A</b>	<b>AMOUNT BUDGETED: N/A PROJECT NO.: N/A</b>
<b>ADDITIONAL APPROPRIATION REQUIRED: -0- ACCOUNT NO.: N/A PROJECT NO.: N/A</b>	
<b>To be completed by Department:</b> <input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

In May, 2014, the City of Pearland received notice from the Bureau of Justice Assistance soliciting applications for projects to prevent and control crime and to improve the criminal justice system, including but not limited to, prevention and education programs and crime victim and witness programs. The direct allocation for the City of Pearland is \$10,428, requires no match, and is available for use beginning October 1, 2014 through September 30, 2017.

**JOINT-DISPARATE JURISDICTION**

Historically, when Pearland is listed with another city or county government involving the formula allocation of JAG funding, we are considered to be in what the Department of Justice refers to as a funding disparity. The JAG statute requires that if a city qualifies for one-and one-half times (150 percent) more funding or if multiple cities receive four times (400 percent) more funding than a qualifying county with concurrent jurisdiction, there is a funding disparity. In this situation, the units of local government must apply for an award with a single, joint application.

An Inter-local agreement is required to provide descriptions of how funding will or will not be shared by the entities. In this case, the funding level is below what the two or more entities in Brazoria County have indicated sharing is necessary. Should the City's allocation with other joint-disparate entities in Brazoria ever increase beyond \$20,000, the practicable approach to planning for the use of funds would be to split the allocation in some form. For FY 14 JAG funds, it is understood that the administrative burdens associated with sharing such a small amount of funding outweigh the desire to do so. The City is committed to using the equipment and resources purchased with these funds in mutual aid situations.

### **PROPOSED USE OF FUNDS**

The City proposes to use these funds to purchase required Gang Tracking Software, as well as two MotoLight systems, a MapStar Truangle Angle Encoder Device, and the associated BAP Data Collector to be used in accident reconstruction for the Pearland Police Department. These items will help the City come into compliance with newly passed State laws, improve the safety of Pearland Police officers that operate motorcycles for patrolling our streets, and add capacity to the Police Department's ability to reconstruct accident/crash scenes.

Texas Code of Criminal Procedure §61.02, which became effective in June of 2011, requires that municipal police departments serving more than 50,000 residents to compile a "gang database." Pearland is currently not in compliance with this law at the time and is requesting assistance in the amount of \$6,620 for the purchase of an effective software program. The annual maintenance of the program will be covered by the City at a rate of \$640 per year.

The proposed purchase of two MotoLight kits for police motorcycles in the fleet that are not equipped with this device is designed to promote additional safety for the operating officer. Other vehicles in the fleet have these light kits and they have reduced the propensity for motorists to pull out in front of police motorcycles by 90%. These systems improve side lighting, eliminate the "black spot" in front of a motorcycle that often challenges an operator's ability to avoid pavement hazards, and light the path an operator is following through a corner.

Finally, the City is requesting JAG funds to improve and update the current crash investigation capacity of the Pearland Police Department. The reconstruction equipment currently in place requires an additional angle measurement device (MapStar Truangle) and BAP Data Collector to digitally collect information to reconstruct the scene of an accident. The current equipment is no longer serviced by the original manufacturer, is outdated, and is scheduled for replacement. This part of our request is designed to integrate with current software and tools used to map and reconstruct a crash scene, and provide the necessary redundancy the City's current stock fails to provide. Should a malfunction or disability of the existing equipment occur, it will dismantle the City's ability to reconstruct crashes entirely and potentially when it's needed the most.

### **GOVERNING BODY AND PUBLIC NOTICE**

The JAG program guidance suggests that this program does not require a public hearing, governing body approval to apply, or advertisement of the request for funds in a local news publication. However, it does request that the applicant(s) provide notice to the respective governing body of the request for funds via email, postal mail, or some other mechanism, and that a public notice be posted to allow for a public comment period. The traditional methods for doing this with our history of JAG applications have been to post the notice at the front of City Hall in its notices "window." JAG officials do not want the jurisdictions applying for funds to incur unnecessary expenditures applying for these funds, as they are designed to meet the needs of municipalities and counties facing typical budgetary constraints. Therefore, the cost associated with advertising requirements is not the suggested means of posting the notices for such a small amount of funding.

The public will also be able to view the notice on the City's website as it has been posted in such a manner so as to satisfy the required 30-day comment period, which will end on July 23, 2014.

Council was informed of the request for funds via email from the City Manager and in accordance with program recommendations. This meets the requirements of the program as far as the applicant's need to inform its governing body of the application. Brazoria County will do the same as they engage their elected officials in signing the Interlocal Agreement. Upon all signatures being obtained on any and all remaining documents needed to secure the funds, they will be electronically submitted to the Department of Justice via the Grants Management System that staffs use to communicate and transmit requests and documentation to the Department of Justice.

#### **COST SUMMARY AND RELEASE OF FUNDS**

Again, the cost of the Gang Tracking Software is estimated at \$6,620.00, the two MotoLight systems total \$1,550.00, and the interoperative MapStar Truangle Angle Encoder and BAP Data Collector will cost \$2,619, for a total of \$10,789. A total of \$10,428 will be provided by the Department of Justice to cover the costs of these items.

JAG funds may now be requested in advance of their use and reimbursement is no longer a required method of obtaining the actual cash used to make approved purchases. The City may also choose to hold these funds until a later date and acquire interest for use towards additional costs. Should the Police Department wish to take advantage of this option for some or all of the money, purchases can be delayed so as to utilize the cash on hand to accumulate additional funds. Nonetheless, purchases do not have to be made prior to requesting actual funds from the Department of Justice.

#### **RECOMMENDED ACTION**

Consideration and approval of a Resolution approving the proposed project and the use of requested funds for these expenditures. It is also requested that Council approve the Interlocal Agreement between the City of Pearland and Brazoria County, as the funding requires the two joint-disparate jurisdictions to appear in the application.

**RESOLUTION NO. R2014-63**

**A Resolution of the City Council of the City of Pearland, Texas, approving a proposed project associated the Edward Byrne Memorial Justice Assistance Formula Grant (JAG) for Police Department Equipment, and authorizing an interlocal agreement with Brazoria County.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That the proposed expenditure of requested JAG Grant Funds for FY 2014-2015 is hereby authorized for the purchase of Gang Tracking Software; two MotoLight lighting systems for police motorcycles; a MapStar Truangle Angle Encoder device for accident reconstruction activities; and, a BAP Data Collector to be used with the Angle Encoder; all for the Pearland Police Department.

**Section 2.** That certain interlocal agreement by and between the City and Brazoria County is hereby authorized as a funding mechanism for the JAG Grant.

PASSED, APPROVED and ADOPTED this the 23<sup>rd</sup> day of June, A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

## **Project Abstract**

**Name of Applicant:** City of Pearland Police Department

**Name of Joint Disparate Co-Applicant (I):** Brazoria County Sheriff's Office

**Title of Project:** Pearland Police Safety and Investigative Equipment

**Goal:** To improve local enforcement and officer safety resources available for investigative, injury-prevention, and crash reconstruction purposes.

**Objectives:** (1) Equip the Pearland Police Department with Gang Tracking Software. (2) Equip two motorcycle patrol officers with replacement "Motolight" systems designed to increase lighting performance for vehicles that are not currently equipped with these lights. (3) Equip Pearland Police Department's crash investigations operations with the ability to update and obtain additional vehicle crash reconstruction equipment. A MapStar Truangle Angle Measurement device with a BAP Data Collector is being requested to do so.

**Description:** The City will utilize JAG grant funds to comply with Texas Code of Criminal Procedure sec. 61.02 which became effective in June of 2011. This law requires that municipal police departments serving more than 50,000 residents to compile a "gang database." Pearland is currently not in compliance with this law at the time and is requesting assistance in the amount of \$6,620 for the purchase of an effective software program. The annual maintenance of the program will be covered by the City at a rate of \$640 per year.

The proposed purchase of two MotoLight kits for police motorcycles in the fleet that are not equipped with this device is designed to promote additional safety for the operating officer. Other vehicles in the fleet have these light kits and they have reduced the propensity for motorists to pull out in front of police motorcycles by 90%. These systems improve side lighting, eliminate the "black spot" in front of a motorcycle that often challenges an operator's ability to avoid pavement hazards, and light the path an operator is following through a corner.

Finally, the City is requesting JAG funds to improve and update the current crash investigation capacity of the Pearland Police Department. The reconstruction equipment currently in place requires an additional angle measurement device and BAP Data Collector to digitally collect information to reconstruct the scene of an accident. The current equipment is no longer serviced by the original manufacturer, is outdated, and is scheduled for replacement. This part of our request is designed to integrate with current software and tools used to map and reconstruct a crash scene, and provide the necessary redundancy the City's current stock fails to provide. Should a malfunction or disability of the existing equipment occur, it will dismantle the City's ability to reconstruct crashes entirely and potentially when its needed the most.

**Costs Proposed:** The proposed Gang Tracking Software is priced at \$6,620; two (2) MotoLight systems for two police motorcycles in the Pearland Police Department's fleet at \$775 each for a total of \$1,550, with the City requesting \$1,189 from JAG and the remaining \$361 will be covered by the City; and MapStar Truangle equipment with a BAP Data Collector to improve the capacity of our crash reconstruction team(s) when mapping motor vehicle accident scenes.

**Public Comment and Governing Body Review:** The draft application was made public to citizens and elected officials on June 10, 2014 in accordance with the City's Citizen Participation Plan that is used to inform the public and officials of various matters involving community development and grants. No comments were received as of the time of this application's submission.

## **Program Narrative**

The City of Pearland, Texas and Brazoria County are submitting a joint disparate application for the FY2014 E. Byrne Memorial Justice Assistance Grant. The funds will be utilized to provide officers with much-needed law enforcement technology and equipment, all aimed at improving the safety and effectiveness of their efforts to protect the civilians they serve each day.

**The City of Pearland** has grown dramatically over the past 12 years, and has increased in population beyond the 100,000 mark since 2013. As growth continues, the City is faced with a growing need to implement improved safety and enforcement strategies, increase the amount of police equipment and technology available, and enhance the effectiveness of the investigative tactics we use to mitigate crime. Our proposed use of FY 2014 E. Byrne Memorial JAG funds, we believe, will accomplish our objectives to improve our capacity in these areas.

Police Department proposes to utilize FY2014 E. Byrne Memorial Justice Assistance Grant Local Solicitation funding for the purpose of securing Gang Tracking Software, MotoLight kits for two vehicles in our motorcycle patrol fleet, and a MapStar Angle Measurement device with a BAP Data Collector for reconstructing crash scenes.

Law enforcement efforts in Pearland, Texas are constantly facing the need to improve, increase and expand. Our jurisdiction, once considered traditionally rural by statistical standards, is now a growing, 77 square mile suburban area with a population that has more than doubled since 2000 when the population was 37,640. Statistics from the 2012 American Community Survey completed by the U.S. Census Bureau shows that Pearland has grown to 96,294.

**Brazoria County**, according to the 2014 JAG Allocation worksheet under the "Formula-Based Individual Amounts" column, did not submit the level of violent crime data to qualify for a direct award from BJA. However, since Brazoria is included in the disparate grouping and JAG legislation requires these counties to remain a partner with the local jurisdictions receiving funds, Brazoria has been included as a signatory on the required Memorandum of Understanding (MOU) and has not requested use of any of the fiscal agent's share of \$10,428.



**Proposed Budget  
 FY14 E. Byrne Memorial Justice Assistance Grant – Local Solicitation**

**E. Supplies**

<b>Purpose</b>	<b>Item</b>	<b>Calculation</b>	<b>Cost</b>
Enforcement/Compliance	Gang Tracking Software	1 @ \$6,620	\$6,620
Accident Reconstruction	MapStar Truangle and BAP Data Collector	1 @ \$2,619.00	\$2,619
Vehicle/Officer Safety	MotoLights	2 @ \$775	\$1,550
Total Supplies			<b>\$10,789</b>

**Budge Summary**

<b>Budget Category</b>	<b>Amount</b>
E. Supplies	\$10,789.00
<b><u>Federal Share Requested</u></b>	<b><u>\$10,428.00</u></b>
Non-Federal (Match) Amount	\$ 361.00
<b>JAG GRANT FUNDING REQUEST</b>	<b>\$10,428.00</b>



**Public Notice**  
**Concerning FY 2014 E. Byrne Memorial Justice Assistance Grant**  
**Program Funding**  
**And**  
**Release of Grant Proposal for**  
**Public Review and Comment**

City of Pearland is pleased to announce that it is in the process of securing federal Formula Grant funds through the E. Byrne Memorial Justice Assistance Grant Local Solicitation. The City has proposed to utilize the funds for the purchase of additional police public safety equipment and the proposal is available at Pearland City Hall – 3519 Liberty Drive, Pearland, Texas 77581.

*Residents may also send public comments through Wednesday, **July 23, 2014** to the City of Pearland, Finance Department at 3519 Liberty, Pearland, TX 77581. Residents may fax their comments to the City of Pearland Finance Department, Attention: Joel Hardy at (281) 652-1707, or by email at [jhardy@pearlandtx.gov](mailto:jhardy@pearlandtx.gov).*

**E. Byrne Memorial Justice Assistance Program Background**

BJA supports law enforcement, courts, corrections, treatment, victim services, technology, and prevention initiatives that strengthen the nation's criminal justice system. BJA provides leadership, services, and funding to America's communities by:

- Emphasizing local control.
- Provide training and technical assistance in support of efforts to prevent crime, drug abuse, and violence at the national, state, and local levels.
- Developing collaborations and partnerships.
- Increasing training and technical assistance.
- Encouraging innovation.
- Communicating the value of justice efforts to decision makers at every level.

**As part of the Justice Assistance Grant (JAG) Program**, the Edward Byrne Memorial Justice Assistance Grant Program allows states, tribes, and local governments to support a broad range of activities to prevent and control crime based on their own local needs and conditions. JAG blends the previous Byrne Formula and Local Law Enforcement Block Grant Programs to provide agencies with the flexibility to prioritize and place justice funds where they are needed most.



## INTERLOCAL AGREEMENT

BETWEEN

CITY OF PEARLAND AND COUNTY OF BRAZORIA, TEXAS

### 2014 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD

**WHEREAS**, City of Pearland and Brazoria County are considered joint disparate jurisdictions by the Bureau of Justice Assistance in order to receive FY 2011 E. Byrne Memorial Justice Assistance Grant funds in the amount of \$10,428; and

**WHEREAS**, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

**WHEREAS**, each governing body finds that the performance of this Agreement is in the best interests of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement.

**NOW THEREFORE, the City of Pearland and Brazoria County agree as follows:**

#### Section 1.

Brazoria County requests no portion of the \$10,428 in funds awarded in joint disparate form from the U.S. Department of Justice to City of Pearland and Brazoria County as part of the E. Byrne Memorial Justice Assistance Grant Local Solicitation program, to be used until September 30, 2017 in accordance with JAG legislation and the proposed scope of work included in grant application **2014-H3884-TX-DJ**.

#### Section 2.

Nothing in the performance of this Agreement shall impose any liability for claims against the City of Pearland other than claims for which liability may be imposed by the Texas Tort Claims Act.

#### Section 3.

Nothing in the performance of this Agreement shall impose any liability for claims against County of Brazoria other than claims for which liability may be imposed by the Texas Tort Claims Act.

#### Section 4.

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

#### Section 5.

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

#### Section 6.

By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein. Furthermore, this Agreement shall not create any rights in any party not a signatory hereto.

This Agreement is made and entered into by and between the CITY OF PEARLAND and BRAZORIA COUNTY; *witnesseth*:

CITY OF Pearland, Texas

AUTHORIZATION

ATTEST: APPROVED AS TO FORM

\_\_\_\_\_  
City Manager – Clay Pearson

Date: \_\_\_\_\_

\_\_\_\_\_  
City Secretary – Young Lorfing

Date: \_\_\_\_\_

Contract Authorization

\_\_\_\_\_  
City Attorney – Darrin Coker

Date: \_\_\_\_\_

COUNTY OF Brazoria, Texas

AUTHORIZATION

ATTEST: APPROVED AS TO FORM

\_\_\_\_\_  
Brazoria County Judge

Date: \_\_\_\_\_

\_\_\_\_\_  
County Clerk – Joyce Hudman

Date: \_\_\_\_\_

Contract Authorization

\_\_\_\_\_  
District Attorney – Jeri Yenne

Date: \_\_\_\_\_

# New Business Item No. 1

1. **Consideration and Possible Action – First and Only Reading of Ordinance No. 1500** – An Ordinance of the City Council of the City of Pearland, Texas authorizing the issuance of permanent improvement and/or refunding bonds in one or more series; setting certain parameters for the bonds; authorizing refunding of certain outstanding obligations; authorizing a pricing officer to approve the amount, the interest rate, price, and terms thereof and certain other procedures and provisions relating thereto, and declaring an emergency.  
*Ms. Claire Bogard, Director of Finance.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b>	Ordinance No. 1500
<b>DATE SUBMITTED:</b>	June 13, 2014	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Claire Bogard	<b>PRESENTOR:</b>	Claire Bogard
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b>	6/16/14
<b>SUBJECT: New General Obligation Debt and Tax-Exempt Refunding, Series 2014</b>			
<b>EXHIBITS: Ordinance 1500 Memo on Debt from June 12 Thursday Packet Schedule of Events</b>			
<b>FUNDING:</b>			
	<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash
<input checked="" type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Bonds- Sold	<input type="checkbox"/> L/P – Sold	<input type="checkbox"/> L/P – To Be Sold
<b>EXPENDITURE REQUIRED:</b>		<b>AMOUNT BUDGETED:</b>	
<b>AMOUNT AVAILABLE:</b>		<b>PROJECT NO.:</b>	
<b>ACCOUNT NO.:</b>			
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>			
<b>ACCOUNT NO.:</b>			
<b>PROJECT NO.:</b>			
<b>To be completed by Department:</b>			
<b>X Finance</b>	<b>Legal</b>	<b>X Ordinance</b>	<b>Resolution</b>

**EXECUTIVE SUMMARY**

**BACKGROUND**

Pursuant to the 2007 bond referendum approved by the voters in May 2007, the City has been implementing the street, drainage, and park projects. The fiscal year 2014 budget, in conjunction with the Five-Year CIP, continued the implementation of projects and as such included a debt issuance. The debt issuance was included in the City's 2014 annual budget and Five-Year forecast of the Debt Service Fund.

Projects and amounts budgeted to be funded from the sale of bonds versus actual amounts are as follows

	<u>Series 2014 Bond Sale</u>	<u>Budget</u>
<b>STREET IMPROVEMENTS</b>		
McHard	\$ 530,039	\$ 530,015
CR403-Hughes Ranch	\$1,065,000	\$1,065,000
Kirby Dr. Expansion	\$1,235,000	\$1,226,000
Fite Rd. Extension	\$ 73,513	\$ 73,513
Max Rd. Widening	\$ 202,838	\$ 190,838
Regency Paving	\$ 245,161	\$ 245,161
CR59 Expansion	\$1,260,000	\$2,004,612
<b>DRAINAGE IMPROVEMENTS</b>		
Cullen Regional Detention		\$3,708,000
Cowart Creek	\$ 100,000	
Old Town Site	\$ 100,000	\$ 483,000
Piper Drainage		\$ 100,000
<b>PARKS &amp; RECREATION</b>		
Max Sports Complex	\$2,626,320	\$2,626,320
Shadow Creek Ranch	\$3,950,766	\$6,067,600
Centennial Park	\$ 183,800	\$1,373,658
<b>LIBRARY</b>	<b>\$ 15,000</b>	<b>-0-</b>
<b>TOTALS</b>	<b>\$11,587,437</b>	<b>\$19,693,717</b>

The difference in what was budgeted and what the actual amount needed is \$8.1 million mainly due to the current schedules of projects. The additional money will be needed, but in a future year. Cullen Regional Detention, in the amount of \$3.7 million now has a project schedule of 2015 and 2016. Shadow Creek Ranch Park and Centennial Park reduction of \$2.1 million and \$1.2 million respectively for construction is pushed to late fiscal year 2015, as both are currently out to bid or under design.

After this bond sale, there is still \$83.562 million authorized but unissued from the 2007 bond referendum, most of which is anticipated to be sold over the 2015-2019 fiscal year time period.

Based on Council direction at the June 9, 2014 Council meeting, these new money bonds will be structured with a 20-year maturity and level principal, paying off principal faster, taking advantage of current interest rate environment, and saving on future interest paid.

In conjunction with the new money, as discussed on June 9, 2014, the City will also refinance and restructure \$69.4 million in existing debt from eight different issues, saving approximately \$8.3 million in interest over the 16 year period. Present value savings is \$5.0 million or 7.25%, exceeding the minimum 3% net present value savings targeted for such refunding in the City's Financial Management Policy Statements.

To allow the Financial Advisor to price the bonds when market rates are favorable versus on a set Council meeting date, City Council is being asked to approve a parameter sale. A

parameter sale is one where certain parameters have to be met before the sale and refunding could occur. The Mayor, City Manager, and Director of Finance would have the authority to approve the sale given that the parameters were met. Below are the parameters as laid out in Section 5 of the recommended Ordinance herein:

- (i) none of the Bonds shall bear interest at a rate greater per annum or in excess of the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;
- (ii) the aggregate principal amounts of the Bonds may not exceed the maximum principal amounts authorized in Section 3 hereof, and the proceeds from the sale of the Bonds, along with any available funds of the City to be used in the refunding, must be sufficient to provide, after all original issue discount and underwriter's discount, amounts necessary to fund the costs and expenses of refunding the Refunded Bonds and the estimated costs of issuance of the Bonds; and
- (iii) the net present value savings in debt service resulting from the refunding of the Refunded Bonds shall be at least 3% of the principal amount of the Refunded Bonds, as shown by a table of calculations prepared by the City's financial advisor and attached to the Officer's Pricing Certificate.

The ordinance also states that new money bonds will not exceed \$12 million and together, including the refunding, the total bond sale will not exceed \$30 million. The parameter order for is good for one year, however, that order is expected to be executed within the next month or so.

Establishment of these parameters and executing the refunding will provide important guidance and will be incorporated into the City's FY 2014/15 Budget.

### **BID AND AWARD**

Due to the complexity of the refunding and structuring, the bond sale will be negotiated versus a competitive bid. A negotiated sale is one in which the City selects an underwriting team, at the recommendation of the financial advisor, to price and market the bonds. The advantage of the negotiated sale is it allows the financial advisor the flexibility to structure the bond issue during the sales process.

### **SCHEDULE**

The Ordinance declares an emergency to allow for a first and final reading. This will allow the financial advisor to start the bond issuance process, identify the underwriters, and for the underwriters to begin discussions with purchasers for pricing indicators due to the complexity of the refunding. The City also needs to be in the market and finalizing pricing, etc. as soon as possible, as the unrest overseas may affect the market.

Staff and the Financial Advisors will be working on the preliminary official statement and will be arranging for the bond rating process. We anticipate to be in the market around July 21<sup>st</sup> with closing of the bonds 30 days later after approval of the sale.

### **CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE**

The first debt service payment on the bonds will be due in fiscal year 2015. The new money and the refunding and restructuring were included in the debt service fund 5-Year forecast shared with City Council on June 9, 2014.

The City's financial advisor, Ryan O'Hara with BOSC, Inc. will review with City Council

**RECOMMENDED ACTION**

Consideration and Approval of an Ordinance Authorizing The Issuance Of City Of Pearland, Texas, Permanent Improvement And/or Refunding Bonds in one or more Series, Setting Certain Parameters For The Bonds; Authorizing Refunding Of Certain Outstanding Obligations; Authorizing A Pricing Officer To Approve The Amount, The Interest Rate, Price, And Terms Thereof And Certain Other Procedures And Provisions Relating Thereto, and Declaring an Emergency.

**ORDINANCE NO. 1500**

**An Ordinance of the City Council of the City of Pearland, Texas authorizing the issuance of permanent improvement and/or refunding bonds in one or more series; setting certain parameters for the bonds; authorizing refunding of certain outstanding obligations; authorizing a pricing officer to approve the amount, the interest rate, price, and terms thereof and certain other procedures and provisions relating thereto, and declaring an emergency.**

**WHEREAS**, the City of Pearland, Texas (the “City”), acting through its City Council, is authorized by Section 3.07 of its Home Rule Charter and the Constitution and laws of the State of Texas, particularly Chapters 1331 of the Texas Government Code, as amended, to issue bonds for the purpose of making needed public improvements;

**WHEREAS**, the issuance of certain bonds herein authorized was approved by the voters of the City at an election held for such purpose on May 12, 2007 (the “Election”), which was called by the City Council pursuant to Resolution No. R2007-35 adopted March 5, 2007, and which authorized the issuance of: (i) \$84,190,000 in bonds for purchasing and otherwise acquiring land for and constructing, repairing and improving streets, bridges and sidewalks of the City with first priority to be given to the construction, repair and improvement of Bailey Road, Cullen Boulevard, Dixie Farm Road and McHard Road (“Proposition 1”); (ii) \$35,305,000 in bonds for purchasing, acquiring, enlarging, extending, equipping and constructing drainage improvements and facilities at various locations within the City, including acquiring lands and rights-of-way for any of such purposes (“Proposition 2”); (iii) \$2,895,000 in bonds for purchasing, acquiring, constructing, repairing and improving land, facilities and equipment for public safety purposes (including fire fighting needs)(“Proposition 3”); (iv) \$19,990,000 in bonds for purchasing, acquiring, constructing, repairing and improving land, facilities and equipment for park and recreation purposes (“Proposition 4”); (v) \$16,225,000 in bonds for purchasing, acquiring, constructing, repairing and improving land, facilities and equipment for park and recreation purposes, with first priority to be given to the construction of recreation center and the construction of a natatorium (“Proposition 5”); and (vi) \$3,410,000 in bonds for purchasing and otherwise acquiring land for and constructing, repairing and improving library facilities (“Proposition 6”);

**WHEREAS**, the City Council canvassed the returns of the Election and by Ordinance No. R2007-86, adopted May 22, 2007 declared the results to be in favor of the issuance of the Bonds;

**WHEREAS**, the City has previously authorized, issued and delivered four installments of such authorized bonds from the Election in an aggregate principal amount of \$66,860,000, consisting of (i) \$27,370,000 of principal attributable to bonds authorized by Proposition 1; (ii) \$17,416,500 of principal attributable to bonds authorized by Proposition 2; (iii) \$2,895,000 of principal attributable to bonds authorized by Proposition 3; and (iv) \$4,150,000 of principal attributable to bonds authorized by Proposition 4; (v) \$15,210,500 of principal attributable to Proposition 5; and (vi) \$0 of principal attributable to Proposition 6;

**WHEREAS**, the City has now determined that it is necessary and advisable to authorize,

issue and deliver a sixth installment of such authorized bonds from the Election in an aggregate principal amount not to exceed \$11,590,000 for the purposes of funding the permanent improvements described herein;

**WHEREAS**, the City Council is of the opinion and hereby affirmatively finds that it is in the best interest of the City to issue such sixth installment of bonds from the Election in the amounts and for the purposes herein stated.

**WHEREAS**, the City Council of the City has heretofore issued or assumed the obligations described in Exhibit A attached hereto and as more particularly described in the Officer's Pricing Certificate (defined herein); and

**WHEREAS**, the City desires to refund part of said obligations in advance of their maturities as determined pursuant to the parameters set forth herein (the "Refunded Bonds") for the purposes of restructuring the City's debt and for the purpose of achieving debt service savings; and

**WHEREAS**, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") authorizes the City to issue refunding bonds payable from taxes, without an election, for the purpose of refunding the Refunded Bonds in advance of their maturities, and to accomplish such refunding by depositing directly with any paying agent for the Refunded Bonds (or other qualified escrow agent), the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

**WHEREAS**, the City desires to authorize the execution of an escrow agreement, if necessary, and provide for the deposit of proceeds of the refunding bonds, together with other lawfully available funds of the District, to pay the Refunded Bonds; and

**WHEREAS**, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinances authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased;

**WHEREAS**, the City is a home-rule municipality that (i) adopted its charter under Section 5, Article XI, Texas Constitution; (ii) has a population of 50,000 or more; and (iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation and thus the City qualifies as an "Issuer" under Chapter 1371, Texas Government Code ("Chapter 1371"); and

**WHEREAS**, Chapter 1207 and Chapter 1371 authorize the City to delegate the authority to effect the sale of the Bonds to a Pricing Officer, as defined herein. Now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

1. Recitals; Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Ordinance are true and correct.

It is hereby found and determined that the refunding contemplated in this Ordinance will benefit the City by providing a present value savings in the debt service payable by the City, that such benefit is sufficient consideration for the refunding of the Refunded Bonds, and that the issuance of the refunding bonds is in the best interests of the City.

2. Definitions. Throughout this Ordinance the following terms and expressions as used herein shall have the meanings set forth below:

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the City, the Registrar and DTC.

“Bond Purchase Agreement” means an agreement between the City and the Underwriter described in Section 23 of this Ordinance.

“Bonds” means the means one or more series of Bonds issued by the City of Pearland, Texas authorized in this Ordinance, as designated in an Officer’s Pricing Certificate.

“Business Day” means any day which is not a Saturday, Sunday, or a day on which the Registrar is authorized by law or executive order to close, or a legal holiday.

“City” means the City of Pearland, Texas.

“Closing Date” means the date of the initial delivery of and payment any series of Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Debt Service Fund” means the debt service fund for payment of the Bonds established by the City in Section 20 of this Ordinance.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Escrow Agent” means Wells Fargo Bank, N.A.

“Escrow Agreement” means an agreement between the City and the Escrow Agent relating to the escrow of funds to pay the Refunded Bonds.

“Initial Bond” means the Initial Bond authorized by Section 6(d).

“Interest Payment Date”, when used in connection with any Current Interest Bond, means shall mean the date(s) determined by a Pricing Officer and set forth in the Officer’s Pricing Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Officer’s Pricing Certificate” means a certificate signed by the Pricing Officer pursuant to Section 5 hereof.

“Ordinance” as used herein and in the Bonds means this ordinance authorizing the Bonds.

“Owner” means any person who shall be the registered owner of any outstanding Bond.

“Pricing Officer” means the Mayor, City Manager or the Director of Finance.

“Record Date” means, with respect to the Bonds, the close of business on the last Business Day of the month preceding such Interest Payment Date.

“Refunded Bonds” means any of the obligations described on Exhibit A attached hereto and as more specifically described in the Officer’s Pricing Certificate.

“Register” means the books of registration kept by the Registrar, in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

“Registrar” means Wells Fargo Bank, N.A., and its successors in that capacity.

“Report” means the report of Grant Thornton LLP, verifying the accuracy of certain mathematical computations relating to the Bonds and the Refunded Bonds.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Underwriters” means the firms listed in the Officer’s Pricing Certificate as the underwriters or initial purchasers of the Bonds.

3. Authorization. The Bonds shall be issued in fully registered form in a maximum principal amount, including any premium counted against voted authorization, (i) not to exceed \$11,590,000 for the public improvements as follows: (a) \$4,613,000 for purchasing and otherwise acquiring land for and constructing, repairing and improving streets, bridges and sidewalks of the

City, (b) \$200,000 in bonds for purchasing, acquiring, enlarging, extending, equipping and constructing drainage improvements and facilities at various locations within the City, including acquiring lands and rights-of-way for any of such purposes, (c) \$6,762,000 for purchasing, acquiring, constructing, repairing and improving land, facilities and equipment for park and recreation purposes, (d) \$15,000 in bonds for purchasing and otherwise acquiring land for and constructing, repairing and improving library facilities, and (e) the costs of issuing the Bonds, and/or (ii) if certain savings thresholds are achieved, in an amount not to exceed \$75,000,000 for the purpose of refunding the Refunded Bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207, Texas Government Code and the costs of issuing the Bonds. The Bonds may be issued in one or more series/installments.

4. Date, Denomination, Interest Rates, and Maturities. The Bonds shall be designated as City of Pearland, Texas Permanent Improvement <sup>1</sup> and shall be dated the date set forth in the Officer's Pricing Certificate, shall mature on March 1 in each of the years and in the amounts set out in the Officer's Pricing Certificate, shall be subject to prior optional and mandatory redemption on the dates, for the redemption prices and in the amounts set out in the Officer's Pricing Certificate and shall bear interest from their issuance date at the rates set forth in the Officer's Pricing Certificate payable on each March 1 and September 1 commencing on the date set forth in the Officer's Pricing Certificate. The Bonds may be transferred and exchanged as set out in this Ordinance. The Initial Bond shall be numbered I-1 and all other Bonds shall be numbered in sequence beginning with R-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest on the same rate as the Bond or Bonds in lieu of which they are delivered.

5. Selling and Delivering the Bonds. As authorized by Sections 1207 and 1371, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the City in selling and delivering the Bonds, in one or more series of bonds/installments, and carrying out the other procedures specified in this Ordinance, including without limitation determining the price at which the Bonds will be sold, the issuance date for the Bonds, the form in which the Bonds shall be issued (whether as current interest bonds or as any combination of current interest bonds and compound interest bonds), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory redemption provisions for the Bonds, and all other matters not expressly provided in this Ordinance, relating to the issuance, sale and delivery of the Bonds, and the refunding of the Refunded Bonds, all of which shall be specified in the Officer's Pricing Certificate; provided that:

- (i) none of the Bonds shall bear interest at a rate in excess of the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;
- (ii) the aggregate principal amounts of the Bonds may not exceed the maximum principal amounts authorized in Section 3 hereof, and the proceeds from the

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<sup>1</sup> Insert from Pricing Certificate.

sale of the Bonds, along with any available funds of the City to be used in the refunding, must be sufficient to provide, after all original issue discount and underwriter's discount, amounts necessary to fund the costs and expenses of refunding the Refunded Bonds and the estimated costs of issuance of the Bonds; and

- (iii) the net present value savings in debt service resulting from the refunding of the Refunded Bonds shall be at least 3% of the principal amount of the Refunded Bonds, as shown by a table of calculations prepared by the City's financial advisor and attached to the Officer's Pricing Certificate.

6. Execution of Bonds; Seal. (a) The Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said Officer's, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Bond substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Bond described above, the Initial Bond delivered at the Closing Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond, being a single bond representing the entire principal amount of the Bonds, payable in stated installments to the Underwriter or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the Underwriter or its designee. Upon payment for the Initial Bond, the Registrar shall cancel the Initial Bond and deliver definitive Bonds to DTC.

7. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent and registrar for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their

presentation and surrender as they respectively become due and payable at the principal payment office of the Registrar in Dallas, Texas. The interest on each Bond shall be payable on each Interest Payment Date, by check mailed by the Registrar on or before the Interest Payment Date to the Owner of record as of the Record Date.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

8. Successor Registrars. The City covenants that at all times while any Bonds are outstanding it will provide a commercial bank or trust company, organized under the laws of the United States or any state, and duly qualified and legally authorized to serve as Registrar for the Bonds. The City reserves the right to change the Registrar on not less than 60 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

9. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

10. Ownership; Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

11. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Register at its principal payment office in Dallas, Texas, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Bond or Bonds registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Registrar in Dallas, Texas, for a Bond or Bonds of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the City.

12. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

13. Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate certificates of destruction of such Bonds.

14. Book-Entry Only System. (a) The Initial Bond shall be registered in the name of the Underwriters. Except as provided in Section 15 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any

other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Ordinance with respect to interest checks being mailed to the Owner of record as of the Record Date, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

15. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City in its sole discretion, determines that the beneficial owners of the Bonds be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

16. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

17. Optional and/or Mandatory Redemption; Defeasance. The Bonds are subject to optional and/or mandatory redemption as set forth in the Form of Bond in this Ordinance and in the Officer's Pricing Certificate.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 11 hereof, shall authenticate and deliver in exchange therefor a

Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty days prior to the date fixed for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Bonds may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

18. Forms. The form of the Bond, including the form of Registration Certificate of the Comptroller, which shall be attached or affixed to the Initial Bond, the form of Assignment and the form of the Registrar's Authentication Certificate, , shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary to conform to the terms specified in the Officer's Pricing Certificate:

(a) Form of Bond.

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTIES OF BRAZORIA, FORT BEND AND HARRIS

REGISTERED  
NUMBER

\_\_\_\_\_

REGISTERED  
DENOMINATION

\$ \_\_\_\_\_

CITY OF PEARLAND, TEXAS  
PERMANENT IMPROVEMENT \_\_\_\_\_<sup>1</sup>\_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

March 1, 20\_\_

ISSUE DATE:

\_\_\_\_\_<sup>1</sup>\_\_\_\_\_

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Pearland, Texas (the “City”) promises to pay to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the principal payment office of Wells Fargo Bank, N.A., in Dallas, Texas (the “Registrar”), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from \_\_\_\_\_<sup>1</sup>\_\_\_\_\_, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on March 1 and September 1 beginning on \_\_\_\_\_<sup>1</sup>\_\_\_\_\_, mailed to the registered owner of record as of the close of business on the 15th day of the month preceding each interest payment date.

THIS BOND is one of a duly authorized issue of Bonds, aggregating \$ \_\_\_\_\_<sup>2</sup>\_\_\_\_\_ (the “Bonds”), issued for [(i) purposes authorized by the Election as set forth in the Ordinance (defined below) [and/or]<sup>2</sup> (ii) the purpose of refunding a portion of the City’s outstanding obligations, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended,] and pursuant to an ordinance adopted by the City Council (the “Ordinance”), which Ordinance is of record in the official minutes of the City.

<sup>1</sup> Insert from Officers Pricing Certificate.

<sup>2</sup> Insert from Officers Pricing Certificate.

THE CITY RESERVES THE RIGHT, at its option, to redeem Bonds maturing on and after March 1, 20<sup>3</sup>\_\_, in whole or from time to time in part, in integral multiples of \$5,000, on March 1, 20<sup>4</sup>\_\_, or any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all the Bonds are to be redeemed, the City shall select the Bonds to be redeemed.

[If applicable, mandatory redemption language]

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owners of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE BONDS ARE EXCHANGEABLE at the principal payment office of the Registrar in Dallas, Texas, for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

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<sup>3</sup> Insert from Officers Pricing Certificate.

<sup>4</sup> Insert from Officers Pricing Certificate.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; and that annual ad valorem taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

(AUTHENTICATION  
CERTIFICATE)

(SEAL)

CITY OF PEARLAND, TEXAS

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Secretary

(b) Form of Registration Certificate of Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

(SEAL)

(c) Form of Registrar's Authentication Certificate.

**AUTHENTICATION CERTIFICATE**

It is hereby certified that this Bond has been delivered pursuant to the Bond Ordinance described in the text of this Bond.

Wells Fargo Bank, N.A.  
As Paying Agent/Registrar

By \_\_\_\_\_  
Authorized Signature  
Date of Authentication \_\_\_\_\_

(d) Form of Assignment.

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type name, address, and zip code of Transferee)

\_\_\_\_\_  
(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney to transfer said Bond on the books kept for registration thereof, with full power of  
substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the word “CUSIP” deleted;

(ii) in the first paragraph of the Bond, the words “on the maturity date specified above” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on March 1 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:

[Information to be inserted from the Officer’s Pricing Certificate]

(iii) the Initial Bond shall be numbered I-1.

19. CUSIP Numbers. CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such numbers shall have no effect on the validity of the Bonds.

20. Debt Service Fund; Tax Levy. There is hereby established a separate fund of the City to be known as the City of Pearland, Texas, Permanent Improvement \_\_\_\_\_5\_\_\_\_\_ Debt Service Fund (the “Debt Service Fund”), which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Ordinance shall be deposited, as collected, in the Debt Service Fund. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other City taxes are assessed, levied and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City, sufficient to pay the current interest on the Bonds as the same becomes due and to provide and maintain a debt service fund of not less than two percent of the principal amount of the Bonds or the amount required to pay each installment of principal of the Bonds as the same matures, whichever is greater, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

21. Application of Chapter 1208, Government Code. Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the City under Section 20 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding an unpaid such that the pledge of the taxes

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5 Insert from Officers Pricing Certificate.

granted by the City under Section 20 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

22. Further Proceedings. After the Initial Bond has been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Initial Bond and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Initial Bond has been approved by the Attorney General, it shall be delivered to the Comptroller for registration. Upon registration of the Initial Bond, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

23. Sale; Bond Purchase Agreement. The Bonds shall be sold and delivered to the Underwriter, who shall be designated in the Pricing Officer's Certificate, at the price set forth in the Pricing Officer's Certificate and in accordance with the terms of the Bond Purchase Contract which the Pricing Officer is hereby authorized and directed to execute on behalf of the District. The Pricing Officer and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Pricing Officer is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the City, and the Mayor, City Manager, Director of Finance and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. In the event the Bond Purchase Agreement shall not be executed by the one year anniversary of the date of this Ordinance (the "Expiration Date"), the delegation to the Pricing Officer pursuant to this Ordinance shall cease to be effective unless the City shall act to extend such delegation. Bonds sold pursuant to a Bond Purchase Agreement or winning bid form executed on or before the Expiration Date may be delivered after such date.

24. Federal Income Tax Exclusion.

The City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the "Code") and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Bonds. For this purpose, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property, the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause the interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the

owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

- (a) The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.
- (b) Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last stated maturity of the Bonds,
  - (1) exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of such series of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or
  - (2) not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of such series of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.
- (c) Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations) is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

- (d) Except to the extent permitted by Section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Refunded Obligations, directly or indirectly invest Gross Proceeds of such Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Refunded Obligations.
- (e) Based on all of the facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds and the Refunded Obligations (to the extent any of such proceeds remain unexpended) will not be used in a manner that would cause the Bonds or the Refunded Obligations or any portion thereof to be “arbitrage bonds” within the meaning of Section 148 of the Code.
- (f) At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting “arbitrage bonds,” the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds.
- (g) The City will not take any action or knowingly omit to take any action, if taken or omitted, would cause the Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code.
- (h) The City represents that not more than fifty percent (50%) of the proceeds of any new money portion of the Bonds or any new money issue refunded by, the Refunded Bonds was invested in nonpurpose investments (as defined in Section 148(f)(b)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expected at the time each issue of the Refunded Bonds was issued that at least eighty-five percent (85%) of the spendable proceeds of the Bonds or the Refunded Bonds would be used to carry out the governmental purpose of such Bonds within the corresponding three-year period beginning on the respective dates of the Bonds or the Refunded Bonds.
- (i) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will (i) maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any

obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid, in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of the gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty.

- (j) The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the issue not been relevant to either party.
- (k) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.
- (l) The City will not issue or use the Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.
- (m) Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the Issue Date and stating whether there are facts, estimates or circumstances that would materially change the City's expectations. On or after the Issue Date, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.
- (n) The covenants and representations made or required by this Section are for the benefit of the Bond holders and any subsequent Bond holder, and may be relied upon by the Bond holder and any subsequent Bond holder and bond counsel to the City.

In complying with the foregoing covenants, the City may rely upon an unqualified opinion issued to the City by nationally recognized bond counsel that any action by the City or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Bonds to be includable in gross income for federal income tax purposes under existing law.

Notwithstanding any other provision of this Ordinance, the City's representations and obligations under the covenants and provisions of this Section 7.5 shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion of interest on the Bonds from the gross income of the owners for federal income tax purposes.

25. Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:

- (a) Accrued interest in the amount of \$  6   and, if necessary, net premium on the Bonds in the amount of \$  7  , shall be deposited into the Debt Service Fund.
- (b) Premium in the amount of \$  8   shall be used to pay the underwriter's discount.
- (c) Net premium in the amount of \$  9   shall be used to pay the costs of issuance.
- (d) Bond proceeds in the amount of \$ \_\_\_\_\_ shall be used for the purposes described in Section 3(i).
- (d) The remaining proceeds from the sale of the Bonds, together with other available funds of the City (in the amount of \$  10  ), shall be applied to establish an escrow fund to refund the Refunded Bonds or a deposit with the paying agent for the Refunded Bonds, as more fully provided in Section 26 below, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Bonds.
- (e) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund.

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<sup>6</sup> Insert from Officer's Pricing Certificate.

<sup>7</sup> Insert from Officer's Pricing Certificate.

<sup>8</sup> Insert from Officer's Pricing Certificate.

<sup>9</sup> Insert from Officer's Pricing Certificate.

<sup>10</sup> Insert from Officers Pricing Certificate.

26. Escrow Agreement/Deposit with Paying Agent for Refunding Bonds. If Refunding Bonds are issued, the discharge and defeasance of the Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the City and the Escrow Agent or pursuant to a deposit of funds with the paying agent for the Refunded Bonds. The terms and provisions of the Escrow Agreement, if needed, are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the City by the Underwriter, which, if required, shall be certified as to mathematical accuracy by Grant Thornton LLP, (b) to minimize the City's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Ordinance and comply with the terms of the Officer's Pricing Certificate; and the Mayor or Mayor Pro Tem is hereby authorized to execute and deliver such Escrow Agreement on behalf of the City in multiple counterparts and the City Secretary or an Assistant City Secretary is hereby authorized to attest thereto and affix the City's seal.

27. Redemption of Refunded Bonds. If Refunding Bonds are issued, the City has irrevocably exercised its option to call the bonds of the City for redemption prior to maturity on the dates and at the prices shown on Exhibit B to the Officer's Pricing Certificate, and authorized and directed notice of such redemption to be given in accordance with the ordinances authorizing the issuance of such bonds.

28. Purchase of Escrowed Securities. If an Escrow Agreement is utilized, to assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, if required, the Pricing Officer is hereby authorized to subscribe for, agree to purchase, and purchase obligations which are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

29. Continuing Disclosure Undertaking. (a) Annual Reports. The City will provide certain updated financial information and operating data to the MSRB annually in an electronic format as prescribed by the MSRB and available via the Electronic Municipal Market Access ("EMMA") system at [www.emma.msrb.org](http://www.emma.msrb.org). Unless provided for in the Pricing Certificate, the information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 31 of this Ordinance under the headings "INVESTMENT AUTHORITY AND INVESTMENT OBJECTIVES OF THE CITY - Current Investments," "CITY TAX DEBT," "TAX DATA" (except under the subheading "Estimated Overlapping Taxes"), "SELECTED FINANCIAL DATA," and in APPENDIX "B." The City will update and provide this information within six months after the end of each fiscal year.

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

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC, as permitted by the SEC Rule. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time and audited financial statements when and if such audited statements become available. Any such financial statements will be prepared in accordance with the accounting principals described in APPENDIX B or such other accounting principals as the City may require to employ from time to time pursuant to State law or regulation.

(b) Material Event Notices. The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner (not in excess of ten (10) days after the occurrence of the event), of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

For the purposes, any event described in the immediate preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding Under States Bankruptcy Code or any other proceeding

under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

(c) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Texas law that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and the beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, or status or type of principal payment of the City, if (1) the agreement, as so amended, would have permitted an underwriter to purchase or sell Bonds in the initial primary

offering in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate amount of the outstanding Bonds consent to such amendment or (b) a person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

30. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Bond Purchase Agreement, and the Escrow Agreement, the Mayor or Mayor Pro Tem, the City Secretary or an Assistant City Secretary, the City Manager, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the City's obligations under the Escrow Agreement, the Bond Purchase Agreement, and this Ordinance and to direct the application of funds of the City consistent with the provisions of the Escrow Agreement and this Ordinance.

31. Power to Revise Form of Documents. Notwithstanding any other provision of this the Pricing Officer is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance and in the form of the documents attached hereto as exhibits as, in the judgment of the Pricing Officer, and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Bonds by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the Board.

32. Amendments. The City may amend this Ordinance without the consent of or notice to any Owner in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may with the written consent of the holders of a majority of the aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Ordinance; except that, without the consent of the Owners of the Bonds affected, no such amendment, addition or rescission may (i) make any change in the maturity of any of the outstanding Bonds; (ii) reduce the rate of interest borne by any of the outstanding Bonds; (iii) reduce the amount of the principal of or redemption premium, if any, payable on any outstanding Bonds; (iv) modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or (v) change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

33. Official Statement. The City Council hereby approves the form and content of the Preliminary Official Statement prepared for the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the terms of the Bond Purchase Agreement and other relevant matters. The use of such Official Statement in the reoffering of the Bonds by the Underwriter is hereby approved and authorized.

34. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the City are hereby authorized to execute such agreement for and on behalf of the City.

35. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

36. Declaration of Emergency. It is hereby officially found and determined that a case of emergency and urgent public necessity exists that requires that this Ordinance be passed finally and take effect immediately on the date of its introduction, such emergency and urgent public necessity being that the proceeds from the sale of the Bonds are required as soon as possible and without delay for the purposes set forth herein.

37. Open Meeting. The meeting at which this Ordinance is adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Texas Open Meetings Act; and such notice as given is hereby authorized, approved, adopted and ratified.

PASSED AND APPROVED ON FIRST AND ONLY READING on the \_\_\_\_ day of \_\_\_\_\_, A.D., 2014.

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TOM REID  
MAYOR

ATTEST:

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YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

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DARRIN M. COKER  
CITY ATTORNEY

**EXHIBIT A**

**ALL THE CITY'S OUTSTANDING OBLIGATIONS**

Permanent Improvement Bonds, Series 2002  
Certificates of Obligation, Series 2003  
Permanent Improvement Bonds, Series 2003  
Water and Sewer System Revenue Bonds, Series 2003  
Certificates of Obligation, Series 2004  
Permanent Improvement and Refunding Bonds, Series 2005  
Permanent Improvement and Refunding Bonds, Series 2006  
Certificates of Obligation, Series 2006  
Certificates of Obligation, Series 2007  
Waterworks and Sewer System Combined Unlimited Tax and Revenue Bonds, Series 2007  
Permanent Improvement Bonds, Series 2007  
Certificates of Obligation, Series 2008  
Permanent Improvement Bonds, Series 2008  
Certificates of Obligation, Series 2009  
Permanent Improvement and Refunding Bonds, Series 2009  
Certificates of Obligation, Series 2009A  
Permanent Improvement Bonds, Series 2010A  
Permanent Improvement Refunding Bonds, Series 2010B  
Certificates of Obligation, Series 2011  
Permanent Improvement Bonds, Series 2011  
Permanent Improvement Refunding Bonds, Series 2012  
Permanent Improvement Bonds, Series 2013



## Memo

To: Clay Pearson, City Manager

From: Claire, Bogard, Director of Finance

Date: June 12, 2014

Re: Debt Refunding/ Restructuring, New Debt Issues and Timing

6/12/14  
To: Mayor & City Council Meeting

Follow-up to Council direction on Monday, material to follow to carry this forward on June 23.

\* // Based on City Council direction at the June 9, 2013 City Council meeting, staff will be preparing for the refunding and restructuring approximately \$69.5 million in existing debt as well as preparing for the issuance of new debt as planned in the FY2014 budget.

On the June 23, 2014 Council meeting, City Council will be asked to consider a parameter order for the refunding and restructuring of the \$69.5 million in existing debt as well as approve the issuance of \$11,590,000 in new voted general obligation debt. If approved there will be further action required by City Council. The parameter order defines certain parameters that the bonds must be issued such as maximum interest rate, net present value saving percent, and maximum principal amount. This allows flexibility for the Financial Advisor to price the bonds when market rates are favorable versus tying to a City Council date. The parameter order also delegates a pricing officer (City Manager and Director of Finance) to approve the bond documents at the time of the sale based on the parameters therein. ))

Due to the complexity of the refunding and restructuring, the bond sale will be negotiated vs. competitive bid. A negotiated is one in which the City selects an underwriting team, at the recommendation of the financial advisor, to price and market the bonds. The advantage of the negotiated sale is it allows the financial advisor the flexibility to structure the bond issue during the sale process.

\* // Along with the refunding, as previously mentioned there is \$11,590,000 in new voted monies that will be coupled with the refunding sale. City Council had previously approved an "Intent to Reimburse from Future Bond Proceeds", Resolution 2013-164, in October 2013 for these projects. (See attached) As directed by City Council, the new monies will be structured over a 20-year maturity with level principal payments, allowing for a declining structure. Projects and amounts to be funded with general obligation bonds are:

### STREET IMPROVEMENTS

McHard	\$ 530,309	City's 20% match toward PER and design
CR403-Hughes Ranch	\$1,065,000	ROW Acquisition
Kirby Dr. Expansion	\$1,235,000	Design/Year 1 Construction
Fite Rd. Extension	\$ 73,513	City's 20% match Year 1
Max Rd. Widening	\$ 202,838	City's 20% match Year 1
Regency Paving	\$ 245,161	Design

### DRAINAGE IMPROVEMENTS

Cowart Creek	\$ 100,000	Additional monies for slope paving
Old Town Site	\$ 100,000	Preliminary Engineering/ROW Acquisition-Year1

**PARKS & RECREATION**

Max Sports Complex	\$2,626,320	Construction
Shadow Creek Ranch	\$3,950,766	Construction
Centennial Park	\$ 183,000	Design

<b>LIBRARY</b>	\$ 15,000	Schematic
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<b>TOTALS</b>	\$11,587,437	
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The total amount to construction of \$11,590,000 is below the budgeted amount of \$19,708,305 by \$8.1 million due to the timing of projects and these bond monies will be sold in fiscal year 2015. ✖

Staff and the Financial Advisors are working on the preliminary official statement, which is the prospectus for potential buyers, and will be arranging for the bond rating process. We anticipate to be in the market around July 21<sup>st</sup> with closing on the bonds 30 days later after approval of the sale.

Staff will also be following up with the sale of Certificates of Obligation and Water/Sewer Revenue bonds as budgeted for in the Fiscal Year 2014 budget. ✖

**RESOLUTION NO. R2013-164**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, DECLARING INTENTION TO REIMBURSE PROJECT EXPENDITURES FROM PROCEEDS OF FUTURE TAX-EXEMPT OBLIGATIONS, BONDS, AND WATER/SEWER BONDS**

**WHEREAS**, the City plans to make the capital expenditures described on Exhibit A (herein, the "Project"), the maximum aggregate cost of which is expected to be approximately \$4,100,000.00;

**WHEREAS**, the City anticipates providing funds to permanently finance these capital costs of the Project by issuing after the date hereof certain Certificates of Obligation, expected to be issued by the City in fiscal year 2014 and currently expected to have a maximum aggregate principal amount of \$4,500,000.00 (herein, the "Obligations"), all of which is expected to be used to pay costs of the Project and costs of issuance of the Obligations;

**WHEREAS**, the City plans to make certain capital expenditures described on Exhibit B (herein, the "Project"), the maximum aggregate cost of which is expected to be approximately \$19,700,000.00;

**WHEREAS**, the City anticipates providing funds to permanently finance these capital costs of the Project by issuing after the date hereof certain Permanent Improvement Bonds, expected to be issued by the City in fiscal years 2014 and 2015 and currently expected to have a maximum aggregate principal amount of \$20,500,000.00 (herein, the "Bonds"), the proceeds of which are expected to be used to pay costs of the Project and costs of issuance of the Bonds;

**RESOLUTION NO. R2013-164**

**WHEREAS**, the City plans to make certain capital expenditures for its water and sewer system described on Exhibit C (herein, the "Project"), the maximum aggregate cost of which is expected to be approximately \$17,100,000.00, which are in addition to the \$2,400,000.00 of expenditures with respect to which the City has previously adopted a reimbursement resolution;

**WHEREAS**, the City anticipates providing funds to permanently finance the capital costs of the Project by issuing after the date hereof certain water and sewer revenue bonds (the "W/S Bonds"), expected to be issued by the City in fiscal year 2014 and currently expected to have a maximum aggregate principal amount of \$17,500,000.00, the proceeds of which are expected to be used to pay costs of the Project and costs of issuance of the Bonds

**WHEREAS**, no funds of the City are, or are reasonably expected to be, allocated, reserved, or otherwise set aside in the City's budget on a long-term basis to pay the costs of the Project;

**WHEREAS**, the Obligations and Bonds will be payable from certain revenues and ad valorem taxes levied, assessed and collected by the City to pay debt service on the Obligations;

**WHEREAS**, the W/S Bonds will be payable from revenues of the City's water and sewer system;

**WHEREAS**, the City anticipates that no more than 60 days prior to the date hereof and prior to the issuance of the Obligations, Bonds, and W/S Bonds it will be obligated to pay certain costs constituting expenditures properly chargeable to a capital account (under general federal income tax principles) in connection with the Project (the "Expenditures");

**RESOLUTION NO. R2013-164**

**WHEREAS**, the money to be used to pay the Expenditures described in this Resolution for the Obligation and Bond Projects is in the City's General Fund, the general purpose and function of which is to pay general operating and maintenance expenditures of the City and such money is not appropriated for any other purpose;

**WHEREAS**, the City reasonably expects that the City will reimburse the General Fund for the Expenditures with proceeds of the Obligations; and

**WHEREAS**, the money to be used to pay the Expenditures described in this Resolution for the W/S Projects is in the City's Water and Sewer Revenue Fund and City's Water and Sewer Capital Project Funds;

**WHEREAS**, the City reasonably expects that the City will reimburse the Water and Sewer Revenue Fund and Water and Sewer Capital Project Funds with proceeds of the Bonds; and

**WHEREAS**, after the issuance of the Obligations, Bonds and W/S Bonds the City will: (1) evidence each allocation of proceeds of the Obligations, Bonds and W/S Bonds to the reimbursement of the Expenditures with separate entries in its books and records maintained with respect to the Obligations, Bonds, and W/S Bonds and (2) identify in each such entry the actual prior Expenditures being reimbursed or the fund from which the Expenditures were made; now therefore,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** The City Council hereby adopts the findings set out in the preamble hereof and declares its intent within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended, to issue approximately \$4,500,000.00 principal amount of Obligations, all of which will be used to

**RESOLUTION NO. R2013-164**

pay the costs of the Project or to reimburse the City for the Expenditures paid in connection with the Project prior to the issuance of the Obligations and to pay costs of issuance of the Obligations.

**Section 2.** The City Council hereby adopts the findings set out in the preamble hereof and declares its intent within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended, to issue approximately \$20,500,000.00 principal amount of Bonds, all of which will be used to pay the costs of the Project or to reimburse the City for the Expenditures paid in connection with the Project prior to the issuance of the Bonds and to pay costs of issuance of the Bonds.

**Section 3.** The City Council hereby adopts the findings set out in the preamble hereof and declares its intent within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended, to issue approximately \$17,500,000.00 principal amount of Bonds, all of which will be used to pay the costs of the Project or to reimburse the City for the Expenditures paid in connection with the Project prior to the issuance of the Water/Sewer Bonds and to pay costs of issuance of the Bonds.

**Section 4.** The City will maintain this Resolution at the office of the City at 3519 Liberty Drive, Pearland, Texas 77581 and make it continuously available for inspection by the general public during normal business hours on business days beginning within 30 days after the date of this Resolution.

**RESOLUTION NO. R2013-164**

PASSED, APPROVED and ADOPTED this the 14<sup>th</sup> day of October, A.D., 2013.

  
\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

  
\_\_\_\_\_  
YOUNG LORFING, TRMG  
CITY SECRETARY



APPROVED AS TO FORM:

  
\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

**Exhibit A**

**Description of Expenditures To Be Reimbursed**

<u>PROJECT</u>	<u>BUDGET BONDS</u>	<u>INTENT TO REIMBURSE</u>
<b>CO's</b>		
SCR Trail	38,994	38,994
Green Tee Trail	86,987	86,987
Fire #3	2,822,423	2,822,423
Fire #2	473,460	473,460
CH Complex	372,952	372,952
Hillhouse Phase 2	300,000	150,000
<b>Total CO's</b>	<b>4,094,816</b>	<b>3,944,816</b>

**Exhibit B**

**Description of Expenditures To Be Reimbursed**

<b><u>PROJECT</u></b>	<b><u>BUDGET BONDS</u></b>	<b><u>INTENT TO REIMBURSE</u></b>
<b>PIB</b>		
<b>Drainage</b>		
Cullen Regional Detention	3,708,000	220,000
OTS Drainage	483,000	195,000
Piper Drainage & Sidewalks	114,588	65,000
<b>Total Drainage</b>	<b>4,305,588</b>	<b>480,000</b>
<b>Park Improvements</b>		
Max Road Soccer	2,626,320	2,626,320
Shadow Creek Ranch	6,067,600	4,720,000
Centennial Park	1,373,658	730,000
<b>Total Parks</b>	<b>10,067,578</b>	<b>8,076,320</b>
<b>Street Improvements</b>		
Max Road	190,838	190,838
Fite Road	73,513	73,513
McHard Rd	530,015	300,000
Kirby Dr.	1,226,000	1,226,000
Hughes Ranch Rd	1,065,000	1,065,000
Regency Park Paving	245,161	245,161
CR59 Expansion	2,004,612	2,004,612
<b>Total Streets</b>	<b>5,335,139</b>	<b>5,105,124</b>
<b>Total PIB's</b>	<b>19,708,305</b>	<b>13,661,444</b>

**Exhibit C**

**Description of Expenditures To Be Reimbursed**

<b><u>PROJECT</u></b>	<b><u>BUDGET BONDS</u></b>	<b><u>INTENT TO REIMBURSE</u></b>
<b>W/S Bonds</b>		
McHard Rd 16" Waterline	6,883,997	6,883,997
SH35 WL 518 to Magnolia	1,500,000	1,500,000
Far NW WWTP	6,832,000	1,500,000
Mykawa Scott LS	358,205	358,205
Longwood Service Area	644,190	70,000
West Oaks LS Retirement	143,350	143,350
Oak Brook Estates LS	256,190	50,000
Plnd Heights LS	255,024	75,000
McHard Rd Trunk Sewer	225,745	90,500
Total W/S Revenue Bonds	17,098,701	10,671,052



# City of Pearland, Texas

## Tentative Schedule of Events

June - 2014						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July - 2014						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August - 2014						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

### \$80,390,000\* Permanent Improvement and Refunding Bonds, Series 2014

<u>Date</u>	<u>Action</u>	<u>Role</u>
Monday, June 23 <sup>rd</sup>	Council Meeting to Review Schedule of Events and Adopt a Parameter Order for the Bonds	BOSC, City, AK
Tuesday, June 24 <sup>th</sup>	First Draft of Preliminary Official Statement (POS)	BOSC
Tuesday, July 1 <sup>st</sup>	Second Draft of POS	BOSC, AK, City
Tuesday, July 8 <sup>th</sup>	Final Draft of POS	BOSC, AK, City, UW
Friday, July 11 <sup>th</sup>	Print and Distribute Final POS	BOSC, UW
Week of July 14 <sup>th</sup>	Rating Agency Calls	BOSC, City
Week of July 21 <sup>st</sup>	Pricing of the Permanent Improvement and Refunding Bonds, Series 2014	BOSC, AK, City, UW
Week of August 18 <sup>th</sup>	Bond Closings	BOSC, AK, City, UW

#### PARTICIPANTS

City - City of Pearland, Texas  
 BOSC - BOSC, Inc.  
 AK - Andrews Kurth LLP  
 UW - Underwriters

\* Preliminary, subject to change.



# New Business Item No. 2

- 2. Consideration and Possible Action – Resolution No. R2014-59 –**  
A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into an Amended Lease Agreement for the Pearland Library located in the Shadow Creek Ranch Town Center, and authorizing Library expansion expenditures from the general fund balance. *Mr. Darrin Coker, City Attorney.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> 6-23-14	<b>ITEM NO.:</b> Resolution No. R2014-59
<b>DATE SUBMITTED:</b> 6-9-14	<b>DEPARTMENT OF ORIGIN:</b> Administration
<b>PREPARED BY:</b> Darrin Coker	<b>PRESENTOR:</b> Darrin Coker
<b>REVIEWED BY:</b> NA	<b>REVIEW DATE:</b> NA
<b>SUBJECT:</b> Amended Library Lease	
<b>EXHIBITS:</b> R2014-59 ;Original Lease; Amended Lease	
<b>EXPENDITURE REQUIRED:</b> <b>AMOUNT AVAILABLE:</b> <b>ACCOUNT NO.:</b>	<b>AMOUNT BUDGETED:</b> <b>PROJECT NO.:</b>
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> <b>ACCOUNT NO.:</b> <b>PROJECT NO.:</b>	
<b>To be completed by Department:</b> <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

See attached memo to City Council from the 6-12-2014 Administrative Packet

DARRIN M. COKER  
CITY ATTORNEY  
TELEPHONE (281) 652-1678

JENIFER K. SMITH  
LEGAL SECRETARY  
TELEPHONE (281) 652-1664  
TELECOPIER (281) 652-1679

NGHIEM V. DOAN  
DEPUTY CITY ATTORNEY  
TELEPHONE (281) 652-1665

LAWRENCE G. PROVINS  
ASSISTANT CITY ATTORNEY II  
TELEPHONE (281) 652-1666

KATIE A. LEININGER  
ASSISTANT CITY ATTORNEY I  
TELEPHONE (281) 997-5918

TO: HONORABLE MAYOR AND CITY COUNCILMEMBERS

FROM: DARRIN M. COKER, CITY ATTORNEY

DATE: JUNE 12, 2014

SUBJECT: LIBRARY LEASE AMENDMENT

---

Attached for your review and comment is a draft copy of the proposed Library Lease Amendment (“Amendment”) which is scheduled for consideration on the June 23<sup>rd</sup> agenda. If you recall, the Council previously met in executive session and directed staff to proceed with the Amendment. The proposed terms of the Amendment and schedule are listed below:

- Existing Lease encompasses 6,000 square feet
- Amendment will expand the existing foot print by an additional 4,000 square feet
- The expansion space will be delivered to the City on or before June 30<sup>th</sup>, 2014
- Rent for the expansion space will commence 90 days after the expansion space is delivered to the City and will be paid in the following manner:
  - Commencement date thru 8-31-2017: \$18 psf/ \$72,000 annually
  - 9-1-2017 thru 8-31-2019: \$19 psf/ \$76,000 annually
  - 9-1-2019 thru 9-30-2020: \$20 psf/ \$80,000 annually
  - Renewal Option 1 10-1-2020 thru 9-30-2023: \$22 psf/ \$88,000 annually
  - Renewal Option 2 10-1-2023 thru 9-30-2025: \$23 psf/ \$92,000 annually
- The Common Area Maintenance Payment for the expansion space is estimated to be \$2083 per month
- The Permitted Use of the facility is being amended to allow more flexibility with respect to governmental, educational, informational and civic oriented meetings
- There will be a build-out allowance of \$100,000

- All other terms of the existing Lease will remain in effect
- Funding for the expansion, which will come from the General Fund Balance, is estimated to be \$450,000 and includes the design, build-out and FF&E (\$100,000 will be reimbursed as part of the build-out allowance)
- The schedule includes the design phase which should be complete by July 21<sup>st</sup>. The bid phase should take approximately 2 weeks with the intent to have the bid award on the August 25<sup>th</sup> Council agenda. The scheduled construction is approximately 90 days with completion of the project by the end of the first week in December.

**RESOLUTION NO. R2014-59**

**A Resolution of the City Council of the City of Pearland, Texas, authorizing the City Manager or his designee to enter into an Amended Lease Agreement for the Pearland Library located in the Shadow Creek Ranch Town Center, and authorizing Library expansion expenditures from the general fund balance.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That certain Amended Lease Agreement by and between the City of Pearland and AmREIT SPF Shadow Creek, LP, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

**Section 2.** That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest an Amended Lease Agreement.

**Section 3.** That the general fund balance shall be used to fund the Library Expansion Project.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

**FIRST AMENDMENT OF LEASE**  
(Expansion)

This First Amendment of Lease (this "Amendment") is made and entered into on this the \_\_\_\_ day of \_\_\_\_\_, 2014, by and between AmREIT SPF Shadow Creek, LP, a Delaware limited partnership ("Landlord") and The City of Pearland, a Texas home rule municipality ("Tenant").

RECITALS

A. Whereas, Landlord and Tenant entered into that certain Lease dated November 12, 2012 (the "Lease") relating to approximately 6,000 square feet of floor area in the shopping center known as Shadow Creek Ranch Town Center located at State Highway 288 and FM 518 (Broadway), in Pearland, Brazoria County, Texas; and,

B. Landlord and Tenant now desire to expand the Premises (by adding 4,000 square feet) and amend certain terms of the Lease for the consideration and upon the terms and conditions hereinafter expressed.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby expressly acknowledged, Landlord and Tenant hereby amend the Lease as follows:

1. The Recitals are hereby incorporated herein by reference. Capitalized terms used herein shall have the meanings given to them in the Lease unless otherwise defined herein.

2. Section 1M of the Lease is hereby amended by adding the following to the end of such section: From and after the Expansion Space Delivery Date (as defined herein), the Premises shall be deemed to contain 10,000 square feet and all charges in the Lease that are based upon the square footage in the Premises shall be adjusted accordingly.

3. The adjacent additional 4,000 square feet leased by Tenant pursuant to this Amendment is herein called the "Expansion Space", and is depicted on Exhibit "A" hereto. Except where the context clearly requires otherwise, effective as of the Expansion Space Delivery Date, the Premises shall include the Expansion Space.

4. The "Expansion Space Delivery Date" shall mean the date Landlord delivers possession of the Expansion Space to Tenant in its "AS-IS" condition, with all faults and defects, and shall be on or before June 30, 2014. The "Expansion Space Rent Commencement Date" ("ESRCD") shall mean the date on which Rent shall commence with respect to the Expansion Space and shall be ninety (90) days after the Expansion Space Delivery Date.

5. Base Rent for the Expansion Space shall be as follows:

<u>Period</u>	<u>PSF</u>	<u>Annually</u>	<u>Monthly</u>
ESCRD – 8/31/2017	\$18.00	\$72,000.00	\$6,000.00
9/1/2017 – 8/31/2019	\$19.00	\$76,000.00	\$6,333.33
9/1/2019 – 9/30/2020	\$20.00	\$80,000.00	\$6,666.67
<u>Renewal Option 1:</u>			
10/1/2020 – 9/30/2023	\$22.00	\$88,000.00	\$7,333.33
<u>Renewal Option 2:</u>			
10/1/2023 – 9/30/2025	\$23.00	\$92,000.00	\$7,666.67

6. The initial monthly CAM Payment for the Expansion Space is estimated by Landlord to be \$2,083.33; provided however, the CAM Payment is subject to adjustment from time to time during the Term as provided in the Lease.

7. Section 1L of the Lease is hereby deleted in its entirety and replaced with the following:

L. **“Permitted Use”** – Except as otherwise expressly provided in the third sentence hereof, the Premises shall be used solely and continuously by Tenant for (i) the operation of a public library, and (ii) within such public library, for internal administrative meetings, meetings of the Friends of the Westside Library, meetings of the Pearland Library Board, meetings of Pearland Municipal Management District No. 1, meetings of Pearland Municipal Management District No. 2, meetings of the Lower Kirby Municipal Management District, and educational (i.e. book club), informational and civic meetings. Except for meetings of the (a) Pearland Library Board, (b) Pearland Municipal Management District No. 1, (c) Pearland Municipal Management District No. 2, and (d) Lower Kirby Municipal Management District, meetings conducted on the Premises shall be closed to the general public and not be subject to Chapter 551 of the Texas Government Code (Texas Open Meetings Act); provided however, notwithstanding the foregoing, no meeting shall be conducted within the Premises if Tenant has a reasonable, good faith, basis to believe that such meeting will or might involve any form of public assembly, demonstration (for or against) or protest, anywhere in the Shopping Center, but for no other use or purpose. Tenant shall also be allowed to utilize the Premises as an early voting location for City of Pearland and Brazoria County elections; provided however, Landlord reserves the right, in its sole discretion, to prohibit the use of the Premises as an early voting location if it is determined by Landlord, in its sole discretion, that the use of the Premises as an early voting location is disruptive to any other tenant or occupant of the Shopping Center. In the event Landlord elects to prohibit the use of the Premises as an early voting location, Landlord shall provide Tenant with one hundred twenty (120) days written notice of such prohibition to allow Tenant adequate time to locate an alternate early voting location. Notwithstanding the foregoing Permitted Use, or any term or provision to the contrary in this Lease, in no event shall Tenant sell or offer any item or product, or use the Premises, in violation of the exclusive use and prohibited use provisions set forth in **Exhibit I** hereto.

8. Landlord shall provide Tenant with a cash allowance of One Hundred Thousand and No/100 Dollars (\$100,000.00) (the “Tenant Improvement Allowance”). Tenant shall use the Tenant Improvement Allowance towards improving the Expansion Space with fixtures, paint, floor covering, electrical, and/or plumbing upgrades, and towards incorporating and integrating the Expansion Space with the Premises, all in accordance with plans and specifications that must be approved in writing by Landlord prior the commencement of any such work. Such payment shall be due only upon the occurrence of the following: (i) completion of all improvements to Landlord’s satisfaction, (ii) Landlord’s satisfaction that all bills have been paid to Tenant’s contractors, subcontractors, and professionals, and (iii) Tenant’s fulfillment of its obligation to provide Landlord with a waiver and release of lien from Tenant’s general contractor and subcontractors in accordance with the terms of Exhibit C of the Lease. All construction or alterations to the Expansion Space shall be in accordance with Section 6B and Exhibit C of the Lease. Landlord agrees to pay Tenant the Tenant Improvement Allowance within thirty (30) days following the receipt by Landlord of copies of paid invoices reflecting such expenses and full and complete lien releases executed by all contractors and materialmen providing work and materials for Tenant’s improvements in the Expansion Space.

9. Tenant hereby acknowledges and agrees that, as of the date of its execution of this Amendment, Landlord has fully and properly performed all of Landlord’s covenants, duties, and

obligations under the Lease, and Tenant hereby fully releases, acquits and forever discharges Landlord from any and all liabilities, claims, demands, causes of action, liens, or potential claims or causes of action which Tenant has ever had or could have had, whether now known or unknown, which have arisen or may arise from the beginning of time through the date of the execution of this Amendment.

10. Tenant represents to Landlord that it has dealt with no broker in connection with the negotiation and/or execution of this Amendment. Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit, or obligation arising out of or relating to a claim for a brokerage commission or fee in connection with this Amendment by a party claiming by, through, or under Tenant. The provisions of this paragraph shall survive the termination of the Lease.

11. Except as set forth in this Amendment, the terms and conditions of the Lease are hereby ratified and affirmed, and remain unchanged and in full force and effect.

12. This Amendment may be executed in counterparts, each of which when taken together shall be deemed an original, but all of which shall be deemed for all purposes one and the same instrument. Counterpart signatures may be transmitted by facsimile and such fax signatures will be of full force and effect as if such signatures were originals.

13. Disclaimer. The submission of this document for review does not constitute an option, offer or agreement to lease space. This document shall be effective only upon Landlord's and Tenant's execution and Landlord's delivery of same to Tenant.

TENANT:

**THE CITY OF PEARLAND,**  
a home rule municipality

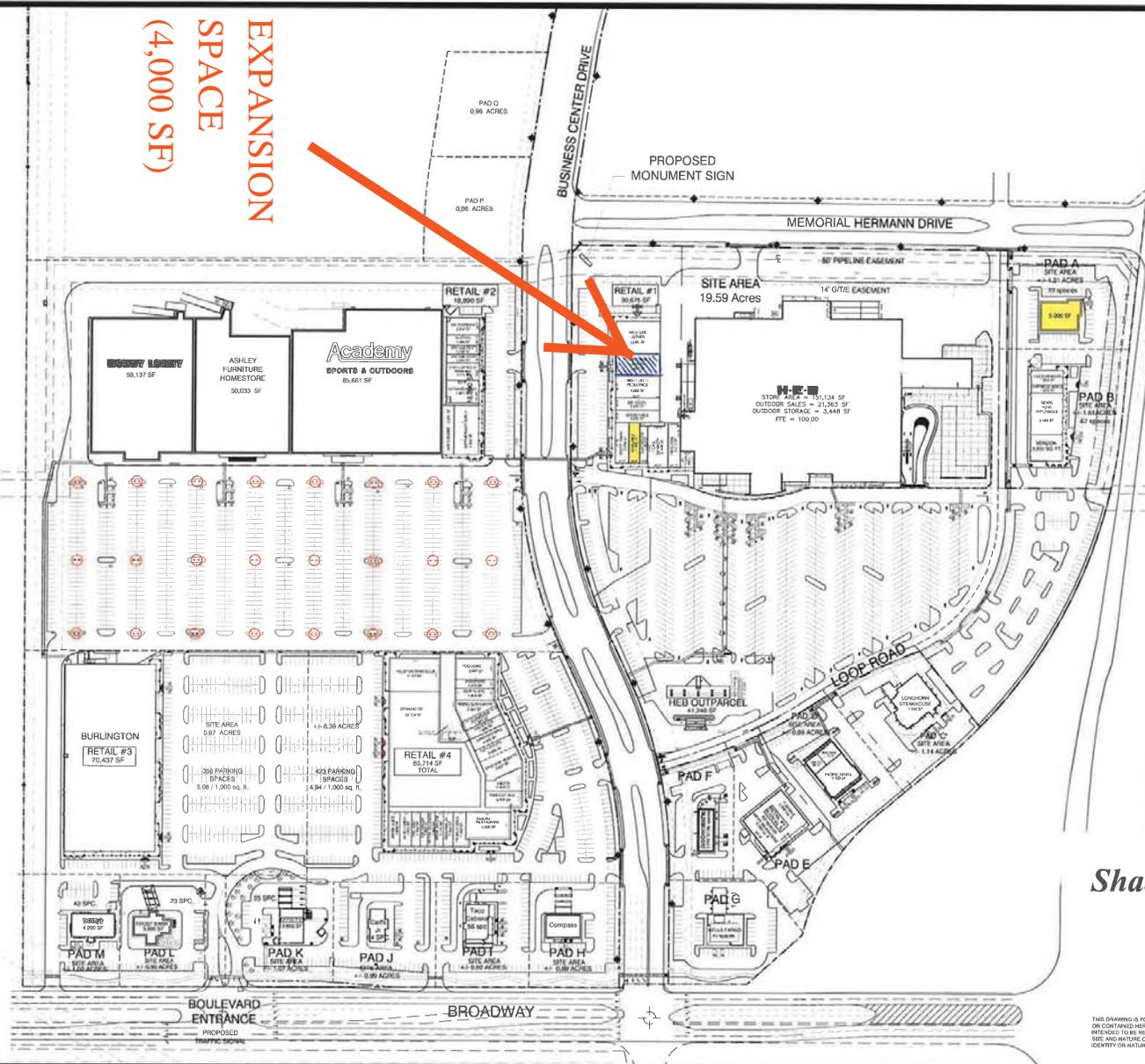
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LANDLORD:

**AMREIT SPF SHADOW CREEK, LP,**  
a Delaware limited partnership  
By: AmREIT SPF Shadow Creek GP, LLC, its general partner  
By: Shadow Creek Holding Company LLC, its Sole Member  
By: AmREIT Shadow Creek Acquisition, LLC, its Managing Member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXPANSION  
SPACE  
(4,000 SF)**



**EXHIBIT "A"**



a master schematic development plan for  
**Shadow Creek Town Center**  
 SITE PLAN  
 May 1, 2014



prepared for  
THIS DRAWING IS FOR PRESENTATION PURPOSES ONLY. ANY AND ALL FEATURES, MATTERS AND OTHER INFORMATION DEPICTED HEREON OR CONTAINED HEREIN ARE FOR ILLUSTRATIVE MARKETING PURPOSES ONLY. ARE SUBJECT TO MODIFICATION WITHOUT NOTICE. ARE NOT INTENDED TO BE RELIED UPON BY ANY PARTY AND ARE NOT INTENDED TO CONSTITUTE REPRESENTATIONS AND WARRANTIES AS TO THE SIZE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED (OR THAT ANY IMPROVEMENTS WILL BE CONSTRUCTED) OR AS TO THE IDENTITY OR NATURE OF ANY OCCUPANTS THEREOF.

**RESOLUTION NO. R2012-121**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A LEASE AGREEMENT FOR THE WESTSIDE LIBRARY.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That certain Lease Agreement by and between the City of Pearland and AmREIT SPF Shadow Creek, LP, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

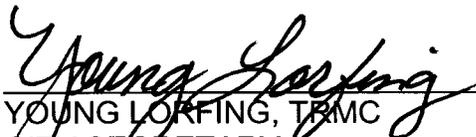
**Section 2.** That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest a Lease Agreement for the Westside Library.

PASSED, APPROVED and ADOPTED this the 1<sup>st</sup> day of October A.D., 2012.



TOM REID  
MAYOR

ATTEST:

  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

  
DARRIN M. COKER  
CITY ATTORNEY



8 Greenway Plaza  
Suite 1000  
Houston, Texas 77046  
Toll-free: 800 888 4400  
Fax: 713 850 0498

November 13, 2012

The City of Pearland  
Attention: Bill Eisen, City Manager  
3519 Liberty Drive  
Pearland, TX 77581

RE: Shadow Creek Ranch Town Center – Pearland, Texas

Ladies and Gentlemen:

Attached for your records is the fully executed Lease between AmREIT SPF Shadow Creek, LP, as Landlord; and The City of Pearland, as Tenant; regarding leased premises in the above-reference shopping center.

Thank you for your assistance in this matter. If you have any questions or need further information, please contact your property manager, Craig Vance, at 713-860-4958, or email [cvance@amreit.com](mailto:cvance@amreit.com).

Yours very truly,

A handwritten signature in black ink that reads "Deb Korkmas".

Deb Korkmas  
Paralegal

LEASE

THIS LEASE (the "Lease") is made as of the 12 day of November, 2012, by and between AmREIT SPF Shadow Creek, LP, a Delaware limited partnership ("Landlord"), and The City of Pearland, a Texas home rule municipality ("Tenant").

The parties hereto, for themselves, their heirs, executors, administrators, legal representatives, successors and assigns, hereby covenant and agree as follows:

1. **DEFINITIONS.** The following terms shall have the meanings hereinafter set forth throughout this Lease:

A. **"Base Rent"** - The base rent payable by Tenant during the Term, as follows:

<u>MONTHS</u>	<u>PSF</u>	<u>ANNUALLY</u>	<u>MONTHLY</u>
1 - 6	\$-0-	\$-0-	\$-0-
7 - 42	\$17.00	\$102,000.00	\$8,500.00
43 - 66	\$18.00	\$108,000.00	\$9,000.00
67 - 90	\$19.00	\$114,000.00	\$9,500.00
<u>Renewal Option 1:</u>			
Years 1 - 3	\$20.50	\$123,000.00	\$10,250.00
<u>Renewal Option 2:</u>			
Years 1 - 2	\$22.00	\$132,000.00	\$11,000.00

B. **"Broker"** - Scott Gardner, Senior Vice-President, UCR moodyrambin Page

C. **"CAM Payment"** - the monthly payment by Tenant for Tenant's Pro Rata Share of CAM Expense. The initial monthly CAM Payment is estimated by Landlord to be \$2,750.00; however, the CAM Payment is subject to adjustment from time to time during the Term.

D. **"Commencement Date"** - the date that this Lease shall commence, being the date Landlord delivers possession of the Premises to Tenant in the condition required herein, estimated by Landlord to be on or before November 1, 2012.

E. **"Common Area"** - the areas of the Shopping Center designated from time to time by Landlord for use in common by tenants, including the surface parking area in front of the Premises.

F. **"Effective Date"** - the date this Lease is duly executed by Landlord and Tenant and Landlord's delivery of same to Tenant.

G. **"Expiration Date"** - the date which is the last day of the ninetieth (90th) full calendar month after the Rent Commencement Date.

H. **"Guarantor"** - N/A.

I. **"Initial Alterations"** - the modifications to the Premises to facilitate Tenant's use of the Premises as approved by Landlord and performed in accordance with Landlord's Construction Requirements outlined in **Exhibit C**. Initial Alterations shall mean only fixtures, paint, wall coverings, floor coverings, electrical, HVAC, and/or plumbing upgrades and shall not include furniture, removable trade fixtures, and/or equipment.

J. **"Land"** - that certain real property on which the Shopping Center is situated, located in the City of Pearland, County of Brazoria, and State of Texas, further defined in **Exhibit A**.

K. **"Landlord's Notice Address"** - 8 Greenway Plaza, Suite 1000, Houston, Texas 77046, Attention: Legal Department, Facsimile Number 713-850-0498.

L. **"Permitted Use"** - Except as otherwise expressly provided in the third sentence hereof, the Premises shall be used solely and continuously by Tenant for (i) the operation of a public library, and (ii) within such public library, for internal administrative meetings, meetings of the Friends of the Westside Library, and meetings of the Pearland Library Board. Except for meetings of the Pearland Library Board, meetings conducted on the Premises shall be closed to the general public and not be subject to Chapter 551 of the Texas Government Code (Texas Open Meetings Act); provided however, notwithstanding the foregoing, no meeting shall be conducted within the Premises if Tenant has a reasonable, good faith, basis to believe that such meeting will or might involve any form of public assembly, demonstration (for or against) or protest, anywhere in the Shopping Center, but for no other use or purpose. Tenant shall also be allowed to utilize the Premises as an early voting location for City of Pearland and Brazoria County elections; provided however, Landlord reserves the right, in its sole discretion, following the May 2013 election, to prohibit the use of the Premises as an early voting location if it is determined by Landlord, in its sole discretion, that the use of the Premises as an early voting location is disruptive to any other tenant or occupant of the Shopping Center. In the event Landlord elects to prohibit the use of the Premises as an early voting location, Landlord shall provide Tenant with one hundred twenty (120) days written notice of such prohibition to allow Tenant adequate time to locate an alternate early voting location. Notwithstanding the foregoing Permitted Use, or any term or provision to the contrary in this Lease, in no event shall Tenant sell or offer any item or product, or use the Premises, in violation of the exclusive use and prohibited use provisions set forth in **Exhibit I** hereto.

M. **"Premises"** - that space shown hatched on the floor plan(s) attached hereto as **Exhibit A-2**, located in the Shopping Center deemed to be 6,000 rentable square feet for the purposes of this Lease.

N. **"Prepaid Rent"** - N/A.

O. **"Property"** - collectively, the Premises, the Land, the Shopping Center and any other building or improvements now or hereafter constructed on the Land, as further defined in **Exhibit A**.

P. **"Rent Commencement Date"** - the date on which Rent shall commence, which shall be the earlier to occur of (i) the date Tenant commences business operations within the Premises or (ii) April 1, 2013. Payment of the CAM Payment will commence on the Rent Commencement Date. For avoidance of doubt, payment of the CAM Payment will commence on the earlier to occur of (i) the date Tenant commences business operations within the Premises or (ii) April 1, 2013.

Q. **"Security Deposit"**- N/A.

R. **"Shopping Center"** - the retail shopping center known as Shadow Creek Ranch Town Center located at State Highway 288 and FM 518 (Broadway), Pearland, Texas, as shown on **Exhibit A-1**, attached hereto.

S. **"Tenant Improvement Allowance"** - \$30.00 per square foot contained in the Premises; for a total of \$180,000.00; payable to Tenant in accordance with **Exhibit C**.

T. **"Tenant's Notice Address"** - 3519 Liberty Drive, Pearland, TX 77581;  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_; email: \_\_\_\_\_.

U. **"Tenant's Pro Rata Share"** - The percentage for allocation of expenses of the Shopping Center to the Premises, which shall be computed by multiplying the whole of the CAM Expenses, including Taxes and Insurance, by a fraction, the numerator of which is the total square footage of floor area of the Premises and the denominator of which is the total square footage of leasable floor area of all buildings on the Property as of the first day of the calendar year to which such CAM Expenses relate; however there shall be excluded from the denominator of such fraction (i) the floor area of non-selling mezzanines (if any), passageways, service corridors, Shopping Center offices, storage areas, utility rooms, sprinkler rooms and other non-selling areas that are not a part of any specific tenant's demised premises; and (ii) the square footage of floor area of any premises with no customer entrance that are not a part of a specific tenant's demised premises.

V. **"Term"** - the period commencing on the Commencement Date and ending on the Expiration Date.

W. **"Trade Name"** - The name utilized by Tenant in its business in the Premises, which is "City of Pearland Public Library".

2. **PREMISES AND TERM.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises located in the Shopping Center for the period commencing on the Commencement Date and ending on the Expiration Date. The Premises shall be used and occupied by Tenant solely for the Permitted Use and for no other purpose without Landlord's prior written consent. Tenant shall execute an Acknowledgment of Delivery upon receipt of keys to the Premises and within ten (10) days after the Rent Commencement Date, Tenant shall execute an acceptance letter in the form of **Exhibit B** annexed hereto (the **"Acceptance Letter"**), however Tenant's failure to execute the Acceptance Letter shall not affect the Commencement Date or the Rent Commencement Date.

### 3. **RENT.**

A. **Base Rent.** Tenant shall pay Landlord monthly installments of Base Rent at the Landlord's Notice Address or at such other place designated by Landlord, monthly, in advance, on the first day of each calendar month during the Term, without notice or demand and without any setoff, abatement or counterclaim. All sums of money required to be paid under this Lease, including Base Rent, the CAM Payment and all other payments required to be made by Tenant hereunder (sometimes collectively referred to herein as **"Additional Rent"**), shall be considered rent (and are sometimes collectively referred to herein as **"Rent"**) whether or not specifically designated as such. If the Rent Commencement Date does not occur on the first day of a calendar month or if the Term does not expire or terminate on the last day of a calendar month, Base Rent and any Additional Rent payable hereunder shall be prorated for such partial month on the basis of a thirty (30) day month.

B. **Additional Rent.** Tenant shall pay to Landlord, as Additional Rent, in the same manner as the Base Rent, Tenant's Pro Rata Share of the CAM Expenses. Further, Tenant shall pay, as Additional Rent, the cost of any additional services provided by Landlord to Tenant that are requested by Tenant in writing.

C. **Late Charges and Returned Checks Fee.** If any installment of Base Rent or Additional Rent or any other payment of Rent under this Lease shall not be paid when due, a Late Charge (**"Late Charge"**) of five cents (\$0.05) per dollar so overdue may be charged by Landlord to defray Landlord's administrative expense incident to the handling of such overdue payments. Each Late Charge shall be payable on demand. In addition to any applicable Late Charge, any payment checks received from Tenant and returned to Landlord from the depository bank marked "not sufficient funds" shall be subject to an additional fee of \$200.00 per check so returned.

### 4. **COMMON AREAS AND EXPENSES.**

A. **Access to Common Areas.** During the Term, Tenant and its customers are entitled to the nonexclusive use (in common with others entitled thereto) of the Common Areas, subject to the terms of this Lease and any rules and regulations promulgated by Landlord. Subject to the terms of this Lease with respect to Tenant's Protected Area (as defined in Section 32), all Common Areas which Landlord elects or is obligated to provide and maintain are subject to the exclusive control and management of Landlord, and Landlord shall have the right from time to time to establish, modify and enforce rules and regulations with respect to all such facilities and areas. Landlord may, in its sole discretion, change the number, restripe, redesign, relocate, or modify the entrances and exits, to and from the parking areas, and the parking spaces. Landlord may change from time to time the dimensions and location of the Common Areas and to construct additional buildings or additional stories on existing buildings or other improvements in the Property. However, Landlord will not rearrange the Common Areas in a way which prohibits access to the Premises or removes substantially all the existing parking spaces in the proximity of the Premises. Tenant shall not conduct, solicit business or display merchandise within the Common Areas, or distribute handbills therein, or take any action which would interfere with the rights of other persons to use the Common Areas. Landlord may temporarily close any part of the Common Areas for such periods of time as Landlord deems necessary to prevent the public from obtaining prescriptive rights, or to make repairs or alterations.

B. **Common Area Maintenance Expenses.** Landlord agrees to operate, maintain and repair the Common Areas throughout the Term. The Shopping Center Common Area operating, maintenance and repair expenses (the "**CAM Expenses**") include the aggregate of all costs and expenses paid or incurred by or on behalf of Landlord, whether structural, non-structural, foreseen or unforeseen, relating to the ownership, maintenance and operation of the Shopping Center, Common Areas, parking facilities, roofing systems, sidewalks, or any other areas related to the Property for which Landlord shall have a repair or maintenance obligation. CAM Expenses shall be determined on an accrual basis in accordance with generally accepted accounting principles consistently applied. Without limiting the generality of the foregoing, CAM Expenses shall include the cost of: (i) replacing and repairing any facilities of the Common Areas, (ii) policing and protecting the Common Area, (iii) cleaning, painting, inspecting, landscaping of the Common Areas, (iv) premiums for worker's compensation and employer's liability insurance, wages, unemployment taxes and social security taxes for all on-site employees at the Property, (v) personal property taxes, licenses and permits levied or chargeable against the Shopping Center, (vi) supplies, sound equipment, electricity, lighting fixtures and bulbs, seasonal and/or holiday decorations for the Shopping Center (vii) rentals paid for equipment rented or leased or used in the operation and maintenance of the Shopping Center, (viii) traffic control, watchman or security service (if Landlord in its sole discretion elects to provide same), (ix) a management fee not to exceed four percent (4%) of the Base Rent and Additional Rent for the management and operation of the Property, (x) fees to Landlord or Landlord's designee for the administrative expense of maintaining the Common Areas and Property as set by Landlord provided that such administrative fees shall not exceed ten percent (10%) of the Total CAM Expenses, (xi) all ad valorem taxes, taxes in lieu of ad valorem taxes (irrespective of what such tax is called, including, without limitation, any tax imposed upon or measured by Landlord's income or profits as part of the same legislation or related series of legislation adopted in the same legislative session, linked to a mandated reduction in real estate ad valorem taxes, whether such mandate is included in the legislation imposing such tax or in any one of the related series of legislation adopted in the same legislative session), and other taxes, fees, assessments and governmental charges levied against or taxing the Property or its operation ("**Taxes**") for any whole or partial tax year or period occurring during the Term, and all costs and expenses directly incurred by Landlord in contesting the validity of, in seeking a reduction in, or in seeking to prevent an increase in any such Taxes or assessments, and (xii) all insurance that Landlord is obligated or deems necessary to carry ("**Insurance**") covering the Shopping Center and the Property. The maintenance and repairs for the Common Areas includes only those repairs and replacements, and the supplies and materials therefor which in Landlord's reasonable judgment, are necessary to enhance and preserve the utility of the Common Areas. Taxes shall include, but not be limited to the tax imposed under Chapter 171 of the Texas Tax Code (the "**Texas Margin Tax**"), which taxes shall be considered imposed as revenues are earned during the measurement period on which the tax is based notwithstanding anything contained herein to the contrary,

whether otherwise belonging to or chargeable against Landlord or Tenant. The Texas Margin Tax shall be presumed to be equal to (i) the ratio of (A) total rents and other amounts paid by Tenant to Landlord during a measurement period on which a Texas Margin Tax report is based to (B) total rents and other related amounts received by Landlord from all Texas tenants during that period multiplied by (ii) the Texas Margin Tax liability incurred by Landlord with respect to total rents and other related amounts received during that period, including the Texas Margin Tax liability of a combined reporting group of which Landlord is a member that is attributable to rents and other related amounts received by Landlord, and where Texas Margin Tax liability is incurred as revenues are earned during the measurement period on which the tax is based.

Notwithstanding anything set forth above to the contrary, CAM Expenses shall not include costs or expenses which properly constitute capital expenditures under generally accepted accounting principles consistently applied; *provided*, however, Landlord may include in CAM Expenses those capital expenditures or other costs or expenses incurred by Landlord (the "**Authorized Capital Expenditures**") relating to, associated with or in connection with Landlord's compliance with applicable laws, rules and regulations, whether now existing or hereafter enacted, specifically including the Americans With Disabilities Act of 1990 (the "**ADA**") and any Life Safety Appendix to any municipal building code (the "**Life Safety Code**") with respect to the Common Areas. The costs of any such Authorized Capital Expenditures shall be amortized on a straight line basis beginning in the year of installation and continuing for the useful life thereof, but not less than ten (10) years, using a per annum interest factor equal to two percent (2%) above the prime rate in effect on the date of installation. The amount of amortization for such Authorized Capital Expenditures shall be included in CAM Expenses for each year to which the amortization relates. Additionally, CAM Expenses shall not include the following: (i) the cost of any work which Landlord performs solely for any other tenants and the costs of any services rendered or costs reimbursed to a tenant which are not generally rendered or reimbursed to other tenants; (ii) the cost of repairs or maintenance costs necessitated by the negligence of Landlord, or its agents, contractors or employees, in the initial construction of the Shopping Center or the Premises or any defect thereof; (iii) legal and other fees, leasing commissions, advertising expenses and other costs incurred in connection with development or leasing of the Shopping Center; (iv) any amounts for which Landlord is reimbursed by insurance or otherwise compensated, including direct reimbursement by any tenant; (v) replacement or repairs covered by construction contracts or contractor's warranties; (vi) expenses relating to vacant or vacated space; (vii) the costs, including without limitation any fees, taxes or costs, for furnishing water, sewer, gas, fuel, electricity, janitor or trash removal service or other utilities or services to those portions of the Shopping Center which are leased to tenants; (viii) the costs of acquiring property and/or new construction or renovation of the Shopping Center or the Premises; (ix) any bad debt or rental loss and any reserves or insurance for such losses; (x) the cost of Landlord's federal, state or local income taxes; (xi) interest or principal payments on any mortgage or deed of trust or any ground lease payments; (xii) reserves for anticipated future expenses; and (xiii) with respect to any personnel costs included by Landlord in CAM Expenses, if such personnel do not work exclusively for the Shopping Center, the portion of such costs equivalent to the percentage of time spent by such personnel on matters other than the Shopping Center.

Notwithstanding the foregoing, for the purposes of calculating Tenant's CAM Payment obligations for each calendar year after the first full calendar year of the Term, the aggregate Controllable CAM Expenses (hereinafter defined) that may be included in CAM Expenses shall not increase by more than five percent (5%) per year, on a cumulative and compounding basis. For avoidance of doubt, Landlord is entitled to the benefit of the full amount of any unused cap room from prior years when calculating the applicable cap amount for the then current year. The term "Controllable CAM Expenses" means only those CAM Expenses within the reasonable control of Landlord, thus excluding insurance premiums, taxes, utilities, security (if any), any costs incurred to comply with applicable laws, and all other costs beyond Landlord's reasonable control. Nothing in this provision shall cap, or otherwise apply to reduce, Tenant's obligations with respect to (i) CAM Expenses which are not Controllable CAM Expenses, for any year, or (ii) Controllable CAM Expenses for the first calendar year of the Term of this Lease.

Tenant agrees to pay, as Additional Rent, Tenant's Pro Rata Share of the CAM Expenses. During the period from the Commencement Date to the end of the first calendar year of the Term, Tenant's monthly payment toward this obligation (individually a "**CAM Payment**" and cumulatively the "**CAM Payments**") shall be in the amount set forth in Section 1 and is payable in advance upon the first day of each calendar month. Thereafter, Tenant shall pay monthly, during the Term, as Additional Rent, one-twelfth (1/12th) of Landlord's estimate of Tenant's CAM Payment for the then-current calendar year. Landlord shall give Tenant written notice of such estimated amounts, and Tenant shall pay such amounts monthly to Landlord at the same time as monthly Base Rent. Following the end of each calendar year, Landlord will submit to Tenant a statement showing CAM Expenses for the preceding calendar year along with a reconciliation of Tenant's estimated payments as compared to Tenant's actual CAM Payment for such calendar year ("**CAM Statement**"). Within thirty (30) days after receipt of a CAM Statement, Tenant shall pay Landlord any additional amounts owed as shown on the CAM Statement. If Tenant's CAM Payments paid to Landlord during the previous calendar year exceeds Tenant's Pro Rata Share of the actual CAM Expense, then Landlord shall credit the difference to Tenant against the next due CAM Payments or refund such amount to Tenant if the Lease Term has expired. Any CAM Payments shall be prorated for any partial calendar year. Tenant's obligation to pay any amounts due under this Section shall survive the Expiration Date or earlier termination of this Lease. Landlord shall retain the right for up to two (2) years after delivery of a CAM Statement to make revisions to such CAM Statement to reflect corrections to the data contained therein. Any additional amounts shown as being owed by the Tenant on such corrected CAM Statement shall be paid within thirty (30) days after receipt thereof. Tenant shall also pay, before delinquency, any taxes levied or assessed upon all of Tenant's leasehold improvements, equipment, furniture, fixtures and other personal property within the Premises.

Landlord shall keep separate books of account and records covering all CAM Expenses for at least one (1) year after the close of each Lease Year. Tenant and its duly authorized representatives shall have the right to audit and inspect Landlord's books and records relating to CAM Expenses only to the extent expressly provided herein. Any such audit (a) shall be conducted at Tenant's sole cost and expense, except as provided otherwise below; (b) shall be conducted only within ninety (90) days after the date Landlord has delivered the CAM Statement to Tenant for any applicable Lease Year; (c) shall concern only one (1) Lease Year; (d) shall be conducted where such records are customarily maintained during regular business hours and upon five (5) business days advance written notice to Landlord; and (e) shall be performed by a certified public accountant applying generally accepted accounting principles and who shall not be employed, engaged, or compensated on a contingency fee basis. If Tenant's audit of such records shall disclose that Tenant's aggregate annual payments on account of CAM Expenses was greater than Tenant's actual Pro Rata Share thereof, Landlord shall, within twenty (20) days after written notice thereof, refund any excess paid by Tenant. If Tenant's audit shall disclose that Tenant's aggregate annual payment was greater than Tenant's actual Pro Rata Share by more than five percent (5%), Landlord shall also pay to Tenant, within five (5) days after written demand from Tenant, the reasonable costs of the audit.

#### 5. **TENANT'S INITIAL ALTERATION.**

Tenant hereby agrees to accept the Premises "AS IS". All costs of the Initial Alterations (including architectural, engineering and supervision fees) shall be paid by Tenant. Landlord agrees to reimburse Tenant the Tenant Improvement Allowance as defined in Section 1 of this Lease. Said Tenant Improvement Allowance shall be due and payable to Tenant pursuant to the terms and conditions outlined in **Exhibit C**.

#### 6. **PREMISES - TENANT MATTERS.**

A. **Condition.** No representations, except as contained herein, have been made to Tenant respecting the condition of the Premises or the Property. **Tenant hereby acknowledges and agrees that Tenant has inspected the Premises and the Property and accepts such Premises and the Property in their "AS IS, WHERE IS" conditions, with all faults and defects.** In addition, Tenant acknowledges and agrees that the

Property and the Premises are suitable for the purposes for which they are being leased. Tenant hereby waives any and all losses, costs, claims or liabilities which Tenant may incur which are in any way related to any change in the condition of the Premises or the Property. The taking of possession of the Premises by Tenant shall constitute Tenant's acknowledgment that the Premises or the Property are in satisfactory condition.

**B. Alterations.** Tenant shall not make any alterations, additions or improvements (collectively, "**Alterations**") to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. If Landlord consents to any Alterations, including the Initial Alterations, to the Premises, such Alterations shall be performed at Tenant's expense by a contractor licensed and insured in the State of Texas and approved by Landlord, and subject to any covenants and conditions required by Landlord, including, without limitation, any construction rules and regulations promulgated by Landlord for the Shopping Center. Tenant shall give Landlord thirty (30) days' prior notice before commencing any Alterations. Tenant shall be responsible for any alterations, additions or improvements required by law to be made by Landlord to or in the Shopping Center as a result of Tenant's proposed Alterations. Upon the Expiration Date or sooner termination of the Term, any Alterations to the Premises, including the Initial Alterations, except movable furniture and trade fixtures, shall become Landlord's property and shall be surrendered with the Premises, unless Landlord directs Tenant to remove its Alterations, whereupon Tenant shall remove same at its expense and restore the Premises to the condition existing prior to such Alterations, normal wear and tear excepted. Tenant shall keep the Premises and the Property free from liens arising out of any work performed on Tenant's behalf and shall not affect any interest of Landlord in the Premises or the Property. Prior to the commencement of any Alterations to the Premises, including the Initial Alterations, Tenant shall deliver to Landlord written acknowledgments from all materialmen, contractors, artisans, mechanics, laborers and any other persons furnishing any labor, services, materials, supplies or equipment to Tenant with respect to the Premises that they will look exclusively to Tenant to obtain payment of all sums due in connection therewith and that Landlord shall have no liability for such costs. All Alterations to the Premises, including the Initial Alterations, made or requested by Tenant shall be at Tenant's sole cost and expense subject to any Tenant Allowance provided for in this Lease. **NOTICE IS HEREBY GIVEN THAT INDEMNITEES ARE NOT AND SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED TO TENANT OR ANYONE HOLDING THE PREMISES, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT LANDLORD'S INTEREST IN THE PREMISES OR THE PROPERTY.**

**C. Maintenance and Repair.** Subject to any specific provisions herein to the contrary, Tenant shall maintain and repair the Premises and preserve same in the condition delivered to Tenant on the Rent Commencement Date, normal wear and tear excepted. Tenant's responsibilities therein include the repair and replacement of all lighting, heating, ventilation and air conditioning ("**HVAC**"), the storefront and all entry doors, plumbing and other electrical, mechanical and electromotive installation, equipment and fixtures and also include all utility repairs in ducts, conduits, pipes and wiring, and any sewer stoppage located in, under and above the Premises. Tenant shall be responsible for repainting and redecorating the Premises, and making repairs, replacements and alterations as needed in a good and workmanlike manner in accordance with the terms herein. In addition, Tenant shall label its computer and telecommunications cabling upon installation of the same and, at Landlord's option shall remove such cabling upon the expiration of the Term or earlier termination of the Lease. Landlord shall repair or replace, at Tenant's expense, any damage to the Property caused by Tenant or Tenant's agents, employees, contractors, invitees or visitors. Upon the expiration of the Term or earlier termination of this Lease, Tenant shall peaceably surrender to Landlord the Premises, broom clean, in the same condition as existed on the Rent Commencement Date, excepting only ordinary wear and tear.

All maintenance and repairs shall be done with materials and equipment of good quality and shall be in accordance with the then existing federal, state and local regulations regarding accessibility, health and safety.

All such repairs and replacements shall constitute a part of the fee estate remainder subject to this Lease, and Tenant's rights, title and interest therein shall be limited to its right of possession and use during the Term.

Tenant shall be solely responsible, at Tenant's expense, to maintain and repair the HVAC unit serving the Premises at all times during the Term. Further, Tenant shall obtain an HVAC maintenance agreement, at Tenant's expense, with a maintenance contractor acceptable to Landlord, which maintenance agreement shall be kept and maintained in effect at all times during the Term of this Lease, and Tenant shall provide Landlord with evidence of such maintenance agreement, upon Landlord's request. Such agreement shall provide that it will not be cancelled or modified without at least thirty (30) days prior written notice to the Landlord. If Tenant shall neglect and/or fail to observe, keep or perform any of its obligations to maintain and repair the Premises in the time and manner provided in this Article and if such neglect and/or failure shall continue for ten (10) days after notice thereof, Landlord shall have the right to perform said maintenance and repairs. In the event Landlord does so perform Tenant's responsibilities for said maintenance and repairs, Landlord shall furnish Tenant a statement of the actual cost thereof which statement shall be immediately payable by Tenant, as Additional Rent.

**D. Utilities.** Tenant shall not install, without Landlord's prior written consent, any equipment in the Premises (i) requiring an electrical current other than 120 volt, single phase, (ii) requiring special circuits or grounding or (iii) singularly consuming more than 1.5 kilowatts at rated capacity per Rentable Square Foot. All installation and maintenance costs of special electrical facilities shall be paid by Tenant, as Additional Rent, upon demand. Tenant shall separately arrange with, and pay directly to, a telephone service provider for the furnishing, installation and maintenance of all telephone services and equipment required by Tenant in the Premises.

Tenant is responsible, at its own expense, for the repair, replacement or relocation of all lines, conduits and pipes under the foundation of the Premises, and for any repairs and replacements caused by damage, stoppage or conditions which are the fault of Tenant, or Tenant's employees, agents, contractors, customers, concessionaires, invitees or licensees. Tenant is responsible for and shall pay, throughout the Term and until the rendering of the final bill, all meter installation charges and other charges for public or private utility and/or sanitary sewer services, including, without limitation, garbage pickup, gas, electricity, water, telephone and other utilities used or consumed in or about the Premises. Tenant shall be solely responsible for and shall pay to Landlord, as Additional Rent, within ten (10) days after receipt of Landlord's statement therefor, all costs and expenses incurred by Landlord, including, without limitation, fines, fees, charges and repair, replacement or installation costs, which result from the acts of Tenant or Tenant's business operations and are incurred by Landlord because of federal, state, county or municipal legislation, rules or regulations relating to environmental control; provided, however, that in the event Tenant is ordered directly by any governmental authority to comply with any such federal, state, county or municipal legislation, rules or regulations, Tenant shall proceed promptly and expeditiously to fully comply with such order and Tenant shall be solely responsible for, and shall bear all costs and expenses incurred in connection with, Tenant's compliance. Landlord is not liable for interruptions or failure in the supply of any such utilities, relocation of any line, lead or service, the relocation of which is required by Tenant's relocation of outlets in the interior of the Premises; maintenance of any lines, pipe or conduit in the interior of the Premises and connected to any such lead, line or service; or interruption of Tenant's business or damage to Tenant's property due to the stoppage or break in or the repair, replacement or relocation of any such lead, line or service.

If water and sewer service is not separately metered to the Premises, Tenant shall pay to Landlord, monthly, as billed, Landlord's good faith estimate of Tenant's share of the cost of water and sewer service furnished on such common water line, including the cost of third-party meter reading and billing services. Landlord reserves the right to require Tenant to install, at Tenant's expense, a water sub-meter if Tenant objects to such billings or if Landlord determines that Tenant uses more than its proportionate share of water compared with other tenants billed on such common water line.

E. **Signs.** Tenant shall have the right, at Tenant's sole cost and expense, to install two (2) signs, (1) one on the outside of each store front of the building in which the Premises are located (the North and West sides). The size, design, and exact location of all signs installed by Tenant shall be mutually agreed upon by Landlord and Tenant and shall be in accordance with the Sign Criteria attached hereto as **Exhibit H**. Tenant shall not, without Landlord's prior written consent, install any exterior or interior window or door sign, or any other type of sign or placard visible from outside the Premises, wherever located. All signs and placards must comply with the sign criteria promulgated by Landlord for the Property and all applicable governmental laws and ordinances. Tenant shall pay all costs of fabrication, installation, and maintenance of all permitted signs and placards. Prior to vacating the Premises, Tenant shall, at its sole cost and expense, remove its sign(s) and placards and restore the surface beneath such signs or placards to the condition existing prior to installation of same.

F. **Use of Premises.** The Premises shall be used and occupied by Tenant solely for the Permitted Use.

7. **PREMISES - LANDLORD MATTERS.**

A. **Utilities.** Landlord agrees to cause to be provided and maintained the necessary mains, conduits and other facilities necessary to supply water, gas, electricity, telephone service and sewerage service to the Shopping Center.

B. **Operation of the Property.** Landlord shall operate and maintain the Property in accordance with the standards generally prevailing in the operation and maintenance of similar retail shopping centers situated in the general vicinity of the Shopping Center and in accordance with all applicable laws and regulations. Landlord is responsible for all capital expenditures for the foundations, structure and roof of the Shopping Center, as determined by Landlord. Landlord shall not be liable to Tenant, its employees, agents, invitees or licensees for damages or in any other way for losses due to any criminal act or for damage caused by unauthorized persons in the Premises or on the Property. Tenant shall reimburse Landlord for the cost of any repairs or maintenance performed by Landlord if caused by the negligence or criminal or willful misconduct of Tenant or its agents, employees, contractors, invitees, licensees, or visitors.

C. **Alterations, Repairs and Changes.** Landlord may do any of the following:

- (1) Make repairs, replacements, changes or additions to the structure, systems, facilities and equipment in the Premises where necessary to service the Premises or other parts of the Property;
- (2) Make changes in or additions to any part of the Property not in or forming part of the Premises;
- (3) Change or alter the location of any areas of the Property which may be designated by Landlord for use during normal business hours by Tenant in common with other tenants and persons in the Shopping Center but under Landlord's exclusive control;
- (4) Grant easement(s) on, over, under and above the Premises or Property;
- (5) Change the Rentable Square Footage of the Premises in order to comply with applicable laws so long as Tenant's use of the Premises is not materially, adversely affected;
- (6) Change the name or numbers of the Shopping Center; and
- (7) Enlarge the Property by constructing improvements on the Land and by including within the Land other adjacent properties owned by Landlord or its affiliates, in which event, all such additions and improvements shall be treated as though they are part of the Property and, at Landlord's option, all CAM expenses, real property taxes and other pro rata payments required of Tenant hereunder shall apply to such additions and improvements.

D. **Entry.** Landlord may enter the Premises at any time in an emergency without notice, or at all reasonable times upon prior notice (which notice may be by telephone) for any purpose permitted hereunder,

including, without limitation, showing the Premises to prospective tenants during the last six (6) months of the Term and showing the Premises to purchasers or lenders and posting notices at any time during the Term. Landlord shall use reasonable efforts to minimize interference with Tenant's conduct of business in connection with Landlord's performance of any work.

## 8. ASSIGNMENT AND SUBLETTING.

A. **Limits.** Tenant shall not (i) assign or otherwise transfer this Lease; (ii) permit the Premises or any part thereof to be used by anyone other than Tenant; or (iii) sublet the Premises or any portion thereof; in each instance without (1) giving Landlord the notice required herein and otherwise complying with the terms hereof and (2) obtaining Landlord's prior written consent. In addition, Tenant shall not mortgage or encumber this Lease without Landlord's prior written consent, which may be withheld in its sole discretion. For the purposes of this Section, the transfer or issuance of stock ultimately resulting in ownership of a majority of the issued and outstanding capital stock of any corporate tenant or subtenant, or the transfer of a majority of the total interest in any partnership tenant or subtenant shall be an assignment of this Lease or such sublease, as the case may be; provided, however, that the transfer of the outstanding capital stock of any corporate tenant or subtenant shall not include the sale of such stock by persons or parties through the "over-the-counter market" or through any recognized stock exchange, other than by a "control person" within the meaning of the Securities Exchange Act of 1934, as amended. The provisions of this Section shall not apply to transactions (x) with a corporation into or with which Tenant is merged or consolidated or to which substantially all of Tenant's assets are transferred, or (y) with any entity controlling, controlled by, or under common control with Tenant; provided that, in each case, Tenant's successor has a net worth computed in accordance with generally accepted accounting principles at least equal to the net worth of Tenant herein named on the date of this Lease and Landlord shall have received satisfactory proof of such net worth at least thirty (30) days prior to the effective date of such transaction.

B. **Landlord's Option.** If Tenant desires to assign this Lease or sublet all or part of the Premises, then, at least thirty (30) days, but not more than one hundred twenty (120) days, prior to the date when Tenant desires an assignment or subletting to be effective (the "**Transfer Date**"), Tenant shall give Landlord a written notice ("**Tenant's Notice**") stating the name, address and business of the proposed assignee or sublessee, detailed financial statements for the proposed assignee or sublessee (including its most recent audited balance sheet and income statement), the number of rentable square feet proposed to be sublet, the Transfer Date, the fixed rent and/or other consideration, written consent from such proposed assignee or sublessee to a credit check and any other information Landlord may require. Tenant shall reimburse Landlord for Landlord's reasonable out-of-pocket expenses incurred in connection with Tenant's request for such consent. Tenant's Notice shall be deemed to be an offer (a) to terminate the Lease in the case of a proposed assignment or a sublease of all or substantially all of the Premises, or (b) in the case of a proposed sublease of less than all or substantially all of the Premises, to eliminate from the Premises such portion of the Premises which Tenant proposes to sublease as of the Transfer Date (the "**Eliminated Space**"). If Landlord elects to terminate this Lease pursuant to the provisions of clause (a) of this Subsection (B), Tenant's obligations hereunder shall cease as of the date of termination, provided that Tenant shall not be relieved of any obligations that have accrued prior to the date of termination. Upon a surrender of the Eliminated Space, Tenant's obligations with respect to the Eliminated Space shall cease as of the date of surrender of the Eliminated Space, provided that Tenant shall not be relieved of any obligations that have occurred prior to the date of surrender. In addition, the Base Rent shall be reduced as of the Transfer Date by an amount equal to the lesser of (1) the product of (xx) the Base Rent, and (yy) a fraction, the numerator of which is the number of rentable square feet in the Eliminated Space and the denominator of which is the number of rentable square feet in the Premises, or (2) the proposed base or fixed rent which would have been payable pursuant to the proposed sublease. Further, the CAM Payment shall be proportionately reduced as of the Transfer Date to reflect the deletion of the Eliminated Space from the Premises. If Landlord elects a surrender of the Eliminated Space, Landlord, at Tenant's expense, may make such alterations as Landlord deems necessary to physically separate the Eliminated Space from the

balance of the Premises. Tenant shall pay all costs associated with this elimination and execute all necessary documentation required in connection with any such termination or surrender.

C. **Conditions to Assignment or Subletting.** If Landlord does not exercise the option provided pursuant to Subsection (B) above within thirty (30) days after Landlord's receipt of Tenant's Notice, and Tenant is not in default hereunder as of the time of Landlord's consent and as of the Transfer Date, Landlord's consent to the proposed assignment or subletting set forth in Tenant's Notice shall not be unreasonably withheld, provided, and each assignment or subletting will be subject to the following:

- (1) the proposed assignee or sublessee: (i) continues to use the Premises for the Permitted Use in a manner consistent with the standards for the Property; (ii) does not violate any covenants contained in any other lease or agreement affecting Landlord or the Property; (iii) is not entitled to diplomatic or sovereign immunity; (iv) is a reputable entity with sufficient credit worthiness considering the obligations of Tenant hereunder; (v) assumes all obligations of Tenant under the Lease for the Premises or the Eliminated Space; and (vi) satisfactory proof of the foregoing is delivered to Landlord;
- (2) the assignment or sublease is on the same terms set forth in Tenant's Notice;
- (3) Landlord has received a copy of the sublease or assignment and assumption agreement pursuant to which such assignee or sublessee assumes and agrees to be bound by all of the covenants and conditions of this Lease; and
- (4) no assignee or sublessee has a right to further assign or sublet.

D. **Effect of Assignment or Subletting.** Tenant shall not be released from its obligations hereunder as a result of any assignment or subletting, and the Tenant named herein and any assignee or sublessee of such Tenant who assumes the obligations of the named Tenant under this Lease, from and after an assignment, shall be jointly and severally liable for performance of all of Tenant's obligations under this Lease. Tenant shall promptly pay to Landlord as and when received any rent and other sums paid by an assignee or sublessee in connection with an assignment or sublease which exceeds the Rent provided for in this Lease (allocated on a per square foot basis).

E. **Assignment Processing Fee.** In the event that Tenant desires to either assign this Lease or sublet the Premises as permitted by this Section, then Tenant shall pay to Landlord, on or before the effective date of any such assignment or sublease, a fee in the amount of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) (the "Assignment Processing Fee") to cover Landlord's costs and expenses in administering such assignment or sublease.

## 9. TENANT'S INSURANCE.

A. **Required Insurance.** Tenant shall maintain throughout the Term, at its expense:

- (1) Commercial general liability insurance on an occurrence basis providing coverage for bodily injury (including death), property damage, personal injury, and products liability (where such exposure exists) with a combined single limit of at least One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate for all occurrences within each policy year.
- (2) Property insurance (all risk—special form) including flood covering Tenant's personal property, fixtures, furniture, merchandise, equipment and all leasehold improvements equal to the replacement value with Agreed Amount Endorsement or No Coinsurance and containing the waiver of subrogation required in this Section; and
- (3) State worker's compensation insurance in statutorily mandated limits and employer's liability insurance with limits of at least \$1,000,000 each accident, \$1,000,000 each person for disease and \$1,000,000 aggregate for disease.

B. **Requirements for Tenant's Insurance.**

- (1) The policies (with the exception of worker's compensation insurance to the extent not available under statutory law and business interruption insurance) shall name Landlord and any party designated by Landlord as an additional insured as their respective interests may appear. With respect to property damage coverage, such policies shall provide that any loss shall be payable to Landlord and any additional insured as their respective interests may appear;  
(2) Tenant shall deliver original certificates of all such policies prior to the Rent Commencement Date and each anniversary date thereafter, which shall provide that no cancellation or non-renewal of such policies shall be effective without thirty (30) days prior written notice from the insurer to Landlord; and
- (3) Landlord and Tenant shall each, in their respective insurance policies, obtain a waiver of subrogation or consent to a waiver of right of recovery against the other party, and each hereby agrees that it will not make any claim against or seek to recover from the other party for any loss or damage covered by such fire and extended coverage insurance. Landlord shall not be required to carry insurance on any leasehold improvements within the Premises, alterations or Tenant's fixtures, furnishings, equipment or other property or business interruption insurance. Tenant shall not do any act or thing in the Premises or at the Property or store anything therein which will adversely affect any insurance policies covering the Property and Tenant shall promptly reimburse Landlord for all increases in Landlord's fire insurance premiums attributable to such acts or omissions.

#### 10. EMINENT DOMAIN.

- A. **Total Taking.** If all of the Premises are taken by a public authority pursuant to the exercise of the power of eminent domain, this Lease shall terminate on the date on which the condemning authority takes possession of the Premises ("**Date of Taking**").
- B. **Substantial Taking.** If more than one-third (1/3) of the rentable square feet in the Premises is taken, either Landlord or Tenant may terminate this Lease by written notice to the other within thirty (30) days after the Date of Taking and this Lease shall terminate on the last day of the month immediately following the month in which notice is given.
- C. **Taking Requiring Substantial Alterations.** If part of the Property is taken such that, in Landlord's opinion, substantial alteration of the Property is necessary, whether or not the Premises are affected, Landlord may terminate this Lease by thirty (30) days prior written notice to Tenant.
- D. **Effect of Taking Without Termination.** Upon a partial taking which does not result in a termination of this Lease: (i) Base Rent and Additional Rent shall be adjusted to reflect the reduced number of rentable square feet in the Premises; and (ii) Landlord shall restore the Premises, but only to the extent of funds available to Landlord from the consideration paid for such taking. Landlord shall not be obligated to replace or restore any Alterations, or any of Tenant's leasehold improvements, personal property, furniture, fixtures or equipment.
- E. **Awards.** Upon any taking, Landlord shall be entitled to any resulting damages, awards or any interest therein, and Tenant shall have no claim for the value of any unexpired term of the Lease or otherwise. Tenant may independently claim for the value of its furniture, fixtures and equipment or moving expenses, provided that such claim shall not diminish Landlord's claim.

11. **CASUALTY.**

A. **Notice.** Tenant shall give Landlord immediate written notice of any damage to the Premises by fire or other casualty.

B. **Landlord's Right to Terminate.** Landlord may, within one hundred eighty (180) days after fire or other casualty to the Shopping Center, give Tenant notice of termination of this Lease, and the Term shall expire ten (10) days after such notice is given effective as of the date of the casualty if:

- (1) the Premises are significantly damaged or rendered wholly untenable by fire or other casualty;
- (2) Landlord's architect certifies that the damage to the Shopping Center or Property cannot be repaired within ninety (90) days after the date of notice;
- (3) more than 25% of the insurance proceeds are retained by the lessor under any underlying lease or the holder of any Mortgage; or
- (4) the Shopping Center is damaged to an extent which precludes Landlord from providing Landlord's Services for more than ninety (90) days.

C. **Repairs.** If the Lease is not terminated, Landlord shall repair the Premises, but only to the extent of the insurance proceeds actually paid to Landlord. Landlord's obligations to restore are strictly limited to the replacement of the basic building area and Landlord shall not be obligated to restore any leasehold improvements, Alterations, personal property, furniture, fixtures or equipment. If Landlord does not substantially complete restoration of the Premises within one (1) year after the date of such fire or other casualty, Tenant may terminate this Lease by delivering a notice of termination to Landlord within ten (10) days after the expiration of such one (1) year period, time being of the essence. If Tenant has timely delivered such notice, this Lease shall automatically terminate as of the thirtieth (30th) day after the giving of the notice, unless the restoration of the Premises has been substantially completed within such thirty (30) day period.

D. **Abatement of Rent.** Rent shall abate for the portion of the Premises which is untenable until repairs are substantially completed. If the Premises are wholly untenable, all Rent shall abate until the Premises (excluding leasehold improvements, Alterations, personal property, furniture, fixtures and equipment) are repaired.

E. **End of Term.** The foregoing notwithstanding, if any fire or other casualty occurs within the last twelve (12) months of the Term, Landlord may give notice to Tenant within thirty (30) days after the date of such fire or other casualty of termination of this Lease and the Lease term shall expire effective with the date of fire or other casualty.

12. **INDEMNIFICATION AND WAIVER.**

A. **TENANT INDEMNIFICATION OF LANDLORD.** TO THE EXTENT ALLOWED BY LAW, TENANT SHALL DEFEND, INDEMNIFY AND HOLD LANDLORD AND ITS PARTNERS, THEIR OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS AND AGENTS (COLLECTIVELY, THE "INDEMNITEES") HARMLESS FROM AND AGAINST ANY AND ALL DEMANDS, CAUSES OF ACTION, JUDGMENTS, COSTS, EXPENSES, LOSSES, DAMAGES, CLAIMS, OR LIABILITY FOR ANY DAMAGE TO ANY PROPERTY OR INJURY, ILLNESS OR DEATH OF ANY PERSON (A) OCCURRING IN THE PREMISES AT ANY TIME FROM ANY CAUSE WHATSOEVER CAUSED IN WHOLE OR IN PART BY ANY ACT OR OMISSION OR WILLFUL OR CRIMINAL MISCONDUCT OF TENANT OR ANY EMPLOYEE, CONTRACTOR, LICENSEE, INVITEE, VISITOR, OR AGENT OF TENANT; (B) OCCURRING IN OR ON THE PROPERTY OTHER THAN THE PREMISES, WHEN SUCH DAMAGE, INJURY, ILLNESS OR DEATH SHALL BE CAUSED IN WHOLE OR IN PART BY ANY ACT OR OMISSION OR WILLFUL OR CRIMINAL MISCONDUCT OF TENANT OR ANY

EMPLOYEE, CONTRACTOR, LICENSEE, INVITEE, VISITOR, OR AGENT OF TENANT; (C) ARISING OUT OF OR IN ANY WAY RELATED TO CLAIMS FOR LABOR PERFORMED OR MATERIALS FURNISHED TO TENANT OR THE PERFORMANCE OF ANY WORK DONE BY OR FOR THE ACCOUNT OF TENANT, WHETHER OR NOT TENANT OBTAINED LANDLORD'S PERMISSION TO HAVE SUCH WORK DONE, LABOR PERFORMED OR MATERIALS FURNISHED; OR (D) ARISING OUT OF OR IN ANY WAY RELATED TO ANY BREACH OF A COVENANT OR CONDITION IN THIS LEASE TO BE PERFORMED BY TENANT. THE PROVISIONS OF THIS SUBSECTION SHALL SURVIVE THE EXPIRATION DATE OR SOONER TERMINATION OF THIS LEASE.

B. **WAIVER OF CLAIMS.** TO THE EXTENT ALLOWED BY LAW, THE INDEMNITEES SHALL NOT BE LIABLE FOR ANY CLAIMS WITH RESPECT TO (A) ANY DEATH OR INJURY SUFFERED BY TENANT OR ANY EMPLOYEE, CONTRACTOR, LICENSEE, INVITEE, VISITOR, AGENT OR CUSTOMER OF TENANT (EACH, A "TENANT PARTY") OR ANY OTHER PERSON, FROM ANY CAUSES WHATSOEVER (B) ANY LOSS OR DAMAGE OR INJURY TO ANY PROPERTY OUTSIDE OR WITHIN THE PREMISES BELONGING TO TENANT, ANY TENANT PARTY OR ANY OTHER PERSON. IN ADDITION, INDEMNITEES SHALL NOT BE LIABLE FOR INTERFERENCE WITH ANY UTILITY, SERVICE, VENTILATION OR ANY LATENT DEFECT IN THE PREMISES, OR ANY LOSS OR DAMAGE FOR WHICH TENANT IS REQUIRED TO INSURE OR RESULTING FROM ANY CONSTRUCTION, ALTERATIONS OR REPAIR REQUIRED OR PERMITTED TO BE PERFORMED BY TENANT HEREUNDER.

C. **TENANT SPECIFICALLY ACKNOWLEDGES THAT LANDLORD AND/OR INDEMNITEES HAVE NO DUTY TO PROVIDE SECURITY FOR ANY PORTION OF THE SHOPPING CENTER, INCLUDING, WITHOUT LIMITATION THE PREMISES AND THE COMMON AREA, AND TENANT HEREBY AGREES TO ASSUME SOLE RESPONSIBILITY AND LIABILITY FOR THE SECURITY OF ITSELF AND ITS EMPLOYEES, AGENTS, CONTRACTORS, CUSTOMERS, CONCESSIONAIRES, SUBTENANTS, INVITEES AND LICENSEES AND THEIR RESPECTIVE PROPERTY, IN, ON OR ABOUT THE SHOPPING CENTER, INCLUDING WITHOUT LIMITATION THE PREMISES AND THE COMMON AREA. NOTWITHSTANDING ANY TERM OR PROVISION TO THE CONTRARY HEREIN, TENANT EXPRESSLY ACKNOWLEDGES AND AGREES THAT TO THE EXTENT LANDLORD AND/OR INDEMNITEES ELECT TO PROVIDE ANY SECURITY, LANDLORD AND/OR INDEMNITEES ARE NOT WARRANTING THE EFFICACY OF ANY SUCH SECURITY PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT AND THAT TENANT IS NOT RELYING AND SHALL NOT HEREAFTER RELY ON ANY SUCH PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT. LANDLORD AND/OR INDEMNITEES SHALL NOT BE RESPONSIBLE OR LIABLE IN ANY MANNER FOR FAILURE OF ANY SUCH SECURITY PERSONNEL, SERVICES, PROCEDURES OR EQUIPMENT TO PREVENT OR CONTROL, OR APPREHEND ANY ONE SUSPECTED OF, PERSONAL INJURY OR PROPERTY DAMAGE IN, ON OR AROUND THE SHOPPING CENTER.**

13. **COMPLIANCE WITH LAWS AND RULES.**

A. **Property Rules.** Tenant shall comply with the rules and regulations for the Property established by Landlord (the "Rules and Regulations"), a copy of which are attached as **Exhibit D**. The Rules and Regulations may be amended by Landlord in any reasonable manner, from time to time and at any time, by notice to Tenant. Tenant's failure to comply with the revised Rules and Regulations within two (2) business days after notice from Landlord shall constitute an Event of Default.

B. **Applicable Laws.** Tenant, at its expense, shall comply with all laws, orders and regulations and with any related directive with respect to the Premises or the Property or the use or occupancy thereof ("**Applicable Laws**"), including, without limitation, Fire/Life Safety laws, Environmental Law (as defined herein) and any

easement agreements, deed restrictions, restrictive covenants and similar encumbrances now or hereafter affecting the Premises and/or the Property. Tenant shall directly pay any fines or penalties resulting from Tenants noncompliance with Applicable Laws.

C. **ADA/Architectural Barriers.** Landlord shall maintain the Common Areas in compliance with Title III of the Americans with Disabilities Act of 1990, the Texas Architectural Barriers Act and all regulations promulgated thereunder (the "Acts"). If alterations to the Common Areas are required in order to comply with the Acts as a result of Tenant's changes or Alterations within the Premises or Tenant's use of the Premises, the cost thereof shall be paid by Tenant within twenty (20) days after demand by Landlord. Tenant shall maintain the Premises in compliance with the Acts at its cost and expense.

D. **Environmental Law.** "Environmental Law" shall mean any governmental law or statute, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect relating in any way to the environment, health, safety or any substances, materials or wastes regulated by any governmental authority including medical wastes ("Hazardous Materials"). The Tenant Parties shall comply with Environmental Law in its use of the Premises and Property. The Tenant Parties shall not use or store any Hazardous Materials in the Premises except for small quantities of chemicals typical to household or office use which are stored in accordance with Environmental Laws. Tenant shall provide Landlord with copies of all communications regarding the Premises from any governmental agency relating to any Environmental Law or any person with respect to any claim or violation relating to any Environmental Law (each, an "Environmental Claim"). To the extent allowed by law, Tenant shall defend, indemnify and hold harmless the Indemnitees from and against all obligations, losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses (including attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may be incurred by, or asserted against, the Indemnitees resulting from (a) the actual or alleged presence of Hazardous Materials on the Premises or in the Property which is caused or permitted by the Tenant Parties (b) any Environmental Claim relating to the operation or use of the Premises or the Property by a Tenant Party (c) the Tenant Parties' violation of the Rules and Regulations (d) the Tenant Parties' failure to comply with the Acts and (e) the Tenant Parties failure to comply with the Applicable Laws. The provisions of this Section shall survive the Expiration Date or sooner termination of this Lease.

E. **Tenant Indemnification of Landlord.** To the extent allowed by law, Tenant shall defend, indemnify and hold harmless the Indemnitees from and against all obligations, losses, claims, suits, judgments, liabilities, penalties, damages, costs and expenses (including attorneys' and consultants' fees and expenses) of any kind or nature whatsoever that may be incurred by, or asserted against, the Indemnitees resulting from (a) violation of any Landlord promulgated rules and regulations by the Tenant Parties, (b) the Tenant Parties failure to comply with the Acts or (c) The Tenant Parties failure to comply with the Applicable Laws. The provisions of this Section shall survive the Expiration Date or sooner termination of this Lease.

#### 14. **QUIET ENJOYMENT AND SUBORDINATION.**

A. **Quiet Enjoyment.** Landlord covenants and agrees that, upon Tenant's performance of all the terms, covenants and conditions hereof on Tenant's part to be performed, Tenant shall enjoy the Premises, subject and subordinate to the terms, covenants and conditions of this Lease.

B. **Subordination.** This Lease is subject and subordinate to:

- (1) any easement agreements, restrictive covenants, deed restrictions and similar encumbrances;
- (2) all ground and underlying leases;
- (3) any mortgage, deed of trust or deed to secure debt now existing or that may be granted in the future (each, a "Mortgage"); and

- (4) any renewals, modifications, extensions, replacements, and substitutions of any of the foregoing, now or hereafter affecting the Premises and/or the Property.

This provision shall be self-operative and no further instrument of subordination shall be required, but Tenant shall execute and deliver an instrument, at Landlord's option and upon Landlord's request, either in the form of **Exhibit F** or on the form(s) required by any mortgagee within 10 days of Tenant's receipt of such form. Upon refinancing, Tenant shall execute reasonable subordination agreements with any new lender in a form substantially equivalent to **Exhibit F**, with such changes as may be reasonably required by a new lender.

15. **EVENTS OF DEFAULT.** In addition to any other event specified in this Lease as an event of default, the occurrence of any one or more of the following events during the Term (each, an "**Event of Default**") shall constitute a breach of this Lease by Tenant and Landlord may exercise the rights set forth hereinafter or as otherwise provided at law or in equity:

A. Landlord shall not have actually received any sum payable hereunder when due, and such amount shall remain unpaid for a period of five (5) days after written notice from Landlord to Tenant; provided however, that Landlord shall not be required to provide written notice more than two (2) times in any consecutive twelve (12) month period; or

B. A Tenant Party fails to perform or violates any of the other covenants, terms or conditions of this Lease to be performed by Tenant (other than any monetary default), and, unless expressly provided elsewhere in this Lease that Tenant shall have no or lesser notice and/or opportunity to cure such default, such default shall continue for twenty (20) days after written notice thereof from Landlord to Tenant; provided however, if such default cannot reasonably be cured within such twenty (20) day period, Tenant shall be allowed additional time to cure such default so long as: (i) Tenant commences to cure the default within the twenty (20) day period, and (ii) Tenant diligently and continuously pursues a course of action that will cure the failure and bring Tenant back into compliance with this Lease; or

D. Any portion of the Premises shall be effectively vacated or abandoned by Tenant or Tenant fails to continuously operate from the Premises; or

E. A mechanic's or any other lien is filed against the Premises or the Property arising out of any work performed by or on behalf of Tenant and Tenant fails to discharge such lien within thirty (30) days after the filing thereof.

16. **LANDLORD'S REMEDIES.**

A. **Alternative Remedies.** Upon the occurrence of an Event of Default, Landlord may pursue any one or more of the following remedies without notice or demand whatsoever, in addition to, or in lieu of, any remedies available to Landlord under the laws of the state of Texas:

(1) Landlord may give Tenant written notice of its election to terminate but not forfeit this Lease, whereupon Tenant's right to possession of the Premises shall cease on the day specified therein, and this Lease, except as to Tenant's liability determined hereinafter, shall be terminated;

(2) Landlord and its agents may immediately re-enter and take possession of the Premises, or any part thereof, either by summary proceedings, or by any other applicable action or proceeding, or by force or otherwise and may repossess same and expel Tenant and remove its effects without being deemed guilty in any manner of trespass, and without prejudice to any remedies for arrears of rent or Tenant's breach of covenants or conditions;

(3) If Landlord elects to re-enter as provided herein, or if Landlord takes possession pursuant to legal proceedings or otherwise, Landlord may, without terminating this Lease, relet the Premises or any part thereof in Landlord's or Tenant's name and at Tenant's sole cost, but for Tenant's account, for such terms and on such conditions as Landlord, in its sole discretion, may determine, and, whether or not Landlord elects to terminate this Lease, Landlord may collect and receive the rents thereof without affecting Tenant's liability hereunder. Landlord shall have no obligation to relet the Premises and shall not be liable for failure to relet the Premises or, upon any such reletting, for failure to collect any rent due upon such reletting, and no such failure shall affect Tenant's liability under this Lease. If the Premises, or any part thereof, shall be relet together with other space in the Property, the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned. Tenant shall not be entitled to any rents collected or payable under any reletting, whether or not such rents shall exceed the Rent reserved in this Lease. Landlord's re-entry or repossession of the Premises shall not be construed as a termination of the Lease unless a written notice of such intention is given to Tenant. No notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically states. Landlord reserves the right following any such re-entry and/or reletting to terminate this Lease by giving Tenant written notice thereof; and

(4) Landlord may enter upon the Premises by use of a master key or other peaceable means, and change, alter, and/or modify the door locks on all entry doors of the Premises, thereby excluding Tenant, and its agents, employees, representatives and invitees therefrom without being liable for prosecution or any claim of constructive eviction or for damages of any kind, and such re-entry shall not release Tenant, in whole or in part, from Tenant's obligations under this Lease. In the event that Landlord has either terminated Tenant's right of possession or terminated this Lease by reason of Tenant's default, Landlord shall not thereafter be obligated to provide Tenant with a key to the Premises at any time, regardless of any amounts subsequently paid by Tenant; provided, however, at Landlord's option during Landlord's normal business hours and at the convenience of Landlord, and upon receipt of written request from Tenant accompanied by such written waivers and releases for damage to Tenant's property and business as Landlord may require, Landlord may either (i) escort Tenant to the Premises to retrieve any personal effects or other property of Tenant, or its employees not subject to the Landlord's Liens described hereinafter, or (ii) obtain a list from Tenant of its personal effects which are not covered by said Landlord's Lien, whereupon Landlord shall remove such property and make the same available to Tenant at a time and place designated by Landlord. However, no such property shall be removed from the Premises until such time as Tenant furnishes to Landlord documentary evidence satisfactory to Landlord that such property is not subject to said Landlord's Lien. Also, Tenant shall pay to Landlord upon demand all moving, remodeling, brokerage, and/or storage charges theretofore incurred by Landlord with respect to such property. If Landlord elects to exclude Tenant from the Premises without permanently repossessing the Premises or terminating this Lease, then Landlord shall not be obligated to provide Tenant a key to reenter the Premises until such time as all delinquent Base Rent and Additional Rent due under this Lease have been paid in full and all other defaults, if any, have been completely cured to Landlord's satisfaction and Landlord has been given assurance reasonably satisfactory to Landlord evidencing Tenant's ability to satisfy its remaining obligations under this Lease.

B. **Re-entry.** Tenant waives the service of any notice of intention by Landlord to re-enter or to institute legal proceedings to that end which may otherwise be required under law. Tenant, on its own behalf and on behalf of all persons claiming through Tenant, including all creditors, further waives any rights which Tenant and all such persons might otherwise have under any law to redeem the Premises, or to re-enter or repossess the Premises, or to restore the operation of this Lease, after (i) Tenant shall have been dispossessed by a judgment or by warrant of any court or judge, or (ii) any re-entry by Landlord, or (iii) any expiration or termination of this Lease and the Term, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. The words "re-enter", "re-entry" and "re-entered" as used herein shall not be restricted to their technical legal meanings. Upon a breach or threatened breach by Tenant, or any persons claiming through Tenant, of any term, covenant or condition of this Lease to

be performed by Tenant, Landlord may enjoin such breach and invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this Lease for such breach.

C. **Rent.** Even though an Event of Default has occurred, this Lease shall continue in effect and Landlord may terminate Tenant's right to possession, and enforce its rights and remedies hereunder, including, without limitation (i) recovering Base Rent and any Additional Rent as it becomes due hereunder, (ii) engaging in acts of maintenance or preservation or efforts to relet the Premises or (iii) appointing a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease. If Tenant fails to perform any act or make any payment required of Tenant hereunder (other than monthly Base Rent), Landlord may, without waiving Tenant's performance of its obligations hereunder, make such payment or perform such act on Tenant's behalf. All costs incurred by Landlord in taking such action shall be deemed Additional Rent and shall be paid to Landlord on demand. Tenant shall reimburse Landlord for all expenses incurred by Landlord (including attorneys' fees and disbursements), by reason of any failure to perform or violation by any Tenant Party of any covenant or provision of this Lease. In addition, all amounts payable hereunder which remain unpaid for five (5) days after their respective due dates shall bear interest from the date that the same became due and payable through and including the date of payment, whether or not demand is made therefor, at the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum legal interest rate allowed by the state in which the Property is located.

17. **LANDLORD'S LIEN AND SECURITY INTEREST.** To secure the payment of all rent that may become due to Landlord under the terms of this Lease, Tenant grants to Landlord an express, valid, preference security interest upon all the goods, wares, merchandise, furniture, fixtures, machinery, equipment and all other personal property of Tenant in the Premises or that may be placed or kept therein during the Term, and this express security interest shall not be construed as a waiver of the statutory Landlord's lien, but is cumulative thereof and in addition thereto. This Lease is a security agreement under the Uniform Commercial Code of the State of Texas which shall secure the security interest of Landlord herein retained which shall at all times be a valid lien for all Rent and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture and all other personal property of Tenant situated on the Premises and the proceeds therefrom. Tenant's personal property will not be subject to any lien for the benefit of a third party and such property shall not be removed from the Premises without the consent of Landlord until all arrearages in Rent, as well as any and all other sums of money then due to Landlord hereunder, shall first have been paid and discharged. Tenant shall execute and deliver to Landlord any instrument (including a UCC-1 or other form of financing statement) necessary or desirable to carry out the terms of this paragraph. Tenant authorizes Landlord to file on behalf of Tenant with or without signature any financing statement(s) necessary or desirable to evidence the security interest under this Lease. Upon the occurrence of an Event of Default by Tenant as defined in this Lease, Landlord shall have the option, in addition to any other remedies provided herein or by law, (i) to enter upon the Premises without the permission of Tenant and take possession of any and all goods, wares, equipment, fixtures, furniture and all other personal property of Tenant situated on the Premises without demand or legal process and without liability for trespass or conversion, (ii) to sell or otherwise dispose of the same with or without taking possession at private or public sale in accordance with law, with or without having such property at the sale, and (iii) to apply the proceeds therefrom, less any and all expenses in connection with the taking of possession and sale of the property, as a credit against any sums due by Tenant to Landlord. Any surplus shall be paid to Tenant, and Tenant agrees to promptly pay any deficiency. Landlord may also enforce the lien hereby granted in any other manner provided by law and may exercise all rights and remedies granted by law.

18. **HOLDING OVER.** If Tenant remains in possession of the Premises after the expiration or other termination of the Term, then, at Landlord's option, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant only, at a monthly rental equal to two (2) times the Base Rent payable hereunder during the last month of the Term. Tenant shall also pay all Additional Rent payable under this Lease,

prorated for each month during which Tenant remains in possession. Tenant shall defend, indemnify and hold Landlord harmless from and against all claims, losses and liabilities for all costs and damages incurred by Landlord resulting from failure to surrender possession upon the Expiration Date or sooner termination of the Term, and such obligations shall survive the expiration or sooner termination of this Lease.

19. **NOTICES.** All notices given hereunder (each, a “**Notice**”) shall be in writing and delivered to Landlord's Notice Address or Tenant's Notice Address, as applicable, by one or more of the following methods, (i) given by certified or registered mail, postage prepaid, return receipt requested, and shall be deemed given on the third (3rd) business day after the date of posting in a United States Post Office, (ii) given by a nationally recognized overnight courier and shall be deemed given one day after delivery to the overnight courier, (iii) given by personal delivery and shall be deemed given upon receipt by the notified party, or (iv) given by confirmed telefax and shall be deemed given on the date of the telefax, so long as the confirmation reflects a time before 5:00 o'clock p.m. Houston time and on the next business day if the confirmation reflects transmission after 5:00 o'clock p.m. Houston time (in both cases reference to 5:00 o'clock p.m. Houston time shall be to the time of the notified party). Either party may designate a different notice address at any time and any Notice given hereunder shall be effective if delivered by either party in accordance with this Section.

20. **BROKERS.** Tenant represents to Landlord that it has dealt with no broker in connection with the negotiation and/or execution of this Lease other than Broker. To the extent allowed by law, Tenant shall defend, indemnify and hold Landlord harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by Tenant of this representation and such obligations shall survive the expiration or sooner termination of this Lease.

21. **FORCE MAJEURE.** Any obligation of Landlord which is delayed or not performed due to acts of God, strike, riot, shortages of labor or materials, war, acts of terrorism, governmental laws or action, or lack thereof, inaction by any governmental authority with respect to the issuance of any licenses or permits necessary to perform an act of Landlord hereunder or any other causes of any kind whatsoever which are beyond Landlord's reasonable control (each, a “**Force Majeure**”), shall not constitute a default hereunder and shall be performed within a reasonable time after the end of such cause for delay or nonperformance.

22. **NO SETOFF.** All agreements, covenants and activities to be performed by Tenant hereunder shall be at Tenant's expense and without any abatement of Rent. Tenant shall not be entitled to any setoff, offset or abatement of any Rent due Landlord hereunder if Landlord fails to perform its obligations hereunder. In no event shall Landlord, any holder of a Mortgage and/or lessor under an underlying lease be responsible for any consequential damages incurred by Tenant resulting from a default by Landlord.

23. **LIMITATION OF LANDLORD LIABILITY.**

A. **Transfer of the Property.** The term “**Landlord**” as used herein shall mean only the owner of the Property. Upon a transfer of title to or lease of the Property, the transferor shall be relieved of all covenants and obligations of Landlord hereunder arising after the date of transfer and Tenant shall look solely to the successor in interest of the transferor as Landlord hereunder and it shall be deemed and construed that such transferee has assumed and agreed to carry out all of such covenants and obligations of Landlord hereunder, and, further, the transferor shall be deemed entirely freed of all obligations of Landlord hereunder arising prior to the date of transfer to the extent of an actual assumption by the transferee. Tenant agrees to attorn to the transferee or assignee, such attornment to be self-operative.

B. **Actions of Tenant.** In no event shall Landlord be liable to Tenant for any failure of other tenants in the Property to operate their businesses, or for any loss or damage caused by the acts or omissions of other tenants.

C. **No Personal, Partnership or Corporate Liability.** Notwithstanding anything to the contrary contained herein, neither Landlord, nor any general or limited partner in or of Landlord, whether direct or indirect, nor any direct or indirect partners in such partners, nor any disclosed or undisclosed officers, shareholders, principals, directors, employees, partners, servants or agents of Landlord, nor any of the foregoing, nor any investment adviser or other holder of any equity interest in Landlord, their successors, assigns, agents, or any mortgagee in possession shall have any personal liability with respect to any provisions of this Lease and, if Landlord is in breach with respect to its obligations, Tenant shall look solely to Landlord's interest in the Property for satisfaction of Tenant's remedies.

24. **ESTOPPEL CERTIFICATE; FINANCIAL STATEMENTS.** Tenant shall deliver within, ten (10) days after Landlord's written request therefor, (i) a certificate to the party designated in such request, in the form of **Exhibit E**, certifying that this Lease is unmodified and in full force and effect (or stating any modifications then in effect), that there are no defenses or offsets thereto (or stating those claimed by Tenant), the dates to which Base Rent and Additional Rent have been paid, and as to any other information reasonably requested, and (ii) Tenant's most current financial statements prepared in accordance with recognized accounting principles, and certified to be true and correct by a principal or senior officer of Tenant.

25. **MISCELLANEOUS.**

A. **Non-Waiver.** Landlord's failure to exercise its rights with respect to a breach of any term, covenant or condition contained herein shall not be a waiver by Landlord of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition contained herein.

B. **Non-Merger.** The voluntary or other surrender of possession of the Premises by Tenant, or a mutual cancellation of this Lease, shall not result in a merger of Landlord's and Tenant's estates, and shall, at Landlord's option, either terminate any existing subleases or subtenancies, or operate as an assignment to Landlord of any such subleases or subtenancies.

C. **Attorney's Fees.** If either party brings an action against the other, the prevailing party may recover court costs and attorneys' fees and disbursements (whether at the administrative, trial or appellate levels) in such amount as the court or administrative body deems reasonable. D. **Authorization.** Each individual executing this Lease on behalf of Tenant represents and warrants that such individual is duly authorized to execute and deliver this Lease on behalf of Tenant and that this Lease is binding upon Tenant in accordance with its terms. If this Lease is executed by more than one tenant, Tenant's obligations hereunder shall be the joint and several obligations of each tenant executing this Lease. Nothing contained herein shall create any relationship between the parties hereto other than that of landlord and tenant, and Landlord shall not be deemed to be a partner or a joint venturer of Tenant in the conduct of its business.

In addition, for the purposes of complying with this Lease, Tenant hereby stipulates that appropriations held as unencumbered fund balances in any fund or account shall be deemed to be available and authorized for transfer to the appropriate expenditure accounts to insure fulfillment of all of Tenant's covenants, duties and obligations under this Lease.

E. **No Representation.** Tenant acknowledges that it has not relied on any representations or agreements except those expressed herein, and that this Lease contains the entire agreement of the parties. Landlord's duties and warranties are limited to those expressly stated in this Lease and shall not include any implied duties or any implied warranties (including, without limitation, any implied warranty of suitability of the Premises or the Property), whether now or in the future. **Except as expressly contained herein, neither Landlord nor Landlord's agent have made representations, warranties or promises with respect to the Premises, the Property or this Lease.**

F. **Modification.** No modification of this Lease shall be binding or valid unless in writing and executed and delivered by both parties and Tenant shall not record this Lease or a memorandum hereof without Landlord's prior written consent.

G. **Binding Effect.** Except as otherwise specifically provided herein, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

H. **Effective Date.** The submission of this document for review does not constitute an option, offer or agreement to lease space. This document shall be effective only upon Landlord's and Tenant's execution and Landlord's delivery of same to Tenant. Except as expressly contained herein, neither Landlord nor Landlord's agent have made representations, warranties or promises with respect to the Premises, the Property or this Lease.

I. **Representation by Counsel.** Landlord and Tenant each acknowledge that each has been represented by independent counsel and has executed this Lease after being fully advised by said counsel as to its effect and significance. Any rule of construction that this Lease should be construed against Landlord is waived.

J. **Remedies.** Any remedy or election given pursuant to any provision in this Lease shall be cumulative with all other remedies at law or in equity unless otherwise specifically provided herein.

K. **Applicable Law.** This Lease shall be construed in accordance with the laws of the State of Texas. Tenant hereby stipulates, agrees and acknowledges, for the specific reliance of Landlord, that this Lease is authorized by statute and/or the Texas Constitution for Tenant to enter into for goods and services as a proprietary function, and Tenant hereby waives sovereign immunity for the purpose of adjudicating a claim for breach of contract subject to the terms and conditions of Texas law.

L. **Time of the Essence.** Where Tenant is required by this Lease to pay any sum of money or to do any act within an indicated period or by a particular date, it is understood that time is of the essence.

M. **Invalidity.** If any term or provision of this Lease shall, to any extent, be illegal, invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and all other terms and provisions of this Lease shall be valid and enforceable to the fullest extent permitted by law.

N. **Waiver of Tenant's Rights and Benefits under Section 93.012, Texas Property Code.** Landlord and Tenant are knowledgeable and experienced in commercial transactions and agree that the provisions of this Lease for determining charges, amounts, and additional rent payable by Tenant are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. Accordingly, Tenant waives all rights and remedies of a tenant under Section 93.012, Texas Property Code (i.e., the codification of H.B. 2186, 77<sup>th</sup> Texas Legislature) as such section relates solely to the computation of charges that are permitted under this Lease and shall rely instead and exclusively on the remedies that provided to Tenant under this Lease with regard to such matter.

O. **Confidentiality.** Subject to the Texas Public Information Act, Tenant hereby agrees not to disclose the terms and provisions of this Lease or any amendment of this Lease to anyone other than Tenant's attorneys, accountants, officers and directors. This restriction on disclosure shall survive the termination of the Lease.

26. **Jury Trial.** Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other or their successors in respect of any matter arising in connection with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim for injury or damage, or any emergency or statutory remedy.

27. **Guaranty.** N/A
28. **Other Provisions.** This Lease is subject to the additional provisions attached hereto as **Exhibits A, A-1, A-2, B, C, D, E, F, G, H, I and J** which shall be construed as if incorporated in the body of the Lease.
29. **Security Deposit.** Intentionally Omitted.
30. **Relocation of the Premises.** Intentionally Omitted.
31. **Renewal Options.** Subject to the condition that there shall not then exist an Event of Default (as such term is defined in this Lease) by Tenant, Tenant shall have the option (each, a "**Renewal Option**") to renew the Term of this Lease for two (2) additional consecutive terms (each, a "**Renewal Term**"), the first such Renewal Term shall be for thirty-six (36) months commencing on the date immediately following the expiration of the original Term of this Lease, and the second such Renewal Term shall be for twenty-four (24) months commencing on the date immediately following the expiration of the first Renewal Term. Each renewal of this Lease shall be subject to all the same terms, covenants and conditions of this Lease, except Base Rent payable by Tenant to Landlord during each Renewal Term shall be at the rates stated in Section 1A hereof. Tenant agrees to accept the Premises during the Renewal Terms in its "AS-IS" condition and Landlord shall not be obligated to make any alterations or install or modify any improvements therein, nor shall Landlord be obligated to pay any leasing commissions to any broker representing Tenant in connection with such leasing. Tenant shall not have any right to exercise the second Renewal Option unless Tenant exercises the first Renewal Option, and Tenant shall have no further Renewal Options after the expiration of the second Renewal Term. In order to exercise a Renewal Option, Tenant shall advise Landlord in writing ("**Tenant's Exercise Notice**") of its intent to exercise the applicable Renewal Option, with respect to the first Renewal Option, no later than six (6) months nor earlier than twelve (12) months prior to the end of the primary Term of this Lease, and with respect to the second Renewal Option, no later than six (6) months nor earlier than twelve (12) months prior to the end of the first Renewal Term. Time is of the essence with respect to the delivery of Tenant's Exercise Notice. Each renewal shall apply to all of the space in the Shopping Center that Tenant is then leasing from Landlord.
32. **Tenant's Protected Area.** Notwithstanding any term or provision to the contrary herein, but expressly subject to (i) the rights of tenants and occupants of the Shopping Center (and their successors, assigns and subtenants) that have executed leases or occupancy agreements for space within the Shopping Center prior to the Effective Date of this Lease, (ii) any governmental or quasi-governmental regulation, law, code, statute, ordinance, court order, condemnation or transfer in lieu of condemnation, and (iii) the terms and provisions of the second and third sentences of this provision, Landlord shall not (x) make changes to Tenant's Protected Area, as identified on **Exhibit J**, that would materially and adversely affect access to, or visibility of, the Premises, or (y) permit a kiosk, cart of similar item to be situated within the Tenant's Protected Area unless it is part of a promotion for the Shopping Center sponsored by Landlord, or (z) reduce the number of parking spaces available in Tenant's Protected Area by more than five (5) spaces, in any of the foregoing three (3) instances without Tenant's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the preceding sentence, or any other term or provision in this Lease to the contrary, Landlord shall have the right, from time to time, to close all or any portion of the Common Areas (including within Tenant's Protected Area) (x) to conduct maintenance and repairs thereto, and (y) to such extent as may, in Landlord's opinion, be reasonable necessary to prevent a dedication thereof or any diminution of the rights of Landlord with respect thereto, provided Landlord's actions do not preclude access to the Premises and Landlord uses good faith, commercially reasonable efforts, to minimize interference with Tenant's use of the Premises for the Permitted Use. Notwithstanding the foregoing, or any other term or provision in this Lease to the contrary, all seats, benches, trashcans, dumpsters (but only in the service areas), directional signage, fountains, light poles, trees, landscaping and other obstructions currently existing within Tenant's Protected Area (collectively, the

“Exempt Obstructions”) and replacements of Exempt Obstructions in generally the same location, size and shape, shall be permitted within Tenant’s Protected Area, and shall be deemed acceptable at all times.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the date(s) set forth below and this Lease shall be effective as of the latter of such dates and Landlord’s delivery of same to Tenant.

**LANDLORD:**

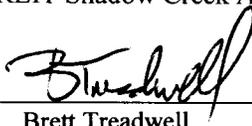
**AMREIT SPF SHADOW CREEK, LP,**

a Delaware limited partnership

By: AmREIT SPF Shadow Creek GP, LLC, its general partner

By: Shadow Creek Holding Company LLC, its Sole Member

By: AmREIT Shadow Creek Acquisition, LLC, its Managing Member

CS  
SA  
By:   
Name: Brett Treadwell  
Title: Vice President

EXECUTED the 12 day of November, 2012.

**TENANT:**

**THE CITY OF PEARLAND,**

a Texas home rule municipality

By:   
Name: Bill Eisen  
Title: City Manager

EXECUTED the 29 day of October, 2012.

**List of Exhibits:**

- Exhibit A – Legal Description
- Exhibit A-1 – Site Plan of the Shopping Center
- Exhibit A-2 – The Premises
- Exhibit B – Tenant Acceptance Letter
- Exhibit C – Construction Requirements
- Exhibit D – Rules and Regulations
- Exhibit E – Estoppel Certificate
- Exhibit F – Subordination, Non-Disturbance and Attornment Agreement
- Exhibit G – Intentionally Omitted.
- Exhibit H – Sign Criteria
- Exhibit I – Existing Exclusives and Prohibited Uses
- Exhibit J - Tenant’s Protected Area

METES AND BOUNDS DESCRIPTION  
27.2074 ACRES (1,185,154 SQUARE FEET)  
SECOND AMENDING PLAT OF SHADOW CREEK TOWN CENTER  
T.C.R.R. CO. SURVEY, SECTION 4, ABSTRACT NUMBER 675  
BRAZORIA COUNTY, TEXAS

Being a tract or parcel containing 27.2074 acres (1,185,154 Square Feet) of land situated in the T.C.R.R. Co. Survey, Section 4, Abstract Number 675, Brazoria County, Texas, and being out of and a portion of the 88.4906 acre tract as described in the deed to Shadow Creek Retail, LP, recorded under Brazoria County Clerk's File Number 06-010816, said 27.2074 acre tract also being all of Lots B and F and a portion of Lot C in Block 3 of the Second Amending Plat of Shadow Creek Town Center, according to the plat thereof recorded under Brazoria County Clerk's File Number 08-005566; said 27.2074 acre tract being more particularly described by metes and bounds as follows (all bearings are based on the record bearings of said Second Amending Plat of Shadow Creek Town Center):

COMMENCING at a 5/8-inch iron rod found in the westerly right-of-way line of State Highway 288 marking the northeast corner of said Second Amending Plat of Shadow Creek Town Center common with the northeast corner of the 21.9194 acre tract as described in the deed recorded under Brazoria County Clerk's File Number 03-078160;

THENCE, South 03°00'20" West, along said westerly right-of-way line, a distance of 1,077.58 feet to a Texas Department of Transportation Concrete Monument found marking the Point of Curvature of a curve to the left;

THENCE, continuing along said westerly right-of-way line, along said curve to the left having a central angle of 00°02'23", an arc distance of 8.09 feet, a radius of 11,669.21 feet, and a chord which bears South 02°51'35" West, a distance of 8.09 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the south corner of said 21.9194 acre tract common with the POINT OF BEGINNING of the herein described tract and a point on a curve to the left;

THENCE, continuing along said westerly right-of-way line the following six (6) courses and distances;

Along said curve to the left having a central angle of 01°08'28", an arc distance of 232.43 feet, a radius of 11,669.21 feet, and a chord which bears South 02°16'10" West, 232.43 feet to a Texas Department of Transportation Concrete Monument found marking the end of said curve common with a point on a curve to the right;

Along said curve to the right having a central angle of 45°22'19", an arc distance of 789.08 feet, a radius of 996.45 feet, and a chord which bears South 24°33'31" West, 768.62 feet to a Texas Department of Transportation Concrete Monument found marking the end of curve;

South  $47^{\circ}12'01''$  West, a distance of 163.98 feet to a Texas Department of Transportation Concrete Monument found marking the Point of Curvature of a curve to the left;

Along said curve to the left having a central angle of  $37^{\circ}37'36''$ , an arc distance of 293.19 feet, a radius of 446.46 feet, and a chord which bears South  $28^{\circ}34'39''$  West, 287.95 feet to a Texas Department of Transportation Concrete Monument found marking the end of curve;

South  $44^{\circ}47'35''$  West, a distance of 144.27 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner in said westerly right-of-way line;

South  $86^{\circ}39'17''$  West, a distance of 128.31 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the south corner of the northeast right-of-way cutback line at the intersection of said State Highway 288 and Business Center Drive (100 feet wide) common with the southwest corner of the herein described tract;

THENCE, North  $48^{\circ}15'37''$  West, along said northeast right-of-way cutback line, a distance of 47.99 feet to an "X" set in concrete in the east right-of-way line of said Business Center Drive marking the north corner of said northeast right-of-way cutback line common with the an angle corner of the herein described tract;

THENCE, along said east right-of-way line the following five (5) courses and distances;

North  $03^{\circ}14'20''$  West, a distance of 199.74 feet to an "X" set in concrete marking the Point of Curvature of a curve to the left;

Along said curve to the left having a central angle of  $25^{\circ}00'00''$ , an arc distance of 388.34 feet, a radius of 890.00 feet, and a chord which bears North  $15^{\circ}44'20''$  West, a distance of 385.26 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

North  $28^{\circ}14'20''$  West, a distance of 117.21 feet to an "X" set in concrete marking the Point of Curvature of a curve to the right;

Along said curve to the right having a central angle of  $25^{\circ}00'00''$ , an arc distance of 344.70 feet, a radius of 790.00 feet, and a chord which bears North  $15^{\circ}44'20''$  West, a distance of 341.97 feet to an "X" set in concrete marking the end of said curve;

North  $03^{\circ}14'20''$  West, a distance of 423.01 feet to an "X" set in concrete marking the south corner of the southeast right-of-way cutback line at the intersection of said Business Center Drive and Memorial Hermann Drive (100

feet wide) as dedicated to the public by the aforesaid plat of Shadow Creek Town Center;

THENCE, North 42°00'41" East, along said southeast right-of-way cutback line, a distance of 21.12 feet to an "X" set in concrete marking the north corner of said southeast right-of-way cutback line;

THENCE, North 87°15'42" East, along the south right-of-way line of said Memorial Hermann Drive, a distance of 1,057.62 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the Point of Curvature of a curve to the right;

THENCE, continuing along said south right-of-way line, along said curve to the right having a central angle of 03°23'45", an arc distance of 32.60 feet, a radius of 550.00 feet, and a chord which bears North 88°57'34" East, 32.59 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the intersection of said south right-of-way line and the south line of the aforesaid 21.9194 acre tract common with the northeast corner of the herein described tract and a point on a curve to the right;

THENCE, along said south line and said curve to the right having a central angle of 39°08'08", an arc distance of 126.36 feet, a radius of 185.00 feet, and a chord which bears South 17°23'20" East, 123.92 feet to the POINT OF BEGINNING and containing 27.2074 acres (1,185,154 Square Feet) of land. This description is based on the Land Title Survey prepared by Terra Surveying Company, Inc., dated December 05, 2007, TSC Project Number 2540-0722-S.

REVISED 02/15/08 - REFERENCE TO LOT F  
REVISED 02/14/08 - PLAT REFERENCE  
Compiled by: Mark J. Piriano, RPLS  
Terra Surveying Company, Inc.  
MB272074.doc

METES AND BOUNDS DESCRIPTION  
38.6636 ACRES (1,684,186 SQUARE FEET)  
SECOND AMENDING PLAT OF SHADOW CREEK TOWN CENTER  
T.C.R.R. CO. SURVEY, SECTION 4, ABSTRACT NUMBER 675  
BRAZORIA COUNTY, TEXAS

Being a tract or parcel containing 38.6636 acres (1,684,186 Square Feet) of land situated in the T.C.R.R. Co. Survey, Section 4, Abstract Number 675, Brazoria County, Texas, and being out of and a portion of the 88.4906 acre tract as described in the deed to Shadow Creek Retail, LP, recorded under Brazoria County Clerk's File Number 06-010816, said 38.6636 acre tract also being all of Lots D and E in Block 1 of the Second Amending Plat of Shadow Creek Town Center, according to the plat thereof recorded under Brazoria County Clerk's File Number 08-005566; said 38.6636 acre tract being more particularly described by metes and bounds as follows (all bearings are based on the record bearings of said Second Amending Plat of Shadow Creek Town Center):

COMMENCING at a 5/8-inch iron rod found in the westerly right-of-way line of State Highway 288 marking the northeast corner of said Second Amending Plat of Shadow Creek Town Center common with the northeast corner of the 21.9194 acre tract as described in the deed recorded under Brazoria County Clerk's File Number 03-078160;

THENCE, South 86°45'40" West, along the north line of said Second Amending plat of Shadow Creek Town Center, a distance of 1,001.34 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the intersection of said north line and the west right-of-way line of Business Center Drive (100 feet wide);

THENCE, along said west right-of-way line the following ten (10) courses and distances

South 37°15'09" West, a distance of 168.83 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the Point of Curvature of a curve to the left;

Along said curve to the left having a central angle of 31°54'05", an arc distance of 473.30 feet, a radius of 850.00 feet, and a chord which bears South 21°18'07" West, 467.20 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

South 05°14'35" West, a distance of 6.45 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the northeast corner and POINT OF BEGINNING of the herein described tract;

South 05°14'35" West, a distance of 259.36 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the Point of Curvature of a curve to the left;

Along said curve to the left having a central angle of  $08^{\circ}28'55''$ , an arc distance of 125.83 feet, a radius of 850.00 feet, and a chord which bears South  $01^{\circ}00'07''$  West, 125.72 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

South  $03^{\circ}14'20''$  East, a distance of 444.82 feet to an "X" set in concrete marking the Point of Curvature of a curve to the left;

Along said curve to the left having a central angle of  $25^{\circ}00'00''$ , an arc distance of 388.34 feet, a radius of 890.00 feet, and a chord which bears South  $15^{\circ}44'20''$  East, 385.26 feet to an "X" set in concrete marking the end of said curve;

South  $28^{\circ}14'20''$  East, a distance of 117.21 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the Point of Curvature of a curve to the right;

Along said curve to the right having a central angle of  $25^{\circ}00'00''$ , an arc distance of 344.70 feet, a radius of 790.00 feet, and a chord which bears South  $15^{\circ}44'20''$  East, a distance of 341.97 feet to an "X" set in concrete marking the end of said curve;

South  $03^{\circ}14'20''$  East, a distance of 199.75 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the north corner of the northwest right-of-way cutback line at the intersection of said Business Center Drive and County Road 92 (width varies);

THENCE, South  $41^{\circ}44'23''$  West, along said northwest right-of-way cutback line, a distance of 63.72 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the north right-of-way line of said County Road 92 marking the south corner of said northwest right-of-way cutback line;

THENCE, along said north right-of-way line the following five (5) courses and distances

South  $86^{\circ}43'06''$  West, a distance of 403.01 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of said north right-of-way line;

North  $89^{\circ}05'15''$  West, a distance of 150.40 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of said north right-of-way line;

South  $86^{\circ}43'06''$  West, a distance of 155.36 feet to an "X" set in concrete marking an angle corner of said north right-of-way line;

South 03°14'22" East, a distance of 11.00 feet to an "X" set in concrete marking an angle corner of said north right-of-way line;

South 86°43'06" West, a distance of 455.63 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set in the east line of Shadow Creek Ranch, SF-16B, according to the plat thereof recorded in Volume 23, Page 273 of the Brazoria County Plat Records marking the southwest corner of the herein described tract;

THENCE, North 03°14'22" West, along the east line of said Shadow Creek Ranch, SF-16B, passing at a distance of 573.29 feet a 1/2-inch iron pipe found in said east line and continuing along said east line and then along the east line of Shadow Creek Ranch, SF-16A, according to the plat thereof recorded in Volume 23, Page 269 of the Brazoria County Plat Records, passing at a distance of 1,198.26 feet a capped 5/8-inch iron rod found in said east line and continuing along the east line of said Shadow Creek Ranch, SF-16A, for a total distance of 1,466.55 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the southwest corner of Restricted Reserve "A" of the aforesaid Second Amending Plat of Shadow Creek Town Center common with the northwest corner of the herein described tract;

THENCE, along the south and east lines of said Restricted Reserve "A" the following five (5) courses and distances;

North 86°45'40" East, a distance of 802.11 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North 03°14'20" West, a distance of 40.17 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the Point of Curvature of a curve to the right

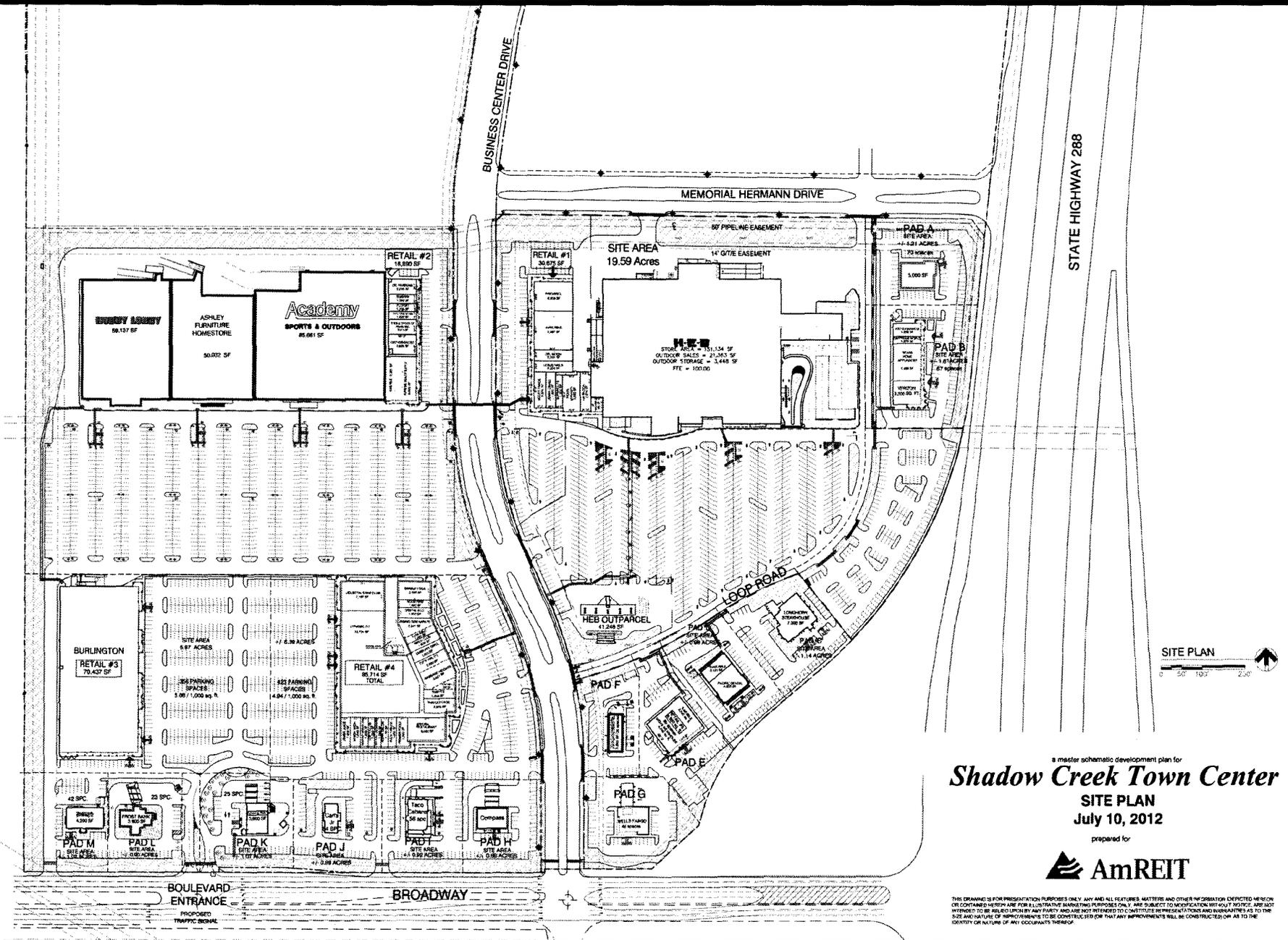
Along said curve to the right having a central angle of 08°28'55", an arc distance of 155.44 feet, a radius of 1,050.00 feet, and a chord which bears North 01°00'07" East, 155.30 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking the end of said curve;

North 05°14'35" East, a distance of 229.53 feet to a 5/8-inch iron rod with plastic cap stamped "TERRA SURVEYING" set marking an angle corner of the herein described tract;

North 86°45'38" East, a distance of 202.21 feet to the POINT OF BEGINNING and containing 38.6636 acres (1,684,186 Square Feet) of land. This description is based on the Land Title Survey prepared by Terra Surveying Company, Inc., dated December 05, 2007, TSC Project Number 2540-0722-S.

REVISED 02/27/08 – 3rd COMMENCING CALL  
REVISED 02/26/08 - PLAT REFERENCE  
REVISED 02/25/08 - PLAT REFERENCE, COMMENCING CALL  
REVISED 01/08/07 - PER ATTORNEY'S COMMENTS  
REVISED 12/21/07 - 10th & 11th CALLS  
Compiled by: Mark J. Piriano, RPLS  
Terra Surveying Company, Inc.  
MB386636.doc

Exhibit A-1  
"Shopping Center"



a master schematic development plan for  
**Shadow Creek Town Center**

**SITE PLAN**  
July 10, 2012

prepared for



THE DRAWINGS FOR PRESENTATION PURPOSES ONLY AND ALL FEATURES, MATERIALS AND OTHER INFORMATION DEPICTED HEREON OR CONTAINED HEREIN ARE FOR ILLUSTRATIVE MARKETING PURPOSES ONLY. ARE SUBJECT TO MODIFICATION WITHOUT NOTICE. ARE NOT INTENDED TO BE RELIED UPON BY ANY PARTY AND ARE NOT INTENDED TO CONSTITUTE REPRESENTATIONS AND WARRANTIES AS TO THE SIZE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED OR THAT ANY IMPROVEMENTS WILL BE CONSTRUCTED OR AS TO THE IDENTITY OR NATURE OF ANY OCCUPANTS THEREOF.

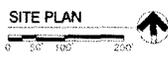


111 Texas Street, Houston, Texas 77002  
Voice 713.259.7158 Fax 713.262.2195

Exhibit A-2  
"Premises"



Legend: Premises



a master schematic development plan for  
**Shadow Creek Town Center**

SITE PLAN  
July 10, 2012

prepared for



THIS DRAWING IS FOR PRESENTATION PURPOSES ONLY. ANY AND ALL FEATURES, MATTERS AND OTHER INFORMATION DEPICTED HEREON OR CONTAINED HEREIN ARE FOR ILLUSTRATIVE MARKETING PURPOSES ONLY, ARE SUBJECT TO MODIFICATION WITHOUT NOTICE, AND ARE NOT INTENDED TO BE RELIED UPON BY ANY PARTY AND ARE NOT INTENDED TO CONSTITUTE REPRESENTATIONS AND WARRANTIES AS TO THE SIZE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED OR THE TIME IMPROVEMENTS WILL BE CONSTRUCTED OR AS TO THE IDENTITY OR NATURE OF ANY OCCUPANTS THEREOF.

**EXHIBIT B**

**TENANT ACCEPTANCE LETTER**

AmREIT SPF Shadow Creek, LP  
c/o AmREIT  
8 Greenway Plaza, Suite 1000  
Houston, Texas 77046

Re: Lease (the "Lease") dated as of \_\_\_\_\_, 2012, between AmREIT SPF Shadow Creek, LP ("Landlord") and The City of Pearland ("Tenant")

Premises: 6,000 square feet of retail space in the Shadow Creek Ranch Town Center  
State Highway 288 and FM 518 (Broadway), Pearland, Texas

The undersigned, as Tenant, hereby confirms as of the \_\_\_\_ day of \_\_\_\_\_, 2012, the following:

1. Tenant took possession of the Premises on \_\_\_\_\_, 2012 and is currently occupying same.
2. The Commencement Date, Rent Commencement Date and Expiration Date, as each is defined in the Lease, are as follows:

Commencement Date: \_\_\_\_\_  
Rent Commencement Date: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_

3. The obligation to commence the payment of rent commenced or will commence on \_\_\_\_\_, 2012.
4. As of the date hereof, Landlord has fulfilled all of its obligations under the Lease.
5. The Lease is in full force and effect and has not been modified, altered, or amended, except pursuant to any instruments described above.
6. There are no offsets or credits against Base Rent or Additional Rent, nor has any Base Rent or Additional Rent been prepaid except as provided pursuant to the terms of the Lease.

**NOTICE: Tenant shall have five (5) days after the Commencement Date stated above to have the electricity service to the Premises switched from Landlord's name to Tenant's name.**

Very truly yours,

**THE CITY OF PEARLAND,**  
a Texas home rule municipality

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT C

### CONSTRUCTION REQUIREMENTS

#### ARTICLE I. CONSTRUCTION OF BUILDING AND OTHER IMPROVEMENTS

Intentionally Omitted.

#### ARTICLE II. GENERAL SPECIFICATIONS

A. All plans, diagrams, schedules, specifications and other data required to be furnished by Tenant (at Tenant's sole expense) under this Exhibit C must be submitted to Landlord complete, sufficient to obtain a building permit, and ready for Landlord's consideration and final approval within sixty (60) calendar days after the execution of this Lease. Upon review, Landlord shall, in writing, accept or notify Tenant of its objections to said plans and specifications within ten (10) calendar days after receipt. Tenant shall reimburse Landlord for any loss or extra cost which may result to Landlord by reason of failure on the part of Tenant to submit any such plans, diagrams, schedules, specifications and/or other data within said period of time, or alternatively and at Landlord's sole option, Landlord may elect to immediately terminate this Lease by reason of such failure by giving written notice of such election to Tenant (whereupon Landlord shall have no further obligations to Tenant hereunder).

B. **Tenant shall secure Landlord's written approval of all designs, plans, specifications, contracts and contractors for work to be performed by Tenant before beginning the work** and shall secure all necessary licenses and permits to be used in performing the work. Tenant's contractor must carry applicable insurance acceptable to Landlord **and provide full-time project supervision**. Tenant shall submit one full size (24" x 36") set of plans and one set on computer disk for approval by Landlord. Changes to said plans and specifications shall be made only after written approval by Landlord. Tenant's finished work shall be subject to Landlord's approval and acceptance, which shall be a condition to any reimbursement hereinafter provided.

C. As soon as said plans and specifications have been approved by Landlord, Tenant shall commence construction (and shall be required to diligently pursue said construction) no later than sixty (60) calendar days after the date upon which Landlord approves Tenant's plans and specifications. If Tenant has not commenced construction within said time period, Landlord shall have the option to declare this lease null and void; or, if Tenant has not completed construction of such improvements within one hundred twenty (120) calendar days after the date upon which Tenant's plans and specifications have been approved by Landlord, then Landlord shall have the option to declare this lease null and void and in either such event, Tenant shall forfeit all prepaid rent and security deposits made under this lease.

#### ARTICLE III. DESCRIPTION OF LANDLORD'S SHELL WORK – "As-is"

#### ARTICLE IV. DESCRIPTION OF LANDLORD'S WORK AS PROVIDED TO THE PREMISES – "As-is"

#### ARTICLE V. DESCRIPTION OF TENANT'S WORK

- A. Signs: Tenant shall pay for all signs and the installation thereof, subject to the provisions of Paragraph 6E of the Lease.
- B. Utilities: All meters or other measuring devices in connection with utility services shall be provided by Tenant, including installing an in-line meter downstream of the water line tap into the water main for the building. All service deposits shall be made at Tenant's expense.

- C. Storefront: Tenant shall be responsible for the storefront, exterior doors and weatherproofing.
- D. Interior Work: The Work to be done by Tenant shall include, but not limited to, the purchase and/or installation and/or performance of the following:
1. Electrical panel, wiring, and fixtures. Tenant shall paint all new conduits and equipment on the exterior wall to match existing wall color. Consult with Landlord on color before proceeding.
  2. Interior partitions including finishing, electrical wiring, and connections within the Premises.
  3. Light covers and special hung and furred ceilings.
  4. Interior painting.
  5. Store fixtures and furnishings.
  6. Display window enclosure.
  7. Plumbing fixtures within the Premises.
  8. Ceiling to include insulation R-19 installed no lower than the storefront glass.
  9. Heating, air conditioning and ventilating equipment, including electrical and gas hookup, duct work and roof penetrations. All roof penetrations shall be done by roofing contractor specified by Landlord at Tenant's expense.
  10. Floor coverings.
- E. All work undertaken by Tenant shall be Tenant's expense and shall not damage the building or any part thereof. Any roof penetration shall be sealed by Landlord's approved roofer and shall be performed only after Landlord has given consent, which consent shall in part be conditioned upon Tenant's plans to include materials acceptable to Landlord and to include roof top curbs to spread the weight of the equipment being installed in order to prevent damage to the roof. Tenant shall also be responsible for obtaining, and paying for, professional inspections of any structural work and/or mechanical work (including, without limitation, any roof work or concrete work) as required by Landlord.
- F. All of Tenant's work to the Premises made by Tenant shall be in good and workmanlike manner and shall be in conformity with the applicable building code or other applicable governmental requirements of the city in which the Shopping Center was built.
- G. Upon completion of the Initial Alterations to the Premises, Tenant shall furnish to Landlord all of the following prior the reimbursement of the Tenant Improvement Allowance:
1. A Certificate of Occupancy issued by the municipality in which the Premises are located or other evidence satisfactory to Landlord that such improvements have been approved by such municipality;
  2. A notarized affidavit executed by Tenant or its authorized representative, stating that all work and materials performed or used in connection with the Initial Alterations to the Premises have been paid for by Tenant;
  3. True and correct original releases or waivers of lien executed and notarized from general contractor and all sub-contractors;
  4. Evidence of all costs of construction of the Initial Alterations to the Premises.
  5. Certificate from Landlord's roofing contractor for all roof work performed;
  6. Tenant's executed Tenant Acceptance Letter establishing, among other things, Rent Commencement Date;
  7. Tenants Certificate of Insurance as required by the Lease (please coordinate with Property Manager);
  8. Tenant's As Built plans;
  9. Tenant has opened for business in the entire Premises and has paid the first month's rent.
  10. Evidence of Texas Accessibility Standards Compliance within 60 days of construction completion.

Upon receipt and approval of documentation set forth in subsections 1 through 10 above, completion of all Initial Alterations to Landlord's satisfaction, and commencement of business in the Premises, Landlord shall reimburse Tenant within thirty (30) working days after Landlord's approval of said documentation in the amount of the lesser of (i) the Tenant Improvement Allowance specified in the Lease for Tenant's Initial Alterations, or (ii) the actual cost of construction of the Initial Alterations to the Premises paid by Tenant. The Tenant Improvement Allowance may not be used to reimburse Tenant for furniture, removable trade fixtures, signs, or equipment. Contractors' fees in an amount not to exceed ten percent (10%) of such contract price may be included in the Tenant Improvement Allowance but Tenant shall be solely responsible for paying any contractors' fees in excess of ten percent (10%) of the contract price.

If Tenant fails to request reimbursement of the Tenant Improvement Allowance within one hundred eighty (180) days of receiving its certificate of occupancy for the Premises, then this Section shall be deemed terminated and null and void. Tenant may request an extension of the one hundred eighty (180) days upon thirty (30) days prior written notice to Landlord.

## EXHIBIT D

### RULES AND REGULATIONS

- I. Operations by Tenant
  - A. The term "**Tenant**" as used in this *Exhibit D* shall include, where appropriate, Tenant's employees, agents, licensees, contractors, concessionaires and subtenants. In regard to use and occupancy of the Premises, Tenant shall at its expense:
    1. Replace promptly any cracked or broken glass of the Premises with glass of like grade and quality;
    2. Have any garbage, trash, rubbish and refuse removed from the Premises consistently to avoid collection of the same on the Premises, and shall not burn any trash or garbage of any kind;
    3. Light the show windows of the Premises and exterior signs during all hours of darkness;
    4. Conduct its business, so long as it operates its business, in a manner consist with other first-class retail stores;
    5. Devote the maximum possible floor area of the Premises to selling and display space, and shall not use any portion of the Premises for storage or other services, including, but not limited to, business offices, except as is necessary for its operations in the Premises;
    6. Shall pay before delinquency all license or permit fees and charges of a similar nature for the conduct of Tenant's business in the Premises;
    7. Shall use the Shopping Center name in a manner approved in writing by Landlord, in referring to the location of the Premises in all newspaper, radio, television or other advertising. However, Landlord will not be responsible for monitoring the contents of any advertising with respect to any laws or requirements of any authority for content of advertisement;
    8. Shall not obstruct sidewalks, doorways, vestibules, halls, stairways and other similar areas for purpose other than ingress and egress to and from the Premises and for going from one to another part of the Shopping Center;
    9. Agrees not to install any exterior lighting, outside aeriels, amplifiers or similar devices not to use in or about the Premises any advertising medium which may be heard or seen outside the Premises, such as flashing lights, search lights, loud speakers, phonographs or radio broadcasts;
    10. Shall not perform any act or carry on any practice which may damage, mar or deface the Premises or any other part of the Shopping Center;
    11. Shall not suffer, allow or permit any vibration, noise, light, odor or other effect to emanate from the Premises, or from any machine or other installation therein, or otherwise suffer, allow or permit the same to constitute a nuisance, disturb the quiet enjoyment of any person, or otherwise interfere with the safety, comfort and convenience of Landlord or any of the other occupants of the Shopping Center or their customers, employees, agents, licensees, concessionaires, subtenants, or invitees in the Shopping Center. Without limiting the generality of the foregoing, it is agreed that Tenant shall pay any extra expense incurred by Landlord in eliminating such vibration, light, odor, loud noise or nuisance;
    12. Shall maintain the Premises (including, without limitation, exterior and interior portions of all windows, doors and all other glass), and adjoining sidewalks or service areas in a clean, orderly and sanitary condition and shall cause the Premises to be treated for and free of insects, rodents, vermin and other pests;
    13. Shall provide its own locks and keys for doors into the Premises at the time of acceptance of the Premises. No keys will be retained or furnished by Landlord after acceptance of the Premises;
    14. Shall exercise reasonable precautions in the protection of its personal property from loss or damage by keeping doors to any unattended areas locked. Tenant shall also report any thefts or losses to the property manager, if any, as soon as reasonably possible after discovery;

15. No portion of the Premises shall at any time be used for sleeping or lodging quarters. No animals or pets of any type, with the exception of guide dogs accompanying visually handicapped persons, shall be brought into or kept in, on or about the Premises; and
16. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. Damage resulting to any such fixtures or appliances from misuse by Tenant shall be paid by Tenant.

- B. In regard to the use of the Common Area, Tenant shall not:
1. Place or maintain any merchandise, trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any driveway, corridor, footwalk, parking area, or any other Common Area;
  2. Use or permit the use of loudspeakers, phonographs, public address systems, sound amplifiers, radios or televisions outside its Premises or that are in any manner audible or visible outside the Premises;
  3. Permit undue accumulations of or burn garbage, trash, rubbish or other refuse within or without the Premises;
  4. Cause or permit objectionable odors to emanate or be dispelled from the Premises;
  5. Solicit business in the parking area or any other Common Area;
  6. Distribute handbills or other advertising matter to, in or upon any automobiles parked in the parking areas or in any other Common Area;
  7. Permit the parking of vehicles so as to unreasonably interfere with the use of any driveway, corridor, footwalk, parking area or other Common Areas;
  8. Receive or ship articles of any kind outside the loading areas approved by Landlord;
  9. Use the walkway, corridor or any other Common Area adjacent to the Premises for the sale or display of any merchandise or for any other business, occupation or undertaking or for the use or storage of any shopping carts;
  10. Conduct or permit to be conducted any auction, fire, going out of business, bankruptcy or other similar type sale in or connected with the Premises (but this provision shall not restrict the absolute freedom of Tenant in determining its own selling prices, nor shall it preclude the conduct of periodic seasonal, promotional or clearance sales);
  11. Place a load upon any floor that exceeds the floor load that the floor was designed to carry;
  12. Operate its heating or air conditioning in a manner that drains heat or air conditioning from the premises of any other tenant or other occupant of the Shopping Center; or
  13. Sell, distribute, display or offer for sale:
    - (a) Any paraphernalia commonly used in the use or ingestion of illicit drugs; or
    - (b) Any pornographic or lewd newspaper, book, magazine, film, picture, representation or merchandise of any kind.

## II. Common Area

A. **Maintenance:** Landlord shall exercise reasonable efforts to keep the Common Area in a neat, clean and orderly condition, lighted and landscaped, and shall repair any damage thereto after written notice by Tenant to Landlord of the nature and extent of the damage, such repairs to be included as part of the Tenant's Share of Expenses of the Common Area.

B. **Employee Parking:** Tenant shall require its employees and licensees to park only in the areas designated from time to time by Landlord as employee parking. Tenant shall at all times furnish Landlord with an up-to-date list of vehicle license plate numbers of all of its employees and licensees. All vehicles found by Landlord not to be parked in the designated locations shall be subject to towage at Tenant's expense. No vehicles, unless specifically approved by Landlord, will be permitted to park on the Common Area overnight or during the hours the Shopping Center is not open other than employees or licensees coming to or leaving work at the Premises.

C. Deliveries: Tenant shall require all delivery vehicles making delivery to the Premises to use the area approved by Landlord.

D. Fire Lane: The front drive adjacent to the front of the Shopping Center is a Fire Lane. No vehicles shall be permitted to park, stop or drop off in the Fire Lane Area.

E. Traffic Signs and Markings: Tenant shall obey and use its best efforts to cause its employees and licensees to obey all traffic signs and markings in the Common Area and use only the designated access drives to the Common Area. All vehicles shall be driven in a slow and safe manner to a maximum of fifteen (15) miles per hour.

F. Trucks: No trucks, other than two-axle pickups and vans will be permitted on the front parking area of the Common Area for any purpose whatsoever. Tenant shall use its best efforts to enforce this restriction relative to its employees and licensees and, with respect to its invitees, notify them of the restriction and report any violation to Landlord. All vehicles in violation of this restriction shall be subject to towage at owner's expense and liable for any damages to the parking lot area. Landlord shall reserve the right to install height restriction bars at all access points to the front parking area of the Common Area if in Landlord's opinion, violations of this restriction are sufficient to render damage or potential damage to the front parking area of the Common Area. The cost of such height restriction bars shall be part of Tenant's Share of Expenses for the Common Area.

NOTE: LANDLORD RESERVES THE RIGHT TO ADOPT OTHER REASONABLE RULES AND REGULATIONS AND TO AMEND OR SUPPLEMENT THE SAME AT LANDLORD'S DISCRETION. NOTICE OF SUCH RULES, REGULATIONS, AMENDMENTS, AND SUPPLEMENTS SHALL BE GIVEN TO TENANT AND TENANT SHALL COMPLY.

**EXHIBIT E  
ESTOPPEL CERTIFICATE**

This Estoppel Certificate is executed by Tenant pursuant to Section 24 of the Lease.

1. DEFINITIONS. In this certificate the following terms have the meanings given to them:
  - (a) Landlord/Landlord Notice Address:
  - (b) Tenant/Tenant Notice Address:
  - (c) Lease: Retail Lease dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between Landlord and Tenant.
  - (d) Premises: \_\_\_\_\_ Shopping Center, located at \_\_\_\_\_.
  - (e) Property Legal Description - See **Exhibit A** attached.
2. The Rent Commencement Date of the Lease is \_\_\_\_\_, \_\_\_\_\_, and the Expiration Date is \_\_\_\_\_, \_\_\_\_\_.
3. The Rentable Square Feet of the Premises is \_\_\_\_\_ square feet.
4. Tenant's Pro Rata Share for allocation of expenses of the Shopping Center to the Premises is stipulated to be \_\_\_\_\_ percent.
5. Tenant has accepted possession of the Premises as provided in the Lease.
6. Any Improvements required to be furnished by the Landlord in accordance with the Lease have been furnished to the satisfaction of Tenant (subject to any corrective work or punch-list items submitted previously to Landlord).
7. Rent has been paid through \_\_\_\_\_, \_\_\_\_\_, and no prepayment of Rent has been made.
8. All terms and conditions to be performed by Landlord under the Lease have been satisfied and on this date there are no existing defenses or offsets which Tenant has against the full enforcement of the Lease by Landlord.
9. The Lease is in full force and effect and has not been modified, altered, or amended, except as follows:
10. There are no setoffs or credits against, Rent, and no Security Deposit or prepaid Rent has been paid except as provided by the Lease.

Tenant has executed this Estoppel Certificate as of the date set forth below.

Tenant:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT F**

<p>RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:</p> <p>_____, Esq.</p> <p>_____</p> <p>_____</p> <p>_____</p>
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**SUBORDINATION  
NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

**DEFINED TERMS**

<p><b>Execution Date:</b> As of _____, 20__</p>
<p><b>Beneficiary &amp; Address:</b> Metropolitan Life Insurance Company, a New York corporation, and its affiliates, as applicable 10 Park Avenue Morristown, New Jersey 07962 Attn: Senior Vice President Real Estate Investments</p> <p>with a copy to:</p>
<p><b>Tenant &amp; Address:</b></p>
<p><b>Landlord &amp; Address:</b></p>

<p><b>Loan:</b> A first mortgage loan in the original principal amount of \$ from Beneficiary to Landlord.</p>
<p><b>Note:</b> A Promissory Note executed by Landlord in favor of Beneficiary in the amount of the Loan dated as of</p>
<p><b>Deed of Trust:</b> A Deed of Trust, Security Agreement and Fixture Filing dated as of executed by Landlord, to _____ as Trustee, for the benefit of Beneficiary securing repayment of the Note to be recorded in the records of the County in which the Property is located.</p>
<p><b>Lease and Lease Date:</b> The lease entered into by Landlord and Tenant dated as of covering the Premises. [Add amendments]</p>
<p><b>Property:</b> [Property Name] [Street Address 1] [City, State, Zip]</p> <p>The Property is more particularly described on <u>Exhibit A</u>.</p>

**THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT** (the "Agreement") is made by and among Tenant, Landlord, and Beneficiary and affects the Property described in Exhibit A. Certain terms used in this Agreement are defined in the Defined Terms. This Agreement is entered into as of the Execution Date with reference to the following facts:

A. Landlord and Tenant have entered into the Lease covering certain space in the improvements located in and upon the Property (the "Premises").

B. Beneficiary has made or is making the Loan to Landlord evidenced by the Note. The Note is secured, among other documents, by the Deed of Trust.

C. Landlord, Tenant and Beneficiary all wish to subordinate the Lease to the lien of the Deed of Trust.

D. Tenant has requested that Beneficiary agree not to disturb Tenant's rights in the Premises pursuant to the Lease in the event Beneficiary forecloses the Deed of Trust, or acquires the Property pursuant to the trustee's power of sale contained in the Deed of Trust or receives a transfer of the Property by a conveyance in lieu of foreclosure of the Property (collectively, a "Foreclosure Sale") but only if Tenant is not then in default under the Lease and

Tenant attorns to Beneficiary or a third party purchaser at the Foreclosure Sale (a "Foreclosure Purchaser").

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

1. Subordination. The Lease and the leasehold estate created by the Lease and all of Tenant's rights under the Lease are and shall remain subordinate to the Deed of Trust and the lien of the Deed of Trust, to all rights of Beneficiary under the Deed of Trust and to all renewals, amendments, modifications and extensions of the Deed of Trust.

2. Acknowledgments by Tenant. Tenant agrees that: (a) Tenant has notice that the Lease and the rent and all other sums due under the Lease have been or are to be assigned to Beneficiary as security for the Loan. In the event that Beneficiary notifies Tenant of a default under the Deed of Trust and requests Tenant to pay its rent and all other sums due under the Lease to Beneficiary, Tenant shall pay such sums directly to Beneficiary or as Beneficiary may otherwise request. (b) Tenant shall send a copy of any notice or statement under the Lease to Beneficiary at the same time Tenant sends such notice or statement to Landlord. (c) This Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement.

3. Foreclosure and Sale. In the event of a Foreclosure Sale,

(a) So long as Tenant complies with this Agreement and is not in default under any of the provisions of the Lease, the Lease shall continue in full force and effect as a direct lease between Beneficiary and Tenant, and Beneficiary will not disturb the possession of Tenant, subject to this Agreement. To the extent that the Lease is extinguished as a result of a Foreclosure Sale, a new lease shall automatically go into effect upon the same provisions as contained in the Lease between Landlord and Tenant, except as set forth in this Agreement, for the unexpired term of the Lease. Tenant agrees to attorn to and accept Beneficiary as landlord under the Lease and to be bound by and perform all of the obligations imposed by the Lease, or, as the case may be, under the new lease, in the event that the Lease is extinguished by a Foreclosure Sale. Upon Beneficiary's acquisition of title to the Property, Beneficiary will perform all of the obligations imposed on the Landlord by the Lease except as set forth in this Agreement; provided, however, that Beneficiary shall not be: (i) liable for any act or omission of a prior landlord (including Landlord); or (ii) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord); or (iii) bound by any rent or additional rent which Tenant might have paid in advance to any prior landlord (including Landlord) for a period in excess of one month or by any security deposit, cleaning deposit or other sum that Tenant may have paid in advance to any prior landlord (including Landlord); or (iv) bound by any amendment, modification, assignment or termination of the Lease made without the written consent of Beneficiary; (v) obligated or liable with respect to any representations, warranties or indemnities contained in the Lease; or (vi) liable to Tenant or any other party for any conflict between the provisions of the Lease

and the provisions of any other lease affecting the Property which is not entered into by Beneficiary.

(b) Upon the written request of Beneficiary after a Foreclosure Sale, the parties shall execute a lease of the Premises upon the same provisions as contained in the Lease between Landlord and Tenant, except as set forth in this Agreement, for the unexpired term of the Lease.

(c) Notwithstanding any provisions of the Lease to the contrary, from and after the date that Beneficiary acquires title to the Property as a result of a Foreclosure Sale, (i) Beneficiary will not be obligated to expend any monies to restore casualty damage in excess of available insurance proceeds; (ii) tenant shall not have the right to make repairs and deduct the cost of such repairs from the rent without a judicial determination that Beneficiary is in default of its obligations under the Lease; (iii) in no event will Beneficiary be obligated to indemnify Tenant, except where Beneficiary is in breach of its obligations under the Lease or where Beneficiary has been actively negligent in the performance of its obligations as landlord; and (iv) other than determination of fair market value, no disputes under the Lease shall be subject to arbitration unless Beneficiary and Tenant agree to submit a particular dispute to arbitration.

**Delete if Not Applicable** [(d) If Beneficiary acquires title to the Property as a result of a Foreclosure Sale, the Lease shall be automatically amended as set forth in Exhibit B.]

4. Subordination and Release of Purchase Options. Tenant represents that it has no right or option of any nature to purchase the Property or any portion of the Property or any interest in the Grantor. To the extent Tenant has or acquires any such right or option, these rights or options are acknowledged to be subject and subordinate to the Mortgage and are waived and released as to Beneficiary and any Foreclosure Purchaser.

5. Acknowledgment by Landlord. In the event of a default under the Deed of Trust, at the election of Beneficiary, Tenant shall and is directed to pay all rent and all other sums due under the Lease to Beneficiary.

6. Construction of Improvements. Beneficiary shall not have any obligation or incur any liability with respect to the completion of tenant improvements for the Premises [Note, add the following if applicable — , except with respect to tenant improvements for renewal and/or expansion as set forth in Section \_\_\_ of the Lease.]

7. Notice. All notices under this Agreement shall be deemed to have been properly given if delivered by overnight courier service or mailed by United States certified mail, with return receipt requested, postage prepaid to the party receiving the notice at its address set

forth in the Defined Terms (or at such other address as shall be given in writing by such party to the other parties) and shall be deemed complete upon receipt or refusal of delivery.

8. Miscellaneous. Beneficiary shall not be subject to any provision of the Lease that is inconsistent with this Agreement. Nothing contained in this Agreement shall be construed to derogate from or in any way impair or affect the lien or the provisions of the Deed of Trust. This Agreement shall be governed by and construed in accordance with the laws of the State of in which the Property is located.

9. Liability and Successors and Assigns. In the event that Beneficiary acquires title to the Premises or the Property, Beneficiary shall have no obligation nor incur any liability in an amount in excess of \$3,000,000 and Tenant's recourse against Beneficiary shall in no extent exceed the amount of \$3,000,000. This Agreement shall run with the land and shall inure to the benefit of the parties and, their respective successors and permitted assigns including a Foreclosure Purchaser. If a Foreclosure Purchaser acquires the Property or if Beneficiary assigns or transfers its interest in the Note and Deed of Trust or the Property, all obligations and liabilities of Beneficiary under this Agreement shall terminate and be the responsibility of the Foreclosure Purchaser or other party to whom Beneficiary's interest is assigned or transferred. The interest of Tenant under this Agreement may not be assigned or transferred except in connection with an assignment of its interest in the Lease which has been consented to by Beneficiary.

10. OFAC Provisions Tenant and Beneficiary hereby represent, warrant and covenant to each other, either that (i) it is regulated by the SEC, FINRA or the Federal Reserve (a "Regulated Entity"), or is a wholly-owned subsidiary or wholly-owned affiliate of a Regulated Entity or (ii) neither it nor any person or entity that directly or indirectly (a) controls it or (b) has an ownership interest in it of twenty-five percent (25%) or more, appears on the list of Specially Designated Nationals and Blocked Persons ("OFAC List") published by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury.

**[Include the following if there is a Guarantor of the Lease:]**

With respect to each Guarantor of Tenant's obligations under this Lease, Tenant further represents, warrants and covenants either that (i) any such Guarantor is a Regulated Entity or a wholly-owned subsidiary or wholly-owned affiliate of a Regulated Entity or (ii) neither Guarantor nor any person or entity that directly or indirectly (a) controls such Guarantor or (b) has an ownership interest in such Guarantor of twenty-five percent (25%) or more, appears on the OFAC List.

IN WITNESS WHEREOF, the parties have executed this Subordination, Nondisturbance and Attornment Agreement as of the Execution Date.

**IT IS RECOMMENDED THAT THE PARTIES CONSULT WITH THEIR ATTORNEYS PRIOR TO THE EXECUTION OF THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT.**

**BENEFICIARY:** METROPOLITAN LIFE INSURANCE COMPANY,  
a New York corporation

By \_\_\_\_\_

Its \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

TENANT:

\_\_\_\_\_

a \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**LANDLORD:**

a \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT A**

PROPERTY DESCRIPTION

EXHIBIT B

In the event of foreclosure of the Deed of Trust, or upon a sale of the Property pursuant to the power of sale contained therein, or upon a transfer of the Property by conveyance in lieu of the foreclosure, the Lease shall be amended as follows:

The undersigned Guarantor to the Lease hereby consents to the foregoing Subordination, Nondisturbance and Attornment Agreement and reaffirms that the Guaranty of Lease dated \_\_\_\_\_ remains in full force and effect as of the date of the foregoing Subordination, Nondisturbance and Attornment Agreement.

**GUARANTOR:**

\_\_\_\_\_

a \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT G**

Intentionally Omitted.

## **EXHIBIT "H"**

### **Shadow Creek Ranch Town Center**

#### **Sign Criteria**

**Effective October 11, 2008**

The purpose of these instructions is to outline the criteria which have been established to control the design, fabrication and installation of tenant signs in this shopping center. The reason for establishing certain basic guidelines which must be followed by sign companies serves two purposes; 1) it will protect you, the tenant, from purchasing a sign which does not meet good standards of material workmanship, and appearance, and 2) it will assure the tenants, the Landlord, the shopping center's customers, and the surrounding property owners of an attractive shopping center, unmarred by poorly designed and badly proportioned signs.

#### **Important Note:**

**Landlord shall not be responsible for the cost of re-fabrication of any sign fabricated, ordered, or constructed that does not conform to the sign criteria or local codes and requirements. In addition, Landlord will not be responsible for timely submission of signs to local agencies for approval. It is Tenant's responsibility to submit drawings to Landlord in sufficient time to receive Landlord's comments and approval in advance of required submission to local agencies.**

#### **A. General Requirements:**

1. AmREIT recommends facade and monument signs to be fabricated and installed by the following sign company:

**State Sign  
7630 Hansen  
Houston, Texas 77061  
Phone: (713) 943-1831  
Fax: (713) 943-9771  
Attn: Danny Zoch**

Landlord has no ownership or contractual relationship with State Sign. Landlord reserves the right to designate another sign company as the designated sign company for the center at any time if State Sign does not provide satisfactory work to Tenant and Landlord at competitive rates.

2. Each tenant shall submit or cause to be submitted to the Landlord for written approval before fabrication detailed drawings indicating the location, size, layout, design, and color of the proposed signs, including all lettering and/or graphics.

Sign shop drawings should:

- a) provide an elevation of the store's entire exterior façade in color;
  - b) show the dimensions of each sign location imposed on an actual digital picture of the center;
  - c) provide a section or sections through the sign relative to the storefront lease line;
  - d) have a minimum scale of  $\frac{1}{4}'' = 1'-0''$ .
3. All permits for Tenant's signs and their installation shall be obtained by Tenant or their representative and will be subject to the governing authority's changes.
  4. Tenant shall be responsible for the fulfillment of all requirements of these criteria.

**B. Stipulations:**

1. No animated or audible sign will be permitted.
2. No exposed lamps or tubing will be permitted.
3. All signs and their installations shall comply with all local building and electrical codes.
4. All conductors, transformers, and other equipment shall be concealed behind the building façade.
5. Electrical service to all signs shall be on Tenant's meter.
6. All attached bolts will be of non-ferrous metal to prevent corrosion.
7. Background panels or "backer boards" are prohibited.
8. Brand name signs or logos that deviate from the tenant's trade name (dba) are prohibited.
9. Tag lines, secondary signs, or additional verbiage beyond tenant's dba is prohibited.

**C. Location of Signs:**

1. Signs on the exterior of the Building shall be permitted only for those tenants having exterior public entrances. Signs must be located within the sign areas designated for each façade condition as indicated on Exhibits D-1 through D-4 as attached hereto. Final placement, however, shall be subject to written approval by landlord.

**D. Design Requirements:**

1. All tenant storefront entrance and store identification designs shall be subject to the written approval of landlord.
2. Tenants are encouraged to have signs designed as an integral part of the storefront design, with letter size and location appropriately scaled and proportioned to the overall storefront design. The design of all signs, including style and placement of lettering, size, color, material and method of illumination, shall be subject to the written approval of the Landlord.
3. a) Wording of the fascia sign is limited to Tenant's trade name (dba) and logo. Each Tenant's customary signature or logo, hallmark, insignia, or other trade identification will be respected and reviewed on a case-by-case basis by Landlord. Graphic representations are not limited in content although they should incorporate imagery consistent with the store theme or product line.  
  
b) Wording of signs shall not include the product sold, except as part of Tenant's trade name or insignia. Tenants can use a variety of fonts but all are subject to Landlord's final approval. The exclusive use of capital letters is discouraged.
2. One horizontal line of copy is preferred unless Tenant's name is too long to fit. The sign copy cannot exceed two lines and no more than 80% of store frontage.
3. a) All Tenants' signs shall be no closer than 2'-0" from each tenant's storefront lease line and maximum height of signage shall not exceed 48" nor be less than 24" in height.  
  
b) The maximum overall height of any double line sign shall be 56" with a minimum of 18" on each line.
4. Letters to be plastic faced, 3/16" thick "Plexiglas" or approved equal. Channel letter construction to be prefinished aluminum. No "Channelume" or equal will be permitted. Jewelite trim to be 1" wide Duranodic Dark Bronze 313.
5. Letter returns to be 5" deep, .040" thick aluminum pre-finished Duranodic Dark Bronze. The insides of letters shall be painted white. Subject to Landlord's prior written approval, letter faces may be any color; however, all letter faces must be the same color Plexiglas. National logos may be a different color subject to Landlord's prior written approval.
6. Letter style to be of Tenant's choice with approval of landlord.
7. Lighting to be 15 M.M. 6500 K. White, 30 MA neon, outline neon (Double Tube).
8. Letters must be pop-riveted to the back. Welding shall not be accepted. Corners and seams to be caulked to prevent light and water leaks. Bottom of each letter to have 1/4" weep hole.

9. All letters to be mounted individually directly to fascia using non-corrosive ½" spacers. All spacers to be painted to match the fascia. Each letter to be grounded individually using Greenfield connectors. All letters to meet UL specifications.
10. Illuminated signs must be connected to a 7-day, 24-hour time clock set to the hours specified by the Shopping Center's management.
11. All electrical signage is to bear the UL label and must comply with all governing city and neighborhood codes.
12. Any wiring necessary for sign connections shall be concealed either inside the sign letters or behind the building façade.
13. Sign manufacturers' names or decals shall not be visible unless it is required by code.

**E. Miscellaneous Requirements:**

1. Permanent door signs are not permitted. Permanently painted window signs are permitted as follows:
  - a) Tenant Name:
    1. Size – 1 ½" maximum with 24" length
    2. Color – White
    3. Style – Arial Rounded Bold
  - b) The Hours of Operation:
    1. Size – 1" maximum with 18" length centered at 1 ½'
    2. Color – White
    3. Style – Arial Rounded Bold
    4. Placement – Below Tenant Name
  - c) Tenant address, which identifies Tenant space
    1. Size – 6" maximum with maximum 24' length
    2. Color – White
    3. Style – Arial Rounded Bold
    4. Placement – Centered 12" above the front door frame
2. No advertising placards, banners, pennants, names insignia, trademarks or other descriptive material shall be affixed or maintained upon the glass and supports of the windows and doors, or within the area that is 24" or less behind the window line.
3. Trailer or mobile type signs will be not permitted.
4. Sign contractors shall repair any damage to building and ground caused by the work done.

5. Tenant shall be fully responsible for the operations of the Tenant's sign contractor if such contractor is not the designated sign company for the center.
6. All mounting hardware shall be non-corrosive and neatly concealed from public. All penetrations of the building structure required for the sign installation shall be sealed neatly in watertight condition.
7. Note: All signage must conform with local codes.

Upon lease termination, Tenant is responsible for removing all signage installed by Tenant and for repairing any damage caused by the original installation of the signage or the removal thereof.

## Exhibit I

### SHADOW CREEK RANCH – EXCLUSIVES AND PROHIBITED USES Updated June 2012

1. **Academy** – Landlord shall not operate or permit to be operated within the Shopping Center any other store in the business of selling sporting goods or sports apparel, athletic footwear, or sports accessories. The incidental sale of such items does not violate the lease. Incidental sale shall mean less than 10% of gross sales and less than 500 SF of display area.

7.4 Landlord (and Tenant as to the Premises) shall not lease or permit the use of space in the Shopping Center for the following: (i) any bowling alley; (ii) any arcade; (iii) any tavern or bar, except to the extent incidental to a restaurant operated primarily for on-premises consumption (i.e., less than 35% alcohol sales); (iv) any health club, spa or gymnasium, except one (1) health club, spa or gymnasium containing not more than thirty-three thousand seven hundred (33,700) Leasable Square Feet shall be permitted if located within the location shown on Exhibit "B", which the sole customer entrance located no more than fifty feet (50') from the southern demising wall of such space; (v) any night club or discotheque; (vi) any second hand store; (vii) any mobile home park or trailer court (except that this provision shall not prohibit the temporary use of construction trailers); (viii) any dumping, disposing, incineration or reduction of garbage (exclusive of appropriately screened dumpsters located in the rear of any building); (ix) any fire sale, bankruptcy sale (unless pursuant to a court order), (x) any central laundry or dry cleaning plant or laundromat (except that this prohibition shall not be applicable to on-site service provided solely for pickup and delivery by the ultimate consumer); (xi) any automobile, truck, trailer or R.V. sales, leasing, display or repair; (xii) any skating rink; (xiii) any living quarters, sleeping apartments or lodging rooms; (xiv) any veterinary hospital, animal raising facilities or pet shop (except that this prohibition only prohibits a pet shop if it is adjacent to the Premises); (xv) any mortuary; (xvi) any pawn shop; (xvii) any bingo club; (xviii) any auction house; (xix) any flea market; (xx) any restaurant in any area of the Shopping Center located west of Business Center Drive (the area which is west of Business Center Drive is referred to herein as "Shopping Center West") except within (a) the outparcels depicted as "Pad H", "Pad I", "Pad J", "Pad K", "Pad L", and Pad "M" on Exhibit B, (b) the area depicted on Exhibit B as the "Permitted Restaurant Area" and (c) one or more "limited service" restaurants (which shall be no larger than 2,500 Leasable Square Feet and which shall be prohibited from serving alcohol) located in the retail building identified on Exhibit B as "Retail "4"" (xxi) any movie theater; (xxii) any establishment selling or exhibiting pornographic materials; (xxiii) any place of religious worship; (xxiv) any training or educational facility, including but not limited to: beauty schools, barber colleges, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers; (xxv) any "dollar store" or "big lots" discount store or other similar operation selling merchandise at less than full retail price; (xxvi) any tanning salon or nail salon within three hundred feet (300') of the Premises (except however, a tanning salon or nail salon may be located in the northernmost or next to northernmost space in Retail #2 which is depicted on Exhibit B); or (xxvii) any use which is a public or private nuisance.

7.5 Landlord, and its successors and assigns, shall not operate or permit under any circumstances to be operated within the Shopping Center any other store in the business of selling sporting goods or sports apparel, athletic footwear or sports accessories. The incidental sale of such items in connection with the overall business of another operator or tenant shall not be deemed a violation of this Paragraph 7.5. As used herein, "incidental sale" shall mean less ten percent (10%) of such operator's or tenant's gross sales and less than five hundred (500) square feet of such operator's or tenant's display area (inclusive of allocable aisle space).

17.1 Landlord agrees that, during the term of this Lease, it will not construct or permit to be constructed, without Tenant's prior written consent any building, sign, tower or other structure or vertical improvement, or make any other change whatsoever, in the Common Areas depicted on Exhibit B within Shopping Center West, which consent may be withheld in Tenant's sole discretion with respect to any such matter affecting the "Main East-West Driveway" within Shopping Center West as depicted on Exhibit B or the areas north of the Main East-West Driveway, but which consent shall not be unreasonably withheld, delayed or conditioned with respect to any such matter only affecting areas south of the Main East-West Driveway. In addition, no buildings or other structures within the Shopping Center shall be constructed or placed outside of the "Permissible Building Areas" shown on Exhibit B. In no event shall any improvements exceed (i) twenty-eight feet (28') in height on the outparcels depicted as "Pad D, Pad E, Pad F, Pad G, Pad H, Pad I, Pad J, Pad K, Pad L and Pad M", as shown on Exhibit B or (ii) twenty-eight feet (28') in height for the building depicted as "Retail #2" on Exhibit B or (iii) twenty-eight feet (28') in height, plus architectural elements up to thirty-two feet (32') in height covering no more than fifteen percent (15%) of linear width of any building facade, for any other building within Shopping Center West not set back from Broadway at least as far as the Premises. Furthermore, all entrances to Retail # 2 must face east and no single occupant of Retail #2 shall exceed 6,000 Leasable Square Feet (in the aggregate), except that two (2) tenants no greater than six thousand (6,000) Leasable Square Feet, in the aggregate, in Retail #2 may face south or southeast. Landlord shall not permit any tenant within the Shopping Center, other than Tenant and HEB, to conduct a sale or otherwise place inventory, merchandise or display items on any portion of the Common Areas; provided, however, that (x) sidewalk sales immediately in front of an occupant's premises shall be permitted if such sales do not interfere with pedestrian access and (z) any tenant within the Shopping Center, other than Tenant and HEB, of greater than 25,000 Leasable Square Feet may conduct outside sales in the Common Areas if such sales are limited to areas comparable in size to Tenant's outside sales area and there is no interference with ingress and egress.

2. **Ashley Furniture** – Sec 6(l) - Subject to the provisions of this subsection, Landlord, its successors and assigns, shall not enter into any lease, sell or permit the use of any space (A) in the Shopping Center, (B) in the HEB Premises to the extent Landlord, its successors or assigns, now or hereafter become entitled by any means to consent to or control occupancy thereof, or (C) at any property Landlord or an Affiliate of Landlord owns adjacent to the Shopping Center, for a store engaged in the business of Tenant's Normal Use (as defined in Section 1(l) above) from and after the Effective Date hereof (for purposes of convenience in this paragraph, such use is referred to as sale of "**Furniture**"). Notwithstanding the foregoing, Tenant agrees that the provision set forth above shall not (y) limit Landlord's ability to lease, sell or permit the use of any space in the Shopping Center for use by a tenant selling such items as art, televisions, electronics, appliances, linens or any other items not set forth as part of Tenant's Normal Use, or (z) prevent Landlord from permitting Furniture sales as an incidental portion of other retail activity by any tenant of the Shopping Center or the HEB Premises, as applicable (such use is referred to as "**Incidental Furniture Sales**"), provided the display or sales space for Furniture does not exceed five percent (5%) of the total square feet of such tenant; provided, however, that Landlord may lease space in the Shopping Center to Office Depot, Staples or Office Max notwithstanding the restriction set forth above so long as (1) their respective business concepts and models (including, without limitation, product lines and product mix as well as leasehold space requirements) remain materially the same as their respective business concepts and models as of the Effective Date in Houston, Texas, and (2) the display or sales space for Incidental Furniture Sales does not exceed twelve percent (12%) of the total square feet of any such retailer. Tenant acknowledges Landlord may not be entitled at present to enforce this restriction (i) against HEB, as ground lessee in a prior ground lease from Landlord, and if not so entitled, this restriction cannot be enforced against, and will not be deemed applicable to, such premises until such time that Landlord or its successors, assigns or affiliates takes or assumes control by any means over the HEB Premises or HEB Tract, or (ii) against occupants in the Shopping Center (and other

successors and assigns) with leases in existence as of the date hereof (for so long as their respective leases are in effect) (collectively, "**Existing Occupants**") to the extent such respective leases permit uses that would otherwise be prohibited by the exclusive use rights herein granted to Tenant, but shall apply to transactions after the Effective Date (including, without limitation, agreements which increase the space leased to, or otherwise used by, an Existing Occupant, but excluding any such agreements which the landlord under the Existing Occupant's lease is obligated to enter into pursuant to the express terms of such lease as such lease is presently written) which permit the use of space in the Shopping Center, at the HEB Tract or at any property Landlord or an Affiliate of Landlord owns adjacent to the Shopping Center, for a store engaged in the business of the sale of Furniture; and provided further that, if a change in use under an existing lease requires Landlord's approval or consent (whether in connection with a proposed subletting or lease assignment or otherwise), Landlord shall not grant such approval or consent if it has the discretion to deny any change or its discretion permits denial due to the existence of Tenant's rights hereunder.

The operation of (i) a retail store and/or outlet for the sale of (1) furniture (household and office) and other home and office furnishings and/or accessories, including, without limitation, bedding, headboards, trundle beds, brass beds, bed frames, bed rails, water beds and component parts for each of the foregoing, mattresses, mattress covers, box springs and their component parts, plus, without limitation, storage, office, lunchroom and/or break room, customer accommodation areas, and other uses ancillary thereto which are customary in retail furniture establishments (such use is herein referred to as "**Tenant's Normal Use**").

Landlord shall not during the Lease Term permit the use of any portion of the Shopping Center for the following uses: bowling alley; "Second hand" store; "Dollar store" or "big lots" discount store or other similar operation selling merchandise at less than full retail price; "Wholesale" or "factory outlet" store, a "surplus" store or a store commonly referred to as a "discount house" unless a retailer operating a business generally considered to be one of the foregoing has been leased space within at least two (2) other first-class shopping centers of comparable size located in the Houston, Texas area (by way of example only, the use of space by a retailer such as "Off 5th by Saks" or "CardsMart" would not constitute a prohibited use); funeral home or mortuary; flea market; tattoo parlor or body piercing; theatre; billiard parlor; adult video store and/or night club; arcade; tavern or bar (provided, however, the foregoing shall not prohibit the operation of a restaurant where the sale of alcoholic beverages therein comprises less than 35% of the annual gross sales of such restaurant); mobile home park or trailer court; skating rink; veterinary hospital; pawn shop; bingo club; place of religious worship; establishment selling or exhibiting pornographic materials; liquor store except provided such store doesn't exceed 5,000sf; discount tobacco store; lawn and garden products; pet store exceeding 3,000sf; assembly halls; schools; museum; amusement park; dancehall; warehouse; automobile body and repair shop; car wash except that a car wash operated at the location shown on the Site Plan attached as Exhibit "A" to this Lease as the "HEB OUTPARCEL" shall be permitted; health club, spa, or gym exceeding 3,000sf except that a health club, spa and gym containing not more than 33,700 square feet of space shall be permitted if located within the location shown on the Site Plan attached as Exhibit "A" to this Lease as "PERMITTED HEALTH SPA AREA" with the sole customer entrance located not more than 50 feet from the southern demising wall of such space; auction house; living quarters, sleeping apartments, lodging rooms.

3. **Burlington Coat Factory** - No portion of the Protected Parking Area may be modified without Tenant's prior consent; except for premises and outparcels in the Shopping Center marked on Exhibit A of the Lease as Permitted Restaurant Areas, no restaurant or other premises for on-premises food or beverage consumption may be erected within 150' of any part of the Demised Premises; no premises in the Shopping Center shall be leased to a baby goods store such as Babies R Us, Buy Buy Baby Superstore, Geoffrey and USA Baby, or primarily as a linens store such as, but not limited to, Linens N Things and Bed Bath & Beyond. Height of buildings on Pads H through M as shown on

Exhibit A of the Lease shall be no more than the heights of the respective buildings on those pads on the Effective Date.

4. **Carl's Jr** - So long as no Tenant event of default exists and is continuing beyond any applicable cure period and Tenant continuously operates its business on the Premises for the Permitted Use (except to the extent Tenant is closed but rebuilding after a casualty or due to remodeling or other work being performed on the Premises, or due to any other matter beyond Tenant's reasonable control, e.g., utility failure, war, etc.), Landlord shall not sell, lease or permit a sublease of space within that portion of the Center shown as the "Restricted Area" on Exhibit 4.3.1 attached hereto and commonly referred to as freestanding pads H, I, K, L and M, or any pad hereafter created on that portion of the Center located west of Business Center Drive (the "**Restricted Property**") to another party that will use its premises in the Restricted Property primarily for the sale of hamburger based sandwiches.

5. **Cartridge World** - Landlord will not lease any space in the Shopping Center to any other tenant leasing less than 10,000 SF specializing in refilling ink and toner cartridges.

6. **Compass Bank** - 9.3 Operation of the Development. Landlord shall not allow any use within the Development and Tenant shall not use or permit the use of the Premises for the following: funeral establishment; automobile, boat or other motor vehicle sale, leasing, repair or display establishment or used car lot, including body repair facilities and/or service stations; auction or bankruptcy sale; pawn shop; outdoor circus, carnival or amusement park; shooting gallery; off-track betting (provided that state sponsored lottery tickets shall not be prohibited); any theater, amusement facility and/or facility selling or displaying books, magazines, literature, or videotapes containing Adult Material ("Adult Material" is defined as any printed and/or pictorial work that appeals to a prurient interest in sex, is patently offensive according to contemporary community standards, and has no serious literary, artistic, political, or scientific value, and any printed and/or pictorial work rated X, XX, XXX (or of a rating assigned to works containing material more sexually explicit than XXX), and, notwithstanding anything to the contrary contained in this Lease, no material shall be considered Adult Material if: (1) it is available, or of the type to be available to the community, through a broadcast network (i.e., NBC, ABC or CBS); or (2) it is such a material that is, or has been in a cinema or theater for public viewing in the community where the Premises is located; provided, however, that any material rated X, XX, XXX, or rated for more sexually explicit content than XXX, shall be considered Adult Material and restricted regardless of its availability to the general public)); any residential use, including but not limited to living quarters, sleeping apartments or lodging rooms; auditorium, meeting hall, ballroom, or other place of public assembly; unemployment agency, service or commission; gymnasium, health club, dance hall; cocktail lounge, disco, after-hours club, or night club; bingo or similar games of chance, but lottery tickets and other items commonly sold in retail establishments may be sold as an incidental part of business; video game or amusement arcade, except as an incidental part of another primary business; skating or roller rink; car wash, car repair; second hand store, auction house, or flea market; dry cleaning plant; storage facility (except as incidental to and in support of retail use); truck rental; outdoor amusement facility; wholesale and/or distribution operation; sporting event or other sports facility; massage parlor.

7. **Denny's** - Lessor will not lease any space in the Shopping Center to any other full-service, sit-down restaurant whose primary business is all-day breakfast service (such as IHOP, Grandy's, Kettle, Waffle House or similar restaurants excluding La Madeleine and McDonald's). Shopping Center Exclusives granted are listed on Ex G.

8. **Dental Etc.** - Provided Tenant is not in default under this Lease and has continuously operated its business at the Premises, and subject to the provisions of Section 5.1, Landlord will not lease any

space in the area shown as Retail #4 of the Shopping Center to any other tenant whose business is a dental office.

9. **Dive Zone SCUBA** - Landlord shall not lease space within the Shopping Center to another tenant primarily for providing scuba diving training/instruction.

110. **Dream Flowers** - Within Retail Bldg 2 depicted on Exhibit J, Landlord shall not lease space to another florist.

11. **Dynamic Fitness Club** - So long as Tenant is not in default and is operating its business in the SC, Landlord shall not lease to another Tenant whose premises exceed 2,500 sf for use as a health club facility offering weight training, aerobic training and free weights.

12. **Eyes & Optics** - Provided Tenant is not in default under the Lease and has continuously operated its business in the Premises, and subject to the provisions of Sec 5.1, Landlord will not lease any space in the Shopping Center to (i) any other private or franchise optometry or ophthalmology clinic as tenants in retail centers #1, #2, #3 or #4, or (ii) a dry cleaning plant, nail salon or restaurant directly adjacent to the Leased Premises for the duration of the Lease.

13. **FedEx Kinkos** - Subject to the terms and conditions of this Lease, Tenant shall have the exclusive right upon the Property and within the Shopping Center to provide, offer and/or sell the following goods and services to the public for remuneration: photocopying (color and black and white copying) of documents (but not photographs, whether or not digital); large format printing such as banners and cut vinyl signs; overnight courier services (provided Landlord may locate one [1] United States Postal Service mailbox at the Shopping Center, but not within 200 feet of any portion of the Premises); and packaging and shipping services (excluding any gift wrapping, packaging, shipping or similar services that tenants provide in the normal course of their businesses in shipping customer orders or purchases) (collectively, "TENANT'S CORE EXCLUSIVE USES"). In addition, subject to the terms and conditions of this Lease, Tenant shall have the exclusive right to offer the following goods and services to the public for remuneration: printing of documents (but not photographs, whether or not digital); digital printing of documents (but not photographs, whether or not digital); digital imaging of documents (but not photographs, whether or not digital); binding of documents (but not photographs, whether or not digital); mounting of documents (but not photographs, whether or not digital); laminating of documents (but not photographs, whether or not digital); blueprinting; desktop publishing; retail art and graphic design; video conferencing; mail and facsimile services, on-site computer rentals (but excluding rentals of other forms of technology, including, without limitation, gaming systems, phones, and televisions, or rentals made as a part of any furniture rental operation); on-site computer learning and training for services in connection with computer software and hardware; internet access; document exchange; passport photography and film processing; digital photo processing; and word processing and typing services (collectively "TENANT'S SECONDARY EXCLUSIVE USES" and collectively with Tenant's Core Exclusive Uses "TENANT'S EXCLUSIVE USES"). Notwithstanding anything contained herein to the contrary, Tenant agrees that the provisions set forth above relating to Tenant's Exclusive Uses shall not in any manner whatsoever (a) limit, prohibit or restrict Landlord's ability to lease, sell or permit the use of any space in the Property for use by a tenant operating as an office supply store (such as, but not limited to, Office Depot, Office Max or Staples), "specialty" office supply store (such as, but not limited to, Cartridge World) or store whose primary use is the sale of stationary, (b) limit, prohibit or restrict Landlord's ability to lease, sell or permit the use of any space in the Property for use by a tenant operating as a camera or photo store (including, without limitation, Ritz Camera, Wolf Camera or any similar local, regional or national retailer) or a photography studio, (c) apply to any tenant leasing or occupying 15,000

square feet or more, regardless of use, (d) limit, prohibit or restrict another tenant from performing any of such activities in connection with the operation of its business (such as, but not limited to, computer training for employees or photocopying for business purposes), (e) limit, prohibit or restrict the placement, use or operation of automated teller or advanced financial services machines or kiosks or (f) limit, prohibit or restrict Landlord's ability to lease, sell or permit the use of any space in the Property for use by a tenant for any of Tenant's Secondary Exclusive Uses, goods or services as an "incidental portion" of total retail activity by any tenant of the Property.

14. **H & R Block** – Landlord shall not lease space in Retail 1 to another tenant who will use the space for the preparation of tax returns.

15. **HEB - Exclusives.** Landlord has not, and so long as this Lease shall be in effect, will not directly or indirectly lease, rent, occupy or permit to be occupied or used any part of the Shopping Center (other than the Leased Premises) for the purpose of or in connection with the conduct of a food store business or food department, or for the storage, display, or sale of (i) edible groceries, including but not limited to meats, poultry, seafood, produce, frozen foods, dairy products, bakery products, wine, malt, alcoholic or nonalcoholic beverages, and any other items of food and beverage, (ii) health and beauty products, including but not limited to hair products and supplies, cosmetics, skin and body products, vitamins, herbs, and nutritional supplements, (iii) pet food and supplies, (iv) greeting cards, gift wrapping supplies, and party products, (v) baby apparel, supplies, and furniture, (vi) tobacco products, (vii) lawn and garden products, (viii) fresh flowers, plants, floral supplies and products, (ix) non-prescription pharmaceuticals, (x) prescription pharmaceuticals or other products which are required by law to be dispensed by a registered pharmacist, (xi) gasoline or other fuel for vehicles or (xii) a car wash, or any of them; provided, however, that this restriction shall have no application to the following:

(a) the Incidental Sale (as defined below) by a store (the principal business of which is not a food store) of (x) candy, cookies, gum, nuts, dietetic foods, ice cream, popcorn, non-alcoholic beverages and other items of food (except fresh meat, poultry, seafood and produce), and/or (y) any of the items set forth in subparagraphs 9(b)(1)(ii) through (ix) above;

(b) the operation of a specialty ice cream and/or frozen yogurt store;

(c) a liquor store on Shopping Center West, provided that the total Floor Area of any such store does not exceed 5,000 square feet;

(d) the sale of tobacco or tobacco products by a specialty tobacco store such as that currently operated as "Humidor", but not a store whose principal business is the discount sale of tobacco products or any such store with a drive-thru facility;

(e) the operation of a specialty coffee store;

(f) one or more restaurant(s) located more than three hundred feet (300') from the Building; provided that (i) no individual restaurant on each of Pad A and Pad B shall exceed 5,000 square feet of Floor Area in the aggregate and the front door of any such restaurant shall face State Highway 288, and (ii) all restaurants in the Shopping Center shall not exceed 75,000 square feet of Floor Area in the aggregate; provided, however, that all restaurants in Shopping Center East shall not exceed 25,000 square feet of Floor Area in the aggregate. In any event, any restaurant permitted hereby shall have no more than twenty percent (20%) of the Gross Sales from such operation derived from the sale of alcoholic beverages;

- (g) the operation of a diet specialty store such as "WeightWatchers";
- (h) the operation of a pet store, provided that the total Floor Area of any such store does not exceed 3,000 square feet;
- (i) the operation of a specialty card store on Shopping Center West such as that currently operated as "Hallmark"; provided that the total Floor Area of any such store does not exceed 3,000 square feet;
- (j) the sale of baby apparel, supplies and/or furniture on Shopping Center West by a retailer such as that currently operated as "Beall's" or "Marshall's" whose primary business is not the sale of baby apparel, supplies or furniture;
- (k) the sale of lawn and garden products by a hardware store on Shopping Center West such as that currently operated as "Ace Hardware" or "Tru Value", provided that the total Floor Area devoted to the sale or display of barbeque grills and related equipment and supplies shall not exceed the lesser of (i) five percent (5%) of the Floor Area of such premises, or (ii) 1,000 square feet;
- (l) the operation of a retail flower store on Shopping Center West, provided that the total Floor Area of any such store does not exceed 2,500 square feet; and the sale of fresh flowers, plants, floral supplies and products on Shopping Center West by a nursery such as that currently operated as "Calloway's", provided that any such nursery may not be closer than 400 feet from the Building as depicted on the Site Plan; or
- (m) the operation of a retail health and beauty products store on Shopping Center West which sells, by way of example, hair products and supplies, cosmetics, skin and body products, vitamins, herbs, and nutritional supplements; provided that the total Floor Area of any such store does not exceed 5,000 square feet of Floor Area.

The stores permitted under subparagraphs (b) through (l) above shall not have a common door or be operated as a common enterprise, but the foregoing shall not preclude the sale of items permitted in one of such paragraphs in a store permitted under a different subparagraph, provided that the square foot area limitations for such store, if any, as set forth above shall not thereby be increased due to any such sales. Furthermore, any restaurant uses permitted hereby, except for a takeout or delivery pizza store, or a sandwich shop (such as that currently operated as a Subway or Quizno's) must have as their principal business the sale of prepared food for on-premises consumption; provided that the Incidental Sale of prepared food for off-premises consumption (as defined in this paragraph) and the operation of a fast-food restaurant such as McDonald's, Taco Bell or Wendy's on a Pad shall also be permitted; but it is expressly understood that the operation of a meals-to-go business such as that currently operated by Eatzi's, Luby's Meals-to-Go, Dean and Deluca's shall not be permitted. For purposes of this paragraph 9(b)(1), (i) "Incidental Sale" shall mean ten percent (10%) or less of gross sales from such premises attributable to the sale of any of the items set forth in paragraph 9(b)(1)(a) above, and (ii) "Incidental Sale of prepared food for off-premises consumption" shall mean thirty percent (30%) or less of gross sales from such premises.

(2) Prohibited Office, Other Uses. Landlord will not permit the use of any portion of the Shopping Center for any purpose other than retail, office and service establishments common to first-class shopping centers of comparable size located in the Houston, Texas area. Notwithstanding the foregoing, office use shall not exceed twenty percent (20%) of the Shopping Center buildings. Service establishments shall include, but not be limited to, the business of financial institutions, investment, real estate, and insurance offices, cleaners, barber and beauty shops, shoe repair shops, optical stores and

optician offices, and travel agencies. No store occupying more than 20,000 square feet of Floor Area and primarily engaged in the sale of office products and supplies (such as that currently operated as "Office Depot" or "Office Max"), and no store occupying more than 25,000 square feet of Floor Area and primarily engaged in the sale of consumer electronics equipment and supplies (such as that currently operated as a "Circuit City" or "Best Buy") may be situated on Shopping Center East and in no event shall any such store be closer than 400 feet from the Building as depicted on the Site Plan. No use or operation will be made, conducted or permitted on or with respect to all or any part of the Shopping Center, which is obnoxious to or out of harmony with the development or operation of the Leased Premises, including, but not limited to, any of the following uses (collectively, the "Prohibited Uses"): any nuisance; any use which violates laws or requirements of governmental authorities having jurisdiction over the Shopping Center; the primary use of any building as a warehouse; an assembly hall; distillation operation; a telecommunications tower; mobile home or trailer park; the drilling for and/or removal of subsurface substances; kennel or veterinary clinic where animals are kept overnight; school (except that the foregoing shall not prohibit cooking classes, wine classes or other instructional classes on the Leased Premises); church; assembly hall; museum; pawn shop; movie theatre; game room or amusement park; skating rink; pool hall or billiard parlor; bowling alley; dancehall; saloon, cocktail lounge, nightclub or bar (including a restaurant which derives more than twenty percent (20%) of its annual gross revenues from the sale of alcoholic beverages); mortuary or funeral home; automobile body and repair shop; flea market; or adult book store or store selling sexually explicit material.

(3) Adjacent Property of Landlord. If at any time during the Term of this Lease, Landlord, or any entity in which Landlord owns a legal or beneficial interest or any entity which owns a legal or beneficial interest in Landlord, now owns or hereafter acquires real property within a one (1) mile radius of the Shopping Center (the "Adjacent Property"), Landlord covenants and agrees as follows: (i) such Adjacent Property shall not be used for the operation of (x) a food store business or food department in excess of 10,000 square feet of Floor Area; (y) a pharmacy or the sale of products which are required by law to be dispensed by a registered pharmacist; and/or (z) a fuel service station; (ii) any buildings or other improvements (including pylon or monument signs) constructed on such Adjacent Property shall not materially interfere with or alter the visibility of and public access to the Leased Premises or the visibility of any Shopping Center and/or Leased Premises pylon or monument signage permitted under this Lease; (iii) Landlord shall not place, or allow the placement of, any telecommunications towers on the Adjacent Property; and (iv) any building constructed on an outparcel (each an "Outparcel") located on such Adjacent Property and within two hundred fifty feet (250') of the boundary of the Shopping Center shall additionally comply with the restrictions set forth in paragraph 9(b)(4) below.

(4) Outparcel Restrictions. Landlord covenants and agrees that, in addition to the restrictions set forth in paragraph 9(b)(3) above, any buildings constructed on an Outparcel shall also be subject to the following restrictions: (i) no more than one (1) building shall be constructed on any Outparcel; (ii) no building shall exceed one (1) story in height; (iii) no building shall exceed twenty-eight (28') feet in height; (iv) the Floor Area of any building constructed on an Outparcel shall be limited to the extent that the number and size of on-grade automobile parking spaces required by all applicable rules, regulations, ordinances, and laws can be constructed and maintained within the boundaries of such Outparcel without reduction in such size and number by virtue of the granting of a variance or special exception to such rules, regulations, ordinances, or laws by the governmental authority having jurisdiction thereof and without reliance on any other property; (v) each building shall comply with all governmental rules, regulations, ordinances, and laws; and (vi) in the event any improvements located on any Outparcel shall be damaged or destroyed, and the owner of such Outparcel elects not to repair or restore such improvements, such Outparcel owner shall promptly raze and remove such damaged or destroyed improvements and either landscape or pave the same, and thereafter maintain such Outparcel (including concealment of any exposed slab or foundation thereof) in a manner consistent with the Common Areas. For purposes of this paragraph, the Floor Area of any building constructed on an Outparcel shall also be

deemed to include outdoor balconies, patios, or other outdoor areas utilized for retail sales or food or beverage service (exclusive of areas utilized exclusively for drive through or walk-up take-out food or beverage service).

16. **Hobby Lobby - Exclusive/Restrictions** - The Shopping Center will be used solely for promoting and operating a retail shopping center and LL will not erect or raze any building or permit any obstruction of any portion of the common areas shown on Exhibit "A" except as reserved and designated for future expansion. Tenancy is restricted to (a) retail stores selling quality merchandise, (b) financial institutions, (c) service shops, (d) professional offices, and (e) parking areas. **No arts and craft or fabric store**, no bowling alley, second-hand store, funeral home, flea market, tattoo parlor, theater, billiard parlor, adult video store or book store, or night club is permitted within the shopping center. No package store selling liquor, beer/wine, health club, exercise studio, spa or other place of recreation or amusement shall be operated within 300 feet of the Leased Premises. Tenant has the right to abate all rental obligations during the period of any such violation.

17. **Houston Swim Club** – Landlord shall not allow another tenant of the Shopping Center to primarily use the premises for swimming lessons, swimming practice, swimming instruction, swimming competitions or swimming birthday parties.

18. **Jamba Juice** – Provided Tenant is not in default under the Lease beyond any applicable cure period and has continuously operated its business at the Premises, Landlord will not lease any space in the Shopping Center to any other tenant whose primary business derives greater than twenty-five percent (25%) of its revenues from the sale of juices and blended juice drinks (including, but not limited to, smoothies (hot or cold) and juice health supplements. The foregoing exclusive use right granted to Tenant shall not apply to the sale of milk shakes, malts, blended coffee drinks, tea, ice cream or blended yogurt drinks or to ice cream retailers (including but not limited to Baskin Robbins, Marble Slab, Cold Stone Creamery, and Maggie Moo's) or coffee retailers (including, but not limited to, Starbucks, Caribou Coffee, Coffee Bean & Tea Leaf; the Coffee Beanery, and Seattle's Best).

19. **Jenny Craig** – So long as no Event of Default exists and is continuing and Tenant continuously operates its business in the Premises for the Permitted Use, Landlord shall not lease space in the HEB portion of the Shopping Center, as outlined on Exhibit A-3, to another tenant that will use its premises in the Shopping Center for a weight loss center (the "**Exclusive Use**"). Notwithstanding anything to the contrary herein, Tenant acknowledges and agrees that this provision shall not apply in any way to (a) to the Medifast Weight Control Center currently operating in the Shopping Center or any tenant or other occupant leasing or occupying space in the Shopping center under a lease or other agreement as of the Commencement Date, or to such tenants or occupants successors, assigns, or subtenants, or (b) any other property owned by Landlord or an affiliate of Landlord other than the Shopping Center. "Weight loss center" shall be defined as only those businesses that (1) derive more than ten percent (10%) of their total sales from the sale of pre-packaged food products utilized as part of a weight-loss program, and (2) such food products are not advertised to the public as a weight loss product. Examples of tenants that would violate this Exclusive Use provision include, but are not limited to, Weight Watchers, Quick Weight Loss, and Medifast.

20. **Longhorn Steakhouse** - so long as (i) no Tenant event of default exists and is continuing beyond any applicable cure period and (ii) Tenant is operating a steakhouse restaurant at the Premises, Landlord shall not (a) sell or lease space within the Center to another party that will use its premises in the Center as a full service sit down restaurant (service by waiter or waitress) serving primarily steaks and/or prime rib, or (b) sell or lease space within the Center to any of the following operators that are currently

known as "Chop House", "Golden Corral", "Logan's Roadhouse", "Lone Star", "Texas Land & Cattle", "Original Roadhouse Grill", "Outback", "Roadhouse Grill", "Ryan's Steakhouse", "Sagebrush", "Saltgrass Steakhouse", "Sizzler", "Smokey Bones", "Steak and Ale", "Ted's Montana Grill", "Texas Roadhouse", "Texas Steakhouse", "Trail Dust Steakhouse", "Tumbleweed", "Fogo de Chao", "Texas De Brazil" (the "Exclusive Use").

21. **Massage Heights** – Solely for a lawfully operated massage clinic, performing Swedish, trigger point, soft and deep tissue, sports, cranial sacral myofascial release, effleurage, friction, petrissage and reflexology massage, performed by licensed massage therapists only, in conformance with all applicable governmental, medical, and industry codes laws, rules and regulations; and retail sales pertaining to massage therapy use and other ancillary purposes associated therewith (no sauna or whirlpool activities allowed), and for no other purpose. In no event shall Tenant use the Premises as a "massage parlor" or any other use inconsistent with a family-oriented shopping center.

**Exclusive** - Section 1.1p – Provided Tenant is not in default under the Lease (beyond any applicable cure period) and has continuously operated its business at the Premises, Landlord will not lease any space in the Shopping Center to any other tenant whose primary use is the sale of professional therapeutic massage services, which may or may not be membership oriented, provided however, that a medical spa may be located in the Shopping Center. Landlord shall not allow any other party in the Shopping Center to offer massage services exceeding 15% of the tenant's gross sales.

22. **McDonald's** - Sec 4 F – **Exclusive**: Landlord agrees that no property other than Tenant's Premises within that portion of the Shopping Center as shown on Ex C shall be used as a restaurant, food service establishment, drive-in, drive-thru or walk-up eating facility which shall mean an establishment which offers, on its menu more than (i) 2 hamburger based sandwiches, plus a hamburger sandwich based kids meal (for a total of 3 hamburger sandwich based offerings. Exclusive shall not apply to any grocery store in the Houston area including HEB. The exclusive excludes restaurants with waiter/waitress service including Denny's, Red Robin, Logan's, Chili's, Cheddar's Casual Café and Applebee's. The exclusive prohibits restaurants such as Arby's, Big Boy, Burger Chef, Burger King, Carl's Jr., Culver's, A&W, Back Yard Burger, Fuddrucker's, Hardee's, In and Out Burgers, Jack in the Box, Steak N Shake, Dairy Queen, Johnnie Rocket, Rally's, Rax, Sonic, Wendy's, White Castle, Whataburger, and Rocket's.

23. **McGrory Orthodontics** – Landlord will not lease any space in the Shopping Center to any other orthodontic office, but does not apply to any uses by a current tenant. Landlord may lease to a dental or medical office.

24. **Men's Wearhouse** – Landlord represents and warrants that Tenant has the exclusive right within the Shopping Center to (a) rent or sell men's formalwear in the Shopping Center; and (b) to sell Restricted Items; provided however, that other tenants and occupants of the Shopping Center shall be permitted to sell Restricted Items, in the aggregate, in any manner that does not constitute a Use Violation. For purposes of this Lease, a "Use Violation" means (a) the use by any tenant or other occupant of the Shopping Center, including a Temporary Store, of thirty percent (30%) or more of its sales area for the aggregate sale of Restricted Items, or (b) the rental of men's formalwear by any tenant or other occupant of the Shopping Center, including a Temporary Store. "Restricted Items" means men's suits, men's formalwear, men's sports coats, and men's dress slacks. "Temporary Store" means (a) a store or business in the Shopping Center operated by a tenant (or any assignee or subtenant), licensee, or occupant under a lease, license or agreement, oral or written, for a term less than one (1) year; or (b) a store or business that is not expected or required to operate continuously for at least twelve (12) consecutive months.

25. **Pacific Dental** – Landlord shall not lease space in the Shopping Center East (as depicted on Exhibit A-2) to another tenant for general or specialty dentistry (including orthodontics, pediatric dentistry, oral surgery, periodontics, endodontics, and cosmetic surgery) services or operations.
26. **Pearl Dynasty** – Provided Tenant is not in default under the Lease and has continuously operated its business in the Premises, and subject to the provisions of Section 5.1, Landlord will not lease any space in the Shopping Center to any other restaurant on the East side of Business Center Drive whose primary use is as a Chinese restaurant.
27. **Rising Sun Karate** - Landlord shall not lease space in the Shopping Centre to another tenant that will use its premises in the Shopping Center primarily as a karate instructional facility. Primarily means 25% or more of such tenant's annual gross sales.
28. **Roosters Men's Grooming** - Provided Tenant is not in default under this Lease and has continuously operated its business at the Premises, and subject to the provisions of Section 5.1, Landlord will not lease any space in the Shopping Center to any other upscale men's barbershop offering haircuts and shaves. Notwithstanding the foregoing, the exclusive use granted herein shall not prohibit Landlord from leasing premises in the Shopping Center to any discount hair salon such as Super Cuts, full service salons or spas, hair salons or barbershops catering to children such as Cartoon Cuts or salons catering primarily to women.
29. **Sakura Japanese Steakhouse** - Landlord shall not lease space to a restaurant offering Japanese cuisine, which is sushi and Japanese food prepared on a hibachi grill. Tenant's sole remedies are to terminate the lease or reduce base rent by 50%.
30. **Snip-Its Haircuts for Kids** – So long as no Event of Default exists and is continuing and Tenant continuously operates its business in the Premises for the Permitted Use, Landlord shall not lease space in the Shopping Center to another tenant that will use its premises in the Shopping Center primarily for children's haircutting and grooming. Notwithstanding anything to the contrary herein, Tenant acknowledges and agrees that this provision shall not apply to (a) any tenant or other occupant leasing or occupying space in the Shopping Center under a lease or other agreement as of the Commencement Date, including, but not limited to, Supercuts, Roosters, or Aisha's Salon, or to such tenant's or occupant's successors, assigns, or subtenants, or (b) any other property owned by Landlord or an affiliate of Landlord other than the Shopping Center.
31. **Subway** - Landlord shall not lease space within the Restricted Property outlined on Exhibit I of the Lease to another tenant who will use the premises primarily for the sale of made to order submarine sandwiches prepared and sold in counter-service setting.
32. **Supercuts** – Provided Tenant is not in default under this Lease, and is operating its business at the Premises, Landlord will not lease any space within that portion of the Shopping Center cross hatched on Exhibit "A-2" attached hereto and incorporated herein to any other tenant operating a hair salon or barber shop.
33. **Taco Cabana** - As material inducement for Lessee to enter into this Lease, Lessor and its respective successors and/or assigns, shall not convey, assign, license, sell or lease any property adjoining the Premises or within the Shopping Center, whether now owned by, leased by, or hereafter acquired by Lessor, without first prohibiting the use of such property to be conveyed, assigned, licensed, sold or

leased for the operation of a restaurant with gross revenues of 15% or more from the sale of quick-serve Mexican food, exclusive of taxes, beverages and dairy product sales (the "Restriction"). The Restriction shall apply only as long as all of the following conditions exist: (i) Lessee is occupying the Premises and operating as a Mexican food restaurant, and (ii) Lessee is not in default exclusive of any cure period under this Lease. This provision shall not prohibit (and the Lessor shall not be in default hereunder if there is) (i) the operation of a Lupe Tortilla restaurant within the Shopping Center; or (ii) a full service sit down restaurant (as opposed to a "quick serve" Mexican food restaurant) that has less than 35% of its gross sales from Mexican food; and (iii) this provision shall not apply to HEB Grocery Store or Academy Sports and Outdoors.

34. **Thai Cottage** – Provided Tenant is not in default under this Lease and has continuously operated its business at the Premises, and subject to the provisions of Section 5.1, Landlord will not lease any space in the Shopping Center to any other person or entity that has a primary use as a Thai restaurant.

35. **T-Mobile** - Landlord shall not allow any use within that portion of the Shopping Center labeled as Pad Sites D, E, F and G on the site plan attached hereto and Tenant shall not allow any use in the Premises which (i) causes or creates a nuisance, (ii) is obnoxious, (iii) generally detracts from the first-class retail nature of the Shopping Center, or (iv) materially interferes with Tenant's business, provided, however, that nothing contained in this Lease shall prohibit or in any manner limit Landlord in leasing premises within the Shopping Center to other tenants for the same as Tenant's Permitted Uses. In the event that Landlord enters into such a lease or leases, the same shall not constitute a default or otherwise breach Landlord's obligations under this Lease. Such prohibited uses shall exclude existing tenants of the Shopping Center as of the date hereof and shall include, but not be limited to, (a) flea markets, (b) storage of motor vehicles, boats or trailers, (c) automobile repair operations, (d) "head shops" or other similar type uses, (e) automobile sales, (f) intentionally omitted (g) vocational schools or training classes unrelated to a primary retail use, (h) manufacturing or assembly facilities, (i) churches or places of religious congregations, and (j) intentionally omitted.

36. **Tutti Frutti** - Landlord shall not lease space to another tenant in the portion of the Shopping Center described on Exhibit J that will use its premises primarily for the sale of self serve frozen yogurt. Primarily means more than 25% of such tenant's gross sales.

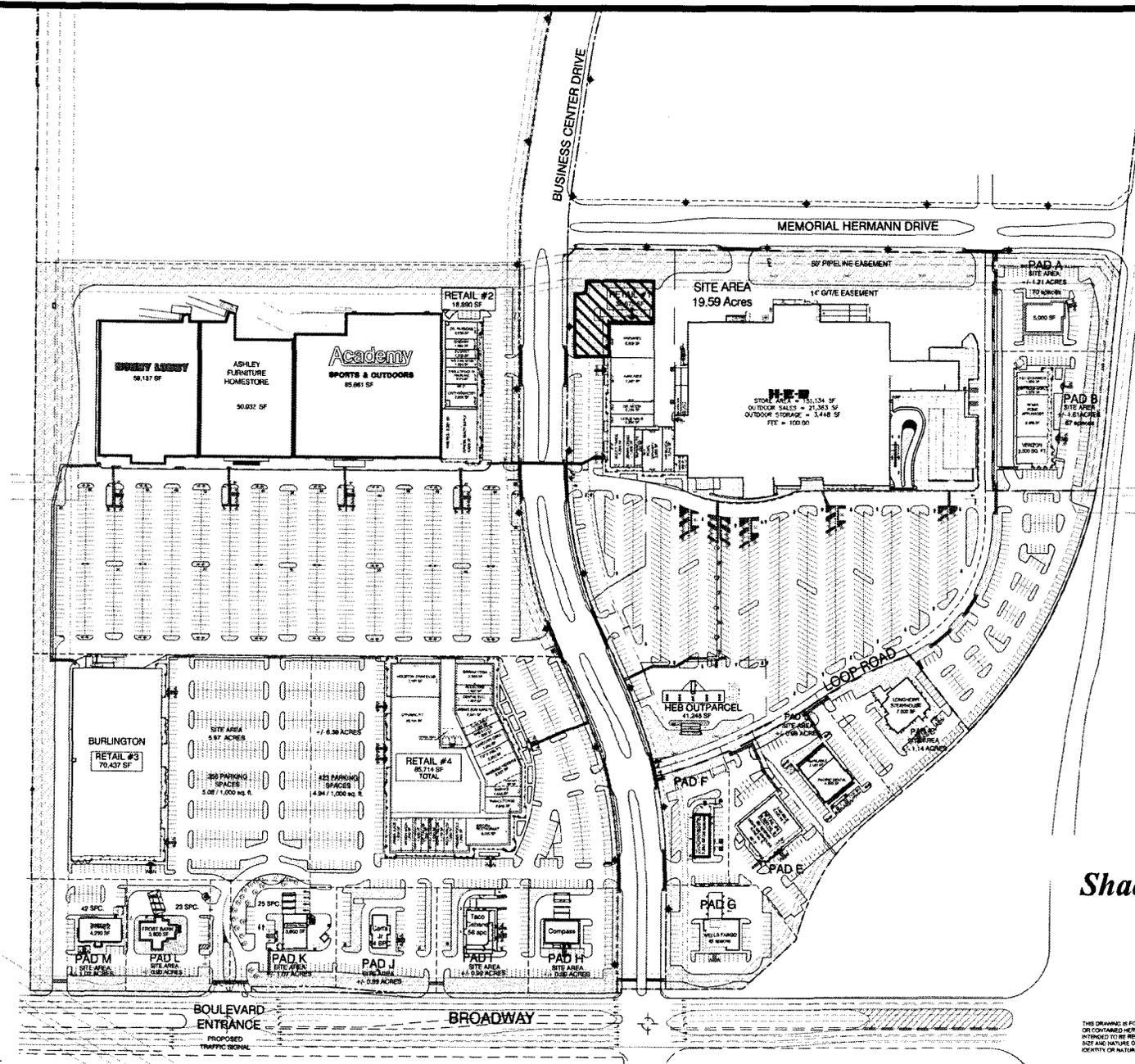
37. **Verizon** - Landlord agrees that neither it nor any related or affiliated entity shall enter into any agreement giving any third party the right, nor permit any third party during the Lease Term the right, to conduct any business which is the same or substantially the same, in whole or in part, as the furnishing of wireless and/or wireline communications services (including, without limitation, voice, data, paging, text messaging, television, video, fiber optic cable and internet access) and the sale and servicing of wireless and/or wireline communications equipment and related accessories with Pad B of the Shopping Center.

38. **Which Wich** – Provided Tenant is not in default under the Lease beyond any applicable notice and cure periods and has continuously operated its business at the Premises, Landlord will not lease any space within Retail Building #3 of the Shopping Center to any other quick service or fast-casual restaurant that has a primary permitted use of selling sandwiches. For the purposes of this lease, a quick service or fast-casual restaurant shall not include any restaurant that utilizes wait staff in serving its patrons. For purposes of the Lease, a Tenant shall be considered to have a primary purpose of selling sandwiches only if the sale of sandwiches from such premises exceeds thirty percent (30%) of the gross sales from such premises. For the purposes of the Lease, "Sandwiches" shall not include burgers made from any meat, including, but not limited to, beef, poultry, fish, or vegetables, nor shall "Sandwiches" include pitas, burritos, or wraps made with tortillas or other flat breads.

## PROHIBITED USES

- Bowling alley
- “Second hand” store
- Funeral home or mortuary
- “Wholesale” or “Factory Outlet” store, a “Surplus” store or a store commonly referred to as a “Discount house” unless a retailer operating a business generally considered to be one of the foregoing has been leased space within at least two (2) other first-class shopping centers of comparable size located in the Houston, TX area. By way of example only, the use of space by a retailer such as “Off Fifth by Saks” or “CardsMart” would not constitute a prohibited use.
- Flea market
- Tattoo parlor or body piercing
- Theatre
- Billiard parlor
- Adult video store and/or night club
- Tavern or bar (provided, however, the foregoing shall not prohibit the operation of a restaurant where the sale of alcoholic beverages therein comprises less than 35% of the annual gross sales of such restaurant).
- Mobile home park or trailer court
- Skating rink
- Veterinary hospital
- Pawn shop
- Bingo club
- Place of religious worship
- “Dollar store” or “Big Lots” discount store or other similar operation selling merchandise at less than full retail price.
- Establishment selling or exhibiting pornographic materials
- Liquor store except provided such store doesn’t exceed 5,000 square feet
- Discount tobacco store
- Lawn and garden products
- Pet store exceeding 3,000 square feet
- Assembly halls
- Schools
- Museum
- Amusement park
- Dance hall
- Warehouse
- Automobile body and repair shop
- Car wash except that a car wash operated at the HEB Outparcel shall be permitted
- Health club, spa, or gym exceeding 3,000 square feet except that a health club, spa and gym containing not more than 33,700 square feet of space shall be permitted if located within the “Permitted Health Spa Area”
- Auction house
- Living quarters, sleeping apartments, lodging rooms.

**Exhibit J**  
**"Tenant's Protected Area"**



**Tenant's Protected Area**



**Legend:**



a master schematic development plan for  
**Shadow Creek Town Center**  
**SITE PLAN**  
 July 10, 2012



prepared for  
**AmREIT**



THIS DRAWING IS FOR PRESENTATION PURPOSES ONLY. ANY AND ALL FEATURES, MATTERS AND OTHER INFORMATION DEPICTED HEREON OR CONTAINED HEREIN ARE FOR ILLUSTRATIVE PURPOSES ONLY, ARE SUBJECT TO MODIFICATION WITHOUT NOTICE, ARE NOT INTENDED TO BE RELIED UPON BY ANY PARTY AND ARE NOT INTENDED TO CONSTITUTE REPRESENTATIONS AND WARRANTIES AS TO THE SIZE AND NATURE OF IMPROVEMENTS TO BE CONSTRUCTED OR THAT ANY IMPROVEMENTS WILL BE CONSTRUCTED OR AS TO THE IDENTITY OR NATURE OF ANY OCCUPANTS THEREIN.

# New Business Item No. 3

- 3. Consideration and Possible Action – Resolution No. R2014-65 –**  
A Resolution of the City Council of the City of Pearland, Texas, authorizing a contract for professional services associated with the Parks and Recreation Master Plan Update, with Green Play, LLC., in the amount of \$89,695.00. *Ms. Michelle Graham, Director of Parks and Recreation.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b>	Resolution No. R2014-65
<b>DATE SUBMITTED:</b>	May 7, 2014	<b>DEPT. OF ORIGIN:</b>	Parks and Recreation
<b>PREPARED BY:</b>	Michelle Graham	<b>PRESENTOR:</b>	Michelle Graham
<b>REVIEWED BY:</b>	Jon R. Branson	<b>REVIEW DATE:</b>	June 5, 2014
<b>SUBJECT: Parks &amp; Recreation Master Plan Update</b>			
<b>EXHIBITS: Final Revised Pearland NA and MP scope</b>			
<b>FUNDING:</b>	<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input checked="" type="checkbox"/> Cash
	<input type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Bonds- Sold	<input type="checkbox"/> L/P – Sold
			<input type="checkbox"/> L/P – To Be Sold
<b>EXPENDITURE REQUIRED:</b>	\$89,695	<b>AMOUNT BUDGETED:</b>	\$142,517
<b>AMOUNT AVAILABLE:</b>	\$109,142	<b>PROJECT NO.:</b>	
<b>ACCOUNT NO.:</b>	010-3395-555.11-00		
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>	None		
<b>ACCOUNT NO.:</b>			
<b>PROJECT NO.:</b>			
<b>To be completed by Department:</b>			
<b>Finance</b>	<b>Legal</b>	<b>Ordinance</b>	<b>Resolution</b>

**EXECUTIVE SUMMARY**

**BACKGROUND**

One of the criteria for the scoring of grants awarded by the Texas Parks & Wildlife Department relates to the applying organization presenting projects that are in line with the agencies current and updated Master Plan. Requesting agencies receive higher points for having master plans that are updated and adopted by the sponsoring agency every 5 years. Agencies without or with outdated master plans do not score those points.

The Parks & Recreation Department currently utilizes the Parks & Recreation Master Plan that was adopted in 2010, an update to the previous plan adopted in 2005. The bond projects that were approved in 2007 were based on needs identified in the 2005 Master Plan and due to slower progress, the 2010 update relates to those same amenities approved in 2007. Because it was a minor update, the amount of community involvement in the 2007 plan development was minimal compared to involvement typically expected in the master planning process.

The upcoming year, 2015, is the 5 year mark where we need to have an updated master plan adopted in order to be able to receive the additional points on grant applications. In addition to the need for granting purposes, there are other reasons to do the update.

There have been significant community changes since 2005, when there were many community engagement opportunities in the planning process. With the increase in population as well as the increase in the diversity within the community, the recreation and leisure needs of the residents have changed. Those that are newer to the community should have an opportunity to be involved in the planning process and have their input in the future development of the parks system. Updating the plan will give them that opportunity.

In addition to enlisting the input of users, there is a need to receive the input from those non-users. This will be done by conducting a statistically valid survey, something that has been lacking in both previous master plan development efforts.

### **BID AND AWARD**

Master planning services fall under 'professional services' and are not required to be bid out competitively. The proposed firm was selected based on their understanding of our department/community and the goals of the master planning process as well as their understanding of the needs of the agency as it relates to the re-accreditation process. This firm also provides a fully digital GIS-based Composite-Values Methodology (CVM) Inventory and Level of Service Analysis using their proprietary version, Geo-Referenced Amenities Standards Process (GRASP). CVM builds on traditional capacity analysis but is unique as it analyzes both quantity (capacity) and quality of the components of the entire system. By using this process for data collection and analysis, the unique assets of the City of Pearland will be used and recommendations made based on those assets vs. making recommendations based on national standards that may not be relevant to this community.

### **SCHEDULE**

The schedule indicates the process for phase 1 would be 6 months with phase 2 following for another 5 months.

### **POLICY/GOAL CONSIDERATION**

In the Council goals adopted in March of 2014, there was a quality of life goal for results of the Parks & Recreation Needs/wants survey. Phase 1 of the Master Plan development process will provide those results.

### **O&M IMPACT INFORMATION - NA**

## **RECOMMENDED ACTION**

Staff recommends approval of the contract for parks master planning services to be awarded to GreenPlay LLC. for the amount of \$89,695.

**RESOLUTION NO. R2014-65**

**A Resolution of the City Council of the City of Pearland, Texas, authorizing a contract for professional services associated with the Parks and Recreation Master Plan Update, with Green Play, LLC., in the amount of \$89,695.00.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That certain contract for professional services, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

**Section 2.** That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest a contract for professional services associated with the Parks and Recreation Master Plan Update.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

## Requested Scope of Work for Pearland, TX



Parks and Recreation Department  
Phase One: Needs Assessment  
and  
Phase Two: Master Plan Development

**GREENPLAY<sup>LLC</sup>**

*The Leading Edge In Parks, Recreation  
And Open Space Consulting*

**TO:** Michelle Smith, Director

**FROM:** Jessica Osborne, GreenPlay Project Manager, *jessicao@greenplayllc.com*

**CC:** Chris Dropinski, Senior Principal and Managing Member, Rob Layton, Design Concepts, Chris Cares, RRC Associates

**DATE:** April 23, 2014

**RE:** Response to Scope Request for Phased Needs Assessment and Master Plan

As per our discussions, we understand that the City of Pearland Parks and Recreation Department is interested in contracting with GreenPlay LLC as a qualified sole source for professional services to complete this project, with the Needs Assessment portion occurring in FY 2014, and the Master Plan development occurring in FY 2015.

Jessica Osborne, will work as a Project Manager part-time for GreenPlay, and also she is the Initiatives Director for the non-profit GP RED. Therefore, Jessica is uniquely qualified to be the lead on both this project, and for the Healthy Communities Research Group Surveillance and Management Toolkit Beta Site project for GP RED (scope for that project has been submitted from GP RED) should that be funded in the Fall to help enable efficiencies and increase the success of both projects.

Joining Jessica on this project will be Chris Dropinski, Managing Member for GreenPlay, as Principal in Charge and various GreenPlay support staff. RRC Associates will provide the statistically-valid and online surveying in Phase I. Dave Peterson and Rob Layton from Design Concepts will provide the inventory and level of service analysis and the site assessment and capital recommendations for the Master Plan in Phase II. Additional qualifications and references can be provided if needed.

## **Project Understanding**

We understand that the City of Pearland is interested in developing this Needs Assessment (Phase I) and then the Master Plan (Phase II) to guide the City in current and future parks, recreation, and trails provision and to meet the requirement for maintaining Accreditation from CAPRA.

We realize that the Pearland Parks & Recreation Department is dedicated to multiplying the Q4 Factor: quality facilities, quality programs, quality service for your quality of life. The Department can be broken down into five major organizational components including: Recreation, Parks and Trails, Facility Maintenance, Recycling, and Administration. The staff consists of about 100 employees striving to fulfill the departmental vision statement: "To be the leader in providing quality services that connect the community through people, parks, and programs."

In August 2010, the City of Pearland opened the doors of its new Recreation Center & Natatorium. This 107,000 SF facility aims to provide additional fitness and aquatic opportunities for the Pearland community and surrounding cities alike. The Melvin Knapp Center is a recreation facility for active adults 50 years of age and older. It offers a variety of programs, activities, trips, and classes that are either low-cost or absolutely free to its members. Membership to the senior center is free to Pearland residents. The Community Center and Westside Event Center provide programs for all ages to the community at a low-cost.

Parks staff maintains 10 neighborhood parks, 3 community parks that include 2 dog parks and 2 splash pads to ensure provision of quality facilities for users. An Urban Forester is responsible for maintaining the 6,190 trees around the City of Pearland. Recreation staff implements youth and adult programs, athletic leagues, swim lessons, birthday parties, summer camps, adaptive and outdoor programs as well as volunteer opportunities for the community.

This plan will serve as a guide to help make decisions regarding future parkland acquisition, parks and trails development and recreational programming. We also recognize that the City would like to evaluate the needs and desires of citizens, as well as determine whether or not current organizational resources can accommodate those needs.

Our plan approach will generate community dialogue intended to further the opinions of citizens and interested stakeholders allowing them to contribute *informed judgment* to help determine desired changes for the long term vision for the Pearland area regarding facilities, programs, and services.

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We recognize that in the past, Pearland's Parks and Recreation Master Plans have been primarily capital and land planning documents primarily created to meet the Texas Parks and Wildlife Fund requirements for potential grant applications, and for managing a much smaller community. Pearland is now in a much more developed and sophisticated stage of community growth, with many larger resources and holdings to manage. This proposal, for which the final document will still be called a "Parks and Recreation Master Plan", is for a much more comprehensive plan that will help guide operational, maintenance, and capital funding and management decisions for the next 5 to 10 years. This plan proposal is competitively priced given our strong experience with communities like Pearland. It will also include various sub-elements as required to help meet CAPRA re-accreditation guidelines, including:

- A detailed **Community Needs Assessment** and **Community Engagement Program**
- A full digital GIS-based **Composite-Values Methodology Inventory and Level of Service Analysis** of all holdings owned and managed by Pearland.
- A digital **Programs Assessment** designed for annual management analysis and to help create your *Recreation Program Plan*.
- All data will be organized to also assist with providing **necessary digital base information** to facilitate Pearland to be involved with the *Healthy Communities Research Group Surveillance and Management Toolkit* (a separate project with GP RED) to help increase physical activity and reduce obesity, and involvement in NRPA's *PRORAGIS* National Benchmarking dataset, if desired.
- A **Strategic Implementation Plan** with **Evaluative Goals and Objectives**
- Presentations and recommendations to further allow the Parks and Recreation Department to continue to be a vital force for **creating community quality of life** and **positive economic development** in Pearland.

## Proposed Scope of Work

The following **Scope of Work** comprehensively identifies project approach, work methodologies, work plan, and ideas about the format and products to accomplish the purpose of the Needs Assessment and Master Plan process. This scope is based on our preliminary understanding of your needs, and will be detailed and adjusted as needed during the start-up conversations to fully provide your community-specific approach and outcomes. If something doesn't look just exactly right, just let us know!

## Phase I – Needs Assessment

### A. Strategic Kick-off and Determination of Critical Success Factors

The most important part of any project is ensuring that your expectations are met and that your project goals are achieved. Upon selection and contract award, GreenPlay will provide a **Detailed Work Plan** for discussion in **Strategic Kick-off (SKO)** meetings, in which we will meet with City staff and to finalize the project scope that will outline the timeline and provide details of the following.

- Strategic Kick-off and Determination of Critical Success Factors
- Public Engagement and Information Gathering
- Existing Conditions Analysis
- Facilities Inventory and Analysis
- Analysis of Programs and Services

During the Strategic Kick-Off we will work closely with your team to identify the key “**Critical Success Factors**” that will ensure that this project is successful, and will determine your desired level of involvement and outcomes.

As the project progresses, written **Monthly Progress Reports** will be provided that cover:

- Recent progress for current month
- Identification of any outstanding issues or information needed
- Schedule and meeting updates and modifications if necessary

Regular conference calls (when not on-site) will be conducted with your Project Manager to discuss the content of the Monthly Progress Reports and any other pertinent issues. Additionally, we are always available to you for phone and/or email communications.

### Integration with Existing Vision, Goals, Operations, Budgets, and Plans

We understand that there are already many planning documents to be coordinated in developing this project. We will provide a request list for common types of planning documents that may be available, and help supplement items that may not be the most current. These background documents and other related plans help us evaluate other factors that relate directly to your system, including how people are able to get from place to place and how other key community attributes need to be incorporated into the overall assessment. Budgets, work plans, and funding plans utilized by your community will likewise help to facilitate the comprehensive coordination of direction and prescriptions.

## B. Community Engagement and Outreach

We understand that the City wishes to utilize extensive public input in the development of this Needs Assessment, and we agree that this is an essential component of the project. To accurately reflect the needs and desires of the community, it is essential that a comprehensive public participation program is utilized during the Master Planning process. This process is critical in determining community values and needs and ultimately regulating the success of your short, mid, and long-range planning efforts.

### Community Engagement and Information Gathering

Our GreenPlay team believes in creating an in-depth, efficient, and cost-effective citizen-focused community process as part of all public agency management and planning. Our team will build upon previous work to acquire knowledge of local issues and concerns that will assist us in obtaining useful and pertinent community feedback – both as information, and engagement for buy-in and outcomes.

GreenPlay will facilitate **Citizen Outreach and Stakeholder Meetings** to determine the needs of the residents and to allow the project team to communicate with residents, user groups, associations, civic associations, and key community representatives. Preliminary Key Stakeholders appear to include citizens, representatives, and staff from your community; your Board and/or Council representatives; as well as other affected community and government agencies; and selected alternative providers, partners, and special interest groups from in and around your community.

The following table represents the variety of public process and stakeholder input methodologies that we use in different situations. We can work with the project team and city staff during the SKO to delineate and customize the exact methods to be utilized in this project to the City of Pearland. Some of the unique aspects of the City include (but are not limited to) a high population of Spanish-speaking residents. The input tools we use will build consensus and agreement on the plan and if consensus is not possible, provide information for informed decision making for the City Council. We have not included second or third language translations as part of this proposal, but can easily do so, either with City resources or for an additional fee.

Potential Public Assessment & Information Gathering Tools				
<b>Who</b>	Users	Citizens/ Voters	Key Stakeholders Staff & Decision Makers Partners Alternative Providers	Consultants Project Team
<b>Methodologies</b>	Intercept Surveys Focus Groups Questionnaires Various Group Process Techniques SWOT Analysis Online Community Town Hall	Public Meetings Statistically-Valid Surveys Commission Meetings Websites Media Outlet Group Process SWOT Analysis	Individual Interviews Small Group Meetings SWOT Analysis	Facilitation Inventory Trends Demographics Benchmarking Best Practices
<b>Outcomes</b>	Issues Needs Satisfaction levels Fee tolerance	Support Consensus Education Funding Tolerance	Opportunities Constraints Gap Analysis Special Interest	Recommendations Policies Staff Development Sustainability

	Amenities Identity Stakeholders	Priorities	Political Issues Historic Issues Niche Markets	Level of Service Community Profile Partnerships Business Planning Funding CIP & Action Plans
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Our process for this Needs Assessment would include:

- **Focus Groups** (usually 4 - 6) with targeted topics. For specific areas in which people may not attend, we can go to them. This may include specific demographics (seniors, youth), user groups (sports, aquatics, conservation, businesses, trail users, alternative providers, etc.).
- **Individual Key Stakeholders** – identified by the project team. Usually key people outside of the project team, although we are always open to talk to anyone who wants to be heard.
- **Staff SWOT Analysis** – GreenPlay will act as professional facilitators to gather specific information about services, use, preferences and any agency strengths, weaknesses, opportunities and threats.
- **Public meetings** – include three (3) come one – come all, widely advertised meetings to allow for input, feedback, etc. at key milestones during the project typically for the information gathering (Phase I), findings (Phase I), and draft Master Plan recommendations (Phase II).
- **A Findings Presentations/Visioning workshop** and draft presentations with staff, key stakeholders, and decision makers to Review/Analyze Draft Information as well as receive input in a public meeting to have it readied for analysis in Phase II.
- Provide written records and summaries of the results of all public process and communication strategies.

### Statistically-valid Survey

GreenPlay is a strong proponent of including statistically-valid surveys as part of all Master Plans to most accurately quantify and validate needs of a community. While stakeholder meetings, focus groups, and public meetings allow us to draw in interested parties and users, **a statistically-valid survey is the only defensible mechanism that allows us to also hear from the NON-USERS**, who are most likely taxpayers. It is recommended that an agency conduct a similar survey at least once every five years to measure changing demand and needs.

We propose a mail and separately tracked online survey, as the combined approach usually provides the greatest impact possible in the most efficient manner and for the research dollars available. Our recent experience has shown that it is becoming increasingly common for many residents to have either unlisted telephone numbers and/or cell phones as their primary telephone service, making it more difficult to reach a “representative” sample of residents by telephone. Additionally, a mail survey approach will permit a potentially larger sample size covering a greater breadth and extent of issues with cost savings over a telephone-only methodology.

**RRC Associates (RRC)** will create a survey to be mailed to a pre-determined number of households in the Pearland community, depending upon level of sub-community segmentation desired (if any). We propose to perform both the mail, and a web-based survey, which can be incorporated with the mail survey process and retain the integrity of the statistical validity.

Citizens will be given the option of either completing the survey form mailed to them or to access the survey online using an individual passcode assigned to each household that would be included in the mailed survey. We frequently use this technique for parks, recreation, and community surveys and find it to be effective in maintaining the random sample while also increasing opportunities for respondents to complete the survey. Additionally, the survey would be made available to a larger audience through an “open” web site. We would not merge the “open” web data with the results from the random survey. Instead, the “open” web survey would be designed to expand community input opportunities, as essentially everyone in the community would have access to completing a survey, even if they did not receive one of the random surveys in the mail. We will work with you and RRC at the start of the project to finalize the best distribution and collection methods, sample sizes, segmentation, question format, and other factors.

To help improve response rates, we anticipate that the City will assist with marketing and creating public awareness of the survey through media and other channels, such as local newspaper, radio, cable TV, and the City’s web site. We also encourage the City to offer some sort of participant incentive to residents who take the survey, such as a prize drawing for passes to Pearland recreation facilities or gift cards to local businesses, as such incentives have shown to help increase survey responses.

#### **MindMixer Online Community Engagement**

We understand that The City of Pearland has previously used MindMixer during Comprehensive planning. We believe it is an innovative addition to our community engagement for parks and recreation planning. If desired, we use this tool to create a managed and facilitated online community dialogue, including polling, open online and user surveying, discussions, topic suggestions, prioritization options, etc. This can be accessed online, and by text messaging, smart phone, etc. You can see examples of this in use at <http://prcaplan4life.mindmixer.com> (a current GreenPlay planning project), or general community sites at [www.mindmixer.com](http://www.mindmixer.com). This tool is designed to enhance community involvement, and get feedback from people who do not attend meetings. We can either help re-activate the City’s MindMixer site, or work with the City to utilize your other web-based outreach capabilities for garnering online social engagement and draft document distribution (to be determined during project start-up).

Our proposal can include creation and management of a Pearland MindMixer site and facilitated administration for the duration of the project. Additional or ongoing administration beyond this time period can be added at an additional cost, if desired. MindMixer is designed to supplement existing outreach (public meetings, focus groups, etc.) through web and mobile dialogue. It provides an opportunity to create an ongoing alternative channel for citizen engagement in addition to the focus groups, stakeholder interviews, public forums, and statistically-valid survey.

MindMixer creates many different opportunities for community engagement including:

- Open Idea Submission: Frame the conversation and allow citizens to submit open-ended ideas
- Idea Prioritization: Dictate the content and ask participants to prioritize using “seconds” or dollars
- Idea Voting: Dictate the content and ask participants their degree of support for various ideas
- Questionnaire/Polling: Utilize typical online surveys / questionnaire tools
- **Multi-Lingual: MindMixer supports 52 different languages, with real-time (one click) translation and engages all participants, in their own language.**

- **Mobile Integration:** Participants can also text (SMS) or call (Voicemail) in their ideas. Reach participants on-the-go.
- **Location-Based:** Create geography-specific categories and topics for feedback. This allows for meaningful and contextual opportunities for regional engagement.
- **Two-Way Dialogue:** Provide response to participant ideas without leaving the web interface.
- **Location Based Ideas:** Users can associate ideas with a physical location in the community and the ideas display on a dynamic map

**Our proposal includes the following MindMixer services:**

- **Account Management:** GreenPlay and MindMixer Project Managers handle design, hosting, administration, monitoring, and support.
- **Marketing and Outreach Partnership:** GreenPlay’s MindMixer sites provide traditional media resources, social media content, and on-the-ground marketing collateral.
- **Content Management:** 24 hours/day availability to put up new topics, change existing topics, or provide needed support.
- **Site, and facilitated administration** for up to 9 months for both phases. Additional or ongoing administration beyond this time period can be added at an additional cost, if desired.
- **We do require that there be a MindMixer Administrator** assigned from Pearland who will work with us and be trained to help garner necessary information and monitor the site for the City.

**C. Needs Analysis**

We will combine the community engagement and staff input, inventory and preliminary Level of Service findings, along with the following Community Profile elements, to create a summary of contextual analysis of needs. This summary will be labeled as such to be used to meet the related standards for CAPRA accreditation.

**Demographics**

We will identify the constituency of the City through a demographic analysis and market profile, utilizing all information available from previous planning efforts, any current valid information from the City of Pearland, and including information gathered from the U.S. Census Bureau, ESRI sources, and other national and local sources as needed for supplementation.

**Trends Analysis**

We recognize that information gathered during the community engagement process, your background data, and current usage cannot alone tell the full story of community needs. GreenPlay has one full-time staff person who is dedicated and responsible for tracking, compiling, and summarizing local, national, and regional trends for parks, recreation, and trails. For this report, GreenPlay will utilize our national experience, to analyze and summarize potential trends that may influence the City for the next five years to help form short-term recommendations and set the stage for long-term goals.

**Needs Assessment Findings Presentation**

We will compile initial findings from the Needs Assessment and will prepare a summary Findings Presentation for staff, decision makers, stakeholders, and the public to validate the accuracy of the findings. During this stage, we will confirm that all information identified and collected thus far is correct, and we will ask all stakeholders to share any additional issues or opportunities for consideration into a **Summary Findings Report**.

## Phase II. Master Plan Development

Moving forward from the Needs Assessment Phase in October (to accommodate the FY15 Budget cycle), our GreenPlay team will utilize those findings to create an analysis of other related aspects of the Department into the development of the Master Plan.

### A. Facility Inventory and Level of Service Analysis

All available base GIS/CAD materials will be utilized to compile a comprehensive, updated assessment of each of the City's parks, trails, and recreational facilities, and trails ("components" of the system). The available data will be supplemented with on-site analysis to create a complete dataset and determine current conditions for:

- Quantity of components
- Quality of components
- Functional use

Additionally, we will research, collect, and assemble engineering and other data necessary to complete the project. The inventory will be compiled and analyzed to provide complete information. We can work with various information formats and will produce the final deliverables in both shapefile and textual formats that are dynamic and easily used and become the property of the City of Pearland upon completion of the project.

#### Composite-Values Methodology (CVM)

##### Level of Service Analysis

*An Improved Approach!*

##### GRASP® Methodology (Geo-Referenced Amenities Standards Process)



GreenPlay will update the City's inventory and Level of Service standards utilizing our proprietary version of the Composite-Values Methodology (CVM) for level of service analysis, called the **Geo-Referenced Amenities Standards Process (GRASP®)**. This analysis builds on traditional capacity analysis, but is unique in its ability to analyze both the **quantity** (capacity) and **quality** of components of an entire system, such as playgrounds, trails, art, ballfields, etc.

The CVM process has been developed to provide analyses of the parks, recreation and cultural facilities, trails, and athletic fields based on the **unique assets of the City of Pearland** to determine how effectively the current system is serving the community. We have adapted and built upon previous traditional capacity based level of service (LOS) practices to create an improved approach. This process will be able to:

- Determine current level of service and where improvements can be made **based on walkability** (usually 1/4 to 1/3 of mile), **quantity and quality** of any and all parks, trails, facilities, and athletic field facilities.
- Help determine location of **future development** of park, trails, and facilities based on current level of service.
- The data will provide the basis for recommendations for making improvements to address unmet needs for **both active and passive recreation**.

This inventory and LOS methodology not only fulfills the needs for the Master Plan and inventory requirements for CAPRA, but also provides the base data for inventory that can be uploaded to NRPA's *PRORAGIS*, and also for the assets and affordances necessary for the *HCRG SMT Beta Site* process for GP RED.

## B. Operational and Marketing Analysis

### User Profile and Public Perception

GreenPlay's analysis of the public's perceptions of facilities, programs, services, and maintenance is a critical component of this master planning effort. The documented results of the community input mechanisms feed directly into the formulas for our level of service analysis. Along with the demographic profile of the current and projected population, and our trends research, the results will allow us to characterize existing and prospective park users, so the City can determine appropriate marketing channels to reach them.

### Program and Service Delivery Analysis – Program Plan Summary

GreenPlay has exceptional programming experience, and we will inventory and analyze current programs offered by the Department as well as relevant non-profit and for-profit organizations. We will provide inventory templates to collect various aspects of program information in six characteristics categories including location, performance and outcomes, expenses, revenues, fees, and service provider. This will require staff assistance for accurate completion. We will also identify and assess opportunities for eco and heritage tourism.

In the current economic environment, potential partners and collaborators, whether other Departments of the City, non-profit, for-profit service providers, or volunteers, are extremely important, and how those relationships are formed and nurtured is critical to sustainability. We know that the Parks and Recreation Department cannot and should not produce or fulfill every unmet need on its own. We will assess these relationships for clarity and effectiveness, and identify any key issues for service strategies.

This section will include a summary of the Program Analysis labeled **Programming Plan**, for use in meeting the related CAPRA standard.

### Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

To develop a short and long-term strategy for the future planning of Pearland's Parks and Recreation provisions, we will conduct a **SWOT Analysis**. A SWOT Analysis is an effective and realistic way of identifying the market **Strengths** and internal and external **Weaknesses**, and for examining the **Opportunities** and **Threats** faced by the organization. This process will help to identify any deficiencies in the provision of services and programs, and it will also help to identify potential partners in the service area.

### Organizational Analysis

GreenPlay will broadly assess the organizational and management structure of the Department and staffing to determine effectiveness and efficiency in meeting current and future departmental responsibilities as related to the community's needs. The needs assessment – including input from staff interviews, community and key stakeholder engagement, and level of service analysis, along with the consultant's expertise – will identify areas for enhancement including customer service as well as operational efficiencies.

## C. Implementation/Strategic Plan

### Key Issues Analysis Matrix

Based on the previous areas of analysis, our team will compile a Key Issues Analysis Matrix that helps identify focus areas from the various tools and methodologies used to collect information and bring this into a Strategic Framework for recommendations.

### Sample from a Section of a Key Issues Analysis Matrix

Key Issue - Rating Scale c - minor issue b - opportunity to improve - longer-term a - priority - short-term n/a - not applicable	Recreation	Park Operations	Golf Operations	South	Central	North	Staff Input	Focus Groups/Public	P & R Commission	City Council	Survey	Services Assessment
<b>Safety</b>												
Safety concern in facilities/parks	a		n/a				a	a	a			
Homeless and vagrants in parks	a		n/a				a	a				
Safety at skatepark	a		n/a				a					
Code enforcement	b		n/a				a	b	b			
Graffiti/Vandalism	a		n/a				a					
Create park ranger program	b		n/a				b					
<b>Improvements and Maintenance</b>												
Maintain what we have	a	a	a				a	a	a	a		
Improved park/athletic field maintenance	a	n/a	n/a				a	b	a	b		
Tree care/replacement program	n/a	c	n/a				n/a	b	n/a	n/a		
Less grass/more desert landscaping	n/a	c	n/a				n/a	b	c	c		
Restrooms	n/a	c	n/a				n/a	b	n/a	n/a		
More shelters/picnic areas	n/a	c	n/a				n/a	n/a	n/a	n/a		
<b>Facilities</b>												
Build a new sports complex	a	n/a	n/a				a	a	a	a		
Inadequate number of athletic fields	a	n/a	n/a				a	a	a	a		
Trail Connectivity	b	a	n/a				a	a	a	a		
Community gardens	b	n/a	n/a				b	a	n/a	n/a		
Need lights for soccer fields	b	n/a	n/a				b	a	n/a	n/a		
Additional aquatics	c	n/a	n/a				c	b	n/a	n/a		
<b>Programs</b>												
Special events to attract tourists	a	n/a					a					
More non-sport programming	b	n/a	n/a				b					
More indoor fitness	b	n/a	n/a				b					
More family programming	b	n/a	n/a				a					
More middle/high school programming	b	n/a	n/a				a	a	a			
Youth and teen programming	b	n/a					b		a			
Tournaments and Sports	a	n/a					a		a			
Bocce or Piquant	n/a	n/a					n/a		b			
<b>Administration, Services</b>												

### Visioning Strategies Development Workshop

We recognize that our team needs to work with the Department's project team to fully analyze identified findings and to create implementable recommendations for your future. This process will engage all interested project team members and key stakeholders in determining future vision and action plan steps for the City's parks, recreation, and trails needs. Following Findings review, (may be on same trip to provide continuity and start Phase II), we will facilitate a **Visioning Strategies Workshop** that will include an analysis of all findings, including operational feasibility, political or historical constraints, and any other potential challenges. We will also identify opportunities for implementation steps, work plans, and funding implications.

### Focus on Efficiencies/Effectiveness

We will gather and review data on how the Department operates to assess the level of efficiency and effectiveness for each function. We will review processes and practices to identify constraints to

effective operations and work processes. Additionally, synergies between City Departments may be examined to determine efficiencies and possible fiscal savings.

### **Financial Implementation**

We believe that it is necessary and responsible to conduct an analysis of the financial and economic implications for all recommendations. What will it cost to implement the Master Plan? The GreenPlay team will develop a capital program for the City of Pearland that includes future parks and/or facilities, upgrades to existing parks and amenities as well as any future parkland acquisition. This program must tie back to the community needs, desires, and willingness to pay information gathered in the public involvement portion of the project. We will include financial and economic analysis and recommendations related to:

### **Revenue and Cost Recovery**

- Evaluating budget projections associated with cost recovery for operations, staffing and maintenance, and development impact requirements.
- Identifying revenue concepts that recognize economic impact, public/private partnerships, public/public partnerships and funding sources, with a strong focus on appropriate revenue generation.
- We will identify possible partnerships that could assist the Department in cost recovery, if desired.

### **Financing Strategies**

- Making recommendations regarding potential funding alternatives to implement the proposed facilities and programs. The evaluation will consider reasonably feasible potential funding sources.
- We will identify possible partnerships which could exist to enhance future improvements.

### **Capital Improvement Plan (CIP) Recommendations**

- Identifying the cost of maintaining the current Level of Service (LOS) and estimating costs associated with providing the recommended LOS that includes future park master plans, upgrades to existing parks and amenities and any future parkland acquisition.
- Identifying capital resources and funds under the LOS scenarios.
- Analyzing expansion opportunities.

## **D. Draft and Final Master Plan and Deliverables**

The Draft Master Plan will include all findings, needs assessment, public engagement results, written goals, plans, objectives, and policy statements that articulate a clear vision and model (a “road map”) for the Parks and Recreation Department’s future. This will include, at a minimum, attention to:

### **Recommendations**

Based on an analysis of demographic information, participation, needs and desires, operations and maintenance, programming, land use trends, level of service gaps, and projected impact of future trends, recommendations will be developed addressing improvements and clear, justifiable strategies.

- Summary of all Findings and Key Issues
  - Appendix as necessary
  - Public Input
  - Inventory of all Relevant Components

- Trails
  - Condition assessment
- Desired State of the City of Pearland
  - Values and Benefits of Parks and Recreation
  - Needs assessment
  - Essential Partnerships
  - Future Funding Framework
  - Future opportunities
- Goals and Objectives
  - Gaps between Current State and Desired State
  - Goals and Objectives
  - Resource Optimization
- Actions
  - Mobility and Connectivity Recommendations
  - Recreation and Culture Recommendations
  - Community and Character Recommendations
  - Natural Resources and Passive Assets Recommendations

### **Action/Implementation Plan**

We will work with the project team to rank and prioritize recommendations, balancing needs and cost/benefit analyses, financial and staffing capacity, and budgetary realities. We will compile a set of recommendations with strategies, priorities, and identification of budget support funding mechanisms phased into immediate, near-term, and long-term time frames addressing needs regarding land acquisition, along with the development of parks and recreation facilities. A **Strategic Action Plan** will be labeled as such to meet CAPRA guidelines, including costs, potential funding mechanisms, timing, and responsible party.

The Draft Plan will be submitted for preliminary review, and all comments will be incorporated into your Final Plan. After review, we will assist in guiding the Plan through the formal adoption process, including review and recommendation by the project team, presentations of the draft recommendations and final Master Plan to the Department and to City Council for adoption of the Final Plan. Deliverables will include all aspects outlined in the preceding tasks, summarized as:

#### **Phase One – Needs Assessment**

- Outline of Critical Success Factors
- A detailed work plan identifying a schedule for completion.
- Public Presentation PowerPoint of the Plan Introduction
- One electronic (1) copy of the summary Needs Assessment Report and PowerPoint Presentation.

#### **Phase Two – Master Plan**

- All GIS files and analytical mapping from the Inventory and Level of Service.
- Draft Plan which shall include all the information contained in the Scope of Work.
- Separately labeled **Strategic Plan** and **Programming Plan** sections for CAPRA review.
- One electronic (1) copy of the Draft Plan shall be provided for distribution and review.
- Appropriate written materials and graphics (maps, slides, power point presentations, etc.) shall be provided for public presentations.
- One (1) printed and one electronic (1) copy of the Final Plan.

Our plans also include at no additional charge:

- **Qualitative and Quantitative analysis methods** beyond those specified, designed to address specific key issues, constraints, and opportunities, the City's future livability and the contribution of recreation to economic development, community vitality, and long-term viability.
- **Our commitment** that for each task, we will quickly assess your current circumstances and provide specific information necessary to move to the next level, rather than just providing you with a standard boiler-plate planning response.



## Proposed Project Schedule

We typically complete similar plans within 8-10 months. We understand that the City would like project to be broken into two Phases to meet available funding budgets. We have the proposed staff available, and will allocate appropriate resources to meet the deadlines. We request that The City's project staff be responsive with turnaround on review and approval of documents, and we will work jointly to lay out a mutually agreed upon detailed timeline upon award of the project in order to meet this timeframe. Our team recognizes the need to be both flexible and efficient as part of a community planning process. We will conduct and attend the necessary number of meetings to complete this project in a way that works specifically for your agency. **We have never missed a project end date due to internal GreenPlay workloads.**

City of Pearland, Texas Comprehensive Parks and Recreation Master Plan Proposed Project Timeline											
	Months – 2014-15										
Tasks and Key Meetings	A	M	J	J	A	S	O	N	D	J	F
Phase One – Needs Assessment											
A. Strategic Kick-off Meeting	X										
B. Community Engagement		X			X			X		X	
C. Needs Analysis Findings					X						
Phase Two – Master Plan Development											
A. Inventory and Level of Service Analysis							X				
B. Operational and Marketing Analysis							X			X	
C. Implementation/Strategic Plan							X			X	
D. Draft Recommendations, Final Plans, Presentations, and Deliverables										X	X

While GreenPlay staff will be available throughout the project by phone and email for ongoing communications and for progress meetings, the primary team visits are organized as follows:

- **Strategic Kick-Off:** A continuing series of conference calls and information exchange as GreenPlay consultants familiarize themselves with the existing planning documents, materials, survey results, etc.
- **Public Engagement and Information Gathering:** 2-4 days of intensive work conducting on-site inventories and meetings with the staff and the project team. We can also meet with various committees and stakeholders, etc., as needed.
- **Findings and Visioning:** Members of our team are on-site to meet with staff, decision makers, and key stakeholders to present compiled Findings from the Needs Assessment.
- **Draft Presentations**
- **Final Plan Presentation**

## Agency Investment

As requested, this Master Plan scope and schedule has been broken into two Phases for annual budgeting purposes. The costs for each Phase are dependent upon the other Phase also being completed, and are not stand-alone Scopes of Work.

### Budget

<b>Pearland, TX Parks and Recreation Master Plan</b>				
<b>TASKS</b>	<b>GreenPlay</b>	<b>Design Concepts</b>	<b>RRC</b>	<b>Total</b>
<b>Phase One - Community Needs Assessment</b>				
A. Strategic Kick Off Meeting	\$ 3,754			\$ 3,754
B. Community Needs Assessment	\$ 10,185		\$ 15,500	\$ 25,685
C. Findings of Needs Analysis	\$ 5,460			\$ 5,460
<b>Subtotal - Phase 1</b>	<b>\$ 19,399</b>	<b>\$ -</b>	<b>\$ 15,500</b>	<b>\$ 34,899</b>
<b>Phase Two - Analysis of Assets and Master Plan</b>				
A. Inventory and Level of Service Analysis - Assets	\$ 1,181	\$ 18,000		\$ 19,181
B. Operations, Management, and Marketing Analysis	\$ 7,035			\$ 7,035
C. Implementation / Strategic Plan	\$ 7,560	\$ 4,000		\$ 11,560
D. Draft and Final Plan	\$ 13,020	\$ 4,000		\$ 17,020
<b>Subtotal Phase II</b>	<b>\$ 28,796</b>	<b>\$ 26,000</b>	<b>\$ -</b>	<b>\$ 54,796</b>
<b>Totals</b>	<b>\$ 48,195</b>	<b>\$ 26,000</b>	<b>\$ 15,500</b>	<b>\$ 89,695</b>

### Fee Background

GreenPlay has established an inclusive fee schedule that covers the salaries of our professional project staff and of support staff who enable them to function effectively and efficiently. We consider the prevailing rates in our industry and the level of specialized expertise that we provide. **We have completed many plans for similar communities, and this plan is very competitively and/or economically priced for similar services.**

For projects such as this, which require more than 100 hours of work, GreenPlay typically recommends and proposes using a Firm-Fixed Price model for compensation. This means that the contract is based on a projected number of hours, but the compensation is actually based on the completion of pre-determined contracted tasks identified in the Scope of Work and within a pre-specified timeline. This typically works well for the client, ensuring that all work is accomplished regardless of the time required to complete each task. In the event that the contracted Scope of Work is changed by the client during the project, GreenPlay can adjust total contract fees accordingly based on our regular hourly rates. This project is proposed as a Firm-Fixed Rate Fee project; therefore, individual hourly rates and projected number of hours are not applicable.

**Our rates include:**

- Professional staff, sub-consultant, and administrative salaries.
- All office overhead, equipment, utilities, and insurances.
- Taxes, employee benefits, and Worker’s Compensation.
- Administrative support staff and supplies, and local travel.
- Work Products and meetings as outlined in the Scope of Work.
- All travel costs are built into the firm-fixed fee.

**Rates may not include (unless specified in the Scope of Work):**

- Materials and services outside of the pre-specified Scope of Work (may include extra meetings, requested copies and printing of work products).

**As a baseline:**

GreenPlay’s rate for additional services is based on an average of \$150 per hour if not proposed as “firm-fixed fee.” For sub-consultants, hourly rates range from \$60 to \$150 per hour, depending on the task. As this project is based on a firm-fixed fee, our consultants will dedicate the necessary time to complete the project. Our sub-consultant team members set their hourly rates according to their individual firm fee schedules. While the hourly rates may sound high, when considering the costs for implementing additional experienced and professional full-time staff, benefits, insurances, office space, computers and equipment, support staff, utilities, etc., we find that this rate is usually comparable to or lower than what an agency would spend for in-house staff. An additional benefit is that when the project is finished, the expense ends.

GreenPlay typically submits an invoice for payment to the project manager/primary contact person on a monthly basis. Each invoice includes a brief description of the services provided and percentage of Scope completed to date. Invoices past due over 60 days will accrue 1.5% interest per month. Other structures for compensation and payment can be negotiable prior to contract award.

**GreenPlay Policy on Project Delays**

GreenPlay team members strive to complete our projects in a timely and efficient manner. We will work with your Project Manager to set an expedient and realistic “contracted end date” during our Strategic Kick-Off session. This policy takes into consideration delays due to operational and approval constraints, scheduling, and other internal and external factors.

There is an added cost for GreenPlay when projects are extended beyond a contracted end date, including staff reassignment, loss of capacity to perform other work, and administrative schedule changes that may impact other projects. Our policy on project delays can be discussed during the Contracting phase.

**Signatures of Acceptance**

**PEARLAND, TX**

\_\_\_\_\_  
**Chris Dropinski, GreenPlay, LLC**    **Date**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**Date**

# New Business Item No. 4

- 4. Consideration and Possible Action – Resolution No. R2014-64 –**  
A Resolution of the City Council of the City of Pearland, Texas, accepting the 2013 annual report for Tax Increment Reinvestment Zone #2.  
*Ms. Claire Bogard, Director of Finance.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b>	Resolution No. 2014-64
<b>DATE SUBMITTED:</b>	June 10, 2014	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Rick Overgaard	<b>PRESENTOR:</b>	Claire Bogard
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b>	6/16/14
<b>SUBJECT: TIRZ #2 Annual Report for 2013</b>			
<b>EXHIBITS: R2014-64 Exhibit A – 2013 Annual Report</b>			
<b>FU</b>	<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash Opns
<b>NDI</b>	<input type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Bonds- Sold	<input type="checkbox"/> L/P – Sold
<b>NG:</b>		<input type="checkbox"/> L/P – To Be Sold	
<b>EXPENDITURE REQUIRED:N/A</b>		<b>AMOUNT BUDGETED:N/A</b>	
<b>AMOUNT AVAILABLE:</b>		<b>PROJECT NO.:</b>	
<b>ACCOUNT NO</b>			
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>			
<b>ACCOUNT NO.:</b>			
<b>PROJECT NO.:</b>			
<b>To be completed by Department:</b>			
<b>X Finance</b>	<b>X Legal</b>	<b>Ordinance</b>	<b>X</b>
<b>Resolution</b>			

**EXECUTIVE SUMMARY**

**BACKGROUND**

The Reinvestment Zone Number Two, City of Pearland, Texas (TIRZ) was established by ordinance of City Council on December 21, 1998. The TIRZ is composed of 3,932+ acres and is located in the Shadow Creek Ranch area of Pearland. The purpose of the TIRZ is to facilitate quality mixed-use development with a self-sustaining tax base for the City and the other participation taxing entities. Improvements to the TIRZ will significantly enhance the value of all taxable real property of the TIRZ, with the TIRZ acting as a financing vehicle for these improvements.

The current taxable value of the TIRZ is \$1.6 billion. The total current cost of the public improvements in the TIRZ is \$303.2 million. One of the projects initiated in 2013 is Southlake Phase 2, for the construction, design, and contingency of streets, water, sewer, drainage, land and landscaping. The total number of homes in the TIRZ, as of December 2013, is 5,348.

A Tri-Party Agreement exists between the TIRZ, the City of Pearland, and the Development Authority of Pearland (DAP), where by the TIRZ has pledged it's tax increment to provide for the repayment of debt sold by the DAP. The total principal outstanding as of December 2013 is \$60,665,000. The TIRZ has approved a series of Letter of Financing Agreements for reimbursement. The total reimbursements made through 2013 is \$101.2 million.

Pursuant to State law, attached for consideration is the Pearland Tax Increment Reinvestment Zone 2013 Annual Report. The annual report must be submitted to the chief executive officer of each taxing unit that levies taxes on property within the zone.

The report must include the following items:

- The amount and source of revenue in the tax increment fund established for the zone
- The amount and purpose of expenditures from the fund
- The amount of principal and interest due on outstanding bonded indebtedness
- The tax increment base and current appraised value retained by the zone
- The captured appraised value shared by the city and other taxing units
- The total amount of tax increments received and
- Any additional information necessary to demonstrate compliance with the tax increment financing plan adopted.

#### **POLICY/GOAL CONSIDERATION**

File report pursuant to State law.

The TIRZ#2 Board is scheduled to meet on June 23, 2014 to accept the report. After City Council acceptance on June 23, 2014, staff will contact Brazoria County, Fort Bend County, and Alvin Independent School District for filing.

#### **RECOMMENDED ACTION**

Consideration and approval of a Resolution accepting the Pearland TIRZ #2 Annual Report for 2013.

**RESOLUTION NO. R2014-64**

**A Resolution of the City Council of the City of Pearland, Texas, accepting the 2013 annual report for Tax Increment Reinvestment Zone #2.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That the Annual Report for Tax Increment Reinvestment Zone #2, attached hereto as Exhibit "A, is hereby accepted.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_, A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

**REINVESTMENT ZONE NUMBER TWO  
CITY OF PEARLAND, TEXAS**



**ANNUAL REPORT  
2013**

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## COMPLIANCE

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# CITY OF PEARLAND, TEXAS CITY COUNCIL

## 2013 Council Members

<b>Mayor</b>	Hon. Tom Reid
<b>Mayor Pro-Tem</b>	Hon. Greg Hill
<b>Council Member</b>	Hon. Scott Sherman
	Hon. Susan Sherrouse
	Hon. Tony Carbone
	Hon. Keith Ordeneaux
	Hon. Greg Hill

## City Staff

<b>City Manager</b> <i>(Term expiring December 31, 2013)</i>	Bill Eisen
<b>City Manager</b> <i>(Term beginning March 10, 2014)</i>	Clay Pearson
<b>Director of Finance</b>	Claire Bogard

# REINVESTMENT ZONE NUMBER TWO CITY OF PEARLAND, TEXAS

## BOARD OF DIRECTORS

### 2013 Board Members

- Position 1 Donna Coleman  
State Senator Designee
- Position 2 Gary Davis  
State Representative Designee
- Position 3 Herb Fain  
City of Pearland Designee
- Position 4 Gary Cook, Vice Chair  
City of Pearland Designee
- Position 5 Kenneth R. Phillips, Chair  
City of Pearland Designee
- Position 6 Jo Knight  
City of Pearland/Alvin Independent  
School District Designee
- Position 7 Mike Pyburn  
Alvin Independent School District Designee
- Position 8 Ron Castillo  
Fort Bend County Designee
- Position 9 Larry Loessin  
Brazoria County Designee

# DESCRIPTION OF ZONE

In accordance with the Tax Increment Financing Act (Chapter 311, Tax Code), Reinvestment Zone Number Two, City of Pearland, Texas (the Zone) was established by Ordinance 891 of the City Council of the City of Pearland (the City), Texas on December 21, 1998. The original Zone, also known as "Shadow Creek Ranch", consisted of 3,467 acres located in Brazoria County and Fort Bend County, Texas. In addition, the Zone is located in Alvin I.S.D. (AISD), Fort Bend I.S.D. (FBISD) and a small portion in Pearland I.S.D. (PISD). The original Zone is generally bounded by Clear Creek on the north, State Highway 288 on the east, Broadway (the extension of FM 518 west of S.H. 288) on the south and FM 521 on the west. A map illustrating the original boundaries of the Zone follows on page 15 as Exhibit 1. On August 23, 1999, by Ordinance No. 918 of the City, the Project Plan and Reinvestment Zone Financing Plan (the Project Plan) for the original TIRZ boundaries was adopted.

## **1<sup>st</sup> Plan Amendment**

On July 10, 2006, by Ordinance 1276 of the City, the Project Plan was amended and the Zone was expanded to provide for the annexation of 457 acres of vacant land, adjacent to the Zone. 288 acres are in Brazoria County and 169 acres are in Fort Bend County.

## **2<sup>nd</sup> Plan Amendment**

On November 13, 2006 by Ordinance 1312 of the City, the Project Plan was amended to provide for development of public improvements to serve Shadow Creek Ranch Town Center. The proposed development is within the boundaries of the original Zone and Brazoria County.

## **3<sup>rd</sup> Plan Amendment**

On November 13, 2006 by Ordinance 1313 of the City, the Project Plan was amended and the Zone was expanded to provide for the annexation of 8± acres to facilitate the improvement and widening of Broadway from S.H. 288 to F.M. 521. The boundaries of the annexed area are within Brazoria County.

The Zone is now composed of 3,932+ acres, of which 3,125± acres are within Brazoria County and 807± acres are within Fort Bend County. A map illustrating the boundaries of the Zone as expanded follows on page 16 as Exhibit 2.

## **PURPOSE OF ZONE**

The objective of the Zone is to facilitate quality mixed-use development with a self-sustaining tax base for the City and the other participating taxing entities.

The City Council, in adopting the ordinances creating and expanding the Zone, found that the development described in the Project Plan, and its subsequent amendments, would not likely occur, to the quality, standards and densities described in the Project Plan, but for the creation of the Zone.

The City Council further found that improvements in the Zone will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the City. The Zone will pursue its objective by acting as a financing vehicle for regional public improvements, as described in the Project Plan as amended. The methods of financing and the sources of funding available to the Zone, including the participation levels of the various participating entities, including the City, Brazoria County, Fort Bend County and Alvin ISD, are described in the Project Plan and its amendments.

# STATE OF THE ZONE AND PLAN IMPLEMENTATION IN 2013

**1. The information provided in this section is in accordance with § 311.016 (a) (1) of the Texas Tax Code, which requires inclusion of the amount and source of revenue in the tax increment fund established for the zone.**

In addition to the City's tax increment revenue, interlocal agreements with Brazoria County, Fort Bend County and Alvin ISD provide for each taxing unit's participation in the Zone. The Project Plan also allows for the participation of Brazoria Drainage District No. 4 and Fort Bend Independent School District, though neither is currently participating. Levels of participation are detailed in the Project Plan and current levels of participation are shown in Table A.

**TABLE A  
Taxing Entity Participation**

<b>Taxing Entity</b>	<b>Zone Years</b>	<b>Percent Participation</b>
<b>City of Pearland</b>	9 through 30	100% (1)
<b>Brazoria County</b>	1 through 30	38%
<b>Fort Bend County</b>	11 through 20	100% of .468075 (2)
<b>Alvin ISD</b>	1 through 30	100% (3)

*(1) 64% to be repaid as an administrative cost, provided the TIRZ retain at least \$.255 / \$100.*

*(2) In years 21 through 30 participation drops to 100% of .31205.*

*(3) 75% to be used by AISD for the construction of educational facilities.*

The obligations of the participating taxing jurisdictions, as defined in their respective interlocal agreements, include the timely deposit of tax increment into the City's tax increment revenue fund.

Table B illustrates the growth in appraised value from base year to tax year 2013 for each participating jurisdiction. Table C illustrates the amount of the incremental revenue, which has been transferred to the increment fund. These amounts are based upon actual taxes collected as of December 31, 2013.

**TABLE B**  
**Base Market Value by Jurisdiction (1)**

Taxing Entity	Base Year	Base Value	2013 Value (2)	Change
<b>Original Zone</b>	<b>1998</b>			
City of Pearland		7,172,980	1,553,066,296	1,545,893,316
Brazoria County		4,143,160	1,365,103,358	1,360,960,198
Fort Bend County		3,029,820	187,962,938	184,933,118
Alvin ISD		4,143,160	1,345,793,295	1,341,650,135
<b>1st Plan Amendment</b>	<b>2006</b>			
City of Pearland		4,381,680	9,781,810	5,400,130
Brazoria County		3,354,830	6,059,930	2,705,100
Fort Bend County		1,026,850	3,721,880	2,695,030
<b>2nd Plan Amendment (3)</b>	<b>2006</b>			
City of Pearland				
Brazoria County				
Fort Bend County				
<b>3rd Plan Amendment (4)</b>	<b>2006</b>			
City of Pearland				
Brazoria County				
Fort Bend County				

(1) The information in this table was provided by the Brazoria and Fort Bend County Appraisal Districts  
(2) Market value (less exemptions) as of January 1, 2013.  
(3) All of the land within the 2nd Plan Amendment area is within the boundaries of the original Zone.  
(4) All of the land within the 3rd Plan Amendment area is either owned by a municipality or within dedicated ROW and thus tax exempt.

**TABLE C**  
**City of Pearland TIRZ No. 2 Tax Increment Revenue Fund Balance by Year (1)**

Year	2000 / 2001		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	1999 (2)	(2) (5)												
City of Pearland Revenue	\$ 45,111	\$ 93,856	\$ 67,388	\$ 167,897	\$ 753,905	\$ 935,516	\$ 4,632,534	\$ 6,312,426	\$ 6,719,800	\$ 8,318,686	\$ 9,600,003	\$ 8,349,033	\$ 10,280,251	\$ 10,459,326
Rebate to City for Administrative Costs (3)			\$ (23,221)	\$ (60,353)	\$ (299,311)	\$ (344,257)	\$ (1,667,712)	\$ (4,039,953)	\$ (4,067,024)	\$ (5,068,860)	\$ (5,848,747)	\$ (5,233,446)	\$ (6,514,331)	\$ (6,677,117)
Brazoria County Revenue					\$ 159,854	\$ 205,459	\$ 815,614	\$ 1,110,573	\$ 1,055,912	\$ 1,297,278	\$ 1,434,579	\$ 1,449,043	\$ 1,486,826	\$ 1,499,782
Alvin ISD Revenue (4)			\$ 10,969	\$ 207,479	\$ 229,941	\$ 826,613	\$ 2,616,519	\$ 2,917,931	\$ 2,879,739	\$ 3,574,007	\$ 6,941,779	\$ 3,927,965	\$ 4,112,895	\$ 4,160,862
Other Revenue			\$ 4,130	\$ 80,981	\$ 40,827	\$ 90,358	\$ 267,907	\$ 150,232	\$ 46,199	\$ 16,119	\$ 9,859	\$ 2,532,291	\$ 1,310,196	
Fort Bend County Revenue						\$ 125,300	\$ 185,540	\$ 189,508	\$ 358,745	\$ 654,408	\$ 435,863	\$ 432,546	\$ 505,394	
Expenditures for Zone Administration			\$ (11,824)	\$ (154,203)	\$ (134,237)	\$ (305,626)	\$ (302,978)	\$ (127,259)	\$ (94,639)	\$ (68,646)	\$ (40,196)	\$ (16,767)	\$ (24,122)	
Transfers to Development Authority						\$ (1,204,318)	\$ (3,129,978)	\$ (5,106,344)	\$ (3,548,991)	\$ (7,671,822)	\$ (10,784,813)	\$ (10,381,230)	\$ (12,016,051)	\$ (10,997,930)
<b>Fund Balance</b>	<b>\$ 45,111</b>	<b>\$ 230,491</b>	<b>\$ 194,103</b>	<b>\$ 395,012</b>	<b>\$ 1,166,179</b>	<b>\$ 1,511,781</b>	<b>\$ 1,449,062</b>	<b>\$ 1,930,590</b>	<b>\$ 1,638,990</b>	<b>\$ 1,854,605</b>	<b>\$ 2,277,367</b>	<b>\$ 1,989,003</b>	<b>\$ 2,127,904</b>	<b>\$ 2,332,457</b>

(1) Source: City of Pearland, Texas. Fund balances as of 12/31 of each year.  
(2) Note that in years 1999 through 2001 revenue was reported net of expenditures. From year 2002 forward gross revenue is reported along with rebates to the city and other expenditures.  
(3) Rebate for admin costs prior to 2007 is 36%. In 2007 the rebate increased to 64%.  
(4) Note that Alvin ISD revenue is reported net of the 75% rebate to Alvin ISD.  
(5) Revenue for 2000 and 2001 have been combined. In each year revenue was the same as in 1999.  
(6) In addition to fund balance, as of 12/31/13, AISD had \$4,255,689 in the suspense account.

**2. The information provided in this section is in accordance with §311.016 (a) (2) of the Texas Tax Code, which requires inclusion of the amount and purpose of expenditures from the fund.**

The Board of Directors of the Zone has been granted by City Council, in accordance with Section 311.010 of Texas Tax Code, the power to administer, manage, and operate the Zone and to implement the Project Plan. The Zone was created for the duration of 30 years, or until dissolved by the City.

The total cost of the public improvements within the Zone, as outlined in the original Project Plan, amounts to \$294,482,034. Of this amount, the City will fund \$35,471,061 worth of improvements, and the Texas Department of Transportation (TxDOT) will fund another \$10,277,050 worth of improvements. The Zone will fund the remaining improvements, which amounts to a cost of \$248,733,923, unadjusted for inflation.

**1st Plan Amendment**

The original list of project costs was amended with the approval of the 1st Plan Amendment, which included improvements, estimated to total \$34,724,218. These improvements address the water, wastewater, storm sewer, lakes channels, roads and landscaping costs for the 457± acre annexation.

**2nd Plan Amendment**

The list of project costs was amended again with the approval of the 2nd Plan Amendment, which included improvements estimated to total \$11,749,618. These improvements address major road infrastructure, detention, drainage, landscaping and the relocation of pipelines and overhead utilities. All projects associated with this annexation have been completed.

**3rd Plan Amendment**

The list of project costs was amended a third time with the approval of the 3rd Plan Amendment, which included improvements estimated to total \$8 million. This amendment addressed the need to fund and construct a section of Broadway. All projects associated with this annexation have been completed.

These costs are detailed in the amended Project Budget, a copy of which follows as Table D. The Zone as now enlarged is composed of 3,932± acres, of which 3,125± acres are within Brazoria County and 807± acres are within Fort Bend County. A map illustrating the boundaries of the Zone as amended follows on page 16 as Exhibit 2.

TABLE D  
 Reinvestment Zone NO. 2, City of Pearland, Texas - Shadow Creek Ranch  
 Budget

Item	TIRZ Budget as approved (08/23/99) (1)	1st Plan Amendment (2)	2nd Plan Amendment (2)	3rd Plan Amendment (2)	TIRZ Budget as Amended (3)
<b>Infrastructure</b>					
<b>Streets</b>					
Pavement	12,610,050	1,634,000			14,244,050
Sidewalks	1,859,400				1,859,400
Landscaping and Irrigation	9,675,350				9,675,350
Entry Monuments	735,320				735,320
Lighting		125,900			125,900
Broadway Widening and Signalization			2,831,789		2,831,789
Business Center Drive Paving			852,722		852,722
Memorial Hermann Drive Paving			383,107		383,107
Water System	3,026,863	363,000			3,389,863
Wastewater System	6,940,964	1,029,000			7,969,964
Storm Water System	10,195,776	1,649,000			11,844,776
Lakes and Channels					
Improvements	29,121,915	5,625,600			34,747,515
Land Cost	4,597,889	6,675,000			11,272,889
Detention and Drainage					
Land Cost			2,850,000		2,850,000
Beautification / Deepening / Pond Creation			200,000		200,000
Site Drainage Facilities			1,842,000		1,842,000
Parks and Recreation					
Improvements	5,155,524	5,573,025			10,728,549
Land Cost	2,383,545				2,383,545
Landscaping					
Business Center Drive			157,500		157,500
Memorial Hermann Drive			67,500		67,500
Overhead Utilities Placed Underground			1,200,000		1,200,000
Pipeline Relocation			700,000		700,000
Major Improvements					
Water Plants					
Land Cost	20,000				20,000
WWTP	340,000				340,000
Lift Station	300,000				300,000
Traffic Signals	600,000	550,000			1,150,000
McHard Road Reimbursables					
Miscellaneous	150,000				150,000
Signal	100,000				100,000
SH 288 Access Road	1,000,000				1,000,000
FM 518 Improvements		6,485,600			6,485,600
Broadway / FM 518 Improvements				7,100,000	7,100,000
Contingencies and Engineering					
Contingencies (10%)	8,181,116	1,733,620			9,914,736
Engineering (15%)	11,274,211	2,860,473	490,000	900,000	15,524,684
Master Drainage Plan Costs		70,000			70,000
Environmental Study Costs		100,000			100,000
Subtotal	108,267,923	34,474,218	11,574,618	8,000,000	162,316,759
Zone Administration / Creation					
TIRZ Administration (1-3 Years)	466,000				466,000
Reimbursable TIRZ Creation Costs	900,000				900,000
Annexation Costs		250,000			250,000
Plan Amendment Costs			175,000		175,000
Subtotal	1,366,000	250,000	175,000		1,791,000
<b>Total</b>	<b>109,633,923</b>	<b>34,724,218</b>	<b>11,749,618</b>	<b>8,000,000</b>	<b>164,107,759</b>
<b>City Facilities</b>					
Library					
Improvements	2,395,000				2,395,000
Land Cost	105,000				105,000
Fire / Police Station					
Improvements	2,255,000				2,255,000
Land Cost	245,000				245,000
Subtotal	5,000,000				5,000,000
Educational Facilities					
AISD Elementary School	41,600,000				41,600,000
AISD Jr. High School	21,450,000				21,450,000
AISD Fresh/Soph Campus	34,050,000				34,050,000
FBISD Elementary School	11,000,000				11,000,000
FBISD Middle School	26,000,000				26,000,000
Subtotal	134,100,000				134,100,000
<b>Grand Total</b>	<b>248,733,923</b>	<b>34,724,218</b>	<b>11,749,618</b>	<b>8,000,000</b>	<b>303,207,759</b>

(1) The original TIRZ Budget as approved in 1999 dollars has not been adjusted for inflation.

(2) The amended Budgets as approved in 2006 are shown in 2006 dollars and have not been adjusted for inflation.

(3) The Budget as amended shows budget line items as approved in their respective years without adjustment for inflation.

**TIRZ-Funded Projects:**

Since the creation of the Zone a series of infrastructure improvements have been funded and constructed. Project #13-06-002, Southlake, Phase 2 was initiated in 2013. The proposed improvements total \$9.1 million (2006 dollars) for construction, design, and contingency for streets, water, sewer, drainage, land, and landscaping. The Development Authority approved a Joint Construction and Reimbursement Agreement with Brazoria-Fort Bend Municipal Utility District #1 and 518 SCR, Ltd for Southlake Phase 2 as it is a shared project.

During calendar year 2013 Shadow Creek Ranch Development Company reported approximately 342 home sales and 331 closings. This brings the total number of homes in the Zone to 5,348 as of December 31, 2013. Also, major construction during 2013 included a 170,000 square feet Kelsey Seybold Administrative building and a standalone 10 exam room Methodist Emergency care clinic.

**City Funded Improvements:**

- There were no City funded projects in 2013.

**TxDOT Funded Improvements:**

- There were no TxDOT funded projects in 2013.

***3. The information provided in this section is in accordance with §311.016 (a) (3) of the Texas Tax Code, which requires inclusion of the amount of principal and interest due on outstanding bonded indebtedness.***

**Bond Issues**

In accordance with a Tri-Party Agreement dated October 11, 2004 between the TIRZ, the City of Pearland, and the Development Authority of Pearland (DAP), the TIRZ has pledged increment to provide for the repayment of debt issued on its behalf. In this regard, the DAP sold bonds in 2004, 2005, 2006, 2007 and 2009. The bonds were refunded in 2012 and are outlined in Table E. The Development Authority sold Series 2013 bonds in November 2013, totaling \$9,150,000.

**TABLE E**

**Development Authority of Pearland Outstanding Debt as of December 31, 2013**

<b>Tax increment Contract Revenue Bonds</b>	<b>Principal Amount Issued</b>	<b>Principal Amount Outstanding</b>	<b>Total Debt Service Outstanding</b>
<b>Series 2012 (refunding)</b>	\$56,915,000	\$51,515,000	\$65,481,198
<b>Series 2013</b>	\$9,150,000	\$9,150,000	\$12,463,249
<b>Total</b>	\$66,065,000	\$60,665,000	\$77,944,447

In addition to developer reimbursements made via the sale of bonds, the DAP has also made payments from cash reserves. In 2013 the DAP made direct payments to the developer totaling \$6,638,430. Total direct payments as of the end of 2013 for the DAP is \$41,706,860, all of which are reflected in the reimbursements outlined in Table F.

**Additional LFA’s Approved for Reimbursement**

The Zone Board has approved a series of Letter Financing Agreements (LFA’s) for reimbursement. Prior to Board action all project costs related to each LFA were reviewed by the Zone’s Auditor, McGrath & Co. PLLC, and summarized in a reimbursement report, which included eligible project costs plus interest.

Table F outlines Letter Financing Agreements approved through the end of 2013.

**TABLE F**  
**Letter Finance Agreements Approved for Reimbursement**

Letter Finance Agreement (LFA)	LFA Date	LFA Amount (1)	Reimbursements Through 2013 (2)
Creation Costs	6/19/2000	\$ 900,000	\$ 1,235,408
LFA 99-11-001 (Entry)	11/8/1999	919,150 *	1,220,281
LFA 00-01-001 (VIP1A)	2/21/2000	6,524,629	5,243,529
LFA 00-10-002 (VIP1B)	10/9/2000	10,318,290	10,593,290
LFA 01-04-001 (VIP1B)	8/23/2001	1,967,061	805,884
LFA 03-10-004 (Kingsley Drive, Phase 3)	10/7/2003	3,529,173	2,791,877
LFA 04-07-006 (Traffic Signal Shadow Creek PKWY/Kingsley)	7/13/2004	287,788	293,578
LFA 04-07-007 (Parks and Trails Grading and Infrastructure)	7/13/2004	1,007,256	877,201
LFA 03-10-001 (Remaining Village 2, Phase 2 Improvements)	10/7/2003	7,554,654	8,493,040
LFA 04-07-002 (Fire/Police Station Land Cost)	7/13/2004	408,668	555,954
LFA 02-08-001 (Village 1 and Village 2 Phase 2 Improvements)	8/6/2002	4,727,516	6,029,532
LFA 01-11-002 (Additional Village 1 and Village 2 Improvements)	11/12/2001	24,509,430	33,055,576
LFA 03-10-002 (Village 3, Phase 1 and 2 Improvements)	10/7/2003	7,809,950	11,734,369
LFA 06-03-001 (Elementary School #2 Site)	3/27/2006	1,687,801	1,886,601
LFA 06-08-002 (Library Site)	8/28/2006	481,569	557,100
LFA 04-07-003 (Regional Nature Park)	7/13/2004	760,988	1,168,312
LFA 03-10-005 (Kingsley Drive Phase 4 Improvements)	10/07/03	4,486,342	6,811,005
LFA 03-10-006 (Village 5 Improvements)	10/07/03	7,055,177	7,880,023
LFA 04-07-005 (Village 4, Phase 1 and Refelction Bay North Improvements)	04/07/05	3,354,452	-
LFA 03-10-003 (Village 3, Phase 3 Improvements)	10/07/03	7,711,582	-
LFA 04-07-004 (Village 3, Phase 4 Improvements)	07/13/04	8,204,999	-
LFA 06-01-003 (Remaining Village 4 Improvements)	01/30/06	7,120,532	-
LFA 06-08-001 (Additional Sidewalks)	08/28/06	2,356,305	-
LFA 06-01-001 (Kingsley Drive North)	01/31/06	6,417,644	-
LFA 06-01-002 (Additional Village 4 Improvements)	01/31/06	9,392,437	-
LFA 06-08-003 (S.H. 228 Frontage Road)	08/31/06	1,276,667	-
LFA 06-10-001 (Road Infrastructure, Pipeline Relocation and Site Drainage; Part of 2nd Plan Amendment)	10/23/06	9,949,618	-
LFA 07-03-002 (Shadow Creek Ranch Town Center Improvements; Part of 2nd Plan Amendment)	03/12/07	1,851,598	-
LFA 07-03-001 (Village 7, Phase 1 Broadway Improvements)	3/12/2007	1,271,499	-
LFA 08-05-001 (Broadway to FM 521)	5/5/2008	9,482,989	-
LFA 08-05-002 (Broadway Landscape - Northside)	5/5/2008	1,158,218 *	-
LFA 08-01-001 (Broadway Improvements) City of Pearland	1/15/2008	8,449,086	-
LFA 10-06-001 (Discovery Bay Extension to SH288)	6/7/2010	912,908	-
LFA 10-06-002 (SCH-4 Site)	6/7/2010	2,530,620	-
LFA 10-06-003 (SCH-5 Site)	6/7/2010	4,935,370	-
LFA 13-06-004 (SCH-3 Site)	6/24/2013	2,382,379	-
LFA 12-06-001 (Village 7, Phase 1)	6/11/2012	8,824,599	-
		\$ 182,518,944	\$ 101,232,560

(1) LFA amounts have been adjusted for inflation per the Project and Financing Plan and related budget.

(2) Amounts reimbursed include actual interest per the Developer Reimbursement Agreement.

\* Actual costs exceeded the amount of the LFA. Per the governing agreements, reimbursement is limited to the amount of the LFA

**4. The information provided in this section is in accordance with §311.016 (a) (4) of the Texas Tax Code, which requires inclusion of the tax increment base and current captured appraised value retained by the zone.**

In each year subsequent to the base year, the Zone will receive tax increment revenue based on ad valorem property taxes levied and collected by each participating taxing unit on the captured appraised value of the Zone. The captured appraised value of the Zone is the total appraised value of all real property located within the Zone as of January 1, less the total appraised base year (January 1, 1998) value.

As of December 31, 2013, development schedules for the original Zone remained unchanged from projections in the Project Plan. However, because the pace of development is unpredictable, and because the Project Plan provides a best estimate of captured appraised values, the actual captured appraised value in any future year may not equal the projected estimates of such value.

As of January 1, 1998, the base year for the Zone, the area encompassed by the original Zone was undeveloped land, with a total appraised value of \$7,172,980. On January 1, 2013, the area encompassed by the Zone had a total appraised value of \$1,553,066,296. As a result, the total captured appraised value (net base year value and exemptions) on the tax roll as of January 1, 2013 was \$1,545,893,316 for the City, as illustrated in Table B.

The City of Pearland base year (2006) value for the 457± acres annexed in the 1st Plan Amendment was \$4,381,680. As of January 1, 2013 the total appraised value was \$9,781,810. As a result the total captured appraised value on the roll as of January 1, 2013 was \$5,400,130. All lands associated with the 2nd Plan Amendment are within the boundaries of the original Zone. All lands associated with the 3rd Plan Amendment are either owned by a municipality or are dedicated right-of-way with no taxable value.

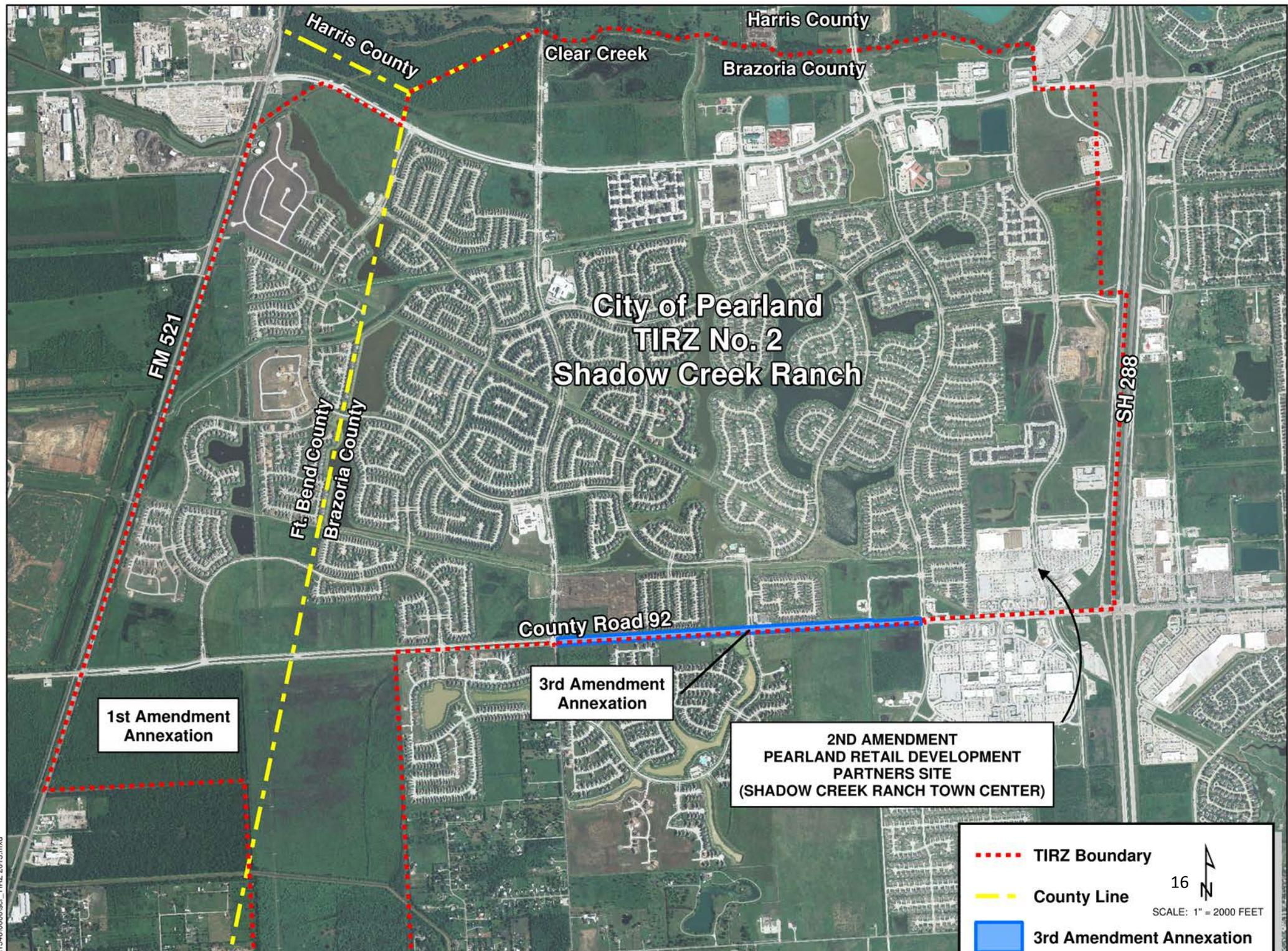
**5. The information provided in this section is in accordance with §311.016 (a) (5) of the Texas Tax Code, which requires inclusion of the captured appraised value shared by the municipality and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.**

As previously stated, the City, Brazoria County, Fort Bend County and Alvin ISD are the only taxing units currently participating in the Zone. As of January 1, 2013 the total captured appraised value in the TIRZ was \$1,551,293,446 for the original and annexed areas of the Zone. The total amount of tax increment revenue received is detailed in Table C.

*(This report was written in accordance with the provisions of Chapter 311.016 of the Texas Tax Code)*

**REINVESTMENT ZONE NUMBER TWO  
CITY OF PEARLAND, TEXAS**

**2013 ANNUAL REPORT  
EXHIBITS**



Harris County

Harris County

Clear Creek

Brazoria County

FM 521

City of Pearland  
TIRZ No. 2  
Shadow Creek Ranch

Ft. Bend County  
Brazoria County

SH 288

County Road 92

1st Amendment  
Annexation

3rd Amendment  
Annexation

2ND AMENDMENT  
PEARLAND RETAIL DEVELOPMENT  
PARTNERS SITE  
(SHADOW CREEK RANCH TOWN CENTER)

- - - - - TIRZ Boundary  
- - - - - County Line  
 3rd Amendment Annexation

16   
 SCALE: 1" = 2000 FEET





# New Business Item No. 5

- 5. Consideration and Possible Action – Resolution No. R2014-61 –**  
A Resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for water meters and related parts with HD Supply and Park USA in an estimated amount of \$841,226.00 annually.  
*Ms. Claire Bogard, Director of Finance and Mr. Eric Wilson, Director of Public Works.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b> Resolution No. R2014-61	
<b>DATE SUBMITTED:</b>	June 13, 2014	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Bob Pearce	<b>PRESENTOR:</b>	Claire Bogard/Eric Wilson
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b>	6/16/14
<b>SUBJECT:</b> Renewal of Bid for Water Meters and Related Parts			
<b>EXHIBITS:</b> Resolution #R2014-61 Bid Tabulation			
<b>FUNDING:</b>			
<input type="checkbox"/> Bonds To Be Sold		<input type="checkbox"/> Grant	<input type="checkbox"/> Developer/Other
<input type="checkbox"/> Bonds- Sold		<input type="checkbox"/> L/P – Sold	<input checked="" type="checkbox"/> Cash
			<input type="checkbox"/> L/P – To Be Sold
<b>EXPENDITURE REQUIRED:</b> \$1,220,000 (annualized estimate)			
<b>AMOUNT BUDGETED:</b> \$1,220,000		<b>AMOUNT AVAILABLE:</b> \$1,220,000	
<b>PROJECT NO.:</b>			
<b>ACCOUNT NO.:</b> 030-4145-542-58-00; 030-4145-542-58-01; 030-4145-542-58-02; 030-4145-542-58-03			
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>			
<b>ACCOUNT NO.:</b>		<b>PROJECT NO.:</b>	
<b>To be completed by Department:</b>			
<input checked="" type="checkbox"/> Finance	<input checked="" type="checkbox"/> Legal	<input type="checkbox"/> Ordinance	<input checked="" type="checkbox"/> Resolution

**EXECUTIVE SUMMARY**

**BACKGROUND**

Pursuant to Resolution #R2013-100, City Council approved a bid award to HD Supply and Park USA in June, 2013 for the supply of water meters and related parts. The materials included in the bid are Neptune water meters equipped with R-900I RF transmitters, as the City must have meters compatible with the existing remote-reading equipment. This contract will be utilized to supply meters for new installations by builders and for replacements of existing meters and related parts which are beyond their useful life. The meters are predominantly a cost-neutral commodity for the City, as the City's meter cost is recouped at the point of resale to a builder or developer.

The bid is divided into sections for small meter (up to 2”), large meter (3” and larger), registers for small and large meters and meter boxes/lids. Specifications allowed for the bid to be awarded together or separately, dependent upon the combination deemed most advantageous to the City.

**SCOPE OF CONTRACT**

One-year agreement for the purchase of water meters and related parts as needed by the City’s Public Works Department and Utility Billing.

**BID AND AWARD**

HD Supply and Park USA are the only Neptune-authorized distributors in the Houston market, and both responded with bids to the City’s solicitation. HD Supply was the lone respondent on small meters, small and large registers, and meter boxes/lids, and was recommended for award for those sections. Park USA was the low bidder on the large meters and was the recommended vendor. As such, the bid was awarded to HD Supply and Park USA, as reflected in the attached bid tabulation.

Bid specifications required firm unit costs for a period of one (1) year, with allowance for four (4) additional one (1) year renewal options available upon the mutual agreement of both parties, and the approval of City Council. Specifications allow an awarded contractor, at the time of any renewal, an opportunity to request a price increase percentage not to exceed the rate of increase in the “All Items” category of the Consumer Price Index (CPI), Houston-Galveston-Brazoria region, during the prior 12 month period. Both HD Supply and Park USA have agreed to renew their portions of the contract for an additional year at no price increase.

**SCHEDULE**

Supply of water meters and related parts will occur as needed throughout the term of the agreement. It should be noted that the City is currently considering a transition from the current meter reading technology to a fixed point remote read technology, wherein all City meters would have capability for transmitting real-time meter data to multiple fixed point transceivers, most likely to be installed on City water tanks. It is contemplated that the most financially-feasible method to facilitate such a transition would be through installation of the selected system transceivers and related hardware and, at a date to be determined, begin to purchase and install the selected meters over time as replacement schedules dictate.

The meter supply contract under consideration herein for Council approval contains a termination for convenience provision with 30 day notice, which would accommodate the transition described above.

**POLICY/GOAL CONSIDERATION**

Purchase of these water meters and related parts are needed to supply meters for new installations by builders and for replacements of existing meters, registers and meter boxes/lids which are beyond their useful life, pursuant to our water meter replacement program.

**CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE**

Funding for these items come from the Water and Sewer Operation account.

**O&M IMPACT INFORMATION**

Fiscal Year	2014	2015
Est. Expenditure	\$437,454	\$782,546

**RECOMMENDED ACTION**

City Council consideration and approval of a resolution to renew a one (1) year contract for the supply of small water meters and related parts to HD Supply and large water meters to Park USA at the unit costs denoted by the highlighted portions of the attached bid tabulation.

**RESOLUTION NO. R2014-61**

**A resolution of the City Council of the City of Pearland, Texas, renewing a unit supply bid for water meters and related parts with HD Supply and Park USA in an estimated amount of \$841,226.00 annually.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** The City previously awarded bids for the supply of water meters and related parts.

**Section 2.** That the City Council hereby renews the bids with HD Supply (small meters) and Park USA (large meters), for one year, in the unit price amounts reflected in Exhibit "A" attached hereto.

**Section 3.** The City Manager or his designee is hereby authorized to execute a supply contract for water meters and related parts.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

## Water Meter & Related Parts Supply Contract

Description	Mfgr	MfgNo	UOM	Est. Qty	HD Supply Waterworks		Park USA	
					Unit	Extended	Unit	Extended
<b>SMALL METERS</b>	NEPTUNE	R900I	Sect	1	\$503,119.28	\$503,119.28	\$0.00	\$0.00
5/8" DISPLACEMENT METER	NEPTUNE	R900I	EA	1620	\$207.14		No Bid	
1" DISPLACEMENT METER	NEPTUNE	R900I	EA	75	\$264.71		No Bid	
2" DISPLACEMENT METER	NEPTUNE	R900I	EA	1	\$569.41		No Bid	
2" COMPOUND METER	NEPTUNE	R900I	EA	100	\$1,464.71		No Bid	
2" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$658.82		No Bid	
<b>LARGE METERS</b>	NEPTUNE	R900I	Sect	1	\$248,200.00	\$248,200.00	\$179,240.00	\$179,240.00
3" COMPOUND METER	NEPTUNE	R900I	EA	1	\$9,000.00		\$7,995.00	
4" COMPOUND METER	NEPTUNE	R900I	EA	1	\$9,700.00		\$9,350.00	
6" COMPOUND METER	NEPTUNE	R900I	EA	1	\$15,000.00		\$12,525.00	
8" COMPOUND METER	NEPTUNE	R900I	EA	1	\$16,800.00		\$13,650.00	
10" COMPOUND METER	NEPTUNE	R900I	EA	1	\$39,000.00		\$26,650.00	
12" COMPOUND METER	NEPTUNE	R900I	EA	1	\$41,000.00		\$27,750.00	
3" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$8,700.00		\$6,325.00	
4" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$8,500.00		\$7,450.00	
6" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$13,000.00		\$10,650.00	
8" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$16,500.00		\$12,995.00	
10" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$31,000.00		\$17,650.00	
12" CLASS II TURBINE METER	NEPTUNE	R900I	EA	1	\$40,000.00		\$26,250.00	
<b>REGISTERS FOR SMALL METERS</b>	NEPTUNE	R900I	Sect	1	\$95,710.00	\$95,710.00	\$0.00	\$0.00
5/8" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	500	\$170.00		No Bid	
1" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	20	\$170.00		No Bid	
2" DISPLACEMENT METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00		No Bid	
2" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	40	\$170.00		No Bid	
2" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
2" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00		No Bid	
<b>REGISTERS FOR LARGE METERS</b>	NEPTUNE	R900I	Sect	1	\$3,060.00	\$3,060.00	\$0.00	\$0.00
3" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
3" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
4" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
4" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
6" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
6" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
8" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
8" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
10" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00		No Bid	
10" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00		No Bid	

					HD Supply Waterworks	Park USA	
12" COMPOUND METER REGISTER FOR R900I HI ONLY	NEPTUNE		EA	1	\$170.00	No Bid	
12" COMPOUND METER REGISTER FOR R900I LOW ONLY	NEPTUNE		EA	1	\$170.00	No Bid	
3" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
4" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
6" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
8" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
10" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
12" CLASS II TURBINE METER REGISTER FOR R900I	NEPTUNE		EA	1	\$170.00	No Bid	
<b>METER BOXES/LIDS</b>	NEPTUNE		Sect	1	\$3,390.00	\$3,390.00	\$0.00
1" DUAL METER BOX			EA	50	\$16.60	No Bid	
1" DUAL METER BOX LID			EA	50	\$6.00	No Bid	
2" DUAL METER BOX			EA	100	\$16.60	No Bid	
2" DUAL METER BOX LID			EA	100	\$6.00	No Bid	

# New Business Item No. 6

- 6. Consideration and Possible Action – Resolution No. R2014-62 –**  
A Resolution of the City Council of the City of Pearland, Texas, renewing a bid for water treatment chemicals and water analysis services with Napco Chemical Company, Inc., in the estimated amount of \$795,000.00 annually. *Mr. Eric Wilson, Director of Public Works.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> June 23, 2014	<b>ITEM NO.:</b> Resolution No. R2014-62
<b>DATE SUBMITTED:</b> June 13, 2014	<b>DEPT. OF ORIGIN:</b> Finance
<b>PREPARED BY:</b> Bob Pearce	<b>PRESENTOR:</b> Eric Wilson
<b>REVIEWED BY:</b> Jon R. Branson	<b>REVIEW DATE:</b> June 13, 2014
<b>SUBJECT:</b> Renewal of Bid for Water Treatment Chemicals	
<b>EXHIBITS:</b> Resolution #R2014-62 Bid Tabulation	
<b>FUNDING:</b> <input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold	
<b>EXPENDITURE REQUIRED:</b> \$795,000 (annualized est.) <b>AMOUNT BUDGETED:</b> \$795,000 <b>AMOUNT AVAILABLE:</b> \$795,000 <b>PROJECT NO.:</b> <b>ACCOUNT NO.:</b> 030-4042-542-06-00; 030-4043-542-06-00  <b>ADDITIONAL APPROPRIATION REQUIRED:</b> <b>ACCOUNT NO.:</b> <b>PROJECT NO.:</b>	
<b>To be completed by Department:</b> <input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution	

**EXECUTIVE SUMMARY**

**BACKGROUND**

Three (3) bids were received May 30, 2013, for a supply contract for the supply of water treatment chemicals and associated water analysis services. Bid notices were provided to twenty-seven (27) companies, and published and posted on the City's e-bid website in accordance with City Purchasing Policy.

The polyphosphate, sodium hypochlorite, zinc orthophosphate and ammonium sulfate are used in water supply purification, and the hypochlorite and sodium bisulfite in the treatment and disinfection of wastewater. Water analysis will be provided periodically on water wells and distribution systems

to monitor and assure water quality. The analysis is an element of the supply contract and is performed at no additional cost to the City.

**SCOPE OF CONTRACT**

Contractor will furnish water treatment chemicals, per specifications, as needed throughout the term of this award.

**BID AND AWARD**

Bid specifications required that the awarded vendor must have the capability to provide all listed chemicals, in order to assure the successful usage, dosage and interaction is achieved among the various chemicals. Of the bids received, only Napco Chemical Co. bid the full spectrum of required chemicals, and was thereby recommended for award. The City has utilized Napco previously and Public Works personnel report a high degree of satisfaction with their level of service and quality of product supplied.

The bid specifications required fixed pricing for one (1) year, with four (4) one-year renewal options available upon the mutual agreement of both parties, and the approval of City Council. The specifications allow the contractor, at the time of renewal, the opportunity to request a price increase percentage not to exceed the rate of increase in the "All Items" category of the Consumer Price Index (CPI), Houston-Galveston-Brazoria region, during the prior 12 month period. Napco Chemical Co. has requested price increases which are within the 2.9% currently allowed based on the CPI change.

**SCHEDULE**

Chemicals will be delivered by the awarded vendor to the various City water facilities as needed throughout the term of this bid award.

**POLICY/GOAL CONSIDERATION**

This bid award will positively impact the City's goal of providing and maintaining a safe and reliable water supply for residents throughout the City.

**CURRENT AND FUTURE FUNDING /FINANCIAL IMPACTS/DEBT SERVICE**

Funding for these services will come from Public Works' operating budget.

**O&M IMPACT INFORMATION**

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Est. Expenditures	\$297,438	\$795,083 (est. with renewal June, 2015)	\$817,345 (est.)

**RECOMMENDED ACTION**

Staff recommends approval of a resolution to renew an award for water treatment chemicals to Napco Chemical Co. at the unit costs referenced in the attached bid tabulation, with an estimated total annual expenditure of approximately \$795,000.

**RESOLUTION NO. R2014-62**

**A resolution of the City Council of the City of Pearland, Texas, renewing a bid for water treatment chemicals and water analysis services with Napco Chemical Company, Inc., in the estimated amount of \$795,000.00 annually.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That the City previously awarded bids for water treatment chemicals and water analysis services.

**Section 2.** That the City Council hereby renews a unit supply contract with Napco Chemical Company, Inc., in the unit supply amount shown on Exhibit "A", attached hereto.

**Section 3.** The City Manager or his designee is hereby authorized to execute a contract for water treatment chemicals and water analysis services.

PASSED, APPROVED and ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_,  
A.D., 2014.

\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

\_\_\_\_\_  
YOUNG LORFING, TRMC  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

**Bid # 0513-52 Water Treatment Chemicals Supply and Analysis****NAPCO Chemical Company, Inc.**

<b>Line</b>	<b>Description</b>	<b>UOM</b>	<b>QTY</b>	<b>New Pricing</b>	<b>Prior Pricing w/Napco</b>
1	Liquid Polyphosphate Blend	Gallon	1	<b>\$10.55</b>	<b>\$10.31</b>
2	Zinc Orthophosphate	Gallon	1	<b>\$8.75</b>	<b>\$8.67</b>
3	Sodium Hypochlorite 10-12% - Please enter price per gallon for a truckload.	Gallon	1	<b>\$0.87</b>	<b>\$0.86</b>
4	Sodium Hypochlorite 10-12% - Please enter price per gallon for less than a truckload.	Gallon	1	<b>\$1.09</b>	<b>\$1.08</b>
5	Liquid Ammonium Sulfate - Please enter price per gallon for a truckload.	Gallon	1	<b>\$1.37</b>	<b>\$1.35</b>
6	Liquid Ammonium Sulfate - Please enter price per gallon for less than a truckload.	Gallon	1	<b>\$2.05</b>	<b>\$2.03</b>
7	Liquid Sodium Bisulfite, 40% Solution - Please enter price per gallon for a truckload.	Gallon	1	<b>\$1.32</b>	<b>\$1.30</b>
8	Liquid Sodium Bisulfite, 40% Solution - Please enter price per gallon for less than a truckload.	Gallon	1	<b>\$1.97</b>	<b>\$1.94</b>

# New Business Item No. 7

7. **Consideration and Possible Action** - Resolution No. R 2014-68 – A Resolution of the City Council of the City of Pearland, Texas, expressing support for Texas Department of Transportation to Re-Establish in Project Scope the 8 Direct Connect Lanes from Beltway 8 to forthcoming new Route 288 Managed Lanes and support the overall project.

## **New Business No. 7**

Information on this Agenda Item will be available at the meeting.

# New Business Item No. 8

8. **Consideration and Possible Action** – Regarding Delinquent Property Tax and Fine & Forfeiture Collections. *Ms. Claire Bogard, Director of Finance.*

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b>	June 23, 2014	<b>ITEM NO.:</b>	New Business
<b>DATE SUBMITTED:</b>	June 12, 2014	<b>DEPT. OF ORIGIN:</b>	Finance
<b>PREPARED BY:</b>	Claire Bogard	<b>PRESENTOR:</b>	Claire Bogard
<b>REVIEWED BY:</b>	CJP	<b>REVIEW DATE:</b>	6/16/2014
<b>SUBJECT:</b> Discussion on Delinquent Property Tax and Fine & Forfeiture Collections			
<b>EXHIBITS:</b> A – Delinquent Property Tax Collection Contract B – Delinquent Fine & Forfeiture Collection Contract C - Applicable State Laws D – Background Memo- Thursday Packet			
<b>FUNDING:</b>			
<input type="checkbox"/> Grant <input type="checkbox"/> Developer/Other <input type="checkbox"/> Cash Opns <input type="checkbox"/> Bonds To Be Sold <input type="checkbox"/> Bonds- Sold <input type="checkbox"/> L/P – Sold <input type="checkbox"/> L/P – To Be Sold			
<b>EXPENDITURE REQUIRED:</b> NA <b>AMOUNT BUDGETED:</b> NA			
<b>AMOUNT AVAILABLE:</b> NA <b>PROJECT NO.:</b>			
<b>ACCOUNT NO:</b>			
<b>ADDITIONAL APPROPRIATION REQUIRED:</b> N/A			
<b>ACCOUNT NO.:</b> N/A			
<b>PROJECT NO.:</b> N/A			
<b>To be completed by Department:</b>			
X Finance	Legal	Ordinance	Resolution

**EXECUTIVE SUMMARY**

**BACKGROUND**

The City has contracted with Linebarger, Goggan, Blair & Sampson LLP for many years for the delinquent collections of property taxes and fines & forfeitures, as far back as 1982 for delinquent property tax collections with Calame, Linebarger & Graham. Taking each contract individually:

**Property Tax Collections**

The most recent contract with the firm, for delinquent property tax collections is dated July 2011, with an effective date of January 1, 2012. (Attachment A)The contract expires December 31,

2014 and renews automatically for successive one-year periods, unless a 60-day notice is given, however there is also a 30-day termination clause.

On February of each year, property taxes are due. In the case of tangible personal property, accounts that are past due on the 60<sup>th</sup> day after February 1, can be sent and are sent to the firm for collection. Real property accounts that are past due are sent on July 1 for collection. Compensation for collection are set by state law, which sets the percent not to exceed. City accounts 2002 and prior are assessed a 15% collection fee, with a 20% collection fee assessed for accounts for all 2003 and subsequent tax years. The fee is paid by the taxpayer. See Attachment C, regarding state law. The firm also represents the city in bankruptcy and foreclosure on property and represents the City in court cases and property sales.

As of June 30, 2013, delinquent amounts for the 2013 fiscal year totaled \$622,834 that were sent to the firm for collections, of which \$424,617 have been collected through May 2014 or a 68% collection rate. Total taxes due as of June 30, 2013, total \$1,280,405 with collections totaling \$551,865 or a collection rate of 43%. Using the 20% collection rate, \$110,373 would have been added on and retained by the firm for services rendered. There is approximately \$188,343 of outstanding taxes that are on deferrals and cannot be collected upon.

Currently, Brazoria County, Pearland School District, and the City each have a different firm collecting delinquent property taxes.

### **Fine & Forfeiture Collections**

The contract with for delinquent collections for fines and forfeitures is dated August 2011 and expires August 29, 2014. (Attachment B) The contract will automatically extend for an additional one year period without action, unless notice is given 60 days prior to the expiration date. The contract may be terminated but only for performance deficiencies and provides for a 60 day cure period.

Cases that remain unpaid on the 61<sup>st</sup> day, pursuant to state law, are forwarded for collections. A 30% collection fee, also set by state law, is attached to the fine and paid by the defendant. (Attachment C).

In 2013, net of cancelled amounts, the City sent 5,263 cases, totaling \$2,669,381 to collections. In 2013, the firm collected on 848 cases totaling \$435,969. The 30% collection would have been \$130,791 collected and retained by the firm. Keep in mind collections in 2013 can be for prior year cases. As of May 2014, net of cancelled amounts, \$14.7 million has been sent to collections since 2003, with \$8.250 million still outstanding, representing a collection rate of approximately 44%. Of this amount, \$4.5 million is from 2012 to present with the remaining prior to.

### **BID and AWARD**

The City has the option to renew these contracts or go out for a competitive proposal. In a competitive proposal, the actual collection rate may not vary much as the maximum is governed by state law; however approach and methodology for collections, reporting, the litigation process that will be followed, notification on foreclosures and seizures, and administering and collecting City liens may be different.

Since the contract for court collections expires August 29, 2014, 60-day notice would be end of June. If Council direction is for a competitive proposal process, the City could ask for an

extension of 60 days or so, to allow the City to complete the proposal process. We have not contacted the firm to see if they are amenable to that.

### **POLICY/GOAL CONSIDERATION**

*Excerpt from City's Financial Policy Statements – Revenue Collection*

The City shall maintain high collection rates for all revenues. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

*Excerpt from City's Financial Policy Statements – Delinquent Tax Attorney*

Due to the nature and expertise required, the City shall hire a delinquent tax collection attorney to collect delinquent taxes, represent the city in filing bankruptcy claims, foreclose on real property, seize personal property, and represent the City in court cases and property sales.

Requests for proposals and statement of qualifications are to be solicited at least every seven years. There is no requirement for rotation.

The financial statements were first adopted in August 2009.

### **RECOMMENDED ACTION**

Discussion and direction on delinquent property tax and fine & forfeiture collections.

**RESOLUTION NO. R2011-82**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A CONTRACT WITH LINEBARGER, GOGGAN, BLAIR, & SAMPSON, LLP FOR TAX COLLECTION SERVICES.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That certain contract by and between the City of Pearland and Linebarger, Goggan, Blair & Sampson, LLP, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

**Section 2.** That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest a contract for tax collection services.

PASSED, APPROVED and ADOPTED this the 25<sup>th</sup> day of July, A.D., 2011.

  
\_\_\_\_\_  
TOM REID  
MAYOR

ATTEST:

  
\_\_\_\_\_  
YOUNG LORFING  
CITY SECRETARY



APPROVED AS TO FORM:

  
\_\_\_\_\_  
DARRIN M. COKER  
CITY ATTORNEY

# Agreement for Tax Collection Services

This Agreement is made between Linebarger Goggan Blair & Sampson, LLP (hereinafter referred to as the "Firm") and the **City of Pearland** (hereinafter referred to as the "Client").

## Article I

### *Nature of Relationship*

**1.01** The parties hereto acknowledge that this Agreement creates an attorney-client relationship.

**1.02** The Client hereby employs the Firm to provide the services hereinafter described for compensation hereinafter provided.

## Article 2

### *Scope of Services*

**2.01** The Firm shall take reasonable and necessary actions to collect property taxes that are owed to the Client and to any other taxing unit whose taxes are assessed and collected by the Client, and that are subject to this agreement, as hereinafter provided.

**2.02** The Client may from time-to-time specify in writing additional actions to be taken by the Firm in connection with the collection of taxes that are owed to the Client. Client further constitutes and appoints the Firm as Client's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to prosecute the Client's claim for taxes.

**2.03** Taxes owed to the Client shall become subject to this agreement upon the following dates, whichever occurs first:

(a) On February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax;

(b) On the date any lawsuit is filed with respect to the recovery of the tax if the tax is delinquent and is required to be included in the suit pursuant to TEX. TAX CODE § 33.42(a);

(c) On the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought and where the filing of an application for tax warrant by the Firm is at the request of Client's Tax Assessor-Collector;

- (d) On the date of filing any claim in bankruptcy where recovery of the tax is sought;
- (e) In the case of tangible personal property, on the 60<sup>th</sup> day after the February 1 delinquency date; or
- (f) On July 1 of the year in which the taxes become delinquent.

**Article 3**  
*Compensation*

**3.01** Client agrees to pay to the Firm, as compensation for the services required herein, as follows:

(a) fifteen (15%) percent of the amount of all 2002 and prior year taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected; and

(b) twenty (20%) percent of the amount of all 2003 and subsequent year taxes, penalty and interest subject to the terms of this contract as set forth in Paragraph 2.03 above, collected and paid to the collector of taxes during the term of this contract, as and when collected.

**3.02** The Client shall pay the Firm by the twentieth day of each month, all compensation earned by the Firm for the previous month as provided in this Article 3. All compensation above provided for shall become the property of the Firm at the time payment of the taxes, penalty and interest is made to the collector.

**Article 4**  
*Intellectual Property Rights*

**4.01** The Client recognizes and acknowledges that the Firm owns all right, title and interest in certain proprietary software that the Firm may utilize in conjunction with performing the services provided in this Agreement. The Client agrees and hereby grants to the Firm the right to use and incorporate any information provided by the Client ("Client Information") to update the databases in this proprietary software, and, notwithstanding that Client Information has been or shall be used to update the databases in this proprietary software, further stipulates and agrees that the Client shall have no rights or ownership whatsoever in and to the software or the data contained therein, except that the Client shall be entitled to obtain a copy of such data that directly relates to the Client's accounts at any time.

**4.02** The Firm agrees that it will not share or disclose any specific confidential Client Information with any other company, individual, organization or agency, without the prior written consent of the Client, except as may be required by law or where such information is otherwise publicly available. It is agreed that the Firm shall have the right to use Client Information for internal analysis, purposes of improving the proprietary software and database, and to generate aggregate data and statistics that may inherently contain Client Information. These aggregate statistics are owned solely by the Firm and will generally be used internally, but may be shared with the Firm's affiliates, partners or other third parties for purposes of improving the Firm's software and services.

## **Article 5**

### *Costs*

**5.01** The Firm and Client recognize that publication costs for citations and notices of sale and title abstract costs will be incurred in the process of providing the litigation services contemplated in this Agreement. All such costs shall be billed to the Client, in care of the Firm, and the Firm will advance the payment of such costs on behalf of the Client. Upon recovery of such costs from the defendants or from the tax sale of defendants' property, the Firm shall be reimbursed for the advance payment. Alternatively, the Firm may arrange with the vendor or agency providing the service that actual payment of the costs of services is wholly contingent upon recovery of such costs by the Client or the Firm from the defendants or from the tax sale of defendants' property. In such contingent arrangements, the Client has no responsibility or liability for payment or advancement of any costs, other than forwarding to the vendor or service provider any cost amounts received from defendants or from the tax sale of defendants' property.

**5.02** The Client acknowledges that the Firm may provide services, such as title research, with its own employees or with other entities or individuals who may be affiliated with the Firm, but the Firm agrees that any charges for such services will be reasonable and consistent with what the same services would cost if obtained from a third party. The Client agrees that upon the recovery of such costs, the Client will: (i) pay the Firm for any such costs which have been advanced by the Firm or performed by the Firm, and (ii) pay any third party agency or vendor owed for performing such services.

## **Article 6**

### *Term and Termination*

**6.01** This Agreement shall be effective on **January 1, 2012** (The "Effective Date") and shall expire on **December 31, 2014** (the "Expiration Date") unless extended as hereinafter provided.

**6.02** Unless prior to 60 days before the Expiration Date, the Client or the Firm notifies the other in writing that it does not wish to continue this Agreement beyond its initial term, this Agreement shall be automatically extended for an additional one year period without the necessity of any further action by either party. In the absence of any such 60 day notice by either the Client or the Firm, the Agreement shall continue to automatically renew for additional and successive one-year terms in the same manner at the end of each renewal period.

**6.03** If at any time during the initial term of this Agreement or any extension hereof, either party may terminate this contract at the end of the initial contract term or thereafter by giving the other party thirty (30) days written notice of termination ("Termination Date").

**6.04** Whether this Agreement expires or is terminated, the Firm shall be entitled to continue to prosecute any tax suits, applications for tax warrants or bankruptcy claims pending on the Termination Date or Expiration Date for an additional six (6) months following termination or expiration. The Client agrees that the Firm shall be compensated as provided by Article 3 for any base tax, penalties and interest collected in the pending matters during the six-month period.

**6.05** The Client agrees that the Firm shall be reimbursed for any costs advanced and shall be paid for any services performed pursuant to Article 5 when such costs are recovered by or on behalf of the Client, regardless of the date recovered. It is expressly agreed that neither the expiration nor the termination of this Agreement constitutes a waiver by the Firm of its entitlement to be reimbursed for such costs and to be paid for such services. It is further expressly agreed that the expiration of any six-month period under Section 6.04 does not constitute any such waiver by the Firm.

## **Article 7** *Miscellaneous*

**7.01** *Assignment and Subcontracting.* This Agreement is not assignable, provided however, the Firm may from time-to-time obtain co-counsel or subcontract some of the services provided for herein to other law firms or entities. In such cases, the Firm will retain supervisory control and responsibility for any services provided by such co-counsel or subcontractors and shall be responsible to pay any compensation due to any such co-counsel or subcontractor.

**7.02** *Integration.* This Agreement contains the entire agreement between the parties hereto and may only be modified in a written amendment, executed by both parties.

**7.03 Representation of Other Taxing Entities.** The Client acknowledges and consents to the representation by the Firm of other taxing entities that may be owed taxes or other claims and be secured by the same property as the Client's claim.

**7.04 Venue.** Venue for the consideration and performance of this contract is Brazoria County, Texas.

**In consideration of the terms and compensation herein stated,** the Firm hereby accepts said employment and undertakes the performance of this Agreement as above written. This Agreement is executed on behalf of the Firm and of the Client by the duly authorized persons whose signatures appear below.

**City of Pearland**

**Linebarger Goggan Blair  
& Sampson, LLP**

By:   
Bill Eisen, City Manager

By:   
Charles "Chip" Sutton, Partner

Date: 7/26/11

Date: 7/25/11

ATTEST:

BY:   
Young Loring, City Secretary

Date: 7/26/11



**RESOLUTION NO. R2011-98**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ENTER INTO A CONTRACT WITH LINEBARGER, GOGGAN, BLAIR, & SAMPSON, LLP FOR COLLECTION SERVICES ASSOCIATED WITH DELINQUENT FINES AND FEES.**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS:**

**Section 1.** That certain contract by and between the City of Pearland and Linebarger, Goggan, Blair & Sampson, LLP, a copy of which is attached hereto as Exhibit "A" and made a part hereof for all purposes, is hereby authorized and approved.

**Section 2.** That the City Manager or his designee is hereby authorized to execute and the City Secretary to attest a contract for collection services.

PASSED, APPROVED and ADOPTED this the 22<sup>nd</sup> day of August, A.D., 2011.



TOM REID  
MAYOR

ATTEST:



YOUNG LORFING, TRMC  
CITY SECRETARY



APPROVED AS TO FORM:



DARRIN M. COKER  
CITY ATTORNEY

## **Contract for Fines and Fees Collection Services**

STATE OF TEXAS

COUNTY OF BRAZORIA

THIS CONTRACT (hereinafter "AGREEMENT") is made and entered into by and between City of Pearland, acting herein by and through its governing body, hereinafter styled "CLIENT", and Linebarger Goggan Blair & Sampson, LLP, hereinafter styled "FIRM".

### **Article I**

#### *Nature of Relationship and Authority for Contract*

1.01 The parties hereto acknowledge that this AGREEMENT creates an attorney-client relationship between CLIENT and FIRM.

1.02 The CLIENT hereby employs the FIRM to provide the services hereinafter described for compensation hereinafter provided.

1.03 This AGREEMENT is entered into pursuant to and as authorized by Subsection (a) of ART. 103.0031, Texas Code of Criminal Procedure.

### **Article 2**

#### *Scope of Services*

2.01 CLIENT agrees to employ and does hereby employ FIRM to provide specific legal services provided herein and enforce the collection of delinquent court fees and fines that are subject to this AGREEMENT, pursuant to the terms and conditions described herein. Such legal services shall include but not be limited to recommendations and legal advice to CLIENT to take legal enforcement action; representing CLIENT in any dispute or legal challenge over authority to collect such court fees and fines; defending CLIENT in litigation or challenges of its collection authority; and representing CLIENT in collection interests in bankruptcy matters as determined by FIRM and CLIENT. This AGREEMENT supersedes all prior oral and written agreements between the parties regarding court fees and fines, and can only be amended if done so in writing and signed by all parties. Furthermore, this contract cannot be transferred or assigned by either party without the written consent of all parties.

2.02 The CLIENT may from time-to-time specify in writing additional actions that should be taken by the FIRM in connection with the collection of the fines and fees that are subject to this AGREEMENT. CLIENT further constitutes and appoints the FIRM as CLIENT's attorneys to sign all legal instruments, pleadings, drafts, authorizations and papers as shall be reasonably necessary to pursue collection of the CLIENT's claims.

2.03 Fines and fees that are subject to this AGREEMENT are those that are more than sixty (60) days past due as of the effective date hereof and those that become more than sixty (60) days past due during the term hereof. As used in this section, "more than 60 days past due" has that meaning assigned by Subsection (f) of Art. 103.0031, Texas Code of Criminal Procedure [as amended by Senate Bill 782, 78th Legislature (2003), effective June 18, 2003]. The meaning assigned to the phrase "more than 60 days past due" shall, for the term and purposes of this

AGREEMENT, survive any future amendments to, or repeal of, Article 103.0031, Texas Code of Criminal Procedure, or any parts thereof.

2.04 The CLIENT agrees to provide to the FIRM data regarding any fines and fees that are subject to this AGREEMENT. The data shall be provided by electronic medium in a file format specified by the FIRM. The CLIENT and the FIRM may from time-to-time agree in writing to modify this format. The CLIENT shall provide the data to the FIRM not less frequently than bi-monthly.

2.05 The FIRM, in all communications seeking the collection of fines and fees, shall direct all payments directly to the CLIENT at an address designated by the CLIENT. If any fines and fees are paid to the FIRM, said payments shall be expeditiously turned over to the CLIENT.

### **Article 3** *Compensation*

3.01 The CLIENT agrees to pay the FIRM as compensation for the services required hereunder thirty (30%) percent of the total amount of all the fines and fees [exclusive of any collection fee assessed by the CLIENT pursuant to Subsection (b) of Article 103.0031, Texas Code of Criminal Procedure] subject to the terms of this AGREEMENT as set forth in Section 2.03 above that are collected by the CLIENT during the term of this AGREEMENT. All compensation shall become the property of the FIRM at the time payment of the fines and fees is made to the CLIENT.

3.02 The CLIENT shall pay the FIRM by the twentieth day of each month all compensation earned by the FIRM for the previous month as provided in this Article 3. The CLIENT shall provide an accounting showing all collections for the previous month with the remittance.

### **Article 4** *Intellectual Property Rights*

4.01 The CLIENT recognizes and acknowledges that the FIRM owns all right, title and interest in certain proprietary software that the FIRM may utilize in conjunction with performing the services provided in this AGREEMENT. The CLIENT agrees and hereby grants to the FIRM the right to use and incorporate any information provided by the CLIENT ("CLIENT Information") to update the databases in this proprietary software, and, notwithstanding that CLIENT Information has been or shall be used to update the databases in this proprietary software, further stipulates and agrees that the CLIENT shall have no rights or ownership whatsoever in and to the software or the data contained therein, except that the CLIENT shall be entitled to obtain a copy of such data that directly relates to the CLIENT's accounts at any time.

4.02 The FIRM agrees that it will not share or disclose any specific confidential CLIENT Information with any other company, individual, organization or agency, without the prior written consent of the CLIENT, except as may be required by law or where such information is otherwise publicly available. It is agreed that the FIRM shall have the right to use CLIENT Information for internal analysis, improving the proprietary software and database, and generating aggregate data and statistics that may inherently contain CLIENT Information. These aggregate statistics are owned solely by the FIRM and will generally be used internally, but may be shared with the FIRM's affiliates, partners or other third parties for purposes of improving the FIRM's software and services.

**Article 5**  
*Term and Termination*

5.01 This AGREEMENT shall be effective August 29, 2011, and shall expire on August 29, 2014, unless extended as hereinafter provided.

5.02 Unless prior to sixty (60) days before the Expiration Date, the CLIENT or the FIRM notifies the other in writing that it does not wish to continue this AGREEMENT beyond its initial term, this AGREEMENT shall be automatically extended for an additional one year period without the necessity of any further action by either party. In the absence of any such sixty (60) day notice by either the CLIENT or the FIRM, the AGREEMENT shall continue to automatically renew for additional and successive one-year terms in the same manner at the end of each renewal period.

5.03 If, at any time during the initial term of this AGREEMENT or any extension hereof, the CLIENT determines that the FIRM's performance under this AGREEMENT is unsatisfactory, the CLIENT shall notify the FIRM in writing of the CLIENT's determination. The notice from the CLIENT shall specify the particular deficiencies that the CLIENT has observed in the FIRM's performance. The FIRM shall have sixty (60) days from the date of the notice to cure any such deficiencies. If, at the conclusion of that sixty (60) day remedial period, the CLIENT remains unsatisfied with the FIRM's performance, the CLIENT may terminate this AGREEMENT effective upon the expiration of thirty (30) days following the date of written notice to the FIRM of such termination ("Termination Date").

5.04 Whether this AGREEMENT expires or is terminated, the FIRM shall be entitled to continue to collect any items and to pursue collection of any claims that were referred to and placed with the FIRM by the CLIENT prior to the Termination Date or Expiration Date for an additional ninety (90) days following termination or expiration. The CLIENT agrees that the FIRM shall be compensated as provided by Article 3 for any such item or pending matters during the ninety (90) day period.

**Article 6**  
*Miscellaneous*

6.01 Subcontracting. The FIRM may from time-to-time obtain co-counsel or subcontract some of the services provided for herein to other law firms or entities. In such cases, the FIRM will retain supervisory control and responsibility for any services provided by such co-counsel or subcontractors and shall be responsible to pay any compensation due to any such co-counsel or subcontractor.

6.02 Arbitration. Any controversy between the parties to this AGREEMENT involving the construction or application of any of the terms, covenants, or conditions of this AGREEMENT shall, on the written request of one party served on the other, be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the Texas General Arbitration Act.

6.03 Integration. This AGREEMENT contains the entire AGREEMENT between the parties hereto and may only be modified in a written amendment, executed by both parties.

6.04 Representation of Other Governmental Entities. The CLIENT acknowledges and consents to the representation by the FIRM of other governmental entities that may be seeking the payment of fines and fees or other claims from the same person(s) as the CLIENT.

6.05 Notices. For purposes of sending any notice under the terms of this contract, all notices from CLIENT shall be sent to FIRM by certified United States mail, or delivered by hand or by courier, and addressed as follows:

Linebarger Goggan Blair & Sampson, LLP  
Attention: Director of Client Services  
The Terrace II  
2700 Via Fortuna Drive  
Suite 400  
Austin, TX 78746

All notices from the FIRM to the CLIENT shall be sent to CLIENT by certified United States mail, or delivered by hand or by courier, and addressed as follows:

City of Pearland – City Secretary's Office  
3519 Liberty Drive, Suite 262  
Pearland, TX 77581

EXECUTED ON the 29 day of August, 2011.

By:   
\_\_\_\_\_  
Tom Reid  
Mayor

Linebarger Goggan Blair & Sampson, LLP  
  
By: \_\_\_\_\_  
Richard Hill, Partner  
For the FIRM

Sec. 6.30. ATTORNEYS REPRESENTING TAXING UNITS. (a) The county attorney or, if there is no county attorney, the district attorney shall represent the county to enforce the collection of delinquent taxes if the commissioners court does not contract with a private attorney as provided by Subsection (c) of this section.

(b) The governing body of a taxing unit other than a county may determine who represents the unit to enforce the collection of delinquent taxes. If a taxing unit collects taxes for another taxing unit, the attorney representing the unit to enforce the collection of delinquent taxes may represent the other unit with consent of its governing body.

(c) The governing body of a taxing unit may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected.

(d) Repealed by Acts 1983, 68th Leg., p. 4829, ch. 851, Sec. 28, eff. Aug. 29, 1983.

(e) A contract with an attorney that does not conform to the requirements of this section is void.

Acts 1979, 66th Leg., p. 2231, ch. 841, Sec. 1, eff. Jan. 1, 1982. Amended by Acts 1981, 67th Leg., 1st C.S., p. 126, ch. 13, Sec. 28, eff. Jan. 1, 1982; Acts 1983, 68th Leg., p. 4829, ch. 851, Sec. 4, 28, eff. Aug. 29, 1983.

#### SUBCHAPTER C. APPRAISAL REVIEW BOARD

Sec. 6.41. APPRAISAL REVIEW BOARD. (a) The appraisal review board is established for each appraisal district.

(b) The board consists of three members. However, the district board of directors by resolution of a majority of its members may increase the size of the appraisal review board to the number of members the board of directors considers appropriate.

(c) To be eligible to serve on the board, an individual must be a resident of the district and must have resided in the district

# FINES & FORFEITURES

Art. 103.0031. COLLECTION CONTRACTS. (a) The commissioners court of a county or the governing body of a municipality may enter into a contract with a private attorney or a public or private vendor for the provision of collection services for one or more of the following items:

(1) debts and accounts receivable such as unpaid fines, fees, court costs, forfeited bonds, and restitution ordered paid by:

(A) a court serving the county or a court serving the municipality, as applicable; or

(B) a hearing officer serving the municipality under Chapter 682, Transportation Code;

(2) amounts in cases in which the accused has failed to appear:

(A) as promised under Subchapter A, Chapter 543, Transportation Code, or other law;

(B) in compliance with a lawful written notice to appear issued under Article 14.06(b) or other law;

(C) in compliance with a lawful summons issued under Article 15.03(b) or other law;

(D) in compliance with a lawful order of a court serving the county or municipality; or

(E) as specified in a citation, summons, or other notice authorized by Section 682.002, Transportation Code, that charges the accused with a parking or stopping offense; and

(3) false alarm penalties or fees imposed by a county under Chapter 118 or 233, Local Government Code, or by a municipality under a municipal ordinance.

(b) A commissioners court or governing body of a municipality that enters into a contract with a private attorney or private vendor under this article may authorize the addition of a collection fee in the amount of 30 percent on each item described in Subsection (a) that is more than 60 days past due and has been referred to the attorney or vendor for collection. The collection fee does not apply to a case that has been dismissed by a court of competent jurisdiction or to any amount

that has been satisfied through time-served credit or community service. The collection fee may be applied to any balance remaining after a partial credit for time served or community service if the balance is more than 60 days past due. Unless the contract provides otherwise, the court shall calculate the amount of any collection fee due to the governmental entity or to the private attorney or private vendor performing the collection services and shall receive all fees, including the collection fee. With respect to cases described by Subsection (a) (2), the amount to which the 30 percent collection fee applies is:

(1) the amount to be paid that is communicated to the accused as acceptable to the court under its standard policy for resolution of the case, if the accused voluntarily agrees to pay that amount; or

(2) the amount ordered paid by the court after plea or trial.

(c) The governing body of a municipality with a population of more than 1.9 million may authorize the addition of collection fees under Subsection (b) for a collection program performed by employees of the governing body.

(d) A defendant is not liable for the collection fees authorized under Subsection (b) if the court of original jurisdiction has determined the defendant is indigent, or has insufficient resources or income, or is otherwise unable to pay all or part of the underlying fine or costs.

(e) If a county or municipality has entered into a contract under Subsection (a) and a person pays an amount that is less than the aggregate total to be collected under Subsections (a) and (b), the allocation to the comptroller, the county or municipality, and the private attorney or vendor shall be reduced proportionately.

(f) An item subject to collection services under Subsection (a) and to the additional collection fee authorized by Subsection (b) is considered more than 60 days past due under

Subsection (b) if it remains unpaid on the 61st day after the following appropriate date:

(1) with respect to an item described by Subsection (a)(1), the date on which the debt, fine, fee, forfeited bond, or court cost must be paid in full as determined by the court or hearing officer;

(2) with respect to an item described by Subsection (a)(2), the date by which the accused promised to appear or was notified, summoned, or ordered to appear; or

(3) with respect to an item described by Subsection (a)(3), the date on which a penalty or fee is due under a rule or order adopted under Chapter 233, Local Government Code, or an ordinance, policy, procedure, or rule of a municipality.

(g) A county or municipality that enters into a contract under Subsection (a) may not use the additional 30 percent collection fee authorized by Subsection (b) for any purpose other than compensating the private attorney or private vendor who earns the fee.

(h) This section does not apply to the collection of commercial bail bonds.

(i) The commissioners court of a county or the governing body of a municipality may enter into a contract as described in this article to collect a debt incurred as a result of the commission of a criminal or civil offense committed before the effective date of this subsection. The collection fee does not apply to a debt collected pursuant to a contract entered into under this subsection.

(j) A communication to the accused person regarding the amount of payment that is acceptable to the court under the court's standard policy for resolution of a case must include a notice of the person's right to enter a plea or go to trial on any offense charged.

### **C. Private Collection Contracts**

Article 103.0031 of the Code of Criminal Procedure provides authority for a city to contract for collection services. The vendor's fee is based on the amount of fine and costs owed for a failure to pay or the fine eventually assessed by the court or jury for a failure to appear.

Contracts with a public or private vendor or attorney must specify a 30 percent collection fee or it is not authorized by Article 103.0031. Consequently, if the fee is for an amount other than 30 percent, it cannot be assessed against a defendant and must be paid by the city. The fee does not apply if a case is dismissed, the defendant is acquitted, or to any part of the fine or costs if a defendant is discharged by jail credit or community service. If a defendant makes a partial payment, the vendor is paid its 30 percent, then the money is allocated on a pro-rata basis to the State and local costs, and any remaining money is applied toward the fine. Tex. Atty. Gen. Op. 0147, (2004).

If the defendant has been given notice of a time and place to appear and failed to appear, the court must wait 60 days before reporting the case to the vendor. Courts can refer cases with fine or costs still owed on the 61st day after they are to be paid.

Subsection 103.0031(i) allows cities to enter into a contract to collect a debt incurred on an offense that was committed before June 18, 2003, but no collection fee applies.

## Clay Pearson

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**To:** Claire Bogard  
**Cc:** Jennifer Huhn; Jon Branson; Randi Wyatt; Bob Pearce; Darrin Coker  
**Subject:** RE: Linebarger - FYI

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**From:** Claire Bogard  
**Sent:** Wednesday, June 11, 2014 1:50 PM  
**To:** Clay Pearson; Jon Branson  
**Cc:** Jennifer Huhn  
**Subject:** Linebarger - FYI

Lindsey pulled the contracts for me.

**1. Collection of Court Fines**  
**Expires August 29, 2014**

The contract will automatically extend for an additional one-year period without any action on the part of either party, unless a 60-day notice is given.

....that would be around the corner – end of June. Am sure we could give a 60-day notice saying we want to extend for a period of 90 days to give time to go out for proposals, if that is the direction.

**2. Collection of Delinquent Property Taxes**

Expires December 31, 2014.....with the same clause as above.

This gives us a bit more time to go out for proposals and prepare, if that is the direction.

We did find a resolution going back to 1982 for Linebarger for delinquent tax collection.  
Neither tax or court collections have been put out for RFP since I've been here - March 2006.

I can prepare a write-up for Council on June 23<sup>rd</sup>.

Claire

Claire Bogard | Director of Finance | Finance  
City of Pearland | 3519 Liberty Drive | Pearland, TX 77581  
T: 281.652.1671 C: F:  
[pearlandtx.gov](http://pearlandtx.gov)

Please note my new email address of [CBogard@pearlandtx.gov](mailto:CBogard@pearlandtx.gov)

6/12/14  
To: Mayor & City Council Members  
FYI, there was a Council request for reviewing collections legal services. Info upcoming for June 23, 2014

**AGENDA REQUEST  
BUSINESS OF THE CITY COUNCIL  
CITY OF PEARLAND, TEXAS**

<b>AGENDA OF:</b> 06-23-2014	<b>ITEM NO.:</b> New Business No. 9
<b>DATE SUBMITTED:</b>	<b>DEPT. OF ORIGIN:</b>
<b>PREPARED BY:</b> Bonita J. Hall	<b>PRESENTER:</b> Bonita Hall
<b>REVIEWED BY:</b> CJP	<b>REVIEW DATE:</b> 6/18/14
<b>SUBJECT:</b> Update of City Health Plan	
<b>EXHIBITS:</b> A. Memorandum B. Power Point Presentation C. Table of Plan Options	
<b>FUNDING:</b>	
<input type="checkbox"/> Bonds To Be Sold	<input type="checkbox"/> Grant <input type="checkbox"/> Bonds- Sold
<input type="checkbox"/> Developer/Other	<input type="checkbox"/> Cash <input type="checkbox"/> L/P – Sold
<input type="checkbox"/> L/P – To Be Sold	
<b>EXPENDITURE REQUIRED:</b>	<b>AMOUNT BUDGETED:</b>
<b>AMOUNT AVAILABLE:</b>	<b>PROJECT NO.:</b>
<b>ACCOUNT NO.:</b>	
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>	
<b>ACCOUNT NO.:</b>	
<b>PROJECT NO.:</b>	
<b>To be completed by Department:</b>	
Finance	Legal
Ordinance	Resolution

**EXECUTIVE SUMMARY**

**BACKGROUND**

We are bringing this information before Council in order to provide additional time for review prior to budget meetings and to afford employees ample time to plan and make benefit decisions. In October 2010, we moved from a fully insured insurance plan to a partially self-funded insurance plan. Reasons for the move include a very positive loss ratio for three previous years and the ability to have more flexibility in plan design. As a part of moving to a partially self-funded plan, it was decided funds would be “set aside” in order to build a reserve over the course of several years. The first year as a self-funded entity was successful but subsequent years have proven to be challenging. With loss ratios in excess of 100%, funds that had been budgeted, as well as the funds that were set aside, have been eaten away by high claims. Although efforts to mitigate the losses have had some positive results, they have not stemmed the tide of claims that are higher in both frequency and severity. Our intent is to provide an overview of the past and present and to seek guidance as to what Council wishes the future to look like for employee health care.

In addition, members of Council made a request to receive information asking specific questions about cost review, strategies for wellness and quality review, among other items. IPS Advisors has provided a power point presentation answering Council's questions as well as some tables that outline various funding options.

The material we bring will outline the current status of the plan as well as provide various options regarding plan design and funding. Brent Weegar of IPS Advisors will present the presentation information and answer any questions.

#### **RECOMMENDED ACTION**

We are asking that Council outline and determine the budgetary guidelines within which it wishes staff to work when determining the best option(s) for the City's health plan and in building the health budget for fiscal year 2014/2015.



**City of Pearland  
Human Resources Department**

3519 Liberty Drive  
Pearland, Texas 77581  
Tel: 281-652-1600  
cityofpearland.com

## MEMORANDUM

**TO:** City of Pearland City Council

**FROM:** Clay J. Pearson, City Manager  
Jon Branson, Assistant City Manager  
Claire Bogard, Director of Finance  
Bonita J. Hall, Director of Human Resources and Safety

**DATE:** June 14, 2014

**SUBJECT:** Health Plan Update

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As part of preparing the FY 2014/15 Budget, we are bringing you the City's health plan earlier in the process which helps that budget process and gives employees earlier information to plan before open enrollment is conducted. Before you is information concerning the City's health plan, including a brief history of the self-funded model, the current financial outlook, some quality control measures in place and strategies for moving forward.

Prior to 2010, the City was experiencing greater premium increases than believed necessary given the plan loss ratios at the time. In reviewing prior years' increases and realizing the City had lost savings opportunities, we decided to move to a partially self-funded model. The adopted plan, beginning with the budget year starting October 1, 2010, included stop loss insurance coverage for catastrophic conditions. It would also necessitate the creation of a "reserve" account that would include funds used to offset times when expenses exceeded budget. There are multiple funding options ranging from the minimum of budgeting at "expected with estimated Incurred but not reported (IBNR) claims, to the maximum with estimated IBNR. Given our positive loss ratio in previous years, the City opted to fund at "expected" for fiscal year 2011 and 2012. The City also decided that it would "grow" the reserve, getting it to the requisite amount in three to five years.

While in the first year we experience both cost savings and cost avoidances, subsequent years have proven to be difficult ones for the employees and the City, experiencing devastating illnesses and loss while also experiencing ever increasing costs of medical care. The City has taken various steps in its ongoing effort to combat the ever rising costs of maintaining an employee health plan. Such steps included bringing an HMO plan on board, initiating a City-wide wellness program, offering membership to the City recreation center at deep discounts to employees, implementing a Health Savings Account (HSA) plan for

employees, increasing the amount of the stop loss ceiling and striving to create better educated health care consumers.

All of these efforts, while admirable have been unsuccessful at helping us reach our goals of a more educated health care consumer employee and an adequate reserve fund, able to sustain the plan during years of high loss ratios. The time has come to be more assertive in our efforts. This will require difficult decisions, decisions that may determine the future solvency of the City's health plan.

In an effort to reach our goals, we will be bringing to Council several funding options, options that once decided upon will be used to build a more sustainable system for the City's health plan, including plan redesign as well as building a proper health reserve account. The attached power point and plan design tables outline some of the history, the present and potential future programs. A more formal presentation regarding this material will occur on June 23, 2014, when IPS Advisors presents to Council at its next meeting. Take some time review and forward any staff questions to City Manager Pearson so that we may be able to answer any questions or concerns you may have regarding the material.

# Council Presentation Healthcare Benefits Strategy



Presented by:  
Brent Weegar, MBA

IPS Advisors, Inc.  
10000 North Central Expressway, Suite 1500  
Dallas, Texas 75206

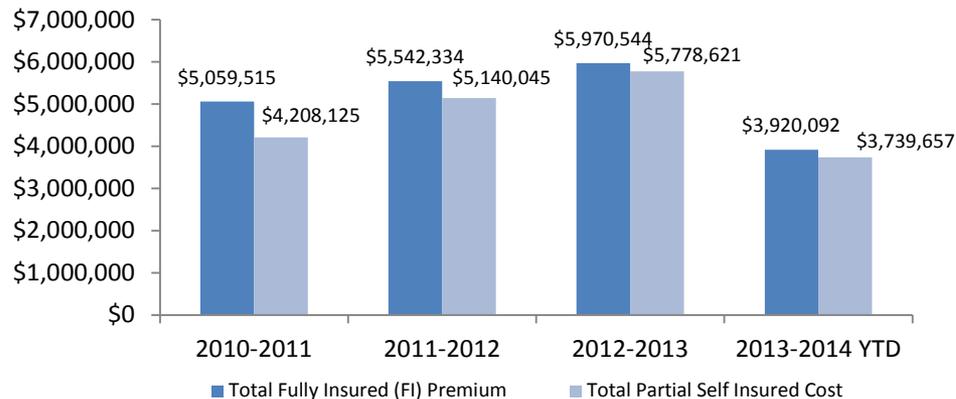
# Agenda

- Self Funded Model – Overview
- Financial Update
- Plan Options
- Wellness Program Strategy
- Quality Control
- Employee Satisfaction
- Vendor Selection Criteria

# Background – Self Funding

The City of Pearland faced substantial fully insured renewal increases from its health insurance providers despite having loss ratios below the providers target. After historical analysis of claims data under partially self insured scenarios, the City of Pearland elected to partially self fund its health plan cost for fiscal year 2010 – 2011.

Estimated Savings from Partial Self Funding



**Fully Insured Loss Ratio  
And Rate Increase**

2008 / 2009 = 78% L/R = 20.1% Increase  
 2009 / 2010 = 73% L/R = 9.2% Increase  
 \*2010 / 2011 = 78% L/R = 13.5% Increase  
 \*Best and Final Offer

	2010-2011	2011-2012	2012-2013	2013-2014 YTD	Cumulative Total
Total Fully Insured (FI) Premium	\$5,059,515	\$5,542,334	\$5,970,544	\$3,920,092	\$20,492,485
Total Partial Self Insured Cost	\$4,208,125	\$5,140,045	\$5,778,621	\$3,739,657	\$18,866,449
Difference from FI Premium	(\$851,390)	(\$402,289)	(\$191,923)	(\$180,434)	(\$1,626,036)

Assumptions: 2010 – 2011 Fully Insured Premium Cost based of Aetna’s Actual Best and Final offer  
 Medical Trend from Segal Healthcare Cost Survey Applied to Fully Insured Premium Costs for years after 2010-2011  
 Partial Self Insured costs represented are actual cost



# Self Funded Model

- Under the partial self funded health plan the City partially assumes the financial risk for funding health benefits for its employees by paying actual incurred claim costs (up to limits).
- Reinsurance / Stop-loss insurance is purchased from Cigna Healthcare to protect the City against catastrophic claims thus containing risk and facilitating financial solvency of the partially self-funded plan.
- The City pays administrative fees to Cigna Healthcare administer both the medical and pharmacy program.

# Cigna Healthcare – Administrative Fees

The City pays a monthly fee to Cigna Healthcare to administer the self funded health plan. Services include but are not limited to:

- **Claims Administration**
  - Health and Pharmacy Plans
  - Customer Service Support
  - On-Line Self Help Tools
- **Network Access**
  - PPO / HMO Networks
  - Pharmacy Networks
- **Claims Management**
  - Large Case Management
  - Utilization Review
  - Claims Integration
- **Health Risk Management**
  - Disease Management
  - Wellness Programs
  - Health Risk Assessment
- **Reporting**
  - Stop Loss Integration
  - Claims Management Reports

# Cigna Healthcare – Stop Loss

The City purchases Specific and Aggregate stop loss to protect the plan against large claims cost and significant fluctuations in paid claims.

- Specific Stop Loss - The City purchases a \$125,000 Specific Stop Loss Deductible on each individual covered within the health plan. Once medical and pharmacy claims exceed \$125,000, Cigna will assume the remaining risk.
- Aggregate Stop Loss – The City purchases Aggregate Stop Loss protection which is a predetermined amount based off 125% of the annual expected claims. Cigna will reimburse the City up to \$1,000,000 if claims were to exceed the Aggregate Stop Loss deductible

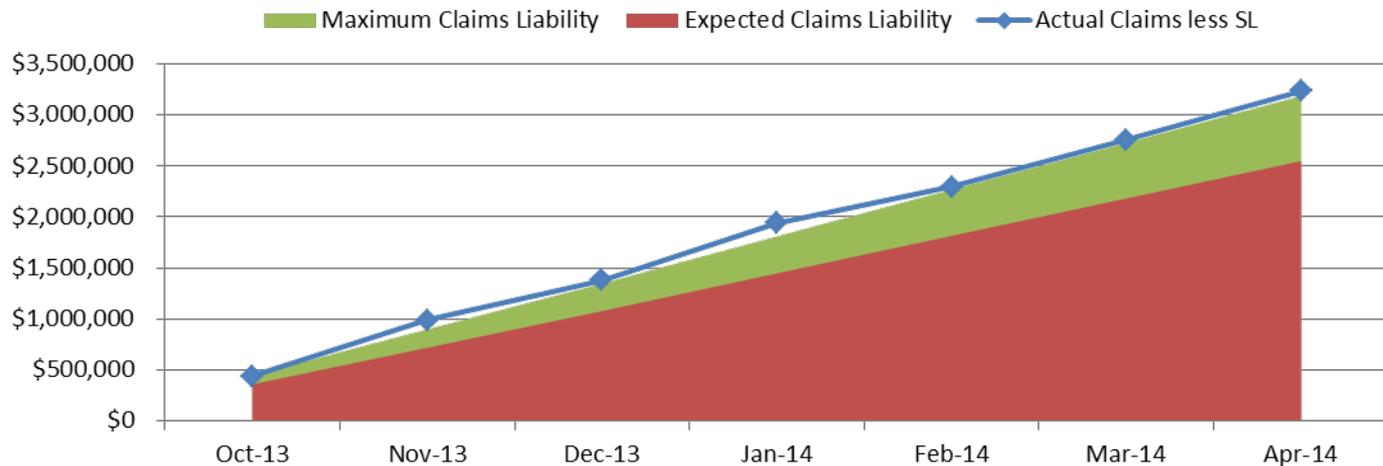
# Plan Financials – 2013 / 2014 Year to Date

## Plan Financials

A	B	C	D	E	F	G	H
Reporting Month	Monthly Lives	Monthly Administration	Monthly Combined Specific & Aggregate Premium	Monthly Aggregate Deductible Liability	Monthly Claims Less Specific Stop Loss Reimbursements	Unused Monthly Surplus	Cumulative Surplus From Month:
Oct-13	535	\$18,216	\$47,872	\$447,685	\$439,448	\$8,237	\$8,237
Nov-13	536	\$18,248	\$47,961	\$448,500	\$559,693	(\$111,192)	(\$102,955)
Dec-13	537	\$18,273	\$48,051	\$450,009	\$407,318	\$42,692	(\$60,263)
Jan-14	551	\$18,726	\$49,303	\$462,472	\$562,358	(\$99,886)	(\$160,150)
Feb-14	550	\$18,699	\$49,214	\$460,722	\$354,694	\$106,028	(\$54,122)
Mar-14	548	\$18,630	\$49,035	\$458,972	\$465,809	(\$6,837)	(\$60,959)
Apr-14	537	\$18,701	\$48,051	\$459,667	\$481,356	(\$21,690)	(\$82,649)
May-14	0	\$0	\$0	\$0	\$0	\$0	(\$82,649)
Jun-14	0	\$0	\$0	\$0	\$0	\$0	(\$82,649)
Jul-14	0	\$0	\$0	\$0	\$0	\$0	(\$82,649)
Aug-14	0	\$0	\$0	\$0	\$0	\$0	(\$82,649)
Sep-14	0	\$0	\$0	\$0	\$0	\$0	(\$82,649)
<b>Total</b>	<b>542</b>	<b>\$129,494</b>	<b>\$339,487</b>	<b>\$3,188,027</b>	<b>\$3,270,676</b>	<b>*(82,649)</b>	

# Plan Financials – 2013 / 2014 Year to Date

## Claims vs Expected/Maximum

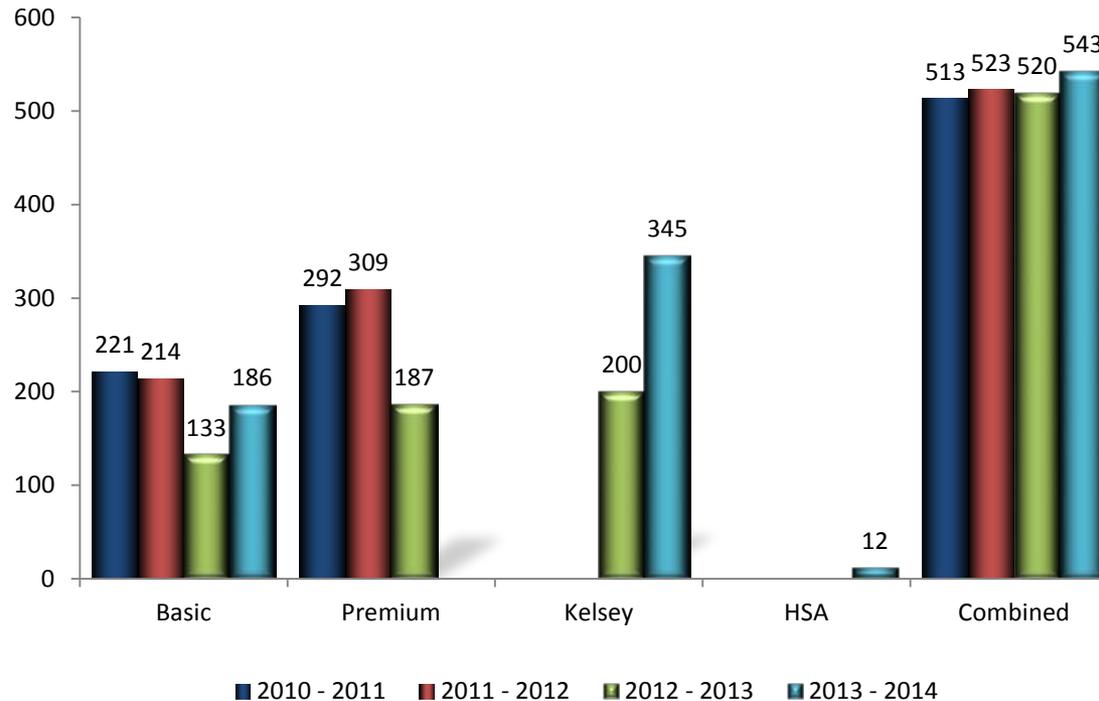


	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Maximum Claims Liability	\$447,685	\$896,186	\$1,346,195	\$1,808,667	\$2,269,389	\$2,728,361	\$3,188,027
Expected Claims Liability	\$358,148	\$716,948	\$1,076,956	\$1,446,933	\$1,815,511	\$2,182,688	\$2,550,422
Actual Claims less SL	\$437,622	\$984,660	\$1,379,582	\$1,941,083	\$2,294,440	\$2,756,499	\$3,236,891

### Individual Plan Results - % of Maximum Liability

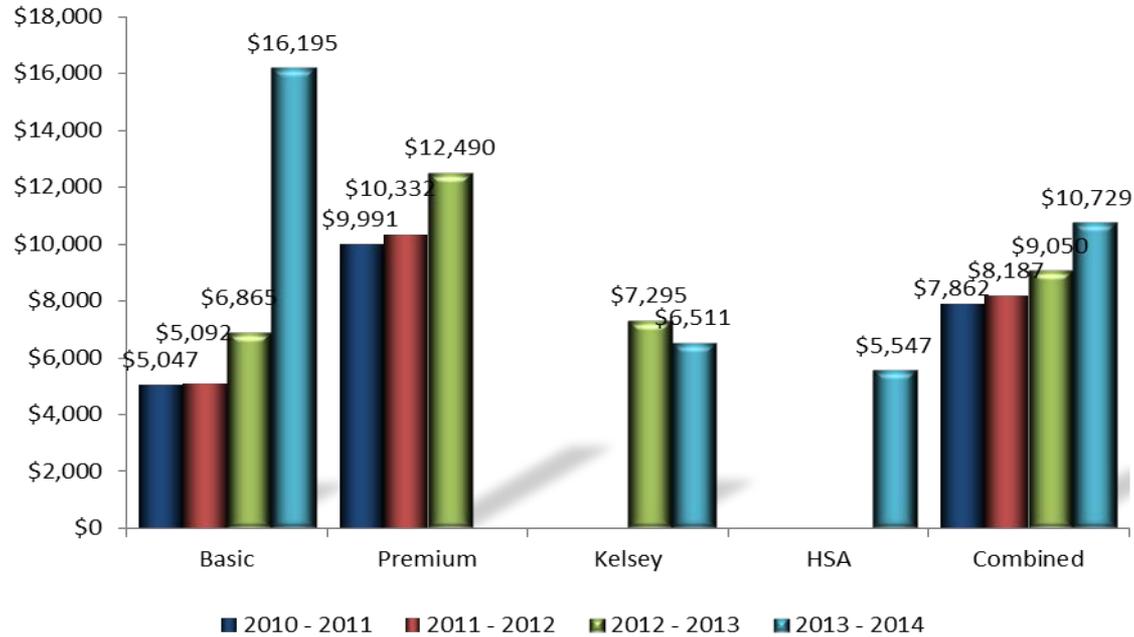
- Kelsey Care = 69.1% of Maximum Claims for Plan
- Health Savings Account = 52.1% of Maximum Claims for Plan
- OAPB Plan = 139.7% of Maximum Claims Factor for Plan

# Enrollment By Plan



	Basic	% Δ	Premium	% Δ	Kelsey	% Δ	HSA	% Δ	Combined	% Δ
2010 - 2011	221	n/a	292	n/a	n/a	n/a	n/a	n/a	513	n/a
2011 - 2012	214	-3.2%	309	5.7%	n/a	n/a	n/a	n/a	523	1.9%
2012 - 2013	133	-38.0%	187	-39.6%	200	n/a	n/a	n/a	520	-0.6%
2013 - 2014	186	40.1%	0	-100.0%	345	72.1%	12	n/a	543	4.5%

# Per Capita Claims By Plan



	Basic	% Δ	Premium	% Δ	Kelsey	% Δ	HSA	% Δ	Combined	% Δ
2010 - 2011	\$5,047	n/a	\$9,991	n/a	n/a	n/a	n/a	n/a	\$7,862	n/a
2011 - 2012	\$5,092	0.9%	\$10,332	3.4%	n/a	n/a	n/a	n/a	\$8,187	4.1%
2012 - 2013	\$6,865	34.8%	\$12,490	20.9%	\$7,295	n/a	n/a	n/a	\$9,050	10.5%
2013 - 2014	\$16,195	135.9%	n/a	n/a	\$6,511	-10.7%	\$5,547	n/a	\$10,729	18.6%

## ATTACHMENT

# Average Subsidy Benchmarks

	Average Subsidy Levels	Baytown	Deer Park	Houston	Friendswood	League City	Missouri City	Pasadena	Pearland	Sugar Land	Tomball
Employee Only	93%	93%	92%	93%	90%	100%	96%	98%	100%	100%	94%
Dependents	62%	0%	69%	84%	52%	53%	64%	81%	70%	72%	78%

\* Note: % Subsidy reported for highest enrolled plan.

# Wellness Program Strategy

- The city of Pearland currently requires employees to conduct a biometric screening and health risk assessment through Cigna to receive Wellness Premium Rates.
  - 479 or 89% of the employee population was screened in September of 2013
    - Height / Weight
    - Blood Pressure
    - Total Cholesterol
    - HDL / LDL
    - Triglycerides
    - Body Mass Index
    - Waist Circumference
    - Self Reported Questionnaire
- Key Results of Screenings
  - 46% of Population is considered Obese
  - 79% of Employee Population has Hypertension / Pre-Hypertension
  - 31% of Employee Population has High or Elevated Cholesterol
  - 19% self Reported Tobacco Use
- Biometric and HRA results are automatically downloaded to Cigna's Care Engine to identify gaps in care and disease management opportunities.
- Other Wellness Programs provided to employees in 2014.
  - Stairwell to Health
  - 10-10-10 Challenge
  - Step into Health
  - Core Program
  - Hydration Challenge
  - Wellness Lectures (4 This Year)
- Cigna provides a \$25,000 annual wellness fund for the City to use for wellness programs.

# IPS Advisors Wellness Program Recommendations

- Incorporation of wellness challenges to qualify for Wellness premium rates
  - Biggest Loser Challenge
  - Walk Across Texas
  - Etc.
- Tobacco Cessation Program and premium rate differentials are recommended
- Incorporate Annual Physical Incentive to establish doctor / patient relationship.
- Evaluate Feasibility of a Employee Health Clinic
- Long Term – Integrate results based wellness to maximize return on investment
  - Incentives for meeting medical criteria

# Quality Review

The following measures have been put in place to ensure the City and its plan participants are receiving high quality administrative services.

- Cigna has placed \$25,000 of Fees at Risk based on performance criteria of the plan. This criteria includes :
  - Claims Turnaround Time
  - Financial and Payment Accuracy
  - Customer Service
  - Implementation
  - Satisfaction
- The City's Health Plan is currently being Audited by PartnersPlus Consulting to ensure Cigna is paying claims appropriately and performing to standards. The Audit includes but is not limited to the following reviews:
  - Eligibility Files
  - High Cost Claims
  - Provider Contracts
  - Performance Guarantees
- It is also our recommendation to market the City's insurance plans every 3 years to benchmark costs and services against potential providers. The City will be entering its last renewal option period for the 2014 – 2015 Plan Year.

# Vendor Selection Criteria

- As part of our RFP and renewal process we work with the City to establish a set of plan performance criteria. Appropriate weighting is determined based on the City's needs and providers are scored against the criteria. In the past, the Criteria for scoring at the City of Pearland has included:
  - Cost (25%)
  - Financial Stability (20%)
  - Communication Resources (5%)
  - Claims Processing (25%)
  - Management Reports (10%)
  - Technology Initiatives (10%)
  - References (5%)

**CITY OF PEARLAND  
CURRENT**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)
Employee	13	\$450	\$433	96.3%	\$16	\$16
+ Spouse	0	\$496	\$334	67.4%	\$161	\$178
+ Children	3	\$360	\$243	67.4%	\$117	\$134
+ Family	3	\$811	\$547	67.4%	\$264	\$280
Premium Contributions	13	\$112,307	\$96,021	85.5%	\$16,286	
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0	
<b>Total Contributions</b>	<b>13</b>	<b>\$131,307</b>	<b>\$115,021</b>	<b>87.6%</b>	<b>\$16,286</b>	

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OPM \$20 / \$40 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)
Employee	352	\$433	\$433	100.0%	\$0	\$0
+ Spouse	37	\$477	\$334	70.0%	\$143	\$143
+ Children	62	\$347	\$243	70.0%	\$104	\$104
+ Family	86	\$781	\$547	70.0%	\$234	\$234
Premium Contributions	352	\$3,106,499	\$2,723,664	87.7%	\$382,835	

Basic Plan - \$1,000/\$2,000 Ded. 80% \$3,000 / \$6,000 OPM \$20 / \$40 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)
Employee	180	\$528	\$433	82.0%	\$95	\$95
+ Spouse	23	\$582	\$334	57.4%	\$248	\$343
+ Children	34	\$423	\$243	57.4%	\$180	\$275
+ Family	50	\$952	\$547	57.4%	\$406	\$500
Premium Contributions	180	\$2,045,575	\$1,455,351	71.1%	\$590,225	

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
<b>Total Contributions - All Plans</b>	<b>545</b>	<b>\$5,283,381</b>	<b>\$4,294,036</b>	<b>81.3%</b>	<b>\$989,345</b>

**CITY OF PEARLAND  
RENEWAL - Current Funding %**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$589	\$567	96.3%	\$22	\$22	\$5	31%
+ Spouse	0	\$649	\$438	67.4%	\$211	\$233	\$55	31%
+ Children	3	\$471	\$318	67.4%	\$153	\$175	\$41	31%
+ Family	3	\$1,062	\$716	67.4%	\$346	\$367	\$87	31%
Premium Contributions	13	\$147,066	\$125,740	85.5%	\$21,326			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
Total Contributions	13	\$166,066	\$144,740	87.2%	\$21,326			

rate action on plan 30.95%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OPM \$20 / \$40 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	352	\$567	\$567	100.0%	\$0	\$0	\$0	n/a
+ Spouse	37	\$625	\$438	70.0%	\$188	\$188	\$44	31%
+ Children	62	\$454	\$318	70.0%	\$136	\$136	\$32	31%
+ Family	86	\$1,023	\$716	70.0%	\$307	\$307	\$73	31%
Premium Contributions	352	\$4,067,964	\$3,566,642	87.7%	\$501,323			

rate action on plan 30.95%

Basic Plan - \$1,000/\$2,000 Ded. 80% \$3,000 / \$6,000 OPM \$20 / \$40 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	180	\$692	\$567	82.0%	\$124	\$124	\$29	31%
+ Spouse	23	\$762	\$438	57.4%	\$325	\$449	\$106	31%
+ Children	34	\$553	\$318	57.4%	\$236	\$360	\$85	31%
+ Family	50	\$1,247	\$716	57.4%	\$531	\$655	\$155	31%
Premium Contributions	180	\$2,678,684	\$1,905,784	71.1%	\$772,900			

rate action on plan 30.95%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,912,715	\$5,617,166	81.3%	\$1,295,549
\$ Change From Current		\$1,629,334	\$1,323,130		\$306,204
% Change From Current		30.8%	30.8%		31.0%

**CITY OF PEARLAND  
Plan Design Options**

	Current/Renewal			Option 1			Option 2		Option 3		Option 4		Option 5			Option 6		
	Current Funding %			Basic Plan Deductible Adjustment			Basic Plan Removal		Basic Plan Removal, Alternate 80% \$1,000 OOP Kelsey Plan		Basic Plan Removal, Alternate 80% \$1,500 OOP Kelsey Plan		Dual Kelsey Plans			Dual Alternate Kelsey Plans		
	KelseyCare	Basic	HSA	KelseyCare	Basic	HSA	KelseyCare	HSA	KelseyCare	HSA	KelseyCare	HSA	KelseyCare 90%	KelseyCare 70%	HSA	KelseyCare 90%	KelseyCare 80%	HSA
Deductible	n/a	\$1,000 / \$2,000	\$2,500 / \$5,000	n/a	\$1,500 / \$3,000	\$2,500 / \$5,000	n/a	\$2,500 / \$5,000	n/a	\$2,500 / \$5,000	n/a	\$2,500 / \$5,000	n/a	n/a	\$2,500 / \$5,000	n/a	n/a	\$2,500 / \$5,000
Deductible OON	n/a	\$2,000 / \$4,000	\$5,000 / \$10,000	n/a	\$3,000 / \$6,000	\$5,000 / \$10,000	n/a	\$5,000 / \$10,000	n/a	\$5,000 / \$10,000	n/a	\$5,000 / \$10,000	n/a	n/a	\$5,000 / \$10,000	n/a	n/a	\$5,000 / \$10,000
Coinsurance	90%	80%	80%	90%	80%	80%	90%	80%	80%	80%	80%	90%	70%	80%	90%	80%	80%	80%
Coinsurance OON	n/a	50%	60%	n/a	50%	60%	n/a	60%	n/a	60%	n/a	60%	n/a	60%	n/a	n/a	60%	60%
Out of Pocket Maximum	\$1,000 / \$2,000	\$3,000 / \$6,000	\$4,000 / \$8,000	\$1,000 / \$2,000	\$4,000 / \$8,000	\$4,000 / \$8,000	\$1,000 / \$2,000	\$4,000 / \$8,000	\$1,000 / \$2,000	\$4,000 / \$8,000	\$1,500 / \$3,000	\$4,000 / \$8,000	\$1,000 / \$2,000	\$2,000 / \$4,000	\$4,000 / \$8,000	\$2,000 / \$4,000	\$3,000 / \$6,000	\$4,000 / \$8,000
Out of Pocket OON	n/a	\$6,000 / \$12,000	\$8,000 / \$16,000	n/a	\$8,000 / \$16,000	\$8,000 / \$16,000	n/a	\$8,000 / \$16,000	n/a	\$8,000 / \$16,000	n/a	\$8,000 / \$16,000	n/a	n/a	\$8,000 / \$16,000	n/a	n/a	\$8,000 / \$16,000
<b>Employee Pays:</b>																		
Preventative Care	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Primary Care Physician	\$20 Copay	\$20 Copay	20% after Ded.	\$25 Copay	\$25 Copay	20% after Ded.	\$20 Copay	20% after Ded.	\$25 Copay	20% after Ded.	\$25 Copay	20% after Ded.	\$25 Copay	\$25 Copay	20% after Ded.	\$25 Copay	\$25 Copay	20% after Ded.
Specialist	\$40 Copay	\$40 Copay	20% after Ded.	\$50 Copay	\$50 Copay	20% after Ded.	\$40 Copay	20% after Ded.	\$50 Copay	20% after Ded.	\$50 Copay	20% after Ded.	\$50 Copay	\$50 Copay	20% after Ded.	\$50 Copay	\$50 Copay	20% after Ded.
Urgent Care	\$50 Copay	\$50 Copay	20% after Ded.	\$50 Copay	\$50 Copay	20% after Ded.	\$50 Copay	20% after Ded.	\$75 Copay	20% after Ded.	\$75 Copay	20% after Ded.	\$75 Copay	\$75 Copay	20% after Ded.	\$75 Copay	\$75 Copay	20% after Ded.
Emergency Room	\$100 Copay*	\$100 Copay*	20% after Ded.	\$150 Copay*	\$150 Copay*	20% after Ded.	\$100 Copay*	20% after Ded.	\$200 Copay*	20% after Ded.	\$200 Copay*	20% after Ded.	\$200 Copay*	\$200 Copay*	20% after Ded.	\$200 Copay*	\$200 Copay*	20% after Ded.
In-patient Hospital	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Out-patient Hospital	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Major Lab/X-Ray	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Ambulance	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Chiropractic	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Outpatient Therapy	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Durable Medical Equipment	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20% after Ded.	10%	20% after Ded.	20%	20% after Ded.	20%	20% after Ded.	10%	30%	20% after Ded.	10%	20%	20% after Ded.
Generic Rx	\$15	\$15	\$15 after Ded.	\$15	\$15	\$15 after Ded.	\$15	\$15 after Ded.	\$10	\$10 after Ded.	\$10	\$10 after Ded.	\$10	\$10	\$10 after Ded.	\$10	\$10	\$10 after Ded.
Brand	\$35	\$35	\$35 after Ded.	\$35	\$35	\$35 after Ded.	\$35	\$35 after Ded.	\$40	\$40 after Ded.	\$40	\$40 after Ded.	\$40	\$40	\$40 after Ded.	\$40	\$40	\$40 after Ded.
Non Formulary	\$50	\$50	\$50 after Ded.	\$70	\$70	\$70 after Ded.	\$50	\$50 after Ded.	\$80	\$80 after Ded.	\$80	\$80 after Ded.	\$80	\$80	\$80 after Ded.	\$80	\$80	\$80 after Ded.
Specialty Drugs	Applicable Copay	Applicable Copay	Applicable Copay	\$100	\$100	\$100 after Ded.	Applicable Copay	Applicable Copay	\$100	\$100 after Ded.	\$100	\$100 after Ded.	\$100	\$100	\$100 after Ded.	\$100	\$100	\$100 after Ded.
Preventive Drugs	Applicable Copay	Applicable Copay	0%	Applicable Copay	Applicable Copay	0%	Applicable Copay	0%	Applicable Copay	0%	Applicable Copay	0%	Applicable Copay	Applicable Copay	0%	Applicable Copay	Applicable Copay	0%
Step Therapy	n/a	n/a	n/a	Applies	Applies	Applies	n/a	n/a	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies	Applies
	Current/Renewal			Option 1			Option 2		Option 3		Option 4		Option 5a Current Funding %			Option 6a Current Funding %		
Total Contributions	\$6,912,715			\$6,689,638			\$6,367,915		\$6,145,648		\$5,978,193		\$6,174,528			\$5,879,172		
\$ Δ	-\$1,629,334			-\$1,406,257			-\$1,084,534		-\$862,267		-\$694,812		-\$891,146			-\$595,791		
% Δ	-23.6%			-20.9%			-17.0%		-13.3%		-11.6%		-14.4%			-10.3%		
	Current/Renewal			Option 1			Option 2		Option 3		Option 4		Option 5a Current Funding %			Option 6a Current Funding %		
City Contributions	\$5,617,166			\$5,549,988			\$5,562,144		\$5,368,007		\$5,221,741		\$5,247,397			\$5,042,669		
\$ Δ	-\$1,323,130			-\$1,255,952			-\$1,268,108		-\$1,073,971		-\$927,705		-\$953,361			-\$748,633		
% Δ	-23.6%			-22.4%			-22.8%		-19.7%		-17.7%		-18.2%			-14.8%		
Employee Contributions	\$1,295,549			\$1,139,650			-\$805,771		-\$777,641		-\$756,451		-\$927,130			-\$836,503		
\$ Δ	-\$159,899			-\$150,305			-\$183,574		-\$211,704		-\$232,894		-\$232,894			-\$152,832		
% Δ	-12.3%			-11.6%			-28.8%		-34.5%		-33.2%		-25.3%			-19.6%		
	Current/Renewal			Option 1			Option 2		Option 3		Option 4		Option 5b Benchmark Funding %			Option 6b Benchmark Funding %		
Total Contributions	\$6,174,528			\$6,174,528			\$6,174,528		\$6,174,528		\$6,174,528		\$6,174,528			\$6,174,528		
\$ Δ	-\$891,146			-\$891,146			-\$891,146		-\$891,146		-\$891,146		-\$891,146			-\$891,146		
% Δ	-14.4%			-14.4%			-14.4%		-14.4%		-14.4%		-14.4%			-14.4%		
City Contributions	\$5,050,827			\$5,050,827			\$5,050,827		\$5,050,827		\$5,050,827		\$5,050,827			\$5,050,827		
\$ Δ	-\$756,791			-\$756,791			-\$756,791		-\$756,791		-\$756,791		-\$756,791			-\$756,791		
% Δ	-14.9%			-14.9%			-14.9%		-14.9%		-14.9%		-14.9%			-14.9%		
Employee Contributions	\$1,123,701			\$1,123,701			\$1,123,701		\$1,123,701		\$1,123,701		\$1,123,701			\$1,123,701		
\$ Δ	-\$134,356			-\$134,356			-\$134,356		-\$134,356		-\$134,356		-\$134,356			-\$134,356		
% Δ	-11.9%			-11.9%			-11.9%		-11.9%		-11.9%		-11.9%			-11.9%		
	Current/Renewal			Option 1			Option 2		Option 3		Option 4		OPTION 5c 30% Dependent Funding			OPTION 6c 30% Dependent Funding		
Total Contributions	\$6,174,528			\$6,174,528			\$6,174,528		\$6,174,528		\$6,174,528		\$6,174,528			\$6,174,528		
\$ Δ	-\$891,146			-\$891,146			-\$891,146		-\$891,146		-\$891,146		-\$891,146			-\$891,146		
% Δ	-14.4%			-14.4%			-14.4%		-14.4%		-14.4%		-14.4%			-14.4%		
City Contributions	\$4,244,003			\$4,244,003			\$4,244,003		\$4,244,003		\$4,244,003		\$4,244,003			\$4,244,003		
\$ Δ	-\$50,033			-\$50,033			-\$50,033		-\$50,033		-\$50,033		-\$50,033			-\$50,033		
% Δ	-1.2%			-1.2%			-1.2%		-1.2%		-1.2%		-1.2%			-1.2%		
Employee Contributions	\$1,930,525			\$1,930,525			\$1,930,525		\$1,930,525		\$1,930,525		\$1,930,525			\$1,930,525		
\$ Δ	-\$941,180			-\$941,180			-\$941,180		-\$941,180		-\$941,180		-\$941,180			-\$941,180		
% Δ	-48.8%			-48.8%			-48.8%		-48.8%		-48.8%		-48.8%			-48.8%		



**CITY OF PEARLAND**  
**OPTION 1 - Basic Plan Deductible Adjustment**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$588	\$561	95.3%	\$28	\$28	\$11	69%
+ Spouse	0	\$648	\$432	66.7%	\$216	\$244	\$66	37%
+ Children	3	\$471	\$314	66.7%	\$157	\$184	\$51	38%
+ Family	3	\$1,061	\$707	66.7%	\$353	\$381	\$101	36%
Premium Contributions	13	\$146,919	\$124,231	84.6%	\$22,688			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
Total Contributions	13	\$165,919	\$143,231	86.3%	\$22,688			

rate action on plan 30.82%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	352	\$561	\$561	100.0%	\$0	\$0	\$0	n/a
+ Spouse	37	\$618	\$432	70.0%	\$185	\$185	\$42	29%
+ Children	62	\$449	\$314	70.0%	\$135	\$135	\$31	29%
+ Family	86	\$1,011	\$707	70.0%	\$303	\$303	\$69	29%
Premium Contributions	352	\$4,019,149	\$3,523,842	87.7%	\$495,307			

rate action on plan 29.38%

Basic Plan - \$1,500/\$3,000 Ded. 80% \$4,000 / \$8,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	180	\$647	\$561	86.7%	\$86	\$86	(\$8.77)	-9%
+ Spouse	23	\$713	\$432	60.7%	\$280	\$366	\$23.65	7%
+ Children	34	\$517	\$314	60.7%	\$203	\$290	\$14.77	5%
+ Family	50	\$1,166	\$707	60.7%	\$459	\$545	\$44.27	9%
Premium Contributions	180	\$2,504,570	\$1,882,915	75.2%	\$621,655			

rate action on plan 22.44%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,689,638	\$5,549,988	83.0%	\$1,139,650
\$ Change From Current		\$1,406,257	\$1,255,952		\$150,305
% Change From Current		26.6%	29.2%		15.2%

**CITY OF PEARLAND  
OPTION 2 - Basic Plan Removal**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$517	\$498	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$570	\$384	67.4%	\$186	\$204	\$27	15%
+ Children	3	\$414	\$279	67.4%	\$135	\$154	\$20	15%
+ Family	3	\$932	\$629	67.4%	\$304	\$323	\$42	15%
Premium Contributions	13	\$129,153	\$110,425	85.5%	\$18,728			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
Total Contributions	13	\$148,153	\$129,425	87.4%	\$18,728			

*rate action on plan* 15.00%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OOPM \$20 / \$40 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	532	\$563	\$563	100.0%	\$0	\$0	\$0	n/a
+ Spouse	60	\$621	\$435	70.0%	\$186	\$186	\$43	30%
+ Children	96	\$451	\$315	70.0%	\$135	\$135	\$31	30%
+ Family	136	\$1,016	\$711	70.0%	\$305	\$305	\$70	30%
Premium Contributions	532	\$6,219,762	\$5,432,719	87.3%	\$787,043			

*rate action on plan* 30.00%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,367,915	\$5,562,144	87.3%	\$805,771
\$ Change From Current		\$1,084,534	\$1,268,108		(\$183,574)
% Change From Current		20.5%	29.5%		-18.6%

**CITY OF PEARLAND**  
**OPTION 3 - Basic Plan Removal, Alternate 80% \$1,000 OOP Kelsey Plan**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$129,194</b>	<b>87.4%</b>	<b>\$18,689</b>			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 80% \$1,000 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	532	\$543	\$543	100.0%	\$0	\$0	\$0	n/a
+ Spouse	60	\$599	\$419	70.0%	\$180	\$180	\$36	25%
+ Children	96	\$435	\$304	70.0%	\$130	\$130	\$26	25%
+ Family	136	\$979	\$686	70.0%	\$294	\$294	\$59	25%
Premium Contributions	532	\$5,997,764	\$5,238,813	87.3%	\$758,952			

*rate action on plan* 25.36%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,145,648	\$5,368,007	87.3%	\$777,641
\$ Change From Current		\$862,267	\$1,073,971		(\$211,704)
% Change From Current		16.3%	25.0%		-21.4%

**CITY OF PEARLAND**  
**OPTION 4 - Basic Plan Removal, Alternate 80% \$1,500 OOP Kelsey Plan**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$129,194</b>	<b>87.4%</b>	<b>\$18,689</b>			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 80% \$1,500 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	532	\$528	\$528	100.0%	\$0	\$0	\$0	n/a
+ Spouse	60	\$582	\$407	70.0%	\$175	\$175	\$31	22%
+ Children	96	\$422	\$296	70.0%	\$127	\$127	\$23	22%
+ Family	136	\$952	\$666	70.0%	\$286	\$286	\$51	22%
Premium Contributions	532	\$5,830,309	\$5,092,547	87.3%	\$737,762			

*rate action on plan* 21.86%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$5,978,193	\$5,221,741	87.3%	\$756,451
\$ Change From Current		\$694,812	\$927,705		(\$232,894)
% Change From Current		13.2%	21.6%		-23.5%

**CITY OF PEARLAND**  
**OPTION 5a - Dual Kelsey Plans, Current Funding %**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$129,194</b>	<b>87.4%</b>	<b>\$18,689</b>			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 70% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$531	\$531	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$585	\$409	70.0%	\$175	\$175	\$32	22%
+ Children	10	\$425	\$297	70.0%	\$127	\$127	\$23	22%
+ Family	14	\$957	\$670	70.0%	\$287	\$287	\$53	22%
Premium Contributions	54	\$597,693	\$521,556	87.3%	\$76,137			

*rate action on plan* 22.47%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$548	\$531	96.9%	\$17	\$17	\$17	n/a
+ Spouse	54	\$603	\$409	67.8%	\$194	\$211	\$68	47%
+ Children	86	\$438	\$297	67.8%	\$141	\$158	\$54	52%
+ Family	122	\$987	\$670	67.8%	\$317	\$334	\$100	43%
Premium Contributions	478	\$5,428,951	\$4,596,647	84.7%	\$832,304			

*rate action on plan* 26.36%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,174,528	\$5,247,397	85.0%	\$927,130
\$ Change From Current		\$891,146	\$953,361		(\$62,215)
% Change From Current		16.9%	22.2%		-6.3%

**CITY OF PEARLAND**  
**OPTION 5b - Dual Kelsey Plans, Benchmark Funding %**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$516	100.0%	\$0	\$0	(\$16)	-100%
+ Spouse	0	\$569	\$363	63.7%	\$206	\$206	\$28	16%
+ Children	3	\$413	\$263	63.7%	\$150	\$150	\$16	12%
+ Family	3	\$931	\$593	63.7%	\$337	\$337	\$57	20%
Premium Contributions	13	\$128,884	\$111,351	86.4%	\$17,532			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
Total Contributions	13	\$147,884	\$130,351	88.1%	\$17,532			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 70% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$531	\$531	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$585	\$363	62.0%	\$222	\$222	\$79	55%
+ Children	10	\$425	\$263	62.0%	\$161	\$161	\$57	55%
+ Family	14	\$957	\$593	62.0%	\$364	\$364	\$129	55%
Premium Contributions	54	\$597,693	\$501,253	83.9%	\$96,440			

*rate action on plan* 22.47%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$548	\$531	96.9%	\$17	\$17	\$17	n/a
+ Spouse	54	\$603	\$363	60.1%	\$241	\$258	\$114	80%
+ Children	86	\$438	\$263	60.1%	\$175	\$192	\$88	84%
+ Family	122	\$987	\$593	60.1%	\$394	\$411	\$176	75%
Premium Contributions	478	\$5,428,951	\$4,419,222	81.4%	\$1,009,728			

*rate action on plan* 26.36%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,174,528	\$5,050,827	81.8%	\$1,123,701
\$ Change From Current		\$891,146	\$756,791		\$134,356
% Change From Current		16.9%	17.6%		13.6%

**CITY OF PEARLAND**  
**OPTION 5c - Dual Kelsey Plans, 30% Dependent Funding**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$516	100.0%	\$0	\$0	(\$16)	-100%
+ Spouse	0	\$569	\$175	30.8%	\$393	\$393	\$216	121%
+ Children	3	\$413	\$127	30.8%	\$286	\$286	\$152	114%
+ Family	3	\$931	\$287	30.8%	\$643	\$643	\$363	129%
Premium Contributions	13	\$128,884	\$95,438	74.1%	\$33,445			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$114,438</b>	<b>77.4%</b>	<b>\$33,445</b>			

rate action on plan 14.76%

Kelsey Care - \$0 Ded. 70% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$531	\$531	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$585	\$175	30.0%	\$409	\$409	\$266	186%
+ Children	10	\$425	\$127	30.0%	\$297	\$297	\$193	186%
+ Family	14	\$957	\$287	30.0%	\$670	\$670	\$435	186%
Premium Contributions	54	\$597,693	\$420,040	70.3%	\$177,653			

rate action on plan 22.47%

Kelsey Care - \$0 Ded. 90% \$1,000 / \$2,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$548	\$531	96.9%	\$17	\$17	\$17	n/a
+ Spouse	54	\$603	\$175	29.1%	\$428	\$445	\$302	210%
+ Children	86	\$438	\$127	29.1%	\$311	\$328	\$224	215%
+ Family	122	\$987	\$287	29.1%	\$700	\$717	\$483	206%
Premium Contributions	478	\$5,428,951	\$3,709,524	68.3%	\$1,719,426			

rate action on plan 26.36%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$6,174,528	\$4,244,003	68.7%	\$1,930,525
\$ Change From Current		\$891,146	(\$50,033)		\$941,180
% Change From Current		16.9%	-1.2%		95.1%

**CITY OF PEARLAND**  
**OPTION 6a - Dual Kelsey Plans, Current Funding %**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
Total Contributions	13	\$147,884	\$129,194	87.4%	\$18,689			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 80% \$3,000 / \$6,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$509	\$509	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$561	\$393	70.0%	\$168	\$168	\$25	18%
+ Children	10	\$408	\$285	70.0%	\$122	\$122	\$18	18%
+ Family	14	\$918	\$643	70.0%	\$276	\$276	\$41	18%
Premium Contributions	54	\$573,786	\$500,694	87.3%	\$73,092			

*rate action on plan* 17.57%

Kelsey Care - \$0 Ded. 90% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$520	\$509	97.9%	\$11	\$11	\$11	n/a
+ Spouse	54	\$573	\$393	68.6%	\$180	\$191	\$48	33%
+ Children	86	\$416	\$285	68.6%	\$131	\$142	\$38	36%
+ Family	122	\$938	\$643	68.6%	\$295	\$306	\$71	30%
Premium Contributions	478	\$5,157,503	\$4,412,781	85.6%	\$744,722			

*rate action on plan* 20.04%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$5,879,172	\$5,042,669	85.8%	\$836,503
\$ Change From Current		\$595,791	\$748,633		(\$152,842)
% Change From Current		11.3%	17.4%		-15.4%

**CITY OF PEARLAND**  
**OPTION 6b - Dual Kelsey Plans, Benchmark Funding %**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$129,194</b>	<b>87.4%</b>	<b>\$18,689</b>			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 80% \$3,000 / \$6,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$509	\$509	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$561	\$348	62.0%	\$213	\$213	\$70	49%
+ Children	10	\$408	\$253	62.0%	\$155	\$155	\$51	49%
+ Family	14	\$918	\$569	62.0%	\$349	\$349	\$115	49%
Premium Contributions	54	\$573,786	\$481,203	83.9%	\$92,583			

*rate action on plan* 17.57%

Kelsey Care - \$0 Ded. 90% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$520	\$509	97.9%	\$11	\$11	\$11	n/a
+ Spouse	54	\$573	\$348	60.7%	\$225	\$236	\$93	65%
+ Children	86	\$416	\$253	60.7%	\$163	\$174	\$70	67%
+ Family	122	\$938	\$569	60.7%	\$368	\$379	\$145	62%
Premium Contributions	478	\$5,157,503	\$4,242,453	82.3%	\$915,050			

*rate action on plan* 20.04%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$5,879,172	\$4,852,850	82.5%	\$1,026,322
\$ Change From Current		\$595,791	\$558,814		\$36,977
% Change From Current		11.3%	13.0%		3.7%

**CITY OF PEARLAND**  
**OPTION 6c - Dual Kelsey Plans, 30% Dependent Funding**



HSA Plan - \$2,500 / \$5,000 Ded. 80% \$4,000 / \$8,000 OOPM	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	13	\$516	\$497	96.3%	\$19	\$19	\$2	15%
+ Spouse	0	\$569	\$384	67.4%	\$185	\$204	\$26	15%
+ Children	3	\$413	\$278	67.4%	\$134	\$153	\$20	15%
+ Family	3	\$931	\$628	67.4%	\$303	\$322	\$41	15%
Premium Contributions	13	\$128,884	\$110,194	85.5%	\$18,689			
HSA Contributions	13	\$19,000	\$19,000	100.0%	\$0			
<b>Total Contributions</b>	<b>13</b>	<b>\$147,884</b>	<b>\$129,194</b>	<b>87.4%</b>	<b>\$18,689</b>			

*rate action on plan* 14.76%

Kelsey Care - \$0 Ded. 80% \$3,000 / \$6,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	54	\$509	\$509	100.0%	\$0	\$0	\$0	n/a
+ Spouse	6	\$561	\$168	30.0%	\$393	\$393	\$250	174%
+ Children	10	\$408	\$122	30.0%	\$285	\$285	\$181	174%
+ Family	14	\$918	\$276	30.0%	\$643	\$643	\$409	174%
Premium Contributions	54	\$573,786	\$403,239	70.3%	\$170,547			

*rate action on plan* 17.57%

Kelsey Care - \$0 Ded. 90% \$2,000 / \$4,000 OOPM \$25 / \$50 OV Copay	Full Time Employees	Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)	Total Employee Contribution Change (\$)	Total Employee Contribution Change (%)
Employee	478	\$520	\$509	97.9%	\$11	\$11	\$11	n/a
+ Spouse	54	\$573	\$168	29.4%	\$405	\$415	\$272	190%
+ Children	86	\$416	\$122	29.4%	\$294	\$305	\$201	193%
+ Family	122	\$938	\$276	29.4%	\$662	\$673	\$439	187%
Premium Contributions	478	\$5,157,503	\$3,561,143	69.0%	\$1,596,360			

*rate action on plan* 20.04%

All Plans	Full Time Employees	Total Medical Cost	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
Total Contributions - All Plans	545	\$5,879,172	\$4,093,576	69.6%	\$1,785,596
\$ Change From Current		\$595,791	(\$200,460)		\$796,251
% Change From Current		11.3%	-4.7%		80.5%



# Memo

To: Clay Pearson, City Manager

From: Claire Bogard, Director of Finance

Date: June 19, 2014

Re: Health Insurance Options – Effects on Employees

In conjunction with the presentation that the City's advisors, IPS Advisors, Inc. will give to City Council on options for health insurance for fiscal year 2015, staff ran the effects of Option 5 (b and c) and Option 6 (a, b, and c) on a few of the City's positions based on average salary. Options b and c push more cost to the employee for dependent coverage.

The tables attached compare:

**Kelsey to Kelsey** – compares those employees and employee cost on the current Kelsey plan to the revised Kelsey plan(s) for each option. Currently there are 352 employees on the Kelsey plan, of which 185 have dependent coverage. The Kelsey plan requires the employee to use the Kelsey system unless in an emergency.

**Basic to Kelsey** - since the recommendation calls for the elimination of the current Basic Plan, this compares those employees and employee cost on the current Basic plan to the revised Kelsey plan for each option. There are 180 employees currently on the Basic Plan of which 107 have dependent coverage. The Basic plan allows employees to choose a Doctor that is on the plan.

**HSA to HSA** - compares those employees and employee cost on the current HSA plan to the revised HSA plan. The City also contributes \$1,000 annually to an employee only health savings account and \$2,000 annually for dependents. The city has 13 employees on the HSA plan, of which 6 have dependent coverage. The HSA plan allows employees to use a Doctor of their choosing.

Options compared are:

Option 5b - Lowers the dependent coverage paid by the City from 70% to 62% for the new base plan set at a 70% coinsurance, based on the average of the 10 city survey. Increases the total City contribution by \$756,791 and increases the total employee contribution by \$134,356.

Option 5c - Lowers the dependent coverage paid by the City from 70% to 30% for the new base plan, based on where the City was at in 2006. Decreases the total City contribution by \$50,000 and increases the total employee contribution by \$941,180.

Option 6a - Keeps the dependent coverage paid by the City 70%, however sets a new base plan at 80% coinsurance and increases out of pocket maximums over Option 5. This

increases the total City contribution by \$748,633, and lowers the total employee contribution by \$152,842.

Option 6b - Lowers the dependent coverage paid by the City from 70% to 62% for the new base plan set at a 80% coinsurance and increases out of pocket maximums over Option 5. This option increases the total City contribution by \$558,814 and total employee contribution increases by \$36,977.

Option 6c - Same as option 6b but decreasing the City dependent contribution from 70% to 30%. This option decreases the total City contribution by \$200,460 and increases the total employee contributions by \$796,251.

(in all Options, assumptions for employees in the HSA program have remained at the current level, 13. If more employees move to the HSA, than shown here, the numbers above will change as the City contributes an additional \$1,000 annually for an employee only and \$2,000 annually for dependent coverage)

For illustrative purposes, there were four positions chosen to compare. A Firefighter, Police Officer, Maintenance Worker and a Project Manager. An average salary was used based on the current employees in that position. For Fire and Police, the salary includes guaranteed overtime pay based on the current work schedule, however does not include additional overtime that may be paid for training, court, back-fill for sick, vacation or vacant positions, to name a few. The FY2015 salary includes an average 2% merit increase for civilians and an overall 5% increase for police officers; a 2% increase in the step rate and 3% for the actual step. However, since the police officer increase exceeds the average 2% merit for civilians, we could consider a 3% step increase only. Since these deductions are pre-tax, there has been no calculation as to the tax implications nor TMRS contributions.

Option C, which decreases the City contribution toward dependent coverage from 70% to 30%, has a significant impact on employees with dependents, so much so that staff is not recommending this option. In all options, employees at the lower end of pay scale see the biggest impact. The City currently has 78 budgeted positions, or 13% of the City's workforce, with salaries of \$30,000 or below. Depending on where one is in the pay range, this would include clerks (court, records, permit and customer service), office assistants, maintenance workers (parks, building and utility), and custodians, animal shelter attendant, receptionists.

Staff is recommending either Option 6A or 6B, which provides a lower cost increase to the City and is manageable for the employee.

Medical Premium Changes  
Affect on Employees on Kelsey Plan  
Kelsey to Kelsey

6/19/2014

**Employee Only**

	FY 2014			Proposed FY 2015 - 5b ded. 70%				Proposed FY 2015 - 5b ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
Firefighter	55,125	0	55,125	56,228	0	56,228	1,103	56,228	204	56,024	899
Police Officer	67,325		67,325	70,691		70,691	3,366	70,691		70,487	3,162
PW Mtce Worker	28,372		28,372	28,939		28,939	567	28,939		28,735	363
Project Manager	72,500		72,500	73,950		73,950	1,450	73,950		73,746	1,246

**Dependent - Spouse**

	FY 2014			Proposed FY 2015 - 5b ded. 70%				Proposed FY 2015 - 5b ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
Firefighter	55,125	1,719	53,406	56,228	2,664	53,564	157	56,228	3,096	53,132	(275)
Police Officer	67,325		65,606	70,691		68,027	2,421	70,691		67,595	1,989
PW Mtce Worker	28,372		26,653	28,939		26,275	(378)	28,939		25,843	(810)
Project Manager	72,500		70,781	73,950		71,286	505	73,950		70,854	73

**Dependent - Child**

	FY 2014			Proposed FY 2015 - 5b ded. 70%				Proposed FY 2015 - 5b ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
Firefighter	55,125	1,248	53,877	56,228	1,932	54,296	419	56,228	2,304	53,924	47
Police Officer	67,325		66,077	70,691		68,759	2,682	70,691		68,387	2,310
PW Mtce Worker	28,372		27,124	28,939		27,007	(117)	28,939		26,635	(489)
Project Manager	72,500		71,252	73,950		72,018	766	73,950		71,646	394

**Dependent - Family**

	FY 2014			Proposed FY 2015 - 5b ded. 70%				Proposed FY 2015 - 5b ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
Firefighter	55,125	2,812	52,313	56,228	4,368	51,860	(453)	56,228	4,932	51,296	(1,017)
Police Officer	67,325		64,513	70,691		66,323	1,811	70,691		65,759	1,247
PW Mtce Worker	28,372		25,560	28,939		24,571	(988)	28,939		24,007	(1,552)
Project Manager	72,500		69,688	73,950		69,582	(106)	73,950		69,018	(670)

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Medical Premium Changes  
Affect on Employees on Kelsey Plan  
Kelsey to Kelsey

6/19/2014

**Employee Only**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

FY 2014			Proposed FY 2015 - 5c - ded. 70%				Proposed FY 2015 - 5c - ded. 90%			
Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	0	55,125	56,228	0	51,320	(3,806)	56,228	204	56,024	899
67,325		67,325	70,691		65,783	(1,542)	70,691		70,487	3,162
28,372		28,372	28,939		24,031	(4,341)	28,939		28,735	363
72,500		72,500	73,950		69,042	(3,458)	73,950		73,746	1,246

**Dependent - Spouse**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	1,719	53,406	56,228	4,908	51,320	(2,087)	56,228	5,340	50,888	(2,519)
67,325		65,606	70,691		65,783	177	70,691		65,351	(255)
28,372		26,653	28,939		24,031	(2,622)	28,939		23,599	(3,054)
72,500		70,781	73,950		69,042	(1,739)	73,950		68,610	(2,171)

**Dependent - Child**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	1,248	53,877	56,228	3,564	52,664	(1,214)	56,228	3,936	52,292	(1,586)
67,325		66,077	70,691		67,127	1,050	70,691		66,755	678
28,372		27,124	28,939		25,375	(1,749)	28,939		25,003	(2,121)
72,500		71,252	73,950		70,386	(866)	73,950		70,014	(1,238)

**Dependent - Family**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	2,812	52,313	56,228	8,040	48,188	(4,125)	56,228	8,604	47,624	(4,689)
67,325		64,513	70,691		62,651	(1,861)	70,691		62,087	(2,425)
28,372		25,560	28,939		20,899	(4,660)	28,939		20,335	(5,224)
72,500		69,688	73,950		65,910	(3,778)	73,950		65,346	(4,342)

Medical Premium Changes  
Affect on Employees on Kelsey Plan  
Kelsey to Kelsey

	FY 2014			Proposed FY 2015 - 6a - ded. 80%				Proposed FY 2015 - 6a - ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
<b>Employee Only</b>											
Firefighter	55,125	0	55,125	56,228	0	56,228	1,103	56,228	132	56,096	971
Police Officer	67,325		67,325	70,691		70,691	3,366	70,691		70,559	3,234
PW Mtce Worker	28,372		28,372	28,939		28,939	567	28,939		28,807	435
Project Manager	72,500		72,500	73,950		73,950	1,450	73,950		73,818	1,318
<b>Dependent - Spouse</b>											
Firefighter	55,125	1,719	53,406	56,228	2,016	54,212	805	56,228	2,292	53,936	529
Police Officer	67,325		65,606	70,691		68,675	3,069	70,691		68,399	2,793
PW Mtce Worker	28,372		26,653	28,939		26,923	270	28,939		26,647	(6)
Project Manager	72,500		70,781	73,950		71,934	1,153	73,950		71,658	877
<b>Dependent - Child</b>											
Firefighter	55,125	1,248	53,877	56,228	1,464	54,764	887	56,228	1,704	54,524	647
Police Officer	67,325		66,077	70,691		69,227	3,150	70,691		68,987	2,910
PW Mtce Worker	28,372		27,124	28,939		27,475	351	28,939		27,235	111
Project Manager	72,500		71,252	73,950		72,486	1,234	73,950		72,246	994
<b>Dependent - Family</b>											
Firefighter	55,125	2,812	52,313	56,228	3,312	52,916	603	56,228	3,672	52,556	243
Police Officer	67,325		64,513	70,691		67,379	2,867	70,691		67,019	2,507
PW Mtce Worker	28,372		25,560	28,939		25,627	68	28,939		25,267	(292)
Project Manager	72,500		69,688	73,950		70,638	950	73,950		70,278	590

Medical Premium Changes  
Affect on Employees on Kelsey Plan  
Kelsey to Kelsey

6/19/2014

	FY 2014			Proposed FY 2015 - 6b ded. 80%				Proposed FY 2015 - 6b - ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
<b>Employee Only</b>											
Firefighter	55,125	0	55,125	56,228	0	56,228	1,103	56,228	132	56,096	971
Police Officer	67,325		67,325	70,691		70,691	3,366	70,691		70,559	3,234
PW Mtce Worker	28,372		28,372	28,939		28,939	567	28,939		28,807	435
Project Manager	72,500		72,500	73,950		73,950	1,450	73,950		73,818	1,318
<b>Dependent - Spouse</b>											
Firefighter	55,125	1,719	53,406	56,228	2,556	53,672	265	56,228	2,832	53,396	(11)
Police Officer	67,325		65,606	70,691		68,135	2,529	70,691		67,859	2,253
PW Mtce Worker	28,372		26,653	28,939		26,383	(270)	28,939		26,107	(546)
Project Manager	72,500		70,781	73,950		71,394	613	73,950		71,118	337
<b>Dependent - Child</b>											
Firefighter	55,125	1,248	53,877	56,228	1,860	54,368	491	56,228	2,088	54,140	263
Police Officer	67,325		66,077	70,691		68,831	2,754	70,691		68,603	2,526
PW Mtce Worker	28,372		27,124	28,939		27,079	(45)	28,939		26,851	(273)
Project Manager	72,500		71,252	73,950		72,090	838	73,950		71,862	610
<b>Dependent - Family</b>											
Firefighter	55,125	2,812	52,313	56,228	4,188	52,040	(273)	56,228	4,548	51,680	(633)
Police Officer	67,325		64,513	70,691		66,503	1,991	70,691		66,143	1,631
PW Mtce Worker	28,372		25,560	28,939		24,751	(808)	28,939		24,391	(1,168)
Project Manager	72,500		69,688	73,950		69,762	74	73,950		69,402	(286)

Medical Premium Changes  
Affect on Employees on Kelsey Plan  
Kelsey to Kelsey

6/19/2014

**Employee Only**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

FY 2014			Proposed FY 2015 - 6c ded. 80%				Proposed FY 2015 - 6c - ded. 90%			
Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	0	55,125	56,228	0	56,228	1,103	56,228	132	56,096	971
67,325		67,325	70,691		70,691	3,366	70,691		70,559	3,234
28,372		28,372	28,939		28,939	567	28,939		28,807	435
72,500		72,500	73,950		73,950	1,450	73,950		73,818	1,318

**Dependent - Spouse**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	1,719	53,406	56,228	4,716	51,512	(1,895)	56,228	4,980	51,248	(2,159)
67,325		65,606	70,691		65,975	369	70,691		65,711	105
28,372		26,653	28,939		24,223	(2,430)	28,939		23,959	(2,694)
72,500		70,781	73,950		69,234	(1,547)	73,950		68,970	(1,811)

**Dependent - Child**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	1,248	53,877	56,228	3,420	52,808	(1,070)	56,228	3,660	52,568	(1,310)
67,325		66,077	70,691		67,271	1,194	70,691		67,031	954
28,372		27,124	28,939		25,519	(1,605)	28,939		25,279	(1,845)
72,500		71,252	73,950		70,530	(722)	73,950		70,290	(962)

**Dependent - Family**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	2,812	52,313	56,228	7,716	48,512	(3,801)	56,228	8,076	48,152	(4,161)
67,325		64,513	70,691		62,975	(1,537)	70,691		62,615	(1,897)
28,372		25,560	28,939		21,223	(4,336)	28,939		20,863	(4,696)
72,500		69,688	73,950		66,234	(3,454)	73,950		65,874	(3,814)

Medical Premium Changes  
Affect on Employees on Basic Plan  
Basic move to Kelsey

6/19/2014

**Employee Only**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

FY 2014			Proposed FY 2015 - 5b ded. 70%				Proposed FY 2015 - 5b ded. 90%			
Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	1,139	53,986	56,228	0	56,228	2,242	56,228	204	56,024	2,038
67,325		66,186	70,691		70,691	4,506	70,691		70,487	4,302
28,372		27,233	28,939		28,939	1,707	28,939		28,735	1,503
72,500		71,361	73,950		73,950	2,589	73,950		73,746	2,385

**Dependent - Spouse**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
54,417	4,114	50,303	55,505	2,664	52,841	2,538	55,505	3,096	52,409	2,106
54,060		49,946	56,763		54,099	4,153	56,763		53,667	3,721
28,372		24,258	28,939		26,275	2,017	28,939		25,843	1,585
72,500		68,386	73,950		71,286	2,900	73,950		70,854	2,468

**Dependent - Child**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	3,299	51,826	56,228	1,932	54,296	2,469	56,228	2,304	53,924	2,097
67,325		64,026	70,691		68,759	4,733	70,691		68,387	4,361
28,372		25,073	28,939		27,007	1,934	28,939		26,635	1,562
72,500		69,201	73,950		72,018	2,817	73,950		71,646	2,445

**Dependent - Family**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	6,006	49,119	56,228	4,368	51,860	2,740	56,228	4,932	51,296	2,176
67,325		61,319	70,691		66,323	5,004	70,691		65,759	4,440
28,372		22,366	28,939		24,571	2,205	28,939		24,007	1,641
72,500		66,494	73,950		69,582	3,088	73,950		69,018	2,524

Medical Premium Changes  
Affect on Employees on Basic Plan  
Basic move to Kelsey

6/19/2014

**Employee Only**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

FY 2014			Proposed FY 2015 - 5c - ded. 70%				Proposed FY 2015 - 5c - ded. 90%			
Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	1,139	53,986	56,228	0	56,228	2,242	56,228	204	56,024	2,038
67,325		66,186	70,691		70,691	4,506	70,691		70,487	4,302
28,372		27,233	28,939		28,939	1,707	28,939		28,735	1,503
72,500		71,361	73,950		73,950	2,589	73,950		73,746	2,385

**Dependent - Spouse**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
55,125	4,114	51,011	56,228	4,908	51,320	308	56,228	5,340	50,888	(124)
67,325		63,211	70,691		65,783	2,572	70,691		65,351	2,140
28,372		24,258	28,939		24,031	(227)	28,939		23,599	(659)
72,500		68,386	73,950		69,042	656	73,950		68,610	224

**Dependent - Child**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	3,299	51,826	56,228	3,564	52,664	837	56,228	3,936	52,292	465
67,325		64,026	70,691		67,127	3,101	70,691		66,755	2,729
28,372		25,073	28,939		25,375	302	28,939		25,003	(70)
72,500		69,201	73,950		70,386	1,185	73,950		70,014	813

**Dependent - Family**

Firefighter  
Police Officer  
PW Mtce Worker  
Project Manager

55,125	6,006	49,119	56,228	8,040	48,188	(932)	56,228	8,604	47,624	(1,496)
67,325		61,319	70,691		62,651	1,332	70,691		62,087	768
28,372		22,366	28,939		20,899	(1,467)	28,939		20,335	(2,031)
72,500		66,494	73,950		65,910	(584)	73,950		65,346	(1,148)

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Medical Premium Changes  
Affect on Employees on Basic Plan  
Basic move to Kelsey

6/19/2014

	FY 2014			Proposed FY 2015 - 6a - ded. 80%				Proposed FY 2015 - 6a - ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
<b>Employee Only</b>											
Firefighter	55,125	1,139	53,986	56,228	0	56,228	2,242	56,228	132	56,096	2,110
Police Officer	67,325		66,186	70,691		70,691	4,506	70,691		70,559	4,374
PW Mtce Worker	28,372		27,233	28,939		28,939	1,707	28,939		28,807	1,575
Project Manager	72,500		71,361	73,950		73,950	2,589	73,950		73,818	2,457
<b>Dependent - Spouse</b>											
Firefighter	55,125	4,114	51,011	56,228	2,016	54,212	3,200	56,228	2,292	53,936	2,924
Police Officer	67,325		63,211	70,691		68,675	5,464	70,691		68,399	5,188
PW Mtce Worker	28,372		24,258	28,939		26,923	2,665	28,939		26,647	2,389
Project Manager	72,500		68,386	73,950		71,934	3,548	73,950		71,658	3,272
<b>Dependent - Child</b>											
Firefighter	55,125	3,299	51,826	56,228	1,464	54,764	2,937	56,228	1,704	54,524	2,697
Police Officer	67,325		64,026	70,691		69,227	5,201	70,691		68,987	4,961
PW Mtce Worker	28,372		25,073	28,939		27,475	2,402	28,939		27,235	2,162
Project Manager	72,500		69,201	73,950		72,486	3,285	73,950		72,246	3,045
<b>Dependent - Family</b>											
Firefighter	55,125	6,006	49,119	56,228	3,312	52,916	3,796	56,228	3,672	52,556	3,436
Police Officer	67,325		61,319	70,691		67,379	6,060	70,691		67,019	5,700
PW Mtce Worker	28,372		22,366	28,939		25,627	3,261	28,939		25,267	2,901
Project Manager	72,500		66,494	73,950		70,638	4,144	73,950		70,278	3,784

8

Medical Premium Changes  
Affect on Employees on Basic Plan  
Basic move to Kelsey

6/19/2014

	FY 2014			Proposed FY 2015 - 6b ded. 80%				Proposed FY 2015 - 6b - ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
<b>Employee Only</b>											
Firefighter	55,125	1,139	53,986	56,228	0	56,228	2,242	56,228	132	56,096	2,110
Police Officer	67,325		66,186	70,691		70,691	4,506	70,691		70,559	4,374
PW Mtce Worker	28,372		27,233	28,939		28,939	1,707	28,939		28,807	1,575
Project Manager	72,500		71,361	73,950		73,950	2,589	73,950		73,818	2,457
<b>Dependent - Spouse</b>											
Firefighter	55,125	4,114	51,011	56,228	2,556	53,672	2,660	56,228	2,832	53,396	2,384
Police Officer	67,325		63,211	70,691		68,135	4,924	70,691		67,859	4,648
PW Mtce Worker	28,372		24,258	28,939		26,383	2,125	28,939		26,107	1,849
Project Manager	72,500		68,386	73,950		71,394	3,008	73,950		71,118	2,732
<b>Dependent - Child</b>											
Firefighter	55,125	3,299	51,826	56,228	1,860	54,368	2,541	56,228	2,088	54,140	2,313
Police Officer	67,325		64,026	70,691		68,831	4,805	70,691		68,603	4,577
PW Mtce Worker	28,372		25,073	28,939		27,079	2,006	28,939		26,851	1,778
Project Manager	72,500		69,201	73,950		72,090	2,889	73,950		71,862	2,661
<b>Dependent - Family</b>											
Firefighter	55,125	6,006	49,119	56,228	4,188	52,040	2,920	56,228	4,548	51,680	2,560
Police Officer	67,325		61,319	70,691		66,503	5,184	70,691		66,143	4,824
PW Mtce Worker	28,372		22,366	28,939		24,751	2,385	28,939		24,391	2,025
Project Manager	72,500		66,494	73,950		69,762	3,268	73,950		69,402	2,908

Medical Premium Changes  
Affect on Employees on Basic Plan  
Basic move to Kelsey

6/19/2014

	FY 2014			Proposed FY 2015 - 6c ded. 80%				Proposed FY 2015 - 6c - ded. 90%			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change	Salary	Med Prem	Net	Change
<b>Employee Only</b>											
Firefighter	55,125	1,139	53,986	56,228	0	56,228	2,242	56,228	132	56,096	2,110
Police Officer	67,325		66,186	70,691		70,691	4,506	70,691		70,559	4,374
PW Mtce Worker	28,372		27,233	28,939		28,939	1,707	28,939		28,807	1,575
Project Manager	72,500		71,361	73,950		73,950	2,589	73,950		73,818	2,457
<b>Dependent - Spouse</b>											
Firefighter	55,125	4,114	51,011	56,228	4,716	51,512	500	56,228	4,992	51,236	224
Police Officer	67,325		63,211	70,691		65,975	2,764	70,691		65,699	2,488
PW Mtce Worker	28,372		24,258	28,939		24,223	(35)	28,939		23,947	(311)
Project Manager	72,500		68,386	73,950		69,234	848	73,950		68,958	572
<b>Dependent - Child</b>											
Firefighter	55,125	3,299	51,826	56,228	3,420	52,808	981	56,228	3,660	52,568	741
Police Officer	67,325		64,026	70,691		67,271	3,245	70,691		67,031	3,005
PW Mtce Worker	28,372		25,073	28,939		25,519	446	28,939		25,279	206
Project Manager	72,500		69,201	73,950		70,530	1,329	73,950		70,290	1,089
<b>Dependent - Family</b>											
Firefighter	55,125	6,006	49,119	56,228	7,716	48,512	(608)	56,228	8,076	48,152	(968)
Police Officer	67,325		61,319	70,691		62,975	1,656	70,691		62,615	1,296
PW Mtce Worker	28,372		22,366	28,939		21,223	(1,143)	28,939		20,863	(1,503)
Project Manager	72,500		66,494	73,950		66,234	(260)	73,950		65,874	(620)

Medical Premium Changes  
Affect on Employees on HSA Plan  
HSA to HSA

6/19/2014

**Employee Only**

	FY 2014			Proposed FY 2015 - 5b			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
Firefighter	55,125	197	54,928	56,228	0	56,228	1,300
Police Officer	67,325		67,128	70,691		70,691	3,564
PW Mtce Worker	28,372		28,175	28,939		28,939	765
Project Manager	72,500		72,303	73,950		73,950	1,647

**Dependent - Spouse**

	FY 2014			Proposed FY 2015 - 5b			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
Firefighter	54,417	2,134	52,283	55,505	2,472	53,033	750
Police Officer	54,060		51,926	56,763		54,291	2,365
PW Mtce Worker	28,372		26,238	28,939		26,467	229
Project Manager	72,500		70,366	73,950		71,478	1,112

**Dependent - Child**

	FY 2014			Proposed FY 2015 - 5b			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
Firefighter	55,125	1,603	53,522	56,228	1,800	54,428	906
Police Officer	67,325		65,722	70,691		68,891	3,169
PW Mtce Worker	28,372		26,769	28,939		27,139	371
Project Manager	72,500		70,897	73,950		72,150	1,253

**Dependent - Family**

	FY 2014			Proposed FY 2015 - 5b			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
Firefighter	55,125	3,365	51,760	56,228	4,044	52,184	424
Police Officer	67,325		63,960	70,691		66,647	2,688
PW Mtce Worker	28,372		25,007	28,939		24,895	(111)
Project Manager	72,500		69,135	73,950		69,906	771

Medical Premium Changes  
Affect on Employees on HSA Plan  
HSA to HSA

6/19/2014

	FY 2014			Proposed FY 2015 - 5c			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
<b>Employee Only</b>							
Firefighter	55,125	197	54,928	56,228	0	56,228	1,300
Police Officer	67,325		67,128	70,691		70,691	3,564
PW Mtce Worker	28,372		28,175	28,939		28,939	765
Project Manager	72,500		72,303	73,950		73,950	1,647
<b>Dependent - Spouse</b>							
Firefighter	55,125	2,134	52,991	56,228	4,716	51,512	(1,480)
Police Officer	67,325		65,191	70,691		65,975	784
PW Mtce Worker	28,372		26,238	28,939		24,223	(2,015)
Project Manager	72,500		70,366	73,950		69,234	(1,132)
<b>Dependent - Child</b>							
Firefighter	55,125	1,603	53,522	56,228	3,432	52,796	(726)
Police Officer	67,325		65,722	70,691		67,259	1,537
PW Mtce Worker	28,372		26,769	28,939		25,507	(1,261)
Project Manager	72,500		70,897	73,950		70,518	(379)
<b>Dependent - Family</b>							
Firefighter	55,125	3,365	51,760	56,228	7,716	48,512	(3,248)
Police Officer	67,325		63,960	70,691		62,975	(984)
PW Mtce Worker	28,372		25,007	28,939		21,223	(3,783)
Project Manager	72,500		69,135	73,950		66,234	(2,901)

Medical Premium Changes  
Affect on Employees on HSA Plan  
HSA to HSA

6/19/2014

**Employee Only**

	FY 2014			Proposed FY 2015 - 6a			
Firefighter	55,125	197	54,928	56,228	228	56,000	1,072
Police Officer	67,325		67,128	70,691		70,463	3,336
PW Mtce Worker	28,372		28,175	28,939		28,711	537
Project Manager	72,500		72,303	73,950		73,722	1,419

**Dependent - Spouse**

	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
Firefighter	55,125	2,134	52,991	56,228	2,448	53,780	788
Police Officer	67,325		65,191	70,691		68,243	3,052
PW Mtce Worker	28,372		26,238	28,939		26,491	253
Project Manager	72,500		70,366	73,950		71,502	1,136

**Dependent - Child**

Firefighter	55,125	1,603	53,522	56,228	1,836	54,392	870
Police Officer	67,325		65,722	70,691		68,855	3,133
PW Mtce Worker	28,372		26,769	28,939		27,103	335
Project Manager	72,500		70,897	73,950		72,114	1,217

**Dependent - Family**

Firefighter	55,125	3,365	51,760	56,228	3,864	52,364	604
Police Officer	67,325		63,960	70,691		66,827	2,868
PW Mtce Worker	28,372		25,007	28,939		25,075	69
Project Manager	72,500		69,135	73,950		70,086	951

Medical Premium Changes  
Affect on Employees on HSA Plan  
HSA to HSA

6/19/2014

	FY 2014			Proposed FY 2015 - 6b			
	Salary	Med Prem	Net	Salary	Med Prem	Net	Change
<b>Employee Only</b>							
Firefighter	55,125	197	54,928	56,228	228	56,000	1,072
Police Officer	67,325		67,128	70,691		70,463	3,336
PW Mtce Worker	28,372		28,175	28,939		28,711	537
Project Manager	72,500		72,303	73,950		73,722	1,419
<b>Dependent - Spouse</b>							
Firefighter	55,125	2,134	52,991	56,228	2,448	53,780	788
Police Officer	67,325		65,191	70,691		68,243	3,052
PW Mtce Worker	28,372		26,238	28,939		26,491	253
Project Manager	72,500		70,366	73,950		71,502	1,136
<b>Dependent - Child</b>							
Firefighter	55,125	1,603	53,522	56,228	1,836	54,392	870
Police Officer	67,325		65,722	70,691		68,855	3,133
PW Mtce Worker	28,372		26,769	28,939		27,103	335
Project Manager	72,500		70,897	73,950		72,114	1,217
<b>Dependent - Family</b>							
Firefighter	55,125	3,365	51,760	56,228	3,864	52,364	604
Police Officer	67,325		63,960	70,691		66,827	2,868
PW Mtce Worker	28,372		25,007	28,939		25,075	69
Project Manager	72,500		69,135	73,950		70,086	951

Medical Premium Changes  
Affect on Employees on HSA Plan  
HSA to HSA

6/19/2014

**Employee Only**

FY 2014			Proposed FY 2015 - 6c			
Salary	Med Prem	Net	Salary	Med Prem	Net	Change
55,125	197	54,928	56,228	228	56,000	1,072
67,325		67,128	70,691		70,463	3,336
28,372		28,175	28,939		28,711	537
72,500		72,303	73,950		73,722	1,419

**Dependent - Spouse**

Salary	Med Prem	Net	Salary	Med Prem	Net	Change
55,125	2,134	52,991	56,228	2,448	53,780	788
67,325		65,191	70,691		68,243	3,052
28,372		26,238	28,939		26,491	253
72,500		70,366	73,950		71,502	1,136

**Dependent - Child**

Salary	Med Prem	Net	Salary	Med Prem	Net	Change
55,125	1,603	53,522	56,228	1,836	54,392	870
67,325		65,722	70,691		68,855	3,133
28,372		26,769	28,939		27,103	335
72,500		70,897	73,950		72,114	1,217

**Dependent - Family**

Salary	Med Prem	Net	Salary	Med Prem	Net	Change
55,125	3,365	51,760	56,228	3,864	52,364	604
67,325		63,960	70,691		66,827	2,868
28,372		25,007	28,939		25,075	69
72,500		69,135	73,950		70,086	951

# New Business Item No. 10

10. **Consideration And Possible Action** – Regarding appointments to the City's various Boards and Commissions. *City Council.*

# New Business Item No. 11

**11. Consideration and Possible Action** – Regarding Economic Development Incentives. *City Council.*

# New Business Item No. 12

12. **Consideration and Possible Action** – Regarding the sale, lease, purchase, or exchange of real property. *City Council.*