



GLEN SMITH – Mayor
 JOHNNY TRAN – Councilmember Place 1
 DONNA HARVEY SCHULMAN – Councilmember Place 2
 MARY CROCKER – Councilmember Place 3
 TROY LEWIS – Councilmember Place 4
 ANDY ERDELT – Councilmember Place 5
 STEPHEN MCGOVERN – Councilmember Place 6

**CITY OF PALACIOS
 CITY COUNCIL REGULAR MEETING AGENDA
 August 28, 2018**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held August 28, 2018, beginning at 7:00 p.m. in the Council Chambers of City Hall, 311 Henderson Avenue, Palacios, TX, for the purpose of considering the following items:

PUBLIC HEARING 7:00 PM

Public hearing on proposed budget
 Second Public Hearing on tax rate

**REGULAR COUNCIL MEETING
 IMMEDIATELY AFTER PUBLIC HEARING**

CALL TO ORDER

INVOCATION – Councilmember Tran

PLEDGE OF ALLEGIANCE – Councilmember Crocker

PLEDGE TO TEXAS FLAG – Councilmember Crocker

PLEDGE TO PALACIOS FLAG – Councilmember Crocker

VISITOR / CITIZEN FORUM

ADMINISTRATIVE REPORTS

1. City Manager's Monthly Report – July 2018

ITEMS TO BE CONSIDERED

1. Discuss and consider approving on second reading Ordinance 2018-O-5 to designate a contiguous geographic area within the City of Palacios as a residential reinvestment zone for tax abatement purposes; said area being all residential area located within the city limits of Palacios, Texas
2. Discuss and consider adopting Resolution 2018-R-14 that authorizes submission of a Texas Community Development Block Grant Program application to the Texas Department of Agriculture for a 2018 Community Enhancement Fund Grant award to purchase equipment to benefit the Palacios Community Medical Center

3. Discuss and consider adopting Resolution 2018-R-15 to designate a representative and alternate for the City of Palacios to Houston Galveston Area Council 2019 General Assembly
4. Discuss and consider action to approve a Lease Agreement with NextEdge Networks to install a sensor that will give the government and military priority usage of this signal when it is needed for air and sea operations.
5. Discuss and consider approving the replat of Beachside to combine lots 64 and 65 to erase the center lot line and create a single lot to build a residential structure as recommended by the Planning and Zoning Commission
6. Discuss and consider announcing the date, time and location of a meeting to adopt the tax rate and budget
7. Discuss and consider taking action to adopt a Citizen Participation Plan to be followed during implementation of Texas Community Development Block Grant Program projects.
8. Discuss and consider action to approve the following consent agenda items:
Minutes of the August 21, 2018 Special Council Meeting
Excuse the absence of Councilmember Tran from the August 21, 2018 Special Council Meeting

EXECUTIVE SESSION

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council
May go into Executive (closed) session in order to:

Consult with its attorney (551.071)

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074)

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

1. Discuss possible 380 Agreement to support Point of Destination Attraction with PEDC
2. Discuss possible 380 Agreement or 311 Agreement regarding a lodging establishment with PEDC

Council to Re-Convvene in Open session for Official Action:

ACTION ON EXECUTIVE SESSION:

- A. Discuss and consider action about possible 380 Agreement to support Point of Destination Attraction with PEDC
- B. Discuss and consider action about possible 380 Agreement or 311 Agreement regarding a lodging establishment with PEDC

ADJOURN

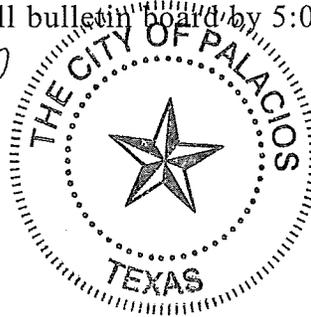
In compliance with the Americans with Disabilities Act, the City of Palacios will provide for reasonable accommodations for persons attending public meetings. To better serve attendees, requests should be received 24 hours prior to the meeting. Please contact City Hall, at 361.972.3605.

CERTIFICATION

I certify that a copy of the August 28, 2018 agenda of items to be considered by the City Council was posted on the City Hall bulletin board by 5:00 p.m. on August 24, 2018.

Clissa Mills

Clissa Mills, City Secretary



City Manager's
MONTHLY REPORT
JULY 2018

HURICANE HARVEY

- Receiving FEMA reimbursements for Harvey Damages, Emergency Protective Measures, and Debris Removal.
- Contractor is 95% complete with the installation of the new police antennae at the County Annex building under FEMA 90/10 reimbursements from Hurricane Harvey.
- Monitoring CDBG DR program for possible projects for the City.

ADMINISTRATION

- Engineer is bidding the CDBD-DR grant; pass through funding from the County Ike Disaster Grant.
- Grant Works notified City that the Hazard Mitigation Grant for generators has been approved by FEMA; working on contract with engineer.
- TxDOT Aviation Department for Palacios Airport Improvements Grant to repair Runway 13-31, taxiways, and terminal apron has selected the engineer for the project.
- Chief received word that the City was awarded the Criminal Justice Grant to H-GAC for new in-car video systems to replace existing outdated systems and two new vehicles.
- Engineer is preparing bids for the Recycle Center Expansion Project Grant from HGAC.
- Engineer started survey work for the Downtown Revitalization Grant from Texas Department of Agriculture; construction to begin during the first quarter of 2019.
- HGAC Solid Waste Grant to purchase a new recycling vehicle and recycling trailers is being reviewed by the State. They will award the grant to the City through HGAC.

PUBLIC WORKS

- Work Orders Completed: 16 water leaks, 25 animal calls, 3 culvert installations, 4 sewer stoppage calls, 39 miscellaneous work orders, and repaired potholes; total 165 calls for service.
- Mowed RR Park and other city properties, water plants, and 14 lift stations.

AIRPORT

- Mowed and sprayed around buildings, runways, and hangers
- Property was cut and bales for hay
- Issued notice to FAA to close runways to apply weed killer and remove dead grass off of the edges of the runways.

PAVILION

- Contractor is working on punch list; 99% complete.
- Completed the GLO CMP grant; working on close out documents.

POLICE

- Calls for Service 522
- Citations 95 Warnings 125
- 78 written reports, and 18 arrests

FIRE

- Responded to several fires outside the city limits
- Fire Department is collecting donations for new Fire Station.
- Searching for grants for new Fire Station.

ORDINANCE NO. 2018-O-5

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PALACIOS, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF PALACIOS AS A REINVESTMENT ZONE FOR TAX ABATEMENT PURPOSES PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE REINVESTMENT ZONE; CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, the City of Palacios (the "City") may designate an area within the City as a reinvestment zone (the "zone") if the area satisfies the requirements of certain sections of Chapter 312 of the Texas Tax Code; and

WHEREAS, the City of Palacios desires to designate the area described in attached Exhibit "A", (the "zone") as a reinvestment zone under the provisions of Chapter 312 of the Texas Tax Code; and

WHEREAS, a notice of the requisite public hearing on the creation of the proposed zone and its benefits to the City of Palacios and to the property in the proposed zone was published in a newspaper of general circulation in the City as required by Chapter 312; and

WHEREAS, at the public hearing on August 14, 2018, interested persons were allowed to speak and present evidence for or against the designation of the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 312, Texas Tax Code, and no one appeared or presented evidence in opposition to the creation of the proposed zone; NOW THEREFORE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PALACIOS, TEXAS:

SECTION 1. Findings

- (a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.
- (b) That the City Council further finds and declares that the proposed improvements in the zone are feasible and practical and would be a benefit to the land included in the reinvestment zone and to the City after the expiration of a tax abatement agreement and will be of general benefit to the City.
- (c) That the City Council further finds and declares that the proposed zone meets the

criteria and requirements of Section 312.202, and that it is reasonably likely, as a result of the designation, to contribute to the retention and expansion of primary employment and to attract major investment in the zone that will benefit the property and contribute to the economic development of Palacios, Texas.

- (d) That the City Council has previously established guidelines and criteria governing tax abatement agreements entered into by the City of Palacios regarding property within the zone.

SECTION 2. Designation of the Zone

That the City Council, acting under the provisions of Chapter 312, Texas Tax Code, does hereby designate as a reinvestment zone the area described in the attached Exhibit "A".

SECTION 3. Duration of the Zone

That the zone shall take effect immediately on the passage of this Ordinance and its designation as a reinvestment zone shall expire five years after its designation, but such designation may be renewed for additional five year periods.

SECTION 4. Severability

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person to set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 5. Effective Date

This ordinance shall become effective after its approval and adoption upon second and final reading and its publication pursuant to law.

PASSED AND APPROVED on first reading this 14th day of August, 2018.

PASSED, APPROVED AND ADOPTED on second and final reading this _____ day of _____, 2018.

CITY OF PALACIOS, TEXAS

Glen Smith, Mayor

ATTEST:

Clissa Mills, City Secretary

APPROVED AS TO FORM:

RANDALL B. STRONG, City Attorney

RESOLUTION 2018-R-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALACIOS, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY ENHANCEMENT FUND; AND AUTHORIZING THE MAYOR TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the City of Palacios desires to develop a viable community including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist within the community which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of the City of Palacios to apply for funding under the 2018 Texas Community Development Block Grant Program;

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

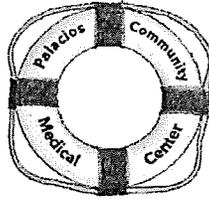
- Section 1. That a Texas Community Development Block Grant application for the Community Enhancement Fund is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture;
- Section 2. That the City's application be placed in competition for funding under the Community Enhancement Fund;
- Section 3. That the application be for up to \$500,000 of grant funds to provide community health facility improvements in the City of Palacios;
- Section 4. That the City Council directs and designated the Mayor as the City's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the City's participation in the Community Development Block Grant Program;
- Section 5: That all funds will be used in accordance with all applicable federal, state, local and programmatic requirements including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements; and
- Section 6. That it further be stated that the City of Palacios is committing \$37,500 to be provided by the Palacios Community Medical Center as a cash contribution toward the administration, equipment purchase, engineering, and/or construction activities of this community health facility improvement project.

PASSED AND APPROVED ON THIS THE 28th DAY OF AUGUST 2018.

ATTEST:

CLISSA MILLS, CITY SECRETARY

GLEN SMITH, MAYOR



PALACIOS COMMUNITY MEDICAL CENTER

August 24, 2018

Re: 2018 Community Enhancement Fund

Hello All,

On behalf of Palacios Community Medical Center I would like to state that we are committed to participate in the 2018 Community Enhancement Fund Project. PCMC will provide the match in the amount of \$37,500 which will be used toward the equipment purchase of an Ultrasound.

As the current CEO, please add my email address to all correspondence which is bhpcmc@tisd.net.

I look forward to the opportunity of partnering with the City of Palacios and Grant Works, Inc., participating in this project.

Barbara Hayes, DNP, FNP-C

Chief Executive Officer

Palacios Community Medical Center

311 Green Avenue • Palacios, TX 77465 PH: (361)972-2511 • FAX: (361)972-0149

Palacios Medical Clinic • 307 Green Avenue • Palacios, TX 77465 PH: (361)972-2000 • FAX: (361)972-2009

Palacioshospital.net

**DESIGNATION OF REPRESENTATIVE AND ALTERNATE
HOUSTON-GALVESTON AREA COUNCIL
2019 GENERAL ASSEMBLY**

BE IT RESOLVED, by the Mayor and City Council of _____, Texas,
that _____ be, and is hereby designated as its Representative
to the **GENERAL ASSEMBLY** of the Houston-Galveston Area Council for the year 2019.

FURTHER, that the Official Alternate authorized to serve as the voting representative should
the hereinabove named representative become ineligible, or should he/she resign, is
_____.

THAT the Executive Director of the Houston-Galveston Area Council be notified of the
designation of the hereinabove named representative and alternate.

PASSED AND ADOPTED, this _____ day of _____, 2018.

APPROVED:

Mayor

ATTEST:

By: _____



August 16, 2018

Hon. Glen Smith
Mayor
City of Palacios
713 1st St.
Palacios, TX 77465

Dear Mayor Smith:

I am writing regarding the appointment of your city's representative to H-GAC's 2019 General Assembly.

H-GAC's Bylaws provide that each member Home Rule city with a population under 25,000 as of the last (2010) Federal Census is entitled to designate one representative and one alternate to the H-GAC General Assembly, which will meet in early 2019.

I am enclosing the appropriate form for your city's use in officially designating a representative and an alternate. The two designees must be elected official members of your city's governing body. Please return the completed form by fax to 713-993-2414 or email cynthia.jones@h-gac.com.

A dinner meeting of Home Rule city representatives is scheduled for the evening of November 1. At that meeting, your 2018 Home Rule Cities' H-GAC Board of Directors representatives will report on this year's activities and look ahead to issues and progress in 2019.

We are sending a copy of these designation materials to your city secretary as well. We would appreciate receiving your city's designation form no later than October 19. If you have any questions during the designation process, please call Rick Guerrero at 713-993-4598.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chuck Wemple', written over a white background.

Chuck Wemple

CW/cj

Enclosure
cc: City Secretary

LEASE AGREEMENT

This Lease Agreement ("Agreement") dated August, 2018 ("Effective Date"), between City of Palacios, a Texas Municipality, with its principal offices located at 311 Henderson, Palacios, TX 77465, ("Landlord"), and NextEdge Networks, LLC, a Delaware limited liability company, with its principal offices at 240 Stockton Street, 3rd Floor, San Francisco, CA 94108 ("Tenant"). Landlord and Tenant are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

RECITALS

In consideration of the mutual covenants contained herein and intending to be legally bound hereby, the Parties agree as follows:

1. **LEASE OF PREMISES.** Pursuant to all of the terms and conditions of this Agreement, Landlord agrees to lease to Tenant space on the real property to which Landlord has an interest located at a bath house on the corner of Duson Avenue & 4th Street, Palacios, TX, (the "Property") for Tenant's installation, operation, repair, and maintenance of a communications facility consisting of sensors and related communications equipment as depicted in Exhibit "A" (the "Premises"). Furthermore, Landlord grants Tenant the non-exclusive right of ingress and egress from a public right-of-way, seven (7) days a week, twenty-four (24) hours a day, over the Property to and from the Premises for the purpose of installation, operation, and maintenance of Tenant's communications facility. If sufficient electrical power (not to exceed a 10 Amp breaker) is available for Tenant's communications facility, Landlord agrees to allow Tenant to utilize Landlord's power at no additional cost and Tenant's use of Landlord's power is included in the consideration described below in Paragraph 3. Tenant has the right to install conduits connecting the Premises to Landlord's power source. If there is insufficient electric service on the Property for Tenant to operate its communications facility, or if Tenant requires a telephone, cable, or fiber connection, Landlord grants Tenant or the servicing utility provider the right to install such utilities on, over and/or under the Property, provided the location of such utilities shall be approved by Landlord.

2. **CONDITION OF PROPERTY.** Landlord represents and warrants to Tenant that as of the Commencement Date (as defined in Paragraph 3 below) and continuing throughout the Term: Property is in compliance with all laws, including any applicable building codes, regulations, or ordinances and the Property is free of all lead-based paint, asbestos or other hazardous substances, as such term may be defined under any applicable federal, state or local law. If a breach of the representations and warranties contained in this Paragraph is discovered at any time, Landlord shall, promptly after receipt of written notice from Tenant setting forth a description of such non-compliance, rectify same at Landlord's expense.

3. **TERM; RENTAL.** This Agreement shall be for a term of five (5) years commencing upon the day that Tenant commences installation of the equipment on the Premises (the "Commencement Date"). Tenant shall provide Landlord written notification of its intent to commence the Agreement. Said notification shall be deemed received by Landlord via email with read receipt acknowledgement. Within thirty (30) days of the Commencement Date, Tenant will pay Landlord, as rent the sum of One Thousand Two hundred Dollars (\$1,200.00) per year ("Rent").

4. **EXTENSIONS.** This Agreement shall automatically be extended for three (3) additional five (5) year terms unless Tenant terminates it at the end of the then current term by giving Landlord written notice of the intent to terminate at least two (2) months prior to the end of the then current term. The initial term and all extensions shall be referred to collectively herein as the "Term". Tenant will pay Landlord, as consideration for this Agreement extension, an annual payment in the amount of One Thousand Two Dollars (\$1,200.00). Said payment will be paid annually within thirty (30) days of each of extension in advance and incur the standard 2 percent (2%) annual increase.

5. **USE; GOVERNMENTAL APPROVALS.** Tenant shall use the Premises for the purpose of

installing, operating, repairing, and maintaining a communications facility, which shall consist of a receive only sensor, a power enclosure and conduit for power. Tenant shall have the right to replace or repair utilities, equipment and/or conduits or any portion thereof and the frequencies over which the equipment operates, however, Tenant's Equipment shall be limited to the Equipment list on Exhibit A, attached hereto. It is understood and agreed that Tenant's ability to use the Premises is contingent upon its obtaining all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be required by any federal, state or local authorities. Landlord shall cooperate with Tenant in its effort to obtain such approvals and shall take no action that would adversely affect the status of the Property with respect to the proposed use thereof by Tenant.

6. INDEMNIFICATION AND LIMITATION OF LIABILITY.

a. Subject to Paragraph 7 below and to the extent allowed by applicable law, each Party shall indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the other Party, or its employees, contractors or agents.

b. Except to the extent allowed by applicable law, neither Party shall be liable to the other, or any of their respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

7. INSURANCE.

a. To the extent allowed by applicable law, the Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

b. Tenant will maintain commercial general liability insurance with limits not less than \$1,000,000 for injury to or death of one or more persons in any one occurrence and \$500,000 for damage or destruction to property in any one occurrence. Tenant shall name the Landlord as an additional insured and provide the Landlord with a certificate of insurance evidencing such.

8. **TERMINATION.** Notwithstanding anything to the contrary contained herein, provided Tenant is not in default hereunder beyond applicable notice and cure periods, Tenant shall have the right to terminate the Agreement providing six (6) months prior written notice to Landlord. Landlord, after the expiration of the first Term, shall have the right to terminate this Agreement by providing one (1) year advance written notice to Tenant.

9. **INTERFERENCE.** Tenant's communications facility will not cause measurable interference to Landlord's or any other tenants of the Property's equipment that is operating on the Property prior to the Effective Date, such measurable interference to be determined in accordance with then existing industry standards. If Tenant's equipment causes measurable interference, Landlord will notify Tenant in writing, and Tenant will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at Tenant's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will Landlord be entitled to terminate the Agreement or relocate the equipment as long as Tenant is making a good faith effort to remedy the

interference issue. Landlord agrees that Landlord and/or any other tenants of the Property who currently have or in the future take possession of the Property will not install or operate equipment that causes measurable interference to Tenant's then existing communications facility. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance.

10. REMOVAL AT END OF TERM. Tenant shall, within thirty (30) days after the expiration of this Agreement, remove its communications equipment and all personal property and restore the Premises to its original condition immediately prior to Tenant installation, reasonable wear and tear and casualty damage excepted. Landlord agrees and acknowledges that all of Tenant's communications equipment and personal property shall remain Tenant's personal property, and Tenant shall have the right to remove the same at any time during the Term.

11. WAIVER OF LANDLORD'S LIEN RIGHTS. Landlord expressly waives, releases and negates any and all liens and security interests (constitutional, statutory, contractual or otherwise) to which Landlord might now or hereafter be entitled on all communications equipment, trade fixtures, or other personal property or assets which Tenant may place or permit to be placed in or about the Premises, unless Tenant abandons the Premises and/or is in default of this Agreement and has not attempted to cure said default. In connection with such waiver, Landlord agrees to enter into any such bona fide lien holder's commercially reasonable form to acknowledge such waiver and Tenant will reimburse Landlord for all reasonable attorneys' fees Landlord incurs in connection with such agreement. Such amounts shall be due and payable within thirty (30) days of Landlord's written demand therefor.

12. RIGHTS UPON SALE. If Landlord, sells or transfers the Property during the Term of the Agreement, such sale or transfer of interest will be under and subject to the Agreement and any such purchaser or transferee shall recognize Tenant's rights hereunder the terms of the Agreement.

13. QUIET ENJOYMENT AND REPRESENTATIONS. Landlord covenants that Tenant, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises. Landlord represents and warrants to Tenant as of the date of the Agreement, and covenants during the Term that Landlord is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute the Agreement. Landlord further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting Landlord's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by Tenant as set forth above.

14. ASSIGNMENT AND SUBLETTING.

a. Provided no default has occurred and is continuing, Tenant shall have the right, without Landlord's prior approval, to assign this Agreement to an Affiliate of Tenant. For purposes of this Section 14, an Affiliate is defined as a corporation or entity which (i) directly or indirectly (through one or more subsidiaries) controls Tenant; (ii) is controlled directly or indirectly (through one or more subsidiaries) by Tenant; or (iii) is under the common control, directly or indirectly (through one or more subsidiaries) with Tenant by the same parent corporation or entity. Any other assignment of this Agreement by Tenant shall require the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

Upon an assignment to an assignee who assumes all obligations and duties under this Agreement, Landlord will release Tenant from any and all liability under the Agreement from the effective date of the assignment.

15. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular

business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LANDLORD: City of Palacios
311 Henderson, Palacios, TX 77465

TENANT: NextEdge Networks, LLC
240 Stockton Street, 3rd Floor
San Francisco, CA 94108
Attn: Network Operations

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

16. RECORDING. At Tenant's request, Landlord agrees to execute a memorandum of agreement which Tenant may record with the appropriate recording officer. The date set forth in the memorandum is for recording purposes only and bears no reference to commencement of the Term.

17. DEFAULT AND REMEDIES. Notwithstanding anything contained herein to the contrary and without waiving any other rights granted to it at law or in equity, each Party shall have the right, but not the obligation, to perform a defaulting Party's duty or obligation on the defaulting Party's behalf, or may terminate this Agreement immediately on written notice, if the defaulting Party fails to perform any covenant or commits a material breach of this Agreement and fails to diligently pursue a cure to its completion after thirty (30) days' written notice specifying such failure or performance or default, or after thirty (30) days' written notice if Landlord fails to perform any covenant that interferes with Tenant's ability to operate its communication facility. Any costs and expenses incurred by the non-defaulting Party related to performing the defaulting Party's duty or obligation shall be due and payable by the defaulting Party upon invoice submitted by the non-defaulting Party.

18. CASUALTY. If damage by fire or other casualty to the Building or Premises impact Tenant's use of the Premises, Landlord will use best efforts to relocate Tenant temporarily to avoid disruption of Tenant's ability to operate its communication facility. If the damage or other casualty cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt Tenant's operations at the Premises for more than forty-five (45) days, then Tenant may, at any time following such fire or other casualty, terminate the Agreement upon fifteen (15) days prior written notice to Landlord.

19. MISCELLANEOUS. This Agreement contains all agreements, promises and understandings between the Landlord and the Tenant regarding this transaction, and no oral agreement, promises or understandings shall be binding upon either the Landlord or the Tenant in any dispute, controversy or proceeding. This Agreement may not be amended or varied except in a writing signed by all Parties. This Agreement shall extend to and bind the heirs, personal representatives, successors and assigns hereto. The failure of either party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights hereunder shall not waive such rights and such party shall have the right to enforce such rights at any time. The performance of this Agreement shall be governed, interpreted, construed, and regulated by the laws of the state in which the Premises is located without reference to its choice of law rules.

[The Remainder of this Page is intentionally Left Blank; Signature Page to Follow]

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year first above written.

LANDLORD:

City of Palacios, a Texas Municipality

By: _____

Name: _____

Its: _____

Date: _____

TENANT:

NextEdge Networks, LLC,
A Delaware limited liability company

By: _____

Its: CEO

Name: Doug Wiest

Date: _____

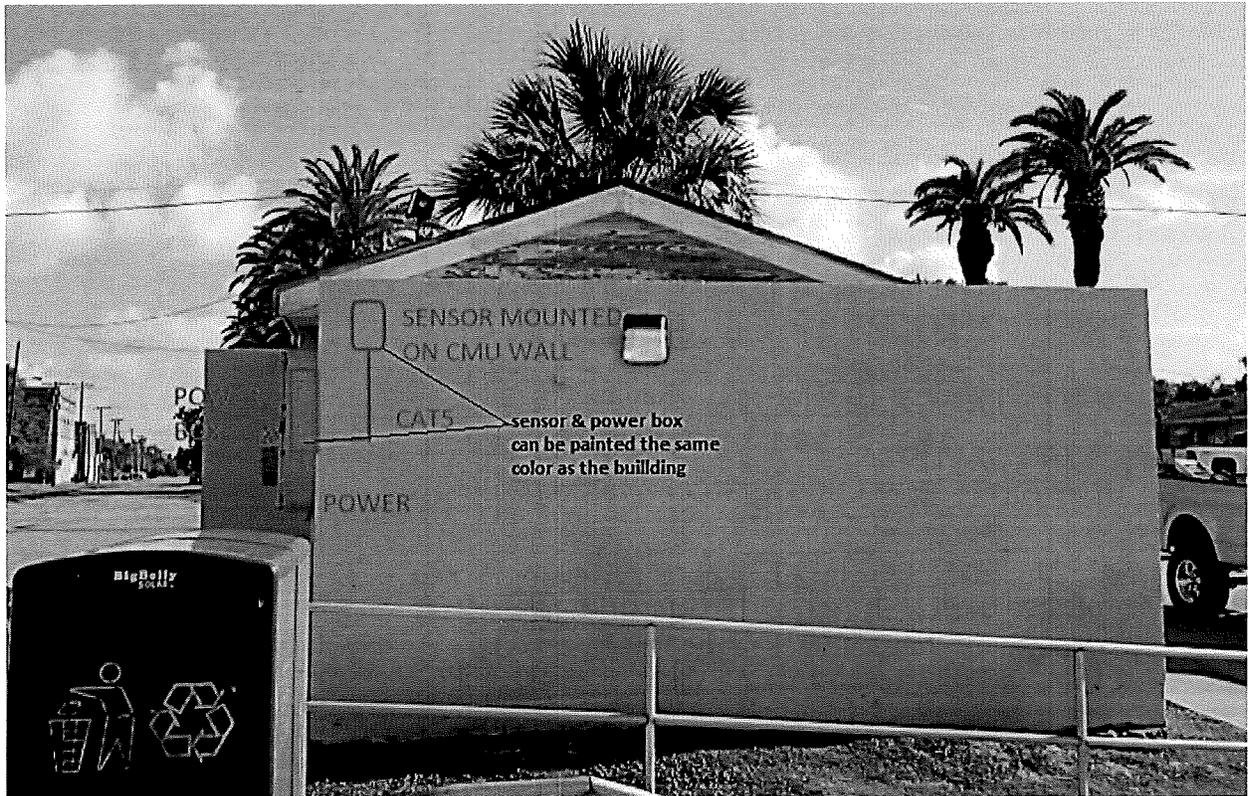
Exhibit A

Premises

This exhibit is illustrative only and shall be replaced with landlord approved drawings prior to installation

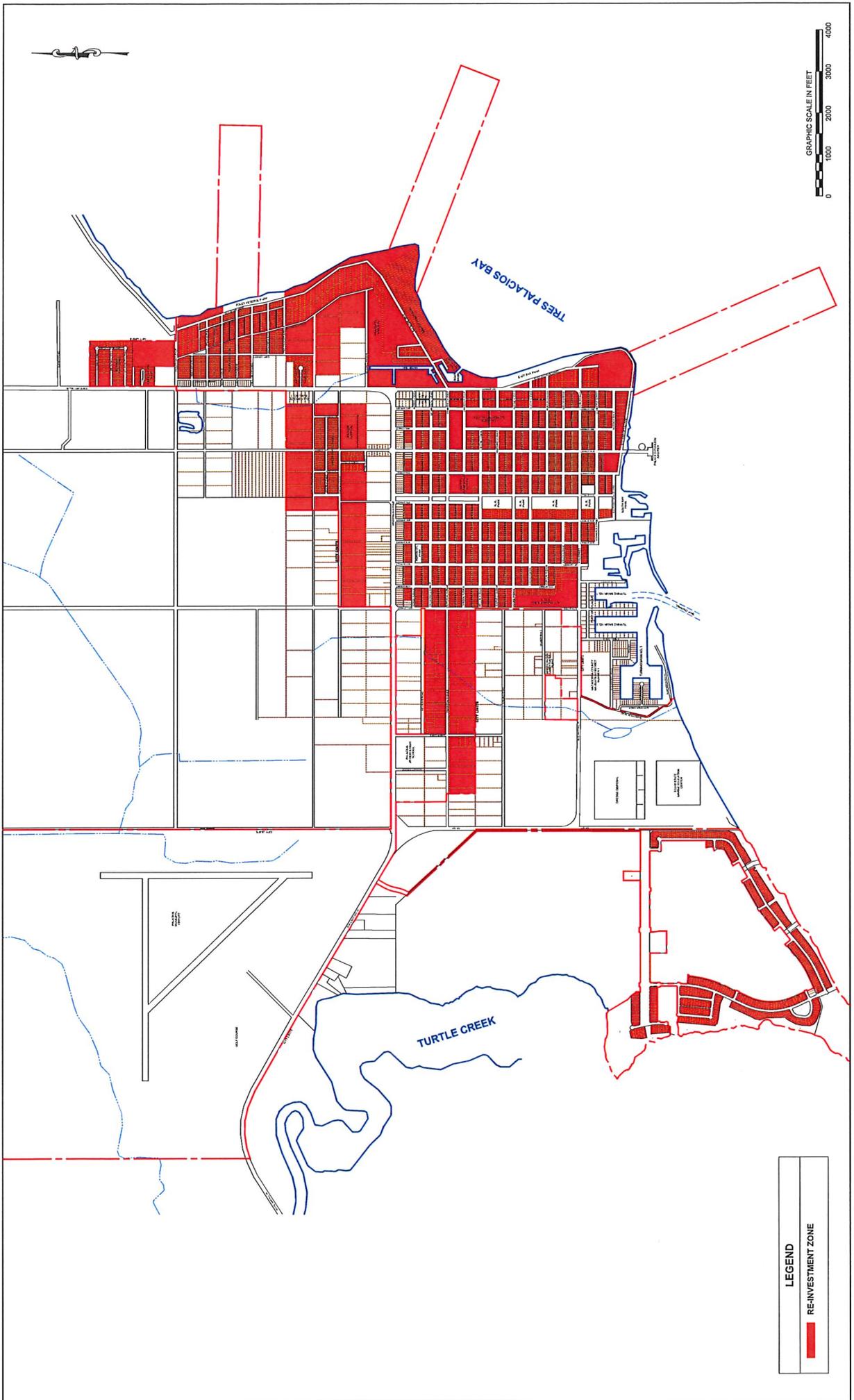
EQUIPMENT LIST:

Sensor, power enclosure, utility conduit



Notes:

1. This Exhibit A may be replaced by a Site Plan substantially depicting the above once Tenant receives it.
2. The type, number, and mounting positions and locations of sensors and lines are illustrative only. Actual types, numbers, mounting positions, may vary slightly from what is shown above.



GRAPHIC SCALE IN FEET
0 1000 2000 3000 4000

LEGEND
RE-INVESTMENT ZONE

THE CITY OF PALACIOS
CITIZEN PARTICIPATION PLAN
TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Note to Grant Recipients regarding Limited English Proficiency (LEP) requirements:

In accordance with federal law, if there is a significant number of the population who are non-English speaking residents and are affected by the TxCDBG project, such citizens should have 'meaningful access' to all aspects of the TxCDBG project. To provide 'meaningful access', Grant Recipients may need to provide interpreter services at public hearings or provide non-English written materials that are routinely provided in English. Examples of such vital documents may include Citizen Participation notices (e.g., complaint procedures, hearings notices), civil rights notices, and any other published notice that may allow an eligible person with limited English proficiency to participate in discussing proposed CDBG activities.

For more information, see LEP.gov

COMPLAINT PROCEDURES

These complaint procedures comply with the requirements of the Texas Department of Agriculture's Texas Community Development Block Grant (TxCDBG) Program and Local Government Requirements found in 24 CFR §570.486 (Code of Federal Regulations). Citizens can obtain a copy of these procedures at the City of Palacios, 311 Henderson (P.O. Box 845), Palacios, TX 77465, or by calling (361) 972-3605 during regular business hours.

Below are the formal complaint and grievance procedures regarding the services provided under the TxCDBG project.

1. A person who has a complaint or grievance about any services or activities with respect to the TxCDBG project, whether it is a proposed, ongoing, or completed TxCDBG project, may during regular business hours submit such complaint or grievance, in writing to the Mayor, at City of Palacios, 311 Henderson (P.O. Box 845), Palacios, TX 77465 or may call (361) 972-3605.
2. A copy of the complaint or grievance shall be transmitted by the Mayor to the entity that is the subject of the complaint or grievance and to the City Attorney within five (5) working days after the date of the complaint or grievance was received.
3. The Mayor shall complete an investigation of the complaint or grievance, if practicable, and provide a timely written answer to person who made the complaint or grievance within ten (10) days.
4. If the investigation cannot be completed within ten (10) working days per 3 above, the person who made the grievance or complaint shall be notified, in writing, within fifteen (15) days where practicable after receipt of the original complaint or grievance and shall detail when the investigation should be completed.

5. If necessary, the grievance and a written copy of the subsequent investigation shall be forwarded to the TxCDBG for their further review and comment.
6. If appropriate, provide copies of grievance procedures and responses to grievances in both English and Spanish, or other appropriate language.

TECHNICAL ASSISTANCE

When requested, the City shall provide technical assistance to groups that are representative of persons of low- and moderate-income in developing proposals for the use of TxCDBG funds. The City, based upon the specific needs of the community's residents at the time of the request, shall determine the level and type of assistance.

PUBLIC HEARING PROVISIONS

For each public hearing scheduled and conducted by the City, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice must include the date, time, location, and topics to be considered at the public hearing. A published newspaper article can also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
2. When a significant number of non-English speaking residents are a part of the potential service area of the TxCDBG project, vital documents such as notices should be published in the predominant language of these non-English speaking citizens.
3. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and the City must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to the hearing.
4. A public hearing held prior to the submission of a TxCDBG application must be held after 5:00 PM on a weekday or at a convenient time on a Saturday or Sunday.
5. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City shall comply with the following citizen participation requirements for the preparation and submission of an application for a TxCDBG project:

1. At a minimum, the City shall hold at least one (1) public hearing to prior to submitting the application to the Texas Department of Agriculture.
2. The City shall retain documentation of the hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the proposed use of funds for three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.
3. The public hearing shall include a discussion with citizens as outlined in the applicable TxCDBG application manual to include, but is not limited to, the development of housing and community development needs, the amount of funding available, all eligible activities under the TxCDBG program, and the use of past TxCDBG contract funds, if applicable. Citizens, with particular emphasis on persons of low- and moderate-income who are residents of slum and blight areas, shall be encouraged to submit their views and proposals regarding community development and housing needs. Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
4. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter should be present to accommodate the needs of the non-English speaking residents.

The City must comply with the following citizen participation requirements in the event that the City receives funds from the TxCDBG program:

1. The City shall also hold a public hearing concerning any substantial change, as determined by TxCDBG, proposed to be made in the use of TxCDBG funds from one eligible activity to another again using the preceding notice requirements.
2. Upon completion of the TxCDBG project, the City shall hold a public hearing and review its program performance including the actual use of the TxCDBG funds.
3. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, for either a public hearing concerning substantial change to the TxCDBG project or for the closeout of the TxCDBG project, publish notice in both English and Spanish, or other appropriate language and provide an interpreter at the hearing to accommodate the needs of the non-English speaking residents.
4. The City shall retain documentation of the TxCDBG project, including hearing notice(s), a listing of persons attending the hearing(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three (3) years from closeout of the grant to the state. Such records shall be made available to the public in accordance with Chapter 552, Texas Government Code.

GLEN SMITH, MAYOR

Date

**CITY OF PALACIOS
CITIZEN COMPLAINT FORM**

FOR CITY USE ONLY

INSTRUCTIONS: Read this form and the instructions on reverse carefully before completing. All questions should be answered. However, if you do not know the answer or if a question is not applicable, leave the questions unanswered and fill out as much of the form as you can. Your complaint should be signed and dated and, if possible, notarized. Where more than one individual or organization is filing the same complaint, each additional individual or organization should complete boxes 1 and 7 of a separate complaint form and attach it to the original form, but the other boxes need not be completed if the information is the same as in the original form, but the other boxes need not be completed if the information is the same as in the original. Complaints may be (1) mailed to the Mayor of City of Palacios, P.O. Box 845, Palacios, TX 77465 or (2) filed or presented in person to the Mayor of City of Palacios, 311 Henderson Street, Palacios, TX 77465.

Number _____

Date _____

Filing Date _____

DATE OF PRIOR ACTION, IF ANY

PRELIMINARY DETERMINATION

PLEASE TYPE OR PRINT

1. Name of Aggrieved person or organization

Telephone Number: _____

(Mr. Mrs. Miss) (Last Name - First Name - Middle Initial) Street Address City County State ZIP Code

2. Whom is this complaint against?

Name (Last Name-First Name-Middle Initial) Street Address City County State ZIP Code Telephone Number

Is the party named above a: (Check applicable box or boxes)

City Employee City Council Member Contractor of the City Other

Name and Identify Others (if any) you believe violated the law in this case:

3. What did the person you are complaining against do? When did act or acts occur? (Be sure to include all dates, if several dates are involved.)

4. Do you believe there was discrimination because of? (Check applicable box and write your race, color, religion, sex or national origin on the line below the box checked)

Race or Color Religion Sex National Origin

5. Please review the following and check the applicable box or boxes if they apply to your case.

The City has described its housing and community development needs in a manner clearly inconsistent with available facts and data; The activities proposed by the City are clearly inappropriate to meet the City's needs and objectives;

The City has not complied with TxCDBG program requirements; The proposed activities are not eligible for TxCDBG grant assistance.

6. Summarize in your own words what happened. Use this space for a brief and concise statement of the facts. Additional details of what happened may be provided on an attachment. (NOTE: The City will furnish a copy of complaint to the person or organization against whom complaint is made.)

7. I swear or affirm that I have read this complaint (including any attachments) and that it is true to the best of my knowledge, information, and belief.

(Date)

(Sign your name)

NOTARIZATION:

8. Subscribed and sworn to before me this _____ day of _____, _____.

SEAL

(Name)

(Title)

IF IT IS DIFFICULT FOR YOU TO GET A NOTARY PUBLIC TO SIGN THIS FORM, SIGN YOUR OWN NAME AND MAIL IT WITHOUT NOTARIZATION.

CITY OF PALACIOS CITIZEN COMPLAINT FORM

ADDITIONAL DETAILS

If you wish to explain in detail in an attachment what happened, you should consider the following:

1. If you feel that others were treated differently from you, please explain the facts and circumstances.
2. If there were witnesses or others who know what happened, give their names, addresses, and telephone numbers.
3. If you have made this complaint to other City staff or government agencies or to the STATE, explain when and where and what happened.

You can obtain assistance in filing a complaint at the offices listed below:

1. Complain to the Office of Rural Affairs under their Complaint System, 10 T.A.C. Sec. 178.1 and 178.2.

Office of Rural Affairs
P.O. Box 12877
Austin, Texas 78711
(512) 936-7890

2. Complain to the Secretary of HUD by filing this form by mail or in person.

U.S. Department of Housing and Urban Development
Region VI - Dallas
New Dallas Federal Building
1100 Commerce Street
Dallas, Texas 75202

LA CIUDAD DE PALACIOS
PLAN DE PARTICIPACIÓN CIUDADANA
PROGRAMA DE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Nota a los receptores de subvención en relación a requisitos de Dominio Limitado del Inglés:

De acuerdo con la ley federal hay un número significativo de población que son residentes y que no hablan inglés y son afectados por el proyecto TxCDBG, estos ciudadanos deben tener "acceso significativo" a todos los aspectos del proyecto TxCDBG . Para proporcionar "acceso significativo", receptores de la subvención pueden ser utilizados para proporcionar servicios de interpretación en las audiencias públicas o proporcionar materiales no escritos en inglés que se proporcionan de manera rutinaria en Inglés. Para obtener información, consulte LEP.gov.

PROCEDIMIENTOS DE QUEJA

Estos procedimientos de queja cumplen con los requisitos del Departamento de Programa de Agricultura de Texas Community Development Block Grant (TxCDBG) y los requisitos del gobierno local de Texas se encuentran en 24 CFR §570.486 (Código de Regulaciones Federales). Los ciudadanos pueden obtener una copia de estos procedimientos en la Ciudad de Palacios, 311 Henderson (P.O. Box 845), Palacios, TX 77465, (361) 972-3605, en horario de oficina.

A continuación se presentan los procedimientos formales de quejas y quejas relativas a los servicios prestados en el marco del proyecto TxCDBG.

1. Una persona que tiene una queja o reclamación sobre cualquiera de los servicios o actividades en relación con el proyecto TxCDBG, o si se trata de una propuesta, en curso o determinado proyecto TxCDBG, pueden durante las horas regulares presentar dicha queja o reclamo, por escrito a la Ciudad de Palacios City of Palacios, 311 Henderson (P.O. Box 845), Palacios, TX 77465 o puede llamar a (361) 972-3605.
2. Una copia de la queja o reclamación se transmitirá por el alcalde de la ciudad a la entidad que es encargada de la queja o reclamación y al Abogado de la Ciudad dentro de los cinco (5) días hábiles siguientes a la fecha de la queja o día que la reclamación fue recibida.
3. El alcalde de la ciudad deberá complir una investigación de la queja o reclamación, si es posible, y dara una respuesta oportuna por escrito a la persona que hizo la denuncia o queja dentro de los diez (10) días.
4. Si la investigación no puede ser completada dentro de los diez (10) días hábiles anteriormente, la persona que hizo la queja o denuncia sera notificada, por escrito, dentro de los quince (15) días cuando sea posible después de la entrega de la queja original o quejas y detallará cuando se debera completar la investigación.
5. Si es necesario, la queja y una copia escrita de la investigación posterior se remitirán a la TxCDBG para su posterior revisión y comentarios.

6. Se proporcionara copias de los procedimientos de queja y las respuestas a las quejas, tanto en Inglés y Español, u otro lenguaje apropiado.

ASISTENCIA TÉCNICA

Cuando lo solicite, la Ciudad proporcionará asistencia técnica a los grupos que son representantes de las personas de bajos y moderados ingresos en el desarrollo de propuestas para el uso de los fondos TxCDBG. La Ciudad, en base a las necesidades específicas de los residentes de la comunidad en el momento de la solicitud, deberá determinar el nivel y tipo de asistencia.

DISPOSICIONES AUDIENCIA PÚBLICA

Para cada audiencia pública programada y llevada a cabo por la Ciudad se observarán las disposiciones siguientes de audiencias públicas:

1. Aviso público de todas las audiencias deberá publicarse al menos setenta y dos (72) horas antes de la audiencia programada. El aviso público deberá publicarse en un periódico local. Cada aviso público debe incluir la fecha, hora, lugar y temas a considerar en la audiencia pública. Un artículo periodístico publicado también puede utilizarse para cumplir con este requisito, siempre y cuando cumpla con todos los requisitos de contenido y temporización. Los avisos también deben ser un lugar prominente en los edificios públicos y se distribuyen a las autoridades locales de vivienda pública y otros grupos interesados de la comunidad.
2. Cuando se tenga un número significativo de residentes que no hablan inglés serán una parte de la zona de servicio potencial del proyecto TxCDBG, documentos vitales como las comunicaciones deben ser publicados en el idioma predominante de estos ciudadanos que no hablan inglés.
3. Cada audiencia pública se llevará a cabo en un momento y lugar conveniente para los beneficiarios potenciales o reales e incluirá alojamiento para personas con discapacidad. Las personas con discapacidad deben poder asistir a las audiencias y la Ciudad/Condado debe hacer los arreglos para las personas que requieren ayudas o servicios auxiliares en caso de necesitarlo por lo menos dos días antes de la audiencia será pública.
4. Una audiencia pública celebrada antes de la presentación de una solicitud TxCDBG debe hacerse después de las 5:00 pm en un día de semana o en un momento conveniente en sábado o domingo.
5. Cuando un número significativo de residentes que no hablan inglés se registra para participar en una audiencia pública, un intérprete debe estar presente para dar cabida a las necesidades de los residentes que no hablan inglés.

La Ciudad deberá cumplir con los siguientes requisitos de participación ciudadana para la elaboración y presentación de una solicitud para un proyecto TxCDBG:

1. Como mínimo, la Ciudad deberá tener por lo menos un (1) audiencia pública antes de presentar la solicitud al Departamento de Agricultura de Texas.

2. La Ciudad conservará la documentación de la convocatoria(s) audiencia, un listado de las personas que asistieron a la audiencia(s) , acta de la vista(s), y cualquier otra documentación relativa a la propuesta de utilizar los fondos para tres (3) años a partir de la liquidación de la subvención para el Estado . Dichos registros se pondrán a disposición del público, de conformidad con el Capítulo 552, Código de Gobierno de Texas.
3. La audiencia pública deberá incluir una discusión con los ciudadanos como se indica en el manual correspondiente de aplicación TxCDBG, pero no se limita a, el desarrollo de las necesidades de vivienda y desarrollo comunitario, la cantidad de fondos disponibles, todas las actividades elegibles bajo el programa TxCDBG y el uso de fondos últimos contratos TxCDBG, en su caso. Los ciudadanos, con especial énfasis en las personas de bajos y moderados ingresos que son residentes de las zonas de tugurios y tizón, se fomentará a presentar sus opiniones y propuestas sobre el desarrollo de la comunidad y las necesidades de vivienda. Los ciudadanos deben ser conscientes de la ubicación en la que podrán presentar sus puntos de vista y propuestas en caso de que no pueda asistir a la audiencia pública.
4. Cuando un número significativo de residentes que no hablan inglés se registra para participar en una audiencia pública, un intérprete debe estar presente para dar cabida a las necesidades de los residentes que no hablan inglés.

La Ciudad debe cumplir con los siguientes requisitos de participación ciudadana en el caso de que la Ciudad recibe fondos del programa TxCDBG:

1. La Ciudad celebrará una audiencia pública sobre cualquier cambio sustancial, según lo determinado por TxCDBG, se propuso que se hará con el uso de fondos TxCDBG de una actividad elegible a otro utilizando de nuevo los requisitos de notificación
2. Una vez finalizado el proyecto TxCDBG, la Ciudad celebrará una audiencia pública y revisara el desempeño del programa incluyendo el uso real de los fondos TxCDBG.
3. Cuando un número significativo de residentes que no hablan inglés se puede registra para participar en una audiencia pública, ya sea para una audiencia pública sobre el cambio sustancial del proyecto TxCDBG o para la liquidación del proyecto TxCDBG, publicará un aviso en Inglés y Español u otro idioma apropiado y se proporcionara un intérprete en la audiencia para dar cabida a las necesidades de los residentes.
4. La Ciudad conservará la documentación del proyecto TxCDBG, incluyendo aviso de audiencia(s), un listado de las personas que asistieron a la audiencia(s), acta de la vista(s), y cualquier otro registro concerniente al uso real de los fondos por un período de a tres (3) años a partir de la liquidación del proyecto al estado.

Dichos registros se pondrán a disposición del público, de conformidad con el Capítulo 552, Código del Gobierno.

GLEN SMITH, Alcalde de la ciudad

Fecha



GLEN SMITH – Mayor
 JOHNNY TRAN – Councilmember Place 1
 DONNA HARVEY SCHULMAN – Councilmember Place 2
 MARY CROCKER – Councilmember Place 3
 TROY LEWIS – Councilmember Place 4
 ANDY ERDELT – Councilmember Place 5
 STEPHEN MCGOVERN – Councilmember Place 6

**CITY OF PALACIOS
 CITY COUNCIL SPECIAL MEETING MINUTES
 August 21, 2018**

PUBLIC HEARING 6:30PM

Mayor Smith opened the First public hearing on tax rate at 6:01 pm. There were no public questions or comments. Mayor Smith closed the public hearing 6:47 PM

SPECIAL COUNCIL MEETING 7PM

CALL TO ORDER – Mayor Smith at 7pm

INVOCATION – Councilmember Schulman

PLEDGE OF ALLEGIANCE – Councilmember Erdelt

PLEDGE TO TEXAS FLAG – Councilmember Erdelt

PLEDGE TO PALACIOS FLAG – Councilmember Erdelt

VISITOR / CITIZEN FORUM

There were no questions or comments.

ITEMS TO BE CONSIDERED

1. Discuss and consider announcing the date, time and location of a meeting to adopt the tax rate
 - Councilmember Lewis motioned to announce the date, time and location of a meeting to adopt the tax rate
 - Councilmember McGovern seconded
 - There was no opposition
 - With no opposition, the motion carried

2. Discuss and consider action to approve the following consent agenda items:
 - a) Minutes of the August 14, 2018 Regular Council Meeting
 - b) Excuse the absence of Mayor Smith from the August 14, 2018 council meeting
 Councilmember McGovern motioned to approve the minutes from the August 14, 2018 council meeting and excuse the absence of Mayor Smith
 Councilmember Erdelt seconded
 There was no opposition
 With no opposition, the motion carried

EXECUTIVE SESSION:

In accordance with Chapter 551, Government Code, (Open Meetings Law) the Council
May go into Executive (closed) session in order to:

Consult with its attorney (551.071)

Discuss Real Estate transaction (551.072)

Deliberation regarding prospective gifts or donation (551.073)

Discuss personnel matters (551.074) –

Deliberation regarding security devices (551.076)

Discuss economic development negotiations (551.087)

ADJOURN

Councilmember Lewis motioned to adjourn the meeting at 7:05 pm

Councilmember Donna Harvey Schulman seconded

There was no opposition

With no opposition, the motion carried

Glen Smith, Mayor

Clissa Mills, City Secretary