



**NOTICE OF REGULAR MEETING AGENDA  
LANCASTER CITY COUNCIL  
MUNICIPAL CENTER CITY COUNCIL CHAMBERS  
211 N. HENRY STREET, LANCASTER, TEXAS**



**Monday, August 14, 2017 - 7:00 PM**

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**CALL TO ORDER**

**INVOCATION:** Ministerial Alliance

**PLEDGE OF ALLEGIANCE:** Councilmember Spencer W. Hervey, Jr.

**PRESENTATION:** Texas City Management Association

**RECOGNITION:** Mayor Pro Tem Clyde C. Hairston and Deputy Mayor Pro Tem Nina Morris

**CITIZENS' COMMENTS:**

At this time citizens who have pre-registered before the call to order will be allowed to speak on any matter other than personnel matters or matters under litigation, for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law.

**CONSENT AGENDA:**

Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.

1. Consider approval of minutes from the City Council Special Meeting held on June 14-15, 2017 and July 3, 2017 and City Council Regular Meeting held on July 10, 2017.
2. Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain health services.
3. Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain food establishment inspections and environmental services.
4. Consider a resolution approving the terms and conditions of an amendment (Change Order No. 1) to the contract with Modern Contractors, Inc. in an amount not to exceed ten thousand five hundred ninety-six dollars (\$10,596.00).
5. Consider a resolution to approve a Project Specific Agreement with Dallas County for the purposes of Roadway Striping within the jurisdictional limit of the City of Lancaster, Texas.

6. Consider a resolution authorizing the City Manager to execute agreements with Blue Cross Blue Shield, Met Life, Dearborn National, Flores & Associates, Avesis, and Alliance Work Partners for fiscal year 2017/2018 employee insurance and benefits programs.
7. Consider a resolution adopting City Council Goals and Objectives contained in the June and July 2017 City Council Strategic Planning Report prepared by The Novak Consulting Group.
8. Consider a resolution adopting the City of Lancaster Proposed Budget Calendar for Fiscal Year 2017/2018.

**PUBLIC HEARING:**

9. Z16-12 Conduct a Public Hearing and consider approval of a rezoning request from SF-6 - (Single Family Residential) to NS - (Neighborhood Services). The subject property is located at 1009 Lancaster-Hutchins Road consisting of approximately 1.46 acres, being a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.
10. Z17-02 Conduct a Public Hearing and consider an ordinance amending ordinance 2006-04-13 and as amended the Lancaster Development Code and map of the City as amended by granting a change in zoning from A-O Agricultural Open to CH Commercial Highway a 1.6 acre tract of land commonly addressed as 1620 South Interstate Highway 35E (IH-35E) being described as Block 2, Lots 3 and 4 of the Stillmeadow Subdivision, Lancaster, Dallas County, Texas.

**ACTION:**

11. Discuss and consider a resolution of the City of Lancaster, Texas finding that Oncor Electric Delivery Company LLC's ("Oncor" or "company") application to change rates within the City should be denied; finding that the City's reasonable rate case expenses shall be reimbursed by the Company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel.
12. Discuss and consider an ordinance repealing Chapter 6, Section 6.07.008 "Construction and Materials" of Article 6.07 "Fences", in its entirety and replacing it with a new section 6.07.008, "Fence Construction, Materials and Setback"; providing for fence construction and materials and adding a new front setback standard.
13. Discuss and consider an ordinance amending Chapter 18 of the Code of Ordinance by adding a new Section 18.01.002 providing for prohibitions on obstructing any public street or sidewalk with any item.
14. M17-03 Consider an ordinance repealing Ordinance 2017-04-04 in its entirety, and abandoning a portion of the public use easement of approximately 5,494 square feet, 0.1261 acres of land, in the City of Lancaster, Dallas County, Texas as a quit claim deed; and providing an effective date.
15. Discuss and consider an ordinance repealing the National Electrical Code 2014 Edition in its entirety and replacing it with the adoption of the adoption of the "National Electrical Code", 2017 edition, by adopting Chapter 6 Building Regulations, Article 6.04 Technical and Construction Codes and Standards, Division 4 Electrical Code to provide for the amendments.

16. Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and Duke Realty LP.
17. Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and Wayfair, LLC.
18. Discuss and consider a resolution ratifying the terms and conditions of an incentive grant by and between CH Realty VII/I Dallas Houston School Rd., L.P. and the Lancaster Economic Development Corporation.
19. Discuss and consider a resolution ratifying the terms and conditions of an incentive grant by and between Duke Realty Limited Partnership, L.P. and the Lancaster Economic Development Corporation.
20. Discuss and consider a resolution ratifying the terms and conditions of an Economic Development Incentive Agreement by and between the Lancaster Economic Development Corporation and Wayfair, LLC.
21. Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and CH Realty VII/I Dallas Houston School Rd, L.P.
22. Consider a resolution adopting the Lancaster City Council Rules and Procedures, as amended.
23. Discuss the proposed FY 2017-2018 tax rate of \$0.8675 per \$100 assessed valuation, receive related tax calculation documents, take record vote to consider a tax rate to increase total tax revenues from properties on the tax roll in the previous year and set public hearing dates on the proposed tax rate.
24. Discuss and consider appointments to the Planning and Zoning Commission, Museum Advisory Board, and Lancaster Economic Development Corporation Board.

## **ADJOURNMENT**

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EXECUTIVE SESSION: The City Council reserve the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the Texas Government Code to seek legal advice concerning such subject.

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ACCESSIBILITY STATEMENT: Meetings of the City Council are held in municipal facilities are wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

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PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO

CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

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#### **Certificate**

**I hereby certify the above Notice of Meeting was posted at the Lancaster City Hall on August 11, 2017 @ 12:45 a.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.**



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Sorangel O. Arenas  
City Secretary



## LANCASTER CITY COUNCIL

### City Council Regular Meeting

1.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Submitted by:** Sorangel O. Arenas, City Secretary

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#### **Agenda Caption:**

Consider approval of minutes from the City Council Special Meeting held on June 14-15, 2017 and July 3, 2017 and City Council Regular Meeting held on July 10, 2017.

#### **Background:**

Attached for your review and consideration are minutes from the:

- City Council Special Meeting held on June 14-15, 2017
- City Council Special Meeting held on July 3, 2017 and
- City Council Regular Meeting held on July 10, 2017.

#### **Attachments**

June 14 - 15, 2017 Minutes

July 3, 2017 Minutes

July 10, 2017 Minutes

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## **MINUTES**

### **LANCASTER CITY COUNCIL MEETING OF JUNE 14 & 15, 2017**

**The City Council of the City of Lancaster, Texas, met on June 14, 2017 in a special meeting for the first day of strategic planning at the Cedar Valley Community College, Building “M” Room M233, 3030 N. Dallas Avenue, Dallas, Texas at 8:00 a.m. with a quorum present to-wit:**

#### **Councilmembers Present:**

Mayor Marcus E. Knight  
Carol Strain-Burk  
Stanley Jaglowski  
Marco Mejia  
Spencer W. Hervey, Jr.  
Mayor Pro Tem Clyde C. Hairston  
Deputy Mayor Pro Tem Nina Morris

#### **City Staff Present:**

Opal Mauldin-Jones, City Manager  
Rona Stringfellow, Assistant City Manager  
Sorangel O. Arenas, City Secretary  
David T. Ritter, City Attorney

#### **Call to Order:**

Mayor Knight called the meeting to order at 8:21 a.m. on June 14, 2017.

City Council met on the first day of a two day strategic planning session.

City Attorney Ritter reviewed Councils' Rules and Procedures. He provided some suggestions for updating the policy. Discussion to include a prohibition of disclosing Executive Session matters in the Rules and Procedures.

Facilitator Novak welcomed everyone and reviewed the agenda for the two day strategic planning session. She reviewed norms and expectations for the meeting.

Facilitator Novak asked participants to share their expectations for the planning session.

Facilitator Novak led deliberations on the Group Activity from Tuesday and made connections between the experience and governing collectively.

Facilitator Novak opened discussion regarding Council Staff Relations and agreed that Council will direct official inquiries to City Manager, City Attorney, City Secretary, and Municipal Judge.

City Council recessed for lunch at 11:45 a.m.

Facilitator Novak led discussions on the two questions relating to effectiveness:

- How is the Lancaster City Council functioning as a body?
- How do individuals contribute to the groups' success?

Mayor Knight recessed the meeting at 5:00 p.m.

## MINUTES

### LANCASTER CITY COUNCIL MEETING OF JUNE 15, 2017

The City Council of the City of Lancaster, Texas, met on June 15, 2017 in a special meeting for the first day of strategic planning at the Cedar Valley Community College, Building "M" Room M233, 3030 N. Dallas Avenue, Dallas, Texas at 8:00 a.m. with a quorum present to-wit:

#### **Councilmembers Present:**

Mayor Marcus E. Knight  
Carol Strain-Burk  
Stanley Jaglowski  
Marco Mejia  
Mayor Pro Tem Clyde C. Hairston  
Deputy Mayor Pro Tem Nina Morris

#### **City Staff Present:**

Opal Mauldin-Jones, City Manager  
Rona Stringfellow, Assistant City Manager  
Sorangel O. Arenas, City Secretary

Facilitator Novak opened the second day of the planning session and set the stage.

Nick Palluth, GCBS Architects, presented a presentation to the City Council covering plans for a new City Hall.

City Manager Mauldin-Jones provided an overview of the status of the current work plan and shared input from the City's Executive Team. She suggested key goals and discussed the work for the upcoming year.

Facilitator Novak led discussion to reflect on the potential initiatives identified by Council to guide in preparation for the future for the City.

City Council recessed for lunch at 12:00 p.m.

City Manager Mauldin-Jones shared key priority projects to focus on the Comprehensive Plan Implementation. Council agreed to drive on throughout the next year which includes move forward with B, C, G, J listed below:

#### B. Transportation

- i) Master Thoroughfare Plan
- ii) Future Transit Opportunities
- iii) Bicycle and Pedestrian enhancements (Hike & Bike Trails Masterplan)

#### C. Infrastructure Master Plan Update

- i) Water System
- ii) Wastewater System
- iii) Storm Drainage System

#### G 2006 Streetscape Masterplan

#### J. Districts

- i) Campus District
- ii) Lan Port Overlay District
- iii) Medical District
- iv) Historic Overlay District
- v) Downtown District

City Council continued last year's operational priorities which include:

- Develop a Land Bank Strategy for City Property,
- Develop a Plan to Show Developers the Opportunities for Building Custom Homes;
- Create and implement a retail strategy so we are clear about what types of retail we want to attract,
- Infrastructure Project Pleasant Run Road Phases 1,2,3 & 4, and
- Lancaster University – establish professional-level training program for all levels of employees

Facilitator Novak, staff, and City Council agreed to meet for a third day of strategic planning session on Monday, July 3, 2017.

The meeting was adjourned at 2:29 p.m.

**ATTEST:**

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Sorangel O. Arenas, City Secretary

**APPROVED:**

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Marcus E. Knight, Mayor

## **MINUTES**

### **LANCASTER CITY COUNCIL MEETING OF JULY 3, 2017**

**The City Council of the City of Lancaster, Texas, met on July 3, 2017 in a special meeting for the continuation of strategic planning at the Cedar Valley Community College, Building “M” Room M233, 3030 N. Dallas Avenue, Dallas, Texas at 8:30 a.m. with a quorum present to-wit:**

#### **Councilmembers Present:**

Mayor Marcus E. Knight  
Carol Strain-Burk  
Stanley Jaglowski  
Marco Mejia  
Spencer W. Hervey, Jr.  
Mayor Pro Tem Clyde C. Hairston  
Deputy Mayor Pro Tem Nina Morris

#### **City Staff Present:**

Opal Mauldin-Jones, City Manager  
Sorangel O. Arenas, City Secretary

#### **Call to Order:**

Mayor Knight called the meeting to order at 8:31 a.m. on July 3, 2017.

The City Manager shared with the group that the award recipient (City Council of the Year) was selected by the Texas City Management Association (TCMA) Board of Directors.

City Council discussed and revised the Vision statement to read:

Lancaster is a thriving and diverse community where we value our historical assets and natural beauty. Residents and stakeholders are engaged and take pride in this City. Lancaster is the Shining Star of Texas with opportunities to live, learn, work and play.

City Council discussed and revised the key performance areas for the 2017-2018 to read:

- Financially Sound Government
- Healthy, Safe, and Engaged Community
- Sound Infrastructure
- Quality Development
- Professional and Committed City Workforce

Facilitator Novak inquired of each councilmember their most important policies and initiatives that they wish to pursue to further the City's vision.

Facilitator Novak led Council to focus on each of the key performance and

- Develop a specific, actionable statement for each policy initiative, project or adjustment.
- Describe what problem is being solved/opportunity being seized.
- State what success looks like.

With additional discussion, City Council prioritized their operational priorities.

Council concluded with reflections on this year's planning session and expressed appreciation to Ms. Novak and staff.

The meeting was adjourned at 3:00 p.m.

**ATTEST:**

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Sorangel O. Arenas, City Secretary

**APPROVED:**

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Marcus E. Knight, Mayor

## **MINUTES**

### **LANCASTER CITY COUNCIL REGULAR MEETING OF JULY 10, 2017**

**The City Council of the City of Lancaster, Texas, met in a called Special session in the Council Chambers of City Hall on July 10, 2017 at 7:00 p.m. with a quorum present to-wit:**

#### **Councilmembers Present:**

Mayor Marcus E. Knight  
Carol Strain-Burk  
Stanley Jaglowski  
Marco Mejia  
Spencer W. Hervey Jr.  
Mayor Pro Tem Clyde C. Hairston  
Deputy Mayor Pro Tem Nina Morris

#### **City Staff Present:**

Opal Mauldin-Jones, City Manager  
Dori Lee, Human Resources Director  
Shane Shepard, Director of Economic Development  
Baron Sauls, Finance Director  
Jim Brewer, Director of Public Works  
Sean Johnson, Managing Director of Quality of Life & Cultural Services  
Jermaine Sapp, Director of Equipment and Facility Services  
Sam Urbanski, Police Chief  
Robert Franklin, Fire Chief  
Alton Dixon, Purchasing Agent  
Fabrice Kabona, Assistant to the City Manager  
Dale Jackson, Building Official/Interim Development Director  
Jason B. Boulton, Assistant Police Chief  
Cheryl Womble, Administrative & Community Relations Supervisor  
David T. Ritter, City Attorney  
Mayra A. Ortiz, Deputy City Secretary  
Sorangel O. Arenas, City Secretary

#### **Call to Order:**

Mayor Knight called the meeting to order at 7:00 p.m. on July 10, 2017.

#### **Invocation:**

Pastor Richardson gave the invocation.

#### **Pledge of Allegiance:**

Councilmember Mejia led the pledge of allegiance.

#### **Citizens' Comments:**

Eric Proctor, 2563 N. Dallas Ave, spoke in opposition of item 6.

#### **Consent Agenda:**

City Secretary Arenas read the consent agenda.

- 1. Consider approval of minutes from the City Council Regular Meeting held on June 26, 2017.**
- 2. Consider a resolution authorizing the City Manager to sign the Dallas County Office of Homeland Security and Emergency Management Notice of Intent to Participate in the Dallas County Hazard Mitigation Action Plan Update and application for the Hazard Mitigation Grant Program.**

**3. Consider a resolution continuing the terms and conditions of a professional services agreement with The Retail Coach for the development of a Retail Recruitment Strategy.**

Mayor Knight advised the vote to adjourn on item 1, be modified from 7 to 5.

Councilmember Strain-Burk pulled items 1 and 3.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston to approve consent item 2. The vote was cast 7 for, 0 against.

**1. Consider approval of minutes from the City Council Regular Meeting held on June 26, 2017.**

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Councilmember Jaglowski to approve consent item 1 with the recommendations made by Mayor Knight. The vote was cast 7 for, 0 against.

**3. Consider a resolution continuing the terms and conditions of a professional services agreement with The Retail Coach for the development of a Retail Recruitment Strategy.**

Councilmember Strain-Burk requested additional staff comments on item 3. City Manager Mauldin-Jones shared that item 3 is to consider approval of the renewal of the professional services agreement with The Retail Coach for the development of a Retail Recruitment Strategy. At the August 2016 City Council meeting, Council authorized an agreement with The Retail Coach for one year with a one year renewal. Research indicated that a successful recruitment strategy takes a minimum of 18-24 months. The Retail Coach will update the community analysis, marketing materials, GIS Data, Retailer and Development plan, as well as provide a targeted list of ten new retailers and five new site profiles as identified in the attached Year Two Strategy Scope of Work. The community's retail strategy will be analyzed. Additionally, market specific data to identify competition, potential customer bases, and retail brand opportunities will be completed.

Councilmember Mejia shared he was in opposition on item 3 until staff shared that The Retail Coach has led the City to a few developers and retail opportunity. He is in favor to extend the agreement to a one year.

Councilmember Hervey shared his willingness to extend another year and noted similar concerns as Councilmember Mejia.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston to approve consent item 3. The vote was cast 7 for, 0 against.

**PUBLIC HEARING:**

**4. Z17-04 Conduct a public hearing and consider an ordinance changing the zoning designation on approximately 5.91 acres of land generally located north of Bear Creek Road and west of South Houston School Road addressed as 2227 South Houston School Road described in the Charles H. Bernard Abstract, 128 PG 020, Tract 27, Lancaster, Dallas County Texas from A-O Agricultural Open space to SF-5, Single Family Residential.**

City Manager Mauldin-Jones stated that the property is located on the northwest corner of Bear Creek Road and South Houston School Road. The adjacent properties to the north and west are zoned Agricultural Open (occupied residence) as well as properties south and east are Agricultural Open (vacant). The 2016 Comprehensive Plan identifies this site as suitable for Medium Density Residential. The proposed use is consistent with the Comprehensive Plan. This item was considered at the Planning and Zoning Commission (P&Z) meeting on June 6, 2017 and P&Z recommended approval. Staff concurs with the P&Z. Staff received two (2) letters in support and two (2) letters in opposition of this rezoning request.



Councilmember Strain-Burk inquired from whom the water service will be provided. City Manager Mauldin-Jones shared the services will be Rocket water.

Councilmember Jaglowski inquired from staff the size per lot since the property will be divided. City Manager Mauldin-Jones confirmed that the minimum size will be 0.9 acre lots.

Mayor Knight opened the public hearing.

There were no speakers.

**MOTION:** Mayor Pro Tem Hairston made a motion, seconded by Councilmember Hervey to close the public hearing. The vote was cast 7 for, 0 against.

**MOTION:** Councilmember Mejia made a motion, seconded by Councilmember Strain-Burk to approve item 4. The vote was cast 7 for, 0 against.

**5. M17-01 Conduct a public hearing and consider an ordinance amending a portion of the Comprehensive Land Use Plan and map for property located on the west side of North Dallas Avenue from its intersection with Rutgers Drive; north to its intersection with Brookhaven Drive southward from Suburban Neighborhood Designation to Mixed-Use Neighborhood Designation.**

City Manager Mauldin-Jones shared item 4 is to amend the Comprehensive Land Use Plan. After extended discussions and deliberations, the Planning & Zoning Commission directed staff to research the strategy behind the 2016 Comprehensive Plan Suburban Neighborhood designation. The north and south properties are zoned Retail and the east and west are zoned Retail and are vacant. Suburban Neighborhood designation does not allow for Retail use. After reviewing the Comprehensive Land Use Plan with the consultants, it was determined that the location with the major arterials that the suitable designation should be a Mixed-Use Neighborhood allowing retail and residential uses. Public Hearing notices were properly noticed and conducted by the Planning and Zoning Commissions. The Planning and Zoning Commission recommended approval and staff concurs with P&Z.

Councilmember Strain-Burk inquired if a Mix-Use Neighborhood will allow retail and residential in the same location. City Manager Mauldin-Jones confirmed it would allow both retail and residential in the same location.

Councilmember Hervey inquired if the subject property allows warehouse. City Manager Mauldin-Jones shared that the property does not allow for logistics or distribution.

Mayor Pro Tem Hairston sought clarification on whether the use will allow car wash, retail, and residential facilities. City Manager Mauldin-Jones shared that car washes will not be allowed in a Mix-Use Neighborhood unless a Specific Use Permit is obtained.

Mayor Knight opened the public hearing.

There were no speakers.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston to close the public hearing. The vote was cast 7 for, 0 against.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston to approve item 5. The vote was cast 7 for, 0 against.

**6. Z16-13 Conduct a public hearing and consider an ordinance granting a Specific Use Permit (SUP) to allow for a car wash of an approximately 0.10 acre tract and further described as a portion of M.M. Miller Abstract 874, City of Lancaster, Dallas County, Texas, generally addressed as 2665 North Dallas Avenue.**

City Manager Mauldin-Jones commented that item 6 is a request to grant a Specific Use Permit (SUP) for a self-service automatic car wash. An SUP is required for any use identified in the Land Use Table as requiring one and for uses where the standards for said use are not met. The Planning and Zoning Commission, in considering and determining its recommendations to the City Council on any request for an SUP may require site plans, additional information, operating data and expert evaluation concerning the location, function and characteristics of any building or use proposed. The car wash hours of operation will be limited to 8:00 am to 6:00 pm Central Standard Time. The Planning and Zoning Commission recommended approval and staff concurs with the Planning and Zoning Commission recommendation.

Mayor Knight opened the public hearing.

There were no speakers.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston to close the public hearing. The vote was cast 5 for, 2 against [Hervey and Morris].

Deputy Mayor Pro Tem Morris stated her concerns with the number of car washes in the City.

Councilmember Mejia spoke in favor of item 6 and shared that the car washes will not compete with one another but complement each other.

**MOTION:** Councilmember Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve item 6. The vote was cast 5 for, 2 against [Hervey and Morris].

**7. Discuss and consider a resolution approving terms and conditions and authorizing the City Manager to sign a professional services agreement (RFP 2017-02), with Willdan Financial Services for an Economic Development Strategic Plan.**

City Manager Mauldin-Jones shared that the City Council received a presentation from Willdan at the June 19, 2017 Work Session for the services for an Economic Development Strategic Plan. Staff recommends approval as presented.

**MOTION:** Mayor Pro Tem Hairston made a motion, seconded by Councilmember Jaglowski to approve item 7. The vote was cast 7 for, 0 against.

**MOTION:** Councilmember Strain-Burk made a motion, seconded by Mayor Pro Tem Hairston, to adjourn. The vote was cast 7 for, 0 against.

The meeting was adjourned at 7:36 p.m.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

2.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Financially Sound Government

**Submitted by:** Sorangel O. Arenas, City Secretary

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#### **Agenda Caption:**

Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain health services.

#### **Background:**

The City of Lancaster contracts annually with Dallas County Health and Human Services in order to provide certain public health programs for citizens of Lancaster. These health services include: control services for tuberculosis, sexually transmitted diseases, and other communicable diseases, laboratory services (chemical, biological, bacteriological analysis); immunizations; child health care; high risk infant case management; and home visits.

Dallas County provides certain health services to various cities throughout Dallas County on a contract for services basis. This cooperative effort allows cities in Dallas County to participate in providing public health services for their residents, which helps promote the effectiveness of local public health programs.

#### **Operational Considerations:**

Dallas County Health and Human Services provides program health services such as immunizations, child health care, and control services for communicable diseases for Lancaster residents at various locations throughout Dallas County on a sliding fee scale based on ability to pay. Fees charged for services by the County help offset Lancaster's program costs for each year.

#### **Legal Considerations:**

The agreement is unchanged from last year and has been previously reviewed and approved as to form by the City Attorney.

#### **Public Information Considerations:**

This resolution is being considered at a regular meeting of the City Council, in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

The FY 2017-2018 contract is the same as last year. There is not an increase in fees for services. The cost as stated in Section 3(C) of the contract is twelve thousand one hundred six dollars (\$12,106.00). This is the amount of the City's share of the total cost less federal and state funding. The City has budgeted for these services in the FY 2017-2018 budget.

**Options/Alternatives:**

1. City Council may approve the agreement for health services for its residents through Dallas County Health and Human Services.
2. City Council may deny the agreement for resident health services. This would leave residents without access to these health services.

**Recommendation:**

Staff recommends approval of the resolution and interlocal agreement as presented.

**Attachments**

Resolution

Exhibit "1"

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**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, AND DALLAS COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE CERTAIN HEALTH SERVICES; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Dallas County Health and Human Services has offered to provide certain health services to cities throughout the County on a contract for services basis; and

**WHEREAS**, the City of Lancaster desires to participate with Dallas County in establishing coordinated health services for its residents and all of Dallas County; and

**WHEREAS**, Dallas County will operate certain health services for the residents of the City in order to promote the effectiveness of local public health programs;

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

**SECTION 1.** That the Dallas County Health and Human Services Interlocal Agreement for Fiscal Year 2018, attached hereto and incorporated herein by reference as Exhibit "1", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved.

**SECTION 2.** That the City Manager of the City of Lancaster, Texas, is hereby authorized to execute said agreement.

**SECTION 3.** That any prior resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 4.** That should any part of this resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**SECTION 5.** That this resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

THE STATE OF TEXAS	§	INTERLOCAL AGREEMENT FOR
	§	COORDINATED HEALTH SERVICES
	§	BETWEEN DALLAS COUNTY, TEXAS, ON
	§	BEHALF OF DALLAS COUNTY HEALTH AND
	§	HUMAN SERVICES, AND THE CITY OF
COUNTY OF DALLAS	§	LANCASTER, TEXAS

## 1. PARTIES

**Whereas, Dallas County (“County”) has offered to provide certain health services to the various cities throughout Dallas County on a contract for services basis; and**

**Whereas, the City of Lancaster, Texas (“City”) desires to participate with County in establishing coordinated health services for City and Dallas County; and**

**Whereas, County will operate certain health services for the residents of City in order to promote the effectiveness of local public health services and goals (“Program”); and**

**Whereas, the cooperative effort will allow cities located within Dallas County to participate in providing public health services for their residents; and**

**Whereas, such cooperative effort serves and furthers the public purpose and benefits the citizens of County as a whole.**

**Now therefore**, County, on behalf of Dallas County Health and Human Services (“DCHHS”), enters into this Interlocal Agreement (“Agreement”) with City, pursuant to the authorities of the Texas Health and Safety Code Chapter 121, the Texas Government Code Chapter 791, and other applicable laws for health services to City.

## 2. HEALTH SERVICES TO BE PERFORMED

A. County agrees to operate the Program, which will include the following health services:

- 1) Tuberculosis Control Services: providing preventive, diagnostic treatment, and epidemiological services;
- 2) Sexually Transmitted Disease Control Services: consisting of education to motivate people to use preventive measures and to seek early treatment, prophylaxis, epidemiological investigation, and counseling in accordance with County policy;
- 3) Communicable Disease Control Services: providing information concerning immunization and communicable diseases and coordinating with the Texas Department of State Health Services ("DSHS") in monitoring communicable diseases;
- 4) Laboratory Services: performing chemical, biological, and bacteriological analysis

and tests on which are based diagnosis of disease, effectiveness of treatment, the quality of the environment, the safety of substance for human consumption, and the control of communicable disease.

- B. County agrees to provide to City, in accordance with state and federal law, the following public health services:
- 1) Immunizations;
  - 2) Child health care;
  - 3) High risk infant case management; and
  - 4) Home visits.

County also agrees to work with City in order to decentralize clinics and to plan and provide for desired services by City; however, any other services that City requires, in addition to the above mentioned services, may result in additional fees to City.

- C. County agrees to charge a sliding fee based on ability to pay to all residents of every municipality, including City, in Dallas County. The fees charged by County for the services listed in Section 2A of this Agreement will be used to offset the City's Program costs for the next Agreement Term. A schedule of fees to be charged by County is set out in Exhibit A, attached and incorporated herein by reference for all purposes.
- D. County agrees that the level of service provided in the Program for City will not be diminished below the level of service provided to City for the same services in the prior Agreement Term except as indicated in Section 2E of this Agreement. For purposes of Section 2E, level of service is measured by the number of patient visits and number of specimens examined. County will submit to City a monthly statement, which will also include the number of patient visits and number of specimens examined during the preceding month.
- E. The possibility exists of reductions in state and federal funding to the Program that could result in curtailment of services if not subsidized at the local level. County will notify City in writing of any amount of reduction, and any extent to which services will be curtailed as a result. The notice will also include an amount that City may elect to pay to maintain the original level of services. City will notify County in writing no later than fourteen (14) calendar days after the date of City's receipt of the notice of funding reduction as to City's decision to pay the requested amount or to accept the curtailment of service. If City elects to pay the requested amount, payment is due no later than forty-five (45) calendar days after the date of the notice of funding reduction.

### 3. BUDGET

- A. County agrees to submit to City by July 31st of each year a proposed budget describing the proposed level of services for the next Agreement Term;
- B. For the Term of this Agreement, County agrees to provide the services listed in Section 2 of this Agreement at the level of services and for the amount stated in Exhibit D, which is attached and incorporated herein by reference for all purposes;
- C. Payment. City shall pay County the following amount, as stated in Exhibit D, Twelve thousand one hundred six and 00/100 Dollars (\$12,106.00), which is the agreed upon amount for City's share of the total cost of the Program less federal and state funding.
- D. In lieu of paying the actual dollar amount stated in this Agreement, City has the option, to the extent authorized by law, ordinances or policy, of making a request to negotiate for in-kind services that are equal in value to the total amount.
- E. This Agreement is contingent upon City's appropriation of funds, or ability to perform in-kind services as described in Section 3D of this Agreement, for the services set forth herein. In the event City fails to appropriate such funds, or provide in-kind services, County shall not incur any obligations under this Agreement.

### 4. ASSURANCES

- A. County shall operate and supervise the Program.
- B. Nothing in this Agreement shall be construed to restrict the authority of City over its health programs or environmental health programs or to limit the operations or services of those programs.
- C. City agrees to provide to County or assist County in procuring adequate facilities to be used for the services under this Agreement. These facilities must have adequate space, waiting areas, heating, air conditioning, lighting, and telephones. None of the costs and maintenance expenses associated with these facilities shall be the responsibility of County and County shall not be liable to City or any third party for the condition of the facilities, including any premises defects.
- D. City and County agree that other cities/towns/municipalities may join the Program by entering into an agreement with County that contains the same basic terms and conditions as this Agreement.
- E. Each party paying for the performance of governmental functions or services under this Agreement must make those payments from current revenues available to the paying party.



## 5. FINANCING OF SERVICES

- A. The health services provided under this Agreement will be financed as follows:
- 1) City and County will make available to the Program all appropriate federal and state funds, personnel, and equipment to provide the health services included under this Agreement and will use best efforts to cause these funds and resources to continue to increase.
  - 2) City shall pay to County, or provide in-kind services, its share of budgeted costs that are in excess of the federal and state funding for providing the health services under this Agreement. Budgeted costs shall not exceed those reflected in Exhibits B, C and D for the appropriate Agreement Term.
- B. County shall bill City each month an amount equal to one-twelfth (1/12) of its share of annual budgeted costs that exceed federal and state funding for the expenses of the preceding month.
- C. Any payment not made within thirty (30) calendar days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.
- D. City and County agree that no more than ten percent (10%) of the City's cost of participating in the Program will be used for administration of the Program.

## 6. TERM

The Term of this Agreement shall be effective from October 1, 2017 through September 30, 2018, unless otherwise stated in this Agreement.

## 7. TERMINATION

- A. Without Cause: This Agreement may be terminated in writing, without cause, by either party upon thirty (30) calendar days prior written notice to the other party.
- B. With Cause: Either party may terminate the Agreement immediately, in whole or in part, at its sole discretion, by written notice to the other party, for the following reasons:
- 1) Lack of, or reduction in, funding or resources;
  - 2) Non-performance;
  - 3) The improper, misuse or inept use of funds or resources directly related to this Agreement;
  - 4) The submission of data, statements and/or reports that is incorrect, incomplete and/or false in any way.

## **8. RESPONSIBILITY**

County and City agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or City or their respective officials, officers, employees, or agents under Texas or other law and without waiving any available defenses under Texas or other law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.

## **9. INSURANCE**

City and County agree that they will, at all times during the Term of this Agreement, maintain in full force and effect insurance or self-insurance to the extent permitted by applicable laws. City and County will be responsible for their respective costs of such insurance, any and all deductible amounts in any policy and any denials of coverage made by their respective insurers.

## **10. ACCESS TO RECORDS RELEVANT TO PROGRAM**

City and County agree to provide to the other upon request, copies of the books and records relating to the Program. City and County further agree to give City and County health officials access to all Program activities. Both City and County agree to adhere to all applicable confidentiality provisions, including those relating to Human Immunodeficiency Virus (HIV) and Sexually Transmitted Disease (STD) information, as mandated by federal and State law, as well as by DSHS.

## **11. NOTICE**

Any notice to be given under this Agreement shall be deemed to have been given if reduced to writing and delivered in person by a reputable courier service or mailed by Registered Mail, postage pre-paid, to the party who is to receive such notice, demand or request at the addresses set forth below. Such notice, demand or request shall be deemed to have been given, if by courier, at the time of delivery, or if by mail, three (3) business days subsequent to the deposit of the notice in the United States mail in accordance herewith. The names and addresses of the parties' hereto to whom notice is to be sent are as follows:

**Zachary Thompson, Director**  
Dallas County Health & Human Services  
2377 N. Stemmons Freeway, LB 12  
Dallas, TX 75207-2710

**Opal Mauldin-Jones, City Manager**  
City of Lancaster  
P.O. Box 940  
Lancaster TX 75146

## **12. IMMUNITY**

This Agreement is expressly made subject to County's and City's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practices and Remedies Code, and all applicable federal and state laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that City or County has by operation of law or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.

### **13. COMPLIANCE WITH LAWS AND VENUE**

In providing services required by this Agreement, City and County must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and exclusive venue shall lie in Dallas County, Texas.

### **14. AMENDMENTS AND CHANGES IN THE LAW**

No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition or deletion to the terms of this Agreement which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Agreement and shall be effective on the date designated by said law.

### **15. ENTIRE AGREEMENT**

This Agreement, including all Exhibits and attachments, constitutes the entire agreement between the parties hereto and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written.

### **16. BINDING EFFECT**

This Agreement and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

### **17. GOVERNMENT FUNDED PROJECT**

If this Agreement is funded in part by either the State of Texas or the federal government, County and City agree to timely comply without additional cost or expense to the other party, unless otherwise specified herein, to any statute, rule, regulation, grant, contract provision or other State or federal law, rule, regulation, or other similar restriction that imposes additional or greater requirements than stated herein and that is directly applicable to the services rendered under the terms of this Agreement.

### **18. DEFAULT/ CUMULATIVE RIGHTS/ MITIGATION**

In the event of a default by either party, it is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Both parties have a duty to mitigate damages.

## **19. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained herein, the obligations of County and City under this Agreement are expressly contingent upon the availability of funding for each item and obligation contained herein for the Term of the Agreement and any extensions thereto. City and County shall have no right of action against the other party in the event the other party is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future Agreement Terms. In the event that County or City is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, each party, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to the other party at the earliest possible time.

## **20. COUNTERPARTS, NUMBER, GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

## **21. PREVENTION OF FRAUD AND ABUSE**

City and County shall establish, maintain and utilize internal management procedures sufficient to provide for the proper, effective management of all activities funded under this Agreement. Any known or suspected incident of fraud or program abuse involving County or City's employees or agents shall be reported immediately for appropriate action. Moreover, City and County warrant to be not listed on a local, county, State or federal consolidated list of debarred, suspended and ineligible contractors and grantees. City and County agree that every person who, as part of their employment, receives, disburses, handles or has access to funds collected pursuant to this Agreement does not participate in accounting or operating functions that would permit them to conceal accounting records and the misuse of said funds. Each party shall, upon notice by the other party, refund their respective expenditures that are contrary to this Agreement.

## **22. AGENCY / INDEPENDENT CONTRACTOR**

County and City agree that the terms and conditions of this Agreement do not constitute the creation of a separate legal entity or the creation of legal responsibilities of either party other than under the terms of this Agreement. County and City are and shall be acting as independent contractors under this Agreement; accordingly, nothing contained in this Agreement shall be construed as establishing a master/servant, employer/employee, partnership, joint venture, or joint enterprise relationship between County and City. City and County are responsible for their own acts, forbearance, negligence and deeds, and for those of their respective officials, agents or employees in conjunction with the performance of work covered under this Agreement.

### 23. SEVERABILITY

If any provision of this Agreement is construed to be illegal or invalid, this will not affect the legality or validity of any of the other provisions in this Agreement. The illegal or invalid provision will be deemed stricken and deleted, but all other provisions shall continue and be given effect as if the illegal or invalid provisions had never been incorporated.

### 24. SIGNATORY WARRANTY

Each person signing and executing this Agreement does hereby warrant and represent that such person has been duly authorized to execute this Agreement on behalf of City or County, as the case may be.

#### DALLAS COUNTY:

By: Clay Lewis Jenkins  
Dallas County Judge

DATE: \_\_\_\_\_

Recommended:

By: Zachary Thompson  
Director, DCHHS

Approved as to Form\*:  
FAITH JOHNSON  
DISTRICT ATTORNEY

By: Melanie Barton  
Assistant District Attorney

#### CITY OF LANCASTER:

By: Opal Mauldin-Jones,  
City Manager/Mayor

DATE: \_\_\_\_\_

Attested:

By: Sorangel O. Arenas,  
City Secretary

Approved as to Form:

By: David T. Ritter,  
City Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

## FY 2018 FEE SCHEDULE (PROPOSED)

**SEXUALLY TRANSMITTED**

Treatment	\$20 - \$45 (Sliding Scale)
Blood Drawing	\$5
Chemical Lesion Reduction	\$45
Medical Records Copies	\$5 each

**TUBERCULOSIS**

TB Testing-Level I (Office Visit)	\$30
TB Testing-Level II (Quantiferon)	\$50
Chest X-Ray Copies	\$5

**LABORATORY**

Wet Prep	\$6 each
Gram Stain	\$6 each
GC Culture	\$14 each
RPR	\$11 each
GEN Probe GC Screen	\$47 each
GEN Probe CT Screen	\$47 each
HIV Test	\$15 each
HIV Test - Rapid	\$20 each
Salmonella/Shigella	\$16 each
Chancroid Culture	\$10 each
MTD Testing for TB	\$40/ each
TB Culture & Concentration	\$25 each
TB Identification	\$15 each
TB Susceptibility	\$31 each
TB Acid Fast Stain	\$ 8 each

**NURSING SERVICE**

Hepatitis A Havrix*	\$50/Injection
Hepatitis B Vaccine*	\$55/Injection
Twinrix	\$80/Injection
Rabies (PE)	\$320/Injection
IPV	\$45/Injection
Pneumococcal*	\$105/Injection
Adacel (Pertusis) (Tdap)	\$65/injection
HIB	\$45/injection
Japanese Encephalitis	\$335/Injection
Meningococcal (Menomune)	\$145/Injection
Typhoid (Polysaccharide)	\$80/Injection
Typhoid (Oral)	\$55/box
Yellow Fever Vaccine	\$160/Injection
Boostrix Vaccine* (Tdap)	\$50/Injection
Influenza Vaccine*	\$25/Injection
Influenza (High Dose)	\$60/injection
Influenza (Intradermal)	\$30/injection
Rabies Administrative Fee/	
Serves State Vaccine	\$25
Foreign Travel Office Visit Fee	\$25
TD*	\$45/Injection

**ENVIRONMENTAL HEALTH**

Septic Tank Inspection	\$310/Commercial/Business
	\$260/Residential
Septic Tank Re-inspection	\$35/Residential
	\$85/Commercial
Food Establishment Inspection	\$150/yr./establishment
Half-Way Houses & Boarding	\$75/plus \$25 for each
Homes, Residential	additional unit on site
Mosquito Spraying for Non-	
contracting cities	\$185/ per hour
Water Sample	\$50
Mosquito Testing	\$35
Food Mgr. Cert. Program	\$100/per person
Food Mgr. Cert. Retesting	\$50/per person

Note: 1) # Indicates \$10 charge for State fee

**CRIMINAL TESTING**

Blood Draws	\$38
Buccal Swabs	\$38
Cryotherapy	\$15

**EARLY INTERVENTION CLINIC**

EIC Counseling Fee	\$5
EIC Medical Visit Fee	\$10

Comprehensive TB Testing & Evaluation (Incl. Chest X-ray)	\$80
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Pregnancy Test	\$20 each
Urinalysis	\$15 each
Dark Field	\$16 each
Herpes Culture	\$38 each
Herpes Type 1 & 2 Serology	\$50 each
Group A Strep	\$14 each
HIV-1 RNA Testing	\$115 each
Western Blot	\$75 each
Residual Clinical Specimens	\$5 each
Urine Screen:	
Neisseria Gonorrhoeae	\$47 each
Chlamydia Trachomatis	\$47 each
Lead Screen	\$10 each
Staphylococcus/Aureus Culture	\$17 each

Varivax*	\$135/Injection
Meningococcal (MCV4)*	\$130/Injection
Zostavax (Shingles)*	\$235/Injection
Gardasil (HPV)*	\$195/Injection
Hepatitis A (Pediatric)	\$35/injection
Hepatitis B (Pediatric)	\$30/injection
DT	\$65/injection
DTaP (Daptacel)	\$45/injection
DTap-HepB-IPV	\$85/injection
DTaP-IPV	\$65/injection
Rotavirus	\$125/injection
PCV13	\$220/injection
MMR*	\$85/injection

**Communicable Disease Program:**

Hepatitis C Screening	\$35/Test
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**Immunization/VFC Program:**

DPT,DT,Hib,	\$5/Per child
Well Baby	\$5/Visit
Diabetic Testing	\$5/Test
Immunization Record	\$5 each
Foreign Travel Yellow Card	\$5 each

\*Note: Vaccines marked with asterisks are part of the Adult Safety Net Program (ASNP). Clients eligible to receive through the ASNP will be charged a fee of \$10/shot.

Day Care Center Inspections	\$2/per authorized child
Temporary Food Permit	\$75/plus \$10 per day
Funeral Home Inspection	\$200
FHA, VA, Conventional Loans	\$125/Licensed
	\$150/Unlicensed
Annual Group Home Inspection	\$50
Food Handler Class	\$15/per person
Sub-division Plat Approval	\$200/Residential
	\$150/Commercial
Animal Control/Quarantine	\$7/per day
Animal Control/Vicious Animal	\$12/per day
Food Manager Re-certification	\$50/Test
W/Multiple Test Sites	

# Dallas County Health and Human Services

## Annual Summary of Services

January 1, 2016 thru December 31, 2016

### Exhibit B

	Tuberculosis	Sexually Transmitted Diseases	Laboratory	Communicable Diseases
Municipality				
Addison	100	12	17	77
Balch Springs	125	43	145	44
Carrollton	475	74	193	52
Cedar Hill	118	82	42	91
Cockrell Hill	0	0	1	38
Coppell	52	13	16	36
Dallas	10,504	2,753	8,383	6,936
Desoto	142	109	73	87
Duncanville	81	76	51	64
Farmers Branch	111	21	90	37
Garland	789	201	722	75
Glenn Heights	21	21	26	20
Grand Prairie	795	126	482	238
Highland Park	0	0	0	4
Hutchins	6	7	19	5
Irving	1,729	257	694	303
Lancaster	124	119	83	56
Mesquite	421	192	524	157
Richardson	442	36	99	118
Rowlett	37	14	26	27
Sachse	92	7	5	12
Seagoville	14	22	49	22
Sunnyvale	1	2	2	28
University Park	1	0	0	9
Wilmer	14	12	14	6
Out of County	379	578	26,370	373
Total	16,573	4,777	38,126	8,915

# Dallas County Health and Human Services

## Contract Cost by Category

FY2018

Municipality	Exhibit C				
	Tuberculosis	Sexually Transmitted Diseases	Laboratory	Communicable Diseases	FY '18 Contract Total
Addison	\$ 12,563	\$ 4,162	\$ 835	\$ 4,701	\$ 2,500
Balch Springs	\$ 15,704	\$ 14,915	\$ 7,124	\$ 2,686	\$ 9,377
Carrollton	\$ 59,674	\$ 25,667	\$ 9,483	\$ 3,174	\$ 23,823
Cedar Hill	\$ 14,824	\$ 28,442	\$ 2,064	\$ 5,555	\$ 2,498
Cockrell Hill	\$ -	\$ -	\$ 49	\$ 2,320	\$ 1,232
Coppell	\$ 6,533	\$ 4,509	\$ 786	\$ 2,198	\$ 3,131
Dallas	\$ 1,319,617	\$ 954,890	\$ 411,886	\$ 423,426	\$ 1,754,252
Desoto	\$ 17,839	\$ 37,807	\$ 3,587	\$ 5,311	\$ 17,620
Duncanville	\$ 10,176	\$ 26,361	\$ 2,506	\$ 3,907	\$ 11,273
Farmers Branch	\$ 13,945	\$ 7,284	\$ 4,422	\$ 2,259	\$ 6,856
Garland	\$ 99,122	\$ 69,718	\$ 35,474	\$ 4,579	\$ 80,156
Glenn Heights	\$ 2,638	\$ 7,284	\$ 1,277	\$ 1,221	\$ 574
Grand Prairie	\$ 99,876	\$ 43,704	\$ 23,682	\$ 14,529	\$ 38,854
Highland Park	\$ -	\$ -	\$ -	\$ 244	\$ 132
Hutchins	\$ 754	\$ 2,428	\$ 934	\$ 305	\$ 3,149
Irving	\$ 217,214	\$ 89,142	\$ 34,099	\$ 18,497	\$ 81,906
Lancaster	\$ 15,578	\$ 41,276	\$ 4,078	\$ 3,419	\$ 12,106
Mesquite	\$ 52,890	\$ 66,596	\$ 25,746	\$ 9,584	\$ 31,608
Richardson	\$ 55,528	\$ 12,487	\$ 4,864	\$ 7,204	\$ 23,756
Rowlett	\$ 4,648	\$ 4,856	\$ 1,277	\$ 1,648	\$ 4,925
Sachse	\$ 11,558	\$ 2,428	\$ 246	\$ 733	\$ 362
Seagoville	\$ 1,759	\$ 7,631	\$ 2,408	\$ 1,343	\$ 6,440
Sunnyvale	\$ 126	\$ 694	\$ 98	\$ 1,709	\$ 99
University Park	\$ 126	\$ -	\$ -	\$ 549	\$ 48
Wilmer	\$ 1,759	\$ 4,162	\$ 688	\$ 366	\$ 2,597
Out of County	\$ 47,614	\$ 200,481	\$ 1,295,649	\$ 22,772	\$ 77,142
<b>Total</b>	<b>\$ 2,082,065</b>	<b>\$ 1,656,924</b>	<b>\$ 1,873,262</b>	<b>\$ 544,239</b>	<b>\$ 2,196,416</b>



# Dallas County Health and Human Services

## Total Contract Costs

FY2018

Exhibit D

### Municipality

Addison	\$ 2,500
Balch Springs	\$ 9,377
Carrollton	\$ 23,823
Cedar Hill	\$ 2,498
Cockrell Hill	\$ 1,232
Coppell	\$ 3,131
* Dallas	\$ 1,754,252
* Desoto	\$ 17,620
* Duncanville	\$ 11,273
Farmers Branch	\$ 6,856
* Garland	\$ 80,156
Glenn Heights	\$ 574
Grand Prairie	\$ 38,854
Highland Park	\$ 132
Hutchins	\$ 3,149
Irving	\$ 81,906
Lancaster	\$ 12,106
* Mesquite	\$ 31,608
* Richardson	\$ 23,756
* Rowlett	\$ 4,925
* Sachse	\$ 362
* Seagoville	\$ 6,440
Sunnyvale	\$ 99
University Park	\$ 48
* Wilmer	\$ 2,597
* Out of County	\$ 77,142

### Total

\$ 2,196,416

\*Non-contracting

9-May-17

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

3.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Healthy, Safe & Vibrant Community

**Submitted by:** Rona Stringfellow, Assistant City Manager

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#### **Agenda Caption:**

Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain food establishment inspections and environmental services.

#### **Background:**

Dallas County Department of Health and Human Services provides certain food establishment inspections and environmental health services to cities throughout the County on a contract for services basis.

Dallas County will continue to operate certain food establishment and environmental health services for the residents of the City of Lancaster with the goal of promoting the effectiveness of healthy safe food and environmental programs.

#### **Operational Considerations:**

Food establishment inspections and environmental services, are coordinated through our inspections and public works staff.

#### **Legal Considerations:**

The City Attorney reviewed and approved the resolution as to form.

#### **Public Information Considerations:**

This resolution is being considered at a regular meeting of the City Council, in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

The City will collect \$150.00 for two inspections per location along with a \$50.00 administrative fee. \$150.00 per location is paid to Dallas County per the agreement term.

Beginning with the third food establishment inspection, the City will pay a Seventy Five Dollar (\$75.00) fee for each additional inspection requested by City. The City will collect Seventy Five Dollars (\$75) to be paid to the County for a re-opening or inspection fee of a food establishment that has been closed due to non-compliance of the Texas Health and Safety Code, or any other State rules and regulations.

The City shall pay the County the stipulated fees within thirty (30) days of the monthly request for payment, or if County fails to make the payment request, then City shall pay the stipulated fees no later than the last date of this Agreement Term. Any payment not made within (30) days of its due date shall bear interest in accordance with the Texas Government Code. It is of note that the City charges an established

administrative fee for the administration in the amount of \$50.00 per inspection of this program.

Included in this agreement are environmental health services related to vector and/or mosquito control complaints. This includes spraying for mosquitos and treating standing water for the West Nile virus in mosquitos. In the event aerial spraying is needed, the City will have the option to participate and would be responsible for its proportionate share. Funding for this service is included in the proposed FY 2017/2018 budget.

**Options/Alternatives:**

1. Approve the resolution as presented.
2. Reject the resolution, requiring the city to provide for food and environmental health services.

**Recommendation:**

Staff recommends approval of the resolution as presented.

**Attachments**

Resolution

Exhibit A

---

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, AND DALLAS COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE CERTAIN FOOD ESTABLISHMENT INSPECTIONS AND ENVIRONMENTAL SERVICES; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Dallas County Department of Health and Human Services has offered to provide certain food establishment inspections and environmental health services to cities throughout the County on a contract for services basis; and

**WHEREAS**, the City of Lancaster desires to participate with Dallas County in establishing coordinated food establishment and environmental health services for its residents and all of Dallas County; and

**WHEREAS**, Dallas County will operate certain food establishment and environmental health services for the residents of the City in order to promote the effectiveness of healthy and safe food and environmental programs;

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

**SECTION 1.** That the Dallas County Department of Health and Human Services Interlocal Agreement for Fiscal Year 2018, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved.

**SECTION 2.** That the City Manager of the City of Lancaster, Texas, is hereby authorized to execute said agreement.

**SECTION 3.** That any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 4.** That should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**SECTION 5.** That this Resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney

STATE OF TEXAS	§	INTERLOCAL AGREEMENT FOR FOOD
	§	ESTABLISHMENT INSPECTION AND
	§	ENVIRONMENTAL HEALTH SERVICES BETWEEN
	§	DALLAS COUNTY, ON BEHALF OF DALLAS
COUNTY OF DALLAS	§	COUNTY HEALTH AND HUMAN SERVICES, AND
	§	CITY OF LANCASTER

## 1. PARTIES

This Interlocal Agreement ("Agreement") is made by and between the City of Lancaster Texas ("City"), a Texas municipal corporation, and Dallas County, Texas ("County"), on behalf of Dallas County Health and Human Services ("DCHHS"), a governmental entity, pursuant to the authorities granted by Texas Local Government Code Chapter 791, Interlocal Cooperation Act, Texas Health and Safety Code Chapters 437, Food and Drug Health Regulations, and 121, Local Regulation of Public Health, along with 25 Texas Administrative Code, Chapter 229, and any other applicable laws, as well as the City ordinance for inspection services of food establishments within City's jurisdiction and other environmental health services to City.

## 2. TERM

This Agreement is effective from October 1, 2017 through September 30, 2018 unless otherwise stated in this Agreement.

## 3. INSPECTION SERVICES AND REQUIREMENTS

- A. County will perform a minimum of two (2) inspections per Agreement Term of each food establishment for which the City has submitted an inspection request and for which a fee has been collected from the said food establishment;
- B. Additional follow-up inspections will be performed as deemed necessary by County;
- C. Any additional request for follow-up inspections by City of food establishments, including food establishments that are closed due to non-compliance with the State and other applicable rules and regulations will be charged additional fees;
- D. Each food establishment inspection will be made by a Registered Professional Sanitarian employed by DCHHS, in compliance with all state laws and regulations;
- E. An examination of the following will be made during each inspection: food and food protection; personnel; food equipment and utensils; water source; sewage; plumbing; toilet and hand-washing facilities; garbage and refuse disposal; insect, rodent, and animal control; floors, walls, and ceiling; light; ventilation; and other operations.

## 4. BUDGET AND PAYMENT TO COUNTY

- A. City will collect and submit to the County a minimum of One Hundred Fifty and 00/100 Dollars (\$150.00) per Agreement Term.
- B. Beginning with the third food establishment inspection, City will pay a Seventy Five

- 4) City's submission of data, statements and/or reports that are incorrect, incomplete and/or false in any way.

## **8. CITY ORDINANCE**

In order for this Agreement to be valid, the City must have or adopt a City ordinance that provides for the inspection of food establishments by a Registered Professional Sanitarian. City must require the payment of a fee(s) by each food establishment. Ordinance enforcement shall be the responsibility of the City.

## **9. INDEMNIFICATION**

County and City, including their respective employees and elected officials, agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental immunity available to County or City under Texas and other applicable laws, and without waiving any available defenses under Texas and other applicable laws. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.

## **10. INSURANCE**

City agrees that it will at all times during the term of this Agreement maintain in full force and effect insurance, or self-insurance, to the extent permitted by applicable law under a plan of self-insurance, that is also maintained in accordance with sound accounting practices. It is expressly agreed that City will be solely responsible for all cost of such insurance; any and all deductible amounts in any policy; and in the event that the insurance company should deny coverage.

## **11. NOTICE**

Any notice or certification required or permitted to be delivered under this Agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

### COUNTY

Zachary Thompson, Director  
Dallas County Health & Human Svcs.  
2377 N. Stemmons Frwy., Suite 600  
Dallas, Texas 75207-2710

### CITY

Opal Mauldin-Jones, City Manager  
City of Lancaster  
Attn: Angie Arenas  
211 N. Henry St.  
Lancaster, TX 75146

## **12. ENTIRE AGREEMENT AND AMENDMENT**

This Agreement, including any Exhibits and Attachments, constitutes the entire agreement between the parties and supersedes any other agreements concerning the subject matter of this transaction.

whether oral or written. No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the parties.

### **13. COUNTERPARTS, NUMBER/GENDER AND HEADINGS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

### **14. SEVERABILITY**

If any provision of this Agreement is construed to be illegal, invalid, void or unenforceable, this construction will not affect the legality or validity or any of the remaining provisions. The unenforceable or illegal provision will be deemed stricken and deleted, but the remaining provisions shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

### **15. FISCAL FUNDING CLAUSE**

Notwithstanding any provisions contained in this Agreement, the obligations of the County under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the term of the Agreement and any pertinent extensions. City shall not have a right of action against County in the event County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years. In the event that County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, County, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to City at the earliest possible time prior to the end of its fiscal year.

### **16. DEFAULT/CUMULATIVE RIGHTS/MITIGATION**

It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Both parties have a duty to mitigate damages.

### **17. IMMUNITY**

This Agreement is expressly made subject to City's and County's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practice and Remedies Code and all applicable State and federal laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that City or County has by operation of law, or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.

### **18. COMPLIANCE OF LAWS AND VENUE**

**COUNTY:**

**CITY:**

BY: Clay Lewis Jenkins  
County Judge

BY: Opal Mauldin-Jones  
City Manager

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Recommended:**

BY: Zachary Thompson  
Director, DCHHS

BY: \_\_\_\_\_  
Title: \_\_\_\_\_

**Approved as to Form\*:**

**Approved as to Form:**

FAITH JOHNSON  
DISTRICT ATTORNEY

BY: Melanie Barton  
Assistant District Attorney

BY: \_\_\_\_\_  
Title: \_\_\_\_\_

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).



## LANCASTER CITY COUNCIL

### City Council Regular Meeting

4.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Sound Infrastructure

**Submitted by:** Than Nguyen, City Engineer

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#### **Agenda Caption:**

Consider a resolution approving the terms and conditions of an amendment (Change Order No. 1) to the contract with Modern Contractors, Inc. in an amount not to exceed ten thousand five hundred ninety-six dollars (\$10,596.00).

#### **Background:**

City Council approved resolution 2016-04-29 authorizing a contract with Modern Contractors, Inc. on April 11, 2016 to construct a new fleet maintenance facility.

This facility is complete and accepted by the City. During the construction phase, the eight (8) overhead doors did not have glass slats originally specified. This was added for safety concerns. This resulted in a \$10,596 increase. The resolution was not to exceed \$4,014,300.00 and thus requires council ratification of the change.

#### **Operational Considerations:**

The project is complete and accepted by the City as staff began operating in this facility on July 10, 2017.

#### **Legal Considerations:**

AIA Document G701 - 2001 (Change Order No. 1) form and the resolution were reviewed and approved as to form by the City Attorney.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Change Order No.1 requires \$10,596 additional funds. These funds are available in the project fund.

#### **Recommendation:**

Staff recommends approval of the resolution, as presented.

#### **Attachments**

Resolution

Exhibit 1

---

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING CHANGE ORDER NO.1 TO AN EXISTING CONSTRUCTION CONTRACT WITH MODERN CONTRACTORS, INC. FOR THE CONSTRUCTION OF THE NEW FLEET MAINTENANCE FACILITY; IN AN AMOUNT NOT TO EXCEED \$10,596.00; INCREASING THE CONTRACT AMOUNT FROM \$4,014,300 TO \$4,024,896; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of Lancaster awarded a construction contract with Modern Contractors, Inc. on April 11, 2016 through resolution 2016-04-29 to construct a new fleet maintenance facility for the City of Lancaster;

**WHEREAS**, the City Council of Lancaster desires to authorize change order no.1 with Modern Contractors, Inc. for additional overhead doors costs; an additional amount of \$10,596 for the above referenced services;

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

**SECTION 1.** That the change order no.1 is for a total amount not to exceed ten thousand five hundred and ninety-six dollars (\$10,596) by and between the City of Lancaster and Modern Contractors, Inc. , which is attached hereto and incorporated herein by reference as Exhibit "1", having been reviewed by the City Council of the City of Lancaster, Texas and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved.

**SECTION 2.** That the City Manager is hereby authorized to execute said agreement as depicted in Exhibit "1".

**SECTION 3.** Any prior resolution of the City Council in conflict with the provisions contained in this resolution are hereby repealed and revoked.

**SECTION 4.** Should any part of this resolution be held invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared severable.

**SECTION 5.** That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney

# **AIA** Document G701™ – 2001

## Change Order

<b>PROJECT</b> (Name and address):	<b>CHANGE ORDER NUMBER:</b> 001	<b>OWNER:</b> <input checked="" type="checkbox"/>
Lancaster Fleet Maintenance Facility Lancaster, TX	<b>DATE:</b> 05/25/17	<b>ARCHITECT:</b> <input checked="" type="checkbox"/>
<b>TO CONTRACTOR</b> (Name and address):	<b>ARCHITECT'S PROJECT NUMBER:</b> 14102	<b>CONTRACTOR:</b> <input checked="" type="checkbox"/>
Modern Contractors, Inc. 2008 Plaza Dr. Bedford, TX 76021	<b>CONTRACT DATE:</b> 04/15/17	<b>FIELD:</b> <input type="checkbox"/>
	<b>CONTRACT FOR:</b> General Construction	<b>OTHER:</b> <input type="checkbox"/>

### THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)  
Change order to incorporate revised landscaping to accommodate new underground fuel tank, and 159 days for all of the PCO changes, plus 4 weather days approved to date.

The original Contract Sum was	\$	4,014,300.00
The net change by previously authorized Change Orders	\$	0.00
The Contract Sum prior to this Change Order was	\$	4,014,300.00
The Contract Sum will be increased by this Change Order in the amount of	\$	10596.00
The new Contract Sum including this Change Order will be	\$	4,024,896.00

The Contract Time will be increased by one hundred and fifty-nine (159) days.

The date of Substantial Completion as of the date of this Change Order therefore is July 6, 2017

**NOTE:** This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

### NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Quorum Architects, Inc.  
**ARCHITECT** (Firm name)

707 W. Vickery Blvd., Suite 101, Fort  
Worth, TX 76104

**ADDRESS**

BY (Signature)

David G. Duman, AIA  
(Typed name)

05/25/17

**DATE**

Modern Contractors, Inc.  
**CONTRACTOR** (Firm name)

2008 Plaza Dr.  
Bedford, TX 76021

**ADDRESS**

BY (Signature)

ANIL JAIN  
(Typed name)

5/25/17  
**DATE**

City of Lancaster  
**OWNER** (Firm name)

211 N. Henry St, Lancaster, TX 75146

**ADDRESS**

BY (Signature)

(Typed name)

**DATE**

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

5.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Sound Infrastructure

**Submitted by:** Jim Brewer, Director of Public Works

---

#### **Agenda Caption:**

Consider a resolution to approve a Project Specific Agreement with Dallas County for the purposes of Roadway Striping within the jurisdictional limit of the City of Lancaster, Texas.

#### **Background:**

On June 8, 2015, the City Council approved the interlocal agreement with Dallas County for roadway striping. The item presented a supplement to the master agreement to allow for the striping of designated road projects without a Project Specific Agreement as long as the cost of each project does not exceed Five Thousand Dollars (\$5,000). Since that time, Dallas County's legal team has indicated that there is now a requirement for a Project Specific Agreement regardless of price.

Staff requested and has provided estimates from Dallas County for striping on sections of Beltline Road between Interstate Highway 35 (IH 35) and Bluegrove Road.

#### **Operational Considerations:**

With the Project Specific Agreement approved by the City of Lancaster and Dallas County, the City can request Dallas County to proceed with the striping of Beltline Road for the specified section.

#### **Legal Considerations:**

The City Attorney has approved the resolution as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meeting Act.

#### **Fiscal Impact:**

Funding for the project will be paid out of the Street Division budget designated for road repairs.

#### **Options/Alternatives:**

1. Approve the resolution as presented.
2. Deny the resolution.

#### **Recommendation:**

Staff recommends approval of the resolution as presented.

#### **Attachments**

Resolution

Exhibit 1

---

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER TEXAS, APPROVING THE TERMS AND CONDITIONS OF PROJECT SPECIFIC AGREEMENT RE: ROADWAY STRIPING WITHIN JURISDICTIONAL LIMITS OF THE CITY OF LANCASTER, TEXAS BETWEEN DALLAS COUNTY AND THE CITY OF LANCASTER FOR THE STRIPING OF DESIGNATED ROADWAYS; BELTLINE ROAD BETWEEN INTERSTATE 35 EAST AND BLUEGROVE ROAD AS REQUESTED BY THE CITY OF LANCASTER AND APPROVED PER THE AGREEMENTS; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENTS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster has determined, after due consideration and study, that it is in the best interest of the City to execute the Project Specific Agreements ("Agreement") with the County of Dallas for the striping of streets/roadways as requested and approved per the Agreement; and

**WHEREAS**, the City of Lancaster shall fund this Agreement and shall provide payments prior to the commencement of construction to the County of Dallas, as outlined in the Agreement.

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

**SECTION 1.** That the City Council hereby approves and accepts the terms and conditions of the Agreement with the County of Dallas, attached hereto and incorporated herein by reference as: Exhibit "1" - Project Specific Agreement between Dallas County and the City of Lancaster.

**SECTION 2.** That the City Manager of the City of Lancaster, Texas is hereby authorized to execute the agreement in substantial compliance as depicted in Exhibit "1".

**SECTION 3.** Any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 4.** Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**SECTION 5.** This Resolution shall become effective immediately from and after its passage, as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney

**PROJECT SPECIFIC AGREEMENT RE: ROADWAY STRIPING FOR  
BELTLINE ROAD TYPE "B" ROADWAY-- MADE PURSUANT TO  
DALLAS COUNTY'S MASTER ROAD & BRIDGE INTERLOCAL  
MAINTENANCE AGREEMENT BETWEEN DALLAS COUNTY AND THE  
CITY OF LANCASTER, TEXAS**

This Project Specific Agreement, (hereinafter "PSA"), supplemental to the Master Interlocal Agreement is made by and between Dallas County, Texas (hereinafter "County") and the City of Lancaster, Texas (hereinafter "City"), acting by and through their duly authorized representatives and officials, for the purpose of transportation-related maintenance, repairs and improvements to be undertaken on enumerated public roadway within the territorial limits and jurisdiction of the City of Lancaster, Texas as more fully set forth and described in Attachment "A" ("Project").

**WHEREAS**, Chapter 791 of the Texas Government Code and Chapters 251 and 472 of the Texas Transportation Code provide authorization for local governments to contract amongst themselves for the performance of governmental functions and services;

**WHEREAS**, on or about September 25, 2012, County and City entered into a Master Interlocal Agreement (hereinafter "Master Agreement"), whereby County agreed to provide road and bridge maintenance and repair on certain duly qualified "Type B" roadways, situated within the territorial limits and jurisdiction of City, and

**WHEREAS**, City now desires County to perform such maintenance and repairs, consisting of striping public roadway situated in the City of Lancaster, Texas, as more fully described in Attachment "A".

**NOW THEREFORE THIS PSA** is made by and entered into by County and City, for the mutual consideration stated herein.

**Witnesseth**

**Article I**

**Project Specific Agreement**

This PSA is specifically intended to identify a Project authorized under the Master Agreement. This PSA sets forth the rights and responsibilities of each of the parties hereto as set forth in the Master Agreement and additions thereto as incorporated herein. This PSA will be an addition to the Master Agreement and incorporates each term and condition thereof as if fully set forth herein. All terms of the Master Agreement remain in full force and effect, except as modified herein. In the event of any conflict between the Master Agreement and this PSA, this PSA shall control.

**Article II**

**Incorporated Documents**

This PSA incorporates, as if fully reproduced herein word for word and number for number, the following items:

1. Master Agreement authorized by County Commissioners Court Order 2012-1599 dated September 25, 2012, and additions, which are attached hereto and incorporated herein.



2. The 2017 Type "B" Pavement Marking Estimate (Attachment "A"), which is attached hereto and incorporated herein.

### **Article III**

#### **Term of Agreement**

This PSA becomes effective when signed by the last party whose signature makes the agreement fully executed and shall terminate upon the completion and acceptance of the Project by City or upon the terms and conditions in the Master Agreement.

### **Article IV**

#### **Project Description**

This PSA is entered into by the parties for repair, maintenance and improvements conducted on "Type "B" public roadway within the City of Lancaster, Texas. The Project shall consist of striping on Beltline Road from IH 35 to Blue Grove Road in the City of Lancaster, Texas, (hereinafter "Project"), and as more fully described in Attachment "A". The Project is authorized by the aforementioned Master Agreement, with the parties' obligations and responsibilities governed thereby, as well as by the terms and provisions of this PSA. The Project will facilitate the safe and orderly movement of public transportation to benefit both the City and County. The City has and hereby does give its approval for the expenditure of County funds for the construction, improvement, maintenance, or repair of a street located within the municipality.

### **Article V**

#### **Fiscal Funding**

Notwithstanding anything to the contrary herein, this PSA is expressly contingent upon the availability of County funding for each item and obligation contained herein. City shall have no right of action against the County of Dallas as regards this PSA, specifically including any funding by County of the Project in the event that the County is unable to fulfill its obligations under this PSA as a result of the lack of sufficient funding for any item or obligation from any source utilized to fund this PSA or failure of any funding party to budget or authorize funding for this PSA during the current or future fiscal years. In the event of insufficient funding, or if funds become unavailable in whole or part, the County, at its sole discretion, may provide funds from a separate source or terminate this PSA. In the event that payments or expenditures are made, they shall be made from current funds as required by Chapter 791, Texas Government Code.

Notwithstanding anything to the contrary herein, this PSA is expressly contingent upon the availability of City funding for each item and obligation contained herein. County shall have no right of action against the City as regards this PSA, specifically including any funding by City of the Project in the event that the City is unable to fulfill its obligations under this PSA as a result of the lack of sufficient funding for any item or obligation from any source utilized to fund this PSA or failure of any funding party to budget or authorize funding for this PSA during the current or future fiscal years. In the event of insufficient funding, or if funds become unavailable in whole or part, the City, at its sole discretion, may provide funds from a separate source or terminate this PSA. In the event that payments or expenditures are made, they shall be made from current funds as required by Chapter 791, Texas Government Code.



## **Article VI**

### **Agreements**

#### **I. City's Responsibilities:**

1. City, at its own expense, shall be responsible for the following: (a) posting appropriate and required notices to inform the public of the proposed maintenance or construction activity regarding the Project, (b) acquiring any right-of-way necessary to complete the Project, (c) locating all manholes, water valves, and other utilities within the Project, (d) making or causing to be made all utility relocations or adjustments necessary for the execution and completion of the Project, (e) remediating any hazardous or regulated materials, or other environmental hazard on or near the Project site, and (f) where necessary, providing appropriate traffic control support, including but not limited to flagging, cones, barricades, shadow vehicles, arrow boards, signage, police presence, etc., to enable the Project to be completed in a timely and safe manner.
2. City agrees to accomplish these functions in a timely and efficient manner to ensure that such activities will not delay the County's timely performance of its activities.
3. City shall be responsible for maintaining the Project site once the project is completed.

#### **II. County Responsibilities:**

1. County shall be responsible for performing all transportation-related maintenance services contemplated hereunder, specifically, roadway striping activity, as more fully set forth in Attachment "A", in a good and workmanlike manner.

#### **III. Funding:**

County and City agree that the initial and anticipated total Project cost is \$3,249.00. County and City mutually agree that City shall be responsible to pay a total of \$1,624.50 for its portion of the Type "B" roadwork. County shall contribute the remaining amount of the Type "B" costs, in-kind, in the form of labor and equipment in an amount not to exceed \$1,624.50. In no event shall County's in-kind contribution exceed Fifty Percent (50%) of the initial and anticipated total Project cost for Type "B" roadwork.

County and City further agree as follows:

1. Should the final cost of the Project exceed the initial and anticipated Project costs, City agrees to either reduce the scope of the Project, or to seek additional funding to facilitate its completion. In either event, City shall be solely responsible for all such costs in excess thereof, and County shall bear no additional responsibilities beyond those stated herein.

## **Article VII**

### **Miscellaneous:**

- I. Indemnification. County and City agree that each shall be responsible for its own negligent acts or omissions or other tortious conduct in the course of performance of this Agreement, without waiving any governmental or sovereign immunity available to the County or City or**

**their respective officials, officers, employees, or agents under Texas or other law and without waiving any available defenses under Texas or other law. Nothing in this paragraph shall be construed to create or grant any rights, contractual or otherwise, in or to any third persons or entities.**

II. No Third Party Beneficiaries. The terms and provisions of this PSA are for the benefit of the parties hereto and not for the benefit of any third party. It is the express intention of County and City that any entity other than County or City receiving services or benefits under this PSA shall be deemed an incidental beneficiary only. This PSA is intended only to set forth the contractual right and responsibilities of the parties hereto.

III. Applicable Law. This PSA is and shall be expressly subject to the County's and City's Sovereign Immunity and/or Governmental Immunity, Title 5 of the Texas Civil Practice and Remedies Code, as amended and all applicable federal and state laws. This PSA shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any legal action regarding this PSA shall lie in Dallas County, Texas.

IV. Notice. All notices, requests, demands, and other communication under this PSA shall be tendered in writing and shall be deemed to have been duly given when either delivered in person, via e-mail, or via certified mail, postage prepaid, return receipt requested to the respective parties as follows:

**COUNTY:**

Director of Public Works  
Dallas County  
411 Elm Street, Suite 400  
Dallas, Texas 75202

**and**

Commissioner John Wiley Price  
Road & Bridge District #3  
411 Elm Street, Second Floor  
Dallas, Texas 75202

**CITY:**

Jim Brewer  
Director of Public Works  
City of Lancaster  
211 North Henry Street  
Lancaster, Texas 75146

V. Assignment. This PSA may not be assigned or transferred by either party without the prior written consent of the other party.

VI. Binding Agreement; Parties Bound. Upon execution by the parties, this PSA shall constitute a legal, valid and binding obligation of the parties, their successors and permitted assigns.

VII. Amendment. This PSA may not be amended except in a written instrument specifically referring to this PSA and signed by the parties hereto.

VIII. Counterparts. This PSA may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

- IX. Severability. If one or more of the provisions in this PSA shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not cause this PSA to be invalid, illegal or unenforceable, but this PSA shall be construed as if such provision had never been contained herein, and shall not affect the remaining provisions of this PSA, which shall remain in full force and effect.
- X. Entire Agreement. This PSA embodies the complete agreement of the parties, and except where noted, it shall supersede previous and/or contemporary agreements, oral or written, between the parties and relating to matters in the PSA.
- XI. Contingent. This PSA is expressly subject to and contingent upon formal approval by the Dallas County Commissioners Court and by resolution of the City Council of the City of Lancaster.

The City of Lancaster, State of Texas, has executed this PSA pursuant to duly authorized City Council Resolution \_\_\_\_\_, Minutes \_\_\_\_\_, dated the 4TH day of August, 2017.

The County of Dallas, State of Texas, has executed this PSA pursuant to Commissioners Court Order Number \_\_\_\_\_ and passed on the \_\_\_\_ day of \_\_\_\_\_, 2017.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Executed this the 14TH day of  
AUGUST, 2017.

Executed this the \_\_\_\_\_ day of  
\_\_\_\_\_, 2017.

**CITY OF LANCASTER:**

**COUNTY OF DALLAS:**

\_\_\_\_\_  
MARCUS E. KNIGHT, MAYOR

\_\_\_\_\_  
CLAY LEWIS JENKINS  
COUNTY JUDGE

\_\_\_\_\_  
OPAL MAULDIN-JONES, CITY MANAGER

**ATTEST:**

\_\_\_\_\_  
SORANGEL O. ARENAS, CITY SECRETARY

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:\***

**CITY OF LANCASTER:**

**DALLAS COUNTY**  
FAITH JOHNSON  
DISTRICT ATTORNEY

\_\_\_\_\_  
DAVID T. RITTER, CITY ATTORNEY

\_\_\_\_\_  
Jana Prigmore Ferguson  
Assistant District Attorney

\*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).



## 2017 TYPE B PAVEMENT MARKING ESTIMATE

Date:	June 26, 2017	Roadway:	Beltline Road	IH - 35 - Blue Grove Rd
Requested By:	Joeterence White	Road No.:		
City:	Lancaster	Type:	B	
City Share:	50%	Lanes:	2	
Court Order / IJ:		Begin:	Varies	
MAPSCO:	Varies	End:	Varies	
		Roadway Length:		
		Pre-Marking Length:		Mile
		One-way travel time to Project:		Hours

## MARKING LENGTH (Miles)

	BROKEN YELLOW	SOLID YELLOW	BROKEN WHITE	SOLID WHITE
ESTIMATE:	0.0	2.0	4.0	2.5
Actual:	0.0	0.0	0.0	0.0

MATERIALS:	EST. QUANT.	Actual QUANT.	UNIT PRICE	EST. COST	ACTUAL COST
Yellow Paint	34.00	0.00	\$10.37	\$353.00	\$0.00
White Paint	71.00	0.00	\$9.91	\$704.00	\$0.00
Beads LBS	840.00	0.00	\$0.60	\$504.00	\$0.00
Other Cans	0.00	0.00	0.00	\$0.00	\$0.00
<b>TOTAL MATERIALS:</b>				<b>\$1,561.00</b>	<b>\$0.00</b>

## LABOR

## Direct Labor:

Hour	Estimate Hours	Actual Hours	Hourly Rate (FR)	Estimate Cost	ACTUAL Cost
Pre-Marking	0.00	0.00	\$95.15	\$0.00	\$0.00
Crew person	10.00	0.00	\$95.15	\$952.00	\$0.00
Administrativ	2.00	0.00	\$123.31	\$247.00	\$0.00

Note: (FR) - with Fringes

Subtotal Direct Labor \$1,199.00 \$0.00

## Indirect Labor:

## % of Actual Salaries:

Indirect Costs 14.96 \$179.00 \$0.00

Value calculated by Office of Budget and Evaluation

**TOTAL LABOR:** \$1,378.00 \$0.00

## EQUIPMENT:

HRS	Estimate Hours	Actual Hours	Hourly Rate	Cost Estimate	Cost ACTUAL
Survey Truck	0.00	0.00	\$15.00	\$0.00	\$0.00
Striper	10.00	0.00	\$26.00	\$260.00	\$0.00
Pickup	10.00	0.00	\$5.00	\$50.00	\$0.00

**TOTAL EQUIPMENT:** \$310.00 \$0.00**TOTAL COST:** \$3,249.00 \$0.00

## % of Cost

<b>COST TO CITY</b>	50%	\$1,624.50	\$0.00
<b>COUNTY COST</b>	50%	\$1,624.50	\$0.00

I hereby certify that all Work  
depicted herein is complete effective  
the date stated above.

Stanley Brewer  
TRAFFIC OPERATIONS SUPERVISOR

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

6.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Goal(s):** Financially Sound Government  
Professional & Committed City Workforce

**Submitted by:** Dori Lee, Director of Human Resources

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#### **Agenda Caption:**

Consider a resolution authorizing the City Manager to execute agreements with Blue Cross Blue Shield, Met Life, Dearborn National, Flores & Associates, Avesis, and Alliance Work Partners for fiscal year 2017/2018 employee insurance and benefits programs.

#### **Background:**

On July 17, 2017, City Council received a presentation from IPS Advisors regarding competitive proposals to provide the City with fully insured medical, fully insured dental, fully insured vision, Consolidated Omnibus Budget Reconciliation Act (COBRA) administration, Health Savings Account (HSA) administration and Patient Advocacy program.

For the 2017/2018 renewal, the City experienced an increase in its loss ratio to 93.9%. Due to the ongoing risk liability in regards to large claimant spending, BCBS initially presented an 8.0%, or \$199,758 increase. IPS Advisors, our insurance consultant, was able to re-negotiate the renewal to a rate pass, thus maintaining the current rate. We are recommending accepting the renewal due to competitiveness of the offer vs actuarial projections and to preserve the City's long-term carrier history. Furthermore, the City's plans of benefits are in line with IPS Advisors municipal benchmarks which include cities like the Duncanville, Keller, Rockwall, Rowlett, and The Colony. We recommend to continue the City's current plan design.

The City offers a High Deductible Health Plan (HDHP) and Health Savings Account (HSA) plan option to assist in controlling future health care costs. The City also offers premium incentives for employees who receive an annual physical and who don't use tobacco.

#### **Health Insurance**

The best and final renewal offer from BCBS represents no increase to the City or employees.

Recommendations for the health plan for 2017/2018 plan year include:

- Keep the current employer premium subsidy strategy for the 2017/2018 plan year. The City currently subsidizes 100% of the employee only cost for the HDHP and 56.5% for dependents across all plans. Maintain the current HSA employer funding of \$1,210 for employee and \$2,420 for dependents for the 2017/2018 plan year.
- Increase the annual physical and tobacco surcharge from \$50 to \$80 per month. These monthly surcharges are put into place to increase participation in wellness screenings and reduce tobacco utilizers that are enrolled in the City's health plan.
- Renew with Methodist Health Systems for the City's wellness program. This program includes Health Risk Assessments, Fitness and Nutrition Tools, Wellness Workshops, Incentive Management and

- Employer and Employee Risk Factor reporting.
- Continue Compass Professional Health Services for those who are enrolled in the High Deductible Health Plan with a 25%, or \$2,286 decrease to rates. This service provides employees and dependents with pricing and quality information for hospitals, physicians, pharmacy and dental services.

### **Dental Insurance**

The City currently contracts with United Concordia for Dental Insurance. United Concordia presented a rate pass for the 2017/2018 plan year with a two year rate guarantee.

However, the City has experienced service issues with claims processing. The City issued an RFP for competitive offers from the market and recommend MetLife with a 16.7%, or \$24,353 decrease. MetLife was able to match current dental benefits and secure rates for 2 years. MetLife's network is comparable to what is in place today. Furthermore, we recommend continuing the current funding strategy of 100% contribution for employee and 50% contribution for dependents.

### **Flexible Spending Account (FSA)**

A Flexible Spending Account (FSA) allows an employee to set aside a portion of his or her earnings to pay for qualified expenses as established in the cafeteria plan, most commonly for medical expenses, but often for dependent care or other expenses. Money deducted from an employee's pay into an FSA is not subject to payroll taxes, resulting in a substantial payroll tax savings. The City completed its second year of a three year rate guarantee with Discovery Benefits. Renewal with Discovery Benefits for management of the FSA is the recommendation for the 2017/2018 plan year.

### **Health Savings Account (HSA)**

A health savings account (HSA) is a tax-advantaged medical savings account available to employees enrolled in a high-deductible health plan. The funds contributed to this account are not subject to federal income tax at the time of deposit. However, HSA funds may be used only to pay for qualified medical expenses. The City currently utilizes HSA Bank to administer these accounts. HSA bank presented a rate pass with no changes to benefits. The recommendation is to continue with HSA Bank for the 2017/2018 plan year.

### **Ancillary Insurance**

The City currently utilizes Dearborn National to provide Basic Life, Optional Life and Long Term Disability insurance to employees. The City completed its first year of a two year rate guarantee with Dearborn. We are recommending a voluntary Short Term Disability plan which will help pay for a portion of the employee's salary if too sick or injured to return to work. This policy will cover a weekly percentage of salary of 60% up to a maximum of \$1,000 up to the start of the Long Term Disability Benefit. In addition, Dearborn will extend the City's rate guarantee an additional year if this policy is sold. Renewing with Dearborn National for Basic Life, Optional Life and Long Term Disability insurance, with the addition of voluntary Short Term Disability is recommended for the 2017/2018 plan year.

### **Employee Assistance Program**

Employee Assistance Programs (EAPs) are employee benefit programs offered by many employers, typically in conjunction with a health insurance plan. EAPs are intended to help employees deal with problems that might adversely impact their work performance, health, and well-being. Alliance Work Partners presented a 4%, or \$295 annual decrease to current benefit costs. Renewal with Alliance Work Partners is recommended for the 2017/2018 plan year.

### **Vision**

The City currently does not offer vision coverage to its employees. After receiving feedback from the employee health insurance committee and employee benefits survey, we are recommending the City provide this coverage on a voluntary basis for the 2017/2018 plan year with Avesis. Over 90% of IPS Advisors clients provide a vision plan offering to employees. This plan will cover annual eye exams, frames, contacts, and provide discounts for Lasik procedures. In addition, Avesis has guaranteed rates for 4 years.

It is recommended that the City contract with Avesis for the 2017/2018 plan year.

### **COBRA Administration**

The City requires offering employees the opportunity to continue temporarily their group health care coverage under the City's plan if their coverage otherwise would cease due to termination, layoff, or other change in employment status. The City currently utilizes Conexis to manage this process. However, Conexis failed to respond to the RFP and was automatically disqualified. Flores & Associate presented a 41%, or \$1,363 decrease to current rates with a 5 year rate guarantee. We are recommending Flores & Associates to manage COBRA for 2017/2018.

### **Operational Considerations:**

As part of a multi year plan to address health care inflation, Council requested the 2018/2019 renewal year to include considerations for dependent wellness physicals and surcharge fees as applicable. The dependent claims from October 2016 through June 2017 encompassed 13% of total claims expenditure. Of that 13%, spouses made up 6% of claims expenditures.

### **Legal Considerations:**

Contracts and applications have been reviewed by the City Attorney. The resolution was reviewed and approved as to form by the City Attorney.

### **Public Information Considerations:**

RFP # 2017-7 Health and Welfare Benefit Plan

- Bids were advertised on 5/4 and 5/7
- IPS sent the RFP to health and welfare vendors on 5/16/2017.
- Bids were opened on 6/9 at 3:00 pm.

Bids were reviewed by IPS Advisors 6/10 through 6/26

### **Options/Alternatives:**

1. Remaining with current vendors for all renewing policies with no plan design changes and no changes to the employer funding. The total health care cost will remain the same and the City would fund approximately 83.6% of total healthcare costs. Employees would not see a rate increase for the 2017/2018 plan year. No changes would result in no savings to total spend this year.

2: Remain with BCBS for medical at a rate pass, HSA Bank for HSA administration at a rate pass, Compass for Patient Advocacy with a \$2,286 decrease to rates, and Alliance Work Partners for the Employee Assistance program with a \$295 decrease to rates. Change carriers to MetLife from United Concordia for a \$24,353 decrease to rates for Dental. Change carriers to Flores & Associates from Conexis for a \$1,363 decrease to rates for COBRA. Implement a voluntary Vision program with Avesis and a voluntary Short Term Disability program with Dearborn National with no cost to the City of Lancaster. Lastly, it is recommended to increase the wellness and tobacco surcharge from \$50 to \$75 monthly. The total cost of option 2 to the City of Lancaster is a savings of approximately \$28,297 and the City would fund approximately 83.6% of total healthcare premium cost.

### **Recommendation:**

Staff recommends the following options: (Option 2 above) to remain with BCBS for medical at a rate pass, HSA Bank for HSA administration at a rate pass, Compass for Patient Advocacy with a \$2,286 decrease to rates, and Alliance Work Partners for the Employee Assistance program with a \$295 decrease to rates. Change carriers to MetLife from United Concordia for a \$24,353 decrease to rates for Dental. Change carriers to Flores & Associates from Conexis for a \$1,363 decrease to rates for COBRA; Implement a voluntary Vision program with Avesis and a voluntary Short Term Disability program with Dearborn National with no cost to the City of Lancaster. Lastly, it is recommended to increase the wellness and tobacco surcharge from \$50 to \$75 monthly. The total cost of option 2 to the City of Lancaster is a savings of



approximately \$28,297 and the City would fund approximately 83.6% of total healthcare premium cost.

**Attachments**

Resolution

Vision

Dental

Medical

EAP

Short Term Disability

COBRA

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## **RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE CITY OF LANCASTER TO ENTER INTO AGREEMENTS WITH EMPLOYEE BENEFIT PROVIDERS AND/OR ADMINISTRATORS AS FOLLOWS: (1) BLUE CROSS BLUE SHIELD FOR MEDICAL ADMINISTRATION WITH A HEALTH SAVINGS ACCOUNT (HSA) OPTION; (2) METLIFE FOR DENTAL BENEFIT ADMINISTRATION; (3) DEARBORN NATIONAL FOR SHORT TERM DISABILITY INSURANCE; (4) FLORES & ASSOCIATES FOR COBRA BENEFIT ADMINISTRATION; (5) AVESIS FOR VISION BENEFIT ADMINISTRATION; AND (6) ALLIANCE WORK PARTNERS FOR EMPLOYEE ASSISTANCE PROGRAM ADMINISTRATION; AUTHORIZING EXECUTION OF ANY NECESSARY CONTRACTS AND DOCUMENTS PURSUANT TO THIS RESOLUTION BY THE CITY MANAGER; REPEALING ALL RESOLUTIONS IN CONFLICTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lancaster provides medical insurance and other benefits to employees; and

**WHEREAS**, in accordance with Texas competitive bidding laws, a request for proposals was sent out to obtain proposals for the provision of insurance and benefit services and administration to determine the best qualified and most cost effective solutions for the City; and

**WHEREAS**, the City of Lancaster has determined that the respective companies offer the best insurance and benefit solutions and desires to contract with them to provide the designated benefits and services to City employees.

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

**SECTION 1.** The City Council authorizes: (1) the renewal of Bid No. 2017-7 to Blue Cross Blue Shield for medical benefit administration with a Health Savings Account (HSA) option; (2) Metlife for dental benefit administration; (3) Dearborn National for short term disability insurance; (4) Flores & Associates for Cobra benefit administration; (5) Avesis for vision benefit administration; and (6) Alliance Work Partners for employee assistance program administration, in accordance with fiscal year 2017-2018 plans; and authorizes the City Manager to execute any necessary contracts and documents in conformance with this resolution, after approval as to form by the City Attorney.

**SECTION 2.** Any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 3.** Should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**SECTION 4.** This resolution shall take effect immediately from and after its passage, and it is duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

**APPROVED:**

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney



# Application For Vision Care Benefits

Underwritten by Fidelity Security Life Insurance Company

Kansas City, Missouri

Policy No. VC-16

## I. EMPLOYER INFORMATION

Employer Name: \_\_\_\_\_ Tax ID#: \_\_\_\_\_

DBA Name (if other than above): \_\_\_\_\_

Business Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Key Contact: \_\_\_\_\_ Title: \_\_\_\_\_

(if over than above)  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Executive Contact: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Type of Business: ☐ Proprietorship ☐ Corporation ☐ Partnership ☐ Other (Specify) \_\_\_\_\_

If any subsidiary or affiliated companies are to be insured or any Employees are working at a location other than the address above, please explain:

Will this plan replace any existing coverage: ☐ Yes ☐ No (if yes, indicate name and address of existing insurer)

Name: \_\_\_\_\_

Business Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

(If "yes," are any employees on COBRA)? ☐ Yes ☐ No How many? \_\_\_\_\_

Effective date of existing coverage: \_\_\_\_\_

Termination date of existing coverage (if applicable): \_\_\_\_\_

Number of full-time employees: \_\_\_\_\_ Number applying: \_\_\_\_\_

Are domestic partners covered under this plan?\* ☐ Yes ☐ No \*except as required by state law

Unless your specific state mandates otherwise, do you wish to cover dependents until age 26, regardless of financial dependency, residency, student status or marital status? ☐ Yes ☐ No

## II. PLAN SELECTION

☐ Employer Paid ☐ Voluntary

Frequency (Exam, Lenses, Frames, Contact Lenses)

☐ 12 months, 12 months, 12 months, 12 months

☐ 12 months, 12 months, 24 months, 12 months

☐ 12 months, 24 months, 24 months, 24 months

☐ \_\_\_\_ months, \_\_\_\_ months, \_\_\_\_ months, \_\_\_\_ months

Exam Copay: \_\_\_\_\_

Materials Copay: \_\_\_\_\_

Frame Allowance: \_\_\_\_\_

Contact Lens Allowance: \_\_\_\_\_

Lens Option Package (if applicable): \_\_\_\_\_

LASIK Rider (\$300 or \$600): \_\_\_\_\_

### Tier

☐ 2 Tier Rate \_\_\_\_\_

Employee Only \_\_\_\_\_

Employee + Family \_\_\_\_\_

☐ 3 Tier Rate \_\_\_\_\_

Employee Only \_\_\_\_\_

Employee + One \_\_\_\_\_

Employee + Family \_\_\_\_\_

☐ 4 Tier Rate \_\_\_\_\_

Employee Only \_\_\_\_\_

Employee + Spouse \_\_\_\_\_

Employee + Children \_\_\_\_\_

Employee + Family \_\_\_\_\_

### III. PREMIUMS

Employee contribution towards premium?: ☐ Yes ☐ No

Employer's Premium Contribution for: Employees: % \_\_\_\_\_ Dependents: % \_\_\_\_\_

Are Employee and Dependent premiums being paid through a Section 125 Plan? ☐ Yes ☐ No

Are Employee and Dependent premiums being collected by payroll deduction? ☐ Yes ☐ No

Premium received with application: \_\_\_\_\_

Note: Please attach a list of all participants to this application. Premiums shall be payable in advance.

### III. ELIGIBILITY (Choose One)

**PROBATIONARY PERIOD FOR NEW EMPLOYEES** ☐ 30 Days ☐ 60 Days ☐ 90 Days ☐ 120 Days ☐ 180 Days

☐ Other \_\_\_\_\_

Probationary Period is Waived for Present Employees: ☐ Yes ☐ No

#### ELIGIBLE CLASS (Choose One)

☐ The Employees eligible for insurance under the Policy shall be **all the full-time Employees** of the above-named Employer and each Employee's Dependents. If both husband and wife are Employees, either the husband or wife, but not both, may elect coverage for their Dependents. Eligible Dependents may be added to the Policy on any premium due date.

No Part-time Employee, or his or her Dependents, may be included as Eligible Persons.

☐ As used here, full-time Employee means an Employee who is performing all the usual duties of his or her position at the Employer's usual place of business at least 20-40 or more hours per week. A part-time Employee is an Employee who does not meet this definition.

Dependents may not be included as Eligible Persons unless the Dependent's parent or spouse is covered under the Policy.

☐ The Employees eligible for insurance under the Policy shall be **all the Employees** of the above named Employer, and each Employee's Dependents. If both husband and wife are Employees, either the husband or wife, but not both, may elect coverage for their Dependents. Eligible Dependents may be added to the Policy on any premium due date.

The Employees eligible for insurance under the Policy shall be \_\_\_\_\_

#### DATE ELIGIBLE

1. Each Employee included in an Eligible Class on the Policyholder's Effective Date will be eligible on that date, provided the Employee has completed any required probationary period shown below.
2. Each Employee included in an Eligible Class on the Policyholder's Effective Date, and who had partially satisfied the required probationary period prior to the Policyholder's Effective Date, will be eligible on the first day of the calendar month coinciding with or next following the date of completion of the probationary period.
3. Each Employee who enters an Eligible Class AFTER the Policyholder's Effective Date will be eligible on the first day of the calendar month coinciding with or next following:
  - a. completion of any required probationary period; or
  - b. the Employee's date of employment, if a probationary period is not required.

#### EMPLOYEE ENROLLMENT

1. Each Employee may request coverage for him or herself and eligible Dependents.
2. The Company reserves the right, based upon Our underwriting procedures, to require that the eligible Employee and/or eligible Dependent of a Policyholder submit an enrollment form and agree to pay any premium contribution, if required, before coverage will become effective for the Employee and/or Dependent.

#### DELAYED ENROLLMENT

Each Employee who waives or declines insurance when he or she becomes eligible will not be eligible again until the next Policy anniversary date or \_\_\_\_\_. If insurance is waived or declined for eligible Dependents then those Dependents will not become eligible again until the next Policy anniversary date or \_\_\_\_\_.

#### PARTICIPATION REQUIREMENT

The Policyholder is required to maintain the minimum participation requirements of the Company as follows:

If part of the premium is derived from funds contributed by the insured Employees, at least 10-25% of the eligible Employees must elect to make the required contribution, and at least 2-100 Employees must be covered on the Policy's Effective Date.

When a contribution is not required by the Employee, then 100% of the eligible Employees must be covered at all times.

## V. EFFECTIVE DATE

It is desired that the policy shall become effective at 12:01 A.M. Standard Time at the Employer's address herein, on the day of \_\_\_\_\_, 20\_\_\_\_, provided this application shall have been accepted by the Company.

The Policy, if issued, if issued, rates are guaranteed for a term of \_\_\_\_\_ {months} {year(s)}.

The total premium rate is subject to modification based upon any change in benefits, policyholder contributions, number of eligible employees, information provided by the applicant on the application, governmental action or change in law or regulation, any of which, individually or in combination, may affect the Company's risk in underwriting this coverage. The rate guarantee is also subject to change for any regulatory assessments, fees, or taxes created by federal or state governments, and the associated administrative costs.

The Employer hereby makes application to Fidelity Security Life Insurance Company for Vision Care Benefits. The Employer agrees to maintain and furnish any records necessary to administer the plan, and to forward premiums monthly in advance.

The Employer certifies that all the information shown on this application and any attachments are correct and complete and understands that the Insurance Company intends to rely on this information in determining whether or not the enrolling Employees may become insured. It is further understood and agreed that **NO INSURANCE WILL BECOME EFFECTIVE UNTIL APPROVED BY THE INSURANCE COMPANY**; and that no field representative of the Insurance Company has the authority to modify any conditions of application, or policies, by making any promise or representation. It is understood that the insurance as to any Employee will not become effective on the date insurance should otherwise become effective if he is not at work on such date performing all duties of his occupation and otherwise meets the requirements of the Insurance Company.

I hereby represent that I have reviewed the fraud warning notice (if applicable) on the reverse side of this application for the Group's state of domicile.

Dated at: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Signed for the Employer: \_\_\_\_\_ Title: \_\_\_\_\_

Separate Billing Required: ☐ Yes ☐ No (if yes, please attach names of classifications, location addresses and contact)

We wish to be included in the Avesis e-billing system: ☐ Yes ☐ No

## WRITING BROKER'S CERTIFYING STATEMENT

I certify that I have accurately recorded on this application the information supplied by the proposed policyholder(s).

Firm Name: \_\_\_\_\_

Broker Name: (print) \_\_\_\_\_ Broker No.: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Commission Check Payable to: \_\_\_\_\_ Firm Name: \_\_\_\_\_ Tax ID#: \_\_\_\_\_

Commission Check Payable to: \_\_\_\_\_ Broker Name: \_\_\_\_\_ SS#: \_\_\_\_\_

Broker Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

This application signed this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

## APPLICATION INSTRUCTIONS

Complete this application form. Be sure to sign where indicated above.

Return the completed application form along with the first month's premium payable to FIDELITY SECURITY LIFE INSURANCE COMPANY to:

Avesis Third Party Administrators, Inc.  
P.O. Box 316  
Owings Mills, Maryland 21117

Subsequent payments to be payable to FIDELITY SECURITY LIFE INSURANCE COMPANY and sent to:

Avesis Third Party Administrators, Inc.  
P.O. Box 52718  
Phoenix, Arizona 85072

## FRAUD WARNING NOTICE

<b>For residents of all states (except the following:)</b>	Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
<b>Alabama</b>	Any person who knowingly presents a false or fraudulent claim for payment of loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines or confinement in prison, or any combination thereof.
<b>Arkansas, Louisiana, Rhode Island, West Virginia</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>District of Columbia</b>	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
<b>Texas</b>	Any person who with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may be guilty of insurance fraud.
<b>Maine</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.
<b>Nebraska</b>	Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a materially false or deceptive statement is guilty of insurance fraud.
<b>New Mexico</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.
<b>North Carolina</b>	Any person with the intent to injure, defraud, or deceive an insurer or insurance claimant is guilty of a crime (Class H felony) which may subject the person to criminal and civil penalties.
<b>Oklahoma</b>	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
<b>Pennsylvania</b>	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.
<b>Tennessee, Virginia</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Group customer data form**

Use this form to provide the information necessary for MetLife to implement your new benefits only if you prefer to use paper and provide a wet signature. Otherwise, please provide the information on the Global Sales Platform website and complete the eSignature.

**Things to know before you begin**

- You must provide your full legal company name on all signed pages.
- The person signing this form must be a legally authorized representative of your company



You **MUST** complete and sign all applications and agreements included in this package in order for MetLife to implement your benefits.

---

**City of Lancaster**

**Products Sold:**

Dental

Effective Date: 10/01/2017



## PRODUCER INFORMATION - Page 1

If commissions are being split between more than one Writing Producer, please complete a copy of the PRODUCER INFORMATION section (all pages) for each Writing Producer.

Broker of Record? \* ☒ Yes ☐ No

First name \*

Brent

Middle initial

A

Last name \*

Weegar

Address 1 \*

10000 N. Central Expressway STE 1100

Address 2

Address 3

Address 4

City \*

Dallas

State \*

TX

Zip

75231

Phone number \*

214-443-2429

Ext

Fax number

Email address \*

bweegar@ipsadvisors.com

State license number \*

1283105

Producer/Broker SSN \*

75-2817385

Does this Producer want MetLink access for this Group? ☒ Yes ☐ No

If you answered "Yes", please complete the following:

Does this Producer have a current MetLink ID? \* ☒ Yes ☐ No

If you answered "Yes", please complete the following:

Current MetLink ID \*

MetLink email address

Producer type (select one) \*

☒ Writing Producer ☐ MetLife Resource ☐ MetLife Career Agent

If you selected "MetLife Resource", please provide the Agent Code \*

If you selected "MetLife Career Agent", please provide the following:

Employee # \*

Territory # \*

Region \*

DAI # \*

Is this an Independent Producer? \* ☐ Yes ☒ No

## PRODUCER INFORMATION - Page 2

### Commission Information

Commissions paid to: \* ☐ Writing Producer ☒ Brokerage/Corporation

Check the "Yes" box if you will receive the same percent of total commissions across all products? \* ☐ Yes

If you checked "Yes", please designate the percent of commissions you will be receiving:

Commission % \* 0 (% of total commissions this Producer should receive)

If not, please designate the percent of the total commissions you will be receiving for each product:

Coverage Sold	Commission % (% of total commissions this producer should receive)
Dental	0%

Do you want to receive electronic commission for this opportunity? \* ☐ Yes ☒ No

If you answered "Yes", please complete the following:

Are you currently receiving electronic commissions?\* ☐ Yes ☒ No

If you answered "No", please complete the "Sales Compensation Administration Direct Deposit Application" located at <https://eforms.metlife.com/wcm8/OIDAction.do?OID=14772>

### Brokerage/Corporation Information

If you answered "No" to "Is this an Independent Producer?" above, please fill out the following:

Corporation name *	Federal Tax ID *	
IPS Advisors	75-2817385	
Address 1 *	Address 2	
1100 North Central Expressway STE 1100		
Address 3	Address 4	
City *	State *	Zip *
Dallas	TX	75231

## PRODUCER INFORMATION - Page 3

### Producer Contact

Is there a primary contact at the Producer's office? \*

☒ Yes ☐ No

If you answered "Yes", please complete the following:

First name \*

Rebekah

Last name \*

Ross

Phone number \*

214-292-2406

Ext

Fax number

Email address \*

rross@ipsadvisors.com

Does this Contact want MetLink access for this Group?

☒ Yes ☐ No

If you answered "Yes", please complete the following:

Does this Contact have a Current MetLinkID?\*

☐ Yes ☐ No

If you answered "Yes", please complete the following:

Current MetLink ID \*

MetLink Email Address

### Other Forms

Please review and complete these additional forms as needed:

Producer Appointment Inquiry Form – available at <https://eforms.metlife.com/wcm8/OIDAction.do?OID=2580>

## PRODUCER INFORMATION - Page 4

If commissions are being split between more than one Writing Producer, please complete a copy of the PRODUCER INFORMATION section (all pages) for each Writing Producer.

Broker of Record? \* ☐ Yes ☐ No

First name \*

Middle initial

Last name \*

Address 1 \*

Address 2

Address 3

Address 4

City \*

State \*

Zip

Phone number \*

Ext

Fax number

Email address \*

State license number \*

Producer/Broker SSN \*

Does this Producer want MetLink access for this Group? ☐ Yes ☐ No

If you answered "Yes", please complete the following:

Does this Producer have a current MetLink ID? \* ☐ Yes ☐ No

If you answered "Yes", please complete the following:

Current MetLink ID \*

MetLink email address

Producer type (select one) \*

☐ Writing Producer ☐ MetLife Resource ☐ MetLife Career Agent

If you selected "MetLife Resource", please provide the Agent Code \*

If you selected "MetLife Career Agent", please provide the following:

Employee # \*

Territory # \*

Region \*

DAI # \*

Is this an Independent Producer? \* ☐ Yes ☐ No

## PRODUCER INFORMATION - Page 5

### Commission Information

Commissions paid to: \* ☐ Writing Producer ☐ Brokerage/Corporation

Check the "Yes" box if you will receive the same percent of total commissions across all products? \* ☐ Yes

If you checked "Yes", please designate the percent of commissions you will be receiving:

Commission % \* \_\_\_\_\_ (% of total commissions this Producer should receive)

If not, please designate the percent of the total commissions you will be receiving for each product:

Coverage Sold	Commission % (% of total commissions this producer should receive)
Dental	

Do you want to receive electronic commission for this opportunity? \* ☐ Yes ☐ No

If you answered "Yes", please complete the following:

Are you currently receiving electronic commissions?\* ☐ Yes ☐ No

If you answered "No", please complete the "Sales Compensation Administration Direct Deposit Application" located at <https://eforms.metlife.com/wcm8/OIDAction.do?OID=14772>

### Brokerage/Corporation Information

If you answered "No" to "Is this an Independent Producer?" above, please fill out the following:

Corporation name *	Federal Tax ID *	
Address 1 *	Address 2	
Address 3	Address 4	
City *	State *	Zip *

## PRODUCER INFORMATION - Page 6

### Producer Contact

Is there a primary contact at the Producer's office? \* ☐ Yes ☐ No

If you answered "Yes", please complete the following:

First name \*

Last name \*

Phone number \*

Ext

Fax number

Email address \*

Does this Contact want MetLink access for this Group? ☐ Yes ☐ No

If you answered "Yes", please complete the following:

Does this Contact have a Current MetLinkID?\* ☐ Yes ☐ No

If you answered "Yes", please complete the following:

Current MetLink ID \* \_\_\_\_\_ MetLink Email Address \_\_\_\_\_

### Other Forms

Please review and complete these additional forms as needed:

Producer Appointment Inquiry Form – available at <https://eforms.metlife.com/wcm8/OIDAction.do?OID=2580>

## ALTERNATE DISTRIBUTION CHANNEL - Page 1

Will there be a Third Party Administrator (TPA) or General Agent (GA) associated with the sale? \*

☐ Yes ☒ No

**If you answered "Yes", please complete a copy of the Alternate Distribution Channel section for each Alternate Distribution Channel**

Distribution Channel Type (select one) \* ☐ Third Party Administrator (TPA) ☐ General Agent (GA)

Strategic alliance name \*

Federal Tax ID \*

Producer first name \*

Producer last name \*

Producer (Broker) SSN \*

Email address \*

Address 1 \*

Address 2

Address 3

Address 4

City \*

State \*

Zip \*

Contact at Producer's office:

Contact first name \*

Contact last name \*

Phone number \*

Ext

Fax number

Email address \*

## ALTERNATE DISTRIBUTION CHANNEL - Page 2

Distribution Channel Type (*select one*) \* ☐ Third Party Administrator (TPA) ☐ General Agent (GA)

Strategic alliance name \*

Federal Tax ID \*

Producer first name \*

Producer last name \*

Producer (Broker) SSN \*

Email address \*

Address 1 \*

Address 2

Address 3

Address 4

City \*

State \*

Zip \*

Contact at Producer's office:

Contact first name \*

Contact last name \*

Phone number \*

Ext

Fax number

Email address \*



## CUSTOMER/CONTACT INFORMATION - Page 1

Please ensure the customer's Legal Name is correct, including all necessary capitalization, punctuation and company designations such as Inc., LLC, PLLC, Corp, dba, etc. on all pages of this form.

Legal name *	Customer number	
City of Lancaster	5946227	
Doing business as (customer name)	Prospect Number	
City of Lancaster	P1728928	
Effective date * (mm/dd/yyyy)	Number of eligible employees *	Federal Tax ID # *
10/01/2017	279	

Customer/Organization type (select one) \*

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Association         | <input type="checkbox"/> Labor union          | <input type="checkbox"/> Trust – MetLife Multiple Employer: DC           |
| <input checked="" type="checkbox"/> Employer | <input type="checkbox"/> Trust - Policyholder | <input type="checkbox"/> Trust – MetLife Multiple Employer: NY           |
| <input type="checkbox"/> Government group    |   | <input type="checkbox"/> Trust – MetLife Multiple Employer: PA           |
|  |   | <input type="checkbox"/> Trust – MetLife Multiple Employer: TX Educators |

Situs state	SIC code	SIC description
TX	9111	Executive Offices

### Headquarters address

Address 1 *	Address 2	
211 N Henry St		
Address 3	Address 4	
City *	State *	Zip *
Lancaster	TX	75146-2569

Is your mailing address the same as the headquarters address? \* (Please note that PO Boxes are not acceptable for billing or correspondence) ☒ Yes ☐ No

If you answered "Yes", skip to Executive contact section.

**Mailing address** (Billing information and all correspondence with the exception of renewal letters and certificates will be mailed to this address)

Customer name \*

Address 1 *	Address 2	
Address 3	Address 4	
City *	State *	Zip *

## CUSTOMER/CONTACT INFORMATION - Page 2

### Executive contact *(Person who has business authorization to act on behalf of customer)*

First name *	Last name *	MetLink access? * <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Brent Dori	Weegar Lee	
Title *		Email address *
HR Director		bweegar@ipsadvisors.com dlee@lancaster-tx.com
Phone number *	Ext	Fax number
214-443-2400		

Is your Primary contact / Benefit administrator the same as the Executive contact? \* ☒ Yes ☐ No

If you answered "Yes", skip to "BILLING INFORMATION"

### Primary contact / benefit administrator

First name *	Last name *	MetLink access? * <input type="checkbox"/> Yes <input type="checkbox"/> No
Title *		Email address *
Phone number *	Ext	Fax number

## BILLING INFORMATION - Page 1

Premium payment frequency (*select one*) \*

☒ Monthly    ☐ Quarterly    ☐ Annually    ☐ Other \_\_\_\_\_

### Primary location

☒ Same as headquarters address? \*    ☐ Same as mailing address? \*    ☐ TPA billed? \*

Is the Billing Contact the same as the Primary Contact/Benefit Administrator? \* ☒ Yes ☐ No

If you answered "No", please complete the following:

Billing Contact First name \*

Billing Contact Last name \*

Email address \*

MetLink Access? \*    ☐ Yes ☐ No

Phone number \*

Ext

Fax number

If TPA Billed, fill out the following section, otherwise skip to next section.

TPA Company Name\*

Address 1 \*

Address 2

Address 3

Address 4

City \*

State \*

Zip \*

Will the TPA be remitting payment? \*    ☐ Yes ☐ No

If you answered "Yes", please complete the Confirmation and Agreement Form which can be found at: <https://eforms.metlife.com/wcm8/OIDAction.do?OID=4558>. When a group has entered into an agreement with a Facilitator (*Broker or Third Party Administrator*) and the Facilitator agrees to collect and remit premium payment to MetLife, a Confirmation and Agreement (*C&A*) form must be signed and returned to MetLife.

Billing type \*    ☐ Self-administered premium    ☐ List billed

If you selected "List Billed", please complete the following:

Payroll deduction date (*mm/dd/yyyy*) \_\_\_\_\_

Payroll deduction frequency (*select one*)

☐ Annually

☐ Semi-Annually (*twice a year*)

☐ Quarterly

☐ Monthly

☐ Semi-Monthly (*twice a month*)

☐ Bi-Weekly (*every two weeks*)

☐ Weekly

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## BILLING INFORMATION - Page 2

Do you require departmental billing? \* (*Option to produce one bill with employees subtotaled by Location/Department*) ☐ Yes ☐ No

If you selected "Yes", please complete the following for each department (*use an additional sheet of paper if necessary*)

Location/Department name	Department code to be displayed on bill ( <i>max of 8 digits</i> )

## ADDITIONAL LOCATIONS / SUBSIDIARIES - Page 1

Do you have employees who are actively at work and are eligible for coverage at additional locations (other than the HQ address)? \* ☐ Yes ☒ No

**If you selected "Yes", please complete a copy of this page for each of those locations/subsidiaries.**  
(Please do not re - enter the Headquarters Address)

Legal name *	Federal Tax ID # *
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Company name *
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Location type (select one) \* ☐ Subsidiary ☐ Affiliate ☐ Additional location

Address 1 *	Address 2
-------------	-----------

Address 3	Address 4
-----------	-----------

City *	State *	Zip *
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Is the Primary Contact/Benefit Administrator for this location the same as the Primary Contact/BA at the HQ location? ☐ Yes ☐ No

If you selected "No", please complete the following Primary Contact/Benefit Administrator details:

Contact First Name *	Contact Last Name *
----------------------	---------------------

Email address *	MetLink access? * <input type="checkbox"/> Yes <input type="checkbox"/> No
-----------------	--

Phone number *	Ext	Fax number
----------------	-----	------------

Is this individual's address the same as the physical location address? \* ☐ Yes ☒ No

If you answered "No", please complete the following:

Address 1 *	Address 2
-------------	-----------

Address 3	Address 4
-----------	-----------

City *	State *	Zip *
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## ADDITIONAL LOCATIONS / SUBSIDIARIES - Page 2

Does this location require a separate bill? \* ☐ Yes ☐ No

If you selected "Yes", please complete the following information, otherwise skip to "ADDITIONAL CUSTOMER DETAILS" :

Billing contact first name *		Billing contact last name *
Email address *		MetLink access? * <input type="checkbox"/> Yes <input type="checkbox"/> No
Phone number *	Ext	Fax number

Is this location's billing address the same as the physical location address? \* ☐ Yes ☐ No

If you selected "Yes", skip to "Billing type", otherwise please complete the following :

Address 1 *		Address 2
Address 3		Address 4
City *	State *	Zip *

Billing type \* ☐ Self-administered premium ☐ List billed

If you selected "List billed", please complete the following:

Do you require departmental billing? \* (Option to produce one bill with employees subtotaled by location/Department) ☐ Yes ☐ No

If you selected "Yes", please complete the following for each Department (use an additional sheet of paper if necessary)

Location/Department name	Department code to be displayed on bill (max of 8 digits)

## ADDITIONAL LOCATIONS / SUBSIDIARIES - Page 3

Legal name *		Federal Tax ID # *
Company name *		
Location type (select one) * <input type="checkbox"/> Subsidiary <input type="checkbox"/> Affiliate <input type="checkbox"/> Additional location		
Address 1 *		Address 2
Address 3		Address 4
City *	State *	Zip *

Is the Primary Contact/Benefit Administrator for this location the same as the Primary Contact/BA at the HQ location? ☐ Yes ☐ No

If you selected "No", please complete the following Primary Contact/Benefit Administrator details:

Contact First Name *		Contact Last Name *
Email address *		MetLink access? * <input type="checkbox"/> Yes <input type="checkbox"/> No
Phone number *	Ext	Fax number
Is this individual's address the same as the physical location address? * <input type="checkbox"/> Yes <input type="checkbox"/> No		
If you answered "No", please complete the following:		
Address 1 *		Address 2
Address 3		Address 4
City *	State *	Zip *

## ADDITIONAL LOCATIONS / SUBSIDIARIES - Page 4

Does this location require a separate bill? \* ☐ Yes ☐ No

If you selected "Yes", please complete the following information, otherwise skip to "ADDITIONAL CUSTOMER DETAILS" :

Billing contact first name *		Billing contact last name *	
Email address *		MetLink access? * <input type="checkbox"/> Yes <input type="checkbox"/> No	
Phone number *	Ext	Fax number	

Is this location's billing address the same as the physical location address? \* ☐ Yes ☐ No

If you selected "Yes", skip to "Billing type", otherwise please complete the following :

Address 1 *		Address 2	
Address 3		Address 4	
City *	State *	Zip *	

Billing type \* ☐ Self-administered premium ☐ List billed

If you selected "List billed", please complete the following:

Do you require departmental billing? \* *(Option to produce one bill with employees subtotaled by location/Department)* ☐ Yes ☐ No

If you selected "Yes", please complete the following for each Department *(use an additional sheet of paper if necessary)*

Location/Department name	Department code to be displayed on bill <i>(max of 8 digits)</i>



## ADDITIONAL CUSTOMER DETAILS - Page 1

Will you be sending an ongoing electronic enrollment / eligibility file? \* ☐ Yes ☐ No

*Note: This is a separate ongoing file that does not refer to your initial electronic census.*

Customer file refers to a process where electronic eligibility files are submitted from a group's enrollment vendor to MetLife. This process may also be referred to as electronic eligibility, group tape or EDI (*electronic data interface*).

If you selected "Yes", please complete the following:

Will you be using a third party to submit your enrollment/eligibility files? ☐ Yes ☐ No

If you selected "Yes", please provide name of third party, otherwise continue with Contact information:

Third Party Name \*

Contact first name *	Contact last name *
Phone number *	Ext
	Email address *

Is or will your policy be covered under section 125? \* ☐ Yes ☐ No

### Additional MetLink users

MetLink is our on-line administrative system. Designed to make benefits administration easier, MetLink provides convenient access to MetLife's systems – enabling you to efficiently add or modify employee information and look up dental or disability claim status. You can also view your current bill on-line, look up billing history and run a listing of employees that can be reviewed on-line or downloaded into a spreadsheet.

*Note: These features are only available with the List Billing option.*

For additional information please visit our website at:

<http://www.metlifeiseasier.com/smallmarketnews/tutorial/start.htm>

*Please note: MetLife dental customers must comply with all HIPAA requirements as well as become certified with MetLife in order to obtain access to the Dental Claim Inquiry feature of MetLink/MyBenefits.*

Do you wish for your broker to have MetLink access for your group? \* ☒ Yes ☐ No

Do you wish to provide MetLink access to additional users? \* ☒ Yes ☐ No

If you answered "Yes", please complete the following for each additional user (*use an additional sheet of paper if necessary*)

First name *	Last name *	MetLink user type
Dori	Lee	
Current MetLink Access (Y/N)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Current MetLink ID	Current MetLink email address

First name *	Last name *	MetLink user type
Current MetLink Access (Y/N)? <input type="checkbox"/> Yes <input type="checkbox"/> No	Current MetLink ID	Current MetLink email address

## ADDITIONAL CUSTOMER DETAILS - Page 2

First name *	Last name *	MetLink user type
Current MetLink Access (Y/N)? <input type="checkbox"/> Yes <input type="checkbox"/> No	Current MetLink ID	Current MetLink email address
First name *	Last name *	MetLink user type
Current MetLink Access (Y/N)? <input type="checkbox"/> Yes <input type="checkbox"/> No	Current MetLink ID	Current MetLink email address
First name *	Last name *	MetLink user type
Current MetLink Access (Y/N)? <input type="checkbox"/> Yes <input type="checkbox"/> No	Current MetLink ID	Current MetLink email address

### Paper bill suppression / support the MetLife "Go Green" initiative

As a MetLink user would you like to stop paper bill generations? \* ☐ Yes ☐ No

**Go Green Go Paperless!**

*MetLink allows online access to your billing statement and provides you capabilities to make updates as needed.  
If you go paperless, you must access MetLink to review your billing statements.*

### Domestic Partner Coverage

*Note: State requirements may determine Domestic Partner eligibility for certain products.*

Are Domestic Partners to be included as eligible dependents? \* ☐ Yes ☐ No

If you selected "Yes", please answer the following:

Do you want to designate your Domestic Partner eligibility at a group or product level? \* ☐ Group ☐ Product

If you answered "Group", please complete the following, otherwise skip to the Special Instructions / Comments section.

Does Domestic Partner eligibility include both same and opposite sex partners (standard option)? \* ☐ Yes ☐ No

If "No", and Domestic Partner definition and/or eligibility is non-standard, please describe:

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## ADDITIONAL CUSTOMER DETAILS - Page 3

### Special instructions / comments

Please add any additional information/ instructions here: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## PRODUCT SETUP - Page 1

### Dental Insurance

Is this replacement coverage? \*

- ☒ Yes – This coverage is being moved from another carrier.  
☐ No – This is the first time offering this coverage to your employees.

Coverage	Effective date *	Advanced payment amount* (Equal to approximately one month's premium, if required)
Dental	10/01/2017	0.00

Are dependents being covered? \* ☒ Yes ☐ No

If you answered "Yes", please complete the following:

Dependent age \* 26 Full-time student age \* 26

*Note: Specific state restrictions may apply to dependent age limits*

Are you currently covering any mentally or physically handicapped dependents that are over the limiting age? \* ☐ Yes ☐ No

### Domestic Partner eligibility

If you wanted to designate your Domestic Partner eligibility at the product level, please complete the following:

*Note: If you designated at a Group Level you can skip this section.*

*Note: State requirements may determine Domestic Partner eligibility for certain products.*

Are Domestic Partners to be included as eligible dependents? \* ☐ Yes ☐ No

If you selected "Yes", please answer the following:

Do you want to designate your Domestic Partner eligibility at a group or product level? \* ☐ Group ☐ Product

If you answered "Product", please complete the following:

Does Domestic Partner eligibility include both same and opposite sex partners (standard option)? \* ☐ Yes ☐ No

If "No", and Domestic Partner definition and/or eligibility is non-standard, please describe:

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### Essential health benefits

The following dental coverages sold have been updated to include the pediatric dental essential health benefit as provided by the Patient Protection and Affordable Care Act.

☐ Dental (PPO) ☐ Managed Dental Plan (DHMO)

Please note that not all plans are available in all states. CA and NY Managed Dental Plans have not been updated to include the pediatric dental essential health benefit.

**Instructions:** The individual authorized to act on behalf of the company must complete the following Certification section of this form to confirm actions that the company has requested or undertaken with respect to the implementation of MetLife insurance and/or service program(s). Please read carefully and complete by checking all boxes that apply.

**Certification:** I certify that I am the individual authorized to act on behalf of the company. By checking any box below I certify on behalf of the company the accuracy of the statement immediately following each checked box.

- ☐ By checking this box I certify that the Gramm-Leach-Bliley (*Consumer*) Privacy Notice has been distributed to all affected employees. This notice explains how we protect your privacy and treat your personal information. It applies to current and former customers. "Personal information" as used here means anything we know about you personally. You can view and/or print a copy of the Gramm-Leach-Bliley Privacy Notice at: <https://eforms.metlife.com/wcm8/OIDAction.do?OID=4685>
- ☐ By checking this box I certify that I have received a copy of the Intermediary Compensation Notice available at: <https://eforms.metlife.com/wcm8/OIDAction.do?OID=26685>

## HIPAA

I am an authorized representative of the MetLife customer named on this document. I have read and understand the HIPAA Information for new MetLife group dental and/or vision insurance customers. By my signature at the end of this form, I am authorizing the following:

Do you want access to dental/vision claims information/PHI for your employees? \* ☐ Yes ☐ No

If you answered "Yes", please complete the following:

- ☐ Yes, I want access to claims. Please include MetLife's language as included in the sample HIPAA document in the employee certificates.  
You can access the sample summary plan description HIPAA privacy language at:  
<https://eforms.metlife.com/wcm8/OIDAction.do?OID=30442>
- Please complete and sign the "HIPAA Request" form included at the end of this document.
- ☐ Yes, I want access to claims but I have my own HIPAA plan sponsor form and I will submit a copy with this application.
- ☐ By checking this box I certify that I have received a copy of the HIPAA information for new MetLife group dental and/or vision insurance customers.

If your group will be TPA billed, please complete the following authorization:

- ☐ By checking this box an authorized representative of City of Lancaster acknowledges and accepts the TPA confirmation and agreement.

If a third party will be sending ongoing electronic enrollment/eligibility files on your behalf, please complete the following

- ☐ Please be advised that **City of Lancaster** have entered into an agreement with

**We authorize to release complete employee census/enrollment data to MetLife.**

## AUTHORIZATIONS - Page 2

**Go Green Go Paperless!**

The company is requesting that MetLife deliver the group insurance policy and certificates to the company via e-mail as Adobe pdf documents and confirms that it is able to save them as electronic records and print them for distribution to individuals who become covered under the group insurance policy. *(Please note: If the company is unable or unwilling to accept each of these documents electronically check "I would like a paper Policy & Certificate sent to me the Employer" and a paper copy of each will be sent to the company.)*

### For MetLife use only

eSignature override(s)

- ☐ Customer wet signed
- ☐ Broker electronic signature/submission completed by MetLife

MetLife comments / special instructions:

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## Non-Standard Commission Agreement

This Agreement between Metropolitan Life Insurance Company ("MetLife") and the undersigned producer ("Producer") is effective for first and subsequent year commissions, if applicable, for the customer.

Customer Name <b>City of Lancaster</b>	<b>Transaction Type</b>
Customer Number <b>5946227</b>	<input checked="" type="checkbox"/> New Business
Situs of Customer <b>TEXAS</b>	<input type="checkbox"/> Arrangement Change
	<input type="checkbox"/> Broker Change
	<input type="checkbox"/> Added Coverage
	<input type="checkbox"/> Services Fees

Division / Experience #	Line of Coverage	Commission Arrangement	Effective Date (Typically 1 <sup>st</sup> of Month)	If Applicable, % Split Commission
	DENT - Dental	0% - Zero Commission	10/01/2017	

**1. Commissions.** Producer will receive commissions from MetLife for each coverage sold in the month after premium is received by MetLife. Monthly payments will be determined by applying the attached schedule to the actual premium received per line of sold coverage within the policy year, and subtracting the commissions already paid during the policy year. Commissions will be paid so long as: (a) Producer is licensed by the applicable State Insurance Department and appointed by MetLife to sell the insurance provided by the policy; (b) Producer services the business; (c) MetLife recognizes Producer as the agent/broker of record; (d) any commission advances or overpayments have been properly recovered by MetLife; (e) the policy remains in force; and (f) this Agreement is in effect.

**2. Risk Acceptance.** It is understood and agreed that MetLife retains the exclusive right to (a) bind or commit MetLife on any risk in any matters; (b) decline any application for insurance submitted by the Producer; (c) discontinue any form of policy in any or all jurisdictions in which MetLife does business; and (d) resume the use of any policy at any time.

**3. Overpayments.** It is agreed that any overpayment of commissions which may occur due to clerical error; cancellation of coverage; refund of premium; payment of any advance if applicable; change of agent/broker of record by the policyholder or MetLife; or any other reason, will be returned to MetLife by the Producer. It is further agreed that MetLife is authorized to recover any overpayments from the current or future commission owed the Producer by MetLife or its affiliates. Producer agrees to reimburse MetLife for expenses, including costs and attorneys' fees, associated with the collection of outstanding debts due MetLife from Producer.

**4. Independent Contractor.** Producer acknowledges and agrees that it is an independent contractor and not an employee of MetLife. (Note: Not applicable to MetLife Financial Services Representatives.)

**5. Notices. Disclosure.** If Producer receives notice of the commencement of any legal, regulatory or administrative proceedings involving MetLife or Producer, or if it receives any communication from any Insurance Department or other administrative agency or any other person identifying a complaint registered against MetLife or Producer, Producer shall, following receipt of such notice, immediately notify MetLife of the proceeding or complaint, and promptly forward any correspondence or necessary files. Producer shall disclose to each of its clients all compensation including, without limitation, commissions, service fees, and supplemental compensation that MetLife pays to Producer or any of Producer's affiliates with respect to the MetLife Products purchased by Producer's client. Producer shall provide to a client or prospective client MetLife's Compensation Notice provided in any MetLife bid proposal for such client. MetLife reserves the right to change the form of the Compensation Notice. MetLife reserves the right to disclose to its customers or potential customers the details regarding compensation it may pay to Producer and to Producer's affiliates under this or any other agreement. Producer shall provide to customers or prospective customers a copy of MetLife's compensation notice provided in any MetLife bid proposal for such customer or prospective customer. MetLife reserves the right to disclose to its customers or potential customers the details regarding compensation it may pay to Producer.

**6. Customer Information.** Producer agrees to treat all information about individuals who enroll, apply for or purchase MetLife's products or services that Producer may have or may obtain in connection with its obligations under the Contract ("Customer Information") as confidential. Customer Information may include, but is not limited to, an individual's name, address, social security number, and any financial or health information relating to the individual. Producer may use Customer Information only for the purpose of fulfilling its obligations under the Contract and Producer may not disclose Customer Information to anyone other than the individual to whom the information relates, except as required for Producer to fulfill its obligations under the Contract or as otherwise directed by MetLife, or except as expressly required by law. Producer must also ensure that Customer Information is kept in a secured manner.

**7. Protected Health Information. 7.1.** In order to further protect the confidentiality of any PHI disclosed to or used by Producer pursuant to the Contract and to satisfy requirements of HIPAA, MetLife and Producer agree to the following with respect to any PHI received or created by Producer in providing services pursuant to the Contract, including PHI received or created prior to the effective date of the Contract ("MetLife PHI"): (a) the obligations regarding MetLife PHI contained in this Agreement shall be in addition to any other obligations contained in the Contract that uses MetLife PHI has been approved to MetLife PHI pursuant to this Agreement; (g) within thirty (30) days of MetLife's request, Producer shall provide to provide individuals with access to, amendment of, and an accounting of disclosures of their MetLife PHI, and Producer agrees to incorporate any



amendments of the MetLife PHI as requested by MetLife; (h) Producer agrees to make its internal practices, books, and records relating to its use or disclosure of MetLife PHI available to the Secretary of the United States Department of Health and Human Services at his/her request to determine MetLife's compliance; (i) Producer agrees that upon termination of the Contract it will, if feasible, return or destroy all MetLife PHI it maintains in any form and retain no copies, and if such return or destruction is not feasible, Producer agrees to extend the protections of this Agreement to the MetLife PHI beyond the termination of the Contract and for as long as Producer has MetLife PHI, and further agrees that any further use or disclosure of the MetLife PHI will be solely for the purposes that make return or destruction infeasible; (j) Producer agrees that it will not disclose MetLife PHI, other than enrollment information, to an employer or plan sponsor, unless the employer or plan sponsor has taken the steps required by HIPAA to permit disclosure to the employer or plan sponsor; (k) Producer may use or disclose MetLife PHI to the extent that such use or disclosure is required by law and the use or disclosure complies with and is limited to the relevant requirements of such law, and only to the extent that such use or disclosure complies with any applicable HIPAA requirements relating to uses and disclosures required by law; and (l) Producer shall (1) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic MetLife PHI that Producer creates, receives, maintains, or transmits on behalf of MetLife; (2) ensure that any agent of Producer, including any subcontractor or Producer affiliate to whom Producer provides electronic MetLife PHI, agrees to implement reasonable and appropriate safeguards to protect electronic MetLife PHI; and (3) report to MetLife any security incident related to electronic MetLife PHI of which Producer becomes aware. 7.2. Producer agrees and acknowledges that it is directly subject to HIPAA, as amended by the HITECH Act, including its provisions relating to security and privacy of PHI as well as its enforcement and penalty provisions. Producer agrees that it will: (a) comply with all applicable security and privacy provisions of HIPAA as amended by the HITECH Act and as it may be amended from time to time; (b) not act in any way to interfere with or hinder MetLife's ability to comply with HIPAA as amended by the HITECH Act and as it may be amended from time to time; and (c) notify MetLife within five (5) business days after discovering a "breach" as that term is defined in Section 13400 of the HITECH Act at the following e-mail address: [securitybreach@metlife.com](mailto:securitybreach@metlife.com) 7.3. In the event Producer learns of a pattern of activity or practice of subcontractor that constitutes a material breach or violation of its obligations relating to PHI under Producer and subcontractor's agreement, Producer will take reasonable steps to cure the breach or end the violation. If such steps are unsuccessful, Producer will terminate the agreement with its subcontractor, if feasible, or, if termination is not feasible, report the problem to the Secretary of Department of Health and Human Services ("HHS"). 7.4. PHI is defined as individually identifiable information that is transmitted or maintained in any medium and relates to: the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or past, present, or future payment for the provision of health care to the individual. MetLife and Producer understand that this definition of PHI includes demographic information about the individual, including names; geographic subdivisions smaller than a state (including but not limited to street addresses and ZIP codes); all elements of dates (except year) for dates directly related to an individual, including but not limited to birth date; telephone numbers; fax numbers; electronic mail (E-mail) addresses; Social Security numbers; Medical record numbers; health plan beneficiary numbers; account numbers; certificate/license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; Web Universal Resource Locators (URLs); Internet Protocol (IP) address numbers; biometric identifiers, including finger and voice prints; full face photographic images and any comparable images; and any other unique identifying number, characteristic, or code. 7.5. Producer's breach of any of the provisions of Paragraph 7 shall constitute a material breach of this Agreement and provide grounds for immediate termination by MetLife, notwithstanding any other provision of the Agreement.

**8. Amendments.** MetLife reserves the right to amend this Agreement by providing Producer with thirty (30) days prior written notice of the change.

**9. Advertising.** For the sale or marketing of MetLife products, Producer shall use only sales material approved in writing by MetLife.

**10. Termination.** MetLife may terminate this Agreement at any time for any or no reason. Additionally, this Agreement shall terminate immediately if (a) Producer is no longer appointed by MetLife to sell its products; (b) Producer is not licensed by the applicable state insurance department; (c) Producer breaches any provision of this Agreement; (d) Producer commits or its agents commit fraud, embezzlement, gross negligence or other legal misconduct. The rights and obligations established under Sections 3, 5, 6, and 7, hereof, shall survive the termination of this Agreement.

**If you are a MetLife Financial Services Representative, Senior Partner or Unified Brokerage Associate, or New England Financial Agent/Broker, the commission amounts shown above will be treated as Gross Dealer Concessions ("GDC") and compensation will be based on your GDC Grid Rate applied to the commission.**

DIRECT DEPOSIT Preferred Payment Method – for a form go to [www.whymetlife.com/broker/forms/](http://www.whymetlife.com/broker/forms/)

#### PRODUCER

Signature: B. Weegar Date Signed \_\_\_\_\_  
 Printed Name Brent Weegar SSN # \*\*\*-\*\*-\*\*\*\*  
 Email Address \_\_\_\_\_ (For Verification Purposes only)

#### PAYEE

Individual Name / Business Entity to be Paid \_\_\_\_\_  
 Commission Payment Street Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_  
 SSN# / Tax Payer Identification # \_\_\_\_\_

# MetLife



Joseph Heaney, Vice President

MetLife Sales Rep. Name (print) Andrew Clifton  
 Use Only Email Address aclifton@metlife.com



## Standard Commission Agreement

This Agreement is made by and between **METROPOLITAN LIFE INSURANCE COMPANY ("MetLife")** and the Producer whose signature appears below. MetLife and Producer hereby agree as follows:

**1. Commissions.** Producer will receive commissions from MetLife for each coverage sold in the month after premium is received by MetLife. Monthly payments will be determined by applying the attached schedule to the actual premium received per line of sold coverage within the policy year, and subtracting the commissions already paid during the policy year. Commissions will be paid so long as: (a) Producer is licensed by the applicable State Insurance Department and appointed by MetLife to sell the insurance provided by the policy; (b) Producer services the business; (c) MetLife recognizes Producer as the agent/broker of record; (d) any commission advances or overpayments have been properly recovered by MetLife; (e) the policy remains in force; and (f) this Agreement is in effect.

**2. Risk Acceptance.** It is understood and agreed that MetLife retains the exclusive right to (a) bind or commit MetLife on any risk in any matters; (b) decline any application for insurance submitted by the Producer; (c) discontinue any form of policy in any or all jurisdictions in which MetLife does business; and (d) resume the use of any policy at any time.

**3. Overpayments.** It is agreed that any overpayment of commissions which may occur due to clerical error; cancellation of coverage; refund of premium; payment of any advance if applicable; change of agent/broker of record by the policyholder or MetLife; or any other reason, will be returned to MetLife by the Producer. It is further agreed that MetLife is authorized to recover any overpayments from the current or future commission owed the Producer by MetLife or its affiliates. Producer agrees to reimburse MetLife for expenses, including costs and attorneys' fees, associated with the collection of outstanding debts due MetLife from Producer.

**4. Independent Contractor.** Producer acknowledges and agrees that it is an independent contractor and not an employee of MetLife. (Note: Not applicable to MetLife Financial Services Representatives.)

**5. Notices. Disclosure.** If Producer receives notice of the commencement of any legal, regulatory or administrative proceedings involving MetLife or Producer, or if it receives any communication from any Insurance Department or other administrative agency or any other person identifying a complaint registered against MetLife or Producer, Producer shall, following receipt of such notice, immediately notify MetLife of the proceeding or complaint, and promptly forward any correspondence or necessary files. Producer shall disclose to each of its clients all compensation including, without limitation, commissions, service fees, and supplemental compensation that MetLife pays to Producer or any of Producer's affiliates with respect to the MetLife Products purchased by Producer's client. Producer shall provide to a client or prospective client MetLife's Compensation Notice provided in any MetLife bid proposal for such client. MetLife reserves the right to change the form of the Compensation Notice. MetLife reserves the right to disclose to its customers or potential customers the details regarding compensation it may pay to Producer and to Producer's affiliates under this or any other agreement. Producer shall provide to customers or prospective customers a copy of MetLife's compensation notice provided in any MetLife bid proposal for such customer or prospective customer. MetLife reserves the right to disclose to its customers or potential customers the details regarding compensation it may pay to Producer.

**6. Customer Information.** Producer agrees to treat all information about individuals who enroll, apply for or purchase MetLife's products or services that Producer may have or may obtain in connection with its obligations under the Contract ("Customer Information") as confidential. Customer Information may include, but is not limited to, an individual's name, address, social security number, and any financial or health information relating to the individual. Producer may use Customer Information only for the purpose of fulfilling its obligations under the Contract and Producer may not disclose Customer Information to anyone other than the individual to whom the information relates, except as required for Producer to fulfill its obligations under the Contract or as otherwise directed by MetLife, or except as expressly required by law. Producer must also ensure that Customer Information is kept in a secured manner.

**7. Protected Health Information.** 7.1. In order to further protect the confidentiality of any PHI disclosed to or used by Producer pursuant to the Contract and to satisfy requirements of HIPAA, MetLife and Producer agree to the following with respect to any PHI received or created by Producer in providing services pursuant to the Contract, including PHI received or created prior to the effective date of the Contract ("MetLife PHI"): (a) the obligations regarding MetLife PHI contained in this Agreement shall be in addition to any other obligations contained in the Contract that apply to MetLife PHI; (b) Producer may not use or disclose MetLife PHI except to provide services pursuant to the Contract; (c) Producer shall use appropriate safeguards to prevent use or disclosure of MetLife PHI; (d) MetLife and Producer represent and warrant that their security procedures are adequate to protect and maintain the confidentiality of MetLife PHI; (e) Producer shall promptly report to MetLife any use or disclosure of MetLife PHI not permitted by this Agreement of which it becomes aware; (f) Producer shall ensure that any Agents, including any sub-contractors or Producer affiliates, that Producer may use in accordance with the Contract and to whom Producer provides MetLife PHI or who uses MetLife PHI has been approved by MetLife in writing and agrees to the same restrictions and conditions that apply to Producer with respect to MetLife PHI pursuant to this Agreement; (g) within thirty (30) days of MetLife's request, Producer shall provide to MetLife any MetLife PHI or information relating to MetLife PHI as deemed necessary by MetLife to comply with its obligations under HIPAA to provide individuals with access to, amendment of, and an accounting of disclosures of their MetLife PHI, and Producer agrees to incorporate any amendments of the MetLife PHI as requested by MetLife; (h) Producer agrees to make its internal practices, books, and records relating to its use or disclosure of MetLife PHI available to the

**7. Protected Health Information (continued).** Secretary of the United States Department of Health and Human Services at his/her request to determine MetLife's compliance; (i) Producer agrees that upon termination of the Contract it will, if feasible, return or destroy all MetLife PHI it maintains in any form and retain no copies, and if such return or destruction is not feasible, Producer agrees to extend the protections of this Agreement to the MetLife PHI beyond the termination of the Contract and for as long as Producer has MetLife PHI, and further agrees that any further use or disclosure of the MetLife PHI will be solely for the purposes that make return or destruction infeasible; (j) Producer agrees that it will not disclose MetLife PHI, other than enrollment information, to an employer or plan sponsor, unless the employer or plan sponsor has taken the steps required by HIPAA to permit disclosure to the employer or plan sponsor; (k) Producer may use or disclose MetLife PHI to the extent that such use or disclosure is required by law and the use or disclosure complies with and is limited to the relevant requirements of such law, and only to the extent that such use or disclosure complies with any applicable HIPAA requirements relating to uses and disclosures required by law; and (l) Producer shall (1) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic MetLife PHI that Producer creates, receives, maintains, or transmits on behalf of MetLife; (2) ensure that any agent of Producer, including any subcontractor or Producer affiliate to whom Producer provides electronic MetLife PHI, agrees to implement reasonable and appropriate safeguards to protect electronic MetLife PHI; and (3) report to MetLife any security incident related to electronic MetLife PHI of which Producer becomes aware. **7.2.** Producer agrees and acknowledges that it is directly subject to HIPAA, as amended by the HITECH Act, including its provisions relating to security and privacy of PHI as well as its enforcement and penalty provisions. Producer agrees that it will: (a) comply with all applicable security and privacy provisions of HIPAA as amended by the HITECH Act and as it may be amended from time to time; (b) not act in any way to interfere with or hinder MetLife's ability to comply with HIPAA as amended by the HITECH Act and as it may be amended from time to time; and (c) notify MetLife within five (5) business days after discovering a "breach" as that term is defined in Section 13400 of the HITECH Act at the following e-mail address: securitybreach@metlife.com **7.3.** In the event Producer learns of a pattern of activity or practice of subcontractor that constitutes a material breach or violation of its obligations relating to PHI under Producer and subcontractor's agreement, Producer will take reasonable steps to cure the breach or end the violation. If such steps are unsuccessful, Producer will terminate the agreement with its subcontractor, if feasible, or, if termination is not feasible, report the problem to the Secretary of Department of Health and Human Services ("HHS"). **7.4.** PHI is defined as individually identifiable information that is transmitted or maintained in any medium and relates to: the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or past, present, or future payment for the provision of health care to the individual. MetLife and Producer understand that this definition of PHI includes demographic information about the individual, including names; geographic subdivisions smaller than a state (including but not limited to street addresses and ZIP codes); all elements of dates (except year) for dates directly related to an individual, including but not limited to birth date; telephone numbers; fax numbers; electronic mail (E-mail) addresses; Social Security numbers; Medical record numbers; health plan beneficiary numbers; account numbers; certificate/license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; Web Universal Resource Locators (URLs); Internet Protocol (IP) address numbers; biometric identifiers, including finger and voice prints; full face photographic images and any comparable images; and any other unique identifying number, characteristic, or code. **7.5.** Producer's breach of any of the provisions of Paragraph 7 shall constitute a material breach of this Agreement and provide grounds for immediate termination by MetLife, notwithstanding any other provision of the Agreement.

**8. Amendments.** MetLife reserves the right to amend this Agreement by providing Producer with thirty (30) days prior written notice of the change.

**9. Advertising.** For the sale or marketing of MetLife products, Producer shall use only sales material approved in writing by MetLife.

**10. Termination.** MetLife may terminate this Agreement at any time for any or no reason. Additionally, this Agreement shall terminate immediately if (a) Producer is no longer appointed by MetLife to sell its products; (b) Producer is not licensed by the applicable state insurance department; (c) Producer breaches any provision of this Agreement; (d) Producer commits or its agents commit fraud, embezzlement, gross negligence or other legal misconduct. The rights and obligations established under Sections 3, 5, 6, and 7, hereof, shall survive the termination of this Agreement.

METROPOLITAN LIFE INSURANCE COMPANY



Joseph Heaney, Vice President

7/18/2017

Date

By checking this box and signing the Application for Group Insurance, I certify that I agree to the terms and provisions of the MetLife Small Market Standard Commission Agreement.

Brent Weegar

Producer's Printed Name

75-2817385

Social Security Number (Tax ID if Corporation)

## Standard Commission Agreement

MetLife Commission Schedule for:

Basic Life, Core Life, Dependent Life, AD&D, STD, Core STD and State Mandated Disability			
Annual Premium		New Business Commission	Renewal Commission
First	\$5,000	15.00%	15.00%
Next	\$5,000	10.00%	10.00%
Next	\$20,000	5.00%	5.00%
Next	\$10,000	3.50%	3.50%
Next	\$10,000	3.00%	3.00%
Next	\$10,000	2.00%	2.00%
Next	\$190,000	1.75%	1.75%
Next	\$250,000	1.00%	1.00%
Next	\$500,000	0.50%	0.50%
Next	\$4,000,000	0.25%	0.25%
\$5,000,000 & over		0.10%	0.10%

Dental, MMA STD*			
Annual Premium		New Business Commission	Renewal Commission
First	\$5,000	10.00%	10.00%
Next	\$5,000	7.50%	7.50%
Next	\$20,000	5.00%	5.00%
Next	\$10,000	3.50%	3.50%
Next	\$10,000	3.00%	3.00%
Next	\$10,000	2.00%	2.00%
Next	\$190,000	1.75%	1.75%
Next	\$250,000	1.00%	1.00%
Next	\$500,000	0.50%	0.50%
Next	\$4,000,000	0.25%	0.25%
\$5,000,000 & over		0.10%	0.10%

Long Term Disability and Core Long Term Disability		
Annual Premium		Commission
First	\$15,000	15.00%
Next	\$10,000	10.00%
Next	\$25,000	5.00%
Next	\$200,000	2.00%
Excess over \$250,000		1.00%

**Buy-Up Life, Enhanced Optional Life and Enhanced/Buy-Up Dependent Life, Vol. Short Term Disability/Long Term Disability, Buy-Up STD/LTD, DHMO-TX**

Flat 15% of annualized premium

**Vision, DHMO**

Flat 10% of annualized premium

\* Michigan Manufacturers Association (MMA) STD coverage is paid using the MetLife Dental rates.

If you are a MetLife Financial Services Representative, Senior Partner or Unified Brokerage Associate, or New England Financial Agent or Broker, the commission amounts shown above will be treated as Gross Dealer Concession ("GDC") and compensation will be based on your GDC Grid Rate applied to the commission.

**Group, Voluntary & Worksite Benefits**  
Metropolitan Life Insurance Company  
200 Park Avenue  
New York, NY 10166



## Statement of Responsibility

MetLife will be responsible to the group policyholder for the performance of its administrative obligations under the group policy, this agreement and any other written agreement between MetLife and the group policyholder. If MetLife uses a third party in connection with any of MetLife's administrative obligations, MetLife will remain responsible to the group policyholder for the performance by the third party of those administrative obligations. The third party will work under the control and direction of MetLife and MetLife will be solely responsible for the acts, errors and omissions of the third party.

The group policyholder will be responsible to MetLife for the performance of its administrative obligations under the group policy, this agreement and any other written agreement between MetLife and the group policyholder. If the group policyholder uses a third party in connection with any of the group policyholder's administrative obligations, the group policyholder will remain responsible to MetLife for the performance by the third party of those administrative obligations. The third party will work under the control and the direction of the group policyholder and the group policyholder will be solely responsible for the acts, errors and omissions of the third party.

### To be completed by Policyholder:

_____ (Name of Authorized Representative)	_____ (Title of Authorized Representative)
_____ (Signature of Policyholder Authorized Representative)	<b>City of Lancaster</b> (Group Policyholder Name)
Signed at:	
_____ (City)	_____ (State)
	_____ Date (MM/DD/YYYY)

### To be completed by Metropolitan Life Insurance Company:

 <b>James W. Reid</b> Executive Vice President Group, Voluntary & Worksite Benefits	_____ Date (MM/DD/YYYY)
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## CUSTOMER AGREEMENT



# MetLife®

City of Lancaster  
211 N Henry St  
Lancaster, TX 751462569

07/18/2017

Dear Brent Weegar

Thank you for choosing a benefits program from Metropolitan Life Insurance Company ("MetLife") and the MetLife family of Companies. We are excited to be providing benefits for City of Lancaster employees. To get started, please sign a copy of this letter below.

The benefits you have chosen for your Dental are listed in the schedules already provided to you. If your MetLife benefit offerings change, we will reflect those changes in a new schedule.

### **METLIFE'S RESPONSIBILITIES:**

1. MetLife will offer the benefits listed on the attached schedules ("MetLife Benefits") to all eligible individuals. Individuals who obtain benefits are referred to as "Participants".
2. For each of the MetLife Benefits listed on the attached schedule, MetLife will provide as applicable either: a group insurance policy and insurance certificates; individually underwritten insurance policies; a detailed benefits schedule; or one or more administrative agreements. These documents will detail the benefits provided, costs, effective date, and other important terms. Nothing in this letter changes any of the terms of the group or individual insurance policies, certificates or other applicable administrative agreements.
3. MetLife will comply with all laws applicable to MetLife's activities in connection with the MetLife Benefits.
4. MetLife will provide information and materials that eligible individuals need to understand the MetLife Benefits.
5. MetLife will process eligibility information and payroll deductions in accordance with MetLife's policies and procedures for each MetLife Benefit. MetLife will be responsible for all pricing and individual underwriting decisions.
6. MetLife will provide account management services to City of Lancaster and customer service to eligible individuals.
7. MetLife will treat all non-public personal information about eligible individuals in a confidential manner and in accordance with all applicable laws.
8. Participants no longer employed by City of Lancaster (and where applicable, their dependents) may continue certain benefits with MetLife in accordance with MetLife's policies and procedures.

(continued)



### City of Lancaster'S RESPONSIBILITIES:

1. City of Lancaster will communicate the MetLife Benefits to all eligible individuals and distribute enrollment materials. City of Lancaster will provide MetLife with full access to the eligible population. City of Lancaster will perform its administrative obligations to the fullest extent to drive maximum participation in MetLife Benefits by all eligible individuals. [For Auto & Home coverage, City of Lancaster will provide employee contact information to support home mailings managed by MetLife up to four times throughout a calendar year. The campaigns will be chosen by MetLife, and can be customized by adding the employer logo.]
2. City of Lancaster will process enrollments and will report to MetLife the identity of all Participants. For certain MetLife Benefits, MetLife requires that City of Lancaster will provide a list of all Eligible Employees and provide regular updates thereto. City of Lancaster will provide this if required to do so. MetLife and City of Lancaster will agree upon the timing and format of this enrollment information.
3. City of Lancaster will not use the name or Brand of MetLife or create or distribute materials regarding the MetLife Benefits without MetLife's approval.
4. City of Lancaster will comply with all laws applicable to City of Lancaster's activities in connection with the MetLife Benefits.
5. Where Participants contribute to the cost of the MetLife Benefits, City of Lancaster will provide payroll deductions for amounts due in connection with the MetLife Benefits and will remit payments to MetLife.
6. City of Lancaster will be responsible for any filings required by the Department of Labor or other Federal or State agencies. Upon request, MetLife will provide applicable information necessary to make such filings.
7. If City of Lancaster is represented by an insurance agent or broker for purposes of a MetLife Benefit, City of Lancaster agrees to inform MetLife of any change in its insurance agent or broker.

We look forward to serving your benefit needs! If the terms of this letter are acceptable to City of Lancaster, please sign below.

Very Truly Yours,

Accepted and Agreed to:

**METROPOLITAN LIFE INSURANCE COMPANY**

**City of Lancaster**



By

Executive Vice President

Title

Brent Weegar

Name of Authorized Representative

Principal

Title of Authorized Representative



Signature of Authorized Representative



Metropolitan Life Insurance Company  
200 Park Avenue, New York, New York

### APPLICATION FOR GROUP INSURANCE

The applicant named below is applying for Group Insurance to provide coverage for the class(es) of persons specified below.

#### APPLICANT DATA

1. Full legal name of Applicant: City of Lancaster (the "Policyholder")  
2. Address: 211 N Henry St City Lancaster State TX Zip 751462569

#### EFFECTIVE DATE

The effective date of the applied for group insurance will be 10/01/2017, subject to MetLife's acceptance of this application and the applicant's payment of the Premium due on or before such date.

#### SITUS

Group Policy forms will be issued for delivery in and governed by the laws of TEXAS.

#### COVERAGE DATA

**Employees / Members**

**Dependents**

Dental

#### PREMIUM DATA

Premiums will be paid: ☐ Monthly ☐ Quarterly ☐ Annually ☐ Other: \_\_\_\_\_

Attached is an advance payment of: \$ 0

#### AGREEMENT

The Applicant signing below agrees to accept the terms and provisions of all Group Policy forms issued pursuant to this application; including all Exhibits, amendments and endorsements, if any.

**Fraud Warning.** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

#### Signature of Applicant's Authorized Representative

Signed at: City \_\_\_\_\_ State \_\_\_\_\_ Date: \_\_\_\_\_

Name of Authorized Representative \_\_\_\_\_

Title of Authorized Representative \_\_\_\_\_

Applicant's Signature \_\_\_\_\_

#### Signature of Licensed MetLife Agent or Resident Agent as required by law

Agent's State License No. 1283105

Date: 7/12/17

Name of Agent: Brent Weegar

Agent's Signature B. Weegar



**BlueCross BlueShield  
of Texas**

**BENEFIT PROGRAM APPLICATION ("BPA")  
Blue Cross and Blue Shield of Texas (herein called BCBSTX/HMO)  
LARGE GROUP PLANS**

Account Status: ☐ New ☒ Existing with Changes

Off Cycle Change: ☐ Yes ☒ No

☐ Former BCBSTX ASO converting to fully insured

Account Number (6-digits): 151475

Group Number(s): 151475, 151532,  
151533

Section Number(s): All

Contract Effective Date: 10/01/2017

Contract Anniversary Date: 10/01

Legal Account Name: City of Lancaster

(Specify the employer or the employee trust applying for coverage. An employee benefit plan may not be named)

☒ **NO CHANGES**

**GROUP INFORMATION**

Employer Identification  
Number ("EIN"): \_\_\_\_\_

SIC: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Primary (Mailing) Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Administrative Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Blue Access for Employers (BAE) Contact: \_\_\_\_\_

The BAE Contact is an employee of the account who is authorized by the employer to access and maintain the account in BAE.

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Physical Address (if different from Primary - required): \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Contact: \_\_\_\_\_

Billing Address (if different from Primary): \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Billing Contact: \_\_\_\_\_

Email: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Do you cover any wholly-owned subsidiary or affiliated companies? ☐ Yes ☐ No If yes, please list below:

Subsidiary Companies: \_\_\_\_\_

Subsidiary Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Affiliated Companies: \_\_\_\_\_

Location(s): \_\_\_\_\_

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,  
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**ERISA Regulated Group Health\* Plan:** ☐ Yes ☐ No

If Yes, is your ERISA Plan Year\* a period of 12 months beginning on the Anniversary Date specified above? ☐ Yes ☐ No

If no, please specify your ERISA Plan Year: Beginning Date \_\_\_/\_\_\_/\_\_\_ End Date \_\_\_/\_\_\_/\_\_\_ (month/day/year)

ERISA Plan Administrator\*: \_\_\_\_\_ Plan Administrator's Address: \_\_\_\_\_

If you maintain that ERISA is not applicable to your group health plan, please give legal reason for exemption:

- ☐ Federal Governmental plan (e.g., the government of the United States or agency of the United States)  
☐ Non-Federal Governmental plan (e.g., the government of the State, an agency of the state, or the government of a political subdivision, such as a county or agency of the State)  
☐ Church plan (complete and attach a Medical Loss Ratio Assurance form)  
☐ Other; please specify: \_\_\_\_\_

Is your Non-ERISA Plan Year a period of 12 months beginning on the Anniversary Date specified above? ☐ Yes ☐ No

If no, please specify your Non-ERISA Plan Year: Beginning Date \_\_\_/\_\_\_/\_\_\_ End Date \_\_\_/\_\_\_/\_\_\_ (month/day/year)

**For more information regarding ERISA, contact your Legal Advisor.**

\*All as defined by ERISA and/or other applicable law/regulations

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<b>PRODUCER OF RECORD INFORMATION</b>
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1. \*Producer/Agency\*\* name to whom commissions are to be paid: \_\_\_\_\_

Producer Number of ☐ Producer or ☐ Agency: \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Is Producer/Agency appointed with BCBSTX/HMO? ☐ Yes ☐ No Affiliated with General Agent? ☐ Yes ☐ No

2. \*Producer/Agency\*\* name to whom commissions are to be paid: \_\_\_\_\_

Producer Number of ☐ Producer or ☐ Agency: \_\_\_\_\_

Street Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Is Producer/Agency appointed with BCBSTX/HMO? ☐ Yes ☐ No Affiliated with General Agent? ☐ Yes ☐ No

If commission split, designate percentage for each Producer/agency

**Note:** total commissions paid must equal 100%

Producer/Agency 1: \_\_\_\_\_%

Producer/Agency 2: \_\_\_\_\_%

3. Writing Producer's Name (please print): \_\_\_\_\_

Producer Number: \_\_\_\_\_ Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Writing Producer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\* The producer or agency name(s) above to whom commissions are to be paid must exactly match the name(s) on the appointment application(s).

\*\* If commissions are split, please provide the information requested above on both producers/agencies. BOTH must be appointed to do business with BCBSTX/HMO.

4. General Agent (GA) Override? ☐ Yes ☐ No

General Agent Name: \_\_\_\_\_

Tax ID: \_\_\_\_\_ Agency #: \_\_\_\_\_

Email: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Health Override Amount (if applicable): \_\_\_\_\_ Dental Override Amount (if applicable): \_\_\_\_\_

If applicable, effective \_\_\_\_\_, the named producer(s) or agency(ies) is/are recognized as Employer's Producer of Record (POR), to act as representative in negotiations with and to receive commissions from Blue Cross and Blue Shield of

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Texas, a division of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company, and HCSC subsidiaries for employer's employee benefit programs. This statement rescinds any and all previous POR appointments for employer. The POR is authorized to perform membership transactions on behalf of employer. This appointment will remain in effect until withdrawn or superseded in writing by employer.

General Agent's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

☒ **NO CHANGES**

## **SCHEDULE OF ELIGIBILITY**

### **1. Standard Eligibility Provisions:**

Eligible Employee/Subscriber means an employee who works on a full-time basis, who usually works at least 30 hours a week, and who otherwise meets the Participation Criteria established by an employer. The term includes a sole proprietor, a partner, and an independent contractor, if the individual is included as an employee under a Health Benefit Plan of a large employer regardless of the number of hours the sole proprietor, partner, or independent contractor works weekly, but only if the plan includes at least two other eligible employees who work on a full-time basis and who usually work at least 30 hours a week. Participation Criteria means any criteria or rules established by a large employer to determine the employees who are eligible for enrollment or continued enrollment under the terms of a Health Benefit Plan. The Participation Criteria may not be based on Health Status Related Factors.

**(HMO only)** the Eligible Subscriber must reside, live or work in the Service Area.

### **2. Other Eligibility Provisions (check all that apply):**

- ☐ Retiree of the employer.  
☐ Part-time employee of the employer.  
☐ Other: \_\_\_\_\_

Are any classes of employees to be excluded from coverage? ☐ Yes ☐ No

If yes, please identify the classes and describe the exclusion: \_\_\_\_\_

**Domestic Partners covered:** ☐ Yes ☐ No

A Domestic Partner means a person with whom the employee has entered into a domestic partnership in accordance with the employer's plan guidelines. The employer is responsible for providing notice of possible tax implications to those covered employees with Domestic Partners.

Are Domestic Partners eligible for continued coverage equivalent to COBRA continuation? ☐ Yes ☐ No

### **3. All current and new Employees must satisfy the substantive eligibility criteria and required waiting period in order for coverage to become effective. Covered Dependents do not have to satisfy a waiting period to become effective, but in no instance shall a Dependent be covered prior to the Employee's effective date.**

If a person is added to the Policy and it is later determined that the Policyholder reported a coverage date earlier than what would apply, based on the Waiting Period and eligibility conditions the Policyholder provided to the Plan, the Plan reserves the right to retroactively adjust the coverage date for such person.

What is the effective date for a newly eligible person who becomes effective after the employer's initial enrollment? (No effective date may exceed ninety-one (91) calendar days from the date that an individual becomes eligible for coverage, unless permitted by applicable law.)

- ☐ The date of employment (date of hire).  
☐ The \_\_\_\_\_ day (standard is 1<sup>st</sup> or 15<sup>th</sup>) of the month following the date of employment.  
☐ The \_\_\_\_\_ day (standard is 1<sup>st</sup> or 15<sup>th</sup>) of the month following \_\_\_\_\_ days (select 0, 30 or 60 days) of employment.  
☐ The \_\_\_\_\_ day (standard is 1<sup>st</sup> or 15<sup>th</sup>) of the month following \_\_\_\_\_ month(s) (select 1 or 2 months) of employment.

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Substantive Eligibility Criteria:

Provide a representation below regarding the terms of any eligibility conditions (other than any applicable waiting period already reflected above) imposed before an individual is eligible to become covered under the terms of the plan. If any of these eligibility conditions change, you are required to submit a new BPA to reflect that new information.

Check all that apply:

- ☐ An Orientation Period that:
- 1) Does not exceed one month (calculated by adding one calendar month and subtracting one calendar day from an employee's start date); and
  - 2) If used in conjunction with a waiting period the waiting period begins on the first day after the orientation period.
- ☐ A Cumulative hours of service requirement that does not exceed 1200 hours
- ☐ An hours of service per period (or full-time status) requirement for which a Measurement period is used to determine the status of variable-hour employees, where the measurement period:
- 1) Starts between the employee's date of hire and the first day of the following month;
  - 2) Does not exceed 12 months; and
  - 3) Taken together with other eligibility conditions does not result in coverage becoming effective later than 13 months from the employee's start date plus the number of days between a start date and the first day of the next calendar month (if start day is not the first day of the month).
- ☐ Other substantive eligibility criteria not described above; please describe:

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**(HMO only) What is the effective date of coverage for a Newly Eligible Employee who becomes effective after the Employer's initial enrollment date?** (No effective date may exceed ninety-one (91) calendar days from the date that an individual becomes eligible for coverage, unless permitted by applicable law.)

- ☐ The 1st day of the month following the date of employment (date of hire).
- ☐ The 1st day of the month following \_\_\_\_\_ days (select 0, 30 or 60 days) of employment.
- ☐ The 1st day of the month following \_\_\_\_\_ month(s) (select 1 or 2 months) of employment.

4. Are there multiple new hire waiting periods? ☐ Yes ☐ No

If yes, attach eligibility and contribution details for each section.

Is the waiting period requirement to be waived on initial group enrollment?

Health ☐ Yes ☐ No ☐ N/A Dental ☐ Yes ☐ No ☐ N/A

5. **The minimum standard limiting age for covered Dependent children is twenty-six (26) years.** Hereafter, a Dependent child, child or children means a natural child, a stepchild, a medical support order child, an eligible foster child, an adopted child (including a child for whom the employee or their spouse is a party in a suit in which the adoption of the child is sought) regardless of presence or absence of a child's financial dependency, residency, student status, employment status, marital status, eligibility for other coverage or any combination of those factors. To be eligible for coverage, a child of an employee's child must also be dependent upon employee for federal income tax purposes at the time application for coverage is made.

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**Total number of Employees/Subscribers:**

1. on payroll \_\_\_\_\_
2. on COBRA continuation coverage \_\_\_\_\_
3. with retiree coverage (if applicable) \_\_\_\_\_
4. who work part-time \_\_\_\_\_
5. serving the new hire waiting period \_\_\_\_\_
6. declining because of other **group** coverage (e.g., other commercial group coverage, Medicare, Medicaid, TRICARE/Champus) \_\_\_\_\_
7. declining coverage (not covered elsewhere) \_\_\_\_\_

☐ **NO CHANGES**

**(HMO only) LEGISLATIVE ELECTIONS**

The following mandated benefit offers are made by HMO in compliance with Texas regulations. Please mark your acceptance or declination. Acceptance may result in a rate adjustment.

**In Vitro Fertilization Services**

**Authorized Company Official's Initials:** \_\_\_\_\_

☐ **Accept** – If accepted, benefits for In Vitro Fertilization Services will be provided to the same extent as benefits provided for other pregnancy related procedures. **(Note: If selected an additional charge will be added to your rates.)**

☐ **Decline** – If declined, no benefits are available.

**Speech and Hearing Services**

**Authorized Company Official's Initials:** \_\_\_\_\_

☐ **Accept** – Benefits are paid same as any other illness.

☐ **Decline** – If declined, medically necessary speech therapy is covered on an outpatient basis only. Hearing aids are covered under Durable Medical Equipment Additional Benefit Option only.

**Development Delay** – Certain therapies for children with developmental delays are already included in the HMO plans.

☒ **NO CHANGES**

**(Non-HMO only) LEGISLATIVE ELECTIONS**

The following mandated benefit offers are made in compliance with Texas regulations. Please mark your acceptance or declination.

**In Vitro Fertilization Services:** Benefits for Medical-Surgical Expense incurred for in vitro fertilization procedures will be the same as for maternity care, provided specific requirements are met.

☐ **Accept** – If accepted, benefits for In Vitro Fertilization Services will be provided to the same extent as benefits provided for other pregnancy related procedures. **(Note: If selected an additional charge will be added to your rates.)**

☐ **Decline** – If declined, no benefits are available for these services.

**Speech and Hearing Services:** Benefits are available for the services of a physician or other provider to restore loss of or correct an impaired speech or hearing function. This benefit includes coverage for hearing aids.

☐ **Accept** – If accepted, benefits are available for medically necessary services to restore loss of or correct an impaired speech or hearing function, with no benefit maximum on hearing aids.

☐ **Decline** – If declined, benefits are available for medically necessary services to restore loss of or correct an impaired speech or hearing function; however, benefits for hearing aids are limited to 1 hearing aid per ear every 36 months.

**Development Delay** – Certain therapies for children with developmental delays are already included in the Non-HMO plans.

☒ **NO CHANGES**

**LINES OF BUSINESS**  
(Check all applicable products)

**Managed Health Care Coverage:**

☐ Single Option:

Plan \_\_\_\_\_

☐ HMO\*

Plan \_\_\_\_\_

☐ Dual Option:

Plan 1 \_\_\_\_\_ Select Product

Plan 2 \_\_\_\_\_ Select Product

Additional Benefit Options:

☐ Prescription Drug Program \_\_\_\_\_

☐ Inpatient Mental Health Care (IM4)

☐ Durable Medical Equipment Select DME

☐ Triple Option:

Plan 1 \_\_\_\_\_ Select Product

Plan 2 \_\_\_\_\_ Select Product

Plan 3 \_\_\_\_\_ Select Product

See HMO Legislative Elections for In-Vitro Fertilization and Speech and Hearing Services options.

If BlueEdge HCA Plan(s) are selected, the HCA BPA with HCA Administrative Services Agreement must be completed, signed and submitted.

100% of eligible employees must reside, live or work in the service area. The HMO service area includes all counties in Texas.

**\*If only HMO health plan selected, please complete the HMO Non-Network Plan Certification (item 2) in the OTHER PROVISIONS section of this BPA.**

If BlueEdge HSA/HDHP Plan is selected, provide name of HSA Administrator or trustee: \_\_\_\_\_

☐ **BlueEdge FSA** ConnectYourCare

**BlueMax Advantage**

☐ Graduated dental benefit max

☐ Enhanced dental benefits

☐ **Blue Directions** (Private Exchange)

If Blue Directions is selected, the Blue Directions Addendum is attached and made part of the Policy.

☐ **Life & Disability** (if checked, attach separate FDL application)

Plan 1 \_\_\_\_\_

Plan 2 \_\_\_\_\_

Plan 3 \_\_\_\_\_

Plan 4 \_\_\_\_\_

Plan 5 \_\_\_\_\_

**COMMENTS:** Effective 10/01/2017 - client is renewing as is - no changes to benefits - (rate change only)

**Health Care Management Services:**

☐ Blue Care Connection Standard Package

☐ Blue Care Connection Enhanced Package (additional fee applies)

**In-Hospital Indemnity Plan:**

☐ IHI

**DENTAL BENEFIT PLANS**

**Employer-Paid Dental**

☐ Plan \_\_\_\_\_

☐ Dual Option: Plan 1 \_\_\_\_\_ Plan 2 \_\_\_\_\_

**Voluntary Group Dental**

Plan \_\_\_\_\_

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☒ **NO CHANGES** **ACCOUNT EXPERIENCE – NEW GROUPS ONLY**

Has there been a significant change in the claims experience previously provided?

☐ No – skip the rest of this (Account Experience) section

☐ Yes – Please answer the below questions to the best of your knowledge. Note: any changes indicated below may impact rates and will require Underwriter approval. "Participant" means all Eligible Employees, Dependents, Retirees and COBRA Continuant.

1. Has any Participant received more than \$20,000 in medical benefits during the last 12 months? ☐ Yes ☐ No
2. Is any Participant expected to have claims in excess of \$20,000 during the next 12 months? ☐ Yes ☐ No
3. Is any Participant mentally or physically handicapped or disabled or not actively at work? ☐ Yes ☐ No
4. Has any Participant been diagnosed as having a high risk condition? ☐ Yes ☐ No

If any question is answered "yes," details must be provided below:

Participant Age	Diagnosis or Nature of the Disorder	Dates of Treatment	\$ Amount of Claims	Prognosis/Current Treatment

**RATES**

For the current year's premium and rate information, refer to the accepted finalized new group rates letter ("Letter") or the renewal exhibit ("Exhibit") for complete details. The Letter, or Exhibit, shall be incorporated by reference and made part of the BPA and Group Administration Document.

☒ **NO CHANGES** **FUNDING / CONTRIBUTION**

**FUNDING ARRANGEMENT:**

☐ Premium – Prospective

☐ **(Non-HMO only)** Premium – Prospective Retention (Retro Contingent)

☐ **(Non-HMO only) Alternative Funding Minimum Premium Program – Prospective Minimum Premium (Retro Contingent)** The standard premium and rate information does not apply to alternative funding programs. All information regarding premiums and the payments thereof for alternative funding programs can be found in the mutually agreed upon alternative funding agreement between the employer and BCBSTX.

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**STANDARD PREMIUM INFORMATION**

1. Premium Period:
- ☐ The first day of each calendar month through the last day of each calendar month.
- ☐ The 15th day of each calendar month through the 14th day of the next calendar month.
- ☐ 15/16 Day Rule – premiums will be billed for the entire month for Participants with effective dates on the 1<sup>st</sup> through the 15<sup>th</sup> day of the month. Premiums will not be billed for the month when the Participant's effective date falls on the 16<sup>th</sup> day through the end of the month.
2. The contribution of premium to be paid by the employer is:

PRODUCT	Employee Only	Employee/Child(ren)	Employee/Spouse	Employee/Family
<b>HEALTH</b>				
Plan 1	% or \$	% or \$	% or \$	% or \$
Plan 2	% or \$	% or \$	% or \$	% or \$
Plan 3	% or \$	% or \$	% or \$	% or \$
<b>DENTAL</b>	% or \$	% or \$	% or \$	% or \$
Plan 1	% or \$	% or \$	% or \$	% or \$
Plan 2	% or \$	% or \$	% or \$	% or \$

3. Grace Period (**HMO only**): thirty (30) days – standard
4. Prior written notification by BCBSTX/HMO to Employer for change of premium rates is 60 days
5. Additional Information/Comments: \_\_\_\_\_

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<b>BILLING SPECIFICATIONS</b>
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Employees Listed: ☐ alphabetically ☐ by location  
 If by location, list locations including location numbers if applicable: \_\_\_\_\_

**Sort by:** ☐ Unique Identification Number (standard) ☐ Social Security Number

**Billing format:**

(complete only if special billing requirements are needed)

- ☐ Benefit Agreement
- ☐ Also Page Break
- ☐ Categories
- ☐ Multiple Billing Profiles

Explanation: \_\_\_\_\_

**Premium Delay:**

(Underwriter approval required for options other than zero day delay)

- ☐ Zero day delay (standard)
- ☐ 30 day delay
- ☐ 60 day delay
- ☐ 90 day delay

<input type="checkbox"/> <b>NO CHANGES</b>	<b>ID CARD DELIVERY</b>
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Mail ID Cards to:

- ☐ Account
- ☐ Member's homes (standard)

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**☒ NO CHANGES****OTHER PROVISIONS**

1. **Electronic Issuance:** The Employer consents to receive, via an electronic file or access to an electronic file, any Certificate Booklet provided by BCBSTX/HMO to the Employer for delivery to each employee. The Employer further agrees that it is solely responsible for providing each Employee access to the most current version of any E-file Certificate Booklet, amendment, or other revised form provided by BCBSTX/HMO, or to provide a paper copy of the same to an Employee upon request or to an HMO subscriber who has not agreed to accept the certificate of coverage electronically. The Employer is solely responsible and holds BCBSTX/HMO harmless from any misuse of the E-file provided by BCBSTX/HMO.

☐ **Accept** – Employer consents to receive electronic versions of certificate-booklets for covered Employees.

☐ **Decline** – Employer does not consent to receive electronic versions of certificate-booklets for covered Employees or the Contract and desires BCBSTX/HMO to print and distribute hard copy versions.

Authorized Company Official's Initials: \_\_\_\_\_ Date: \_\_\_\_\_

2. **(HMO only) HMO Non-Network Plan Certification:**

The Texas Insurance Code mandates HMOs whose network based delivery system of coverage is the only health benefit coverage being offered under an employer's health benefit plan must offer all Eligible Subscribers the opportunity to obtain other health coverage through a non-network plan at the time of enrollment and at least annually.

The non-network coverage required by law may be provided through a point-of-service contract, a preferred provider benefit plan, or any coverage arrangement that allows an employee to access services outside the HMO's or limited provider network's delivery network. New and renewing groups who refuse to offer or certify that they offered a non-network plan concurrent with the HMO-only will not be allowed to purchase or renew coverage through BCBSTX/HMO. To comply with the provisions of this mandate, BCBSTX/HMO requests employer groups certify a non-network plan will be offered to Eligible Subscribers.

**Describe Non-Network Product Offered:** \_\_\_\_\_

**Authorized Company Official's Initials:** \_\_\_\_\_

3. **EHB Election:**

Employer elects EHBs based on the following:

- ☐ 1. EHBs based on a HCSC state benchmark:

<input type="checkbox"/> Illinois	<input type="checkbox"/> Oklahoma
<input type="checkbox"/> Montana	<input type="checkbox"/> Texas
<input type="checkbox"/> New Mexico	

- ☐ 2. EHBs based on benchmark of a state other than IL, MT, NM, OK and TX

If so, indicate the state's benchmark that Employer elects: \_\_\_\_\_

In the absence of an affirmative selection by Employer of its EHBs, then Employer is deemed to have elected the EHBs based on the BCBSTX benchmark plan.

4. This BPA is incorporated into and made a part of the Contract entered into and agreed upon by BCBSTX/HMO and the account.
5. Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

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## ADDITIONAL PROVISIONS:

- A. Grandfathered Health Plans:** Employer shall provide BCBSTX with written notice prior to renewal (and during the plan year, at least 60 days advance written notice) of any changes in its Contribution Rate Based on Cost of Coverage or Contribution Rate Based on a Formula towards the cost of any tier of coverage for any class of Similarly Situated Individuals as such terms are described in applicable regulations. Any such changes (or failure to provide timely notice thereof) can result in retroactive and/or prospective changes by BCBSTX to the terms and conditions of coverage. In no event shall BCBSTX be responsible for any legal, tax or other ramifications related to any benefit package of any group health insurance coverage (each hereafter a “plan”) qualifying as a “grandfathered health plan” under the Affordable Care Act and applicable regulations or any representation regarding any plan’s past, present and future grandfathered status. The grandfathered health plan form (“Form”), if any, shall be incorporated by reference and part of the BPA and Group Policy, and Employer represents and warrants that such Form is true, complete and accurate. If Employer fails to timely provide BCBSTX with any requested grandfathered health plan information, BCBSTX may make retroactive and/or prospective changes to the terms and conditions of coverage, including changes for compliance with state or federal laws or regulations or interpretations thereof.
- B. Retiree Only Plans and/or Excepted Benefits:** If the BPA includes any retiree only plans and/or excepted benefits, then Employer represents and warrants that one or more such plans is not subject to some or all of the provisions of Part A (Individual and Group Market Reforms) of Title XXVII of the Public Health Service Act (and/or related provisions in the Internal Revenue Code and Employee Retirement Income Security Act) (an “exempt plan status”). Any determination that a plan does not have exempt plan status can result in retroactive and/or prospective changes by BCBSTX to the terms and conditions of coverage. In no event shall BCBSTX be responsible for any legal, tax or other ramifications related to any plan’s exempt plan status or any representation regarding any plan’s past, present and future exempt plan status.
- C.** Employer shall indemnify and hold harmless BCBSTX and its directors, officers and employees against any and all loss, liability, damages, fines, penalties, taxes, expenses (including attorneys’ fees and costs) or other costs or obligations resulting from or arising out of any claims, lawsuits, demands, governmental inquiries or actions, settlements or judgments brought or asserted against BCBSTX in connection with (a) any plan’s grandfathered health plan status, (b) any plan’s exempt plan status, (c) any directions, actions and interpretations of the Employer, and/or (d) any provision of inaccurate information, and/or (f) Employer’s selection of Essential Health Benefit (“EHB”) benchmark for the purpose of ACA. Changes in state or federal law or regulations or interpretations thereof may change the terms and conditions of coverage.

The provisions of paragraphs A-C (directly above) shall be in addition to (and do not take the place of) the other terms and conditions of coverage and/or administrative services between the parties.

ACA FEE NOTICE: ACA established a number of taxes and fees that will affect our customers and their benefit plans. One of those fees is: the Annual Fee on Health Insurers or “Health Insurer Fee.”

Section 9010(a) of ACA requires that “covered entities” providing health insurance (“health insurers”) pay an annual fee to the federal government, commonly referred to as the Health Insurer Fee. The amount of this fee for a given calendar year will be determined by the federal government and currently involves a formula based in part on a health insurer’s net premiums written with respect to health insurance on certain health risk during the preceding calendar year. This fee will go to help fund premium tax credits and cost-sharing subsidies offered to certain individuals who purchase coverage on health insurance exchanges.

In addition, ACA Section 1341 and/or other applicable laws may provide for the establishment of a temporary reinsurance program(s) that may be funded by reinsurance contributions or other amounts (collectively, the “Reinsurance Fees or Amounts”) collected from health insurance issuers and/or self-funded group health plans. Federal and/or state governments may provide information as to how these Reinsurance Fees or Amounts are calculated. Federal regulations establish a flat per member per month fee. The temporary reinsurance programs funded by these Reinsurance Fees or Amounts will help stabilize premiums in the individual market.

Your premium, which already accounts for current applicable federal and state taxes, includes the effects of the Health Insurer Fees and Reinsurance Fees or Amounts, if any. These rates may be adjusted on an annual basis for any incremental changes in Health Insurer Fees and Reinsurance Fees or Amounts, if any.

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Notwithstanding anything in the Policy or Renewal(s) to the contrary, BCBSTX reserves the right to revise our charge for the cost of coverage (premium or other amounts) at any time if any local, state or federal legislation, regulation, rule or guidance (or amendment or clarification thereto) is enacted or becomes effective/implemented, which would require BCBSTX to pay, submit or forward, on its own behalf or on the Policyholder's behalf, any additional tax, surcharge, fee, or other amount (all of which may be estimated, allocated or pro-rated amounts).

**Renewals Only:** (For the purposes of this Contract, the term "existing BPA" includes, if applicable, the initial Schedule of Specifications and/or Group Agreement signed by the Employer, and any subsequent Schedules of Specifications and/or Group Agreements and amendments thereto.) If this BPA is blank, it is intentional and this BPA is an addendum to the existing BPA. In such case, all terms of the existing BPA as amended from time to time shall remain in force and effect. However, beginning with the Employer's first renewal date on or after September 23, 2010, the provisions of paragraphs A-C (above) shall be part of (and be in addition to) the terms of the existing BPA as amended from time to time.

**Summary of Benefits & Coverage:**

1). BCBSTX will create Summary of Benefits & Coverage (SBC)?

- ☒ Yes. If yes, please answer question #2. The SBC Addendum is attached.
- ☐ No. If No, then the Employer acknowledges and agrees that the Employer is responsible for the creation and distribution of the SBC as required by Section 2715 of the Public Health Service Act (42 USC 300gg-15) and SBC regulations (45 CFR 147.200), as supplemented and amended from time to time, and that in no event will BCBSTX have any responsibility or obligation with respect to the SBC. BCBSTX may, but is not required to, monitor Employer's performance of its SBC obligations, audit the Employer with respect to the SBC, request and receive information, documents and assurances from Employer with respect to the SBC, provide its own SBC (or SBC corrections) to participants and beneficiaries, communicate with participants and beneficiaries regarding the SBC, respond to SBC-related inquiries from participants and beneficiaries, and/or take steps to avoid or correct potential violations of applicable laws or regulations. BCBSTX is not obligated to respond to or forward misrouted calls, but may, at its option, provide participants and beneficiaries with Employer's contact information. A new clause (e) is added to Subsection C. in the Additional Provisions as follows: "(e) the SBC". (Skip question #2.)

2). BCBSTX will distribute Summary of Benefits & Coverage (SBC) to participants and beneficiaries?

- ☐ No. BCBSTX will create SBC (only for benefits BCBSTX insures under the Contract) and provide SBC to the Employer in electronic format. Employer will then distribute SBC to participants and beneficiaries (or hire a third party to distribute) as required by law.
- ☒ Yes. BCBSTX will create SBC (only for benefits BCBSTX insures under the Contract) and distribute SBC to participants and beneficiaries via regular hardcopy mail or electronically in response to occasional requests received directly from individuals. All other distribution is the responsibility of the Employer.

**UNDERSTAND AND AGREE THAT:**

1. BCBSTX reserves the right to take any or all of the following actions:  

a) Initial rates for new groups will be finalized for the effective date of the policy based on the enrolled participation and employer contribution levels; b) after the policy effective date the group will be required to maintain a minimum employer contribution of 50%, and at least a 75% participation of eligible employees. In the event the group is unable to maintain the contribution and participation requirements, then the rates will be adjusted accordingly; and/or c) non-renew or discontinue coverage if the 50% minimum employer contribution is not met and/or less than 75% of eligible employees are enrolled for coverage or six consecutive months.

BCBSTX reserves the right to change premium rates when a substantial change occurs in the number or composition of subscribers covered. A substantial change will be deemed to have occurred when the number of Employees/Subscribers covered changes by ten percent (10%) or more over a thirty (30) day period or twenty five percent (25%) or more over a ninety (90) day period.

Employer will promptly notify BCBSTX of any change in participation and Employer contribution.
2. Producer Statement (if applicable): I certify that I have reviewed all enrollment materials. I have also advised the employer that I have no authority to bind these coverages, to alter the terms of the Contract(s), this BPA or enrollment material in any manner or to adjust any claims for benefits under the Contract(s).
3. BCBSTX/HMO will report the value of all remuneration by BCBSTX/HMO to ERISA plans with 100 or more participants for use in preparation of ERISA Form 5500 schedules. Reporting will also be provided upon request to non-ERISA plans or plans with fewer than 100 participants. Reporting will include base commissions, bonuses, incentives, or other forms of remuneration for which your agent/consultant is eligible for the sale or renewal of self-funded and/or insured products.
4. The undersigned person represents that he/she is authorized and responsible for purchasing coverage on behalf of the employer. It is understood that the actual terms and conditions of coverage are those contained in the Contract into which this BPA shall be incorporated at the time of acceptance by BCBSTX/HMO. Upon acceptance, BCBSTX/HMO shall issue a Contract to the employer and the employer shall be referred to as the "Employer or Contractholder" (Non-HMO) and "Group" (HMO) in the Contract.
5. The Employer's Benefit Program Application must pre-date the requested effective date and be received at BCBSTX at its Home Office no less than thirty (30) days prior to the requested effective date.

Nathan Hurley

Authorized BCBSTX/HMO Representative

Acct Exec

Title

07/11/2017

Date

Signature of Authorized Purchaser

Title

Date

Agent Representative (if applicable)

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company,  
an Independent Licensee of the Blue Cross and Blue Shield Association

## PROXY (OPTIONAL)

The undersigned hereby appoints the Board of Directors of Health Care Service Corporation, a Mutual Legal Reserve Company, or any successor thereof ("HCSC"), with full power of substitution, and such persons as the Board of Directors may designate by resolution, as the undersigned's proxy to act on behalf of the undersigned at all meetings of members of HCSC (and at all meetings of members of any successor of HCSC) and any adjournments thereof, with full power to vote on behalf of the undersigned on all matters that may come before any such meeting and any adjournment thereof. The annual meeting of members shall be held each year in the corporate headquarters on the last Tuesday of October at 12:30 p.m. Special meetings of members may be called pursuant to notice mailed to the member not less than 30 nor more than 60 days prior to such meetings. This proxy shall remain in effect until revoked in writing by the undersigned at least 20 days prior to any meeting of members or by attending and voting in person at any annual or special meeting of members.

HCSC pays indemnification or advances expenses to a director, officer, employee or agent consistent with HCSC's bylaws then in force and as otherwise required by applicable law.

Group No.: 151475,  
151532,  
151533

By:

\_\_\_\_\_  
Print Signer's Name Here



\_\_\_\_\_  
Signature and Title

Group Name: City of Lancaster

Address: 211 N. Henry Street

City: Lancaster State: TX. Zip Code: 75146

Dated this \_\_\_\_\_ day of \_\_\_\_\_  
Month Year



**BlueCross BlueShield  
of Texas**

**TEXAS DEPARTMENT OF INSURANCE  
REQUIRED DISCLOSURE NOTICE FOR ALL LARGE GROUP HMO  
CONSUMER CHOICE BENEFIT PLANS ISSUED IN TEXAS**

As required by 28 TAC §21.3530, I have been informed that the Consumer Choice Health Benefit Plan that I am purchasing does not include all state mandated health insurance benefits. I understand that the following benefits are provided at a reduced level from what is mandated, or excluded completely from the plan.

<b>Mandated Benefit Description</b>	<b>Benefit Reduced</b>	<b>Benefit Excluded</b>
<b>Copayments</b> Section 11.506(2)(A), Subchapter F, Title 28 Texas Insurance Code: A reasonable copayment option may not exceed 50 percent of the total cost of services provided. A basic service HMO may not impose copayment charges on any enrollee in any calendar year, when the copayments made by the enrolled in that calendar year total two hundred percent of the total annual premium cost which is required to be paid by or on behalf of that enrollee.	For some services and supplies, this plan may include cost-sharing that exceeds the limits imposed by the mandated.	
<b>Deductibles</b> Section 11.506(2)(B), Subchapter F, Title 28 Texas Insurance Code: A deductible shall be for specific dollar amount of the cost of the basic, limited or single health care service. An HMO shall charge a deductible only for services performed out of the HMO's service area or for services performed by a physician or provider who is not in the HMO's delivery network.	Deductibles may apply to some services provided by HMO Participating Providers in the HMO service area.  Deductibles may apply to Professional Services, Inpatient Hospital Services, Outpatient Facility Services, Outpatient Lab and X-Ray Services, Rehabilitation Services, Maternity Care and Family Planning, Behavioral Health Services, Emergency and Ambulance Services, Extended Care Services, some Preventive Care Services, Dental Surgical Procedures, Cosmetic, Reconstructive or Plastic Surgery, Allergy Care, Diabetes Care, Prosthetic Appliances, Orthotic Devices, Durable Medical Equipment, Hearing Aids and Prescription Drugs.	



## BlueCross BlueShield of Texas

This HMO Consumer Choice Health Benefit Plan may include requirements and/or restrictions on deductibles, coinsurance, copayments or annual or lifetime benefit amounts that differ from other HMO plans. I understand that I may obtain addition information on Consumer Choice Health Benefit Plans, either by visiting the TDI website at [www.tdi.texas.gov/consumer/index.html](http://www.tdi.texas.gov/consumer/index.html), or by calling 1-800-252-3439.

\_\_\_\_\_  
**Signature of Applicant**

\_\_\_\_\_  
**Name of Applicant (print name)**

\_\_\_\_\_  
**Name of Business (if applicable)**

\_\_\_\_\_  
**Address**

\_\_\_\_\_  
**City**

\_\_\_\_\_  
**State**

\_\_\_\_\_  
**Zip**

\_\_\_\_\_  
**Date**

Note: This form must be retained by the carrier issuing the policy and must be provided to the Commissioner of Insurance upon request. **You have the right to a copy of this written disclosure free of charge.** A new form must be completed upon each subsequent renewal of this policy.

**Alliance Work Partners**  
*A professional service of Workers Assistance Program, Inc.*  
**PURCHASE OF SERVICES AGREEMENT**

\_\_\_\_\_ New        X   Renewal

This **PURCHASE OF SERVICES AGREEMENT**, hereinafter **AGREEMENT**, is executed on the 11<sup>th</sup> day of April, 2017 by and between Alliance Work Partners, hereinafter **AWP** and City of Lancaster, hereinafter **COMPANY**, and the parties do hereby covenant and agree as follows:

1. **PURCHASE OF SERVICES:** COMPANY purchases and AWP agrees to provide the following services for the term and upon the conditions set forth in this AGREEMENT and in the Exhibits below:
  - a. **Description of Services** - See **Exhibit I** for a description of services purchased under this AGREEMENT.
  - b. **Fee Schedule and Conditions** - See **Exhibit II** for the cost of services to be provided by AWP to COMPANY.
2. **TERM:** This AGREEMENT shall commence, and services will begin on **October 1<sup>st</sup>, 2017** and is self-renewing each year, unless either party provides written notice of termination. This AGREEMENT can be terminated by either party upon a ninety (90) day written notice. AWP reserves the right to cancel services immediately due to delinquent payments of 90 days or more.
3. **LOCATION:** All training, consultation, professional and organizational development for COMPANY personnel shall take place on premises provided by COMPANY, unless otherwise agreed to by AWP for a specific event. Assessment, referral, and brief counseling services provided to COMPANY eligible participants will be conducted at a convenient, appropriate AWP office or affiliate office accessible by the client and AWP staff.
4. **AMENDMENTS:** This AGREEMENT may be amended at any time by mutual agreement of the parties hereto, but any such amendment shall not be operative or valid unless the same is reduced to writing, executed by the parties involved, and attached hereto.
5. **CONFIDENTIALITY:** AWP and COMPANY agree not to use for any purpose other than the performance of this AGREEMENT, or to disclose to others any confidential or proprietary technical or business information of the other party obtained in connection with the performance of any services rendered without the prior written consent of the other party. Each party will treat and will require its employees to treat as strictly confidential all information it has learned in the course of this AGREEMENT, including any client identifiable information received pursuant to the client's consent.
6. **NOTICES:** Any notices required or permitted to be given hereunder shall be mailed, postage prepaid, certified mail, return receipt requested, or delivered in person to the parties at the following addresses:

AWP Initials: \_\_\_\_\_ COMPANY Initials: \_\_\_\_\_

Rev. Approved :3/17/2017



Alliance Work Partners  
2525 Wallingwood Drive, Building 5  
Austin, Texas 78746

City of Lancaster  
211 N. Henry  
Lancaster, TX 75146

Other addresses, including, but not limited to invoicing address may be designated by either party upon written notice to the other party. All communications, notices, or other written instruments shall be deemed to have been delivered when actually delivered in person to the respective party, or if mailed, done in accordance with this section on the mailing date.

7. **ADDITIONAL TERMS:** Not applicable

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AWP initials: \_\_\_\_\_

COMPANY initials: \_\_\_\_\_

**ENTIRE AGREEMENT:** This AGREEMENT constitutes the entire understanding of the parties relating to the matters discussed herein, and no prior, contemporaneous or subsequent oral or e-mail agreement, understanding, representations or agreement shall be binding unless this AGREEMENT is amended in writing pursuant to the terms of Paragraph 4, above.

Signature below, and initialing throughout the agreement, indicates that signer is an **Authorized Signatory** with the ability and authority to commit monies and resources to satisfy this legally binding contract agreement on behalf of authorizing Customer/Company/Organization, for the term of the contract.

**Authorized Signatory:** Officer or representative vested (explicitly, implicitly, or through conduct) with the powers to commit the authorizing organization to a binding agreement.

**ALLIANCE WORK PARTNERS**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

**COMPANY**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

AWP Initials: \_\_\_\_\_

COMPANY Initials: \_\_\_\_\_

**Exhibit I**  
**Description of Services**

**STANDARD SERVICES INCLUDED IN THIS AGREEMENT**

Subject to the terms and conditions described herein, AWP will provide, as needed:

**1. Unlimited Consultation Including the Development of Policies and Procedures.**

AWP provides workplace assistance to develop drug-free and alcohol-free workplace policies and procedures integrated with current human resource policies that will meet all applicable state and federal requirements, including U.S. DOT regulations. Management Consultation is included at no extra charge in the form of coaching and telephone consultation to help management with confronting troubled employees, recommending procedural referrals, intervention techniques, follow-up, impact on the work team, and disclosure of confidential information. Ongoing support is also provided for oversight and ongoing technical assistance for HR policy and procedure coordination and review, unlimited management consultations, and workplace-related activities.

**2. Unlimited Critical Incident Stress Debriefings.**

Critical Incident Stress Debriefing (CISD) is provided on an unlimited and as-needed basis to relieve the stress and trauma induced by a crisis impacting the work group. COMPANY, in conjunction with AWP will define what constitutes a crisis situation.

**3. Call Center Services 24 / 7 / 365, Provides Unlimited Assessment and Referral Services to Employees and Family Members.**

Includes unlimited calls to our Intake and Referral Department for the purpose of need assessment and referral to either additional EAP services or resources in the community. Our staff can conduct research on behalf of the caller and attempt to provide at least three (3) targeted referrals specific to the needs of the employee or eligible member.

**4. Case Management Services.**

Case Management Services include crisis intervention, referral to outside treatment resources, referral to community resources, consultation with treatment and service providers, and follow-up support to the individual client.

**5. Program Orientations to Supervisors and Staff.**

Employee and Supervisor Program Orientations are designed to provide information on how to access AWP workplace services. Supervisors also learn how beneficial AWP can be for increasing employee performance and retention when facing challenges.

**6. Promotional Materials Including Brochures, Wallet-cards, Posters and a Monthly Newsletter for Employees and a Monthly Newsletter for Supervisors.**

Additionally, an orientation in either CD or online video-streaming formats is made available to all programs.

**7. Personal, Professional Training and Onsite Services.**

AWP Initials: \_\_\_\_\_ COMPANY Initials: \_\_\_\_\_

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Up to three (3) hours per year of onsite training, webinar training, health fair participation, open enrollment participation, or wellness fair participation will be provided by AWP. Onsite training, webinar training, health fair participation, etc., not otherwise covered above, are available for purchase on a fee-for-service basis as per Exhibit II, Section 3.

Professional Development Seminars and Organizational Training are designed to provide useful information and practical skills to employees and supervisors; as well as, to reduce risk or liability for companies and organizations.

Topics may be selected at the discretion of COMPANY and coordinated with AWP for presentation. Please reference the Training Catalog for a listing of available topics.

### **TRAINING REQUESTS & SCHEDULING:**

Generally, training requests require a minimum one (1) hour and five (5) participants per class. Any exemption request to the participant minimum must be discussed and agreed to prior to finalizing such training request.

A 48-hour advance notice is required for cancellations on finalized and scheduled onsite services or trainings. Cancellations of less than 48-hour notice will result in a reduction in annual hours allotted for onsite services and training to COMPANY, or a \$200 per hour fee be charged COMPANY, in an amount equal to the hours scheduled and then subsequently cancelled.

#### **8. Short-term Counseling Services.**

For each participant, up to six (6) sessions are provided per issue, per year for face-to-face or telephonic counseling for short-term problem resolution. Clients are required to complete counseling on their initial issue prior to starting counseling with a different counselor on a new issue. Clients may call back with a new issue at any time. If it has been less than ninety (90) days since completion of EAP counseling with one provider, the client will be referred to a different counselor for a new issue. If it has been over ninety (90) days, the client may see the same counselor again.

EAP counseling is short term in nature. It may be necessary to refer a client into their network for long-term therapy if more than six (6) sessions are necessary to address the presenting issue.

All Work/Life balance, legal and financial issues may be addressed simultaneously and independently from this process.

#### **9. Referrals to Long-term Treatment Resources, if Appropriate.**

AWP will refer clients to the treatment resources AWP considers appropriate, including but not limited to financial and legal advisors, physicians, psychologists, public and private agencies, and in/out network treatment facilities within the financial means of the client. All fees charged by the long-term resources will be the responsibility of the client.

#### **10. Safe Ride Program.**

The Safe Ride Program can save lives. It encourages employees and their immediate family members, whose driving may become impaired while away from home, to call a cab. The process is simple and confidential - the employer will never know - and the cab

AWP Initials: \_\_\_\_\_ COMPANY Initials: \_\_\_\_\_

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fee is reimbursed by AWP. To promote healthy choices, the program may only be used up to three times. Clients using Safe Ride more than once in a 12-month period or three (3) times within a 36-month period will be scheduled for a confidential visit with one of our substance abuse counselors in order to receive cab reimbursement. Three (3) years from the third use, the individual's ability to utilize Safe Ride will be reinstated.

**11. Appropriate Statistical Reporting Subject to the Restrictions Under Applicable Laws Relating to Client Confidentiality and Privacy.**

Trending and Reports include utilization, follow-up, and statistical information that meet standards for ethics, legality, and confidentiality.

**12. LawAccess - Legal and Financial Services.**

Legal and financial assistance is provided through LawAccess, by offering a free half-hour consultation by phone or in-person per issue per year, and a discount of up to 25% on continued consultation. AWP reserves the right to change the vendor providing this service, as long as the new service provides the same or similar services.

**13. HelpNet - Online Services.**

*HelpNet* web-based services provide resource articles, tips, and tools on balancing work and family life, as well as a comprehensive wellness platform with a health risk and wellbeing assessment that instantly connects participants to the EAP and health coaches. AWP reserves the right to change the vendor providing this service, as long as the new service provides the same or similar services.

**Exhibit II**  
**Fee Schedule and Conditions**

1. **CAPITATED RATE:** Payment shall be made monthly by COMPANY to AWP for all fee-for-services covered under this AGREEMENT, including Exhibits and Addenda. The fee shall be \$2.15 per employee, per month (PEPM) and shall be due within thirty (30) days of the date of the AWP invoice. The current rate is predicated on 278 covered employees with the first month's fee based upon the number of covered employees noted above.

Following the first month of service AWP will e-mail to COMPANY, on a monthly basis, an 'employee count' request asking for a COMPANY reporting of the number of employees covered for the requested month. All subsequent fees will be adjusted and invoiced monthly, based upon your reporting response to our e-mail 'employee count' requests. Any additional services, billed on a fee-for-service basis, are due within thirty (30) days of the date of the AWP invoice.

Should COMPANY not provide an e-mail response to AWP requests for the 'employee count' by the 5<sup>th</sup> of each month, AWP will invoice, and COMPANY shall pay the AWP invoiced amount - based upon the last available 'employee count' AWP received. COMPANY will make no adjustments or deductions to an AWP provided invoice resulting from lack of an e-mail response by COMPANY. Any necessary invoice adjustments will be prepared by AWP and submitted to COMPANY in the next subsequent billing cycle.

2. **RATE GUARANTEE:** AWP will provide thirty (30) days notice prior to any rate escalation. Fees are based on the headcount reported by COMPANY. The headcount should include all active employees. Household members, dependents, retirees and terminated employees although covered, are not included in the headcount.
3. **FEE-FOR-SERVICE RATES AND CONDITIONS:** Services billed on a fee-for-service basis are itemized as follows:

Ad hoc reporting (any requested report outside of our normal reporting) is available for \$150.00 per hour with a one-hour minimum for all requests.

Mediation services are available by arrangement. Contact the account manager for a price quote.

On-site counseling is available on a fee for service basis at the rate of \$150.00 per hour plus travel expenses.

For services beyond the number of hours allotted in EXHIBIT I #7 of this AGREEMENT, the fee is \$200 per hour plus travel expenses if applicable.

A Training Inventory Catalog with specialized curriculum, Talent Management, and Organizational Development services is available from the Account Manager. Rates are \$200 per hour for specialized curriculum in the Training Inventory Catalog. These services are not included in those provided through EXHIBIT I #7. A separate quote from the Account Manager can be provided upon request.

AWP Initials: \_\_\_\_\_ COMPANY Initials: \_\_\_\_\_

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Scheduled onsite services and/or trainings require a 48-hour, in advance cancellation notice. Cancellations received with less than the required 48-hour notice will result in either an adjustment to the annual hours allotted for onsite services and training to COMPANY, or a \$200 per hour charge to COMPANY, in an amount equal to the hours scheduled and cancelled without the required advance notice.

AWP Initials: \_\_\_\_\_

COMPANY Initials: \_\_\_\_\_

Rev. Approved 3/17/2017

### **Exhibit III Optional Services**

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#### **VALUE ADDED SERVICES INCLUDED IN THIS AGREEMENT**

Subject to the terms and conditions described herein, AWP will provide, as needed:

**1. WellCoach**

*WellCoach* delivers preventive health and complementary care coaching and educational services to encourage employees and their families to become and remain healthy, helping to contain healthcare costs.

AWP Initials: \_\_\_\_\_

COMPANY Initials: \_\_\_\_\_

Rev. Approved: 3/17/2017

☒ New Application    ☐ Change    Group #: \_\_\_\_\_ Federal Tax ID #: 75-6000580

**Section 1. POLICYHOLDER INFORMATION:** Please Type or Print All Information.

Policyholder (full legal name): City of Lancaster

Address (not PO box): 211 N Henry Street

City: Lancaster

State: TX

Zip: 75146

Subsidiaries or Affiliates to be covered: ☐ Yes; or ☒ No (If more than one, indicate on separate sheet and attach to this application)

If Yes: Company Name: \_\_\_\_\_

Address (not PO box): \_\_\_\_\_

City: \_\_\_\_\_

State: TX

Zip: \_\_\_\_\_

Premium is payable on the first of the insurance month unless mutually agreed upon by the Policyholder and the insurance company.

**Section 2. GENERAL INFORMATION:**

Product Choice (Check all that apply)	Policyholder will contribute:	Requested Effective:	*Replacing Coverage Yes/No:
<input type="checkbox"/> Group Term Life <input type="checkbox"/> AD&D:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Supplemental Life <input type="checkbox"/> AD&D:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Dental:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Short-Term Disability (STD):	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Long-Term Disability (LTD):	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Stand Alone AD&D:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Specified Disease:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Accident:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Group Vision:	<input type="checkbox"/> 100%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Term Life <input type="checkbox"/> AD&D:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Group Dental:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input checked="" type="checkbox"/> Voluntary Short-Term Disability (VSTD):	<input checked="" type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	10/1/2017	No
<input type="checkbox"/> Voluntary Long-Term Disability (VLTD):	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Stand Alone AD&D:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Group Specified Disease:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Group Accident:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____
<input type="checkbox"/> Voluntary Group Vision:	<input type="checkbox"/> 0%; or <input type="checkbox"/> Other: _____ %	_____	_____

\*Enclose a copy of each in force policy to be replaced.



**Section 3. POLICYHOLDER STATEMENT:**

The Policyholder or authorized representative (Policyholder) applies for a group insurance policy(s) through Dearborn National<sup>®</sup> Life Insurance Company (Dearborn National).

The Policyholder represents and certifies that:

1. This application must be approved in writing by Dearborn National. Issuing the insurance policy is evidence of approval. Coverage for insureds under the group policy is effective when the insured applies and is approved for coverage by Dearborn National. The Policyholder will not collect premium from an insured who requires medical underwriting until Dearborn National approves the insured's application for coverage; and
2. Dearborn National will issue a policy only if Dearborn National decides that the group is an acceptable risk based on Dearborn National's underwriting practices and procedures; otherwise Dearborn National has no liability except to refund premium. The Policyholder must return to individual insureds any part of the premium paid by those insureds; and
3. The premium rates are contingent, based on the accuracy of insured eligibility data given to Dearborn National by the Policyholder. Misstatements on an insured's application or failure by the Policyholder or insured to report new medical information before an insured's effective date of coverage may cause a change to the coverage or premium rate as of the policy effective date; and
4. The Policyholder and insureds are subject to all the policy terms and provisions and trust agreements, if applicable. They may be amended from time to time; and
5. If the Policyholder does not collect or pay premiums by the premium due date, the policy will terminate at the end of the policy's grace period; and
6. Even with the purchase of a disability policy, the Policyholder may be required to buy disability coverage under a state disability benefit act or law; and
7. The Policyholder will: a) send Dearborn National applications of individual insureds prior to the eligibility date; b) give certificates to all insureds; c) report changes in the insured group to Dearborn National; and d) keep records of insured eligibility.
8. The information given and statements made on this application are complete and correct. Misstatements or omissions of information may affect the validity of any insurance policy issued and cause the denial of an otherwise valid claim.
9. Statements made by the Policyholder are representations and not warranties. No statement made by any insured will be used in any contest unless a copy of the instrument containing the statement is or has been given to the insured or, in case of death or incapacity of the insured, to his beneficiary or personal representative.

This application and the payment of premium are consideration for any master policy and certificates issued. This application is part of any insurance policy issued. The authorized signature on this application is acceptance of the policy terms.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date (Must be signed prior to Effective Date)

\_\_\_\_\_  
Print Name and Provide Title

\_\_\_\_\_  
Licensed Resident Agent (if required)

The laws of some states require us to furnish you with the following notice:

**FOR APPLICATIONS AND CLAIMS:**

**Alabama:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**Colorado:** It is unlawful to knowingly provide false, incomplete, or misleading material facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading material facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

**District of Columbia:** **WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**Florida:** Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

**Hawaii:** For your protection, Hawaii law requires you be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

**Kentucky:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**Louisiana:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Maine & Washington:** It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Maryland:** Any person who knowingly and willingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**New Mexico:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

**Ohio:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Oklahoma:** Any person who knowingly, with intent to injure, defraud or deceive any insurer, makes a claim for the proceeds of an insurance policy containing false, incomplete or misleading information is guilty of a felony.

**Pennsylvania:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Puerto Rico:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**Rhode Island:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Tennessee:** It is a crime to knowingly provide false incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**Virginia:** Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement may have violated the state law.

The laws of some states require us to furnish you with the following notice:

**FOR CLAIMS ONLY:**

**Alaska:** A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

**Arizona:** For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**Arkansas:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**California:** For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Delaware:** Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

**Idaho:** Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement or claim containing false, incomplete, or misleading information is guilty of a felony.

**Indiana:** A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

**Minnesota:** A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**New Hampshire:** Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

**New Jersey:** Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**Texas:** Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**FOR APPLICATIONS ONLY:**

**Massachusetts:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**New Jersey:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Request Effective with Tax Year: **W-2:** \_\_\_\_\_  
(current or future tax year)

**FICA Match:** \_\_\_\_\_  
(New group - current or future tax year)  
(Existing group - future tax year only)

Employer Name: City of Lancaster Telephone Number: 972.275.1795  
Contact Person: Dori Lee Fax Number: 972.275.1894  
Employer Tax ID Number (EIN): 75-6000580 E-mail address: dlee@lancaster-tx.com  
Group Policy Number(s): \_\_\_\_\_

**This Agreement Applies to:**

☐ Both STD and LTD ☐ Long Term Disability Only ☒ Short Term Disability Only

**A. W-2 Options for disability income benefits ("sick pay") - Choose Option 1 or Option 2:**  
W-2 Option may be selected up to November 15th of the current tax year.

☒ **OPTION 1. Insurer prepares W-2 statements for payees and files Federal and State information returns reporting sick pay.**

Employer hereby designates Insurer as its agent for the sole purpose of providing W-2 statements with sick pay information to payees by January 31st of each year, or such other date required by the Internal Revenue Service, and for making information return filings in accordance with Federal and State requirements regarding income tax, social security and Medicare tax. Insurer will use its EIN number on each of these forms. Employer is responsible for providing Insurer with all information necessary for Insurer to file timely and correct statements and returns, including the information necessary to determine the taxable portion of sick pay. The employee contributions made with after tax dollars will determine what portion of sick pay, if any, is excludable from employee's gross income. If Policy terminates, Insurer will continue to provide W-2 statements and make information return filings for sick pay payments on all claims incurred prior to termination of Policy.

**NOTE:** We will issue W-2's on a continuous basis, until notified differently by the Employer.

☐ **OPTION 2. Insurer DOES NOT prepare Form W-2 statements for payees and Federal and State information returns reporting sick pay.** If this option is chosen, Insurer will provide Employer by January 15th of each year with the information required by Federal law for Employer to prepare W-2s for its employees and file Federal and State information returns.

**B. Employer FICA Options with respect to Employer's share of Social Security and Medicare taxes:**

**FICA Match Option** can be selected as of your policy effective date for new groups. If you are an existing group, FICA Match Option can only be selected as of January 1st of the future tax year.

☐ **STANDARD. Employer retains responsibility for paying the Employer's share of Social Security and Medicare taxes.** Insurer will provide Employer with reports containing these amounts on a quarterly basis.

☐ **OPTION 1. Insurer pays the Employer's share of Social Security and Medicare taxes and deposits the taxes using the Insurer's EIN.** Employer will not be required to reimburse the Insurer for these amounts. Employer understands that the Employer FICA Match service will result in an increase of premium. If this Option is selected, the Insurer must prepare W-2 statements. Employer must select Option 1 in Section A.

**C. General Sick Pay Reporting Requirements**

Employer is responsible for providing Insurer with accurate information, including total wages paid employee during the calendar year, the last date the employee worked, and the employee contribution percentage of sick pay premium and whether these contributions were paid with BEFORE or AFTER tax dollars.

Insurer will notify Employer of the payments on which employee taxes were withheld. A weekly report will be sent to the Employer within the time required for Insurer's deposit of these amounts. Quarterly and Annual reports will also be sent to the Employer. Insurer will withhold and make timely deposits of employee Social Security and Medicare taxes.

Under no circumstances does Insurer assume any responsibility for Employer's portion of FUTA taxes or any other payroll or employment related tax, fee, premium or the like, including State disability insurance, State or local occupational tax or any Workers' Compensation tax which may be applicable to the sick pay.

Insurer agrees to withhold and deposit Federal income tax as required by the IRS or as requested by the employee on Federal W-4S form.

This Agreement will continue until replaced by a new Agreement, the Policy terminates and/or sick pay payments are discontinued. This Agreement replaces any prior dated Agreements.

**COMPLETED BY - EMPLOYER:**

Print Name: Dori Lee Signature: \_\_\_\_\_  
Title: HR Director DATE \_\_\_\_\_  
Email: dlee@lancaster-tx.com

City of Lancaster	
Policyholder	Group Number

## 1. Contact Information

Dori Lee	972.275.1894
Administrative Contact (Daily Administration)	Fax Number
972-275-1795	dlee@lancaster-tx.com
Phone Number - Administrative Contact	Email Address
Dori Lee	dlee@lancaster-tx.com
Group Administrator (Plan changes, etc.)	Email Address
Dori Lee	dlee@lancaster-tx.com
Billing Contact (Billing Issues)	Email Address
211 N Henry St	
Billing Address	
Lancaster	TX
City	State
	75146
	Zip

## 2. Benefits & Eligibility - As indicated in your proposal.

<b>Waiting Periods</b> <i>Subject to the actively at work provision contained in your proposal</i>	New Hires: 30 <input checked="" type="checkbox"/> Days <input type="checkbox"/> Months <input type="checkbox"/> Years Do you have any current employees that need to fulfill the waiting period: <input type="checkbox"/> Yes <input type="checkbox"/> No Employees are effective*: <input checked="" type="checkbox"/> 1st day of the insurance month following completion of the eligibility waiting period <input type="checkbox"/> The day following completion of the eligibility waiting period <input type="checkbox"/> Other _____ Does any class have a different waiting period: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, Please describe in Special Request Section Does the waiting period apply to all coverages: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If NO, Please describe in Special Request Section <p><small>* If medical underwriting is required, an individual's coverage will not take effect until the date the application is approved by Dearborn National Life Insurance Company. The effective date will be delayed for an employee who is not actively at work for a dependent whose activities are limited due to sickness or injury on the date coverage would otherwise take effect.</small></p>
Minimum Hours 30 (standard is 30 hours per week)	
<b>Annual Enrollment</b> <input checked="" type="checkbox"/> Life / AD&D / Critical Illness / Disability <input type="checkbox"/> Dental <input type="checkbox"/> Accident <input type="checkbox"/> Not Applicable <input type="checkbox"/> Vision	From _____ To _____ ie: (9/1 to 9/30) From _____ To _____ ie: (9/1 to 9/30)
<b>Prior Credit For Rehires</b> <input type="checkbox"/> Life / AD&D / Critical Illness / Disability <input type="checkbox"/> Dental <input type="checkbox"/> Accident <input type="checkbox"/> Vision	Is there prior employment credit for rehired employees? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, credit will be given for employees rehired within 6 months, unless otherwise approved by The Company. Is there prior employment credit for rehired employees? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, credit will be given for employees rehired within 12 months, unless otherwise approved by The Company.
<b>Other</b> Do you have any Canadian Employees that work in the United States: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Do you intend to cover any US Citizens working outside of the United States: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Do you intend to cover any non-US citizens who work within the United States: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Basic Dependent Life Policyholder will contribute: <input type="checkbox"/> NA <input type="checkbox"/> Other <input type="checkbox"/> 0%; or _____ %	
Spouse Premium If applicable, calculate spouse premium: <input type="checkbox"/> Based on Employee Date of Birth <input type="checkbox"/> Based on Spouse Date of Birth	
<b>Definition of Earnings</b> <input checked="" type="checkbox"/> As stated in the proposal <input type="checkbox"/> *Other _____ <p><small>*If "Other" is selected, underwriting approval is required and the proposed rates are subject to change.</small></p>	

City of Lancaster

Policyholder

Group Number

### 3. Group Administration

**Certificates** Email policy documents and certificates to:

- ☒ Group Administrator ☐ Administrative Contact ☐ Billing Contact  
☒ Broker aweegar@ipsadvisors.com ☐ Other \_\_\_\_\_  
☒ Other ross@ipsadvisors.com ☐ Other \_\_\_\_\_

**Disability/Accident Coverage** If the employee pays all or a portion of the premium, how is it paid: ☐ Pre-Tax ☐ Post-Tax ☐ Not Applicable

For STD Coverage: ☐ Benefits begin after sick leave, vacation, salary, PTO end ☐ Benefits begin immediately after the STD elimination period

Do all eligible employees participate in Social Security: ☐ Yes ☐ No If No, Explain \_\_\_\_\_

Do all eligible employees participate in Medicare: ☐ Yes ☐ No If No, Explain \_\_\_\_\_

Mailing Address for Sick Pay Reports: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Form 5500, Schedule A** Does this group have 100 or more eligible employees: ☐ Yes ☐ No

If YES, what is the benefit plan month, day, and year \_\_\_\_\_

Information will be sent to the Group Administrator as listed in Section 1 above, unless otherwise state below.

### 4. Billing

**Billing Options**  
for groups with:

- 2-149 Lives ☐ List Billed Only (We will provide an electronic bill with each employee's cost itemized with an option to pay on-line)  
 150-499 Lives ☒ List Billed (We will provide an electronic bill with each employee's cost itemized with an option to pay on-line)  
☐ Self Administered, Paper (You provide to us the number of lives, volume, and premium by coverage, on a monthly basis.)  
 500+ Lives ☐ Self Administered, Paper (You provide to us the number of lives, volume, and premium by coverage, on a monthly basis.)  
 \*Note: Dental coverage is always List Billed regardless of size.

**Billing Set Up**  
For List Billing Only ☐

**Alphabetically**  
You will receive one bill, with one total. Employees will be listed alphabetically.

**By Account\***  
You receive multiple bills. Employees are separated by accounts. You can pay with multiple checks.

**By Location\***  
☒ You receive one bill, with subtotals and a grand total. Employees are separated by locations.

\*Please indicate billing divisions on the enrollment census. Also include additional billing addresses in the special requests section of this form

**Billing Method** ☒ Monthly ☐ Quarterly

Premium is payable on the first of the month unless mutually agreed upon otherwise and explained in the special requests section of this form

- ☐ **TPA (Third Party Administrator)/Entity**-The following will apply for TPA or any entity, other than the employer, administering billing and premium collection on behalf of the employer.  
 Dearborn National does not contract with the TPA/Entity directly. The Employer is required to complete an Employer Representative Authorization Form if a TPA/Entity is selected. Please provide name: \_\_\_\_\_

### 5. Special Requests - Attach additional pages if needed.

City of Lancaster

Policyholder

Group Number

## 6. ERISA (SPD)

Applicant is subject to ERISA?\*

☐ Yes ☒ No

If this plan is an "employee welfare plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), it is subject to certain requirements including those relating to reporting and disclosure and fiduciary responsibility. The plan must be established and maintained pursuant to a written instrument that designates a plan administrator, as defined in Section 3(16)(A) of ERISA, who has authority to control and manage the operation and administration of the plan.

You, as the plan Administrator or authorized representative, have selected Dearborn National® Life Insurance Company ("Dearborn National") as the claims administrator of your plan, and you consent to the delegation of such authority to Dearborn National. You acknowledge that, in some instances, Dearborn National may delegate some or all of this authority to a third party administrator serving as the claims administrator and you consent to the delegation of such authority to a third party administrator.

Dearborn National cannot be named as the plan administrator and is not responsible for the compliance of your plan with respect to any legal or tax matters, and it cannot offer any legal or tax advice. You are responsible for compliance with all applicable laws, including benefits, employment, and tax laws, relating to the sponsorship and administration of your plan. Dearborn National's obligations to you are governed solely by the terms of the applicable policy provisions, except as otherwise required by law.

ERISA requires the distribution of SPD's for the majority of employee benefit plans. If as plan administrator of your employee benefit plan, you would like Dearborn National to provide you with the required documents to create your plan's SPD, including certain additional documents such as a Statement of ERISA Rights and Claims Procedure, please indicate "Yes" and provide the following information:

☐ Yes ☐ No If Yes, provide the following:

Plan Year Ends Annually On (Month/Day)\*\*

Plan Number assigned to each line of coverage: (will be 3 digits starting with "5")\*\*

Life/AD&D \_\_\_\_\_ STD \_\_\_\_\_ LTD \_\_\_\_\_ Dental \_\_\_\_\_  
Vol Life \_\_\_\_\_ Vol STD \_\_\_\_\_ Vol LTD \_\_\_\_\_ Vol Dental \_\_\_\_\_

Plan Administrator\*\*

☐ Same as Policyholder ☐ Other, complete below

Name/Title \_\_\_\_\_ Phone \_\_\_\_\_

Address (not a P.O. Box) \_\_\_\_\_

Agent for Service of Process if different from plan administrator\*\*

Name/Title \_\_\_\_\_ Phone \_\_\_\_\_

Address (not a P.O. Box) \_\_\_\_\_

Plan Trustees (if applicable)

Name/Title \_\_\_\_\_ Phone \_\_\_\_\_

Address (not a P.O. Box) \_\_\_\_\_

Union Contracts/Collective Bargaining Agreements (if applicable)

Union Contracts/Collective Bargaining Agreements (if applicable)

\*If you are not certain whether your plan is governed by ERISA, please visit the Department of Labor website for more information at: <http://www.dol.gov/dol/topic/health-plans/erisa.htm>  
\*\*Required Fields

## 7. Signature - This section must be signed.

Group Administrator's Signature (or other employee authorized to make plan changes)

Date

Dori Lee

Typed or Printed Name

# FloreSelect Implementation Checklist

**Name of Company** (full legal name): \_\_\_\_\_

**dba** (if applicable): \_\_\_\_\_

**Street Address:** \_\_\_\_\_

**City/State/Zip:** \_\_\_\_\_

**Mailing Address** (if different from above): \_\_\_\_\_

**Name of Primary Contact & Email Address** \_\_\_\_\_

**Type of Entity:** (Choose one. Certain participation limitations may apply to owners depending on plan type)

“C” Corporation (participation by “key employees” may be limited under non-discrimination testing rules)

Subchapter “S” Corporation (2% or more shareholders may not participate in FSA)

Sole Proprietorship (Owner may not participate in FSA)

General Partnership (Partners may not participate in FSA)

LLC (Outside Directors, Limited Partners and Member/Owners may not participate in FSA)

Other \_\_\_\_\_

**State of Incorporation or Organization:** \_\_\_\_\_ **Employer Identification Number (Tax ID) :** \_\_\_\_\_

**Broker** (Name and Phone/Email): \_\_\_\_\_

**Number of total employees:** \_\_\_\_\_

**Effective Date of Plan:** \_\_\_\_\_

**Is first year a “Short” Plan Year?**

Yes If Yes, Effective Date of Subsequent Plan year: \_\_\_\_\_

No

**Was a Previous Pre-Tax Plan in Place?**

Yes If yes, Effective \_\_\_\_\_ Plan ID#: \_\_\_\_\_ (cafeteria plan number for 5500 filing, ex. 501)

No

## Eligibility Requirements:

A. Definition of Participants — All employees averaging \_\_\_\_\_ hours per week or more

B. Waiting Periods:

New Hires: Participation will be effective after \_\_\_\_\_ days of concurrent employment

Rehired within 30 days: Participation will be effective after \_\_\_\_\_ days of concurrent employment

C. Effective Date (select one)

First day after end of waiting period, or

First day of the month after the end of waiting period

**Premium Conversion Plan Deductions** (please identify all premiums deducted on a pre-tax basis that apply):

Group Health Plan

Dental Policy (if separate from group health plan)

Vision Policy (if separate from group health plan)

HSA Contributions

Accidental Death & Dismemberment Policy (AD&D)

Group Term Life Insurance (to \$50,000)

Hospital Indemnity Policy (without return of premium rider)

Cancer Insurance Policy (without return of premium rider)

Short Term disability (note: pre-taxing premiums may result in taxation of benefits)

Long Term Disability (note: pre-taxing premiums may result in taxation of benefits)

Other: \_\_\_\_\_



# FloreSelect Implementation Checklist

## Plan Limitations:

### 1. Maximum Annual Enrollment Amounts:

Health FSA \$\_\_\_\_\_ (Per Internal Revenue Code)

Dependent Care Assistance Plan \$\_\_\_\_\_ (Per Internal Revenue Code)

### 2. Minimum Annual Enrollment Amounts:

Health FSA \$\_\_\_\_\_ (Employer's Option)

Dependent Care Assistance Plan \$\_\_\_\_\_ (Employer's Option)

**Medical FSA Carry Over Offered** (Allows for up to \$500 to rollover to the next plan year)

Yes

No

## Debit Card:

- Each participant will be issued a debit card in the participant's name.
- Please list the standard co-pays on your medical plan for auto-substantiation:
- \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_

## HDHP/HSA Offered:

No Limited FSA offered: Only a full FSA will be offered under your plan.

Limited FSA: reimburses dental, vision, and orthodontia expenses

## Standard Pay Periods (check all that apply):

Weekly: Number of Pay Dates\_\_\_\_\_ First Pay Date\_\_\_\_\_ Last Pay Date\_\_\_\_\_

Bi-Weekly: Number of Pay Dates\_\_\_\_\_ First Pay Date\_\_\_\_\_ Last Pay Date\_\_\_\_\_

Semi-Monthly: Number of Pay Dates\_\_\_\_\_ First Pay Date\_\_\_\_\_ Last Pay Date\_\_\_\_\_

Monthly: Number of Pay Dates\_\_\_\_\_ First Pay Date\_\_\_\_\_ Last Pay Date\_\_\_\_\_

## Enrollment Format (please indicate one of three following options):

### **Spreadsheet/File Enrollment**

Date file will be submitted to Flores\_\_\_\_\_

### **Paper Enrollment**

Date forms will be submitted to Flores \_\_\_\_\_

### **Entry through Administrator portal**

## Reconciliation Method

Flores provides Reduction List to client, 2 days before each pay date, with the deductions we expect to be taken for each paycheck.

Client will review reduction listing and is required to reply by the pay date with any changes that need to be made for the given pay date before the transfer of funds is initiated.

No response is needed to the reduction listing if no changes need to be made. In this case, the transfer of funds will be initiated on the pay date under the assumption the listing is correct.

## Funding

Client will transfer contributions (deductions taken from an employee's paycheck) each pay date, per the method selected below:

Flores Debit—Flores automatically initiates debit on each pay date (*no additional fee*)

Client Debit—Client initiates debit on each pay date through Administrator portal (*no additional fee*)

# FloreSelect Implementation Checklist

## Admin Invoice Payments

Flores Debit—Flores sends invoice and then automatically initiates debit on due date.

Client Debit—Client initiates debit by due date through our Administrator portal.

## Direct Debit Authorization Terms

As a representative of \_\_\_\_\_,  
(hereinafter *COMPANY*) I, \_\_\_\_\_ hereby authorize **FLORES & ASSOCIATES**  
to access the account of the financial institution described below (hereinafter *BANK*) for any provided services or  
reimbursements. Further, I authorize *BANK* to accept the above mentioned debits and to debit *COMPANY*'s account  
for the amount of such entries.

## Financial Institution Information

Bank Routing Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Type:           Checking           Savings

Bank Phone Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Action to Be Taken:       Begin Debits           Change Information           Cancel Debits

## Debit Authorization

This authorization is to remain in full-force and effect until **FLORES & ASSOCIATES** and *BANK* have received  
written notice from me or another representative of *COMPANY* of its termination in such time and in such  
manner as to afford **FLORES & ASSOCIATES** and *BANK* a reasonable opportunity to act on it.

SIGNATURE OF COMPANY REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

# FloreSelect Implementation Checklist

Please identify the person(s) in your organization who will serve as the Flores Contacts. If more than four contacts are needed, additional contacts can be added on <http://admin.flores247.com>.

\*An HR contact is required for the HR, Payroll, and Billing responsibilities.

Contact: \_\_\_\_\_  
Title: \_\_\_\_\_

Responsible for:

**FSA/HRA**

**COBRA**

HR	COBRA Reports
Payroll	Monthly COBRA Remittance Check & Report
Billing	Questions Related to COBRA Eligibility
	Invoices for COBRA Admin Fees

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Contact: \_\_\_\_\_  
Title: \_\_\_\_\_

Responsible for:

**FSA/HRA**

**COBRA**

HR	COBRA Reports
Payroll	Monthly COBRA Remittance Check & Report
Billing	Questions Related to COBRA Eligibility
	Invoices for COBRA Admin Fees

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Contact: \_\_\_\_\_  
Title: \_\_\_\_\_

Responsible for:

**FSA/HRA**

**COBRA**

HR	COBRA Reports
Payroll	Monthly COBRA Remittance Check & Report
Billing	Questions Related to COBRA Eligibility
	Invoices for COBRA Admin Fees

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

Contact: \_\_\_\_\_  
Title: \_\_\_\_\_

Responsible for:

**FSA/HRA**

**COBRA**

HR	COBRA Reports
Payroll	Monthly COBRA Remittance Check & Report
Billing	Questions Related to COBRA Eligibility
	Invoices for COBRA Admin Fees

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

## Security Information:

To ensure the connection to our administrator portal, [admin.flores247.com](http://admin.flores247.com), is secure please provide us with the website domain of any administrator you wish to grant access to our system

(for instance, flores247.com, flores-associates.com, etc.): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# FloreSelect Implementation Checklist

**COBRA Administration Effective Date:** \_\_\_\_\_

**Total Number of Covered Insured Employees:** \_\_\_\_\_

This number will be used for billing purposes. The total number of covered active employees is the total number of employees covered under your group health plans who could potentially be offered COBRA coverage. For example, an employee with family medical coverage and individual only dental counts as one covered active employee.

**Will Flores generate your New Hire Notifications?**

Yes      No

## Takeover Information

**Number of current COBRA participants (takeovers)** \_\_\_\_\_

**How will Flores receive the takeover data?**      Client      Prior Cobra Administrator

**Flores should begin billing takeover participants as of:** \_\_\_\_\_

When will your current COBRA administration stop invoicing your participants? For example, if the last month your existing COBRA administrator will bill for is November, Flores would begin billing your participants effective December 1.

## Eligibility & Data

**Who is responsible for updating COBRA data for your Company with the insurance carriers?**

Name: \_\_\_\_\_ E-mail: \_\_\_\_\_

Flores provides COBRA updates once a week on Fridays. COBRA status can also be verified 24/7 on our administration portal as needed. We can send a second eligibility and change file each Tuesday. Please let us know if you would like to receive the Tuesday COBRA eligibility/change file, and to whom this update report should be sent?

Tuesday COBRA Eligibility & Change Reports      Do not want additional update report  
Send to: Name: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Do you activate COBRA once continuants have elected coverage or only once they have paid for coverage?**  
(Flores recommends to activate once payment is received.)

Paid      Elected

**Who should Flores contact if an employee notifies us that they are not updated with the insurance carrier?**

Name: \_\_\_\_\_ E-mail: \_\_\_\_\_

## Plan Information

**When is Cobra effective?**

For example, if someone's last day is October 15, does their COBRA coverage being  
October 16 or November 1? Effective date for COBRA: \_\_\_\_\_

**When does a dependent age out of each of your insurance plans?** (COBRA event must be added. Please note that these COBRA events must be tracked and added by the client.)

Medical Age \_\_\_\_\_ Dental Age \_\_\_\_\_ Vision Age \_\_\_\_\_

**If someone goes on Medicare, do you automatically terminate their COBRA coverage?**

Yes      No

**If someone qualifies for 11-month Disability extension, do you automatically increase the COBRA rate to 150%?**

Yes      No

**Are domestic partners eligible for COBRA Coverage?**

Yes      No

**Do any state continuation plans apply to your account?**

Yes      If so, which state? \_\_\_\_\_

No

# FloreSelect Implementation Checklist

(Remember all Medical, Dental, Vision, Medical FSA, HRA, and any Group Health Plans potentially eligible for COBRA )

## Carrier/Rate Data Sheet

Carrier/Provider: \_\_\_\_\_  
Type of Coverage: \_\_\_\_\_  
Carrier URL for updates: \_\_\_\_\_  
Username for updates: \_\_\_\_\_  
Password for updates: \_\_\_\_\_  
Plan Renewal Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
# of Covered Active Employees: \_\_\_\_\_

Contact Responsible for updating coverage  
Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

### Rates: Coverage Monthly Rate (without 2%)

Individual	\$ _____
Individual + 1	\$ _____
Individual + Spouse	\$ _____
Individual + Child	\$ _____
Individual + Children	\$ _____
Family	\$ _____

(Remember all Medical, Dental, Vision, Medical FSA, HRA, and any Group Health Plans potentially eligible for COBRA )

## Carrier/Rate Data Sheet

Carrier/Provider: \_\_\_\_\_  
Type of Coverage: \_\_\_\_\_  
Carrier URL for updates: \_\_\_\_\_  
Username for updates: \_\_\_\_\_  
Password for updates: \_\_\_\_\_  
Plan Renewal Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
# of Covered Active Employees: \_\_\_\_\_

Contact Responsible for updating coverage  
Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

### Rates: Coverage Monthly Rate (without 2%)

Individual	\$ _____
Individual + 1	\$ _____
Individual + Spouse	\$ _____
Individual + Child	\$ _____
Individual + Children	\$ _____
Family	\$ _____

## Carrier/Rate Data Sheet

Carrier/Provider: \_\_\_\_\_  
Type of Coverage: \_\_\_\_\_  
Carrier URL for updates: \_\_\_\_\_  
Username for updates: \_\_\_\_\_  
Password for updates: \_\_\_\_\_  
Plan Renewal Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
# of Covered Active Employees: \_\_\_\_\_

Contact Responsible for updating coverage  
Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

### Rates: Coverage Monthly Rate (without 2%)

Individual	\$ _____
Individual + 1	\$ _____
Individual + Spouse	\$ _____
Individual + Child	\$ _____
Individual + Children	\$ _____
Family	\$ _____

## Carrier/Rate Data Sheet

Carrier/Provider: \_\_\_\_\_  
Type of Coverage: \_\_\_\_\_  
Carrier URL for updates: \_\_\_\_\_  
Username for updates: \_\_\_\_\_  
Password for updates: \_\_\_\_\_  
Plan Renewal Date: \_\_\_\_\_  
Policy Number: \_\_\_\_\_  
# of Covered Active Employees: \_\_\_\_\_

Contact Responsible for updating coverage  
Name: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

### Rates: Coverage Monthly Rate (without 2%)

Individual	\$ _____
Individual + 1	\$ _____
Individual + Spouse	\$ _____
Individual + Child	\$ _____
Individual + Children	\$ _____
Family	\$ _____

COBRA

# FloreSelect Implementation Checklist

## Option 1: HRA Flex

An "HRA Flex" account is an employer-funded balance account that can be used toward eligible health expenses.

Allowable Expenses - All Allowable Section 213 out-of-pocket Medical Expenses:

### Do you offer a high deductible health plan (HDHP) with HSA?

Yes      No

If so, any HDHP participants will only be able to use their HRA-Flex funds for dental or vision expenses to maintain their eligibility to make HSA contributions.

### Unused Benefits (select one):

Do Not Roll Over From Year to Year  
Roll into subsequent plan years

### Debit Card:

Yes

- Each participant will be issued a debit card in the participant's name.
- Please list the standard co-pays on your medical plan for auto-substantiation:

\$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_ \$\_\_\_\_\_

No

### Plan Design (select one):

Annual amount

- Individual \$\_\_\_\_\_ Family \$\_\_\_\_\_

Contributions earned and added during the year

Recurring Monthly Amount \$\_\_\_\_\_

Various (please explain below)

### Plan Design Description (please explain overall plan design):

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Reimbursements Issued: Weekly on Fridays

### Funding Options (select one):

Client confirms contributions, Flores debits account on file

Flores automatically debits for all reimbursements issued

### Enrollment Format (please indicate one of three following options):

**Spreadsheet/File Enrollment** Date file will be submitted to Flores \_\_\_\_\_

**Paper Enrollment** Date forms will be submitted to Flores \_\_\_\_\_

**Entry through Administrator portal**

# FloreSelect Implementation Checklist

## Option 2: Traditional HRA

### Allowable Expenses (select all that apply):

Medical Plan Deductibles (EOB required)  
 In-network      Out-of-Network      Both  
 Co-Insurance (EOB required):

### Do you offer a high deductible health plan (HDHP) with HSA?

No      Yes (no HRA reimbursement allowed for yearly minimum annual HDHP amount)

### Select one design from one of the three Family options below

**Combined Family:** (All family members are combined to satisfy the responsibility.)

Example: The medical plan has a \$2000 deductible. The family is responsible for the first \$1600 in combined deductible expenses. The plan will reimburse the following \$400.

**Embedded:** (Individual deductible and a family deductible and each person must satisfy the plan requirement.)

Example: The medical plan has a \$1000 deductible (2x). Each person is responsible for the first \$800. The plan will reimburse the following \$200. Reimbursements are ONLY issued when someone satisfies the first \$800. For a family of 4, if each person satisfies only \$500, no reimbursement is issued.

**Embedded + Grouping:** (One person must satisfy the plan requirement. The 2nd deductible is satisfied by all other family members.)

Example: The medical plan has a \$1000 deductible (2x). One person is responsible for the first \$800. The plan will reimburse the following \$200. Once one person meets their individual deductible, all other family members are responsible for the next \$800 of deductible charges. The plan will reimburse the following \$200.

\*Please note Flores will send a follow-up example using your specific plan design to confirm our setup\*

### Please fill out the below tables to indicate how your plan is to be administered (Fill in with dollar amounts

(ie. From:\$0,To:\$500) and percent(%) the plan will pay out to the participant, for the columns that apply):

Plan Level Name: Employee Only (Applies to Individual)

All Deductibles			In Network Deductible			Out of Network Deductibles			Co-Insurance		
From:	To:	% Pay	From:	To:	% Pay	From:	To:	% Pay	From:	To:	% Pay

Plan Level Name (EE + 1, Family, Etc.) \_\_\_\_\_

All Deductibles			In Network Deductible			Out of Network Deductibles			Co-Insurance		
From:	To:	% Pay	From:	To:	% Pay	From:	To:	% Pay	From:	To:	% Pay

Plan Design Description (please explain overall plan design):

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**Funding Options:** Flores automatically debits for all reimbursements issued

**Reimbursements Issued:** Weekly on Fridays

**Enrollment Format** (please indicate one of three following options):

**Spreadsheet/File Enrollment** Date file will be submitted to Flores \_\_\_\_\_

**Paper Enrollment** Date forms will be submitted to Flores \_\_\_\_\_

**Entry through Administrator portal**

# FloreSelect Implementation Checklist

## Option 3: Custom HRA

**Allowable Expenses** (select all that apply):

Medical Plan Deductibles (EOB required)

In-network Out-of-Network Both

Co-Insurance (EOB required)

Copays

Others: \_\_\_\_\_

**Do you offer a high deductible health plan (HDHP) with HSA?**

No Yes (no HRA reimbursement allowed for yearly minimum annual HDHP amount)

Please fill out the below tables to indicate how your plan is to be administered (Fill in with dollar amounts (ie. From:\$0,To:\$500) and percent(%) the plan will pay out to the participant, for the columns that apply):

Plan Level Name (Employee Only, EE + 1, Family, etc.) \_\_\_\_\_ Applies to \_\_\_ Individual or \_\_\_ Entire Family

Example:			Expense Type:			Expense Type:		
From:	To:	% Pay	From:	To:	% Pay	From:	To:	% Pay
\$0	\$20	0%						
\$20	\$100	100%						

**Plan Design Description** (please explain overall plan design):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Reimbursements Issued:** Weekly on Fridays

**Funding Options** (select one):

Client confirms contributions, Flores debits account on file  
 Flores automatically debits for all reimbursements issued

**Enrollment Format** (please indicate one of three following options):

Spreadsheet/File Enrollment Date file will be submitted to Flores \_\_\_\_\_

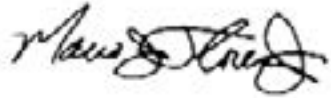
Paper Enrollment Date forms will be submitted to Flores \_\_\_\_\_

Entry through Administrator portal



# FloreSelect Implementation Checklist

The completion of this Implementation Checklist by the legal entity listed in Section I, confirms that the client has accepted the terms and conditions presented by FLORES & ASSOCIATES, LLC in its written proposal to the Client. Notwithstanding the signed proposal, this acceptance of engagement will serve as the contract entered into on this date by \_\_\_\_\_ and FLORES & ASSOCIATES, LLC .



Mario J. Flores, Jr., President  
FLORES & ASSOCIATES, LLC

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Approved By (Client)

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Title

-----  
Date



Flores & Associates, LLC  
1218 South Church Street  
Charlotte, NC 28203  
Phone: 704-335-8211  
Fax: 704-335-0818

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

7.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Financially Sound Government  
Sound Infrastructure  
Quality Development  
Healthy, Safe & Vibrant Community  
Professional & Committed City Workforce

**Submitted by:** Opal Mauldin-Jones, City Manager

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#### **Agenda Caption:**

Consider a resolution adopting City Council Goals and Objectives contained in the June and July 2017 City Council Strategic Planning Report prepared by The Novak Consulting Group.

#### **Background:**

City Council conducted its annual strategic planning session June 14, June 15, and July 3, 2017. Following Council's planning session, The Novak Consulting Group compiled information from Council's discussions into a report that defines the five year Goals, Strategies, Mission Statement and Vision 2028 for the City.

#### **Operational Considerations:**

Council goals and strategies provide the foundation to match City resources with priorities and help provide efficient services to citizens. Formal adoption of the goals and strategies is a "best practice" that establishes a clear, unified message for staff and the community. Council revised the mission statement and key performance areas and outlined 2017/2018 objectives as follows:

**Financially Sound Government** - The City has a long-range financial plan and prudent fiscal policies and processes. Appropriate reserve levels and a competitive tax rate ensures that the City has funds available to address the needs of the community and responsibly manage its debt.

**Quality Development** - The City encourages high quality, diverse housing, commercial and retail development and public facilities. Policies encourage sustainable building practices, conservation and the use of alternative energy sources.

- Continue design and development of new City Hall - Downtown TIF
- Continue Land Bank Program
- Continue Economic Development Strategic Plan - Incentive Policy Update; Retail Recruitment Strategy
- Adopt Xeriscape amendments to the Lancaster Development Code LDC, Code of Ordinances and/or applicable development regulations
- Implement the Comprehensive Master Plan.
- Update I-20 Corridor, Campus District Plan, Historic District Plan, Downtown District Plan, LanPort District Plan, Medical District Plan, Mills Branch District Plan, Master Thoroughfare Plan, Hike & Bike Trail Plan, Stormwater Master Plan, Water & Wastewater Master Plan, Streetscape Master Plan, IH-35 Corridor, and Implementation of TIF's for key growth areas.

**Healthy, Safe, & Engaged Community** - Lancaster is a place where we embrace public safety and

compassionate enforcement in our neighborhoods to sustain vibrant residential and business communities. The community celebrates unity and participates in city-wide events, recreational and cultural activities. Residents have opportunities for involvement in civic life through boards and commissions, youth and parent volunteer opportunities in recreation, sports teams, City elections, Civic Academies, Schools and City-wide celebrations.

- Develop an expanded community health initiative
- Amend the fee schedule to allow the City to be reimbursed for use of public property and land in commercial films.
- Expand the Business retention and expansion Program (BREP).
- Reinvigorate the LEEP Program that establishes a partnership between Code Compliance and Community Volunteers.
- Revise Boards and Commissions Criteria
- Establish a program for short-term rentals such as Air B&B

**Professional & Committed City Workforce** -Lancaster City Government is an employer of choice with competitive pay that attracts an engaged, responsive, customer-oriented, innovative, and effective workforce. Some employees live in the City and all have a sense of ownership for the community. City employees feel needed and appreciated by elected officials, residents, and businesses. Employees are respectful and appreciative of their customers and the City's governing body. The city's Executive Staff is engaged with residents and attends community events, upholds strong customer service, and uses technology to aid them in working smarter.

- Continue to pursue implementation of the Compensation Policy
- Continue funding for Lancaster University

**Sound Infrastructure** - The City has preventative maintenance programs to ensure well maintained infrastructure, including streets, water, stormwater, wastewater and other assets.

- Continue Infrastructure Implementation Project - Pleasant Run Road Phases 1, 2, 3 & 4
- Complete Airport Terminal Construction
- Complete Golf Course Direction
- Appoint a citizens committee to develop a Capital Improvement Plan for the City.
- Work with the Best Southwest Partnership to implement public transportation options.

#### **Legal Considerations:**

The City Attorney has approved as to form the adopting resolution.

#### **Public Information Considerations:**

This item is being considered at a regular meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

#### **Options/Alternatives:**

1. Council may approve the resolution as presented.
2. Council may deny the resolution.

#### **Recommendation:**

Staff recommends approval of the resolution as presented.

#### **Attachments**

Resolution

Exhibit A (Council 2017 Retreat Report)

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**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE LANCASTER CITY COUNCIL GOALS AND OBJECTIVES CONTAINED IN THE JUNE AND JULY 2017 COUNCIL RETREAT REPORT, AS ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES AS EXHIBIT "A"; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council met in a strategic planning session June 14 and June 15 and July 3, 2017 to review, discuss and refine City Council's vision and mission for the City of Lancaster; and

**WHEREAS**, after discussion and consideration, the City Council updated the five year goals and strategies for the City of Lancaster which identified a foundation of principles upon which the community will continue to prosper; and

**WHEREAS**, the City Council desires to adopt the City Council Retreat Report prepared by The Novak Consulting Group following the strategic planning session and the goals, strategies, Mission Statement and Vision 2028 contained in said report;

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

**SECTION 1.** That the City Council Goals and Objective contained in the June and July 2017 Council Retreat Report, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved and adopted.

**SECTION 2.** That any prior resolutions of the City of Lancaster, Texas, in conflict with the provisions of this resolution, except as noted herein, be, and the same are hereby, repealed and revoked.

**SECTION 3.** That this resolution shall take effect immediately from and after its adoption and it is accordingly so resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

# City of Lancaster

## 2017 Council Retreat

June & July 2017



The Lancaster City Council held their annual Strategic Planning and Teambuilding Retreat on June 14 and 15, 2017, at Cedar Valley Community College. An additional session was completed on July 3, to update the Strategic Planning Framework and set long and short-term goals for the City and the community. The retreat was attended by the Mayor and Council, City Manager, Assistant City Manager, City Secretary, and the City Attorney. The retreat was facilitated by Julia Novak from The Novak Consulting Group.

The updated Strategic Planning Framework is provided here.

## Updated Strategic Planning Framework and 2017 Priorities

### Vision

Lancaster is a thriving and diverse community where we value our historical assets and natural beauty. Residents and stakeholders are engaged and take pride in this City. Lancaster is the Shining Star of Texas with opportunities to live, learn, work and play.

### Mission

Lancaster City government is financially sustainable and provides efficient customer-friendly services. Our citizens have trust and confidence in city government and leaders.

### Key Performance Areas

#### Financially Sound Government

The City has a long-range financial plan and prudent fiscal policies and processes. Appropriate reserve levels and a competitive tax rate ensures that the City has funds available to address the needs of the community and responsibly manages its debt.

#### Healthy, Safe & Engaged Community

Lancaster is a place where we embrace public safety and compassionate enforcement in our neighborhoods to sustain vibrant residential and business communities. The community celebrates unity and participates in city-wide events, recreational and cultural activities. Residents have opportunities for involvement in civic life through boards and commissions, youth and parent volunteer opportunities in recreation, sports teams, City elections, Civic Academies, Schools and City-wide celebrations.

#### Initiatives

- Develop an expanded community health initiative
- Amend the fee schedule to allow the City to be reimbursed for use of public property and land in commercial films.
- Expand the business retention and expansion Program (BREP).
- Reinvigorate the LEEP Program that establishes a partnership between Code Compliance and Community Volunteers
- Revise Boards and Commissions Criteria
- Establish a program for short-term rentals such as Air B&B

## Sound Infrastructure

The City has preventative maintenance programs to ensure well maintained infrastructure, including streets, water, stormwater, wastewater, and other assets.

### Initiatives

- Continue Infrastructure Implementation Project – Pleasant Run Road Phases 1, 2, 3 & 4
- Complete Airport Terminal Construction
- Complete Golf Course Direction
- Appoint a citizens committee to develop a Capital Improvement Plan for the City.
- Work with the best Southwest Partnership to implement public transportation options.

## Quality Development

The City encourages high quality, diverse housing, commercial and retail development and public facilities. Policies encourage sustainable building practices, conservation and the use of alternative energy sources.

### Initiatives

- Continue design and development of new City Hall –Downtown TIF
- Continue Land Bank program
- Continue Economic Development Strategic Plan
  - Incentive Policy Update
  - Retail Recruitment Strategy
- Adopt Xeriscape amendments to the LDC, Code of Ordinances and/or applicable development regulations
- Implement the Comprehensive Master Plan.
  - Update plans including:
    - i. Campus District
    - ii. LanPort Overlay District
    - iii. Medical District
    - iv. Historic Overlay District
    - v. Downtown District
    - vi. Mills Branch Overlay District
    - vii. I20 Corridor
    - viii. I35 Corridor
    - ix. Master Thoroughfare Plan
    - x. Hike and Bike Trail Plan
    - xi. Stormwater Master Plan
    - xii. Water and Wastewater Master Plan
    - xiii. Streetscape Master Plan
- Implementation of TIFs for key growth areas

## Professional & Committed City Workforce

Lancaster City Government is an employer of choice with competitive pay that attracts an engaged, responsive, customer-oriented, innovative, and effective workforce. Some employees live in the City and all have a sense of ownership for the community. City employees feel needed and appreciated by elected officials, residents, and businesses. Employees are respectful and appreciative of their customers and the City's governing body. The City's Executive Staff is engaged with residents and attends community events, upholds strong customer service, and uses technology to aid them in working smarter.

### Initiatives

- Continue to pursue implementation of the Compensation Policy
- Continue funding for Lancaster University



## Day One – June 14, 2017

### Setting the Stage

The facilitator reviewed the agenda, norms, and purpose of the retreat. The group agreed to the following norms for the meeting.

- Listen with respect
  - Let others finish before you start talking
  - Be attentive to the speaker
  - Disagree agreeably
- Be:
  - BOLD
  - positive and realistic
  - candid and honest
  - patient and respectful
  - engaged and fully present
- Strive for consensus
  - Look for opportunities to agree
  - Remember the power of “if” and “and”

The stated purpose of the retreat was to:

- Focus on the future and working well together.
- Identify goals and initiatives to focus the energy of City Staff during the coming year.

In addition, the facilitator discussed how the preliminary conversations with Council impacted her preparation for the retreat. The group’s interpersonal dynamics had some rough spots in recent months and this reality will impact her approach to the retreat facilitation. She said she would be “ruthlessly compassionate” by sharing feedback they needed to hear, with the understanding that it is given with the ultimate goal of helping the group.

### Expectations

Each person was asked to share their expectations for the two-day strategic planning retreat:

- |  |  |
|--|--|
| • R-E-S-P-E-C-T                          | • Learn about the governing body                         |
| • A plan – a Strategic Plan              | • Continue to improve                                    |
| • Refocus                                | • What is the next chapter of our decade of renaissance? |
| • Marching orders for the next year      | • Clarity and purpose                                    |
| • Focus on direction to accomplish goals |  |
| • Trust and Transparency                 |  |

## Mind Maze

The group participated in an Escape Room on Monday evening. Team Bravo, Team Fox Trot, and Team Echo – the group was not successful in completing their mission. They discussed their favorite part; least favorite part; and how the three teams worked together as a larger team – individually and collectively; what strategies were effective; how the time constraint impacted their strategy; and what lessons they learned.

### Lessons Learned

- Time constraints negatively impact communications
- Going off-mission impacted the ability to accomplish what we set out to do
- Persistence without strategy leads to frustration
- Realized, too late, we needed each other
- So focused on ultimate outcome we neglected critical tasks that would have led to success
- Did not create structures to create success – leadership, agreed-upon strategy, etc.
- Personal accomplishments did not create group accomplishment
- Activity does not equal success or positive outcome
- Individual teams were not ALL successful so we ALL failed
- Easy to overcomplicate things
- Ego and perception of “others” gets in the way of asking for help and allowing others to contribute

### How is the Governing Body Experience Like the Mind Maze?

- For Lancaster to be successful as a community the governing body must be successful as a body
- Individual accomplishment does not equal group success – and ultimately community success
- Activity without Outcome creates frustration and does not further our collective agenda

## Where Did We Let Each Other Down – Things That Didn't Go Well

The group prepared a list of issues that occurred in the past year where things didn't go well and the group let one another down. The list included:

- City Attorney Hiring Process
- CSRs and Memos
- Meeting Preparation/Lack of Engagement
- Leaving people out of the process (addressed during the debrief of the City Attorney hiring process)
- Inability to Communicate Constructively

### City Attorney Hiring Process

In 2017, the City went through a process to select a new City Attorney. Council had concerns about the initial process and agreed to debrief during the retreat what went well and what could have been better so they could identify lessons learned and not recreate a similar situation in the future.

What went well...	What could have gone better...
<ul style="list-style-type: none"> <li>• Good outcome – change was needed</li> <li>• Learned even good intentions can be misinterpreted</li> <li>• Mission was accomplished</li> <li>• Right intentions did exist from the beginning</li> <li>• Group self-corrected to include all the Council</li> <li>• People addressed assumptions directly</li> <li>• Intentions were pure – expected and wanted the best outcome</li> <li>• Mayor accepted responsibility for his role in this discord</li> <li>• Council apologized to Staff for unfair rumor and innuendo</li> </ul>	<ul style="list-style-type: none"> <li>• Beginning of the process left the Council out</li> <li>• People shared misinformation</li> <li>• Carol was a victim of the assumptions being made by others and they questioned her personal integrity</li> <li>• Staff got (unfairly) put in the middle</li> <li>• Inadequate communication contributed to discontent</li> <li>• Vote was not aligned with data – info was put on the table with bias; method of scoring was not clear</li> <li>• Mayor did not execute proper judgment at the beginning of the process</li> <li>• Blow back on Staff was unfair</li> <li>• Unraveled after the vote because the vote was not unanimous</li> <li>• Lack of unity on the vote was different from approach on other hires and did not put our best face forward to the community (perception of a lack of unity)</li> </ul>

### CSRs and Memos

The facilitator shared a memo (Included as an Attachment to this report) that shared data regarding Constituent Service Requests (CSR) and Memos requested by each member of the governing body in the last two years.

Behavior did not moderate in the past year as was agreed to during the 2016 retreat.

After extensive conversation, the group agreed to the following:

- The individuals in District 1 and 2 agreed to better moderate their own behavior.
- Staff was asked to provide the monthly report data with graphs.
- The council agreed to pay more attention to holding one another accountable during the next year.

### Meeting Perception/Lack of Engagement

The Mayor expressed that the Council needs to match Staff's agenda preparation effort with our own meeting preparation process. When possible, questions should be asked in advance noting that the City Manager will touch base with each member of the governing body on Mondays. All questions asked by individuals will be shared with the full Council at the meeting.

The Mayor clarified that discussion and deliberation is welcome.

Council recommitted to meeting preparation and acknowledged they should minimize their interaction with Staff on Thursdays when they are working on agenda preparation packets.

#### Trust Exists When...

You are willing to share  
information freely

You are willing to be  
persuaded – to change your  
mind

You do not feel the need to  
micromanage the behavior of  
the other person

### Inability to Communicate Constructively

The group discussed meeting behavior where Council members answered questions that their colleagues were posing to Staff or outside consultants. There will always be an opportunity to share individual reflections. The group agreed that they would:

- Give the Mayor permission/encouragement to keep focus and order during formal meetings
- Be sure the other person is finished speaking before jumping in

## 6 Roles, 4 Values – Navigating Pathways That Lead to Council Effectiveness

In preparing for the 2017 retreat, the facilitator had telephone appointments with each member of the Mayor and Council. It was clear from those calls that Council Effectiveness had deteriorated in the past several months. She worked with Dr. John Nalbandian to develop a profile of “The Ideal Governing Body Member” and pulled together in one place academic work reviewed and discussed with the Lancaster City Council in prior years. A handout was distributed that contained information on:

- The Ideal Governing Body Member, Novak & Nalbandian 2017
- Governance Roles, Novak & Nalbandian 2016
- Public Service Values, School of Public Affairs & Administration, University of Kansas, Dr. Nalbandian
- The Political-Administration Gap, Dr. John Nalbandian, University of Kansas, Professor Emeritus
- Local Governance System, Municipal Resource Service Center of Washington
- The Political-Administration Dichotomy, Dr. James Svara, 1985
- Obstacles to Effective Governance, Nalbandian and Novak 2009

### Ideal Member of the Governing Body

The facilitator reviewed the ten characteristics of an “Ideal” member of the governing body and had a conversation about their unique power – those things that only the governing body can do.

- Create ordinances
- Establish policy
- Effect the tax rate
- Establish tax incentives
- Assure sustainability
- Set the long-term vision for the community – establish direction for the city
- Determine land use
- Influence our local economy – jobs, etc.
- Embody the brand
- Hire key staff (City Manager, City Secretary, City Attorney, Municipal Judge)

#### SPEAKING, LISTENING, and RESPECT

Everyone has the right to speak.

No one has the right to be listened to.

Being listened to comes from RESPECT –  
which is EARNED

If you want RESPECT, you must exercise  
your strengths in a way that other  
people value!

## Governing Expectations

In prior years, the group discussed expectations that they have for one another. The group did not discuss the expectations stating they felt they knew what they were and did not need to revisit them in this setting.

What do Council members expect from their colleagues on the Council?	What are Council members willing to give their colleagues on the Council?
<ul style="list-style-type: none"> <li>• Abide by our rules, especially our charter</li> <li>• Be committed to the position and all it entails</li> <li>• Full commitment to City of Lancaster               <ul style="list-style-type: none"> <li>◦ represent what's best for the whole City – not just your district – first and foremost; work on not attributing things as being good for an individual district vs. good for the City as a whole</li> </ul> </li> <li>• Support each other – allow colleagues to be “first in their own district” for constituent services               <ul style="list-style-type: none"> <li>◦ when a constituent reaches out to you with an issue in one of your colleague's districts, bring the issue to your colleague and allow them to take over, resolve, and follow-up with the constituent</li> <li>◦ if there is an emergency, the person who is called will address the issue and inform their colleague)</li> </ul> </li> <li>• Work hard               <ul style="list-style-type: none"> <li>◦ read our packets, ask questions of Staff if we have them, be prepared for meetings</li> </ul> </li> <li>• Be a team player               <ul style="list-style-type: none"> <li>◦ if decision is made and we disagree, don't criticize other Council members</li> </ul> </li> <li>• Respect and understanding               <ul style="list-style-type: none"> <li>◦ common courtesy of returning phone calls</li> <li>◦ don't make yourself look good at anyone else's expense</li> </ul> </li> <li>• Professionalism and appropriate decorum</li> <li>• Be open minded</li> <li>• Honesty</li> <li>• The benefit of the doubt</li> <li>• Uphold ethical standards inside and outside the Council chambers</li> <li>• Go to the source of an issue or problem and try to resolve it directly</li> <li>• Identify a fun/recreational activity to do 1x/year</li> <li>• Give appropriate credit to whoever brings up an idea</li> <li>• Encourage one another – be quick to praise and careful to criticize</li> </ul>	<ul style="list-style-type: none"> <li>• Do what I say I will do</li> <li>• If I have an issue, I will tell you</li> <li>• Continue to work hard on Council work</li> <li>• My full commitment to the City of Lancaster</li> <li>• Honesty</li> <li>• Cooperation</li> <li>• Attention</li> <li>• Being the eyes and ears of my district to bring opinions from constituents</li> <li>• Be prepared</li> <li>• Give my perspective</li> <li>• Start with blank slate, including trust and respect until a colleague loses it</li> <li>• Work with everyone</li> <li>• Concern and compassion</li> <li>• Understanding</li> <li>• Benefit of the doubt</li> </ul>

## Rules & Procedures

The City Attorney joined the retreat and discussed relevant rules and procedures. As the new City Attorney, he reviewed the Rules and Procedures and felt that they were up to date. He provided some suggestions for updating the policies.

### Council-Staff Relations

Council discussed Council-Staff Relations and agreed to the following:

- Council will direct official inquiries to THEIR employees
  - City Manager
  - City Attorney
  - City Secretary
  - Municipal Judge
- Council should not contact department heads and other Staff regarding City business

### Executive Session

Council agreed to include a prohibition of disclosing Executive Session materials in their Rules and Procedures as a reminder of how to govern.

## Update and Input

The City Manager provided an overview of the status of the current work plan and shared input from the City's Executive Team. Suggested Goals include:

- Focus on the Comprehensive Plan Implementation
  - a. Future Land Use Plan
  - b. Transportation
    - i. Master Thoroughfare Plan
    - ii. Future Transit Opportunities
    - iii. Bicycle and Pedestrian enhancements (Hike & Bike Trails Masterplan)
  - c. Infrastructure Master Plan Update
    - i. Water System
    - ii. Wastewater System
    - iii. Storm Drainage System
  - d. Economic Development Strategy – this is part of the current strategic plan
  - e. Parks, Open Space & Recreation Master Plan Update
    - i. Funding Prioritization and Partnerships
  - f. Community Character & Design
  - g. 2006 Streetscape Masterplan
  - h. Historic Preservation Policies
  - i. Public Facilities
    - i. Public Facilities Implementation
    - ii. Facility Naming Policy
  - j. Districts
    - i. Campus District
    - ii. LanPort Overlay District
    - iii. Medical District
    - iv. Historic Overlay District
    - v. Downtown District
    - vi. Mills Branch Overlay District

- Complete Golf Course direction (carryover item)
- Continue Infrastructure Projects
- Continue Land Bank Program
- Continue Economic Development Strategic Plan
  - a. Incentive Policy
  - b. Retail Redevelopment Strategy
- Policy for utilizing City property for filming (NEW)
- Continue Lancaster University
- Continue focus on the Compensation Policy
- Continue design/Development of New City Hall
- Complete Airport Terminal Construction
- Establish Capital Improvement Plan Committee (NEW)

Council agreed to move forward in 2017 with items B, C, G & J of the Comprehensive Plan Implementation Item.

### Check-out

- |   |                     |
|---|---------------------|
| • Marco – Sad – can't talk to staff anymore | • Spencer – Excited |
| • Angie – Dizzy                             | • Nina – Progress   |
| • David – Informed                          | • Mayor – Anxious   |
| • Clyde – Refocused                         | • Opal – Curious    |
| • Rona – Enlightened                        | • Carol – Expectant |
| • Stanley – Revalued                        |                     |



## Day Two – June 15, 2017

### City Hall

Sam Jones and Nick Palluth from GSBS Architects attended the meeting to review schematic designs of a new City Hall. Council was asked to share their input on the public components of the building and how it would relate to the Square and the adjacent neighborhood area.

The group expressed their preference for Option 2 presented by the consultants as well as an interest in honoring the traditional architectural style of Lancaster, ensuring the building would incorporate a human scale and be an anchor for future development in Lancaster's downtown.

### Reflections on Yesterday...

- Nina
  - Don't feel like there is sufficient space to address process questions given how the meeting is structured
  - People have kept things in that should be expressed to the group
- Stanley
  - Learned how things could be done differently; plan to manage things differently next year and request no more than two memos per month
- Carol
  - Got clarification
- Clyde
  - Memos – why did we wait to address the problem?
  - What is the purpose of this retreat? Felt things were dealt with yesterday – ready to move forward. Are we on the same page?
- Marco
  - Ready to move on
- Marcus
  - Finished yesterday anxious – about today – am here to govern!
  - How are we going to build a stronger, better community?
  - Let's deal with what needs to be said

The Mayor then reminded the group that we are here to create a vision for this community that will fill people with pride and want them to live here and raise their family here. It is his hope the Council can focus on that responsibility and move forward for the benefit of Lancaster.

## Sustaining Progress

It's important to  
**ENGAGE** without  
**ENRAGING** others.

Unanswered questions:

How can the group hold one another accountable?  
How can accountability be framed in a positive way?

The facilitator shared that at the end of the 2016 retreat, she felt that the group was at its very best. The ensuing twelve months, however, brought about a decline in effectiveness. Over the next year, she has proposed conducting a regular check-in to keep tabs on how the group is working together and create opportunities to more quickly address any issues that arise.

## Strategic Planning – Council Initiatives

Each Councilmember will be asked to share their ideas for new initiatives they wish to pursue in the coming year. Staff provided input on carryover items and suggested three new items for the Council's consideration.

The group reflected on the City's Vision Statement:

Lancaster is a proud, vibrant city. We celebrate our diversity and history, preserve our natural beauty, and are the economic hub of the south DFW metroplex. Our citizens take pride in our city. The Lancaster community is the best place to live with excellent schools and educational opportunities, attractive corridors and neighborhoods. Our citizens enjoy convenient living.

### What Gets Done

Must be

**Politically Acceptable**

(the will to do it)

and

**Administratively Sustainable**

(the means to do it)

After reflecting on the Vision, they considered the progress they made since 2010. Each person was asked to share where they thought the City was in 2010 with regards to achieving the Vision, and where they are today

	2010	2017
Clyde	50%	80%
Marco	5%	100%/5%
Mayor	30%	50%
Nina	25%	70%
Stanley	20%	50%
Carol	30%	50%

\*Marco explained that today the City is beyond where he thought it could be in 2010 but now that we are here, we know we can go so much farther. "Perfection is a moving target."

The group agreed that strategic planning would be scheduled in July. For now, they would move forward with the items recommended by Staff and prioritized elements of the comprehensive plan implementation. All incomplete items from 2016 will also carry over to the new year.

Key Performance Areas	Policy, Project, or Adjustment
Financially Sound City Government	
Civic Engagement	
Healthy, Safe, and Vibrant Community	
Professional and Committed City Workforce	<ul style="list-style-type: none"> <li>• Continue Lancaster University</li> <li>• Continue focus on the Compensation Policy</li> </ul>
Quality Development	<ul style="list-style-type: none"> <li>• Focus on the Comprehensive Plan Implementation <ul style="list-style-type: none"> <li>○ Transportation <ul style="list-style-type: none"> <li>▪ Master Plan Thoroughfare Plan</li> <li>▪ Future Transit Opportunities</li> <li>▪ Bicycle &amp; Pedestrian Enhancements (Hike and Bike Trails Masterplan)</li> </ul> </li> <li>○ Economic Development Strategy – this is part of the current strategic plan</li> <li>○ 2006 Streetscape Masterplan</li> <li>○ Infrastructure Master Plan</li> <li>○ Districts <ul style="list-style-type: none"> <li>▪ Campus District</li> <li>▪ LanPort Overlay District</li> <li>▪ Medical District</li> <li>▪ Historic Overlay District</li> <li>▪ Downtown District</li> <li>▪ Mills Branch Overlay District</li> </ul> </li> </ul> </li> <li>• Continue Land Bank Program</li> <li>• Continue Economic Development Strategic Plan <ul style="list-style-type: none"> <li>○ Incentive Policy</li> <li>○ Retail Redevelopment Strategy</li> </ul> </li> <li>• Policy for utilizing City property for filming (NEW)</li> <li>• Continue design/Development of New City Hall</li> </ul>
Sound Infrastructure	<ul style="list-style-type: none"> <li>• Continue Infrastructure Projects</li> <li>• Complete Airport Terminal Construction</li> <li>• Establish Capital Improvement Plan Committee (NEW)</li> <li>• Complete Golf Course direction (carryover item)</li> </ul>

## Next Steps/Closing

The group agreed to revisit strategic planning on Monday, July 3.

- Opal – Interesting – look forward to July 3, so Staff can be sure we are prepared to carry out the Vision and make things happen. Appreciate Council's recognition on how much progress has been made in the past eight years. We are continuing to make progress and I look forward to moving the organization and community forward. Staff is wanting to do its part to make Lancaster a great community.
- Marco – Incomplete – we will continue to push. We have come a long way in seven years; we got the ball rolling and now things will move even faster. It will be better than we can imagine! See wonderful things for next seven years.
- Angie – Process – look forward to completion so we can move forward for the upcoming year.
- Clyde – Moving forward.
- Carol – Excited that we identified for the Comp Plan some implementation pieces. This will be crucial to get things moving forward; it will have a big impact on the community, especially the TIF. Being able to have the Council identify those things is very positive.
- Rona – In Executive Team we did something similar. In that setting, I said we would have difficult discussions and courageous conversations and I think that took place here. I have become more comfortable having difficult conversations because at the end of it we grew and ya'll started talking. It got some things out that hadn't been discussed openly. I feel hopeful. It was heavy and uncomfortable, but it was still progress.
- Stanley – Been a very unique retreat. Sometimes one has to unplug to recharge. I learned some things from my colleagues and I learned about some processes. It all came together listening to the conversations to identify the big picture items and how they relate to things from previous years. I see how this year combines with last year and how they fit together. I haven't experienced that until this retreat.
- Nina – I am looking forward to progress – saw progress here today. There was some progress yesterday. I take from this, at the end of the day that we are a team and in order for us to move forward and implement things, communication is key. We are moving in the right direction. There is nothing wrong with self-evaluation and reevaluation. Each Council member has a heart for the City of Lancaster and that is what is most important.
- Mayor Knight – Appreciate everyone making a commitment to be here. What happened, happened. I know we can grow from this and continue to move the needle and make the community better. Thanks to Staff for all their efforts.

### Day Three – July 3, 2017

The group reconvened on July 3, 2017, to touch base on the Strategic Planning Framework and establish short and long-term goals for the community and the organization. In the two weeks following the initial retreat, the Texas Municipal League (TML) recognized the Lancaster City Council as City Council of the Year.

The City Manager shared with the group that the award recipient was selected by the TCMA Board of Directors. She shared that what set the Lancaster City Council apart from the other award nominees is their annual commitment to strategic planning, their focus on implementing the Strategic Plan, allocating resources, and the demonstrated success Lancaster has had because of this. The Council will be asked to do a break-out session at the TML Annual Conference in October.

To begin the retreat, the facilitator asked the group to share a reflection on what it means to them to have been recognized as the City Council of the year:

- Carol – What had the most impact to me about “why” the Lancaster City Council was selected was when we went to the Legislative Update on Friday – and heard the pettiness in the legislature. They are focused on individual measures that had impacted them and that is why they were pushing things through – they were not looking at statewide needs for the future. Lancaster’s strategic plan looks at the big picture and that was reinforced – the importance of staying focused on the big picture and the long-term. We need to continue to think globally to move this City forward.
- Clyde – The City Council is a team of people that works together on a common goal to move the City forward. So, when we are named City Council of the year that puts us in the forefront of people and teams – that’s how I see it. It’s the whole body – coming together, working together for the goals for the sake of the City. Making the right decisions and moving the City forward. It’s an honor. Many other communities were considered. It says something about our Staff too – they submitted the application and it says something about them in reference to us. Teamwork and Implementing – that’s what pushes things forward.
- Angie – Very proud to be part of this group and help them accomplish the goals that they set forth!
- Marco – Hard work never fails! When you work hard the only result will be success. This group is brave, we have hard conversations, and are willing to compromise. We have the ability to stay focused and push our goals through. I put this back on Staff – they implement. We have worked hard in the last seven years to get the right staff – they know our vision and they tackle things and implement and that allows us to stay focused on the long-term. It’s a 50-50 relationship.
- Opal – It’s nice to see Lancaster recognized for positive things. When we know the vision and direction, we are all about carrying it out! Very exciting.
- Mayor Knight – it’s validation that what we are doing works! I don’t believe it is about just the Council. It is about the whole organization. It’s pretty cool! To have the opportunity to share with our contemporaries in the coming months – that really is exciting! What we have always tried to do is figure out how we can advance the community. You put your head down, go to work, and every now and then get recognized. It is pretty rewarding.
- Nina – It’s validation. I try to go to the Young Elected Officials Network annually. I’ve always known that our strategic planning sessions are important from this conference. Many cities are behind in doing what we do effortlessly every year – strategic planning and implementation. I see us being able to stand apart. Hard work does pay off and this is proof of that. We set goals

here – our Staff then implements them. I appreciate that Staff sees in us the worthiness of applying for this award on top of all their day to day responsibilities. I am honored to be a part of this City Council.

- Spencer – With all going on in the world I am thankful for our City and its growth; I feel good about this recognition. This City is blessed. It's a confirmation of the work being done in and around Lancaster in the recent years. We are ahead of the power curve and still have work to do. It gives me a tool to promote our City to narrow minded people out there. I give thanks to the Staff for the work they have been doing over the last few years – and for our citizen support – and to the people who serve on this City Council. We don't get paid to do this; you have to have it in your heart to do this. We do a good job working through issues and moving forward.
- Stanley – It is an honor to be recognized statewide. It took some time for this to set in – the importance of this award. Caused some reflection on the hard work and our ability to arrive at a compromise. We have been through a lot. The progress we have made in the last several years means a lot to me. To be able to say I am part of this, part of the group - it makes me realize we take a lot for granted.

## Vision

The current Vision Statement:

Lancaster is a proud, vibrant city. We celebrate our diversity and history, preserve our natural beauty, and are the economic hub of the south DFW Metroplex. Our citizens take pride in our city. The Lancaster community is the best place to live, with excellent schools and educational opportunities and attractive corridors and neighborhoods. Our citizens enjoy convenient living.

The group discussed and revised the Vision statement to read:

Lancaster is a thriving and diverse community where we value our historical assets and natural beauty. Residents and stakeholders are engaged and take pride in this City. Lancaster is the Shining Star of Texas with opportunities to live, learn, work and play.

## Key Performance Areas

The Key Performance Areas provide structure to the Strategic Plan. They are the “big buckets” of things that must go well in order to achieve the Vision.

- Financially Sound City Government
- Civic Engagement
- Healthy, Safe & Vibrant Community
- Professional and Committed City Workforce
- Quality Development
- Sound Infrastructure

### Financially Sound Government

The City has a long-range financial plan and has prudent fiscal policies and processes in place. It has met or exceeded all fund reserve goals, has funds available to address the needs of the community, and responsibly manages its debt. The community continues to move toward a more competitive tax rate.

REVISED: The City has a long-range financial plan and prudent fiscal policies and processes. Appropriate reserve levels and a competitive tax rate ensure that the City has funds available to address the needs of the community and responsibly manage its debt.

### Healthy, Safe & Engaged Community

Lancaster is a place where we embrace public safety in our neighborhoods. The community unites at city-wide events and participates in recreational and cultural activities that keep residents involved and engaged in their respective neighborhoods. Compassionate enforcement personnel help to sustain vibrant residential and business communities. All residents have access to parks and leisure facilities where they live.

This category was combined with Civic Engagement to be renamed Healthy, Safe & Engaged Community.

REVISED: Lancaster is a place where we embrace public safety and compassionate enforcement in our neighborhoods to sustain vibrant residential and business communities. The community celebrates unity and participates in city-wide events, recreational and cultural activities. Residents have opportunities for involvement in civic life through boards and commissions, youth and parent volunteer opportunities in recreation, sports teams, City elections, Civic Academies, Schools, and City-wide celebrations.

### Sound Infrastructure

The City has well-maintained streets and well-planned preventative maintenance programs for infrastructure, including streets, water, stormwater, wastewater, and other assets.

REVISED: The City has preventative maintenance programs to ensure well-maintained infrastructure, including streets, water, stormwater, wastewater and other assets.

### Quality Development

The City encourages high quality construction in its housing, commercial buildings, and public facilities. The City employs sustainable building practices and encourages conservation and the use of alternative energy sources. The City has a diverse housing stock with walkable neighborhoods and other high-quality neighborhood amenities. A diversity of commercial businesses includes corporate business parks and distribution facilities, which make use of the expanded airport, rail, and highway system. Retail areas have grown because of growth in industrial, commercial, and residential development.

REVISED: The City encourages high-quality, diverse housing, commercial and retail development, and public facilities. Policies encourage sustainable building practices, conservation, and the use of alternative energy sources.

### Professional & Committed City Workforce

Lancaster City Government is an employer of choice with competitive pay that attracts an engaged, responsive, customer-oriented, innovative, and effective workforce. Some employees live in the City and all have a sense of ownership for the community. City employees feel needed and appreciated by elected officials, residents, and businesses and are respectful to and appreciative of their customers and the City's governing body. The City's Executive Staff is engaged with residents and attends community events, upholds strong customer service, and uses technology to aid them in working smarter.

#### Initiatives and Priorities:

Council initiatives are then organized within the Key Performance Areas. They reflect the items the Council is most interested in moving forward during the upcoming year in order to “move the needle” within the Key Performance Area and thus make progress in achieving the Vision.

Each Council member will be given an opportunity to share the most important policies and initiatives they wish to pursue to advance towards the City’s vision. We will categorize them as either “Policies,” “Projects,” or “Adjustments.”

During the strategic planning session, we will prioritize Policies and Projects and determine whether the body is interested in moving forward with minor adjustments that require minimal staff time or budget to pursue (i.e. changing appointment criteria for a City board or commission).



## Initiatives and Priorities

The items in bold print below are part of the 2017-2018 work plan.

Key Performance Areas	Policy Initiative	New Projects	Adjustments to Current Practices
Financially Sound City Government			
Healthy, Safe, and Engaged Community	<ul style="list-style-type: none"> <li>Policy for utilizing City property for filming</li> </ul>	<ul style="list-style-type: none"> <li>Expand litter patrol contract</li> <li>Expand LEEP Code Enforcement Relationship program with community volunteers</li> <li>Expand Community Health Initiative (Health Disparity Study)</li> <li>Strengthen relationships between the Chamber and the EDC</li> <li>Increase Code Enforcement Capacity</li> </ul>	<ul style="list-style-type: none"> <li>Develop avenues to engage and educate and communicate the progress of the comp plan <ul style="list-style-type: none"> <li>Communicate progress either in connection to annual publication on development and long-term impact on community</li> </ul> </li> <li>Explore revising all Board and Commission qualifications and provide adjustments for training <ul style="list-style-type: none"> <li>Youth Commission requirement adjustment</li> <li>Review Policy, training</li> </ul> </li> <li>Create a health inspector division/ position to ensure the hotel/motel inspections are taking place properly and all motels are being held to our ordinances and requirements</li> <li>Citizen comment inclusion in Board and Commission meetings</li> <li>Registration program include Air B&amp;B short term rental</li> </ul>

Key Performance Areas	Policy Initiative	New Projects	Adjustments to Current Practices
Professional and Committed City Workforce		<ul style="list-style-type: none"> <li>Utilize new Fleet Center to offer services for surrounding municipalities</li> <li>Undertake a complete staffing analysis to ensure staffing levels support high level of service</li> </ul>	
Quality Development	<ul style="list-style-type: none"> <li>Establish design guidelines or regulations for development and adaptive reuse along I35               <ul style="list-style-type: none"> <li>Add to districts I 35 and I 20</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>Allow 100% tilt wall</li> <li>Adjust requirements to require more xeriscaping</li> </ul>
Sound Infrastructure	<ul style="list-style-type: none"> <li>Work with the Best Southwest Partnership to implement public transportation options.</li> </ul>	<ul style="list-style-type: none"> <li>Wintergreen Road layout – currently there are two roads on Houston School Road</li> </ul>	

## Defining Success

After establishing priorities for 2017, the Council took the time to focus on each new item and do the following:

- Develop a specific, actionable statement for each policy initiative, project or adjustment.
- Describe what problem is being solved/opportunity being seized.
- State what success looks like.

Key Performance Area	Initiative	Problem Being Solved	Success
Financially Sound City Government			
Healthy, Safe, and Engaged Community	<ul style="list-style-type: none"> <li>• Develop an expanded community health initiative</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to improve the health of our residents</li> </ul>	<ul style="list-style-type: none"> <li>• Improve documented health disparity outcomes</li> </ul>
	<ul style="list-style-type: none"> <li>• Amend the fee schedule to allow the City to be reimbursed for use of public property and land in commercial films</li> </ul>	<ul style="list-style-type: none"> <li>• The filming industry has targeted Lancaster because we do not currently charge for their use of our lands</li> <li>• Provide additional revenue and marketing opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Be properly compensated for use of public land in commercial ventures</li> </ul>
	<ul style="list-style-type: none"> <li>• Expand the business retention and expansion Program (BREP)</li> </ul>	<ul style="list-style-type: none"> <li>• The need to improve communication between City government and the business community</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent communication with Lancaster businesses to ensure the City is meeting their needs</li> </ul>
	<ul style="list-style-type: none"> <li>• Reinvigorate the LEEP Program that establishes a partnership between Code Compliance and Community</li> </ul>	<ul style="list-style-type: none"> <li>• Energy and engagement in community beautification</li> </ul>	<ul style="list-style-type: none"> <li>• A cleaner city; clear documentation and protocols in place to ensure appropriate checks and balances</li> </ul>
	<ul style="list-style-type: none"> <li>• Revise Boards and Commissions Criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Improving, refining and expanding criteria for boards and commissions</li> </ul>	<ul style="list-style-type: none"> <li>• Quality participants</li> </ul>
	<ul style="list-style-type: none"> <li>• Establish a program for short-term rentals and Air B&amp;B</li> </ul>	<ul style="list-style-type: none"> <li>• Identify a program that will provide temporary lodging options for traveling visitors</li> </ul>	<ul style="list-style-type: none"> <li>• Unique lodging options in Lancaster</li> </ul>

Key Performance Area	Initiative	Problem Being Solved	Success
Professional and Committed City Workforce			
Quality Development	<ul style="list-style-type: none"> <li>Implement the Comprehensive Master Plan</li> </ul>	<ul style="list-style-type: none"> <li>Need to complete the identified master plans and districts – Campus, Historic, LanPort, Downtown, Medical, Mills Branch</li> <li>Transportation Master Plan – Transit Opportunities, Hike &amp; Bike Trail</li> <li>Economic Development Strategy and Incentive Policy</li> <li>Infrastructure – Stormwater, water, wastewater, Streetscape master plan update</li> </ul>	<p>Success:</p> <ul style="list-style-type: none"> <li>Implementation of the Comp Plan with the strategies identified as #1 in the Comp Plan book pages 110-116</li> <li>Completion of the Master Plans and district updates and approved by Council</li> <li>I35 and I20 corridors as primary for growth and development</li> <li>Creation and implementation of TIFs and other alternate funding mechanisms for key growth areas</li> </ul>
Sound Infrastructure	<ul style="list-style-type: none"> <li>Adopt Xeriscape amendments to the LDC, Code of Ordinances and/or applicable development regulations</li> </ul>	<ul style="list-style-type: none"> <li>Updating amending development regulations to further encourage and or require xeriscape landscaping to enhance water conservation and improved development guidelines</li> <li>Providing alternatives to the 20% landscape requirement utilizing drought to identify plant materials to include rock, gravel, stone and other plants and art materials</li> </ul>	<ul style="list-style-type: none"> <li>Allowing alternative materials to include water/drought tolerant plants and making allowances for utilization of decorate, ornamental rock, gravel and stones</li> </ul>

Key Performance Area	Initiative	Problem Being Solved	Success
	<ul style="list-style-type: none"> <li>• Work with the best Southwest Partnership to implement public transportation options</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying options to provide public transportation in Lancaster</li> </ul>	<ul style="list-style-type: none"> <li>• Provide public transportations options to, from and within Lancaster</li> </ul>
	<ul style="list-style-type: none"> <li>• Appoint a citizens committee to develop a Capital Improvement Plan for the City</li> <li>• Provide education of roles and responsibilities of the committee</li> <li>• Prioritize the specific community needs to include Parks, Streets, facilities, stormwater, water and wastewater.</li> <li>• Identify funding mechanisms to include consideration of a bond election (general obligation, special revenue funds, etc.</li> </ul>		<ul style="list-style-type: none"> <li>• Improved public infrastructure, facilities and parks</li> </ul>

## Parting Thoughts

- Opal – Happy to have the opportunity to learn about the goals and objectives for the coming year and ready to get started!
- Marco – Ready to be the two-time champion City Council of the Year!
- Angie – Excited to have our agenda for the following year.
- Clyde – Relaxation.
- Carol – Appreciate how everyone has continued to be focused – I am in a different place than where I was in June – thanks for understanding. We have good things to work on to continue supporting the reason we got the award!
- Stanley – Good set of workable plans; proud to be part of it.
- Spencer – Thank everyone for their participation – it was a good session – things came out; appreciate the opportunity and straightforward comments.
- Nina – Looking forward to implementation of these programs and promoting our City Council of the year. It speaks volumes. Want people to know we are unified and want people to come to Lancaster! I will take pride in this – it is a history making thing to be best City Council.
- Mayor – Good to have this day to really set our sights on our goals and what the future should be. Very productive day. Appreciate everyone's commitment. Happy. Appreciate the support of Staff in this.

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

8.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Financially Sound Government

**Submitted by:** Opal Mauldin-Jones, City Manager

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#### **Agenda Caption:**

Consider a resolution adopting the City of Lancaster Proposed Budget Calendar for Fiscal Year 2017/2018.

#### **Background:**

The City Manager presented an overview of the proposed FY 2017/2018 municipal budget for all funds at a Special Work Session held on Monday, August 7, 2017. City Council should consider a resolution that establishes a calendar for the Fiscal Year 2017/2018 tax rate and budget. The budget calendar establishes the public hearings, dates, times and location for City Council meetings.

#### **Operational Considerations:**

Approving this resolution establishes the schedule relative to the adoption of the Fiscal Year 2017-2018 budget. The following is the proposed calendar for budget work sessions and meetings:

August 14, 2017	Regular Meeting – Record vote to consider Tax Rate
August 21, 2017	Work Session - Proposed Budget (Discussion)
August 28, 2017	Regular Meeting (1st Public Hearing) – Tax Rate, Budget, PID's Public Hearing
August 31, 2017	Budget Town Hall Meeting, 6:30 p.m. at the Recreation Center
September 9, 2017	Budget Town Hall Meeting, 9:00 a.m. at the Recreation Center
September 11, 2017	Regular Meeting (2nd Public Hearing) –Tax Rate, Budget, PID's Budget Adoption
September 18, 2017	Special Meeting – Budget Adoption, Tax Rate Adoption

#### **Legal Considerations:**

The resolution has been approved as to form by the City Attorney.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

#### **Options/Alternatives:**

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

#### **Recommendation:**

Staff recommends approval of the resolution as presented.

**Attachments**

Resolution

Exhibit A

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**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE CITY OF LANCASTER PROPOSED BUDGET CALENDAR FOR THE FISCAL YEAR 2017/2018, INCLUDING THE PUBLIC IMPROVEMENT DISTRICTS, THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (TYPE A), AND THE LANCASTER RECREATIONAL DEVELOPMENT CORPORATION (TYPE B) BUDGET; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council finds that it is in the best interest of the City to establish a meeting schedule relative to the adoption of Fiscal Year 2017-2018 budget; and

**WHEREAS**, the budget calendar established meetings at a convenient date and place; and

**WHEREAS**, the City Council desires to adopt a proposed budget calendar for the Fiscal Year 2017-2018 budget cycle.

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

**SECTION 1.** The City Council hereby adopts the Fiscal Year 2017-2018 proposed budget calendar as shown in the attached Exhibit "A." Dates are subject to adjustment due to scheduling requirements. Meetings will be posted in accordance with the Texas Open Meetings Act.

**SECTION 2.** That any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

**SECTION 3.** That should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

**SECTION 4.** That this Resolution shall take effect immediately from and after its passage in accordance with the provisions of the law, and it is duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## **EXHIBIT A**

### **PROPOSED FISCAL YEAR 2017/2018 BUDGET CALENDAR**

- |                     |   |
|---------------------|---|
| August 14, 2017:    | Regular Meeting – Record vote to consider Tax Rate                            |
| August 21, 2017:    | Work Session - Proposed Budget (Discussion)                                   |
| August 28, 2017:    | Regular Meeting (1st Public Hearing) – Tax Rate, Budget, PID's Public Hearing |
| August 31, 2017:    | Budget Town Hall Meeting, 6:30 p.m. at the Recreation Center                  |
| September 9, 2017:  | Budget Town Hall Meeting, 9:00 a.m. at the Recreation Center                  |
| September 11, 2017: | Regular Meeting (2nd Public Hearing) –Tax Rate, Budget, PID's Budget Adoption |
| September 18, 2017: | Special Meeting – Budget Adoption, Tax Rate Adoption                          |

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

9.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Bester Munyaradzi, Senior Planner

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#### **Agenda Caption:**

Z16-12 Conduct a Public Hearing and consider approval of a rezoning request from SF-6 - (Single Family Residential) to NS - (Neighborhood Services). The subject property is located at 1009 Lancaster-Hutchins Road consisting of approximately 1.46 acres, being a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

#### **Background:**

1. **Location and Size:** The property is located at 1009 Lancaster Hutchins Road, on the west side of Lancaster Hutchins Road, approximately 750 feet south of East Pleasant Run Road. The tract of land is approximately 1.46 acres in size.
2. **Current Zoning:** The subject property is currently zoned Single Family Residential-6 (SF-6)
3. **Adjacent Properties:**  
North: SF-6 Single Family Residential (Single Family Residence)  
South: SF-6 Single Family Residential (Single Family Residence)  
East: SF-6 Single Family Residential (Single Family Residence)  
West: SF-6 Single Family Residential (vacant)
4. **Case History:**

Action	Body	Action
11/15/16	P&Z	Z16-12 Item was pulled from the Agenda
02/07/17	P&Z	Z16-12 Recommended for Denial

#### **Operational Considerations:**

This is a request to rezone the subject property from SF-6 to NS for the purpose of developing a church and associated activities on the property.

Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations:

#### **Consistency with the Comprehensive Plan:**

The 2016 Comprehensive Plan identifies this site as Low density residential and the proposed Neighborhood Services is not consistent with the Comprehensive Plan. Churches are considered civic uses; however, they are not currently permitted in residential zoning districts. The Neighborhood Service (NS) zoning is lowest-intensity zoning classification that permits a church. However, the issue with rezoning

just one parcel to NS in the middle of SF-6 zoning is that once the zoning is changed it will allow many other nonresidential uses on this parcel which may not be compatible with the adjacent single family uses. Also, rezoning one parcel to NS in the middle of SF-6 zoning constitutes spot zoning, a practice that is against good planning principles and discouraged.

**Potential Impact on Adjacent Development:**

The properties to the north, south, and east are developed with single family residences, while the property to the west is undeveloped. Changing SF-6 to NS zoning will bring in other land uses that are incompatible with adjacent properties. Once the property is rezoned to NS, uses such as post office, office building, banks among others that are allowed in NS will be permitted by right. As such NS zoning will have a negative impact to the surrounding single family residences.

**Availability of utilities and access:**

The property is currently vacant, with adequate access to Lancaster Hutchins Road as well as availability of water and sewer services.

**Site conditions such as vegetation, topography, and flood plain:**

This site is heavily wooded, and undeveloped, and relatively flat. Only a small portion in the rear of the site is within the 100 year flood plain.

**Timing of Development as it relates to Lancaster's Capital Improvement Plan:**

Lancaster Hutchins Road in this area is currently being improved as part of the City's Capital Improvement Plan.

Based upon an analysis of the five (5) considerations that must be taken into consideration when reviewing a change in zoning application, staff has concluded that the proposed application will have the potential to adversely affect adjacent properties, and the proposed zoning is inconsistent with the 2016 Comprehensive Plan.

**Issues:**

Staff has not been able to obtain pertinent documents from the applicant. Emails, as well as phone calls, have been made to the applicant to submit documents such as letter of intent, zoning exhibit, facades and site plan over the past three (3) months and nothing has been submitted to-date. Staff has requested the applicant submit a withdrawal letter if the Church is no longer interested in pursuing the zoning change request and the applicant has been unresponsive.

The Planning & Zoning Commission recommended for denial of the zoning change and staff concurs with the Commission

**Public Information Considerations:**

On November 22, 2016, a notice for the Planning and Zoning Commission public hearing appeared in the Focus Daily Newspaper. Staff also mailed notifications of the public hearing to all 18 property owners within 200-feet of the subject site, and zoning signs were placed on the subject property. Out of the 18 notifications that were mailed to neighboring property owners, there were three notifications returned in opposition of this application.

The notice for February 7, 2017 public hearing appeared in the Focus Daily Newspaper on January 27, 2017 and notices to 18 property owners within 200-feet of the subject site were also mailed on January 27, 2017.

A notice for this August 14, 2017 public hearing appeared in the Focus Daily Newspaper on July 31, 2017 and notices to property owners are within 200-feet of the subject site were also mailed on July 28, 2017.

These actions fulfill the noticing requirement pursuant to Section 14.207 of the Lancaster Development Code (LDC).

**Options/Alternatives:**

1. Approve the rezoning request.
2. Deny the rezoning request.

**Recommendation:**

On February 7, 2017, the P&Z Commission recommended denial of the rezoning request. Since the P&Z recommended denial of the rezoning request, it will require a super-majority (6 of the 7 members of Council) to approve the request. Staff concurs with the P&Z recommendation for denial.

**Attachments**

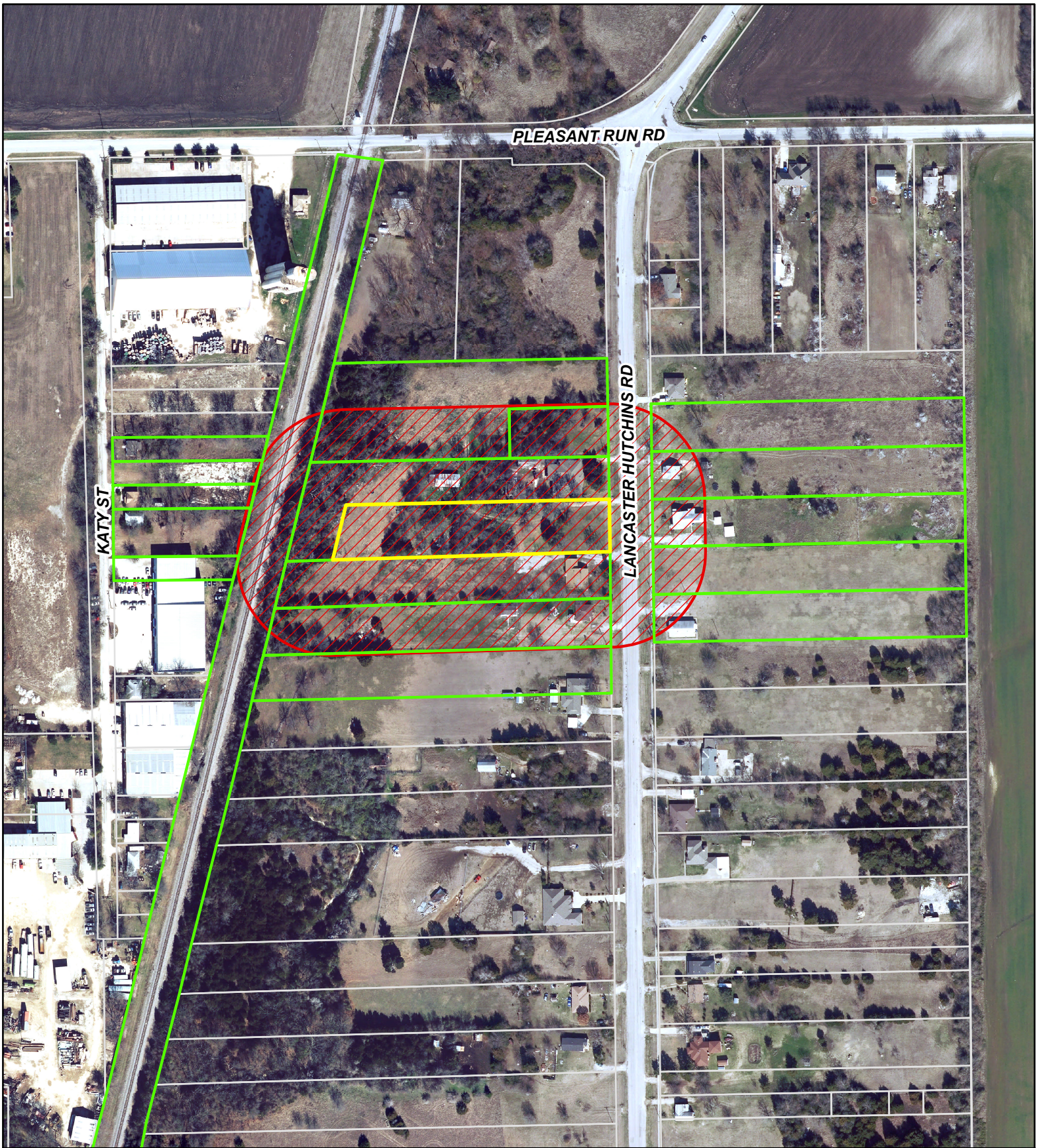
Location Map

Letters & Resident Signatures in Opposition

Z16-12 P&Z Approved Minutes

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- Parcels
- Subject Parcel
- Notification Parcels
- 200' Notification Area

0 115 230 460 Feet

# City of Lancaster

## 1009 N Lancaster Hutching Rd

### 200' Notification Area





## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-12:** to conduct a public hearing and consider a rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

**LOCATION:** The property is located at 1009 Lancaster Hutchins Road and contains approximately 1.46 acres of land located on the west side of Lancaster Hutchins Road, approximately 750 feet south of E. Pleasant Run Road, further described as a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose developing a church and associated activities from SF-6 Single Family Residential to NS Neighborhood Service.

- ☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:
- ☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:**

*See Attached*

**SIGNATURE:**

*Will Amptstead*

**ADDRESS:**

*913 N. Lancaster Hutchins Rd.*

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, December 6, 2016 at 7:00 pm.** The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, January 9, 2016 at 7:00 pm.** Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 12/01/2016** for your comments to be recorded for the Planning and Zoning Commission's meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1315  
FAX 972-275-1862

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
211 N Henry St  
Lancaster, TX 75146-0940

1. The location of the property to be zoned is not definitive.  
How are portions of lots rezoned?
2. The Applicant's request is not definitive. Does the Applicant plan to build a church if the property is rezoned to NS?  
There is a difference between developing a church and building a church.
3. If the property is rezoned to NS, is the Applicant required to develop/build a church? What happens if the property is rezoned to NS and a church is not developed?
4. If the property is rezoned to NS, can the Applicant sell the property to a buyer that does not plan to develop/build a place of worship?





## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-12:** to conduct a public hearing and consider a rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

**LOCATION:** The property is located at 1009 Lancaster Hutchins Road and contains approximately 1.46 acres of land located on the west side of Lancaster Hutchins Road, approximately 750 feet south of E. Pleasant Run Road, further described as a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:**

*in future I am planning  
on building a house & it would not  
be to my benefit to change the zone to  
NS*

**SIGNATURE:**

*MARIA C. GARCIA*

**ADDRESS:**

*251 E PARK PLACE DR.  
LANCASTER, TX 75134*

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, November 15, 2016 at 7:00 pm**. The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, December 12, 2016 at 7:00 pm**. Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 11/11/2016** for your comments to be recorded for the Planning and Zoning Commission's 3-1-16 meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1315  
FAX 972-275-1862

**RETURN BY FAX OR MAIL**

City of Lancaster  
Planning Division  
211 N Henry St  
Lancaster, TX 75146-0940



## City of Lancaster Planning Division



### NOTICE OF PUBLIC HEARING

**TO:** Property Owner

**RE:** **Case No. - Z 16-12:** to conduct a public hearing and consider a rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

**LOCATION:** The property is located at 1009 Lancaster Hutchins Road and contains approximately 1.46 acres of land located on the west side of Lancaster Hutchins Road, approximately 750 feet south of E. Pleasant Run Road, further described as a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose developing a church and associated activities from SF-6 Single Family Residential to NS Neighborhood Service.

☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:

☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** There's not enough room for such  
developing services

**SIGNATURE:** Willie Mae Dunn

**ADDRESS:** 1087 N. Lancaster - Hutchins Rd.

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, December 6, 2016 at 7:00 pm.** The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, January 9, 2016 at 7:00 pm.** Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

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Planning Division  
211 N Henry St  
Lancaster, TX 75146-0940



City of Lancaster  
Planning Division



**NOTICE OF PUBLIC HEARING**

**TO:** Property Owner

**RE:** **Case No. - Z 16-12:** to conduct a public hearing and consider a rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

**LOCATION:** The property is located at 1009 Lancaster Hutchins Road and contains approximately 1.46 acres of land located on the west side of Lancaster Hutchins Road, approximately 750 feet south of E. Pleasant Run Road, further described as a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

**EXPLANATION OF REQUEST:** The Applicant requests to rezone this property for the purpose of rezoning request from SF-6 Single Family Residential to NS Neighborhood Service.

- ☐ I AM IN FAVOR OF THE REQUEST FOR THE FOLLOWING REASONS:
- ☒ I AM OPPOSED TO THE REQUEST FOR THE FOLLOWING REASONS:

**COMMENTS:** \_\_\_\_\_

\_\_\_\_\_

**SIGNATURE:**

**ADDRESS:**

*WA Armstrong*  
*913 N. Lancaster Hutchins Rd.*  
*Lancaster, TX 75146*

Your written comments are being solicited in the above case. Additional information is available in the Department of Planning at 700 E. Main. The Planning and Zoning Commission will hold a public hearing and take action on the above case at their meeting on **Tuesday, November 15, 2016 at 7:00 pm.** The City Council will hold a public hearing and take action on the above case at their meeting on **Monday, December 12, 2016 at 7:00 pm.** Meetings are typically held in the City Council Chambers, City of Lancaster Municipal Center, 211 N. Henry Street, Lancaster, Texas.

Please legibly respond in ink. If the signature and/or address are missing, your comments will not be recorded. Your response must be received in the Planning Division by **5 p.m. on Friday, 11/11/2016** for your comments to be recorded for the Planning and Zoning Commission's **3-1-16** meeting. Responses received after that time will be forwarded to the Commission at the public hearing.

If you have any questions concerning this request,  
please contact the Planning Division  
Phone 972-218-1315  
FAX 972-275-1862

**RETURN BY FAX OR MAIL**  
City of Lancaster  
Planning Division  
211 N Henry St  
Lancaster, TX 75146-0940

**EASTSIDE ACRES RESIDENTS SIGNATURES OPPOSING:** Rezoning request;  
**Case No.-Z 16-12:** Requesting rezoning from SF-6 Single Family Residential to NS  
 Neighborhood Service.

NAME: <u>Tom Barnett</u>	ADDRESS: <u>803 E. 3<sup>rd</sup> St. Lancaster Tex,</u>
NAME: <u>Marian B. Barnett</u>	ADDRESS: <u>803 E 3<sup>rd</sup> St, Lancaster 75146</u>
NAME: <u>William H. Moore</u>	ADDRESS: <u>3197 N. Lancaster, Sulphur, TX, 75146</u>
NAME: <u>Angela Barnett</u>	ADDRESS: <u>777 E. 3<sup>rd</sup> St Lancaster TX 75146</u>
NAME: <u>Willie</u>	ADDRESS: <u>752 E. 3<sup>rd</sup> St Lancaster TX. 75146</u>
NAME: <u>Luther Puler</u>	ADDRESS: <u>244 E. 3<sup>rd</sup> Lancaster 75146</u>
NAME: <u>Raymond E. Galt</u>	ADDRESS: <u>751 E 3<sup>rd</sup> LANCASTER, TX 75146</u>
NAME: <u>Brandon Beck</u>	ADDRESS: <u>813 E 3<sup>rd</sup> Lancaster Tx</u>
NAME: <u>Mark McGowan</u>	ADDRESS: <u>532 Lan. Hut. Rd. Tx 75146</u>
NAME: <u>Hazel mc Gowan</u>	ADDRESS: <u>11 11</u>
NAME: <u>Rick Orrin</u>	ADDRESS: <u>639 Pierson</u>
NAME: <u>Calvin G. Hall</u>	ADDRESS: <u>631 Pierson</u>
NAME: <u>Tim Carter</u>	ADDRESS: <u>629 Pierson St 11</u>
NAME: <u>Laura Munoz</u>	ADDRESS: <u>625 Pierson St.</u>
NAME: <u>Bill Wells</u>	ADDRESS: <u>101 Pierson St</u>
NAME: <u>Lillie Haskaway</u>	ADDRESS: <u>622 Pierson</u>
NAME: <u>William J. Kiser</u>	ADDRESS: <u>647 Pierson St.</u>
NAME: <u>Dionnet Haskaway</u>	ADDRESS: <u>615 Pierson St.</u>
NAME: <u>Elaine Haskaway</u>	ADDRESS: <u>622 Pierson St</u>

Chelsea Rolland  
NAME: Chelsea Rolland ADDRESS: 615 Pierson St, Lancaster, TX 75149

Wish, Bob  
NAME: Wish, Bob ADDRESS: 815 E. Third St, Lancaster, TX 75149

Shirley Bowley  
NAME: Shirley Bowley ADDRESS: 775 E. Third St, Lancaster, TX 75146

Sandra Duncan  
NAME: Sandra Duncan ADDRESS: 1122 Lancaster Hutchins Rd, Lancaster, TX 75190

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

Eastside Acres Residents opposition to zoning change, Case No.-Z 16-12

NAME: Wanda Murphy ADDRESS: 828 Leicaster Hutchins Rd.

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

NAME: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

3. Z16-12 Conduct a Public Hearing and consider a rezoning request from SF-6 Single Family Residential to NS Neighborhood Service at 1009 Lancaster Hutchins Road, Lancaster, TX, consisting of an approximately 1.46-acre tract, being a portion of Lots 4 and 5, Eastside Acres Addition, Lancaster, Dallas County, Texas.

Shai Roos read the staff report into record.

Ambros Awanni with Apostolic Truth Church, the applicant, explained how this facility would not only be a church but it would also house a GED program along with Drug and Alcohol Counseling and after school tutoring for students to help the citizens of Lancaster.

Alfred Wiley, 1774 Willet Drive Lancaster stated that if there are already churches on this street in this zoning along with the other community uses then why isn't this use going to be allowed.

Tom Barnett – the neighborhood isn't opposed to another church, it is the changing of the Single Family District to a Neighborhood Services District and all the other uses that would be allowed at that location.

**A MOTION WAS MADE BY COMMISSIONER JOHNSON AND SECONDED BY COMMISSIONER AGUILAR TO CLOSE THE PUBLIC HEARING.**

**AYES: HILL, AGUILAR, JOHNSON**

**NAYS: NONE**

**THE MOTION CARRIED 3 to 0.**

Commissioner Hill stated that since we now have an adopted Comprehensive Plan we need to make sure we follow that plan and avoid the problems what we have had in the past with spot zoning.

Commissioner Aguilar mentioned while the type of assistance they are trying to provide while not part of the request are necessary services in our city and would be helpful in another district where it is currently allowed.

**A MOTION WAS MADE BY COMMISSIONER JOHNSON AND SECONDED BY COMMISSIONER AGUILAR TO RECOMMEND DENIAL OF THE REZONING REQUEST FROM SF-6 SINGLE FAMILY RESIDENTIAL TO NS NEIGHBORHOOD SERVICE AT 1009 LANCASTER HUTCHINS ROAD, LANCASTER, TX, CONSISTING OF AN APPROXIMATELY 1.46-ACRE TRACT, BEING A PORTION OF LOTS 4 AND 5, EASTSIDE ACRES ADDITION, LANCASTER, DALLAS COUNTY, TEXAS.**

**AYES: HILL, AGUILAR, JOHNSON**

**NAYS: NONE**

**THE MOTION CARRIED 3 to 0.**

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

10.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Bester Munyaradzi, Senior Planner

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#### **Agenda Caption:**

Z17-02 Conduct a Public Hearing and consider an ordinance amending ordinance 2006-04-13 and as amended the Lancaster Development Code and map of the City as amended by granting a change in zoning from A-O Agricultural Open to CH Commercial Highway a 1.6 acre tract of land commonly addressed as 1620 South Interstate Highway 35E (IH-35E) being described as Block 2, Lots 3 and 4 of the Stillmeadow Subdivision, Lancaster, Dallas County, Texas.

#### **Background:**

1. **Location and Size:** The property is located at 1620 S. IH 35E, on the east side of Interstate Highway, approximately 0.4 miles north of Bear Creek Road. The tract of land is approximately 1.6 acres in size.
2. **Current Zoning:** The subject property is currently zoned A-O Agricultural Open Space.
3. **Adjacent Properties:**
  - North: A-O Agricultural Open Space (vacant)
  - South: A-O Agricultural Open Space (retail/commercial business)
  - East: A-O Agricultural Open Space (vacant)
  - West: S. Interstate Highway 35E
4. **Comprehensive Plan Compatibility:**

The Comprehensive Plan identifies this site as Commercial Highway and the proposed zoning change is consistent with the Comprehensive Plan.



## 5. **Case History:**

Date	Body	Action
02/07/2017	P&Z	Z17-02 Recommended Approval

### **Operational Considerations:**

This is a request for rezoning from A-O Agriculture Open to CH - Commercial Highway for the purposes of rebuilding the Cycle Town South business that was destroyed in a fire at the current property. The property owner wants to expand the original building area which requires a rezoning.

Pursuant to Section 14.1101 of the LDC, when reviewing a zoning change application, there are five (5) considerations that must be made when deciding on a zoning change application. Below is an analysis of these considerations:

#### **Consistency with the Comprehensive Plan:**

The 2016 Comprehensive Plan identifies this site as Commercial Corridor. The primary land use envisioned for areas designated as commercial corridor is: retail, restaurants, multi-tenant commercial, and junior anchor commercial, with secondary land uses being civic and institutional uses, parks, and open space. The proposed change in zoning is for the construction of a bikeshop which is a retail/commercial use. A change in zoning will make this property compatible with the comprehensive plan goals.

#### **Potential Impact on Adjacent Development:**

The properties to the north and east are undeveloped, while the property to the south is another retail/commercial use. The property to the west is a major interstate.

#### **Availability of utilities and access:**

The property has direct access to the service road as well as availability of water and sewer services.

#### **Site conditions such as vegetation, topography, and flood plain:**

This site has no vegetation or floodplain on it currently.

#### **Timing of Development as it relates to Lancaster's Capital Improvement Plan:**

Currently there is no construction on the service road to S. IH-35E.

#### **Issues:**

This application has been delayed for City Council consideration due to missing items necessary for consideration such as a letter of intent, facades and a zoning exhibit. Staff contacted the applicant and requested the missing application documents before the case could be considered by City Council. The applicant has experienced issues with their engineer/surveyor.

Given the length of time from February 7, 2017 when the Planning & Zoning Commission considered the case without a zoning exhibit. At the advice of the City Attorney, the zoning case is coming before the City Council for consideration without the zoning exhibit.

### **Legal Considerations:**

The City Attorney has reviewed and approved the ordinance as to form.

### **Public Information Considerations:**

A notice for the public hearing appeared in the Focus Daily Newspaper 10 days prior to February 7, 2017 for the Planning & Zoning Commission meeting. Staff also mailed notifications of this public hearing to all property owners within 200-feet of the subject site, and zoning signs were placed on the subject property. These actions fulfill the noticing requirement pursuant to Section 14.207 of the Lancaster Development Code LDC). Of the notifications that were mailed to neighboring property owners, no notifications were returned in favor or opposition of this application.

A notice for this August 14, 2017 public hearing appeared in the Focus Daily Newspaper on July 31, 2017 and notices to property owners within 200-feet of the subject site were also mailed on July 28, 2017. There were no notifications returned regarding this item.

**Options/Alternatives:**

1. Approve the ordinance as presented.
2. Deny the ordinance.
3. Approve the ordinance with changes and stipulate those changes.

**Recommendation:**

This item was considered at the Planning and Zoning Commission (P&Z) meeting on February 6, 2017 and P&Z recommended approval. Staff concurs with the P&Z.

**Attachments**

Ordinance  
Location & Notification Map  
Letter of Intent  
Site Plan  
Facades  
P&Z Approved Minutes

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## ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING ORDINANCE NO. 2006-04-13 AND AS AMENDED, THE LANCASTER DEVELOPMENT CODE AND MAP OF THE CITY OF LANCASTER, AS AMENDED, BY GRANTING A CHANGE IN ZONING FROM A-O TO CH, AGRICULTURAL OPEN TO COMMERCIAL HIGHWAY FOR A TRACT TOTALING APPROXIMATELY ONE POINT SIX (1.6) ACRES OF LAND LOCATED AT 1620 SOUTH INTERSTATE 35 EAST. AND BEING MORE PARTICULARLY DESCRIBED IN EXHIBIT "A", ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND (\$2,000) DOLLARS FOR EACH OFFENSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lancaster has received a request for a zoning district change; and

**WHEREAS**, the Planning and Zoning Commission and the City Council of the City of Lancaster, in compliance with the laws of the State of Texas with references to the granting of zoning classification changes, have given the requisite notices by publication and otherwise, and have held due hearings and afforded a full and fair hearing to all property owners generally and to all persons interested and situated in the affected area and in the vicinity, thereof; and

**WHEREAS**, the City Council of the City of Lancaster is of the opinion and finds that the Lancaster Development Code and Map should be amended.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That on Zoning Case No. Z17-02 the Lancaster Development Code and Map of the City of Lancaster, be hereby amended to grant a change in zoning from AO, Agricultural Open to CH, Commercial Highway, for land totaling approximately one six tenths (1.6) acres generally located at 1620 South Interstate 35 East, being more particularly described in Exhibit "A", attached hereto and made a part hereof for all purposes.

**SECTION 2.** That the property shall be used and developed in accordance with the requirements and regulations of the Lancaster Development Code and other applicable ordinances, rules and regulation of the City of Lancaster, Texas.

**SECTION 3.** Ordinance Number 2006-04-13 and as amended, the Lancaster Development Code of the City of Lancaster, Texas, as amended, shall remain in full force and effect, save and except as amended by this ordinance.

**SECTION 4.** If any article, paragraph, subdivision, clause or provision of this ordinance or the Lancaster Development Code, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this ordinance as a whole or any part or provision thereof, or of the Lancaster Development Code, as amended hereby, other than the part so declared to be invalid or unconstitutional.

**SECTION 5.** Any person, firm or corporation violating any of the provisions of this ordinance or the Lancaster Development Code of the City of Lancaster, Texas, as amended hereby, shall be deemed guilty of a misdemeanor and, upon conviction in the municipal court of the City of Lancaster, Texas, shall be subject to a fine not to exceed the sum of Two Thousand (\$2,000.00) dollars for each offense, and each and every day such offense shall continue shall be deemed to constitute a separate offense.

**SECTION 6.** This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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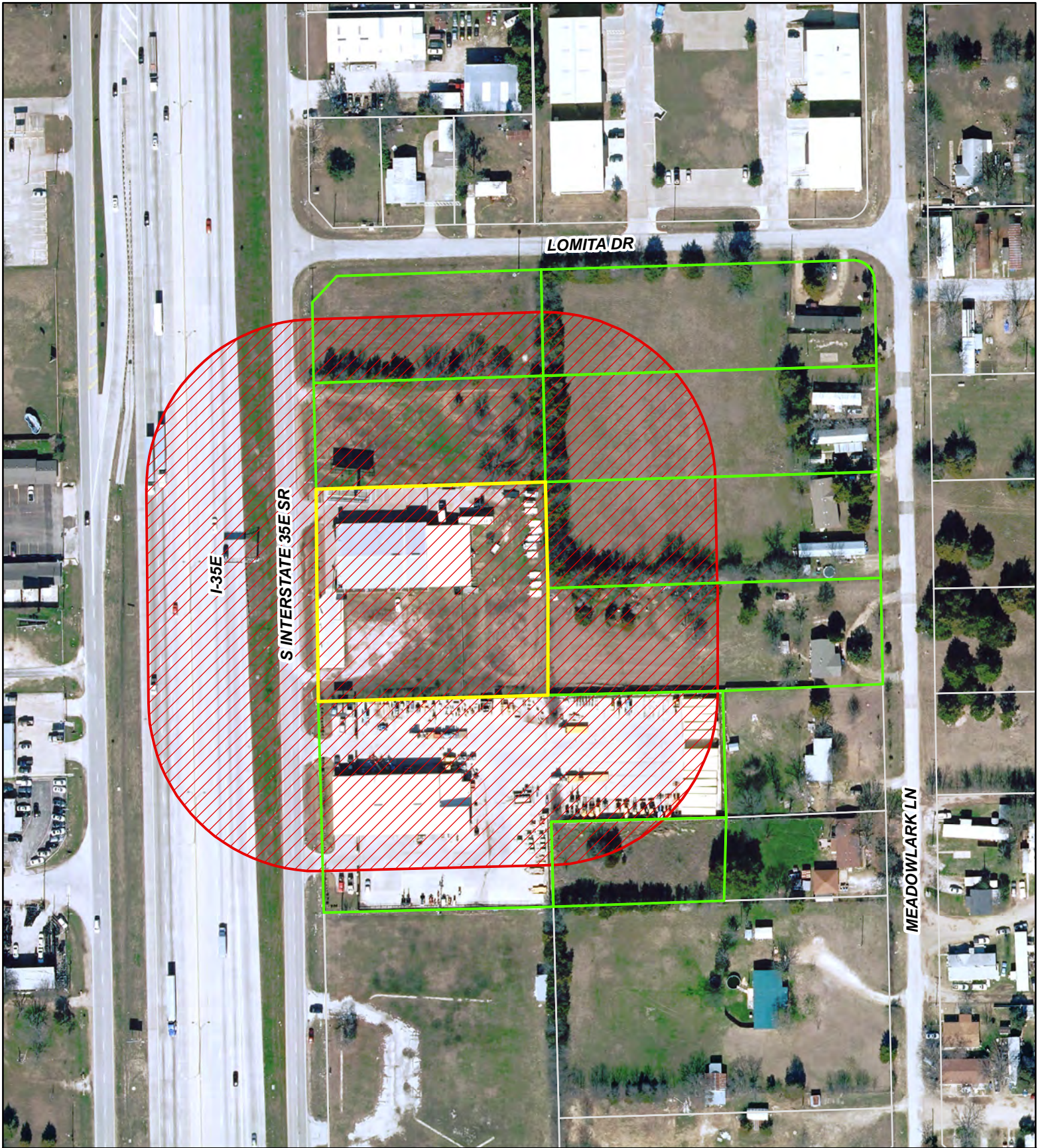
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney





- Parcels
- Subject Parcel
- Notification Parcels
- 200' Notification Area

0 65 130 260 Feet

# City of Lancaster 1620 S I-35E 200' Notification Area



May 3, 2017

City of Lancaster  
700 E Main Street  
Lancaster TX 75146

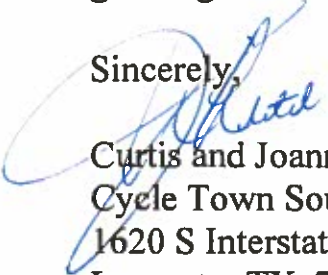
Re: Letter of Intent

To Whom It May Concern,

Please let this letter serve as our Intent to re-build Cycle Town South, DBA – Texas Powersports and Outdoors. Our building caught fire on July 29, 2017, and our intent is to rebuild. We also are wanting to increase the size, and modernize the facility. Please see the attached sites plans, and we also respectfully request a zoning change to accommodate this new building.

We appreciation your consideration in advance, and we look forward to growing with the City of Lancaster and expanding both our client base, and tax base.

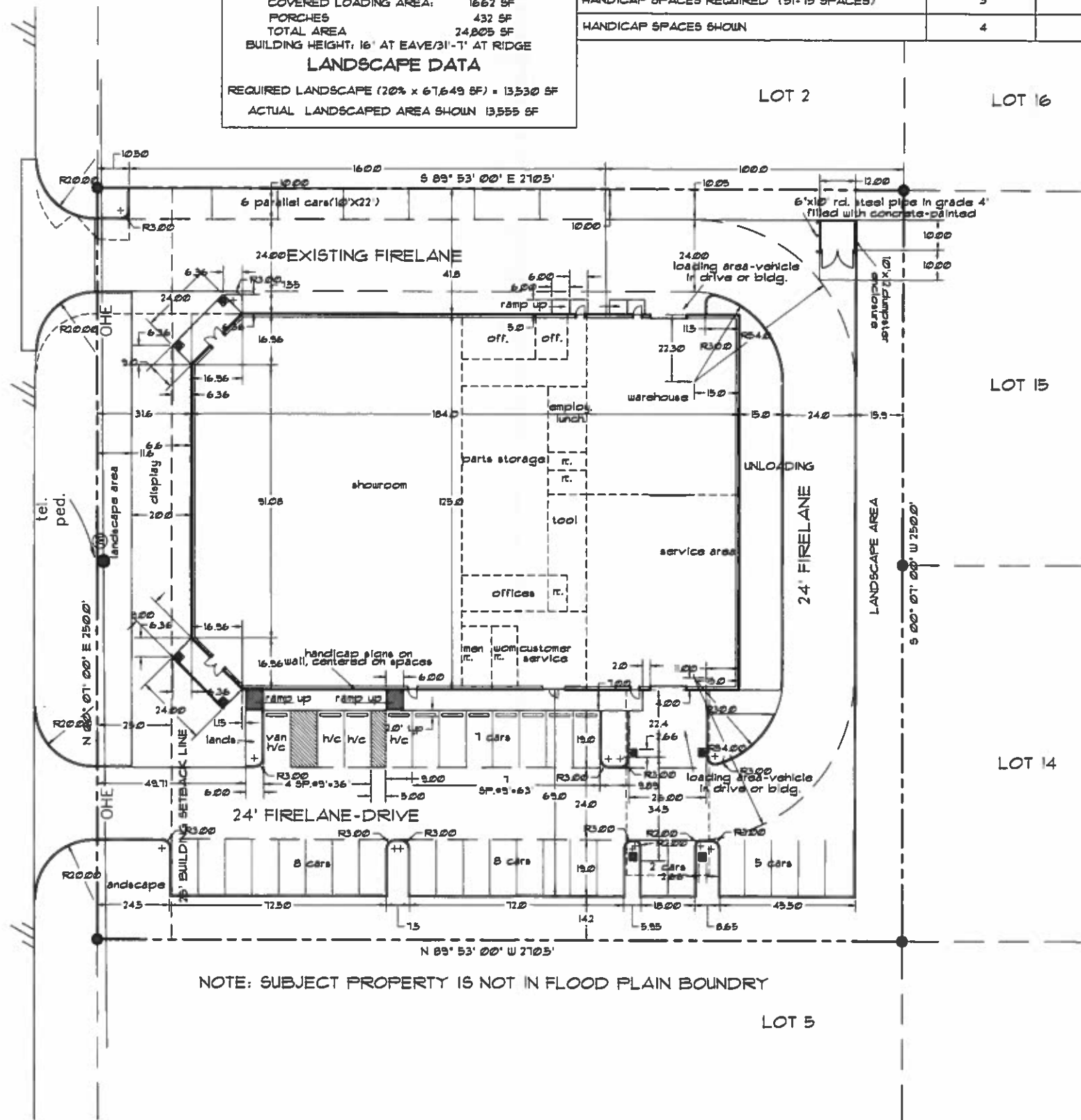
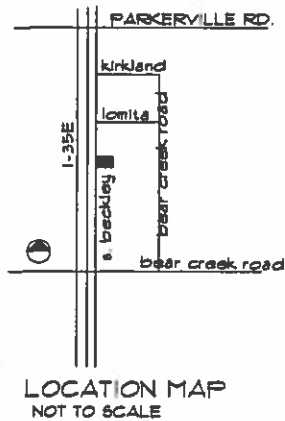
Sincerely,



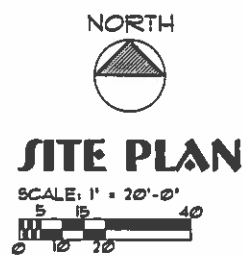
Curtis and Joanna White  
Cycle Town South  
1620 S Interstate 35 E  
Lancaster TX 75146  
972-230-1870

1620 S. BECKLEY AVE. ( I-35E SERVICE ROAD )

SITE DATA SUMMARY		PARKING TABULATION			
SITE DATA		BUILDING USE	RATIO	GROSS AREA	REQ'D SPACES
ZONING: CH		OFFICE SPACE	1 CAR/300SF	3000 SF	10
BLD'G USE: RETAIL		RETAIL SPACE	1 CAR/250SF	10,961 SF	44
PROPERTY SIZE: 1553 AC.=67,648.68 SF		WAREHOUSE AREA	1 CAR/1000SF	8,150 SF	9
BUILDING LOT COVERAGE 36.6%		TOTAL PARKING REQUIRED		63	
BUILDING DATA		TOTAL PARKING SHOWN		40	40
BUILDING AREA 22,711 SF		HANDICAP SPACES REQUIRED (51-75 SPACES)		3	
COVERED LOADING AREA: 1662 SF		HANDICAP SPACES SHOWN		4	
PORCHES 432 SF					
TOTAL AREA 24,805 SF					
BUILDING HEIGHT: 16' AT EAVE/31'-7' AT RIDGE					
LANDSCAPE DATA					
REQUIRED LANDSCAPE (20% x 67,649 SF) = 13,530 SF					
ACTUAL LANDSCAPED AREA SHOWN 13,555 SF					

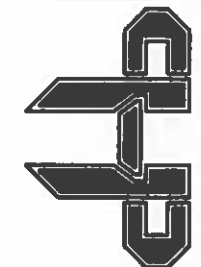
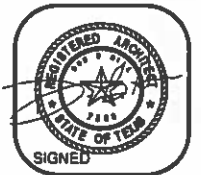
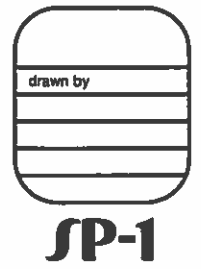


NOTE: SUBJECT PROPERTY IS NOT IN FLOOD PLAIN BOUNDARY

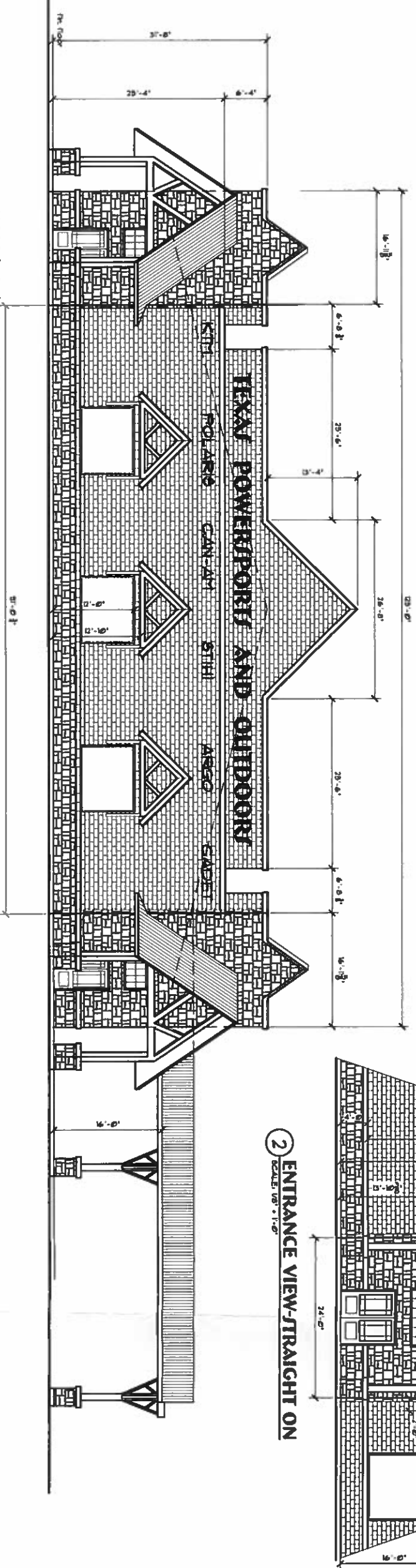
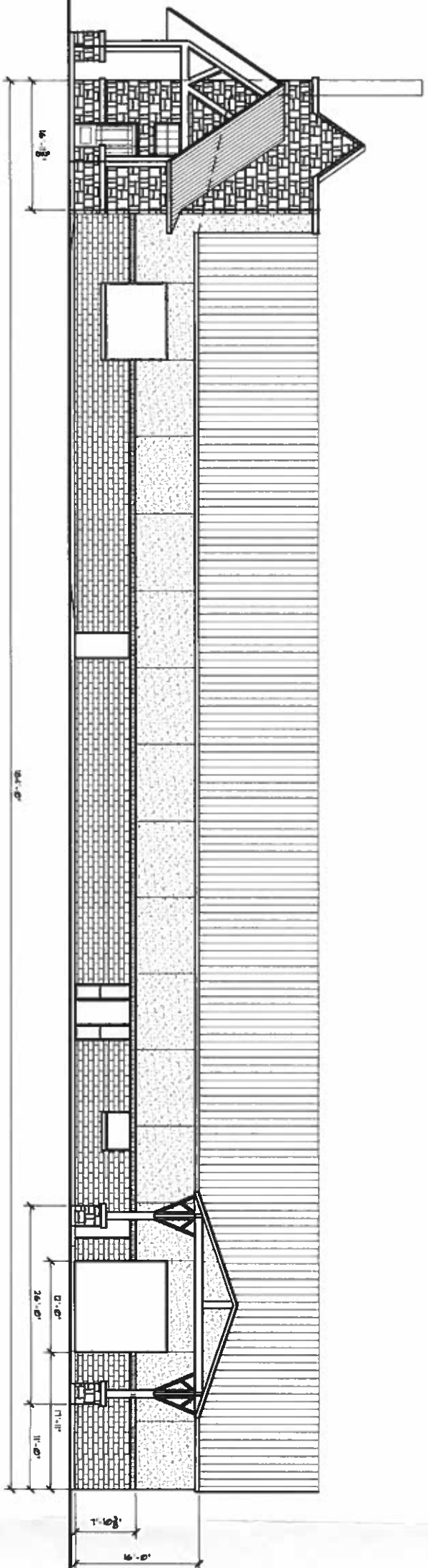


SITE PLAN	
LEGAL DESCRIPTION	
STILLMEADOW ACRES	
BLOCK 2	
LOT 3R (REPLATTED LOTS 314)	
1553 AC OR 67,648.68 SF	
ORIGINAL SUBMISSION DATE	
REVISED/SUBMITTED	
REVISED/SUBMITTED	
REVISED/SUBMITTED	
REVISED/SUBMITTED	

A NEW RETAIL BUILDING FOR  
TEXAS POWERSPORTS AND OUTDOORS  
1620 S. I-35 E  
LANCASTER, TEXAS



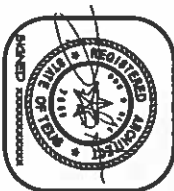
**DON B HILL**  
**ARCHITECT, INC**  
3500 S FM 14, HAWKINS, TEXAS 75765  
903-857-2001 903-245-7650 CELL  
email: don.hill@dbhi-architect.com



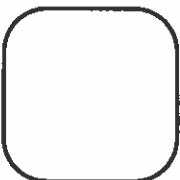
NOT TO BE USED FOR PERMITTING, BIDDING, OR REGULATORY PURPOSES

JOB NO.
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printed
revised
revised

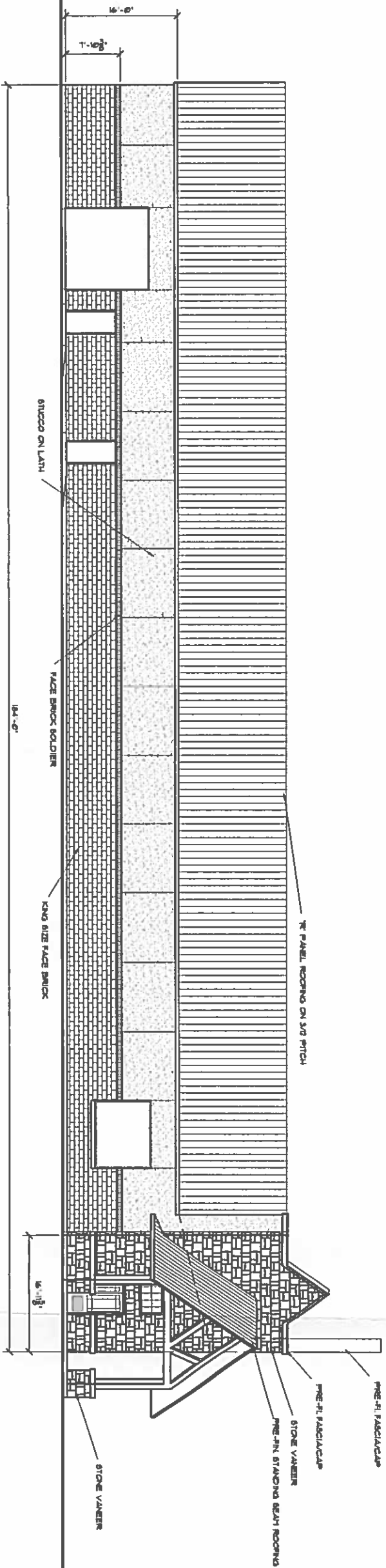
A NEW RETAIL BUILDING FOR  
TEXAS POWERSPORTS AND OUTDOORS  
1620 S. I-35 E  
LANCASTER, TEXAS



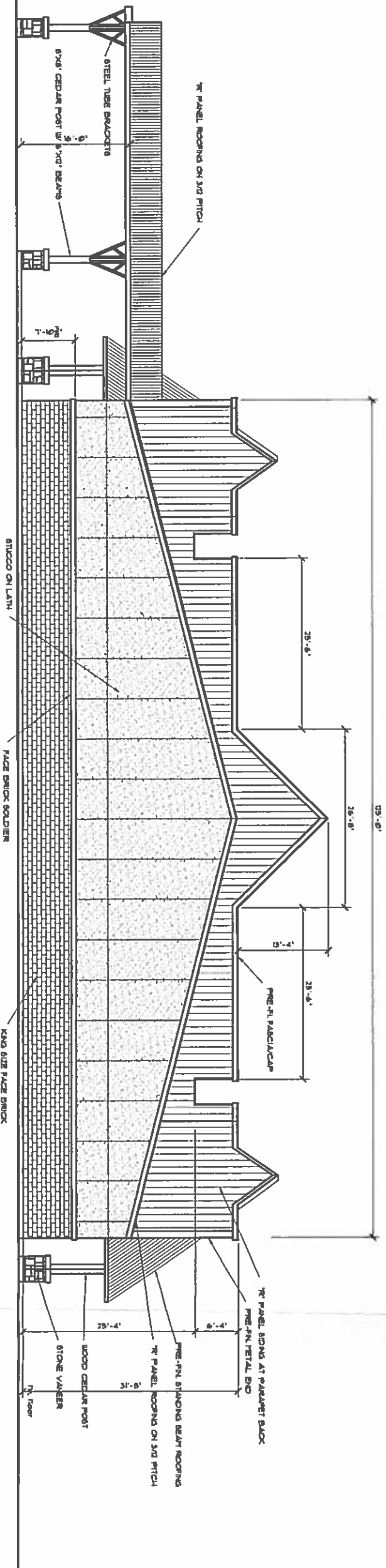
**DON B HILL**  
**ARCHITECT, INC**  
POST OFFICE BOX 1485, HAWKINS, TEXAS 75765  
903-789-1800 903-789-1600 FAX  
email: [don.hill@dbh-architect.com](mailto:don.hill@dbh-architect.com)







3 NORTH SIDE ELEVATION  
SCALE: 1/8" = 1'-0"



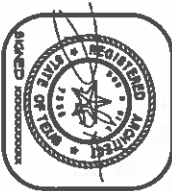
1 EAST (REAR) ELEVATION  
SCALE: 1/8" = 1'-0"

NOT TO BE USED FOR PERMITTING, BIDDING, OR REGULATORY PURPOSES

A-3

JOB NO.
drawn by
printed
revised
revised

A NEW RETAIL BUILDING FOR  
TEXAS POWERSPORTS AND OUTDOORS  
1620 S. I-35 E  
LANCASTER, TEXAS



**DON B HILL**  
**ARCHITECT, INC**  
POST OFFICE BOX 1485, HAWKINS, TEXAS 75765  
903-769-1800 903-769-1800 FAX  
email: don.hill@dbh-architect.com

5. Z17-02 Conduct a Public Hearing and consider a rezoning request from A-0-Agricultural Open District to CH - Commercial Highway District at 1620 S. Interstate Highway 35E, Lancaster, TX, consisting of Block 2 Lots 3 and 4 of the Stillmeadow subdivision, Lancaster, Dallas County, Texas.

Shai Roos read the staff report into record.

**A MOTION WAS MADE BY COMMISSIONER AGUILAR AND SECONDED BY COMMISSIONER JOHNSON TO CLOSE THE PUBLIC HEARING.**

**AYES: HILL, AGUILAR, JOHNSON**

**NAYS: NONE**

**THE MOTION CARRIED 3 to 0.**

**A MOTION WAS MADE BY COMMISSIONER AGUILAR AND SECONDED BY COMMISSIONER JOHNSON TO APPROVE THE REZONING REQUEST FROM A-0-AGRICULTURAL OPEN DISTRICT TO CH - COMMERCIAL HIGHWAY DISTRICT AT 1620 S. INTERSTATE HIGHWAY 35E, LANCASTER, TX, CONSISTING OF BLOCK 2 LOTS 3 AND 4 OF THE STILLMEADOW SUBDIVISION, LANCASTER, DALLAS COUNTY, TEXAS.**

**AYES: HILL, AGUILAR, JOHNSON**

**NAYS: NONE**

**THE MOTION CARRIED 3 to 0.**

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

11.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Financially Sound Government  
Sound Infrastructure  
Quality Development

**Submitted by:** Rona Stringfellow, Assistant City Manager

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#### **Agenda Caption:**

Discuss and consider a resolution of the City of Lancaster, Texas finding that Oncor Electric Delivery Company LLC's ("Oncor" or "company") application to change rates within the City should be denied; finding that the City's reasonable rate case expenses shall be reimbursed by the Company; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel.

#### **Background:**

The City, along with 158 other cities served by Oncor Electric Delivery Company LLC ("Oncor" or "Company") is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee"). The Steering Committee has been an advocate before the Public Utility Commission, the Courts, and the Legislature on electric utility regulation matters for the last 30 years.

On March 17, 2017, Oncor filed an application to change rates with cities retaining original jurisdiction. In the filing, the Company seeks to increase system-wide transmission and distribution rates by \$317 million or approximately 7.5% over present revenues. The Company asks the City to approve an 11.8% increase in residential rates and a 0.5% increase in street lighting rates. If approved, a residential customer using 1000 kWh per month would see a bill increase of about \$6.68 per month.

In March, the Steering Committee engaged the services of three consultants. The consultants identified numerous unreasonable expenses and propose significant reductions to the Company's request. Accordingly, the Steering Committee's attorneys recommend that all members adopt the Resolution denying the rate change. Once the Resolution is adopted, Oncor will have 30 days to appeal the decision to the Public Utility Commission of Texas where the appeal will be consolidated with Oncor's filing (i.e. PUC Docket No. 46957) currently pending at the Commission.

Under the law, cities with original jurisdiction over this matter have 125 days from the initial filing to take final action on the application. By the agreement of the parties, this deadline was suspended until August 19, 2017. As such, all cities with original jurisdiction will need to adopt the resolution no later than August 19th.

#### **Operational Considerations:**

The purpose of the Resolution is to deny the rate application and consolidation proposed by Oncor for the following reasons:

- Oncor's application is unreasonable and should be denied; and
- Oncor's current rates shall not be changed.

**Legal Considerations:**

The Attorney for the Steering Committee prepared the attached resolution.

**Public Information Considerations:**

This resolution is being considered at a regular meeting of the City Council, in accordance with the Texas Open Meetings Act.

**Options/Alternatives:**

1. Approve the resolution, as presented.
2. Deny the resolution.

**Recommendation:**

Staff recommends council approval of the resolution as presented.

**Attachments**

Resolution

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## RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS FINDING THAT ONCOR ELECTRIC DELIVERY COMPANY LLC'S ("ONCOR" or "company") APPLICATION TO CHANGE RATES WITHIN THE CITY SHOULD BE DENIED; FINDING THAT THE CITY'S REASONABLE RATE CASE EXPENSES SHALL BE REIMBURSED BY THE COMPANY; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.**

**WHEREAS**, the City of Lancaster, Texas ("City") is an electric utility customer of Oncor Electric Delivery Company LLC ("Oncor" or "Company"), and a regulatory authority with an interest in the rates and charges of Oncor; and

**WHEREAS**, the City is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee"), a coalition of similarly situated cities served by Oncor that have joined together to efficiently and cost effectively review and respond to electric issues affecting rates charged in Oncor's service area; and

**WHEREAS**, on or about March 17, 2017, Oncor filed with the City an application to increase system-wide transmission and distribution rates by \$317 million or approximately 7.5% over present revenues. The Company asks the City to approve an 11.8% increase in residential rates and a 0.5% increase in street lighting rates; and

**WHEREAS**, the Steering Committee is coordinating its review of Oncor's application and working with the designated attorneys and consultants to resolve issues in the Company's filing; and

**WHEREAS**, through review of the application, the Steering Committee's consultants determined that Oncor's proposed rates are excessive; and

**WHEREAS**, the Steering Committee's members and attorneys recommend that members deny the Application; and

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

**SECTION 1.** That the rates proposed by Oncor to be recovered through its electric rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.

**SECTION 2.** That the Company shall continue to charge its existing rates to customers within the City.

**SECTION 3.** That the City's reasonable rate case expenses shall be reimbursed in full by Oncor within 30 days of the adoption of this Resolution.

**SECTION 4.** That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

**SECTION 5.** That a copy of this Resolution shall be sent to Oncor, Care of Howard Fisher, Oncor Electric Delivery Company, LLC, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

12.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Goal(s):** Quality Development

**Submitted by:** Bester Munyaradzi, Senior Planner

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#### **Agenda Caption:**

Discuss and consider an ordinance repealing Chapter 6, Section 6.07.008 "Construction and Materials" of Article 6.07 "Fences", in its entirety and replacing it with a new section 6.07.008, "Fence Construction, Materials and Setback"; providing for fence construction and materials and adding a new front setback standard.

#### **Background:**

As prescribed in the City Council Rules and Procedures as amended September 2016, Section D. City Council Agenda Process, Subsection 1.b., Councilmember Carol Strain-Burk requested an item be placed on the agenda to review the fence ordinance. City Council discussed this item at the April 17, June 19 and July 17, 2017 Work Sessions. As a result of these discussions Council requested an item to consider repealing Chapter 6, Section 6.07.008 "Construction and Materials" of article 6.07 "Fences", in its entirety and replacing it with a new section 6.07.008, "Fence Construction, Materials and Setback"; providing for fence construction and materials and adding a new front setback standard. Staff is proposing the following language be reflected in Chapter 6, Section 6.07.008 (d): " All fences shall be set back a minimum of five (5) feet from the front of a structure. In the event that district-specific fence regulations duly adopted by the City Council conflict with this subsection (d), those district-specific regulations will control."

There was additional discussion regarding gate orientation for vehicular access. This subject is referenced under Section 6.07.008 of the Fence Ordinance. It states that "Gates must swing inward toward private property and are not allowed to swing outward across property lines into public rights-of-way."

#### **Operational Considerations:**

The adoption of the new ordinance language would make the regulation of fence placements clear and unobscured. This amendment would allow applicants to know where to place their fences when applying for a fence permit. Any placement of a fence in front of the 5' setback would require the fence to be 50% open and 48' maximum in height. Any placement of the fence behind the 5' setback would allow a fence to be up to 8' in height.

#### **Legal Considerations:**

The ordinance has been prepared by the City Attorney.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

#### **Options/Alternatives:**

1. Approve the ordinance as presented.
2. Approve the ordinance with changes, and state the changes.
3. Deny the ordinance and direct staff.

### **Attachments**

Ordinance

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## ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE LANCASTER CODE OF ORDINANCES, CHAPTER 6, "BUILDING REGULATIONS" BY REPEALING SECTION 6.07.008 "CONSTRUCTION AND MATERIALS" OF ARTICLE 6.07 "FENCES", IN ITS ENTIRETY AND REPLACING IT WITH A NEW SECTION 6.07.008, "FENCE CONSTRUCTION, MATERIALS AND SETBACK"; PROVIDING FOR FENCE CONSTRUCTION AND MATERIALS AND ADDING A NEW FRONT SETBACK STANDARD; PROVIDING FOR SEVERABILITY; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; PROVIDING FOR A PENALTY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster, Texas has determined that it is in the best interest of the City to provide for fence construction, materials, and front setback standards for structures erected in the City;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the Lancaster Code of Ordinances be, and the same is, hereby amended by repealing Section 6.07.008 "Construction and materials" of Article 6.07, "Fences", Division 1. "Generally" of Chapter 6 "Building Regulations" in its entirety and replacing it with a new Section 6.07.008, "Fence Construction, Materials, and Setback", which shall read as follows:

**"Sec. 6.07.008 Fence Construction, Materials, and Setback**

(a) All fences, unless prohibited elsewhere in this Article, shall be constructed or maintained with wire or metal fabric material (chain link), wood, brick, stone, concrete, vinyl, ornamental iron or other approved materials as approved by the code official. Fence posts shall be constructed or made of metal, brick, stone, concrete, fiberglass or other material approved by the code official. All fence posts must be placed at a depth of at least twenty-four (24) inches into the ground filled and anchored with concrete footers or encasement.

(b) The Zoning Board of Adjustments of the City of Lancaster is hereby designated the appeal body to hear any appeals to decisions rendered from the strict application of this section. Any material proposed not outlined in the above ordinance is considered prohibited for use as a fence construction material.

(c) Fencing in Commercial and Industrial districts behind the front building line shall be constructed of the primary masonry materials of the building, wrought iron, chain link, living plant material or other material as approved by the code official.

(d) All fences shall be set back a minimum of five (5) feet from the front of a structure. In the event that district-specific fence regulations duly adopted by the City Council conflict with this subsection (d), those district-specific regulations will control."

**SECTION 2.** That all provisions of the Code of Ordinances in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Code of Ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or the Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 4.** An offense committed before the effective date of this ordinance is governed by prior law and the provisions of the Ordinances of the City of Lancaster, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

**SECTION 5.** That any person, firm, or corporation violating any provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the City of Lancaster, as heretofore amended and upon conviction shall be punished by a fine not exceeding \$500.00. The penalty imposed for a violation of this ordinance shall not exceed or be less than the penalty prescribed by state law, and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 6.** That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

13.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Bester Munyaradzi, Senior Planner

---

#### **Agenda Caption:**

Discuss and consider an ordinance amending Chapter 18 of the Code of Ordinance by adding a new Section 18.01.002 providing for prohibitions on obstructing any public street or sidewalk with any item.

#### **Background:**

As prescribed in the City Council rules and procedures as amended September 2016, Section D. City Council Agenda Process, Subsection 1.b., Mayor Pro Tem Clyde Hairston requested that an item be included on the agenda for the purpose of discussing and considering an ordinance to prohibit all basketball goals/hoops from the front curbs, public rights-of-way, alleys and streets and only allowing them in the rear yard of property or residence.

At the July 14, 2017 Work Session, City Council discussed and requested staff to bring forward an ordinance for consideration prohibiting basketball goals/hoops from the front curbs, public rights-of-way, alleys and streets and allowing them in the rear yard of property or residence.

#### **Operational Considerations:**

The City of Lancaster does not currently have any regulations regarding basketball goals/hoops. Staff research from survey cities indicates that Cedar Hill, Duncanville, Farmers Branch, The Colony and Grand Prairie are the only cities with regulations regarding basketball goals/hoops. Among these cities, the city of Farmers Branch is the only one that allows single pole basketball goals in the front yard as long as they are set back a minimum of 15 feet from the front property line. All of the other cities do not allow basketball goals/hoops.

As with cities such as Cedar Hill, Duncanville, Farmers Branch, The Colony and Grand Prairie, the City of Lancaster can enact an ordinance regulating basketball goals/hoops placement on residential properties.

Section 18.01.002 "Obstruction of streets, sidewalks, parkway areas or public grounds" makes it unlawful for any person to obstruct or encumber any portion of any public street, alleyway, sidewalk or public property in the city with any item, whether temporary or permanent, including but not limited to: lumber, boxes, posts, fences, basketball goals, soccer goals, and skate ramps, unless expressly authorized by city ordinance or state law.

#### **Legal Considerations:**

The City attorney has prepared the attached ordinance for consideration.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meeting Act.

**Fiscal Impact:**

Violation of the ordinance is subject to the same penalty as provided for in the City of Lancaster, as amended and upon conviction shall be punished by a fine not to exceed five hundred dollars (\$500.00).

**Options/Alternatives:**

1. Approve the ordinance, as presented.
2. Approve the ordinance, with changes.
3. Deny the ordinance.

**Attachments**

Ordinance

---

## ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, AMENDING THE LANCASTER CODE OF ORDINANCES, CHAPTER 18, "STREETS AND PUBLIC PLACES" BY ADDING A NEW SECTION 18.01.002, "OBSTRUCTION OF STREETS, SIDEWALKS, PARKWAY AREAS OR PUBLIC GROUNDS", TO ARTICLE 18.01 "GENERAL PROVISIONS"; PROVIDING FOR PROHIBITIONS ON OBSTRUCTING ANY PUBLIC STREET OR SIDEWALK WITH ANY ITEM; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALING CLAUSE; PROVIDING FOR A PENALTY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster has determined that it is in the best interest of the City to prevent the obstruction of streets, sidewalks, alleyways and other public property in the City in accordance with state law;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the Lancaster Code of Ordinances be, and the same is, hereby amended by adding to Chapter 18 "Streets and Public Places," Article 18.01 "General Provisions" a new Section 18.01.002 entitled "Obstruction of Streets, Sidewalks, Parkway Areas or Public Grounds", which shall read as follows:

**"Sec. 18.01.002        Obstruction of streets, sidewalks, parkway areas or public grounds**

(a) It shall be unlawful for any person to obstruct or encumber, in whole or in part, any portion of any public street, alleyway, sidewalk, or public property in the city with any item, whether temporary or permanent, including but not limited to: lumber, boxes, posts, fences, basketball goals, soccer goals, and skate ramps, unless expressly authorized by city ordinance or state law.

(b) In addition to the penalty provided for herein, if any person violates the provisions of this section, the city has the right to remove any such obstruction or encumbrance. Any costs, charges, and expenses incurred by the city in the removal, storage or disposal of the obstruction or encumbrance shall be a charge to and personal liability of the violator."

**SECTION 2.** That all provisions of the Code of Ordinances in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Code of Ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

**SECTION 3.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or the Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 4.** That any person, firm, or corporation violating any provisions or terms of this Ordinance shall be subject to the same penalty as provided for in the City of Lancaster, as heretofore amended and upon conviction shall be punished by a fine not exceeding \$500.00. The penalty imposed for a violation of this ordinance shall not exceed or be less than the penalty prescribed by state law, and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 5.** That this ordinance shall take effect immediately from and after its passage as the law and charter in such cases provide.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

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Sorangel O. Arenas, City Secretary

**APPROVED:**

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

14.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Goal(s):** Quality Development

**Submitted by:** Bester Munyaradzi, Senior Planner

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#### **Agenda Caption:**

M17-03 Consider an ordinance repealing Ordinance 2017-04-04 in its entirety, and abandoning a portion of the public use easement of approximately 5,494 square feet, 0.1261 acres of land, in the City of Lancaster, Dallas County, Texas as a quit claim deed; and providing an effective date.

#### **Background:**

Quick Trip constructed a facility on the northeast corner of I-35 and West Pleasant Run Road. The property is bounded on the east by Idlewild Lane; on the north by Waffle House; on the west by the I-35E frontage road and on the south by West Pleasant Run Road. The property has a 5,494 square feet public use easement that is 30' wide located on the property. It is currently being used as a mutual access easement for Spanish Trails Inn and Waffle House.

Quick Trip is the current owner of the property which contains the public use easement. The applicant is requesting that the City abandon the public use easement so that Quick Trip may utilize it as a mutual access easement that will not only serve Spanish Trails Inn and Waffle House, but Quick Trip as well. Quick Trip has submitted a replat to create one lot from four previously separately owned parcels. The abandonment of the public use easement is necessary for Quick Trip to proceed with filing a plat that is contiguous. Based on the proposed design, there does not appear to be a need to maintain this public use easement.

This item was approved by the City Council on April 10, 2017. It is coming before City Council again because there are necessary corrections that need to be made. The square footage needs to be changed from 7,334 to 5,494 square feet and from .168 to .126 acres.

#### **Operational Considerations:**

Prior to approving this request, City Council must determine that the public access easement in question will no longer serve a public purpose and is of no use to the City. If City Council makes this determination and approves the proposed ordinance the easement will convert to the current property owner.

#### **Legal Considerations:**

The ordinance was prepared by the City Attorney.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

#### **Options/Alternatives:**

1. Approve the ordinance as presented.
2. Deny the ordinance.

**Recommendation:**

Staff recommends approval of the ordinance as presented.

**Attachments**

Ordinance

Exhibit "A"

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## **ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, REPEALING ORDINANCE NO. 2017-04-04 IN ITS ENTIRETY, AND ABANDONING A PORTION OF THE PUBLIC USE EASEMENT OF APPROXIMATELY 5,494 SQUARE FEET, OR 0.1261 ACRES OF LAND, IN THE CITY OF LANCASTER, DALLAS COUNTY TEXAS AND BEING MORE PARTICULARLY DESCRIBED AND DEPICTED IN EXHIBIT "A", WHICH IS ATTACHED HERETO AND INCORPORATED HEREIN; PROVIDING FOR THE FURNISHING OF A CERTIFIED COPY OF THIS ORDINANCE FOR RECORDING IN THE REAL PROPERTY RECORDS OF DALLAS COUNTY, TEXAS, AS A QUIT CLAIM DEED; AND PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster, Texas passed Ordinance No. 2017-04-04 on April 10, 2017, which was intended to abandon a portion of a certain 30' wide public use easement located on the QuikTrip property at the northeast corner of I-35 and West Pleasant Run Road; and

**WHEREAS**, Ordinance No. 2017-04-04 incorrectly described the portion of the public use easement as containing approximately 7,334 square feet, or .168 acres of land, and contained an Exhibit "A" that incorrectly described the property the City intended to abandon; and

**WHEREAS**, the City Council wishes to repeal Ordinance No. 2017-04-04 and take action to correctly describe and identify the property the City intended to abandon; and

**WHEREAS**, after discussion and consideration, the City Council finds that the right-of-way or public access easement described herein does not serve the public purpose and is no longer required or needed by the City; and

**WHEREAS**, the City Council of the City of Lancaster desires to abandon a portion of a public use easement, being approximately 5,494 square feet or 0.1261 acres, as recorded in Instrument number 201700026834, of the Deed Records of Dallas County Texas in the City of Lancaster, Texas and more particularly described and depicted in Exhibit "A", (hereinafter the "Public Easement") attached hereto and incorporated herein; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That the City of Lancaster hereby abandons and forever releases all of its right, title and interest in that certain Public Easement, being a tract or parcel of land described and depicted as in Exhibit A, which is attached hereto and incorporated herein for all purposes, the same as if fully copied herein.

**SECTION 2.** That all provisions of any City of Lancaster ordinance or resolution in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and City of Lancaster ordinance or resolution not in conflict with the provisions of this ordinance shall remain in full force and effect. It is expressly ordained that Ordinance No. 2017-04-04, passed by the City Council of Lancaster on April 10, 2017, be hereby repealed in its entirety.

**SECTION 3.** That the City Secretary is hereby directed to certify a copy of the Ordinance and furnish the same to the property owner, and the recording of this abandonment Ordinance in the Deed Records of Dallas County, Texas, shall serve as: (1) notice that the City has repealed Ordinance No. 2017-04-04 in its entirety, and (2) a quitclaim deed of the City of Lancaster to the said property owner, of such right, title or interest of the City of Lancaster in and to such right-of-way described and depicted in Exhibit "A", either in fee simple or by easement or otherwise.

**SECTION 4.** That the abandonment provided for herein shall extend only to the public right, title and interest which the City of Lancaster, Texas, may have in and to the surface of said strip of publicly owned land, and shall be construed to extend only to such interests that the governing body of the City of Lancaster, Texas, may legally and lawfully abandon.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## **EXHIBIT "A"**

(Portion of Public Access Easement To Be Abandoned)

**BEING** a tract of land located in the City of Lancaster, Dallas County, Texas part of the Marady Parks Survey, Abstract No. 1120, being part of Lot 1 in Block A of Beckley City Lots, an addition to the City of Lancaster, Dallas County, Texas according to the plat thereof recorded in Volume 11, Page 93, Map Records of Dallas County, Texas, and being part of that 0.1704 acre tract of land (Tract 4) described in deed to QuikTrip Corporation recorded in Instrument No. 201700026834, Official Public Records of Dallas County, Texas, and being a portion of a 30' wide Public Use Easement as reserved by deed recorded in Volume 72091, Page 696, Deed Records, Dallas County, Texas, and being particularly described as follows:

**COMMENCING** at 1/2" iron rod found at the southeast corner of said Lot 1, being the southwest end of a right-of-way corner clip at the intersection of the north right-of-way line of Pleasant Run Road (variable width right-of-way) and the west right-of-way line of Idlewild Lane (variable width right-of-way), said point being the east corner of a 357 square foot right-of-way dedication in that certain Agreed Judgment entered in Cause No. 99-10875-D, in County Court No. 3, Dallas County, Texas, being the southeast corner of a called 0.3349 acre tract of land (Tract 2) described in deed to QuikTrip Corporation as recorded as Instrument No. 201700026834, Official Public Records, Dallas County, Texas;

**THENCE**, along the common line of said 0.3349 acre tract and north line of said Pleasant Run Road, North 84 degrees 49 minutes 13 seconds West, a distance of 60.12 feet to a 5/8" iron rod found for the southwest corner of said 0.3349 acre tract, same being the most southerly southeast corner of said 0.1704 acre tract, the **POINT OF BEGINNING**;

**THENCE**, along the common line of said 0.1704 acre tract and the north line of Pleasant Run Road, North 83 degrees 31 minutes 15 seconds West, a distance of 30.20 feet to a 5/8" iron rod with cap stamped "Harp" found for the southwest corner of said 0.1704 acre tract, being the southeast corner of a called 0.4102 acre tract (Tract 1) described in deed to QuikTrip Corporation as recorded as Instrument No. 201700026834, Official Public Records, Dallas County, Texas;

**THENCE**, departing the north right-of-way line of Pleasant Run Road, along the common line of said 0.1704 acre tract and said 0.4102 acre tract North 00 degrees 07 minutes 45 seconds East, a distance of 181.28 feet to a 3/8" iron rod found for the northeast corner of said 0.4102 acre tract, being the southeast corner of a tract of land described in deed to Hightower Partners, LLP as recorded in Volume 2002015, Page 854, Deed Records, Dallas County, Texas, and the northwest corner of said 0.1704 acre tract;

**THENCE**, along the north line of said 0.1704 acre tract, South 89 degrees 39 minutes 04 seconds East, a distance of 30.00 feet;

**THENCE**, departing said north line, over and across said 0.1704 acre tract, South 00 degrees 07 minutes 45 seconds East, a distance of 184.75 feet to the **POINT OF BEGINNING** and containing 5,494 square feet or 0.1261 acres of land more or less.

(Portion Of Public Access Easement To Be Abandoned)

**BEING** a tract of land located in the City of Lancaster, Dallas County, Texas part of the Marady Parks Survey, Abstract No. 1120, being part of Lot 1 in Block A of Beckley City Lots, an addition to the City of Lancaster, Dallas County, Texas according to the plat thereof recorded in Volume 11, Page 93, Map Records of Dallas County, Texas, and being part of that 0.1704 acre tract of land (Tract 4) described in deed to QuikTrip Corporation recorded in Instrument No. 201700026834, Official Public Records of Dallas County, Texas, and being a portion of a 30' wide Public Use Easement as reserved by deed recorded in Volume 72091, Page 696, Deed Records, Dallas County, Texas, and being particularly described as follows:

**COMMENCING** at 1/2" iron rod found at the southeast corner of said Lot 1, being the southwest end of a right-of-way corner clip at the intersection of the north right-of-way line of Pleasant Run Road (variable width right-of-way) and the west right-of-way line of Idlewild Lane (variable width right-of-way), said point being the east corner of a 357 square foot right-of-way dedication in that certain Agreed Judgment entered in Cause No. 99-10875-D, in County Court No. 3, Dallas County, Texas, being the southeast corner of a called 0.3349 acre tract of land (Tract 2) described in deed to QuikTrip Corporation as recorded as Instrument No. 201700026834, Official Public Records, Dallas County, Texas;

**THENCE**, along the common line of said 0.3349 acre tract and north line of said Pleasant Run Road, North 84 degrees 49 minutes 13 seconds West, a distance of 60.12 feet to a 5/8" iron rod found for the southwest corner of said 0.3349 acre tract, same being the most southerly southeast corner of said 0.1704 acre tract, the **POINT OF BEGINNING**;

**THENCE**, along the common line of said 0.1704 acre tract and the north line of Pleasant Run Road, North 83 degrees 31 minutes 15 seconds West, a distance of 30.20 feet to a 5/8" iron rod with cap stamped "Harp" found for the southwest corner of said 0.1704 acre tract, being the southeast corner of a called 0.4102 acre tract (Tract 1) described in deed to QuikTrip Corporation as recorded as Instrument No. 201700026834, Official Public Records, Dallas County, Texas;

**THENCE**, departing the north right-of-way line of Pleasant Run Road, along the common line of said 0.1704 acre tract and said 0.4102 acre tract North 00 degrees 07 minutes 45 seconds East, a distance of 181.28 feet to a 3/8" iron rod found for the northeast corner of said 0.4102 acre tract, being the southeast corner of a tract of land described in deed to Hightower Partners, LLP as recorded in Volume 2002015, Page 854, Deed Records, Dallas County, Texas, and the northwest corner of said 0.1704 acre tract;

**THENCE**, along the north line of said 0.1704 acre tract, South 89 degrees 39 minutes 04 seconds East, a distance of 30.00 feet;

**THENCE**, departing said north line, over and across said 0.1704 acre tract, South 00 degrees 07 minutes 45 seconds East, a distance of 184.75 feet to the **POINT OF BEGINNING** and containing 5,494 square feet or 0.1261 acres of land more or less.

**EASEMENT ABANDONMENT**

**PART OF LOT 1, BLOCK A, BECKLEY CITY LOTS  
(VOLUME 11, PAGE 93, M.R.D.C.T.)**

**MARADY PARKS SURVEY, ABSTRACT NO. 1120  
CITY OF LANCASTER, DALLAS COUNTY, TEXAS**

Date: 07/19/2017 Scale: 1"=40' Project No. 15149154



903 N. Bowser Road, Suite 240  
Richardson, Texas 75081  
(972) 424-7002 Voice  
(972) 633-1702 Fax  
WWW.SurveyConsultantsInc.Com  
TBPLS Firm No. 10139600



## LANCASTER CITY COUNCIL

### City Council Regular Meeting

15.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Dale Jackson, Building Official

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#### **Agenda Caption:**

Discuss and consider an ordinance repealing the National Electrical Code 2014 Edition in its entirety and replacing it with the adoption of the adoption of the "National Electrical Code", 2017 edition, by adopting Chapter 6 Building Regulations, Article 6.04 Technical and Construction Codes and Standards, Division 4 Electrical Code to provide for the amendments.

#### **Background:**

Every three years, a new version of the National Electrical Code is published. This code is published by the National Fire Protection Association and establishes the requirements for new electrical construction, alterations and repairs. The City of Lancaster adopted the 2014 edition of the National Electrical Code on April 10, 2017. The North Central Texas Council of Governments (NCTCOG) has recommended that all cities within the North Central Texas region adopt the 2017 National Electrical Code with their recommended amendments. Additionally, the Texas Department of Licensing and Regulation (TDLR) will adopt the 2017 National Electrical Code as the state electrical code effective September 1, 2017. Adoption of this code will allow the City of Lancaster to remain up to date with the adoption of the electrical code and allow us to be consistent with area cities as well as the electrical code that will be adopted by the state on September 1, 2017.

Many of the changes between the 2017 edition of the National Electrical Code are clarifications to technical requirements involving electrical installations. Additionally, many changes involve special installations that will only involve specialty installations such as wireless inductive charging for electrical vehicles, large scale photovoltaic supply systems (solar farms), energy storage systems or direct current microgrids. One large change involves the requirement of Ground Fault Circuit Interrupter (GFCI) protection of receptacles in commercial buildings. The 2014 edition of the code only required GFCI protected receptacles in bathrooms, kitchens, rooftops and outdoors for all 125 volt single-phase 15- and 20-ampere receptacles. The 2017 edition requires GFCI protection in the same locations, but now requires it for any single or three-phase receptacle rated 150 volts or less. Additionally, language has been added to the 2017 edition of the code requiring the use of a torque tool (torque wrench) "to achieve the indicated torque value at electrical equipment". Studies indicated that installers incorrectly tightened electrical connections at least seventy-five percent of the time when not using a torque wrench. Incorrectly tightening the connection could allow for arcing between the wire and terminal thereby creating a potential fire hazard.

#### **Operational Considerations:**

Adoption of the 2017 National Electrical Code will allow the City of Lancaster to be more consistent with area cities as well as current state regulations.

#### **Legal Considerations:**

The City Attorney has reviewed the attached ordinance and has approved it to form.

**Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

**Options/Alternatives:**

1. Adopt the ordinance as presented.
2. Reject the ordinance.

**Recommendation:**

Staff recommends approval of the ordinance adopting the 2017 edition of the National Electrical Code.

**Attachments**

Ordinance

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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, REPEALING THE NATIONAL ELECTRICAL CODE 2014 EDITION IN ITS ENTIRETY AND REPLACING IT WITH THE ADOPTION OF THE NATIONAL ELECTRICAL CODE 2017 EDITION BY ADOPTING CHAPTER 6 BUILDING REGULATIONS, ARTICLE 6.04 TECHNICAL AND CONSTRUCTION CODES AND STANDARDS, DIVISION 4 ELECTRICAL CODE TO PROVIDE FOR THE AMENDMENTS TO THERETO; PROVIDING A PENALTY OF FINE NOT TO EXCEED TWO THOUSAND DOLLARS (\$2,000.00); PROVIDING FOR SEVERABILITY; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Lancaster, Texas ("City Council") has investigated and determined that it would be advantageous and beneficial to the citizens of the City of Lancaster, Texas ("Lancaster") to adopt the 2017 Edition of the National Electrical Code, save and except the deletions and amendments set forth below;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:**

**SECTION 1.** That Chapter 6 of the Lancaster Code of Ordinances be, and the same is, hereby repealed the National Electric Code 2014 in its entirety and replacing it with National Electric Code 2017, adopting National Electrical Code 2017 Edition by adopting Article 6.04, Division 4, Electrical Code, to provide for the amendments to thereto, which shall read as follows:

**"ARTICLE 6.04 TECHNICAL AND CONSTRUCTION CODES AND STANDARDS**

**Division 4. Electrical Code**

**Sec. 6.04.151. Adoption**

There is hereby adopted as the electrical code for the city for the purpose of regulating and governing the design, construction, quality of materials, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance, of electrical conductors, equipment, and raceways; signaling and communications conductors, equipment, and raceways; and optical fiber cables and raceways, subject to the exceptions and amendments provided in Section 6.04.152, and the same are incorporated by reference herein as if fully copied. One copy of each such code, together with the exceptions and amendments thereto, shall be kept at all times in the office of the city secretary. This code shall serve as the electrical provisions of the International Residential Code, as adopted elsewhere.

**Sec. 6.04.152. Exceptions and Amendments**

The Electrical Code adopted in this article shall be subject to the exceptions and amendments to the 2017 National Electrical Code, as follows:

The following articles, paragraphs, and sentences of the *2017 National Electrical Code (NEC)* are hereby amended as follows: Standard type is text from the NEC. Highlighted with gray shading is text inserted. Lined through type is deleted text from NEC.

***To amend Article 100 by adding the following to definition:***

Engineering Supervision. Supervision by a Qualified State of Texas Licensed Professional Engineer engaged primarily in the design or maintenance of electrical installations.

**To amend Article 100 by removing the amendment to the following definition:**

**Intersystem Bonding Termination.** A device that provides a means for connecting intersystem bonding conductors for communication systems ~~and other systems such as metallic gas piping systems~~ to the grounding electrode system. ~~Bonding conductors for other systems shall not be larger than 6 AWG.~~

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**To amend Article 110.2; to read as follows:**

**110.2 Approval.** The conductors and equipment required or permitted by this Code shall be acceptable only if approved. Approval of equipment may be evident by listing and labeling of equipment by a Nationally Recognized Testing Lab (NRTL) with a certification mark of that laboratory or a qualified third party inspection agency approved by the AHJ.

*Exception: Unlisted equipment that is relocated to another location within a jurisdiction or is field modified is subject to the approval by the AHJ. This approval may be by a field evaluation by a NRTL or qualified third party inspection agency approved by the AHJ.*

~~Manufacturer's self-certification of any equipment shall not be used as a basis for approval by the AHJ.~~

Informational Note No. 1: See 90.7, Examination of Equipment for Safety, and 110.3, Examination, Identification, Installation, and Use of Equipment. See definitions of *Approved*, *Identified*, *Labeled*, and *Listed*.

Informational Note No. 2: Manufacturer's self-certification of equipment may not necessarily comply with U.S. product safety standards as certified by an NRTL.

Informational Note No. 3: National Fire Protection Association (NFPA) 790 and 791 provide an example of an approved method for qualifying a third party inspection agency.

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**To amend Article 210.52(G) (1) Garages by removing the amendment that deleted the following:**

**(1) Garages.** In each attached garage and in each detached garage with electric power. ~~The branch circuit supplying this receptacle(s) shall not supply outlets outside of the garage.~~ At least one receptacle outlet shall be installed for each car space.

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**To amend Article 230.71(A) by removing the amendment that added the following exception:**

~~Exception: Multi-occupant buildings. Individual service disconnecting means is limited to six for each occupant. The number of individual disconnects at one location may exceed six.~~

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**To amend Article 300.11 by removing the amendment that added the following exception:**

~~Exception: Ceiling grid support wires may be used for structural supports when the associated wiring is located in that area, not more than two raceways or cables supported per wire, with a maximum nominal metric designation 16 (trade size 1/2").~~

**To amend Article 310.15(B) (7) by removing the amendment that changed the following to read as follows:**

~~(7) This Article shall not be used in conjunction with 220.82.~~

**To amend Article 500.8 (A) (3); to read as follows:**

**500.8 Equipment.**

Articles 500 through 504 require equipment construction and installation that ensure safe performance under conditions of proper use and maintenance.

Informational Note No. 1: It is important that inspection authorities and users exercise more than ordinary care with regard to installation and maintenance.

Informational Note No. 2: Since there is no consistent relationship between explosion properties and ignition temperature, the two are independent requirements.

Informational Note No. 3: Low ambient conditions require special consideration. Explosion proof or dust-ignition proof equipment may not be suitable for use at temperatures lower than -25°C (-13°F) unless they are identified for low-temperature service. However, at low ambient temperatures, flammable concentrations of vapors may not exist in a location classified as Class I, Division 1 at normal ambient temperature.

**(A) Suitability.** Suitability of identified equipment shall be determined by one of the following:

- (1) Equipment listing or labeling;
- (2) Evidence of equipment evaluation from a qualified testing laboratory or inspection agency concerned with product evaluation; or,
- (3) Evidence acceptable to the authority having jurisdiction such as a manufacturer's self-evaluation or ~~an owner's engineering judgment.~~ an engineering judgment signed and sealed by a qualified ~~Registered~~ licensed Professional Engineer in the State of Texas.

Informational Note: Additional documentation for equipment may include certificates demonstrating compliance with applicable equipment standards, indicating special conditions of use, and other pertinent information.

**To amend Article 505.7 (A); to read as follows:**

**505.7 Special Precaution.**

Article 505 requires equipment construction and installation that ensures safe performance under conditions of proper use and maintenance.

Informational Note No. 1: It is important that inspection authorities and users exercise more than ordinary care with regard to the installation and maintenance of electrical equipment in hazardous (classified) locations.

Informational Note No. 2: Low ambient conditions require special consideration. Electrical equipment depending on the protection techniques described by 505.8(A) may not be suitable for use at temperatures lower than -20°C (-4°F) unless they are identified for use at lower temperatures. However, at low ambient temperatures, flammable concentrations of vapors may not exist in a location classified Class I, Zones 0, 1, or 2 at normal ambient temperature.

**(A) Implementation of Zone Classification System.** Classification of areas, engineering and design, selection of equipment and wiring methods, installation, and inspection shall be performed by a qualified persons Registered licensed Professional Engineer in the State of Texas.

**To amend Article 517.30 Essential Electrical Systems for Hospitals by removing the amendment that created a new (H) and added the following language:**

**(G) Coordination.** Overcurrent protective devices serving the equipment branch of the essential electrical system shall be coordinated for the period of time that a fault's duration extends beyond 0.1 second.

Exception No. 1: Between transformer primary and secondary overcurrent protective devices, where only one overcurrent protective device or set of overcurrent protective devices exists on the transformer secondary.

Exception No. 2: Between overcurrent protective devices of the same size (ampere rating) in series.

Informational Note: The terms coordination and coordinated as used in this section do not cover the full range of overcurrent conditions.

~~**(H) Selective Coordination.** Overcurrent protective devices serving the life safety, and critical branches of the essential electrical system shall be selectively coordinated with all supply-side overcurrent protective devices.~~

~~Exception No. 1: Between transformer primary and secondary overcurrent protective devices, where only one overcurrent protective device or set of overcurrent protective devices exists on the transformer secondary.~~

~~Exception No. 2: Between overcurrent protective devices of the same size (ampere rating) in series.~~

~~Informational Note: The terms coordination and coordinated as used in this section do not cover the full range of overcurrent conditions.~~

**To amend Article 600.6(A) (1) At Point of Entry to a Sign; Exception 1; to read as follows:**

Exception No.1: A disconnect shall not be required for branch circuit(s) or feeder conductor(s) passing through the sign where enclosed in a Chapter 3 listed raceway or metal-jacketed cable identified for the location. The conductor(s) shall not serve the sign body or sign enclosure where passing through.

**To amend Article 600.6(A) (1) At Point of Entry to a Sign by creating a new Exception No. 2 to add the following language:**

Exception No. 2. A disconnect shall not be required at the point of entry to a sign body, sign enclosure, or pole for branch circuit conductor(s). The conductors shall be enclosed in a Chapter 3 listed raceway or metal-jacketed cable identified for the location. The conductor(s) shall be routed to a device box which contains the disconnect. A field-applied permanent warning label that is visible during servicing shall be applied to the raceway at or near the point of entry into the sign enclosure or sign body. The warning label shall comply with 110.21(B) and state the following: "Danger. This raceway contains energized conductors." The marking shall include the location of the disconnecting means for the energized conductor(s). The disconnecting means shall be capable of being locked in the open position in accordance with 110.25.

**To amend Article 600.6(A) (1) At Point of Entry to a Sign; move the original Exception 2 to create a new Exception No. 3 and add the following language:**

Exception No. 3: A disconnect shall not be required at the point of entry to a sign enclosure or sign body for branch circuit(s) or feeder conductor(s) that supply an internal panelboard(s) in a sign enclosure or sign body. The conductors shall be enclosed in a Chapter 3 listed raceway or metal-jacketed cable identified for the location. A field-applied permanent warning label that is visible during servicing shall be applied to the raceway at or near the point of entry into the sign enclosure or sign body. The warning label shall comply with 110.21(B) and state the following: "Danger. This raceway contains energized conductors." The marking shall include the location of the disconnecting means for the energized conductor(s). The disconnecting means shall be capable of being locked in the open position in accordance with 110.25.

(2017 Code) Informational Note: The location of the disconnect is intended to allow service or maintenance personnel complete and local control of the disconnecting means.

**To amend Article 680.25(A) by removing the amendment that added the following language and exception:**

#### **680.25 Feeders.**

These provisions shall apply to any feeder on the supply side of panelboards supplying branch circuits for pool equipment covered in Part II of this article and on the load side of the service equipment or the source of a separately derived system.

#### **(A) Wiring Methods.**

**(1) Feeders.** Feeders shall be installed in rigid metal conduit, intermediate metal conduit. The following wiring methods shall be permitted if not subject to physical damage:

- (1) Liquidtight flexible nonmetallic conduit
- (2) Rigid polyvinyl chloride conduit
- (3) Reinforced thermosetting resin conduit
- (4) Electrical metallic tubing where installed on or in a building

- (5) Electrical nonmetallic tubing where installed within a building
- (6) Type MC Cable where installed within a building and if not subject to corrosive environment
- ~~(7) Nonmetallic sheathed cable~~
- ~~(8) Type SE cable~~

~~Exception: A feeder within a one-family dwelling or two-family dwelling unit between remote panelboard and service equipment shall be permitted to run in flexible metal conduit or an approved cable assembly that includes an insulated equipment grounding conductor within its outer sheath. The equipment grounding conductor shall comply with 250.24(A) (5)."~~

**SECTION 2.** Regional Amendments to the 2017 National Electrical Code. The 2017 National Electrical Code is further amended as specified in the regional amendments recommended by the North Central Texas Council of Governments, as amended and as outlined in Exhibit "A" (the "Regional Amendments"). The Regional Amendments are attached hereto as Exhibit "A" and incorporated herein for all purposes.

**SECTION 3.** Any person, firm, corporation or business entity violating this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine not to exceed the sum of Two Thousand (\$2,000.00) dollars for each offense, and each and every day such offense shall continue shall be deemed to constitute a separate offense.

**SECTION 4.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, or of the Code of Ordinances, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance, or the Code of Ordinances, as amended hereby, which shall remain in full force and effect.

**SECTION 5.** That this Ordinance shall become effective September 1, 2017.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

16.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Economic Development Director

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#### **Agenda Caption:**

Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and Duke Realty LP.

#### **Background:**

Duke Realty has purchased property in Lancaster, Texas with the intent of constructing an 800,000 square foot eCommerce fulfillment facility. Duke Realty received a letter of intent from Wayfair, LLC.

Staff entered into incentive discussions with the Duke Realty and Wayfair, LLC. prior to the company selecting Lancaster for their operation. The estimated aggregate total property value is \$27,500,000 in added capital investment between the two companies at the site in Lancaster. Duke Realty, LP has applied for a real property tax incentive grant for their portion of capital investment of \$20,000,000 in compliance with the City's Incentive Policy.

#### **Operational Considerations:**

Duke Realty, LP will annually submit receipts for real property tax payments in order to exercise the rebate. Within 60 days of verification of payment, the City will remit forty-five percent (45%) rebate on real property taxes for \$20,000,000 capital investment for five (5) years to Duke Realty, LP.

#### **Legal Considerations:**

The City Attorney as reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council, noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Based on the estimated value added capital investment submitted by the company and in consideration of the forty-five percent (45%) real property tax rebate for five (5) years, the real property portion of the project will represent approximately \$95,000 annually over the five (5) year period in new revenue to the City.

#### **Options/Alternatives:**

1. The City Council may approve the resolution and agreement as presented.
2. The City Council may reject the resolution and agreement.

**Recommendation:**

Staff recommends approval of the resolution and agreement.

**Attachments**

Resolution

Agreement

---



**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A CHAPTER 380 AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, AND DUKE REALTY LIMITED PARTNERSHIP, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lancaster, Texas, ("City") desires to grant certain incentives to Duke Realty Limited Partnership, an Indiana limited partnership, for the purpose of constructing and leasing a state-of-the-art regional distribution, warehouse, fulfillment, and office center within the City of Lancaster, Texas; and

**WHEREAS**, the City has adopted programs for promoting economic development, and an Economic Development Agreement ("Agreement") and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

**WHEREAS**, the City is authorized by Chapter 380 of the Texas Local Government Code to issue grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, the Agreement containing the terms of the grant of incentives from the City is appropriate.

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

**SECTION 1.** The City Council of the City of Lancaster, Texas approves a Chapter 380 Economic Development Agreement by and between the City of Lancaster and Duke Realty, LP.

**SECTION 2.** The City Council authorizes the City Manager to execute the Economic Development Agreement between the City of Lancaster and Duke Realty Limited Partnership.

**SECTION 3.** This Resolution shall take effect immediately from and after the date of passage and is provided by law.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## ***ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT***

**Recipient:** ***DUKE REALTY LIMITED PARTNERSHIP***  
14241 N Dallas Parkway  
Dallas, Texas 75254

**Grantors:** ***LANCASTER ECONOMIC DEVELOPMENT CORPORATION***  
P.O. Box 940  
Lancaster, TX 75146

***CITY OF LANCASTER, TEXAS***  
211 N. Henry Street  
Lancaster, TX 75146

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT ("Agreement") between ***DUKE REALTY LIMITED PARTNERSHIP***, an, Indiana limited partnership ("Recipient"); the ***LANCASTER ECONOMIC DEVELOPMENT CORPORATION***, a Texas non-profit corporation; and ***CITY OF LANCASTER, TEXAS***, a Texas municipal corporation (individually "City" and "LEDC", and each referred to as "Grantor" for purposes of their respective Incentive Payments) is made and executed on the following recitals, terms and conditions.

**WHEREAS**, Recipient is a leading, NYSE-listed commercial real estate investment trust; and

**WHEREAS**, Recipient has applied to Grantor for financial accommodations to enable it to locate a major distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas, for the operations of Wayfair LLC, including those incentives which are described in this Agreement and those which may be described on any exhibit or schedule attached to this Agreement; and

**WHEREAS**, LEDC approved certain financial incentives to Recipient at its August 1, 2017 Board meeting, and City approved certain financial incentives to Recipient at its August 14, 2017 City Council meeting which would allow Recipient to construct a commercial real estate development in the City of Lancaster, Texas; and

**WHEREAS**, Recipient understands and agrees that: (a) in granting, renewing, or extending any financial incentives, Grantor is relying upon Recipient's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any incentive by Grantor at all times shall be subject to Grantor's sole judgment and discretion; and (c) all such incentives shall be and shall remain subject to the terms and conditions as set forth in this Agreement.

## SECTION 1. TERM.

This Economic Development Incentive Agreement shall be effective as of August 14, 2017 (the "Effective Date") and shall continue thereafter until all obligations of Recipient to Grantor have been performed in full and the parties terminate this Agreement in writing, or on the sooner of the termination of the Lease or August 14, 2029, unless terminated sooner under the provisions hereof. **This Agreement will terminate if not executed by all parties within fourteen (14) days of the approval of the Agreement by the later of the City Council and the EDC Board.**

## SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** The word "Agreement" means this Economic Development Incentive Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- b. **City.** The word "City" means the City of Lancaster, Dallas County, Texas.
- c. **Effective Date.** The words "Effective Date" mean August 14, 2017.
- d. **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- e. **Facility.** The word "Facility" means Recipient's commercial real estate property, leased to Wayfair, LLC, to be constructed at the Interchange 35 property located at 2820 N. I-35 E Interchange, Lancaster, TX 75134. The Facility shall be a build-to-suit distribution facility of  $\pm$  874,566 square feet located on  $\pm$  47.15 acres of land, and shall be constructed to specifications consistent with the July 19, 2017 Final LOI Terms between Recipient and Wayfair, LLC. In order to qualify as the "Facility" under this Agreement, the facility must meet all of the following criteria: (1) when completed and fully assessed, have an ad valorem real property value of not less than \$20,000,000 on the Dallas Central Appraisal District tax rolls; (2) be the site of Wayfair LLC's business personal property with a value of not less than \$6,000,000; (3) be the warehouse/fulfillment site of Wayfair, LLC's inventory with a retail value of not less than \$1,500,000; and (4)

construction of the facility must commence no later than nine (9) months from the Effective Date of this Agreement.

- f. **Incentive Payment.** The words “Incentive Payment” mean any financial payment, benefit, reimbursement, or refund made by City or LEDC to Recipient under this Agreement.
- g. **Grantor.** The word "Grantor" means the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, or **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation, for purposes of their respective Incentive Payments made under this Agreement.
- h. **LEDC.** The word “LEDC” means Lancaster Economic Development corporation, a non-profit corporation formed for the purpose of advancing economic development in the City of Lancaster, Texas.
- i. **Real Property Taxes.** The words “Real Property Taxes” shall mean all real estate ad valorem taxes assessed and levied by the City and paid by Recipient on the Facility after completion.
- j. **Recipient.** The word "Recipient" means **DUKE REALTY LIMITED PARTNERSHIP**, an Indiana limited partnership, or a wholly-owned affiliate of Recipient approved by Grantor.

### **SECTION 3. INCENTIVE PAYMENTS.**

The following Incentive Payments shall be available to Recipient under the following conditions and the Recipient Obligations set forth below:

- a. **Construction and Infrastructure Incentive Payment.** Recipient shall be eligible to receive from LEDC a Construction and Infrastructure Incentive Payment in the amount of **three hundred thousand and no/100 DOLLARS. (\$300,000.00)** to offset construction and infrastructure costs associated with the Facility.
- b. **Real Property Tax Reimbursement Incentive Payment.** The City shall make an Incentive Payment to reimburse Recipient for Real Property Tax paid by Recipient and attributable to the Facility for up to ten (10) years. The first payment shall be made after the calculation, submission and confirmation of the Real Property tax paid for the first full calendar year after completion of the Facility’s construction and occupancy by Wayfair, LLC The Incentive Payments shall be based the following criteria:

<b>Real Property Tax Assessed Value</b>	<b>Years of Eligibility</b>	<b>Percentage of Real Property Taxes Reimbursed</b>
<b>\$75 million +</b>	<b>10</b>	<b>65%</b>
<b>\$50 million+ to \$75 million</b>	<b>8</b>	<b>60%</b>
<b>\$35 million + to \$50 million</b>	<b>7</b>	<b>50%</b>
<b>\$20 million+ to \$35 million</b>	<b>5</b>	<b>45%</b>
<b>\$10 million + to \$20 million</b>	<b>5</b>	<b>40%</b>
<b>\$5 million+ to \$10 million</b>	<b>3</b>	<b>30%</b>

It is understood that the amount of the Incentive Payment may vary from year to year based on the amount of the Real Property Tax Assessed Value and tax actually paid by Recipient for the Facility. It is also understood that if the Real Property Tax Assessed Value drops to a level for which the number of years of eligibility have already been exhausted, no payment may be received that year – for example, if Real Property Tax Assessed Value has been at the \$50 million + to \$75 million level for seven years, and in year eight, the Real Property Tax Assessed Value drops to \$45 million, no incentive payment would be due that year, as the \$35 million+ to \$50 million level has only seven years of eligibility. If Real Property Tax Assessed Value returned to the \$50 million + level the next year, a payment would be due, as that level has a total of eight years of eligibility. Real Property Tax Incentive Payments shall be available only for up to the first ten (10) years following the payment of Real Property tax for the first full calendar year after completion of the Facility's construction and occupancy by Wayfair, LLC.

Notwithstanding the foregoing, the City shall have no obligation to pay Recipient any Incentive Payment until receipt of the Real Property Tax Report described in Section 4.(b)(2) of this Agreement. The City agrees to provide the Incentive Payment to Recipient within thirty (30) days following receipt and acceptance of the Real Property Tax Report.

#### **SECTION 4. RECIPIENT OBLIGATIONS**

- a. Recipient shall comply with the following terms and satisfy the following obligations to be eligible for the Incentive Payments above:
  - (1) **Lease.** Recipient shall lease the Facility to Wayfair, LLC for a term of at least eighty-seven (87) months and which shall commence on September 1, 2018 or upon substantial completion of the Facility, whichever is later, and shall provide Grantor with a fully executed copy of the Lease within fourteen (14) days of the approval of this Agreement by the City Council.

- (2) **Certificate of Occupancy.** Recipient shall aid Wayfair, LLC in obtaining a Certificate of Occupancy for the Facility on or before September 1, 2018.
  - (3) **Wayfair Agreement.** All requirements of the Economic Development Incentive Agreement with Wayfair, LLC regarding the Facility shall be satisfied.
- b. **Compliance Certificates and Reports.** Recipient shall provide Grantor with compliance certificates when requested or required hereunder, such certificates or reports specifying or reflecting:
  - (1) an existing and valid Certificate of Occupancy for the Facility (subject to the provisions of Section 4.(a)(2)), *supra*;
  - (2) an annual, detailed verification of the Real Property Tax report including certification by Recipient of Real Property Tax paid to each taxing entity.
- c. **Performance.** Recipient agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement.

## **SECTION 5. CESSATION OF INCENTIVE PAYMENTS.**

If Grantor has made any commitment to make any Incentive Payment to Recipient, whether under this Agreement or under any other agreement, Grantor shall have no obligation to advance or disburse Incentive Payment funds if:

- a. Recipient becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or
- b. during the pendency of an Event of Default.

## **SECTION 6. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement.

- a. **Lease, Construction, and Certificate of Occupancy.** Failure of Recipient to complete any of the following: (1) execution and delivery of the Lease described in Section 4.(a)(1), *supra*; (2) failure to construct the Facility in accordance with the specifications set forth in Section 2.(e), *supra*, or (3) failure of Wayfair LLC to obtain a Certificate of Occupancy in accordance with Section 4.(a)(2), *supra*.
- b. **False Statements.** Any warranty, representation or statement made or furnished to Grantor by or on behalf of Recipient under this Agreement or any related document (including but not limit to any applications for economic development funds) that is false or misleading in any material respect, either now or at the time made or furnished.

- c. **Insolvency.** Recipient's insolvency, appointment of receiver for any part of Recipient's property, any assignment for the benefit of creditors of Recipient, any type of creditor workout for Recipient, or the commencement of any proceeding under any bankruptcy or insolvency laws by Recipient or against Recipient and not dismissed within sixty (60) days of filing thereof.
- d. **Ad Valorem Taxes.** Failure of Recipient to pay, prior to delinquency, all taxes and assessments levied or assessed upon Recipient's real property improvements or business personal property.
- e. **Undocumented workers.** Recipient certifies that Recipient does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Recipient is convicted of a violation under 8 U.S.C. § 1324a(f), Recipient shall be in default hereunder.
- f. **Other Defaults.** Failure of Recipient after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other written agreement between Grantor and Recipient, and specifically, should Recipient sublet or assign any of its interest in any portion of the Facility to any unrelated or unaffiliated entity without Grantor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

## **SECTION 7. EFFECT OF AN EVENT OF DEFAULT.**

If any Event of Default shall occur and upon thirty (30) days written notice and opportunity to cure Recipient has not cured such Event of Default within 30 days of written notice, then all commitments of Grantor under this Agreement immediately shall terminate (including any obligation to make Loan advances), and all amounts previously advanced under the Loan, not otherwise forgiven by action of the LEDC Board or City Council, as applicable, will become immediately due and payable, all without notice of any kind to Recipient, at the option of Grantor, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration shall be automatic and not optional. Any Default which may be cured by the payment of money shall not extend beyond the 30-day period referenced herein. Any amounts due and payable shall not accrue interest until they are deemed to be past due as provided in the Note.

## **SECTION 8. INDEMNIFICATION.**

Recipient shall indemnify, save, and hold harmless Grantor, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnitees") from and against:

- a. any and all claims, demands, actions or causes of action that are asserted against any Indemnatee if the claim, demand, action or cause of action relates to tortious interference with contract or business interference, or wrongful or negligent use of Grantor's Incentive Payments by Recipient or its agents and employees;
- b. any administrative or investigative proceeding by any governmental authority related to a claim, demand, action or cause of action in which Grantor is a disinterested party;
- c. any claim, demand, action or cause of action which contests or challenges the legal authority of Grantor or Recipient to enter into this Agreement; and
- d. any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnatee suffers or incurs as a result of any of the foregoing; provided, however, that Recipient shall have no obligation under this Section to Grantor with respect to any of the foregoing to the extent that such claims or liabilities arise out of the negligence or willful misconduct of Grantor or the breach by Grantor of this Agreement.

If any claim, demand, action or cause of action is asserted against any Indemnatee, such Indemnatee shall promptly notify Recipient, but the failure to so promptly notify Recipient shall not affect Recipient's obligations under this Section unless such failure materially prejudices Recipient. 's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Recipient in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnatee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Recipient to participate in such contest. Any Indemnatee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Recipient may be liable for payment of indemnity hereunder shall give Recipient written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Recipient's concurrence thereto.

## **SECTION 9. RECIPIENT'S REPRESENTATIONS.**

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and any related documents and



that the representations made herein, and in the related documents, are true and accurate in all respects.

## **SECTION 10. MISCELLANEOUS PROVISIONS.**

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Applicable Law and Venue.** This Agreement has been delivered to Grantor and accepted by Grantor in the State of Texas. Recipient agrees to submit to the jurisdiction of the courts of Dallas County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal laws.
- c. **Employee Hiring, Materials and Supplies Purchase.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Grantor requests that Recipient use good faith efforts to satisfy its need for all additional employees from City residents and purchase all materials, supplies and services necessary to affect the construction and subsequent occupancy of the Property from City merchants and businesses.
- d. **Community Involvement.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Recipient agrees to use good faith efforts to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in City, and to actively encourage its employees to be involved in such organizations and/or activities.
- e. **Recipient Audit.** Recipient agrees to allow Grantor, at a time mutually acceptable to Grantor and Recipient, to audit at Grantor's expense all of Recipient's records, documents, agreements and other instruments in furtherance of the following purposes: (i) to ensure Recipient's compliance with the affirmative covenants and duties set forth in Sections 3 and 4 herein; (ii) to determine the existence of an Event of Default set forth in Section 6 herein; and (iii) to ensure compliance with any other term or condition of this Agreement or any related document.
- f. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.

- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Recipient agrees to keep Grantor informed at all times of Recipient's current address.
- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- i. **Survival.** All warranties, representations, and covenants made by Recipient in this Agreement or in any certificate or other instrument delivered by Recipient to Grantor under this Agreement shall be considered to have been relied upon by Grantor and will survive the payment of any Incentive Payments under this Agreement regardless of any investigation made by Grantor or on Grantor's behalf.
- j. **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- k. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- l. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.
- m. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power or remedy hereunder shall constitute a waiver of

the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power or remedy at any later time.

- n. **No Interpretation Against Drafter.** Recipient and Grantor have participated in negotiating and drafting this Agreement, and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

**RECIPIENT ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS LOAN AGREEMENT, AND RECIPIENT AGREES TO ITS TERMS.**

**THIS AGREEMENT SHALL BE EFFECTIVE AS OF AUGUST 14, 2017.**

**RECIPIENT:**

***DUKE REALTY LIMITED PARTNERSHIP***  
an Indiana limited partnership

By: Duke Realty Corporation, an Indiana  
corporation, its general partner

By: \_\_\_\_\_  
JEFF THORNTON  
Senior VP, Texas Region

Date Signed: \_\_\_\_\_

**GRANTOR:**

***CITY OF LANCASTER, TEXAS*** a Texas  
municipal corporation,

By: \_\_\_\_\_  
Opal Mauldin-Jones,  
City Manager

Date Signed: \_\_\_\_\_

By: \_\_\_\_\_  
Marcus E. Knight,  
Mayor

Date Signed: \_\_\_\_\_

PREPARED IN THE OFFICES OF:

*BROWN & HOFMEISTER, L.L.P.*  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75081  
214/747-6100  
214/747-6111 Fax

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

17.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Director of Economic Development

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#### **Agenda Caption:**

Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and Wayfair, LLC.

#### **Background:**

Duke Realty, LP has purchased property in Lancaster, Texas with the intent of constructing an 800,000 square foot eCommerce fulfillment facility. Duke Realty, LP received a Letter of Intent from Wayfair, LLC.

Staff entered into incentive discussions with Duke Realty and Wayfair, LLC. prior to the company selecting Lancaster for their operation. Sales tax values are currently unknown. Tangible Business Personal Property at the facility in Lancaster are projected to be no less than \$6 million. 169 jobs are projected to be created with average annual wages of approximately thirty-five thousand dollars (\$35,000). Incentives include:

1. Fifty percent (50%) rebate for tangible business property tax with a value up to \$20 million or sixty-five (65%) for tangible business property tax with a value exceeding \$20 million up to seven (7) years.
2. A sales tax rebate based on valuation of taxable sales as stated in the schedule in the Agreement.

#### **Operational Considerations:**

Wayfair, LLC. will submit copies of the City issued Certificate of Occupancy, Business Personal Property Tax Report, and sales tax information regarding the project in order to exercise the Grant. Within 60 days of verification of terms, the City of Lancaster will remit payments.

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Based on the estimated value of \$6 million in tangible business property, the project's tangible business property tax portion will represent approximately twenty-six thousand dollars (\$26,000) annually in new revenue to the City.

Based on the estimated value of \$12.8 million taxable sales, the project will represent approximately \$1,304,000 over the term of the lease (87 months) in new revenue to the City.

**Options/Alternatives:**

1. The City Council may approve the resolution and agreement as presented.
2. The City Council may deny the resolution and agreement.

**Recommendation:**

Staff recommends approval of the resolution and agreement.

**Attachments**

Resolution

Agreement

---

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A CHAPTER 380 AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, AND WAYFAIR, LLC., AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lancaster, Texas, ("City") desires to grant certain incentives to Wayfair, LLC., a Delaware limited liability company, for the purpose of locating a state-of-the-art regional distribution, warehouse, fulfillment, office center within the City of Lancaster, Texas; and

**WHEREAS**, the City has adopted programs for promoting economic development, and an Economic Development Agreement ("Agreement") and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

**WHEREAS**, the City is authorized by Chapter 380 of the Texas Local Government Code to issue grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, the Agreement containing the terms of the grant of incentives from the City is appropriate.

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

**SECTION 1.** The City Council of the City of Lancaster, Texas approves a Chapter 380 Economic Development Agreement by and between the City of Lancaster and Wayfair, LLC.

**SECTION 2.** The City Council authorizes the City Manager to execute the Economic Development Agreement between the City of Lancaster and Wayfair LLC.

**SECTION 3.** This Resolution shall take effect immediately from and after the date of passage and is provided by law.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## ***ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT***

**Recipient:** **WAYFAIR LLC**

4 Copley Place, Floor 7  
Boston, MA 02116

**Grantors:** **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**

P.O. Box 940  
Lancaster, TX 75146

**CITY OF LANCASTER, TEXAS**

211 N. Henry Street  
Lancaster, TX 75146

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT ("Agreement") between **WAYFAIR LLC**, a Delaware limited liability company ("Recipient"); the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation; and **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation (individually "City" and "LEDC", and each referred to as "Grantor" for purposes of their respective Incentive Payments) is made and executed on the following recitals, terms and conditions.

**WHEREAS**, Recipient is a leading, NYSE-listed e-commerce company in the home furnishings and décor sector; and

**WHEREAS**, Recipient has applied to Grantor for financial accommodations to enable it to locate a major distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas, including those incentives which are described in this Agreement and those which may be described on any exhibit or schedule attached to this Agreement; and

**WHEREAS**, LEDC approved certain financial incentives to Recipient at its August 1, 2017 Board meeting, and City approved certain financial incentives to Recipient at its August 14, 2017 City Council meeting which would allow Recipient to locate its regional e-commerce, distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas and to expand operations accordingly; and

**WHEREAS**, Recipient understands and agrees that: (a) in granting, renewing, or extending any financial incentives, Grantor is relying upon Recipient's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any incentive by Grantor at all times shall be subject to Grantor's sole judgment and discretion; and (c) all such incentives shall be and shall remain subject to the terms and conditions as set forth in this Agreement.



## SECTION 1. TERM.

This Economic Development Incentive Agreement shall be effective as of August 14, 2017 (the "Effective Date") and shall continue thereafter until all obligations of Recipient to Grantor have been performed in full and the parties terminate this Agreement in writing, or on the sooner of the termination of the Lease or August 14, 2029, unless terminated sooner under the provisions hereof. **This Agreement will terminate if not executed by all parties within fourteen (14) days of the approval of the Agreement by the later of the City Council and the EDC Board.**

## SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** The word "Agreement" means this Economic Development Incentive Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- b. **Business Personal Property.** The words "Business Personal Property" means property as defined under Texas Tax Code Section 1.04(5) and which is taxable within the City of Lancaster, Texas, and for which business personal property taxes are paid by Recipient.
- c. **City.** The word "City" means the City of Lancaster, Dallas County, Texas.
- d. **Confirmed Annual Sales Volume.** The words "Confirmed Annual Sales Volume" mean the volume of sales certified by Recipient to have been subject to Sales Tax on an annual basis and for which Sales Tax was collected.
- e. **Effective Date.** The words "Effective Date" mean August 14, 2017.
- f. **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- g. **Facility.** The word "Facility" means Recipient's new regional distribution facility, owned by Duke Realty Limited Partnership, an Indiana limited partnership, and leased to Recipient, to be constructed at the Interchange 35 property located at 2820 N. I-35 E Interchange, Lancaster, TX 75134. The Facility shall be a build-to-suit distribution facility of  $\pm$  874,566 square feet located on  $\pm$  47.15 acres of land, and shall be constructed to specifications consistent with the July 19, 2017 Final LOI Terms between

Duke Realty Limited Partnership and Recipient. In order to qualify as the "Facility" under this Agreement, the facility must meet all of the following criteria: (1) when completed and fully valued and assessed, have an ad valorem real property value of not less than \$20,000,000 on the Dallas Central Appraisal District tax rolls; (2) be the site of equipment with an appraisal business personal property value of not less than \$6,000,000; (3) be the warehouse/fulfillment site of Recipient's inventory with a retail value of not less than \$1,500,000; and (4) construction on facility must commence no later than nine (9) months from the Effective Date of this Agreement.

- h. **Incentive Payment.** The words "Incentive Payment" mean any financial payment, benefit, reimbursement, or refund made by City or LEDC to Recipient under this Agreement.
- i. **Incentivized Jobs.** The words "Incentivized Jobs" mean up to two hundred (200) newly-created jobs for New Employees situated at the Facility and who are residents of the City, which New Employees have been hired from the Effective Date until the 2<sup>nd</sup> anniversary of the Effective Date and which New Employees, in the aggregate, have an average Salary of not less than \$35,942 per New Employee.
- j. **Grantor.** The word "Grantor" means the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, or **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation, for purposes of their respective Incentive Payments made under this Agreement.
- k. **LEDC.** The word "LEDC" means Lancaster Economic Development corporation, a non-profit corporation formed for the purpose of advancing economic development in the City of Lancaster, Texas.
- l. **New Employee.** The words "New Employee" means a full-time, direct employee of Recipient, working a minimum of thirty-two (32) hours per week, who shall be employed in a position physically based at the Facility. New Employee shall not include employees of Recipient's subcontractors or vendors, whether working at the Facility or otherwise.
- m. **Recipient.** The word "Recipient" means **WAYFAIR LLC.**, a Delaware limited liability company, or a wholly-owned affiliate of Recipient approved by Grantor.
- n. **Sales Tax.** The words "Sales Tax" means the City's 1% sales taxes collected by Recipient pursuant to the Texas Tax Code for: (1) orders received at the Facility and fulfilled at the Facility; and (2) orders received

at a location other than a Texas place of business and fulfilled at the Facility.

- o. **Salary.** The word "Salary" shall mean the annual, W-2 wages of any New Employee, exclusive of benefits, employer-paid taxes, health insurance, bonus, car allowance and related employee perquisites.

### **SECTION 3. INCENTIVE PAYMENTS.**

The following Incentive Payments shall be available to Recipient under the following conditions and the Recipient Obligations set forth below:

- a. **Incentivized Job Incentive Payments.** On or before the second anniversary of the Effective Date, Recipient may create up to two hundred (200) Incentivized Jobs which are eligible for Incentive Payments, and each Incentivized Job shall be maintained at the Facility for not less than five (5) years from the date of any Incentive Payment disbursed for New Employees. The Incentivized Job payment shall be made in one (1) installment, within (30) days of the second anniversary of the Effective Date and receipt of Recipient's certification of the Incentivized Jobs at the Facility as of the second anniversary date of the Effective Date. Upon verification of the data in the certification, LEDC will make an Incentive Payment to Recipient equal to five hundred and no/100 dollars (\$500.00) for each net New Employee hired; up to a maximum aggregate amount of **one hundred thousand and no/100 DOLLARS. (\$100,000.00)**. It is expressly agreed that LEDC will make payment for each incremental, or net, New Employee only once. Any reduction in New Employees (by layoff, termination or otherwise) which have previously received an incentive payment shall be disclosed to Grantor and adjusted for, including repayment for any overpayments.
  - (1) If on each of the first five anniversary dates of the Effective Date after the New Employee Incentive Payment has been made, Recipient has received Incentive Payments in excess of the net New Employees then located at the Facility, Recipient shall immediately refund that amount representing unearned Incentivized Jobs. For example, if Recipient created one hundred (100) New Employees in the first two (2) years following the Effective Date (in the aggregate) and received \$50,000 in Loan Advances; and thereafter, at the end of the third year following the Effective Date, Recipient had only eighty (80) New Employees located at the Facility, Recipient would be immediately obligated to pay LEDC \$10,000 (representing twenty (20) unearned Incentivized Jobs x \$500/New Employee).
  - (2) For each year from the first anniversary to the seventh anniversary

of the Effective Date, Recipient shall provide Grantor with a detailed report of the status of New Employees and Incentivized Jobs.

- b. **Job Training Assistance Incentive Payment.** LEDC shall make available to Recipient an Incentive Payment in the amount of up to **fifty-thousand and no/100 dollars (\$50,000.00)**, payable in two (2) equal annual installments for the purpose of job training education for Recipient's employees located at the Facility. Such funds shall be used to reimburse Recipient for job training at Cedar Valley College for Recipient's Facility employees and all courses and training must be completed on or before the second anniversary of the Effective Date. Recipient shall provide LEDC with a report of costs incurred, courses taken, employee name and dates of attendance, course grades, and any certificate or degree obtained on the first and second anniversary of the Effective Date. LEDC will issue payment within thirty (30) days of receipt of each annual report.
- c. **Sales Tax Reimbursement Incentive Payment.** The City shall make an Incentive Payment to reimburse Recipient for Sales Tax collected and paid for Recipient's operations made at, and attributable to, the Facility for up to ten (10) years. The first payment shall be made after the calculation, submission and confirmation of the sales volumes and taxes paid for the first full calendar year after Recipient begins business operations, including sales, at the Facility. The Incentive Payments shall be based the following criteria:

<b>Confirmed Annual Sales Volume</b>	<b>Years of Eligibility</b>	<b>Percentage of Sales Taxes Reimbursed</b>
<b>\$300 million +</b>	<b>10</b>	<b>50%</b>
<b>\$200 million+ to \$300 million</b>	<b>10</b>	<b>45%</b>
<b>\$100 million + to \$200 million</b>	<b>10</b>	<b>40%</b>
<b>\$50 million+ to \$100 million</b>	<b>10</b>	<b>35%</b>
<b>\$25 million + to \$50 million</b>	<b>10</b>	<b>30%</b>
<b>\$10 million+ to \$25 million</b>	<b>10</b>	<b>25%</b>
<b>Less than \$10 million</b>	<b>10</b>	<b>20%</b>

It is understood that the amount of the Incentive Payment may vary from year to year based on the amount of the Confirmed Annual Sales Volume and net sales tax receipts collected and paid at the Facility. Sales Tax Reimbursement Incentive Payments shall be available only for up to the first ten (10) years following the first full calendar year after Recipient begins business operations at the Facility.

- d. **Sales Volume Incentive Payment.** LEDC shall pay the sum of up to **three hundred twenty thousand and no/100 dollars (\$320,000.00)**, based on the achievement of Confirmed Annual Sales Volume as follows:

- (1) for each calendar year in the first five (5) full calendar years after Recipient begins business operations at the Facility in which Recipient's Confirmed Annual Sales Volume exceeds \$12.8 million, and for which the Recipient has collected and remitted the 2% local sales tax on the Confirmed Annual Sales Volume, Recipient or a party designated in writing by Recipient shall be entitled to a Sales Volume Incentive Payment payable by LEDC in the amount of **sixty-four thousand and no/100 dollars. (\$64,000.00);**
- (2) if Recipient's aggregate Confirmed Annual Sales Volume reaches a cumulative total of sixty-four million dollars (\$64,000,000.00) at any time during the first five (5) full calendar years after the commencement of business operations at the Facility, and if Recipient has collected and remitted the 2% local sales tax on the cumulative Confirmed Annual Sales Volume Recipient shall be entitled to the balance of the unpaid Sales Volume Incentive Payment, up to a maximum amount not to exceed the amount in Section 3.(d), *supra*.

Payment of this Incentive Payment is expressly conditioned on verification that the 2% local sales tax has been collected and remitted to the City by Recipient.

- e. **Business Personal Property Tax Refunds.** The City shall make an Incentive Payment to Recipient to reimburse a portion of the Business Personal Property taxes paid by the Recipient to the City for up to seven (7) years. The first payment shall be made after Recipient pays taxes for the first tax year that begins after the City issues a Certificate of Occupancy for Recipient's occupancy of the Facility and for which the Business Personal Property is fully assessed by the taxing authorities. The Incentive Payments shall be based upon the following percentages, which shall apply to each year as follows:

<b>Tax Years</b>	<b>Percentage of City BPP Taxes Reimbursed</b>
<b>1<sup>st</sup> through 7<sup>th</sup> tax year after issuance of Certificate of Occupancy</b>	50% (up to \$20 million in taxable value) 65% (if taxable value exceeds \$20 million)

Notwithstanding the foregoing, the City shall have no obligation to pay Recipient any Incentive Payment until receipt of the BPP Tax Report described in Section 4.(b)(3)(iii) of this Agreement. The City agrees to provide the Incentive Payment to Recipient within thirty (30) days following receipt and acceptance of the BPP Tax Report.

#### **SECTION 4. RECIPIENT OBLIGATIONS**

- a. Recipient shall comply with the following terms and satisfy the following obligations to be eligible for the Incentive Payments above:
  - (1) **Lease.** Recipient shall lease the Facility from Duke Realty Limited Partnership for a term of at least eighty-seven (87) months and which shall commence on September 1, 2018 or upon substantial completion of the Facility, whichever is later, and shall provide Grantor with a fully executed copy of the Lease within fourteen (14) days of the approval of this Agreement by the City Council
  - (2) **Certificate of Occupancy.** Recipient shall obtain a Certificate of Occupancy for the Facility on or before December 1, 2018.
  - (3) **Incentivized Jobs.** The Incentivized Jobs for which Incentive Payments are provided pursuant to Section 3.(a), *supra* shall be maintained for a period of not less than five (5) years from the date the Incentive Payment is made.
- b. **Compliance Certificates and Reports.** Recipient shall provide Grantor with compliance certificates when requested or required hereunder, such certificates or reports specifying or reflecting:
  - (1) an existing and valid Certificate of Occupancy for the Facility (subject to the provisions of Section 4.(a)(2)), *supra*;
  - (2) an annual, detailed verification of the Incentivized Jobs, including the baseline number of employees as of the Effective Date, indicating the position created, the classification of the job, the W-2 wages/salary, the date the job is filled, and the benefits/perquisites of the job.
  - (3) an annual, detailed verification of (i) Job Training Assistance Incentive report including the information set forth in Section 3.(b), *supra*; (ii) Confirmed Annual Sales Volume report including certification by Recipient of sales volume and sales tax collected and paid to each taxing entity; and (iii) Business Personal Property (BPP) Tax report including certification by Recipient of Business Personal Property located at the Facility and paid to each taxing entity.
- c. **Performance.** Recipient agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement.

## **SECTION 5. CESSATION OF INCENTIVE PAYMENTS.**

If Grantor has made any commitment to make any Incentive Payment to Recipient, whether under this Agreement or under any other agreement, Grantor shall have no obligation to advance or disburse Incentive Payment funds if:

- a. Recipient becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or
- b. during the pendency of an Event of Default.

## **SECTION 6. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement.

- a. **Certificate of Occupancy.** Failure of Recipient to complete any of the following: (1) execution and delivery of the Lease described in Section 4.(a)(1), *supra*; (2) failure of Duke Realty Limited Partnership to construct the Facility in accordance with the specifications set forth in Section 2.(g), *supra*, or (3) failure to obtain a Certificate of Occupancy in accordance with Section 4.(a)(2), *supra*.
- b. **False Statements.** Any warranty, representation or statement made or furnished to Grantor by or on behalf of Recipient under this Agreement or any related document (including but not limit to any applications for economic development funds) that is false or misleading in any material respect, either now or at the time made or furnished.
- c. **Insolvency.** Recipient's insolvency, appointment of receiver for any part of Recipient's property, any assignment for the benefit of creditors of Recipient, any type of creditor workout for Recipient, or the commencement of any proceeding under any bankruptcy or insolvency laws by Recipient or against Recipient and not dismissed within sixty (60) days of filing thereof.
- d. **Ad Valorem Taxes.** Failure of Recipient to pay, prior to delinquency, all taxes and assessments levied or assessed upon Recipient's real property improvements or business personal property.
- e. **Undocumented workers.** Recipient certifies that Recipient does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Recipient is convicted of a violation under 8 U.S.C. § 1324a(f), Recipient shall be in default hereunder.
- f. **Other Defaults.** Failure of Recipient after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any

other term, obligation, covenant or condition contained in any other written agreement between Grantor and Recipient, and specifically, should Recipient sublet or assign any of its interest in any portion of the Facility to any unrelated or unaffiliated entity without Grantor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

## **SECTION 7. EFFECT OF AN EVENT OF DEFAULT.**

If any Event of Default shall occur and upon thirty (30) days written notice and opportunity to cure Recipient has not cured such Event of Default within 30 days of written notice, then all commitments of Grantor under this Agreement immediately shall terminate (including any obligation to make Loan advances), **and all amounts previously advanced under the Loan, not otherwise forgiven by action of the LEDC Board or City Council, as applicable, will become immediately due and payable**, all without notice of any kind to Recipient, at the option of Grantor, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration shall be automatic and not optional. Any Default which may be cured by the payment of money shall not extend beyond the 30-day period referenced herein. Any amounts due and payable shall not accrue interest until they are deemed to be past due as provided in the Note.

## **SECTION 8. INDEMNIFICATION.**

**Recipient shall indemnify, save, and hold harmless Grantor, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnitees") from and against:**

- a. **any and all claims, demands, actions or causes of action that are asserted against any Indemnitee if the claim, demand, action or cause of action relates to tortious interference with contract or business interference, or wrongful or negligent use of Grantor's Incentive Payments by Recipient or its agents and employees;**
- b. **any administrative or investigative proceeding by any governmental authority related to a claim, demand, action or cause of action in which Grantor is a disinterested party;**
- c. **any claim, demand, action or cause of action which contests or challenges the legal authority of Grantor or Recipient to enter into this Agreement; and**
- d. **any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnitee suffers or incurs as a result of any of the foregoing; provided, however, that Recipient shall have no obligation under this Section to Grantor with respect to any of**



the foregoing to the extent that such claims or liabilities arise out of the negligence or willful misconduct of Grantor or the breach by Grantor of this Agreement.

If any claim, demand, action or cause of action is asserted against any Indemnitee, such Indemnitee shall promptly notify Recipient, but the failure to so promptly notify Recipient shall not affect Recipient's obligations under this Section unless such failure materially prejudices Recipient's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Recipient in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnitee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Recipient to participate in such contest. Any Indemnitee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Recipient may be liable for payment of indemnity hereunder shall give Recipient written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Recipient's concurrence thereto.

#### **SECTION 9. RECIPIENT'S REPRESENTATIONS.**

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and any related documents and that the representations made herein, and in the related documents, are true and accurate in all respects.

#### **SECTION 10. MISCELLANEOUS PROVISIONS.**

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Applicable Law and Venue.** This Agreement has been delivered to Grantor and accepted by Grantor in the State of Texas. Recipient agrees to submit to the jurisdiction of the courts of Dallas County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal laws.

- c. **Employee Hiring, Materials and Supplies Purchase.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Grantor requests that Recipient use good faith efforts to satisfy its need for all additional employees from City residents and purchase all materials, supplies and services necessary to affect the construction and subsequent occupancy of the Property from City merchants and businesses.
- d. **Community Involvement.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Recipient agrees to use good faith efforts to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in City, and to actively encourage its employees to be involved in such organizations and/or activities.
- e. **Recipient Audit.** Recipient agrees to allow Grantor, at a time mutually acceptable to Grantor and Recipient, to audit at Grantor's expense all of Recipient's records, documents, agreements and other instruments in furtherance of the following purposes: (i) to ensure Recipient's compliance with the affirmative covenants and duties set forth in Sections 3 and 4 herein; (ii) to determine the existence of an Event of Default set forth in Section 6 herein; and (iii) to ensure compliance with any other term or condition of this Agreement or any related document.
- f. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Recipient agrees to keep Grantor informed at all times of Recipient's current address.
- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

- i. **Survival.** All warranties, representations, and covenants made by Recipient in this Agreement or in any certificate or other instrument delivered by Recipient to Grantor under this Agreement shall be considered to have been relied upon by Grantor and will survive the payment of any Incentive Payments under this Agreement regardless of any investigation made by Grantor or on Grantor's behalf.
- j. **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- k. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- l. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.
- m. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power or remedy hereunder shall constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power or remedy at any later time.
- n. **No Interpretation Against Drafter.** Recipient and Grantor have participated in negotiating and drafting this Agreement, and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

**RECIPIENT ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS LOAN AGREEMENT, AND RECIPIENT AGREES TO ITS TERMS.**

**THIS AGREEMENT SHALL BE EFFECTIVE AS OF AUGUST 14, 2017.**

*[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]*

**RECIPIENT:**

**WAYFAIR LLC**

a Delaware Limited Liability Company

By: \_\_\_\_\_

NICHOLAS MALONE

Wayfair LLC

Date Signed: \_\_\_\_\_

**GRANTOR:**

**CITY OF LANCASTER, TEXAS** a Texas  
municipal corporation,

By: \_\_\_\_\_

Opal Mauldin-Jones

City Manager

Date Signed: \_\_\_\_\_

By: \_\_\_\_\_

Marcus E. Knight

Mayor

Date Signed: \_\_\_\_\_

**PREPARED IN THE OFFICES OF:**

**BROWN & HOFMEISTER, L.L.P.**  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75081  
214/747-6100  
214/747-6111 Fax

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

18.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Director of Economic Development

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#### **Agenda Caption:**

Discuss and consider a resolution ratifying the terms and conditions of an incentive grant by and between CH Realty VII/I Dallas Houston School Rd., L.P. and the Lancaster Economic Development Corporation.

#### **Background:**

The Board of Directors of the Lancaster Economic Development Corporation convened on July 27, 2017, to consider a grant for reimbursement applied for by CH Realty VII/I Dallas Houston School Rd., L.P. in amount not to exceed sixty thousand dollars (\$60,000) associated with the construction and finish out of two (2) facilities of an approximately 600,000 square feet each, owned by CH Realty VII/I Dallas Houston School Rd., L.P. in Lancaster, Texas. The grant is not to exceed sixty thousand dollars (\$60,000).

#### **Operational Considerations:**

CH Realty VII/I Dallas Houston School Rd, L.P. will submit copies of the City issued Certificate of Occupancy for the facility in order to exercise the Grant. Within 60 days of verification of terms, the the Economic Development Corporation will remit sixty thousand dollars (\$60,000).

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

The grant total not to exceed sixty thousand dollars (\$60,000) is within the LEDC incentive fund. Within 60 days of verification of terms, the Economic Development Corporation will remit sixty thousand dollars (\$60,000).

#### **Options/Alternatives:**

1. The City Council may approve the resolution as presented.
2. The City Council may reject the resolution.

#### **Recommendation:**

Staff recommends approval of resolution ratifying the actions of LEDC.

#### **Attachments**

Resolution

Exhibit 1

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## RESOLUTION NO.

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, RATIFYING THE TERMS AND CONDITIONS OF AN INCENTIVE GRANT BY AND BETWEEN CH REALTY VII/I DALLAS HOUSTON SCHOOL RD, L.P. AND THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (LEDC) AUTHORIZING LEDC TO ENTER INTO A FORMAL AGREEMENT; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Lancaster Economic Development Corporation (hereinafter "LEDC") Resolution 2017-02 which was passed and approved on the 27th of July, 2017 by the Board of Directors of the Lancaster Economic Development Corporation (LEDC), offering an incentive grant to CH Realty VII/I Dallas Houston School Rd, L.P.; and

**WHEREAS**, CH Realty VII/I Dallas Houston School Rd, L.P. has purchased property in the City of Lancaster with the intent to construct two 600,000 square foot buildings for warehousing and distribution; and

**WHEREAS**, the City of Lancaster and LEDC recognize the importance of their continued role in economic development in the community of Lancaster; and

**WHEREAS**, the City may provide incentives promoting economic development pursuant to Chapter 380 of the Texas Local Government Code, which authorizes loans and grants of a city's general funds pursuant to a "program" to stimulate business and commercial activity in the municipality; and

**WHEREAS**, pursuant to Texas Local Government Code, Chapter 501, et seq, as amended, LEDC, as a non-profit corporation, in accordance with the Act, shall promote development and redevelopment within the municipality and its vicinity and create new manufacturing and industrial facilities, distribution centers, warehouse facilities and related facilities through the use of sales tax, which development and redevelopment would not otherwise occur solely through private investment in the reasonably foreseeable future; and

**WHEREAS**, pursuant to the City's Charter, the Act and applicable Texas Statutes, the City has the authority to enter into agreements as the City considers necessary or convenient to implement economic development in Lancaster, Texas; and

**WHEREAS**, pursuant to the Act and the bylaws of the LEDC, LEDC has authority to enter into agreements as LEDC considers necessary or convenient to implement economic development in Lancaster, Texas.

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

**SECTION 1.** The City Council ratifies the July 27, 2017 actions of the Board of Directors of the LEDC approving an incentive grant to CH Realty VII/I Dallas Houston School Rd, L.P.

**SECTION 2.** The City Council authorizes LEDC to enter into an incentive agreement with CH Realty VII/I Dallas Houston School Rd, L.P., which is attached hereto and incorporated as Exhibit 1.

**SECTION 3.** This resolution shall be effective from and after its passage as provided by law.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

---

David T. Ritter, City Attorney



**RESOLUTION NO. 2017-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER TEXAS, (LEDC), IN SUPPORT OF A GRANT TO CH REALTY VII/I DALLAS HOUSTON SCHOOL RD, L.P., A DELAWARE LIMITED PARTNERSHIP FROM FUNDS COLLECTED FROM ¼ OF 1 PERCENT ADDITIONAL SALES AND USE TAX FOR THE PROMOTION AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISES, AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Lancaster Economic Development Corporation recognizes how important business and community development is to the vitality and growth of Lancaster; and

**WHEREAS**, CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership has selected Lancaster as the location for their newest speculative building for warehousing and distribution; and

**WHEREAS**, CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership has requested a grant for reimbursement of \$60,000 associated with the construction and finish out two facilities of an approximately 600,000 square feet each owned by Project Raven in Lancaster, Texas ; and

**WHEREAS**, the Board of Directors of LEDC are responsible for the review and evaluation of Type A incentive applications; and

**WHEREAS**, the board of LEDC is also responsible for recommending Type A Incentive Grants to the Lancaster City Council for review and approval.

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

**SECTION 1.** That the Board of Directors of the Lancaster Economic Development Corporation approves the resolution and Incentive Agreement which is attached hereto.

**SECTION 2.** That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 27th day of July, 2017.

**APPROVED:**

  
Sandi Collier, Vice President

**ATTEST:**

  
Mayra A. Ortiz, Executive Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

## **INCENTIVE AGREEMENT**

This Incentive Agreement (the "Agreement") is entered into by and between the Lancaster Economic Development Corporation, a non-profit corporation chartered by the State of Texas, acting by and through its Board of Directors (hereinafter referred to as the "LEDC") and CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership (hereinafter referred to as the "Company").

### **W I T N E S S E T H :**

**WHEREAS**, the Lancaster Economic Development Corporation was established to promote enhanced business opportunities within the corporate limits of the City of Lancaster, Texas ("City"); and

**WHEREAS**, the LEDC recognizes the need to offer business incentives to develop real property within the City; and

**WHEREAS**, in order to maintain and enhance the economic and employment base within the City, it is in the best interests of the LEDC to enter into this Agreement in accordance with the terms provided herein; and

**WHEREAS**, the Company wishes to locate operations as a viable economic project within the City thereby creating new business capital investment and new jobs in the City; and

**WHEREAS**, the Board of Directors of LEDC finds that the intended scope of the Project, hereinafter defined, is to own, construct and occupy two buildings and related infrastructure totaling approximately 1,221,612 square feet of warehousing and distribution space in the City owned by the Company.

**NOW THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of employment, the attraction of major investment within the City which contributes to the economic development of Lancaster, and to the enhancement of the tax base for the City, the parties agree as follows:

### **I. EFFECTIVE DATE; TERM OF AGREEMENT**

This Agreement shall become effective after the Board of Directors of the LEDC's approval of this agreement and confirmation of same by the City Council of the City of Lancaster authorizing the LEDC to enter into this Agreement with the Company and on the last date of execution of this Agreement by the LEDC and the Company ("Effective Date"). This Agreement shall terminate upon Company's receipt of all grant payments due and payable pursuant to Section III(B)(1) herein or upon the event of a default and termination hereunder.

## II. DEFINITIONS

Whenever used in this Agreement, the following term shall have the meaning ascribed to it:

**"City"** shall mean the City of Lancaster, Texas.

**"Certificate of Occupancy"** shall mean the City issued permit confirming that all Improvements on the Premises have been completed and the Project is approved for Company business operations to commence.

**"Company"** shall mean CH Realty VII/I Dallas Houston School Rd, L.P.

**"Company Affiliate"** shall mean any party which, directly or indirectly (including through one or more intermediaries), controls or is controlled by or is under common control with the Company, and "control" (including the correlative meanings of the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly (including through one or more intermediaries), of the power to direct or cause the direction of the management and policies, through the ownership or control of voting securities, partnership interests or other equity interests or otherwise.

**"Improvements"** shall mean the construction and finish out work necessary to commence Company operations in two (2) facilities of approximately 610,806 square feet each located on the Premises.

**"Premises"** shall mean the property described in **Exhibit A**, attached hereto and made a part hereof for all purposes, including any improvements made thereto.

**"Project"** shall mean the improvements, Related Infrastructure and occupancy activities associated with the location, construction, finish out and maintenance of the Improvements.

**"Related Infrastructure"** shall mean all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction, and related requirements necessary to receive a City issued "Certificate of Occupancy" for the Improvements.

## III. PROVISIONS RELATING TO INCENTIVE AGREEMENT

### A. Company's Obligations:

1. The Company will begin construction of the Improvements within six (6) months from the Effective Date of this Agreement.
2. The Premises and Improvements constructed thereon at all times shall be used in a manner that is consistent with the City of Lancaster's Comprehensive Zoning Ordinance, as

amended, and other applicable state law and/or ordinances.

3. The Company agrees to provide any and all documentation reasonably necessary to confirm data required to implement provisions of the incentive grant pursuant to this Agreement.

**B. LEDC's Obligations:**

1. LEDC agrees to award the Company two (2) grants of up to thirty-thousand and no/100 dollars (\$30,000) to offset the cost of City permitting associated with the construction of two (2) approximately 610,806 square foot facilities on the Premises. The Company will pay the City of Lancaster the full cost of permit fees associated with the construction and finish out of the Improvements and present to LEDC copies of actual paid receipts for said fees or other documentation reasonably sufficient to substantiate payment of such fees ("Fee Receipts") subject to the provisions of this Agreement. LEDC will issue a reimbursement payment equivalent to the lesser of (1) \$30,000, or (2) fifty percent (50%) of the actual paid permit costs for each building, not to exceed a total of \$30,000 per building. The LEDC payment will be made within thirty (30) days of Company's submittal of Fee Receipts to the City, following the issuance of a valid Certificate(s) of Occupancy for the Improvements to the Company.
2. All grants of funds shall be made from available sales tax proceeds from the LEDC and is not pledged against future sales tax proceeds or the full faith and credit of LEDC or the City of Lancaster.

**IV.**

**DEFAULT; RECAPTURE OF GRANT FUNDS**

- A. In the event the Company (i) fails to commence construction of the Project and Improvements on the Premises within twelve (12) months of the Effective Date of this Agreement; (ii) fails to complete the Project in accordance with this Agreement, as evidenced by a Certificate of Occupancy for the Improvements; or (iii) materially breaches any of the terms or conditions of this Agreement, then the Company, after the expiration of the notice and cure periods described in Paragraph IV (B) below, shall be in default of this Agreement. As LEDC's sole and exclusive remedy under this Agreement in the event of such non-cured default, the Company shall refund to LEDC all grants previously paid by LEDC under this Agreement to the Company, which refund shall constitute liquidated damages owing to LEDC. The parties acknowledge that actual damages in the event of such a default would be speculative and difficult to determine. The parties further agree that the recapture of grant funds due LEDC as a result of the Company's default under this Agreement, shall be recoverable against the Company, its successors and assigns and shall continue as a lien on the Premises.
- B. Upon breach by the Company of any of its obligations under this Agreement, the LEDC shall notify the Company, in writing. The Company shall have ninety (90) days from receipt of the notice in which to cure any such default; provided, however, that if such

breach or default cannot reasonably be cured within ninety (90) days, the Company shall have such additional time as is reasonably required to cure such breach or default.

- C. If the Company fails to cure the default within the time provided as specified in Paragraph IV(B) above, or, as such time period may be extended by written agreement of the parties, then the LEDC at its sole option and as its sole and exclusive remedy, shall have the right to demand repayment of the incentives it has made hereunder to the Company in accordance with this section IV.
- D. Upon the LEDC's election under the preceding paragraph, all incentives provided by LEDC to the Company under this Agreement shall be repaid as set forth in paragraph IV(A), and shall become due and payable ninety (90) days after notice to the Company of a non-cured default hereunder beyond the expiration of all applicable notice and cure periods. The LEDC shall have all remedies provided by law for the collection of such grant funds. The LEDC at its sole discretion has the option to provide a repayment schedule. The obligation of the Company to repay such grant funds to LEDC in the event of default shall survive the termination of this Agreement.
- E. If agreement is not signed by the company within 60 days of City Council ratification, the agreement will be deemed as null and void.

#### V. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may not be assigned without the consent of the LEDC, which shall not be unreasonably withheld, conditioned or delayed, except to a Company Affiliate.

#### VI. NOTICES

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

If intended for Company:

CH Realty VII/I Dallas Houston School Rd, L.P.

Attn: Asset Manager  
3819 Maple Ave  
Dallas, Texas 75219

If intended for the LEDC:

Shane Shepard  
Lancaster Economic Development Corporation  
P.O. Box 940  
Lancaster, Texas 75146

**VII.  
LEDC AUTHORIZATION**

This Agreement was authorized by resolution of the LEDC, approved by its Board of Directors, authorizing its officer to execute this Agreement on behalf of the LEDC.

**VIII.  
SEVERABILITY**

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

**IX.  
APPLICABLE LAW**

THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS. Venue for any action under this Agreement shall be the State District Court of Dallas County, Texas. This Agreement is performable in Dallas County, Texas.

**X.  
ESTOPPEL CERTIFICATE**

Upon written request by Company to the City, the City will provide Company with a certificate stating, as of the date of the certificate, (i) whether this Agreement is in full force and effect and, if Company is in breach of this Agreement, the nature of the breach; (ii) a statement as to whether this Agreement has been amended and, if so, the identity of each amendment; and (iii) any other factual matters reasonably requested that relate to this Agreement.

**XI.  
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. Facsimile or .pdf signatures may be used in place of original signatures on this Agreement.

**XII.  
ENTIRE AGREEMENT**

This Agreement embodies the complete agreement between the parties relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of the Company and the LEDC. While there is no obligation for the LEDC to fund future expansion beyond that contemplated by this Agreement, nothing herein precludes the Company from requesting further assistance on future projects.

**XIII.  
RECORDATION OF AGREEMENT**

A certified copy of this Agreement may be recorded in the Deed Records of Dallas County, Texas.

**XIV.  
INCORPORATION OF RECITALS**

The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein and form a part of this Agreement.

**XV.  
EXHIBITS**

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

[Signatures begin on the following page.]

EXECUTED in triplicate originals this 27<sup>th</sup> day of July, 2017.

LANCASTER ECONOMIC  
DEVELOPMENT CORPORATION

By:   
Sandi Collier, Vice President

ACKNOWLEDGEMENT

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF DALLAS     §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Sandi Collier, Vice President of the Lancaster Economic Development Corporation, a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 27<sup>th</sup> day of July, 2017.

  
Notary Public, State of Texas

My Commission Expires:

03-18-2021





EXECUTED on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**CH REALTY VII/I DALLAS HOUSTON  
SCHOOL RD, L.P**, a Delaware limited partnership

By: CH Realty VII/I Dallas Houston School Rd  
GP, L.L.C., a Delaware limited liability  
company, its general partner

By: Fund VII Managers, L.L.C.,  
a Texas limited liability company  
its manager

By: \_\_\_\_\_  
**Ben C. Doherty, Vice President**

#### ACKNOWLEDGEMENT

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF DALLAS     §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Ben C. Doherty, Vice President of Fund VII Managers, LLC, a Texas limited liability company, manager of CH Realty VII/I Dallas Houston School Rd GP, LLC, a Delaware limited liability company, general partner of CH Realty VII/I Dallas Houston School Rd, LP, a Delaware limited partnership, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said entities, and that he executed the same as the act of said entities for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

## EXHIBIT "A" LEGAL DESCRIPTION

No.: 001281127

SITUATED in the City of Lancaster, in the Marady Parks Survey, Abstract No. 1120 of Dallas Texas County, and being a part of that certain called 77.49 acre tract of land described in a deed from- Ecanae, Inc. to 12, recorded in Volume 2003011, Page 6116, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described by metes & bounds as follows:

BEGINNING at a 1/2 inch iron rod, topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found at the intersection of the south right-of-way line of Fabrication Drive (60' wide RO.W.) and the East right-of-way line of West longhorn Drive (60' wide RO.W.) as dedicated by a Street Dedication Plat, recorded in Volume 67205, Page 2752, Deed Records of Dallas County, Texas (O.R.D.C.T.);

THENCE: North 89 deg. 53 min. 14 sec. East, along the south line of said Fabrication Drive, a distance of 477.50 feet to a 1/2 inch iron rod, with cap, found for corner;

THENCE: South 00 deg. 06 min. 46 sec. East, departing from the south line of said Fabrication Drive, a distance of 505.00 feet to a 1/2 inch iron rod, with cap, found on the north right-of-way line of South longhorn Drive (60' wide ROW.);

THENCE: South 89 deg. 53 min. 14 sec. West, along the north line of said South Longhorn Drive, a distance of 452.50 feet to a 1/2 inch iron rod, with cap, found for corner at the beginning of a curve to the right having a radius of 25.00 feet and a chord that bears North 45 deg. 06 min. 46 sec. West...35.36

THENCE: Continuing along the north right-of-way of said South Longhorn Drive and along said curve to the right, through a central angle of 90 deg. 00 min. 00 sec and along an arc distance of 39.27 feet to a 1/2 inch iron rod, with cap, set for corner at the end of said curve, on the east right-of-way line of the above mentioned West Longhorn Drive;

THENCE: North 00 deg. 06 min. 46 sec. West, along the east line of said West Longhorn Drive, a distance of 480.00 feet to the POINT OF BEGINNING and containing 241,005 square feet or 5.533 acres land.

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

19.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Director of Economic Development

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#### **Agenda Caption:**

Discuss and consider a resolution ratifying the terms and conditions of an incentive grant by and between Duke Realty Limited Partnership, L.P. and the Lancaster Economic Development Corporation.

#### **Background:**

The board of directors of the Lancaster Economic Development Corporation convened on August 1, 2017, to consider a grant applied for by Duke Realty in an amount not to exceed three hundred thousand dollars (\$300,000) to assist in building and infrastructure costs associated with the construction an 800,000 square foot eCommerce fulfillment facility in Lancaster. Duke Realty received a Letter of Intent from Wayfair, LLC. The grant is not to exceed three hundred thousand dollars (\$300,000). The Board of Directors unanimously approved the grant and incentive agreement.

#### **Operational Considerations:**

Duke Realty will submit copies when necessary of the City issued Certificate of Occupancy for the facility in order to exercise the Grant. Within 60 days of verification of terms, the Lancaster Economic Development Corporation will remint payments.

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

The grant not to exceed three hundred thousand dollars (\$300,000) is within the LEDC incentive fund. Within 60 days of verification of terms, the Economic Development Corporation will remit three hundred thousand dollars (\$300,000).

#### **Options/Alternatives:**

1. The City Council may approve the resolution as presented.
2. The City Council may reject the resolution.

#### **Recommendation:**

Staff recommends approval of resolution ratifying the actions of LEDC.

**Attachments**

Resolution

Exhibit "1"

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**RESOLUTION NO.**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, RATIFYING THE TERMS AND CONDITIONS OF AN INCENTIVE GRANT BY AND BETWEEN THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (LEDC) AND DUKE REALTY L.P., AN INDIANA LIMITED PARTNERSHIP, AUTHORIZING THE LEDC TO ENTER INTO A FORMAL AGREEMENT; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Lancaster Economic Development Corporation (hereinafter "LEDC") Resolution 2017-03 which was passed and approved on the 1st of August, 2017 by the Board of Directors of the Lancaster Economic Development Corporation (LEDC), offering an incentive grant to Duke Realty, L.P.; and

**WHEREAS**, Duke Realty, L.P. has purchased property with the intent to construct and lease a state-of-the-art regional distribution, warehouse, fulfillment, and office center within the City of Lancaster, Texas; and

**WHEREAS**, the City of Lancaster and LEDC recognize the importance of their continued role in economic development in the community of Lancaster; and

**WHEREAS**, the City of Lancaster and LEDC are authorized by state law to issue grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, an Economic Development Agreement containing the terms of the grant of incentives from the LEDC is appropriate.

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

**SECTION 1.** The City Council ratifies the August 1, 2017 actions of the Board of Directors of the LEDC approving an incentive grant to Duke Realty, LP.

**SECTION 2.** The City Council authorizes LEDC to enter into an incentive agreement with Duke Realty LP, which is attached hereto and incorporated as Exhibit 1.

**SECTION 3.** This resolution shall be effective from and after its passage as provided by law.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

RESOLUTION NO. 2017-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER, TEXAS IN SUPPORT OF A GRANT OF ECONOMIC DEVELOPMENT FUNDS TO DUKE REALTY LIMITED PARTNERSHIP, LP., AN INDIANA LIMITED PARTNERSHIP FOR THE PROMOTIONS AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISE AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lancaster Economic Development Corporation, ("LEDC"), acting through its Board of Directors, desires to grant certain incentives to Duke Realty Limited Partnership, an Indiana limited partnership, for the purpose of constructing and leasing a state-of-the-art regional distribution, warehouse, fulfillment, and office center within the City of Lancaster, Texas; and

WHEREAS, LEDC is authorized by state law to issue certain grants in order to promote local economic development by stimulating the local economy; and

WHEREAS, LEDC is responsible for recommending Type A Incentive Grants to the Lancaster City Council for review and approval; and

WHEREAS, LEDC has determined that the award of grants to Duke Realty Limited Partnership is in the best interest of the City of Lancaster and;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION,

**SECTION 1.** The Board of Directors of the Lancaster Economic Development Corporation approves this resolution and desires to enter into an Economic Development Incentive Agreement with the City of Lancaster to provide economic development grants to Duke Realty Limited Partnership to provide the grants specifically attributed to LEDC therein, and authorizes the Board President or other authorized representative to execute the Agreement subject to ratification and approval by the City Council of the City of Lancaster;

**SECTION 2.** This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED and approved by the Board of Directors of the Lancaster Economic Development Corporation on the 1st day of August, 2017.

APPROVED:

  
Sandi Collier, Vice President

ATTEST:

  
Mayra A. Ortiz, Executive Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
David T. Ritter, City Attorney

## ***ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT***

**Recipient:** ***DUKE REALTY LIMITED PARTNERSHIP***  
14241 N Dallas Parkway  
Dallas, Texas 75254

**Grantors:** ***LANCASTER ECONOMIC DEVELOPMENT CORPORATION***  
P.O. Box 940  
Lancaster, TX 75146

***CITY OF LANCASTER, TEXAS***  
211 N. Henry Street  
Lancaster, TX 75146

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT ("Agreement") between ***DUKE REALTY LIMITED PARTNERSHIP***, an, Indiana limited partnership ("Recipient"); the ***LANCASTER ECONOMIC DEVELOPMENT CORPORATION***, a Texas non-profit corporation; and ***CITY OF LANCASTER, TEXAS***, a Texas municipal corporation (individually "City" and "LEDC", and each referred to as "Grantor" for purposes of their respective Incentive Payments) is made and executed on the following recitals, terms and conditions.

**WHEREAS**, Recipient is a leading, NYSE-listed commercial real estate investment trust; and

**WHEREAS**, Recipient has applied to Grantor for financial accommodations to enable it to locate a major distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas, for the operations of Wayfair LLC, including those incentives which are described in this Agreement and those which may be described on any exhibit or schedule attached to this Agreement; and

**WHEREAS**, LEDC approved certain financial incentives to Recipient at its August 1, 2017 Board meeting, and City approved certain financial incentives to Recipient at its August 14, 2017 City Council meeting which would allow Recipient to construct a commercial real estate development in the City of Lancaster, Texas; and

**WHEREAS**, Recipient understands and agrees that: (a) in granting, renewing, or extending any financial incentives, Grantor is relying upon Recipient's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any incentive by Grantor at all times shall be subject to Grantor's sole judgment and discretion; and (c) all such incentives shall be and shall remain subject to the terms and conditions as set forth in this Agreement.

## SECTION 1. TERM.

This Economic Development Incentive Agreement shall be effective as of August 14, 2017 (the "Effective Date") and shall continue thereafter until all obligations of Recipient to Grantor have been performed in full and the parties terminate this Agreement in writing, or on the sooner of the termination of the Lease or August 14, 2029, unless terminated sooner under the provisions hereof. **This Agreement will terminate if not executed by all parties within fourteen (14) days of the approval of the Agreement by the later of the City Council and the EDC Board.**

## SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** The word "Agreement" means this Economic Development Incentive Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- b. **City.** The word "City" means the City of Lancaster, Dallas County, Texas.
- c. **Effective Date.** The words "Effective Date" mean August 14, 2017.
- d. **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- e. **Facility.** The word "Facility" means Recipient's commercial real estate property, leased to Wayfair, LLC, to be constructed at the Interchange 35 property located at 2820 N. I-35 E Interchange, Lancaster, TX 75134. The Facility shall be a build-to-suit distribution facility of  $\pm$  874,566 square feet located on  $\pm$  47.15 acres of land, and shall be constructed to specifications consistent with the July 19, 2017 Final LOI Terms between Recipient and Wayfair, LLC. In order to qualify as the "Facility" under this Agreement, the facility must meet all of the following criteria: (1) when completed and fully assessed, have an ad valorem real property value of not less than \$20,000,000 on the Dallas Central Appraisal District tax rolls; (2) be the site of Wayfair LLC's business personal property with a value of not less than \$6,000,000; (3) be the warehouse/fulfillment site of Wayfair, LLC's inventory with a retail value of not less than \$1,500,000; and (4)



construction of the facility must commence no later than nine (9) months from the Effective Date of this Agreement.

- f. **Incentive Payment.** The words "Incentive Payment" mean any financial payment, benefit, reimbursement, or refund made by City or LEDC to Recipient under this Agreement.
- g. **Grantor.** The word "Grantor" means the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, or **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation, for purposes of their respective Incentive Payments made under this Agreement.
- h. **LEDC.** The word "LEDC" means Lancaster Economic Development corporation, a non-profit corporation formed for the purpose of advancing economic development in the City of Lancaster, Texas.
- i. **Real Property Taxes.** The words "Real Property Taxes" shall mean all real estate ad valorem taxes assessed and levied by the City and paid by Recipient on the Facility after completion.
- j. **Recipient.** The word "Recipient" means **DUKE REALTY LIMITED PARTNERSHIP**, an Indiana limited partnership, or a wholly-owned affiliate of Recipient approved by Grantor.

### SECTION 3. INCENTIVE PAYMENTS.

The following Incentive Payments shall be available to Recipient under the following conditions and the Recipient Obligations set forth below:

- a. **Construction and Infrastructure Incentive Payment.** Recipient shall be eligible to receive from LEDC a Construction and Infrastructure Incentive Payment in the amount of **three hundred thousand and no/100 DOLLARS. (\$300,000.00)** to offset construction and infrastructure costs associated with the Facility.
- b. **Real Property Tax Reimbursement Incentive Payment.** The City shall make an Incentive Payment to reimburse Recipient for Real Property Tax paid by Recipient and attributable to the Facility for up to ten (10) years. The first payment shall be made after the calculation, submission and confirmation of the Real Property tax paid for the first full calendar year after completion of the Facility's construction and occupancy by Wayfair, LLC The Incentive Payments shall be based the following criteria:

Real Property Tax Assessed Value	Years of Eligibility	Percentage of Real Property Taxes Reimbursed
-------------------------------------	-------------------------	---

<b>\$75 million +</b>	<b>10</b>	<b>65%</b>
<b>\$50 million+ to \$75 million</b>	<b>8</b>	<b>60%</b>
<b>\$35 million + to \$50 million</b>	<b>7</b>	<b>50%</b>
<b>\$20 million+ to \$35 million</b>	<b>5</b>	<b>45%</b>
<b>\$10 million + to \$20 million</b>	<b>5</b>	<b>40%</b>
<b>\$5 million+ to \$10 million</b>	<b>3</b>	<b>30%</b>

It is understood that the amount of the Incentive Payment may vary from year to year based on the amount of the Real Property Tax Assessed Value and tax actually paid by Recipient for the Facility. It is also understood that if the Real Property Tax Assessed Value drops to a level for which the number of years of eligibility have already been exhausted, no payment may be received that year – for example, if Real Property Tax Assessed Value has been at the \$50 million + to \$75 million level for seven years, and in year eight, the Real Property Tax Assessed Value drops to \$45 million, no incentive payment would be due that year, as the \$35 million+ to \$50 million level has only seven years of eligibility. If Real Property Tax Assessed Value returned to the \$50 million + level the next year, a payment would be due, as that level has a total of eight years of eligibility. Real Property Tax Incentive Payments shall be available only for up to the first ten (10) years following the payment of Real Property tax for the first full calendar year after completion of the Facility's construction and occupancy by Wayfair, LLC.

Notwithstanding the foregoing, the City shall have no obligation to pay Recipient any Incentive Payment until receipt of the Real Property Tax Report described in Section 4.(b)(2) of this Agreement. The City agrees to provide the Incentive Payment to Recipient within thirty (30) days following receipt and acceptance of the Real Property Tax Report.

#### **SECTION 4. RECIPIENT OBLIGATIONS**

- a. Recipient shall comply with the following terms and satisfy the following obligations to be eligible for the Incentive Payments above:
  - (1) **Lease.** Recipient shall lease the Facility to Wayfair, LLC for a term of at least eighty-seven (87) months and which shall commence on September 1, 2018 or upon substantial completion of the Facility, whichever is later, and shall provide Grantor with a fully executed copy of the Lease within fourteen (14) days of the approval of this Agreement by the City Council.
  - (2) **Certificate of Occupancy.** Recipient shall aid Wayfair, LLC in obtaining a Certificate of Occupancy for the Facility on or before September 1, 2018.

- (3) **Wayfair Agreement.** All requirements of the Economic Development Incentive Agreement with Wayfair, LLC regarding the Facility shall be satisfied.
- b. **Compliance Certificates and Reports.** Recipient shall provide Grantor with compliance certificates when requested or required hereunder, such certificates or reports specifying or reflecting:
  - (1) an existing and valid Certificate of Occupancy for the Facility (subject to the provisions of Section 4.(a)(2)), *supra*;
  - (2) an annual, detailed verification of the Real Property Tax report including certification by Recipient of Real Property Tax paid to each taxing entity.
- c. **Performance.** Recipient agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement.

## **SECTION 5. CESSATION OF INCENTIVE PAYMENTS.**

If Grantor has made any commitment to make any Incentive Payment to Recipient, whether under this Agreement or under any other agreement, Grantor shall have no obligation to advance or disburse Incentive Payment funds if:

- a. Recipient becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or
- b. during the pendency of an Event of Default.

## **SECTION 6. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement.

- a. **Lease, Construction, and Certificate of Occupancy.** Failure of Recipient to complete any of the following: (1) execution and delivery of the Lease described in Section 4.(a)(1), *supra*; (2) failure to construct the Facility in accordance with the specifications set forth in Section 2.(e), *supra*, or (3) failure of Wayfair LLC to obtain a Certificate of Occupancy in accordance with Section 4.(a)(2), *supra*.
- b. **False Statements.** Any warranty, representation or statement made or furnished to Grantor by or on behalf of Recipient under this Agreement or any related document (including but not limit to any applications for economic development funds) that is false or misleading in any material respect, either now or at the time made or furnished.
- c. **Insolvency.** Recipient's insolvency, appointment of receiver for any part of Recipient's property, any assignment for the benefit of creditors of Recipient, any type of creditor workout for Recipient, or the commencement of any proceeding under any bankruptcy or insolvency

laws by Recipient or against Recipient and not dismissed within sixty (60) days of filing thereof.

- d. **Ad Valorem Taxes.** Failure of Recipient to pay, prior to delinquency, all taxes and assessments levied or assessed upon Recipient's real property improvements or business personal property.
- e. **Undocumented workers.** Recipient certifies that Recipient does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Recipient is convicted of a violation under 8 U.S.C. § 1324a(f), Recipient shall be in default hereunder.
- f. **Other Defaults.** Failure of Recipient after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other written agreement between Grantor and Recipient, and specifically, should Recipient sublet or assign any of its interest in any portion of the Facility to any unrelated or unaffiliated entity without Grantor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

## **SECTION 7. EFFECT OF AN EVENT OF DEFAULT.**

If any Event of Default shall occur and upon thirty (30) days written notice and opportunity to cure Recipient has not cured such Event of Default within 30 days of written notice, then all commitments of Grantor under this Agreement immediately shall terminate (including any obligation to make Loan advances), and all amounts previously advanced under the Loan, not otherwise forgiven by action of the LEDC Board or City Council, as applicable, will become immediately due and payable, all without notice of any kind to Recipient, at the option of Grantor, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration shall be automatic and not optional. Any Default which may be cured by the payment of money shall not extend beyond the 30-day period referenced herein. Any amounts due and payable shall not accrue interest until they are deemed to be past due as provided in the Note.

## **SECTION 8. INDEMNIFICATION.**

Recipient shall indemnify, save, and hold harmless Grantor, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnitees") from and against:

- a. any and all claims, demands, actions or causes of action that are asserted against any Indemnitee if the claim, demand, action or cause of action relates to tortious interference with contract or business interference, or wrongful or negligent use of Grantor's Incentive Payments by Recipient or its agents and employees;
- b. any administrative or investigative proceeding by any governmental authority related to a claim, demand, action or cause of action in which Grantor is a disinterested party;
- c. any claim, demand, action or cause of action which contests or challenges the legal authority of Grantor or Recipient to enter into this Agreement; and
- d. any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnitee suffers or incurs as a result of any of the foregoing; provided, however, that Recipient shall have no obligation under this Section to Grantor with respect to any of the foregoing to the extent that such claims or liabilities arise out of the negligence or willful misconduct of Grantor or the breach by Grantor of this Agreement.

If any claim, demand, action or cause of action is asserted against any Indemnitee, such Indemnitee shall promptly notify Recipient, but the failure to so promptly notify Recipient shall not affect Recipient's obligations under this Section unless such failure materially prejudices Recipient. 's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Recipient in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnitee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Recipient to participate in such contest. Any Indemnitee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Recipient may be liable for payment of indemnity hereunder shall give Recipient written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Recipient's concurrence thereto.

## **SECTION 9. RECIPIENT'S REPRESENTATIONS.**

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and any related documents and that the representations made herein, and in the related documents, are true and accurate in all respects.

## **SECTION 10. MISCELLANEOUS PROVISIONS.**

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Applicable Law and Venue.** This Agreement has been delivered to Grantor and accepted by Grantor in the State of Texas. Recipient agrees to submit to the jurisdiction of the courts of Dallas County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal laws.
- c. **Employee Hiring, Materials and Supplies Purchase.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Grantor requests that Recipient use good faith efforts to satisfy its need for all additional employees from City residents and purchase all materials, supplies and services necessary to affect the construction and subsequent occupancy of the Property from City merchants and businesses.
- d. **Community Involvement.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Recipient agrees to use good faith efforts to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in City, and to actively encourage its employees to be involved in such organizations and/or activities.
- e. **Recipient Audit.** Recipient agrees to allow Grantor, at a time mutually acceptable to Grantor and Recipient, to audit at Grantor's expense all of Recipient's records, documents, agreements and other instruments in furtherance of the following purposes: (i) to ensure Recipient's compliance with the affirmative covenants and duties set forth in Sections 3 and 4 herein; (ii) to determine the existence of an Event of Default set forth in Section 6 herein; and (iii) to ensure compliance with any other term or condition of this Agreement or any related document.
- f. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or deposited in the United States mail, first class, postage prepaid, addressed to the

party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Recipient agrees to keep Grantor informed at all times of Recipient's current address.

- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- i. **Survival.** All warranties, representations, and covenants made by Recipient in this Agreement or in any certificate or other instrument delivered by Recipient to Grantor under this Agreement shall be considered to have been relied upon by Grantor and will survive the payment of any Incentive Payments under this Agreement regardless of any investigation made by Grantor or on Grantor's behalf.
- j. **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- k. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- l. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.
- m. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power or remedy hereunder shall constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power or remedy at any later time.

- n. **No Interpretation Against Drafter.** Recipient and Grantor have participated in negotiating and drafting this Agreement, and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

**RECIPIENT ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS LOAN AGREEMENT, AND RECIPIENT AGREES TO ITS TERMS.**

**THIS AGREEMENT SHALL BE EFFECTIVE AS OF AUGUST 14, 2017.**

**RECIPIENT:**

***DUKE REALTY LIMITED PARTNERSHIP***  
an Indiana limited partnership

By: Duke Realty Corporation, an Indiana  
corporation, its general partner

By: \_\_\_\_\_  
JEFF THORNTON  
Senior VP, Texas Region

Date Signed: \_\_\_\_\_

**GRANTOR:**

***LANCASTER ECONOMIC DEVELOPMENT  
CORPORATION,***  
a Texas Non-Profit Corporation,

By: \_\_\_\_\_  
SHANE SHEPARD  
Director of Economic Development

Date Signed: 8-2-2017



By: \_\_\_\_\_

*Sandi Collier*  
SANDI COLLIER  
Vice President

Date Signed: \_\_\_\_\_

*8-1-2017*

**GRANTOR:**

**CITY OF LANCASTER, TEXAS** a Texas  
municipal corporation,

By: \_\_\_\_\_

OPAL MAULDIN-JONES  
City Manager

Date Signed: \_\_\_\_\_

By: \_\_\_\_\_

MARCUS E. KNIGHT  
Mayor

Date Signed: \_\_\_\_\_

**PREPARED IN THE OFFICES OF:**

**BROWN & HOFMEISTER, L.L.P.**  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75081  
214/747-6100  
214/747-6111 Fax

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

20.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Director of Economic Development

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#### **Agenda Caption:**

Discuss and consider a resolution ratifying the terms and conditions of an Economic Development Incentive Agreement by and between the Lancaster Economic Development Corporation and Wayfair, LLC.

#### **Background:**

Duke Realty, LP has purchased property in Lancaster, Texas with the intent of constructing an 800,000 square foot eCommerce fulfillment facility. Duke Realty, LP received a Letter of Intent from Wayfair, LLC. Sales tax values are currently unknown. 169 jobs are projected to be created with wages of around \$35,000.

The Board of Directors of the Lancaster Economic Development Corporation convened on August 1, 2017, to consider a grant applied for by Wayfair, LLC in an amount equal to \$470,000. The grant includes the following incentives:

1. \$100,000 reimbursement grant for hiring Lancaster residents (\$500 per job up to 200 jobs);
2. \$50,000 grant to assist in job training at Cedar Valley College;
3. \$320,000 grant if Wayfair, LLC has a sales volume of \$64 million over the next five years that is subject to local 2% sales and use tax; payable annually if sales exceed \$12.8 million.

The Board of Directors unanimously approved the grant and incentive agreement.

#### **Operational Considerations:**

Wayfair, LLC. will submit copies of the City issued Certificate of Occupancy, certified payrolls, training cost receipts and information, and sales tax information regarding the project in order to exercise the Grant. Within 60 days of verification of terms, the Lancaster Economic Development Corporation will remit payments.

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

The grant total not to exceed \$470,000 is within the LEDC incentive fund. Within 60 days of verification of terms, the Economic Development Corporation will remit payments.

**Options/Alternatives:**

1. The City Council may approve the resolution and agreement as presented.
2. The City Council may reject the resolution and agreement.

**Recommendation:**

Staff recommends approval of the resolution and agreement.

**Attachments**

Resolution

Agreement

LEDC Resolution 2017-04

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**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, RATIFYING THE TERMS AND CONDITIONS OF AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BY AND BETWEEN THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (LEDC) AND WAYFAIR, LLC., AND AUTHORIZING THE LEDC TO ENTER INTO A FORMAL AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Wayfair, LLC has submitted a Letter of Intent to Duke Realy, LP for the purpose of locating a state-of-the-art regional distribution, warehouse, fulfillment, and office center within the City of Lancaster, Texas; and

**WHEREAS**, pursuant to Lancaster Economic Development Corporation (hereinafter "LEDC") Resolution 2017-04 which was passed and approved on the 1st of August, 2017 by the Board of Directors of the Lancaster Economic Development Corporation (LEDC), offering an incentive grant to Wayfair, LLC; and

**WHEREAS**, the City of Lancaster and LEDC recognize the importance of their continued role in economic development in the community of Lancaster; and

**WHEREAS**, the City of Lancaster and LEDC are authorized by state law to issue grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, an Economic Development Incentive Agreement containing the terms of the grant of incentives from the LEDC is appropriate.

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

**SECTION 1.** The City Council of the City of Lancaster, Texas ratifies the August 1, 2017 actions of the Boards of Directors of the LEDC approving an incentive grant to Wayfair, LLC.

**SECTION 2.** The City Council authorizes LEDC to enter into an incentive agreement with Wayfair, LLC, which is attached hereto.

**SECTION 3.** This Resolution shall take effect immediately from and after the date of passage and is so resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

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Sorangel O. Arenas, City Secretary

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Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

## ***ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT***

**Recipient:** **WAYFAIR LLC**

4 Copley Place, Floor 7  
Boston, MA 02116

**Grantors:** **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**

P.O. Box 940  
Lancaster, TX 75146

**CITY OF LANCASTER, TEXAS**

211 N. Henry Street  
Lancaster, TX 75146

THIS ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT ("Agreement") between **WAYFAIR LLC**, a Delaware limited liability company ("Recipient"); the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation; and **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation (individually "City" and "LEDC", and each referred to as "Grantor" for purposes of their respective Incentive Payments) is made and executed on the following recitals, terms and conditions.

**WHEREAS**, Recipient is a leading, NYSE-listed e-commerce company in the home furnishings and décor sector; and

**WHEREAS**, Recipient has applied to Grantor for financial accommodations to enable it to locate a major distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas, including those incentives which are described in this Agreement and those which may be described on any exhibit or schedule attached to this Agreement; and

**WHEREAS**, LEDC approved certain financial incentives to Recipient at its August 1, 2017 Board meeting, and City approved certain financial incentives to Recipient at its August 14, 2017 City Council meeting which would allow Recipient to locate its regional e-commerce, distribution, warehouse, fulfillment, and office center in the City of Lancaster, Texas and to expand operations accordingly; and

**WHEREAS**, Recipient understands and agrees that: (a) in granting, renewing, or extending any financial incentives, Grantor is relying upon Recipient's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any incentive by Grantor at all times shall be subject to Grantor's sole judgment and discretion; and (c) all such incentives shall be and shall remain subject to the terms and conditions as set forth in this Agreement.

## SECTION 1. TERM.

This Economic Development Incentive Agreement shall be effective as of August 14, 2017 (the "Effective Date") and shall continue thereafter until all obligations of Recipient to Grantor have been performed in full and the parties terminate this Agreement in writing, or on the sooner of the termination of the Lease or August 14, 2029, unless terminated sooner under the provisions hereof. **This Agreement will terminate if not executed by all parties within fourteen (14) days of the approval of the Agreement by the later of the City Council and the EDC Board.**

## SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** The word "Agreement" means this Economic Development Incentive Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- b. **Business Personal Property.** The words "Business Personal Property" means property as defined under Texas Tax Code Section 1.04(5) and which is taxable within the City of Lancaster, Texas, and for which business personal property taxes are paid by Recipient.
- c. **City.** The word "City" means the City of Lancaster, Dallas County, Texas.
- d. **Confirmed Annual Sales Volume.** The words "Confirmed Annual Sales Volume" mean the volume of sales certified by Recipient to have been subject to Sales Tax on an annual basis and for which Sales Tax was collected.
- e. **Effective Date.** The words "Effective Date" mean August 14, 2017.
- f. **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- g. **Facility.** The word "Facility" means Recipient's new regional distribution facility, owned by Duke Realty Limited Partnership, an Indiana limited partnership, and leased to Recipient, to be constructed at the Interchange 35 property located at 2820 N. I-35 E Interchange, Lancaster, TX 75134. The Facility shall be a build-to-suit distribution facility of  $\pm$  874,566 square feet located on  $\pm$  47.15 acres of land, and shall be constructed to specifications consistent with the July 19, 2017 Final LOI Terms between

Duke Realty Limited Partnership and Recipient. In order to qualify as the "Facility" under this Agreement, the facility must meet all of the following criteria: (1) when completed and fully valued and assessed, have an ad valorem real property value of not less than \$20,000,000 on the Dallas Central Appraisal District tax rolls; (2) be the site of equipment with an appraisal business personal property value of not less than \$6,000,000; (3) be the warehouse/fulfillment site of Recipient's inventory with a retail value of not less than \$1,500,000; and (4) construction on facility must commence no later than nine (9) months from the Effective Date of this Agreement.

- h. **Incentive Payment.** The words "Incentive Payment" mean any financial payment, benefit, reimbursement, or refund made by City or LEDC to Recipient under this Agreement.
- i. **Incentivized Jobs.** The words "Incentivized Jobs" mean up to two hundred (200) newly-created jobs for New Employees situated at the Facility and who are residents of the City, which New Employees have been hired from the Effective Date until the 2<sup>nd</sup> anniversary of the Effective Date and which New Employees, in the aggregate, have an average Salary of not less than \$35,942 per New Employee.
- j. **Grantor.** The word "Grantor" means the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, or **CITY OF LANCASTER, TEXAS**, a Texas municipal corporation, for purposes of their respective Incentive Payments made under this Agreement.
- k. **LEDC.** The word "LEDC" means Lancaster Economic Development corporation, a non-profit corporation formed for the purpose of advancing economic development in the City of Lancaster, Texas.
- l. **New Employee.** The words "New Employee" means a full-time, direct employee of Recipient, working a minimum of thirty-two (32) hours per week, who shall be employed in a position physically based at the Facility. New Employee shall not include employees of Recipient's subcontractors or vendors, whether working at the Facility or otherwise.
- m. **Recipient.** The word "Recipient" means **WAYFAIR LLC.**, a Delaware limited liability company, or a wholly-owned affiliate of Recipient approved by Grantor.
- n. **Sales Tax.** The words "Sales Tax" means the City's 1% sales taxes collected by Recipient pursuant to the Texas Tax Code for: (1) orders received at the Facility and fulfilled at the Facility; and (2) orders received

at a location other than a Texas place of business and fulfilled at the Facility.

- o. **Salary.** The word “Salary” shall mean the annual, W-2 wages of any New Employee, exclusive of benefits, employer-paid taxes, health insurance, bonus, car allowance and related employee perquisites.

### **SECTION 3. INCENTIVE PAYMENTS.**

The following Incentive Payments shall be available to Recipient under the following conditions and the Recipient Obligations set forth below:

- a. **Incentivized Job Incentive Payments.** On or before the second anniversary of the Effective Date, Recipient may create up to two hundred (200) Incentivized Jobs which are eligible for Incentive Payments, and each Incentivized Job shall be maintained at the Facility for not less than five (5) years from the date of any Incentive Payment disbursed for New Employees. The Incentivized Job payment shall be made in one (1) installment, within (30) days of the second anniversary of the Effective Date and receipt of Recipient’s certification of the Incentivized Jobs at the Facility as of the second anniversary date of the Effective Date. Upon verification of the data in the certification, LEDC will make an Incentive Payment to Recipient equal to five hundred and no/100 dollars (\$500.00) for each net New Employee hired; up to a maximum aggregate amount of **one hundred thousand and no/100 DOLLARS. (\$100,000.00)**. It is expressly agreed that LEDC will make payment for each incremental, or net, New Employee only once. Any reduction in New Employees (by layoff, termination or otherwise) which have previously received an incentive payment shall be disclosed to Grantor and adjusted for, including repayment for any overpayments.
  - (1) If on each of the first five anniversary dates of the Effective Date after the New Employee Incentive Payment has been made, Recipient has received Incentive Payments in excess of the net New Employees then located at the Facility, Recipient shall immediately refund that amount representing unearned Incentivized Jobs. For example, if Recipient created one hundred (100) New Employees in the first two (2) years following the Effective Date (in the aggregate) and received \$50,000 in Loan Advances; and thereafter, at the end of the third year following the Effective Date, Recipient had only eighty (80) New Employees located at the Facility, Recipient would be immediately obligated to pay LEDC \$10,000 (representing twenty (20) unearned Incentivized Jobs x \$500/New Employee).
  - (2) For each year from the first anniversary to the seventh anniversary



of the Effective Date, Recipient shall provide Grantor with a detailed report of the status of New Employees and Incentivized Jobs.

- b. **Job Training Assistance Incentive Payment.** LEDC shall make available to Recipient an Incentive Payment in the amount of up to **fifty-thousand and no/100 dollars (\$50,000.00)**, payable in two (2) equal annual installments for the purpose of job training education for Recipient's employees located at the Facility. Such funds shall be used to reimburse Recipient for job training at Cedar Valley College for Recipient's Facility employees and all courses and training must be completed on or before the second anniversary of the Effective Date. Recipient shall provide LEDC with a report of costs incurred, courses taken, employee name and dates of attendance, course grades, and any certificate or degree obtained on the first and second anniversary of the Effective Date. LEDC will issue payment within thirty (30) days of receipt of each annual report.
- c. **Sales Tax Reimbursement Incentive Payment.** The City shall make an Incentive Payment to reimburse Recipient for Sales Tax collected and paid for Recipient's operations made at, and attributable to, the Facility for up to ten (10) years. The first payment shall be made after the calculation, submission and confirmation of the sales volumes and taxes paid for the first full calendar year after Recipient begins business operations, including sales, at the Facility. The Incentive Payments shall be based the following criteria:

<b>Confirmed Annual Sales Volume</b>	<b>Years of Eligibility</b>	<b>Percentage of Sales Taxes Reimbursed</b>
<b>\$300 million +</b>	<b>10</b>	<b>50%</b>
<b>\$200 million+ to \$300 million</b>	<b>10</b>	<b>45%</b>
<b>\$100 million + to \$200 million</b>	<b>10</b>	<b>40%</b>
<b>\$50 million+ to \$100 million</b>	<b>10</b>	<b>35%</b>
<b>\$25 million + to \$50 million</b>	<b>10</b>	<b>30%</b>
<b>\$10 million+ to \$25 million</b>	<b>10</b>	<b>25%</b>
<b>Less than \$10 million</b>	<b>10</b>	<b>20%</b>

It is understood that the amount of the Incentive Payment may vary from year to year based on the amount of the Confirmed Annual Sales Volume and net sales tax receipts collected and paid at the Facility. Sales Tax Reimbursement Incentive Payments shall be available only for up to the first ten (10) years following the first full calendar year after Recipient begins business operations at the Facility.

- d. **Sales Volume Incentive Payment.** LEDC shall pay the sum of up to **three hundred twenty thousand and no/100 dollars (\$320,000.00)**, based on the achievement of Confirmed Annual Sales Volume as follows:

- (1) for each calendar year in the first five (5) full calendar years after Recipient begins business operations at the Facility in which Recipient's Confirmed Annual Sales Volume exceeds \$12.8 million, and for which the Recipient has collected and remitted the 2% local sales tax on the Confirmed Annual Sales Volume, Recipient or a party designated in writing by Recipient shall be entitled to a Sales Volume Incentive Payment payable by LEDC in the amount of **sixty-four thousand and no/100 dollars. (\$64,000.00);**
- (2) if Recipient's aggregate Confirmed Annual Sales Volume reaches a cumulative total of sixty-four million dollars (\$64,000,000.00) at any time during the first five (5) full calendar years after the commencement of business operations at the Facility, and if Recipient has collected and remitted the 2% local sales tax on the cumulative Confirmed Annual Sales Volume Recipient shall be entitled to the balance of the unpaid Sales Volume Incentive Payment, up to a maximum amount not to exceed the amount in Section 3.(d), *supra*.

Payment of this Incentive Payment is expressly conditioned on verification that the 2% local sales tax has been collected and remitted to the City by Recipient.

- e. **Business Personal Property Tax Refunds.** The City shall make an Incentive Payment to Recipient to reimburse a portion of the Business Personal Property taxes paid by the Recipient to the City for up to seven (7) years. The first payment shall be made after Recipient pays taxes for the first tax year that begins after the City issues a Certificate of Occupancy for Recipient's occupancy of the Facility and for which the Business Personal Property is fully assessed by the taxing authorities. The Incentive Payments shall be based upon the following percentages, which shall apply to each year as follows:

<b>Tax Years</b>	<b>Percentage of City BPP Taxes Reimbursed</b>
<b>1<sup>st</sup> through 7<sup>th</sup> tax year after issuance of Certificate of Occupancy</b>	50% (up to \$20 million in taxable value) 65% (if taxable value exceeds \$20 million)

Notwithstanding the foregoing, the City shall have no obligation to pay Recipient any Incentive Payment until receipt of the BPP Tax Report described in Section 4.(b)(3)(iii) of this Agreement. The City agrees to provide the Incentive Payment to Recipient within thirty (30) days following receipt and acceptance of the BPP Tax Report.

#### **SECTION 4. RECIPIENT OBLIGATIONS**

- a. Recipient shall comply with the following terms and satisfy the following obligations to be eligible for the Incentive Payments above:
  - (1) **Lease.** Recipient shall lease the Facility from Duke Realty Limited Partnership for a term of at least eighty-seven (87) months and which shall commence on September 1, 2018 or upon substantial completion of the Facility, whichever is later, and shall provide Grantor with a fully executed copy of the Lease within fourteen (14) days of the approval of this Agreement by the City Council
  - (2) **Certificate of Occupancy.** Recipient shall obtain a Certificate of Occupancy for the Facility on or before December 1, 2018.
  - (3) **Incentivized Jobs.** The Incentivized Jobs for which Incentive Payments are provided pursuant to Section 3.(a), *supra* shall be maintained for a period of not less than five (5) years from the date the Incentive Payment is made.
- b. **Compliance Certificates and Reports.** Recipient shall provide Grantor with compliance certificates when requested or required hereunder, such certificates or reports specifying or reflecting:
  - (1) an existing and valid Certificate of Occupancy for the Facility (subject to the provisions of Section 4.(a)(2)), *supra*;
  - (2) an annual, detailed verification of the Incentivized Jobs, including the baseline number of employees as of the Effective Date, indicating the position created, the classification of the job, the W-2 wages/salary, the date the job is filled, and the benefits/perquisites of the job.
  - (3) an annual, detailed verification of (i) Job Training Assistance Incentive report including the information set forth in Section 3.(b), *supra*; (ii) Confirmed Annual Sales Volume report including certification by Recipient of sales volume and sales tax collected and paid to each taxing entity; and (iii) Business Personal Property (BPP) Tax report including certification by Recipient of Business Personal Property located at the Facility and paid to each taxing entity.
- c. **Performance.** Recipient agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement.

## **SECTION 5. CESSATION OF INCENTIVE PAYMENTS.**

If Grantor has made any commitment to make any Incentive Payment to Recipient, whether under this Agreement or under any other agreement, Grantor shall have no obligation to advance or disburse Incentive Payment funds if:

- a. Recipient becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or
- b. during the pendency of an Event of Default.

## **SECTION 6. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement.

- a. **Certificate of Occupancy.** Failure of Recipient to complete any of the following: (1) execution and delivery of the Lease described in Section 4.(a)(1), *supra*; (2) failure of Duke Realty Limited Partnership to construct the Facility in accordance with the specifications set forth in Section 2.(g), *supra*, or (3) failure to obtain a Certificate of Occupancy in accordance with Section 4.(a)(2), *supra*.
- b. **False Statements.** Any warranty, representation or statement made or furnished to Grantor by or on behalf of Recipient under this Agreement or any related document (including but not limit to any applications for economic development funds) that is false or misleading in any material respect, either now or at the time made or furnished.
- c. **Insolvency.** Recipient's insolvency, appointment of receiver for any part of Recipient's property, any assignment for the benefit of creditors of Recipient, any type of creditor workout for Recipient, or the commencement of any proceeding under any bankruptcy or insolvency laws by Recipient or against Recipient and not dismissed within sixty (60) days of filing thereof.
- d. **Ad Valorem Taxes.** Failure of Recipient to pay, prior to delinquency, all taxes and assessments levied or assessed upon Recipient's real property improvements or business personal property.
- e. **Undocumented workers.** Recipient certifies that Recipient does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Recipient is convicted of a violation under 8 U.S.C. § 1324a(f), Recipient shall be in default hereunder.
- f. **Other Defaults.** Failure of Recipient after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any other term, obligation, covenant or condition contained in any other obligation, covenant or condition contained in this Agreement or in any of related document, or failure of Recipient to comply with or to perform any

other term, obligation, covenant or condition contained in any other written agreement between Grantor and Recipient, and specifically, should Recipient sublet or assign any of its interest in any portion of the Facility to any unrelated or unaffiliated entity without Grantor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

## **SECTION 7. EFFECT OF AN EVENT OF DEFAULT.**

If any Event of Default shall occur and upon thirty (30) days written notice and opportunity to cure Recipient has not cured such Event of Default within 30 days of written notice, then all commitments of Grantor under this Agreement immediately shall terminate (including any obligation to make Loan advances), **and all amounts previously advanced under the Loan, not otherwise forgiven by action of the LEDC Board or City Council, as applicable, will become immediately due and payable**, all without notice of any kind to Recipient, at the option of Grantor, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration shall be automatic and not optional. Any Default which may be cured by the payment of money shall not extend beyond the 30-day period referenced herein. Any amounts due and payable shall not accrue interest until they are deemed to be past due as provided in the Note.

## **SECTION 8. INDEMNIFICATION.**

**Recipient shall indemnify, save, and hold harmless Grantor, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnitees") from and against:**

- a. **any and all claims, demands, actions or causes of action that are asserted against any Indemnitee if the claim, demand, action or cause of action relates to tortious interference with contract or business interference, or wrongful or negligent use of Grantor's Incentive Payments by Recipient or its agents and employees;**
- b. **any administrative or investigative proceeding by any governmental authority related to a claim, demand, action or cause of action in which Grantor is a disinterested party;**
- c. **any claim, demand, action or cause of action which contests or challenges the legal authority of Grantor or Recipient to enter into this Agreement; and**
- d. **any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnitee suffers or incurs as a result of any of the foregoing; provided, however, that Recipient shall have no obligation under this Section to Grantor with respect to any of**

the foregoing to the extent that such claims or liabilities arise out of the negligence or willful misconduct of Grantor or the breach by Grantor of this Agreement.

If any claim, demand, action or cause of action is asserted against any Indemnitee, such Indemnitee shall promptly notify Recipient, but the failure to so promptly notify Recipient shall not affect Recipient's obligations under this Section unless such failure materially prejudices Recipient's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Recipient in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnitee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Recipient to participate in such contest. Any Indemnitee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Recipient may be liable for payment of indemnity hereunder shall give Recipient written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Recipient's concurrence thereto.

#### **SECTION 9. RECIPIENT'S REPRESENTATIONS.**

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and any related documents and that the representations made herein, and in the related documents, are true and accurate in all respects.

#### **SECTION 10. MISCELLANEOUS PROVISIONS.**

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Applicable Law and Venue.** This Agreement has been delivered to Grantor and accepted by Grantor in the State of Texas. Recipient agrees to submit to the jurisdiction of the courts of Dallas County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable federal laws.

- c. **Employee Hiring, Materials and Supplies Purchase.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Grantor requests that Recipient use good faith efforts to satisfy its need for all additional employees from City residents and purchase all materials, supplies and services necessary to affect the construction and subsequent occupancy of the Property from City merchants and businesses.
- d. **Community Involvement.** Although not an Event of Default or a condition to any disbursement or advance of the Loan or any portion thereof, Recipient agrees to use good faith efforts to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in City, and to actively encourage its employees to be involved in such organizations and/or activities.
- e. **Recipient Audit.** Recipient agrees to allow Grantor, at a time mutually acceptable to Grantor and Recipient, to audit at Grantor's expense all of Recipient's records, documents, agreements and other instruments in furtherance of the following purposes: (i) to ensure Recipient's compliance with the affirmative covenants and duties set forth in Sections 3 and 4 herein; (ii) to determine the existence of an Event of Default set forth in Section 6 herein; and (iii) to ensure compliance with any other term or condition of this Agreement or any related document.
- f. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Recipient agrees to keep Grantor informed at all times of Recipient's current address.
- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

- i. **Survival.** All warranties, representations, and covenants made by Recipient in this Agreement or in any certificate or other instrument delivered by Recipient to Grantor under this Agreement shall be considered to have been relied upon by Grantor and will survive the payment of any Incentive Payments under this Agreement regardless of any investigation made by Grantor or on Grantor's behalf.
- j. **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- k. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- l. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.
- m. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power or remedy hereunder shall constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power or remedy at any later time.
- n. **No Interpretation Against Drafter.** Recipient and Grantor have participated in negotiating and drafting this Agreement, and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

**RECIPIENT ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS LOAN AGREEMENT, AND RECIPIENT AGREES TO ITS TERMS.**

**THIS AGREEMENT SHALL BE EFFECTIVE AS OF AUGUST 14, 2017.**

*[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]*



**RECIPIENT:**

***WAYFAIR LLC***

a Delaware Limited Liability Company

By: \_\_\_\_\_

NICHOLAS MALONE

Wayfair LLC

Date Signed: \_\_\_\_\_

**GRANTOR:**

***LANCASTER ECONOMIC DEVELOPMENT CORPORATION,***

a Texas Non-Profit Corporation,

By: \_\_\_\_\_

SHANE SHEPARD

Director of Economic Development

Date Signed: \_\_\_\_\_

By: \_\_\_\_\_

SANDI COLLIER

Vice President

Date Signed: \_\_\_\_\_

**GRANTOR:**

***CITY OF LANCASTER, TEXAS*** a Texas  
municipal corporation,

By: \_\_\_\_\_

OPAL MAULDIN-JONES

City Manager

Date Signed: \_\_\_\_\_

By: \_\_\_\_\_

MARCUS E. KNIGHT

Mayor

Date Signed: \_\_\_\_\_

PREPARED IN THE OFFICES OF:

*BROWN & HOFMEISTER, L.L.P.*  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75081  
214/747-6100  
214/747-6111 Fax

RESOLUTION NO. 2017-04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER, TEXAS IN SUPPORT OF A GRANT OF ECONOMIC DEVELOPMENT FUNDS TO WAYFAIR, LLC., A DELAWARE LIMITED LIABILITY COMPANY FOR THE PROMOTIONS AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISE AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Lancaster Economic Development Corporation, ("LEDC"), acting through its Board of Directors, desires to grant certain incentives to Wayfair, LLC., a Delaware limited liability company, for the purpose of locating a state-of-the-art regional distribution, warehouse, fulfillment, and office center within the City of Lancaster, Texas; and

**WHEREAS**, LEDC is authorized by state law to issue certain grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, LEDC is responsible for recommending Type A Incentive Grants to the Lancaster City Council for review and approval; and

**WHEREAS**, LEDC has determined that the award of grants to Wayfair, LLC is in the best interest of the City of Lancaster and;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION:**

**SECTION 1.** The Board of Directors of the Lancaster Economic Development Corporation approves this resolution and desires to enter into an Economic Development Incentive Agreement with the City of Lancaster to provide economic development grants to Wayfair, LLC to provide the grants specifically attributed to LEDC therein, and authorizes the Board President or other authorized representative to execute the Agreement subject to ratification and approval by the City Council of the City of Lancaster.

**SECTION 2.** This Resolution shall take effect immediately from and after the date of passage and is so resolved.

**DULY PASSED** and approved by the Board of Directors of the Lancaster Economic Development Corporation on the 1st day of August, 2017.

**APPROVED:**



Sandi, Collier, Vice President

**ATTEST:**



Mayra A. Ortiz, Executive Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

21.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Quality Development

**Submitted by:** Shane Shepard, Economic Development Director

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#### **Agenda Caption:**

Discuss and consider a resolution authorizing the City Manager to execute an economic development agreement pursuant to Chapter 380, Texas Local Government Code, by and between the City of Lancaster and CH Realty VII/I Dallas Houston School Rd, L.P.

#### **Background:**

CH Realty VII/I Dallas Houston School Rd, L.P. has purchased property in Lancaster, Texas with the intent of constructing two 600,000 s/f buildings for warehousing and distribution.

The company estimates approximately \$30,000,000 in value added capital investment at their site in Lancaster. The company has applied for a real property tax incentive grant in compliance with the City's Incentive Policy.

#### **Operational Considerations:**

CH Realty VII/I Dallas Houston School Rd, L.P. will annually submit receipts for real property tax payments in order to exercise the rebate. Within 60 days of verification of payment, the City will remit forty-five percent (45%) rebate on property taxes for \$30,000,000 capital investment for five (5) years or fifty percent (50%) rebate on property taxes for \$35,000,000 capital investment for seven (7) years.

#### **Legal Considerations:**

The City Attorney has reviewed and approved the resolution and agreement as to form.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Based on the estimated value added capital investment submitted by the company and in consideration of the forty-five percent (45%) real property tax rebate for five (5) years, the project will represent approximately \$143,000 annually over the five year period in new revenue to the City. If the project exceeds \$35 million and the City remits fifty percent (50%) for seven (7) years, the project will represent approximately \$151,000 annually over the seven year period in new revenue to the City.

#### **Options/Alternatives:**

1. The City Council may approve the resolution and agreement as presented.
2. The City Council may reject the resolution and agreement.

**Recommendation:**

Staff recommends approval of Resolution and Agreement

**Attachments**

Resolution

Exhibit "1"

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**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A CHAPTER 380 AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS AND CH REALTY VII/I DALLAS HOUSTON SCHOOL RD, L.P., AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lancaster, Texas, ("City") desires to grant certain incentives to CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership, for the purpose of constructing a warehouse / distribution facility within the City of Lancaster, Texas; and

**WHEREAS**, the City has adopted programs for promoting economic development, and an Economic Development Agreement ("the Agreement") and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

**WHEREAS**, the City is authorized by Chapter 380 of the Texas Local Government Code to issue grants in order to promote local economic development by stimulating the local economy; and

**WHEREAS**, the Agreement containing the terms of the grant of incentives from the City is appropriate.

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

**SECTION 1.** The City Council of the City of Lancaster, Texas approves a Chapter 380 Economic Development Agreement by and between the City of Lancaster and CH Realty VII/I Dallas Houston School Road, L.P.; and

**SECTION 2.** The City Council authorizes the City Manager to execute the Economic Development Incentive Agreement between the City of Lancaster and CH Realty VII/I Dallas Houston School Road, L.P.; and

**SECTION 3.** This Resolution shall take effect immediately from and after the date of passage is provided by law.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14th day of August, 2017.

**ATTEST:**

**APPROVED:**

---

Sorangel O. Arenas, City Secretary

---

Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

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David T. Ritter, City Attorney

**EXHIBIT 1**

**THE STATE OF TEXAS       §  
  §       ECONOMIC DEVELOPMENT AGREEMENT  
COUNTY OF DALLAS       §**

This Economic Development Agreement ("Agreement") is made by and between the City of Lancaster, Texas ("City"), and CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership (the "Company"), acting by and through their respective authorized representatives.

**W I T N E S S E T H:**

**WHEREAS,** the Company has purchased real property in the City of Lancaster, Texas, being more particularly described in Exhibit "A" (the "Property"); and

**WHEREAS,** the Company intends to construct two buildings, each comprising approximately 610,606 square feet, and totaling approximately 1,221,612 square feet and related infrastructure for warehousing and distribution (the "Project"), for which Company intends to apply for building permits and commence construction within six (6) months from the execution of this Agreement; and

**WHEREAS,** the Company has advised the City that a contributing factor that would induce the Company to undertake the Project would be an agreement by the City to provide an economic development grant to the Company to reimburse it for a portion of the Real Property Taxes (hereinafter defined); and

**WHEREAS,** the City desires to encourage business expansions within the City that will add property tax base and generate additional sales tax and other revenue for the City; and

**WHEREAS,** promoting the expansion of new or existing businesses within the City will promote economic development, stimulate commercial activity, generate additional sales tax and enhance the Premises tax base and economic vitality of the City; and

**WHEREAS,** the City has adopted programs for promoting economic development, and this Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

**WHEREAS,** the City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

**WHEREAS,** the City has determined that making an economic development grant to the Company in accordance with this Agreement is in accordance with the City Economic Development Program and will: (i) further the objectives of the City; (ii) benefit the City and the City's inhabitants; and (iii) will promote local economic development and stimulate business and commercial activity in the City.

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **Article I**

### **Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Annual Grant(s)" shall mean an annual economic development grant to be paid by the City as set forth herein in an amount equivalent to 65 percent (65%) of the Real Property Taxes assessed against the Premises for a given tax year for a period of ten (10) consecutive tax years beginning with the first calendar year following the Commencement Date.

"Casualty" shall mean the Improvements are wholly or partially destroyed by fire, tornado, hurricane, earthquake, flood or similar casualty that renders the Improvements unfit for the intended purpose.

"City" shall mean the City of Lancaster, Texas.

"Commencement Date" shall mean the later of (a) January 1 of the calendar year immediately following the date a Certificate of Occupancy is issued by the City for the Company's occupancy of the Improvements; and (b) January 1, 2018.

"Company" shall mean CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership, its permitted successors and assigns.

"Company Affiliate" shall mean any entity, incorporated or otherwise, under common control with, controlled by or controlling Company. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

"Effective Date" shall mean the last date of execution hereof.

"Event of Bankruptcy or Insolvency" shall mean the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of such party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Event of Force Majeure" shall mean any contingency or cause beyond the reasonable control of



a party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

"Expiration Date" shall mean the eleventh (11th) year after the payment of the first Annual Grant.

"Impositions" shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company or any property owned by Company within the City.

"Improvements" shall mean any improvements, structures or related infrastructure located on the Premises for incorporation in the Project.

"Premises" shall mean the real property described on Exhibit "A" with or without improvements.

"Project" shall mean the development of the Premises, by the design, construction and maintenance of new improvements and related infrastructure for two owner occupied warehousing and distribution spec buildings totaling in the aggregate approximately 1,221,612 square feet, and for which the aggregate Taxable Valuation is not less than \$82,000,000 for the first tax year following completion of the buildings. Certificates of occupancy shall be obtained by Company no later than July 1, 2018.

"Real Property Taxes" shall mean, all real estate ad valorem taxes assessed and levied by the City on the Premises in accordance with state law.

"Related Infrastructure" shall mean all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction and related requirements necessary to receive a "Certificate of Occupancy" issued by the City.

"Required Use" shall mean Company's continuous operation as owner occupied manufacturing facilities on the Premises.

"Taxable Value" shall mean the assessed value of the Premises as certified by the appraisal district, or its successor, for a given year.

## **Article II**

### **Term**

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and end upon Company's receipt of the last Annual Grant due and payable hereunder, unless earlier terminated in accordance with the terms hereof.

## **Article III**

### **Economic Development Grants**

3.1 **Annual Grants.** Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with the Annual Grants to be paid on March 1 of each calendar year, (or the immediately following business day if March 1 is not a business day), beginning with March 1 of the first full calendar year following the Commencement Date, provided the City has timely received the Real Property Taxes assessed and paid against the Premises in full for the respective tax year (i.e., the tax year immediately preceding the year in which an Annual Grant is made; and such Real Property Taxes with respect to that immediately preceding tax year are used to determine the amount of each Annual Grant). For illustration purposes only, assume that the Real Property Taxes assessed against the Premises for tax year 2017 is \$100,000.00. Then, the amount of the first Annual Grant for Tax Year 2017 would be \$65,000.00 (\$100,000.00 x 65%), and would be paid on March 1, 2018.

3.2 **Grant Limitations.** Under no circumstances shall City obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Company. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3.3 **Current Revenue.** The Annual Grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City; provided however the City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Annual Grant for the then ensuing fiscal year. Further, the time period during which an Annual Grant may be paid shall automatically be extended by one year for every year in which the City does not appropriate funds for an Annual Grant payable pursuant to the terms of this Agreement. Notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any grants except as allowed by law. The City shall not be required to pay any Annual Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.4 **Tax Protest.** In the event the Company or the owner of the Premises timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Premises, or any portion thereof, with the applicable appraisal

district (or its successor), and such protest and/or contest results in a final determination that changes the appraised value and/or the Taxable Value of the Premises or the amount of ad valorem taxes assessed and due for the Premises, or portion thereof, after an Annual Grant has been paid for such Premises for such tax year, the Annual Grant for such tax year shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Annual Grant payment date, or within sixty (60) business days after such determination in the event no further Annual Grant payments are due under the Agreement.

3.5 **Refunds and Corrections.** In the event the City determines in its reasonable discretion that the amount of an Annual Grant paid by the City to the Company was incorrect, the Company shall, within sixty (60) days after receipt of written notification thereof from the City specifying the amount by which such Annual Grant exceeded the correct amount to which the Company was entitled (together with such records, reports and other information reasonably necessary to support such determination), pay such amount to the City. Notwithstanding the foregoing, the City shall only be entitled to request such a refund and Company shall only be obligated to pay such refund to the City within six (6) months of the date such Annual Grant is paid by the City to Company. If the City determines that the amount by which such Annual Grant was less than the correct amount to which the Company was entitled, the City shall, within sixty (60) days, pay the adjustment to the Company and provide such records, reports and other information reasonably necessary to support such determination. If the Company disputes the City's determination, the parties shall seek to amicably resolve the matter, subject to either party's right to pursue any available rights or remedies in connection therewith.

## **Article IV**

### **Conditions to the Economic Development Grant**

The obligation of the City to provide the Annual Grant(s) shall be conditioned upon the Company's continued compliance with and satisfaction of each of the terms and conditions of this Agreement, including the conditions set forth below:

4.1 During the period of time beginning on the Commencement Date and continuing thereafter until the Expiration Date, or earlier termination of the Agreement, the Company agrees to continuously own, lease or make available for lease the Improvements and shall not allow the operation of the Improvements in conformance with the Required Use to cease for more than sixty (60) days except in connection with, and to the extent of a Casualty or an Event of Force Majeure.

4.2 The Company shall commence Project construction on the Premises within six (6) months of the execution date of this Agreement or the Agreement will terminate, subject to any notice and cure rights allowed pursuant to Article V herein.

4.3 The Company shall not have an uncured breach or material default of this Agreement or been in arrears for any ad valorem taxes owed to the City; nothing contained herein shall preclude a good faith tax protest under section 3.4 of this Agreement.

4.4 The Company shall comply with all the terms and conditions of this Agreement.

## **Article V**

### **Termination and Default**

5.1 This Agreement terminates upon Company's receipt of the last Annual Grant due and payable hereunder, and may be terminated prior to such date upon any one or more of the following:

- (a) by mutual written agreement of the parties;
- (b) by either party, if the other party defaults or breaches any of the material terms or conditions of this Agreement and such default or breach is not cured as described in Section 5.2 below;
- (c) by City, if any Impositions owed to the City or the State of Texas by Company shall have become delinquent and Company has not timely and properly initiated proceedings to protest or contest such taxes or Impositions and such default or breach is not cured as described in Section 5.2 below;
- (d) by City, if Company suffers an Event of Bankruptcy or Insolvency; or
- (e) by either party if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable in its entirety.
- (f) should Company fail to return fully signed and executed agreement(s) to the City within 30 days of approval of agreement(s) by the Lancaster City Council, the agreement(s) and the incentive offer they represent, shall be deemed to be withdrawn and shall have no further effect.

5.2 Unless and to the extent stated elsewhere in this Agreement, a party will be in default under this Agreement if that party breaches any term or condition of this Agreement and such breach remains uncured after sixty (60) calendar days following receipt of written notice from the other party referencing this Agreement, the nature of the alleged default and the steps necessary to cure such default (or, if the party in breach has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than sixty (60) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith).

5.2 In the event the Agreement is terminated by the City pursuant to Section 5.1(b), (c), or (d), the Company shall not be entitled to receive any subsequent Annual Grants under this Agreement but shall have no obligation to refund to the City any Annual Grants (or portion thereof or interest accrued thereon) previously paid by the City to the Company.

5.4 In the event the Agreement is terminated by the City pursuant to Section 5.1(e), the Company shall, only if such legislation or court decision requires, immediately refund to the City an amount equal to the annual Grant(s) paid by the City to the Company immediately preceding the date of such termination. The repayment obligation of Company set forth in this section 5.3 hereof shall survive termination.

## Article VI

### Miscellaneous

6.1 **Binding Agreement.** The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the parties hereto.

6.2 **Limitation on Liability.** It is understood and agreed between the parties that the Company and City, in satisfying the conditions of this Agreement, have acted independently, and the City assumes no responsibilities or liabilities to third parties in connection with these actions.

6.3 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

6.4 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

6.5 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for City, to:

City of Lancaster  
Attn: Opal Mauldin-Jones  
City Manager  
P. O. Box 940  
211 North Henry Street  
Lancaster, Texas 75146-0946

With a copy to:

David T. Ritter  
Brown & Hofmeister, LLP  
740 East Campbell Road, Suite 800  
Richardson, Texas 75081

If intended for Company:

CH Realty VII/I Dallas Houston School Rd, L.P.  
Attn: Asset Manager  
3819 Maple Avenue  
Dallas, Texas 75219

With a copy to:

Winstead PC  
Attn: Greg Zimmerman  
500 Winstead Building  
2728 N. Harwood St.  
Dallas, Texas 75201

6.6 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

6.7 **Governing Law.** The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 **Amendment.** Except as otherwise provided, this Agreement may only be amended by the mutual written agreement of the parties. Within ten (10) business days prior to the expiration of any performance deadline stated within this Agreement, Company may submit to the City Manager a written request for extension, along with a reasonable justification for the delay and the requested duration extension, but no longer than ninety (90) days. The City Manager or his/her designee may approve of the extension in writing without the need for formal amendment of this Agreement signed by both parties. Such written approval shall thereafter amend the performance deadline so stated.

6.9 **Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 **Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.11 **Successors and Assigns.** This Agreement may not be assigned without the City's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, except to a Company Affiliate. Neither the Company nor its legal representatives or successors in interest shall, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part hereof, or the interest of the Company under this Agreement in either case except to a Company Affiliate, without obtaining the City's prior written consent, which may not be withheld. Any attempted assignment by the Company, except to a Company

Affiliate, in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement.

6.12 **Estoppel Certificate.** Upon written request by Company to the City, the City will provide Company with a certificate stating, as of the date of the certificate, (i) whether this Agreement is in full force and effect and, if Company is in breach of this Agreement, the nature of the breach; (ii) a statement as to whether this Agreement has been amended and, if so, the identity of each amendment; and (iii) any other factual matters reasonably requested that relate to this Agreement.

6.13 **Recitals.** The recitals to this Agreement are incorporated herein.

6.14 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.15 **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.16 **Conditions Precedent.** This Agreement is subject to and conditioned upon the following conditions which are conditions precedent to the obligations of the parties: (i) Company shall diligently and faithfully, in a good and workmanlike manner, make or cause the construction and finish out improvements to the Premises in accordance with all applicable state and local laws and regulations or a valid waiver thereof; (ii) Company shall obtain a Certificate of Occupancy for the Premises.

*[signatures begin on the following page]*

**EXECUTED in triplicate originals** on this \_\_\_\_ day of \_\_\_\_\_, 2017.

**CITY OF LANCASTER, TEXAS**

By: \_\_\_\_\_  
Opal Mauldin-Jones, City Manager

**ATTEST:**

By: \_\_\_\_\_  
Sorangel O. Arenas, City Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
David T. Ritter, City Attorney

**ACKNOWLEDGEMENT**

THE STATE OF TEXAS     §  
  §  
COUNTY OF DALLAS     §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Opal Mauldin-Jones, City Manager of the City of Lancaster, a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_



**EXECUTED** on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**CH REALTY VII/I DALLAS HOUSTON  
SCHOOL RD, L.P.**, a Delaware limited partnership

By: CH Realty VII/I Dallas Houston School Rd  
GP, L.L.C., a Delaware limited liability  
company, its general partner

By: Fund VII Managers, L.L.C.,  
a Texas limited liability company  
its manager

By: \_\_\_\_\_  
**Ben C. Doherty**  
**Vice President**

**ACKNOWLEDGEMENT**

THE STATE OF TEXAS       §  
  §  
COUNTY OF DALLAS       §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Ben C. Doherty, Vice President of Fund VII Managers, LLC, a Texas limited liability company, manager of CH Realty VII/I Dallas Houston School Rd GP, LLC, a Delaware limited liability company, general partner of CH Realty VII/I Dallas Houston School Rd, LP, a Delaware limited partnership, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said entities, and that he executed the same as the act of said entities for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:

\_\_\_\_\_

## EXHIBIT "A" LEGAL DESCRIPTION

No.: 001281127

SITUATED in the City of Lancaster, in the Marady Parks Survey, Abstract No. 1120 of Dallas Texas County, and being a part of that certain called 77.49 acre tract of land described in a deed from- Ecanae, Inc. to 12, recorded in Volume 2003011, Page 6116, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described by metes & bounds as follows:

BEGINNING at a 1/2 inch iron rod, topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found at the intersection of the south right-of-way line of Fabrication Drive (60' wide RO.W.) and the East right-of-way line of West longhorn Drive (60' wide RO.W.) as dedicated by a Street Dedication Plat, recorded Lu Volume 67205, Page 2752, Deed Records of Dallas County, Texas (O.R.D.C.T.);

THENCE: North 89 deg. 53 min. 14 sec. East, along the south line of said Fabrication Drive, a distance of 477.50 feet to a 1/2 inch iron rod, with cap, found for corner;

THENCE: South 00 deg. 06 min. 46 sec, East, departing from the south line of said Fabrication Drive, a distance of 505.00 feet to a 1/2 inch iron rod, with cap, found on the north right-of-way line of South longhorn Drive (60' wide ROW.);

THENCE: South 89 deg. 53 min. 14 sec. West, along the north line of said South Longhorn Drive, a distance of 452.50 feet to a 1/2 inch iron rod, with cap, found for corner at the beginning of a curve to the right having a radius of 25.00 feet and a chord that bears North 45 deg. 06 min. 46 sec, West...35.36

THENCE: Continuing along the north right-of-way of said South Longhorn Drive and along said curve to the right, through a central angle of 90 deg. 00 min. 00 sec and along an arc distance of 39.27 feet to a 1/2 inch iron rod, with cap, set for corner at the end of said curve, on the east right-of-way line of the above mentioned West Longhorn Drive;

THENCE: North 00 deg. 06 min. 46 sec. West, along the east line of said West Longhorn Drive, a distance of 480.00 feet to the POINT OF BEGINNING and containing 241,005 square feet or 5.533 acres land.

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

22.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Goal(s):** Financially Sound Government  
Sound Infrastructure  
Quality Development  
Professional & Committed City Workforce

**Submitted by:** Sorangel O. Arenas, City Secretary

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#### **Agenda Caption:**

Consider a resolution adopting the Lancaster City Council Rules and Procedures, as amended.

#### **Background:**

Section 3.14 of the City's Home Rule Charter requires the City Council to determine its own rules of order and business. The City Council Rules and Procedures provide the framework for which the Council conducts its business and may be amended by a majority vote of City Council at a posted regular meeting. City Council reviewed the Rules and Procedures in June of 2017 during strategic planning. At the July 17, 2017 Work Session, Council further reviewed the rules and procedures with the City Attorney. A complete redlined copy is attached.

#### **Legal Considerations:**

The City Attorney has reviewed and approved as to form the attached resolution.

#### **Public Information Considerations:**

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

#### **Fiscal Impact:**

Amending City Council Rules and Procedures does not create any financial impact.

#### **Options/Alternatives:**

1. Council may adopt the resolution and amend the rules and procedures as presented.
2. Council may adopt the resolution with modifications to the rules and procedures.

#### **Recommendation:**

Staff recommends adoption of the resolution amending the rules and procedures as presented.

#### **Attachments**

Resolution  
Rules and Procedures - red-lined version  
Rules and Procedures - clean version

---

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE LANCASTER CITY COUNCIL RULES AND PROCEDURES, AS AMENDED, AS ATTACHED HERETO AND INCORPORATED HEREIN FOR ALL PURPOSES AS EXHIBIT "A"; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Section 3.14 of the City of Lancaster Home Rule Charter requires the City Council to review and determine its own rules of order and business not later than ninety (90) days following the municipal elections; and

**WHEREAS**, the City Council has reviewed and discussed the City Council Rules and Procedures during Strategic Planning June 14, 2017 and at a Work Session held on July 17, 2017; and

**WHEREAS**, after discussion and consideration, the City Council has determined that certain revisions to the Rules and Procedures are appropriate;

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

**SECTION 1.** That the City Council Rules and Procedures, as amended, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved and adopted.

**SECTION 2.** That any prior resolutions of the City of Lancaster, Texas, in conflict with the provisions of this resolution, except as noted herein, be, and the same are hereby, repealed and revoked.

**SECTION 3.** That this resolution shall take effect immediately from and after its adoption and it is accordingly so resolved.

**DULY PASSED** and approved by the City Council of the City of Lancaster, Texas, on this the 14<sup>th</sup> day of August, 2017.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Sorangel O. Arenas, City Secretary

\_\_\_\_\_  
Marcus E. Knight, Mayor

**APPROVED AS TO FORM:**

\_\_\_\_\_  
David T. Ritter, City Attorney

# City of Lancaster

## City Council

### Rules and Procedures



As Amended  
~~September~~  
~~12~~\_\_\_\_\_,  
2017~~6~~

Last CC Review: ~~August 15~~\_\_\_\_\_, 2017~~6~~

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### STATEMENT OF MISSION

The City Council shall faithfully discharge all duties imposed upon it by the City Charter and the Constitution and laws of the State of Texas, independently and impartially deciding all matters brought before it with responsibility to the citizens and each other.

## **COUNCIL DUTIES AND RESPONSIBILITIES**

The City Council is the governing body for the City of Lancaster and must bear responsibility for the integrity of governance. This policy intends to promote and ensure effective and efficient governance.

The Council shall govern the City with a commitment to preserving the values and integrity of representative local government and democracy. The following statements will serve as a guide to that commitment:

1. The Council must strive for continual improvement of each member's personal knowledge and ability to serve in an atmosphere conducive to the responsible exchange of ideas.
2. The Council will keep the community informed on municipal affairs; encourage communication between the citizens and Council and strive for constructive relationships with Dallas County, neighboring communities, Lancaster Independent School District and other governmental bodies.
3. The Council will recognize and address the rights and privileges of the social, cultural, and physical historical characteristics of the community when setting policy; and, to strive to enhance the cultural diversity of its citizens.
4. The Council will seek to improve the quality and image of public service.
5. The Council will always be committed to promote and protect the best interest of all its citizens and entire community.

### **SECTION I**

#### **MAYOR - CITY COUNCIL RELATIONS**

##### **A. MAYORAL RESPONSIBILITIES**

1. The Mayor shall be the presiding officer at all meetings. The Mayor Pro Tem shall preside in the absence of the Mayor. The Deputy Mayor Pro Tem shall preside in the absence of both the Mayor and Mayor Pro Tem.
2. The Mayor shall have a voice and vote in all matters before the Council.



3. The Mayor is the spokesperson for and on behalf of the Council on all matters unless absent, at which time a designee will assume the role.
4. The Mayor shall preserve order and decorum and is responsible for keeping the meetings orderly by recognizing each Member for discussion, limiting speaking time, encouraging debate among Members, and keeping discussion on the agenda items being considered as required by these rules and in accordance with the TOMA.
5. Should a conflict arise among Councilmembers, the Mayor serves as mediator and arbiter.

**B. COUNCILMEMBER RESPONSIBILITIES**

1. Councilmembers shall know and observe the adopted rules and procedures governing their duties and responsibilities, and; complete its required open government training by July of each calendar year.
2. Councilmembers shall be prepared to discuss and act upon the posted agenda.
3. Councilmembers shall take the initiative to be informed about Council actions taken in their absence. When absent the individual Councilmember is responsible for obtaining relevant information prior to the Council meeting when said item is to be considered.
4. Councilmembers appointed to serve as liaison to a board, commission, or study group are responsible for keeping all Councilmembers informed of significant board, commission, or study group activities, at Councilmembers discretion.
5. Councilmembers shall conduct annual performance review of any of its appointive positions as provided in the Home Rule Charter or ordinances.

**C. HOUSE RULES: CODE OF CONDUCT**

1. Listen and understand before judging.
2. Focus on the Vision and goals; no personal attacks or inferences.
3. Look for areas of agreement before differences.
4. Be on time; start on time; turn off all personal communication devices.
5. Once a decision is made, support the City decision, but state your reservation.
6. Agree to disagree; move on to the next issue.

7. Come prepared to discuss issues; When possible ask questions of staff prior to the meeting so that staff can be prepared.
8. Praise in public; provide constructive feedback in private.
9. Participate in discussions and focus on the issue; avoid side conversations.  
Need to be mindful that sidebar conversations are disruptive.
10. Be courteous, honest and treat others with respect.
11. Communicate in an open, direct manner; keep others informed.
12. If you have a problem with another member of Council, go to that member directly and not to other council members, the community or staff.
13. Be a positive ambassador for the City.

#### **D. CITY COUNCIL AGENDA PROCESS**

1. Agenda Items
  - a. The City Manager shall be responsible for the placement of agenda items.
  - b. Any member of the City Council shall have the unabridged right to place an item on the agenda of a duly convened meeting of the council and nothing contained in the Charter or these Rules and Procedures shall be construed to limit or circumscribe such right.
  - c. A Councilmember may place an item on the agenda by presenting in writing, to the City Manager not later than noon (12:00 p.m.) on the Thursday, two weeks before the Council meeting. The City Manager and City Secretary shall acknowledge receipt of the request. The City Manager may discuss with the requesting Councilmember delay of the agenda item to the next regular meeting. However, the Councilmember may choose to direct the City Manager to place the agenda item on the upcoming Council meeting without delay. Such direction shall be noted in the agenda communication regarding the agenda item.
2. Parliamentary Procedures
  - a. Discussion on agenda items will be initiated following introduction by the Mayor, explanatory comments by staff, and a motion and a second for or against the proposal.
  - b. The Mayor will encourage all Councilmembers to participate in

discussion and debate, ensuring all members the opportunity to speak, limiting each speaker to ensure efficient use of time as appropriate.

- c. Generally accepted Parliamentary Procedure will determine the precedence of motions and the general conduct and composition of meetings except as otherwise provided herein or by State law.

### 3. Citizens Comments

- a. When Citizens' Comments are listed on the posted agenda, the Mayor may enforce the three (3) minute rule. The Mayor, at his/her discretion, may adjust the length of time per speaker. All speakers shall be accorded the courtesy of the same time allowance. All citizens requesting to speak during Citizens' Comments must fill out a speaker card prior to the call to order of the meeting. *(Approved by motion at City Council meeting June 7, 1999)*
- b. When Public Hearings are listed on the posted agenda, citizens wishing to speak during the Public Hearing will be asked to fill out a speaker card prior to the call to order of the meeting.
- c. Public comment shall not be accepted during a Council work session. A councilmember may request that the Mayor recognize a person to speak during a work session if the councilmember believes the person has pertinent, factual information that is directly relevant to the Council's discussion. The Mayor, at his/her discretion, may ask the person to speak.

### 4. Minutes

- a. The City Secretary will keep Action Minutes for all City Council meetings where Council takes official action and description minutes for all citizens' comments and Public Hearings.
- b. The City Secretary shall maintain recordings of City Council meetings in accordance with the City's adopted Records Management Program ordinance and applicable state law.
- c. Any questions regarding minutes shall be directed to the City Secretary prior to the council meeting.

- 5. Any Councilmember may appeal to the Council as a whole from a ruling by the Mayor. If the appeal is seconded, the person making the appeal may make a

brief statement and the Mayor may explain the Mayor's position, but no other Member may speak on the motion. The Mayor will then put the ruling to a vote of the Council.

6. Any Councilmember may ask the Mayor to enforce the rules established by the Council. Should the Mayor fail to do so, upon point of order, a majority vote of the Council may enforce the house rules as set forth herein.

#### **E. COUNCIL MEMBER TRAINING AND PROFESSIONAL DEVELOPMENT**

1. In addition to the required open government training, Councilmembers are encouraged to attend at least one training event per year, and others as found beneficial to performance of their elective duties, subject to the availability of funds as appropriated in the annual budget for the Mayor and each council district.
2. Council shall appropriate an amount for Mayor and each council district. Travel and training funds appropriated for the Mayor and each council district shall not be available for transfer to another council district or the Mayor.
3. Selection of professional development events are at the discretion of each council member, but are limited to expenditures within the amount appropriated for mayor and each council district. Unexpended funds for each elective position are non-transferable and shall be returned to fund balance at the end of each fiscal year.
4. Council members are encouraged to select training events from the following providers:
  - Texas Municipal League
  - North Central Texas Council of Government
5. Additional expenditures from miscellaneous professional development funds, subject to annual appropriation, for the Mayor and/or a council member chosen to represent the council, may be made for special events as the need may arise. Such additional expenditures may be made only after having been placed on the agenda of a regular council meeting and acted upon by motion, second, and favorable majority vote. *(Resolution 46-99)*

**SECTION II**  
**COUNCIL - STAFF RELATIONS**

The City Manager is the primary link between the Council and the professional staff. The Council's relationship with the staff shall be through the City Manager, subject only to the "inquiry" provision of the City Charter.

- A. AGENDA QUESTIONS.** Questions arising from Councilmembers after receiving their agenda information packet should be presented to the City Manager for staff consideration prior to the Council meeting. The additional information will be distributed to all Councilmembers. Any request for additional information shall be provided to the entire council as expeditiously as possible prior to any meeting to ensure appropriate review.
- B. PRESENTATIONS TO COUNCIL.** The City Manager shall designate appropriate staff to address each agenda item and shall see that it is adequately prepared and presented to the Council. Presentation should be professional, timely, and allow for discussion of options for resolving the issue. Staff shall make it clear that no Council action is required, present the staff recommendation, or present the specific options for Council consideration.
- C. PROBLEM RESOLUTION.** If the City Manager or staff time is being dominated or misdirected by a Councilmember or in any conflict arising between staff and Council, the City Manager shall:
1. Visit with the Councilmember and discuss the problem and/or impact on City Manager or staff time;
  2. If unresolved, ask the Mayor to arbitrate a resolution to the issue;
  3. If still unresolved, ask the Mayor to present the concerns to the Council.
  4. If the unresolved issue is with the Mayor, ask the Mayor Pro Tem to arbitrate a resolution to the issue.
  5. If still unresolved issue involves the Mayor, ask the Mayor Pro Tem to present the concerns to the Council.

**D. STAFF CONDUCT AND TRAINING**

1. The City Manager is responsible for the professional and ethical behavior of the City Staff. All staff members shall show each other, Council, and the public respect and courtesy at all times.
2. The City Manager is responsible, within the constraints of the appropriated budget, for staff development.

**DI. COUNCIL ORIENTATION.** The City Manager will, in a timely manner, provide appropriate orientation services for new Councilmembers. Such services shall include, but not be limited to, the following:

1. Availability of Texas Municipal League conferences and seminars.
2. An individual meeting with new Members informing them about City facilities and procedures.
3. Printed documents and resource materials necessary to the performance of the office of Councilmember.

**DII. COUNCIL - MANAGER/STAFF RELATIONS**

1. Official City Council Inquiry/Investigation. The rules and procedures governing Council right of inquiry shall apply only to the administrative staff reporting directly to the City Manager and shall not be in any way construed to limit the right of Council to direct access, verbal or written, with the City Manager, City Secretary, and City Attorney, unless otherwise specifically provided herein. The City Council may authorize an official inquiry or investigation into any department, agency, office, officer, or employee of the City in accordance with Sections 3.07(D)(7) and 3.09 of the City of Lancaster Home Rule Charter for the purpose of reviewing the official conduct of the department, agency, or person(s) in question.
2. City Council Inquiries Questions Regarding Municipal Affairs: All administrative inquiries of staff may be made in The City Council may submit questions regarding municipal affairs to the City Manager, in accordance with Section 3.07(D)(7) of the City of Lancaster Home Rule Charter. Such questions shall be made in writing and be addressed to the person with a copy to the City Manager. Staff The City

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Manager shall reply as soon as possible~~may respond in writing as soon as possible~~, but not later than ten (10) business days, ~~via the City Manager, as follows~~by either:

- a. Providing aThe full response to the ~~inquiry~~question; or
- b. R~~Refer the~~referring the inquiry to ~~a~~ more appropriate ~~staff~~ personnel~~staff~~ with notice to the City ~~Manager~~Council of the referral.

The City Manager shall send a copy of all responses or referrals to all members of the Council. Nothing herein shall be construed to limit the power of the City Council to directly communicate (in writing or verbally), with those officers and employees directly appointed by the City Council (City Manager, City Secretary, City Attorney, and Municipal Court Judge(s)) unless otherwise specifically provided herein.

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3. Dispute Resolution

- a. Visit with the Mayor and/or Councilmembers, and discuss abuse and/or impact on City Manager or staff time.
  - b. If unresolved, ask the Mayor to mediate a resolution to the issue; if the dispute is with the Mayor, the Mayor Pro-Tem shall mediate;
  - c. If still unresolved, the Council shall mediate a final resolution.  
*(Resolution 43-98, October 12, 1998)*
4. Communications with Staff
- a. In order to make the most efficient use of council members and staff time and to facilitate responsiveness to both staff and constituents, Council members may, upon request and funding availability, be issued a cellular telephone and tablet with service plans.
5. Disclosure of Police or Code Offense Reports and Related Records
- a. To protect the integrity of an investigation and prosecution of an offense, no Information regarding police or code enforcement matters, other than what may be made to the public or media generally, will be released verbally or in written form to any council member.
  - b. A Council member request for open records may be made through the City Secretary's office for personal subject matters. A council member may not use an Open Records Request to circumvent a copy of requested city documents being shared with other council members.

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It is through an informed public that progress is ensured and good government remains sensitive to its constituents. These guidelines are designed to help ensure fair relationships with print, radio, and television reports without infringing upon the First Amendment rights of the media.



The Council and the City Manager recognize the important link to the public provided by the media. It is the Council's desire to strengthen this link by establishing a professional working relationship to maintain a well-informed citizenry.

- A. Media Orientation. Since each government body conducts business differently, it is requested that all reporters new to City Council meetings meet with the City Manager, Mayor or the designated media relations representative prior to covering their first meeting for information on policies and procedures.
- B. Agenda Information. All reporters requesting same will receive an agenda package in advance and will be furnished support material needed for clarification for themselves or the general public.
- C. Chamber Seating. During the conduct of official business, the news media shall occupy the places designated for them or the general public.
- D. Conduct in Chambers. Representatives of the media are requested to refrain from conversing privately with others in the audience while Council is in session. Interviews with the public should be conducted outside the Council Chambers while Council is in session.
- E. Spokesperson for Staff. On administrative matters, the City Manager or his/her designee is the spokesperson to present staff information on the agenda.
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- G. Equal Access for Opposing Positions. The ethical burden for fair presentation of opposing positions on any issue falls upon the media. When opposing positions have been debated, regardless of the outcome, the public is better informed when all sides have adequate coverage by the media. Interviews by the media should provide equitable representation from all Councilmembers.

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All City Councilmembers, with the exception of the Mayor, may serve at the Council pleasure liaisons to all the boards and commissions of the City *for a period of one year*.

- A. Councilmembers will select different boards and/or commissions to serve as liaisons on or after the appointment of the boards and commissions members.
- B. Each Councilmember will be allowed to select the board or commission they would like to serve as liaisons to by order of seniority.
- C. Councilmembers are strongly encouraged, rather than required, to attend all meetings of their selected boards and/or commissions.
- D. Each Councilmember may submit a quarterly report to the entire council through the City Secretary on their respective board and/or commission's activity. Any questions or concerns about board or commission matters will be directed to the City Secretary for dissemination to the Council.

This Section was added after Res. No. 50-97 was adopted October 13, 1997. Item D was added after Res. 2007-09-105 was adopted on September 24, 2007. Item A amended after Resolution 2015-11-89 was adopted on November 16, 2015.

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Since the office of elected official is one of trust and service to the citizens of Lancaster, certain ethical principles shall govern the conduct of Councilmembers, who shall:

- A. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships;
- B. Recognize that the primary function of local government is to serve the best interests of all the people;
- C. Be dedicated to public service by being cooperative and constructive, and by making the best and most efficient use of available resources;
- D. Refrain from any activity or action that may hinder one's ability to be objective and impartial on any matter coming before the Council;

- E. To follow the required conflict of interest and disclosure of interest (vendors) required under state law.
- F. Not seek nor accept gifts or special favors and shall believe that personal gain by use of confidential information or by misuse of public funds or time is dishonest;
- G. Recognize that public and political policy decisions are ultimately the responsibility of the City Council;
- H. Conduct business in open, well-publicized meetings in order to be directly accountable to the citizens of Lancaster in compliance with the City Charter and Texas Open Meetings Act;
- I. Avoid inappropriate reference to personalities, and refrain from impugning the integrity or motives of another;
- J. Demonstrate respect and courtesy to others;
- K. Refrain from rude and derogatory remarks and shall not belittle staff members, other Councilmembers and members of the public;

L. Not condone any unethical or illegal activity.

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## CENSURE POLICY

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2. On the first regularly called meeting of the Council, which complies with the Texas Open Meetings Act, after the filing of the notice and response, the City Secretary shall formally read the notice and response into the public record. The Council, by majority vote, shall thereafter determine whether or not good cause shall exist to set a formal hearing on the merits of the notice of censure

or dismiss the allegation(s). A public hearing shall be set on the allegation(s) by the City Council. A vote to hold a public hearing shall not be construed to be a vote of censure.

3. The accused City Councilmember has the right to be represented by legal counsel and present witnesses relative to the allegation(s).
4. A public hearing on the allegation(s) and response shall be held at either a regular or special called meeting of the City Council, which shall be open to the public.
5. The City Council will hear evidence concerning the notice of censure. The City Councilmembers proffering the charges shall present evidence in support of the allegation(s) contained in the notice of censure. The Councilmember who is the subject of the censure shall have the opportunity to present evidence to support his or her position with respect to the notice of censure. After receiving evidence at an open public meeting, the City Council shall then take a roll-call vote, after motion duly made and seconded, a majority of five members of the City Council shall be required to sustain the censure of the Councilmember.

## COUNCILMEMBER REQUEST TO SCHEDULE ITEM FOR CITY COUNCIL DISCUSSION/ACTION

# **City of Lancaster**

## **City Council**

### **Rules and Procedures**



*As Amended*  
\_\_\_\_\_, 2017

Last CC Review: \_\_\_\_\_, 2017

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## STATEMENT OF MISSION

The City Council shall faithfully discharge all duties imposed upon it by the City Charter and the Constitution and laws of the State of Texas, independently and impartially deciding all matters brought before it with responsibility to the citizens and each other.



## **COUNCIL DUTIES AND RESPONSIBILITIES**

The City Council is the governing body for the City of Lancaster and must bear responsibility for the integrity of governance. This policy intends to promote and ensure effective and efficient governance.

The Council shall govern the City with a commitment to preserving the values and integrity of representative local government and democracy. The following statements will serve as a guide to that commitment:

1. The Council must strive for continual improvement of each member's personal knowledge and ability to serve in an atmosphere conducive to the responsible exchange of ideas.
2. The Council will keep the community informed on municipal affairs; encourage communication between the citizens and Council and strive for constructive relationships with Dallas County, neighboring communities, Lancaster Independent School District and other governmental bodies.
3. The Council will recognize and address the rights and privileges of the social, cultural, and physical historical characteristics of the community when setting policy; and, to strive to enhance the cultural diversity of its citizens.
4. The Council will seek to improve the quality and image of public service.
5. The Council will always be committed to promote and protect the best interest of all its citizens and entire community.

### **SECTION I**

#### **MAYOR - CITY COUNCIL RELATIONS**

##### **A. MAYORAL RESPONSIBILITIES**

1. The Mayor shall be the presiding officer at all meetings. The Mayor Pro Tem shall preside in the absence of the Mayor. The Deputy Mayor Pro Tem shall preside in the absence of both the Mayor and Mayor Pro Tem.
2. The Mayor shall have a voice and vote in all matters before the Council.

3. The Mayor is the spokesperson for and on behalf of the Council on all matters unless absent, at which time a designee will assume the role.
4. The Mayor shall preserve order and decorum and is responsible for keeping the meetings orderly by recognizing each Member for discussion, limiting speaking time, encouraging debate among Members, and keeping discussion on the agenda items being considered as required by these rules and in accordance with the TOMA.
5. Should a conflict arise among Councilmembers, the Mayor serves as mediator and arbiter.

**B. COUNCILMEMBER RESPONSIBILITIES**

1. Councilmembers shall know and observe the adopted rules and procedures governing their duties and responsibilities, and; complete its required open government training by July of each calendar year.
2. Councilmembers shall be prepared to discuss and act upon the posted agenda.
3. Councilmembers shall take the initiative to be informed about Council actions taken in their absence. When absent the individual Councilmember is responsible for obtaining relevant information prior to the Council meeting when said item is to be considered.
4. Councilmembers appointed to serve as liaison to a board, commission, or study group are responsible for keeping all Councilmembers informed of significant board, commission, or study group activities, at Councilmembers discretion.
5. Councilmembers shall conduct annual performance review of any of its appointive positions as provided in the Home Rule Charter or ordinances.

**C. HOUSE RULES: CODE OF CONDUCT**

1. Listen and understand before judging.
2. Focus on the Vision and goals; no personal attacks or inferences.
3. Look for areas of agreement before differences.
4. Be on time; start on time; turn off all personal communication devices.
5. Once a decision is made, support the City decision, but state your reservation.
6. Agree to disagree; move on to the next issue.

7. Come prepared to discuss issues; When possible ask questions of staff prior to the meeting so that staff can be prepared.
8. Praise in public; provide constructive feedback in private.
9. Participate in discussions and focus on the issue; avoid side conversations. Need to be mindful that sidebar conversations are disruptive.
10. Be courteous, honest and treat others with respect.
11. Communicate in an open, direct manner; keep others informed.
12. If you have a problem with another member of Council, go to that member directly and not to other council members, the community or staff.
13. Be a positive ambassador for the City.

#### **D. CITY COUNCIL AGENDA PROCESS**

1. Agenda Items
  - a. The City Manager shall be responsible for the placement of agenda items.
  - b. Any member of the City Council shall have the unabridged right to place an item on the agenda of a duly convened meeting of the council and nothing contained in the Charter or these Rules and Procedures shall be construed to limit or circumscribe such right.
  - c. A Councilmember may place an item on the agenda by presenting in writing, to the City Manager not later than noon (12:00 p.m.) on the Thursday, two weeks before the Council meeting. The City Manager and City Secretary shall acknowledge receipt of the request. The City Manager may discuss with the requesting Councilmember delay of the agenda item to the next regular meeting. However, the Councilmember may choose to direct the City Manager to place the agenda item on the upcoming Council meeting without delay. Such direction shall be noted in the agenda communication regarding the agenda item.
2. Parliamentary Procedures
  - a. Discussion on agenda items will be initiated following introduction by the Mayor, explanatory comments by staff, and a motion and a second for or against the proposal.
  - b. The Mayor will encourage all Councilmembers to participate in

discussion and debate, ensuring all members the opportunity to speak, limiting each speaker to ensure efficient use of time as appropriate.

- c. Generally accepted Parliamentary Procedure will determine the precedence of motions and the general conduct and composition of meetings except as otherwise provided herein or by State law.

### 3. Citizens Comments

- a. When Citizens' Comments are listed on the posted agenda, the Mayor may enforce the three (3) minute rule. The Mayor, at his/her discretion, may adjust the length of time per speaker. All speakers shall be accorded the courtesy of the same time allowance. All citizens requesting to speak during Citizens' Comments must fill out a speaker card prior to the call to order of the meeting. *(Approved by motion at City Council meeting June 7, 1999)*
- b. When Public Hearings are listed on the posted agenda, citizens wishing to speak during the Public Hearing will be asked to fill out a speaker card prior to the call to order of the meeting.
- c. Public comment shall not be accepted during a Council work session. A councilmember may request that the Mayor recognize a person to speak during a work session if the councilmember believes the person has pertinent, factual information that is directly relevant to the Council's discussion. The Mayor, at his/her discretion, may ask the person to speak.

### 4. Minutes

- a. The City Secretary will keep Action Minutes for all City Council meetings where Council takes official action and description minutes for all citizens' comments and Public Hearings.
- b. The City Secretary shall maintain recordings of City Council meetings in accordance with the City's adopted Records Management Program ordinance and applicable state law.
- c. Any questions regarding minutes shall be directed to the City Secretary prior to the council meeting.

- 5. Any Councilmember may appeal to the Council as a whole from a ruling by the Mayor. If the appeal is seconded, the person making the appeal may make a

brief statement and the Mayor may explain the Mayor's position, but no other Member may speak on the motion. The Mayor will then put the ruling to a vote of the Council.

6. Any Councilmember may ask the Mayor to enforce the rules established by the Council. Should the Mayor fail to do so, upon point of order, a majority vote of the Council may enforce the house rules as set forth herein.

#### **E. COUNCIL MEMBER TRAINING AND PROFESSIONAL DEVELOPMENT**

1. In addition to the required open government training, Councilmembers are encouraged to attend at least one training event per year, and others as found beneficial to performance of their elective duties, subject to the availability of funds as appropriated in the annual budget for the Mayor and each council district.
2. Council shall appropriate an amount for Mayor and each council district. Travel and training funds appropriated for the Mayor and each council district shall not be available for transfer to another council district or the Mayor.
3. Selection of professional development events are at the discretion of each council member, but are limited to expenditures within the amount appropriated for mayor and each council district. Unexpended funds for each elective position are non-transferable and shall be returned to fund balance at the end of each fiscal year.
4. Council members are encouraged to select training events from the following providers:
  - Texas Municipal League
  - North Central Texas Council of Government
5. Additional expenditures from miscellaneous professional development funds, subject to annual appropriation, for the Mayor and/or a council member chosen to represent the council, may be made for special events as the need may arise. Such additional expenditures may be made only after having been placed on the agenda of a regular council meeting and acted upon by motion, second, and favorable majority vote. *(Resolution 46-99)*

## **SECTION II**

### **COUNCIL - STAFF RELATIONS**

The City Manager is the primary link between the Council and the professional staff. The Council's relationship with the staff shall be through the City Manager, subject only to the "inquiry" provision of the City Charter.

- A. AGENDA QUESTIONS.** Questions arising from Councilmembers after receiving their agenda information packet should be presented to the City Manager for staff consideration prior to the Council meeting. The additional information will be distributed to all Councilmembers. Any request for additional information shall be provided to the entire council as expeditiously as possible prior to any meeting to ensure appropriate review.
- B. PRESENTATIONS TO COUNCIL.** The City Manager shall designate appropriate staff to address each agenda item and shall see that it is adequately prepared and presented to the Council. Presentation should be professional, timely, and allow for discussion of options for resolving the issue. Staff shall make it clear that no Council action is required, present the staff recommendation, or present the specific options for Council consideration.
- C. PROBLEM RESOLUTION.** If the City Manager or staff time is being dominated or misdirected by a Councilmember or in any conflict arising between staff and Council, the City Manager shall:
1. Visit with the Councilmember and discuss the problem and/or impact on City Manager or staff time;
  2. If unresolved, ask the Mayor to arbitrate a resolution to the issue;
  3. If still unresolved, ask the Mayor to present the concerns to the Council.
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by the City Council. A vote to hold a public hearing shall not be construed to be a vote of censure.

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## COUNCILMEMBER REQUEST TO SCHEDULE ITEM FOR CITY COUNCIL DISCUSSION/ACTION

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

23.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda

**Goal(s):** Financially Sound Government

**Submitted by:** Opal Mauldin-Jones, City Manager

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#### **Agenda Caption:**

Discuss the proposed FY 2017-2018 tax rate of \$0.8675 per \$100 assessed valuation, receive related tax calculation documents, take record vote to consider a tax rate to increase total tax revenues from properties on the tax roll in the previous year and set public hearing dates on the proposed tax rate.

#### **Background:**

Pursuant to Truth-in-Taxation requirements, and following receipt of tax calculations from Dallas County Tax office, the governing body must take a record vote if considering a tax rate that results in an increase in total tax revenues from properties on the tax roll in the previous year. The governing body must also set and announce the date, time and location of any required public hearings to consider the tax rate.

On Tuesday, July 25, 2017 the Dallas Central Appraisal District released the Certified Values of properties within the City of Lancaster. This data was utilized to calculate the effective rate and roll back rates for the 2017/2018 fiscal year.

The City of Lancaster experienced an increase of 8.72% in taxable property values over the previous fiscal year values.

City of Lancaster Tax Rate Comparison (per \$100 assessed valuation)

Tax Rate Comparison	FY 2016/2017	FY 2017/2018
Certified Values	\$2,068,483,920	\$2,248,754,096
Rollback Tax Rate	\$0.998083	\$1.019619
Effective Tax Rate	\$0.772284	\$0.837838
Proposed Tax Rate	\$0.867500	\$0.867500

The City Manager's proposed budget will raise more total revenue from property taxes than last year's budget.

#### **Recommendation:**

Staff recommends that City Council take a record vote on the proposal to consider a tax rate that will result in an increase in total revenues from properties on the tax roll in the previous year. Council should also announce the date, time and location of the public hearing regarding the proposed tax rate. The first public hearing is scheduled for Monday, August 28, 2017 at 7:00 p.m. at the Lancaster Municipal Center, 211 North Henry Street, Lancaster, Texas 75146. The second public hearing is scheduled for Monday, September 11, 2017 at 7:00 p.m. at the Lancaster Municipal Center, 211 North Henry Street, Lancaster, Texas 75146.

**Attachments**

Effective Tax Rate Worksheet

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# 2017 Tax Rate Calculation Worksheet

Date: 07/28/2017 08:07 AM

## Taxing Units Other Than School Districts or Water Districts

### City of Lancaster

Taxing Unit Name

Phone (area code and number)

<>

Taxing Unit's Address, City, State, Zip

Taxing Unit's Website Address

**GENERAL INFORMATION:** Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the effective tax rate and rollback tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. School districts do not use this form, but instead use Comptroller Form 50-859 Tax Rate Calculation Worksheet for School Districts. Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 Water District Rollback Tax Rate Worksheet. This worksheet is provided to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

### SECTION 1: Effective Tax Rate (No New Taxes)

The effective tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease.

The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies.

Effective Tax Rate Activity	Amount/Rate
<b>1. 2016 total taxable value.</b> Enter the amount of 2016 taxable value on the 2016 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14). <sup>1</sup>	\$2,056,973,396
<b>2. 2016 tax ceilings.</b> Counties, cities and junior college districts. Enter 2016 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2016 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>2</sup>	\$0
<b>3. Preliminary 2016 adjusted taxable value.</b> Subtract Line 2 from Line 1.	\$2,056,973,396
<b>4. 2016 total adopted tax rate.</b>	\$0.867500/\$100
<b>5. 2016 taxable value lost because court appeals of ARB decisions reduced 2016 appraised value.</b> <b>A. Original 2016 ARB Values.</b>	\$219,784,860
<b>B. 2016 values resulting from final court decisions.</b>	\$184,410,810
<b>C. 2016 value loss.</b> Subtract B from A. <sup>3</sup>	\$35,374,050
<b>6. 2016 taxable value, adjusted for court-ordered reductions.</b> Add Line 3 and Line 5C.	\$2,092,347,446
<b>7. 2016 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2016.</b> Enter the 2016 value of property in deannexed territory. <sup>4</sup>	\$0
<b>8. 2016 taxable value lost because property first qualified for an exemption in 2017.</b> Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount.	



Do not include value lost to freeport or goods-in-transit exemptions.	
A. <b>Absolute exemptions.</b> Use 2016 market value:	\$1,093,320
B. <b>Partial exemptions.</b> 2017 exemption amount or 2017 percentage exemption times 2016 value:	\$2,120,500
C. <b>Value loss.</b> Add A and B. <sup>5</sup>	\$3,213,820
<b>9. 2016 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2017.</b> Use only properties that qualified in 2017 for the first time; do not use properties that qualified in 2016.	
A. <b>2016 market value:</b>	\$160,180
B. <b>2017 productivity or special appraised value:</b>	\$2,694
C. <b>Value loss.</b> Subtract B from A. <sup>6</sup>	\$157,486
<b>10. Total adjustments for lost value.</b> Add lines 7, 8C and 9C.	\$3,371,306
<b>11. 2016 adjusted taxable value.</b> Subtract Line 10 from Line 6.	\$2,088,976,140
<b>12. Adjusted 2016 taxes.</b> Multiply Line 4 by Line 11 and divide by \$100.	\$18,121,868
<b>13. Taxes refunded for years preceding tax year 2016.</b> Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2016. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016. <sup>7</sup>	\$23,838
<b>14. Taxes in tax increment financing (TIF) for tax year 2016.</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2017 captured appraised value in Line 16D, enter 0. <sup>8</sup>	\$0
<b>15. Adjusted 2016 taxes with refunds and TIF adjustment.</b> Add Lines 12 and 13, subtract Line 14. <sup>9</sup>	\$18,145,706
<b>16. Total 2017 taxable value on the 2017 certified appraisal roll today.</b> This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled. <sup>10</sup>	
A. <b>Certified values:</b>	\$2,248,754,096
B. <b>Counties:</b> Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. <b>Pollution control and energy storage system exemption :</b> Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	\$0
D. <b>Tax increment financing:</b> Deduct the 2017 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2017 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below. <sup>11</sup>	\$0

E. <b>Total 2017 value.</b> Add A and B, then subtract C and D.	\$2,248,754,096
<b>17. Total value of properties under protest or not included on certified appraisal roll.<sup>12</sup></b>  <b>A. 2017 taxable value of properties under protest.</b> The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value. <sup>13</sup>  <b>B. 2017 value of properties not under protest or included on certified appraisal roll.</b> The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value. <sup>14</sup>  <b>C. Total value under protest or not certified:</b> Add A and B.	  \$20,803,404    \$0    \$20,803,404
<b>18. 2017 tax ceilings.</b> Counties, cities and junior colleges enter 2017 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2016 or a prior year for homeowners age 65 or older or disabled, use this step. <sup>15</sup>	\$0
<b>19. 2017 total taxable value.</b> Add Lines 16E and 17C. Subtract Line 18.	\$2,269,557,500
<b>20. Total 2017 taxable value of properties in territory annexed after Jan. 1, 2016.</b> Include both real and personal property. Enter the 2017 value of property in territory annexed. <sup>16</sup>	\$0
<b>21. Total 2017 taxable value of new improvements and new personal property located in new improvements.</b> New means the item was not on the appraisal roll in 2016. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2016, and be located in a new improvement. New improvements <b>do</b> include property on which a tax abatement agreement has expired for 2017. <sup>17</sup>	\$103,781,227
<b>22. Total adjustments to the 2017 taxable value.</b> Add Lines 20 and 21.	\$103,781,227
<b>23. 2017 adjusted taxable value.</b> Subtract Line 22 from Line 19.	\$2,165,776,273
<b>24. 2017 effective tax rate.</b> Divide Line 15 by Line 23 and multiply by \$100. <sup>18</sup>	\$0.837838/\$100
<b>25. COUNTIES ONLY.</b> Add together the effective tax rates for each type of tax the county levies. The total is the 2017 county effective tax rate. <sup>19</sup>	

<sup>1</sup>Tex. Tax Code Section 26.012(14)

<sup>2</sup>Tex. Tax Code Section 26.012(14)

<sup>3</sup>Tex. Tax Code Section 26.012(13)

<sup>4</sup>Tex. Tax Code Section 26.012(15)

<sup>5</sup>Tex. Tax Code Section 26.012(15)

<sup>6</sup>Tex. Tax Code Section 26.012(15)

<sup>7</sup>Tex. Tax Code Section 26.012(13)

<sup>8</sup>Tex. Tax Code Section 26.03(c)

<sup>9</sup>Tex. Tax Code Section 26.012(13)

<sup>10</sup>Tex. Tax Code Section 26.012

<sup>11</sup>Tex. Tax Code Section 26.03(c)

<sup>12</sup>Tex. Tax Code Section 26.01(c) and (d)

<sup>13</sup>Tex. Tax Code Section 26.01(c)

<sup>14</sup>Tex. Tax Code Section 26.01(d)

<sup>15</sup>Tex. Tax Code Section 26.012(6)

<sup>16</sup>Tex. Tax Code Section 26.012(17)

## SECTION 2: Rollback Tax Rate

The rollback tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O):** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus eight percent. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt:** The debt tax rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies. In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

Rollback Tax Rate Activity	Amount/Rate
<b>26. 2016 maintenance and operations (M&amp;O) tax rate.</b>	\$0.601200/\$100
<b>27. 2016 adjusted taxable value.</b> Enter the amount from Line 11.	\$2,088,976,140
<b>28. 2016 M&amp;O taxes.</b>	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$12,558,924
B. <b>Cities, counties and hospital districts with additional sales tax:</b> Amount of additional sales tax collected and spent on M&O expenses in 2016. Enter amount from full year's sales tax revenue spent for M&O in 2016 fiscal year, if any. Other taxing units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$1,211,422
C. <b>Counties:</b> Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other taxing units enter 0.	\$0
D. <b>Transferring function:</b> If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in H below. The taxing unit receiving the function will add this amount in H below. Other taxing units enter 0.	\$0
E. <b>Taxes refunded for years preceding tax year 2016:</b> Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2016. This line applies only to tax years preceding tax year 2016.	\$16,528
F. <b>Enhanced indigent health care expenditures:</b> Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. <b>Taxes in TIF:</b> Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2017 captured appraised value in Line 16D, enter 0.	\$0
H. <b>Adjusted M&amp;O Taxes.</b> Add A, B, C, E and F. For taxing unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$13,786,874

<b>29. 2017 adjusted taxable value.</b> Enter Line 23 from the Effective Tax Rate Worksheet.	\$2,165,776,273
<b>30. 2017 effective maintenance and operations rate.</b> Divide Line 28H by Line 29 and multiply by \$100.	\$0.636579/\$100
<b>31. 2017 rollback maintenance and operation rate.</b> Multiply Line 30 by 1.08.	\$0.687505/\$100
<b>32. Total 2017 debt to be paid with property taxes and additional sales tax revenue.</b> Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses.  A. <b>Debt</b> also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount.  B. Subtract <b>unencumbered fund amount</b> used to reduce total debt.  C. Subtract <b>amount paid</b> from other resources.  D. <b>Adjusted debt.</b> Subtract B and C from A.	\$7,537,540       \$0    \$0  \$7,537,540
<b>33. Certified 2016 excess debt collections.</b> Enter the amount certified by the collector.	\$0
<b>34. Adjusted 2017 debt.</b> Subtract Line 33 from Line 32D.	\$7,537,540
<b>35. Certified 2017 anticipated collection rate.</b> Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
<b>36. 2017 debt adjusted for collections.</b> Divide Line 34 by Line 35	\$7,537,540
<b>37. 2017 total taxable value.</b> Enter the amount on Line 19.	\$2,269,557,500
<b>38. 2017 debt tax rate.</b> Divide Line 36 by Line 37 and multiply by \$100.	\$0.332114/\$100
<b>39. 2017 rollback tax rate.</b> Add Lines 31 and 38.	\$1.019619/\$100
<b>40. COUNTIES ONLY.</b> Add together the rollback tax rates for each type of tax the county levies. The total is the 2017 county rollback tax rate.	

### SECTION 3: Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its effective and rollback tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its effective tax rate and/or rollback tax rate because it adopted the additional sales tax.

Activity	Amount/Rate
<b>41. Taxable Sales.</b> For taxing units that adopted the sales tax in November 2016 or May 2017, enter the Comptroller's estimate of taxable sales for the previous four quarters. <sup>20</sup> Taxing units that adopted the sales tax before November 2016, skip this line.	\$0
<b>42. Estimated sales tax revenue.</b> Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. <sup>21</sup> <b>Taxing units that adopted the sales tax in November 2016 or in May 2017.</b> Multiply the amount on Line 41 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. <sup>22</sup>  <b>- or -</b>  <b>Taxing units that adopted the sales tax before November 2016.</b> Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$1,211,422
<b>43. 2017 total taxable value.</b> Enter the amount from Line 37 of the Rollback Tax Rate Worksheet.	\$2,269,557,500
<b>44. Sales tax adjustment rate.</b> Divide Line 42 by Line 43 and multiply by \$100.	\$0.053378/\$100
<b>45. 2017 effective tax rate, unadjusted for sales tax.</b> <sup>23</sup> Enter the rate from Line 24 or 25, as applicable, on the Effective Tax Rate Worksheet.	\$0.837838/\$100
<b>46. 2017 effective tax rate, adjusted for sales tax.</b> <b>Taxing units that adopted the sales tax in November 2016 or in May 2017.</b> Subtract Line 44 from Line 45. Skip to Line 47 if you adopted the additional sales tax before November 2016.	\$0.837838/\$100
<b>47. 2017 rollback tax rate, unadjusted for sales tax.</b> <sup>24</sup> Enter the rate from Line 39 or 40, as applicable, of the Rollback Tax Rate Worksheet.	\$1.019619/\$100
<b>48. 2017 rollback tax rate, adjusted for sales tax.</b> Subtract Line 44 from Line 47.	\$0.966241/\$100

<sup>17</sup>Tex. Tax Code Section 26.012(17)

<sup>18</sup>Tex. Tax Code Section 26.04(c)

<sup>19</sup>Tex. Tax Code Section 26.04(d)

<sup>20</sup>Tex. Tax Code Section 26.041(d)

<sup>21</sup>Tex. Tax Code Section 26.041(i)

<sup>22</sup>Tex. Tax Code Section 26.041(d)

<sup>23</sup>Tex. Tax Code Section 26.04(c)

<sup>24</sup>Tex. Tax Code Section 26.04(c)

#### SECTION 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Additional Rollback Protection for Pollution Control Activity	Amount/Rate
<b>49. Certified expenses from the Texas Commission on Environmental Quality (TCEQ).</b> Enter the amount certified in the determination letter from TCEQ. <sup>25</sup> The taxing unit shall provide its tax assessor-collector with a copy of the letter. <sup>26</sup>	\$0
<b>50. 2017 total taxable value.</b> Enter the amount from line 37 of the Rollback Tax Rate Worksheet.	\$2,269,557,500
<b>51. Additional rate for pollution control.</b> Divide line 49 by Line 50 and multiply by \$100.	\$0/\$100
<b>52. 2017 rollback tax rate, adjusted for pollution control.</b> Add Line 51 to one of the following lines (as applicable): Line 39, Line 40 (counties) or Line 48 (taxing units with the additional sales tax).	\$0.966241/\$100

#### SECTION 5: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

Effective tax rate (Line 24; line 25 for counties; or line 46 if adjusted for sales tax)	\$0.837838
Rollback tax rate (Line 39; line 40 for counties; or line 48 if adjusted for sales tax)	\$0.966241
Rollback tax rate adjusted for pollution control (Line 52)	\$0.966241

#### SECTION 6: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the taxing unit.

**print here** ◇

Printed Name of Taxing Unit Representative

**sign here** \_\_\_\_\_

Taxing Unit Representative

\_\_\_\_\_   
Date

<sup>25</sup>Tex. Tax Code Section 26.045(d)

<sup>26</sup>Tex. Tax Code Section 26.045(i)

## LANCASTER CITY COUNCIL

### City Council Regular Meeting

24.

**Meeting Date:** 08/14/2017

**Policy Statement:** This request supports the City Council 2016-2017 Policy Agenda.

**Goal(s):** Civic Engagement

**Submitted by:** Sorangel O. Arenas, City Secretary

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#### **Agenda Caption:**

Discuss and consider appointments to the Planning and Zoning Commission, Museum Advisory Board, and Lancaster Economic Development Corporation Board.

#### **Background:**

On January 9, 2017, the City Council considered its annual appointments to the various Boards and Commissions of the City of Lancaster. However, there are four (4) current vacancies as a result of resignations.

Below is a list of resignations received:

Name	Board
Lawrence Prothro	Planning and Zoning Commission
Jeremy Reed	Museum Advisory Board
Jon Cole	Lancaster Economic Development Corporation
Vanessa Sheffield	Lancaster Economic Development Corporation

#### **Operational Considerations:**

We have applications on hand from annual appointments in December 2016 and new applications received from individuals that expressed interest in the Planning and Zoning Commission, Museum Advisory Board, and Lancaster Economic Development Corporation Board.

#### **Options/Alternatives:**

Council may choose to:

1. Make an appointment from applications on hand.
2. Direct staff to expand recruiting to obtain new applications.
3. Leave position(s) unfilled at this time.

#### **Recommendation:**

Board and Commission appointments are solely at Council's discretion.

#### **Attachments**

List of applicants (indicates board/commission preferences)

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# Boards and Commissions Applicants

2017



Applicants	Airport	PSAB	HLPC	Library	ZBA	LEDC	P&Z	Parks/4B	Animal SAB	Museum	Comments
Anthony, Ronald G.						1	3				Parks/4B - 2 Interviewed on 12-8-16
Campbell, LePorsche						1	3				Interviewed on 12-8-16
Clark, Ellen						1				2	
Collins, Karen						1	3				Parks/4B - 2 Interviewed on 12-8-16
Day, Lolecia						1	2				
Harrell, Joann						2				1	Airport Advisory Board - 3
Hudson, Robert						2	1			3	
Lewis, Kayshellyn						1					Interviewed on 12-8-16
Yeargin, Pamela						1					Interviewed on 12-8-16
Mixon, Sean						1					
Moore, Joseph						2	3				Civil Service Commission - 1 Interviewed on 12-8-16
Smith, E. Lawrence						1	2			3	Interviewed on 12-8-16
Teklegeorge, Kamila						2					Where there is a need - 3
Thomas, Barbara J.							1				