



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
 July 10, 2018**

Notice is hereby given of a Regular Council Meeting of the Palacios City Council to be held July 10, 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:

BUDGET WORKSHOP 6:00 PM

REGULAR COUNCIL MEETING 7:00 PM

CALL TO ORDER

INVOCATION – Councilmember Lewis

PLEDGE OF ALLEGIANCE – Councilmember McGovern

PLEDGE TO TEXAS FLAG – Councilmember McGovern

PLEDGE TO PALACIOS FLAG – Councilmember McGovern

VISITOR / CITIZEN FORUM

ADMINISTRATIVE REPORTS

1. Lions Club 4th of July Celebration
2. Chamber of Commerce event Poker in Palacios is Saturday, July 14th at 11 am

ITEMS TO BE CONSIDERED

1. Discuss the Pavilion Implementation and Funding Strategy prepared by Pegasus Planning and Development and Peter Ravella, Consultants
2. Discuss the Pavilion expenditures
3. Discuss and consider approving on second reading Ordinance 2018-O-4 to establish a Pavilion Fee Schedule
4. Discuss and consider adopting Resolution 2018-R-9 approving a treasury management service agreement with First Financial Bank

5. Discuss and consider adopting Resolution 2018-R-10 awarding a Professional Service Provider contract for the 2018 Hazard Mitigation Grant for Critical Facility Generators
6. Discuss and consider adopting Resolution 2018-R-11 granting approval to the Palacios Economic Development Corporation on the expenditure of funds not to exceed \$27,000.00 from the PEDC fund balance to purchase the building they are currently located in at 420 Main Street, Palacios, Texas.
7. Discuss and consider approving the removal of Jackie Jones as an authorized representative and designating Tammy McDonald as the new authorized representative for TexPool
8. Discuss and consider approving the application for a residential tax abatement agreement with Jose Ortiz for the property located at Lot 9 Block 102 in the original townsite of Palacios, Texas; the physical address is 1016 Humphrey, Palacios, Texas.
9. Discuss and consider approving the residential tax abatement agreement with Jose Ortiz for the property located at Lot 9 Block 102 in the original townsite of Palacios, Texas with the physical address of 1016 Humphrey, Palacios, Texas.
10. Discuss and consider action to approve the following consent agenda items:
Minutes of the June 26, 2018 Regular Council Meeting
Excuse the absence of Mayor Glen Smith from the June 26, 2018 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)

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 July 10, 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 July 6, 2018.



Clissa Mills, City Secretary

FINAL REPORT

Palacios Pavilion Implementation & Funding Strategy

Prepared for:

The Palacios Pavilion & Beautification Committee

Prepared by:

Pegasus Planning and Development
Consultant

&

Peter A. Ravella Consulting (PARC)
Consultant

September 22, 2014

I. Introduction:

In July 2014, the Palacios Beautification & Pavilion Committee Board of Directors hired a consulting team comprised of Pegasus Planning and Development (Pegasus) and Peter A. Ravella Consulting (PARC) to assist with strategic planning for the construction and subsequent operation of a new Palacios Pavilion. The original Pavilion was constructed in the early 20th century, but was damaged or destroyed by hurricanes over the years. Two pavilions of various sizes have replaced the original structure. The Pavilion has long served as a landmark for the community and the Texas coast and was widely known as a space for social gatherings, musical concerts and recreation. The construction of the new Pavilion is slated to begin in 2015 and is planned for a beachside placement with a primary focus on education.

The consulting team of Pegasus and PARC are assisting in restoring the Pavilion to its former preeminence and incorporating new plans for the Pavilion by:

- (1) Assessing current construction budgets and defining funding gaps,
- (2) Convening relevant community stakeholders to meet funding gaps,
- (3) Designing a programming and organizational strategy
- (4) Defining what future funding will be necessary to continue utilizing and programming the Pavilion,
- (5) Identifying opportunities and strategies for the community to leverage the Pavilion to increase tourism and boost the local economy.

This report relates our findings and final deliverables in this effort and is laid out by first defining our Strategy Considerations and criteria for defining our recommended strategies. Next, we lay out a five year strategic plan that focuses on the Pavilion, the Waterfront, and relevant community and regional considerations to make the Pavilion a resounding success. Thereafter we detail our findings on the construction budget assessment, our recommended strategy for filling funding gaps, and defining a future programming budget that will require future funding.

Use Strategic Considerations to be consistent with Section II title.

II. Strategic Considerations

While our team was hired with a scope that focused on implementing the Pavilion, the Committee has rightfully remained strategic in their considerations and plans for implementation. The Pavilion has tremendous potential to serve as a catalyst for drawing private investment to fully implement the Waterfront Master Plan (completed by Roy Mann 2012) and boost economic growth throughout the community by generating growth in the tourism industry.

We recommend continuing to boost efforts to drive tourism, which does not imply the city should solely depend on it for growth. The city has other strong, growing employment drivers, such as the energy and fishing sectors, so we are also focusing our recommendations on sustainable strategies that

will make the city more attractive to employers and members of the region's rapidly growing workforce.

For instance, Downtown revitalization and improved connectivity between the Downtown and the Waterfront will strengthen the Pavilion's implementation and strengthen the city's quality of place amenities. Quality of place is a key driver for attracting talent. It is defined as the unique character of a community comprised of a vibrant, connected micro-economy full of live, work, and play amenities for a diverse community.

The Pavilion should also be thought of as the first step in a larger waterfront redevelopment effort. There are several key parcels available for development, and the use of these parcels should be thought through strategically and through an inclusive discourse.

It is critical for the community to act together in these efforts and that the Committee work with the City, Chamber, EDC, County, and other relevant stakeholders to think of the Pavilion as a lynchpin for the city's broader economic development goals. Fortunately for Palacios, members of these various groups know each other well and many sit on multiple committees and boards. From what the consulting team has witnessed, many of them have similar visions for the community's future. This places Palacios miles ahead of other communities who seek to confront the challenges of the modern economy.

The recommendations and strategies within this report focus on:

- How to proceed with the Pavilion;
- How to use it as a catalyst to develop other key parcels along the Waterfront;
- How to link the Pavilion and its programming into the Downtown;
- How to work with the City and Chamber to use the city's brand market the city as the Ecotourism Capital of the Texas Coast;
- And, how to tie their tourism growth to Regional assets.

III. Pavilion Implementation Strategy

Below is a table that details these strategic areas by Phases and over a course of five years. Thereafter, we detail our findings on the funding analysis and recommended programming and a programming budget.

IV. Funding Construction

The success of the Palacios Pavilion will depend on adequate funding for the construction and operation of the facility. The construction budget is estimated to be \$1.8 million, of which approximately \$1,575,279 in funding has been identified or secured to date.

Two appropriate grant opportunities have been identified to date totaling \$150,000: (1) a Coastal Management Program grant in the amount of \$100,000 from the Texas General Land Office; and (2) a Community Development Partnership Program grant in the amount of \$50,000 from the Lower Colorado River Authority.

The current project construction budget shortfall, if both grant applications are successful, is estimated to be \$70,721. The current project budget appears as follows:

Expected or Secured Funding Source	Amount
Coastal Impact Assistance Program	\$1,004,327
Palacios Seawall Commission	\$250,000
Matagorda County EDC	\$10,000
Gulf Coast Medical Foundation	\$7,500
The M.G. & Lillian Johnson Foundation	\$45,000
Matagorda County Navigation District #1	\$67,500
City of Palacios	\$30,000
R.B. Trull Fund	\$100,952
Private Fund Pledge	\$60,000
Total	\$1,575,279

Identified New Grant Applications	
CMP Grant from General Land Office	\$100,000
LCRA Community Development Grant	\$50,000
Total	\$150,000

Expected Funds Available	\$1,729,279
Estimated Project Cost	\$1,800,000
Estimated Construction Budget Shortfall	\$(70,721)

The \$100,000 Coastal Management Program grant application will be submitted on September 24, 2014 in the "Waterfront Revitalization and Ecotourism Development" funding category. If awarded, the funds will be used for general construction costs for the pavilion. A 40% local match will be required in cash and/or in-kind services for the CMP grant. A preliminary staff determination on the

CMP application is expected in March 2015 with funds available in October 2015, if the grant is awarded.

The \$50,000 LCRA Community Development Partnership Program grant application will be submitted to on September 1, 2014 with an award decision expected in November 2014. The LCRA grant requires a 20% local match and the application will be submitted to pay for the new public restroom to be constructed adjacent to the pavilion.

PARC remains available to assist with additional grant applications to address the shortfall if requested.

V. Pavilion Programming

The Palacios Pavilion is envisioned as a multi-use venue that can help revitalize Palacios, reestablish a historic community icon, serve as a community venue, promote education, and enhance tourism. The public has identified a wide variety of programs and events that could occur at the pavilion, including:

- Serving as a headquarters for current local events such as Palacios Bayfest, Pedal Palacios, Harvest Moon Dance, Palacios Shrimporee, and sailing regattas
- Private party/events such as weddings, reunions, and graduations
- Movies or film festivals
- Educational displays, lectures and programs
- Concerts and dances
- Youth events such as video game competitions

To accommodate the variety of envisioned uses, the pavilion building should be designed to be as flexible as possible. Concerts, movies, gaming, and educational programs will all require a high-quality audio/visual system, which would ideally include a built in a speakers/sound system, digital presentation/movie projector, and a retractable movie/presentation screen. The facility design could also include a removable stage, flexible seating, and even retractable exterior walls to allow use of an exterior deck for seating and gathering space. If event revenue is expected, particular attention should be paid to seating capacity.

While the facility managers will develop a detailed annual program schedule at a later time, it is useful to examine how the facility might be used in a typical quarter, a period of three months, focusing on twelve potential program weekends. The facility managers should develop and publish facility use guidelines and a rate structure governing access and use of the facility. Private pavilion events such as weddings, reunions and graduation parties can be expected to be revenue generating through facility rental fees. Community events, such as the Shimporee, Pedal Palacios, or Bayfest, may also generate revenues if the facility managers elect to charge a rental or facility fee. Some events, like educational programs, lectures, or community meetings may not generate revenues.

In programming weekend events during a typical quarter, the facility managers should pay close attention to the mix of uses, particularly the number of revenue generating versus non-revenue generating events that are scheduled for the facility. As a public facility, local community events such

as Bayfest, the Harvest Moon Dance, and educational programming, should be given scheduling priority over private events. It would be appropriate to reserve a specific number of “private event days or weekends” per quarter so that scheduling conflicts can be quickly identified. Effective management of a multiple purpose facility like the pavilion will require careful balance between public uses which may not generate revenue and private, revenue-generating uses.

For planning purposes, events can be placed into four broad categories:

- (1) Public events open to all and sponsored by a local government entity;
- (2) Community events sponsored by a community group or organization such as a church or club and open all local residents and tourists;
- (3) Private parties/events open to invitees; and (4) Educational Program events open to all and sponsored by a school or non-profit organization such as the Audubon Society or Rotary Club.

Sample Pavilion Program for One Quarter	
Weekend	Example Event
Weekend 1	Public Event: Palacios Shrimporee
Weekend 2	Community Event: Pedal Palacios
Weekend 3	Private Event: Wedding
Weekend 4	Educational Event: PISD program event
Weekend 5	Public Event: Bayfest
Weekend 6	Community Event: Harvest Moon Dance
Weekend 7	Private Event: Graduation
Weekend 8	Educational Event: Audubon Society Lecture
Weekend 9	Community Event: Sailing regatta
Weekend 10	Community Event: Movie or Youth Gaming Tourney
Weekend 11	Private Event: Reunion
Weekend 12	Educational Event: Lecture

A facility use schedule and guidelines, including facility rental cost rates, will help facilitate event planning and budgeting. The Palacios Beautification & Pavilion Committee developed a “Draft Business Plan” (August 2012) that includes a Project Vision, Intended Use of the Pavilion, Project Organization and Management, Marketing and Sales Strategy, and Financial Management Plan. This document is an outstanding starting point to further refine and develop a plan for the Palacios Pavilion. Efforts to update and finalize the Business Plan are recommended.

VI. Programming Budget

The following Operating Budget is an example based on our experiences. The numbers will need to be modified based on final programming, program revenue and in-kind services based on partnership agreements, and finalized cost estimates. This budget does not include any fixtures, AV equipment or other items that would be incurred under the construction budget. It also does not include startup costs for web design, marketing and public relations.

2016 Operating Budget (example)

Income		
Rental Income	31200	<u>Assumptions</u> \$52 weekends per month x 60% x \$500/weekend Income from ISD, TPWD, or other group that partners with Pavilion for Education programming in lieu of payment/cash, in-kind services would be for donated accounting/legal, plus City or Seawall Commission services such as maintenance or lighting or landscaping 2 grants per year to support programming
Program Income	15000	
In-kind services	15000	
Grants	20000	
Total Income	\$81,200	
Expenses		
Accounting Services	3000	
Salaries	55000	Facility Director @ \$50k/yr, PT Admin @ \$15k/yr
Payroll Taxes	11000	20% of Salaries
Legal	2,000	
Electricity	3,600	\$300/mo
Utilities	3,600	\$300/mo
Gas	1,200	\$100/mo
Telephone/Internet	1,200	\$100/mo
Insurance	5000	
Maintenance	6000	\$500/mo
Pest Control	1,782	
Landscaping Services	2,500	
Security	1,900	
Advertising	1,000	
Total Expenses	\$98,782	
Profit/Loss	(17582)	

**City of Palacios
Tax Note, Series 2017**

Par Amount	700,000.00
Bond Counsel Fee	8,700.00
Municipal Advisory Fee	350.00
Frost Bank Fee & Cost of Iss	13,300.00
Total Deposit in Project fund	677,650.00

Expenditures paid with Bond Proceeds

Date	Inv # / Descript	Vendor	Amount
2/17/2017	Pay App #15	Charnock & Co	106,289.90
3/17/2017	Pay App #16	Charnock & Co	46,678.20
3/17/2017	Range Hood	Home Depot	854.00
4/13/2017	Inv #27	RPA Inc	620.38
4/13/2017	Inv #28	RPA Inc	2,724.68
4/13/2017	Pay App #17	Charnock & Co	58,025.02
4/13/2017	Reimb Part #14	Palacios Beautification	46,206.84
4/13/2017	Buildersrisk-May	Mat. Co Self Ins	882.00
4/28/2017	2 Fans	Big A** Solutions	12,412.00
5/12/2017	Access Doors	Hallmann Sales	584.83
5/12/2017	Pay App #18	Charnock & Co	105,356.29
5/26/2017	Restrooms	Blakley Special Contract	3,000.00
5/26/2017	Gate Restrooms	Tim Harvey	1,790.76
6/9/2017	Supplies	Ace Hardware	72.76
6/9/2017	Buildersrisk-July	Mat. Co Self Ins	585.00
6/23/2017	14yds sand	Marek Sand	428.00
6/23/2017	Drawing Wind	RPA Inc	1,389.23
6/27/2017	Railings	Ideal Lumber	1,439.11
8/4/2017	Blders Risk Aug- De	Mat. Co. Self Ins	1,467.00
8/18/2017	Temp Fencing	Mastercard	1,305.50
10/27/2017	Construction-Pav.	RPA Inc - Inv # 30	673.05
10/27/2017	Exterior Finishes	Blakley Special Con. Inv #1	16,150.00
11/17/2017	Construction	Blakley Special Con. Inv #2	35,150.00
11/19/2017	Fence	Mastercard	673.72
12/18/2017	Construction	Blakley Special Con. inv.#3	54,489.38
1/17/2018	Const. Ext	RPA Inc - Inv 31 new agrmnt	1,920.38
1/17/2018	Const. Ext	RPA Inc-inv 32 new agrmnt	1,922.62
1/17/2018	Builder's Risk Ext	Mat Co Self Ins Pool	566.00
1/25/2017	Construction	Blakley Special Con. Inv #4	48,925.38
1/31/2018	Flooring	Garage Transformers	7,000.00
2/16/2018	Const. Ext	RPA Inc-inv 33 new agrment	1,922.62
2/16/2018	Construction	Mastercard - Fencing	419.04
2/28/2018	Construction	Blakley Special Con. Inv.#5	81,369.78
3/2/2018	Construction	Mat. Construction	450.00
3/16/2018	Construction	RPA Inc Inv #34 new agrmnt	825.00
3/16/2018	Sign	W&E BAUM	872.31
3/16/2018	lock welding	Harvey Welding	150.00
3/16/2018	Builder's Risk Ext	Mat Co Self Ins Pool	297.00
3/16/2018	Soil testing	TSI Laboratories	1,408.00
3/16/2018	Construction	Mat. Construction	1,500.00
3/30/2018	Flooring	Garage Transformers	7,000.00
4/9/2018	Construction	Blakely Special Con. Inv. #6	53,886.09
4/13/2018	Construction	RPA Inc Inv #35 new agrmnt	1,197.62
4/13/2018	Survey	Urban Engineering	750.00
5/1/2018	Construction	RPA Inc Inv #36-Final Pymnt	625.00
5/11/2018	Construction	Mastercard - Signs	41.50
5/25/2018	Construction	Porter's Ace Hardware	9.49
5/25/2018	Constuction	Lowe's - Coffee Pot	29.31
6/8/2018	Construction	Porter's Ace Hardware	48.00
	Total Expenses to Date		712,382.79
	Remaining Balance Tax note		(34,732.79)
	County Contribution		50,000.00
	Blakely Retainage		15,266.88
	RPA - New Agreement		-
	Remaining Funds		0.33

PALACIOS PAVILION PROJECT INCOME AND EXPENSES AS OF 7/10/18

<u>Company</u>	<u>Amount Funded</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Total Expended to Date</u>
Texas General Land Office CIAP	\$ 1,004,327.00			\$ 1,004,327.00
Palacios Seawall Commission	\$ 500,000.00			\$ 1,504,327.00
Texas General Land Office CMP	\$ 84,000.00			\$ 1,588,327.00
Joni Brown, MAIS		\$ 750.00	1/22/2016	\$ 1,587,577.00
Charnock & Co Inv. #3		\$ 1,235.00	2/5/2016	\$ 1,586,342.00
Joni Brown, MAIS		\$ 750.00	2/19/2016	\$ 1,585,592.00
Charnock & Co Inv. #5		\$ 33,706.60	3/9/2016	\$ 1,551,885.40
Joni Brown, MAIS		\$ 750.00	3/18/2016	\$ 1,551,135.40
Joni Brown, MAIS		\$ 750.00	4/15/2016	\$ 1,550,385.40
Joni Brown, MAIS		\$ 750.00	5/13/2016	\$ 1,549,635.40
Joni Brown, MAIS		\$ 750.00	6/24/2016	\$ 1,548,885.40
Joni Brown, MAIS		\$ 750.00	7/22/2016	\$ 1,548,135.40
Joni Brown, MAIS		\$ 750.00	8/19/2016	\$ 1,547,385.40
Joni Brown, MAIS		\$ 750.00	9/16/2016	\$ 1,546,635.40
Joni Brown, MAIS		\$ 750.00	10/14/2016	\$ 1,545,885.40
Mastercard - Park Warehouse LLC		\$ 4,788.70	4/13/2018	\$ 1,541,096.70
Matagorda Construction and Material		\$ 1,500.00	3/16/2018	\$ 1,539,596.70
Ortiz Remodeling - 2 Gazebos		\$ 20,000.00	3/9/2018	\$ 1,519,596.70
Kirbybuilt		\$ 7,613.18	4/16/2018	\$ 1,511,983.52
Ortiz Remodeling - sidewalks to connect structures & parking		\$ 4,000.00	5/11/2018	\$ 1,507,983.52
Palacios Beautification - CMP Match	\$ 54,000.00			\$ 1,561,983.52
RPA - Paid by Palacios Beautification		\$ 22,209.96	12/4/2014	\$ 1,539,773.56
RPA - Paid by Palacios Beautification		\$ 10,095.40	1/5/2015	\$ 1,529,678.16
RPA Inv#3 - Paid by Palacios Beautification		\$ 43,275.90	1/30/2015	\$ 1,486,402.26
RPA - Paid by Palacios Beautification		\$ 33,666.75	3/4/2015	\$ 1,452,735.51
RPA Inc. - Paid by Palacios Beautification Inv.#23		\$ 2,813.70	11/10/2016	\$ 1,449,921.81
RPA Inc. - Paid by Palacios Beautification Inv. #24		\$ 1,467.60	12/6/2016	\$ 1,448,454.21
Woodeez		\$ 1,137.50		\$ 1,447,316.71
RPA Inc. - Paid by Palacios Beautification Inv. #25		\$ 1,466.48	1/11/2017	\$ 1,445,850.23
RPA Inc. - Paid by Palacios Beautification Inv. #26		\$ 2,907.88	2/14/2017	\$ 1,442,942.35
Charnock & Co - Paid by Palacios Beautification		\$ 16,397.85	4/12/2017	\$ 1,426,544.50
South Texas Corrugated Pipe - Paid by Palacios Beautification		\$ 500.00	5/11/2017	\$ 1,426,044.50
Adrite - Paid by Palacios Beautification		\$ 6,705.00	5/11/2017	\$ 1,419,339.50
GenoTransport - Paid by Palacios Beautification		\$ 800.00	9/29/2017	\$ 1,418,539.50
Ortiz Remodeling - Paid by Palacios Beautification		\$ 1,875.00	10/20/2017	\$ 1,416,664.50
Ortiz Remodeling - Paid by Palacios Beautification		\$ 1,900.00	12/18/2017	\$ 1,414,764.50
Ortiz Remodeling - Paid by Palacios Beautification		\$ 6,000.00	2/2/2018	\$ 1,408,764.50
Ortiz Remodeling - Paid by Palacios Beautification		\$ 6,000.00	2/28/2018	\$ 1,402,764.50
Mastercard - Walmart		\$ 1,344.44		\$ 1,401,420.06
Amazon - Paid by Mark Rusk		\$ 22.12	9/22/2017	\$ 1,401,397.94
Amazon - Paid by Mark Rusk		\$ 25.47	3/15/2018	\$ 1,401,372.47
Amazon - Paid by Mark Rusk		\$ 19.47	2/14/2018	\$ 1,401,353.00
Amazon - Paid by Mark Rusk		\$ 106.28	5/28/2017	\$ 1,401,246.72
AliExpress - Paid by Mark Rusk		\$ 30.80	3/19/2018	\$ 1,401,215.92
Amazon - Paid by Mark Rusk		\$ 104.00	5/26/2017	\$ 1,401,111.92
Penn Craft		\$ 484.56	5/25/2018	\$ 1,400,627.36
Palacios Economic Development Corporation	\$ 63,000.00			\$ 1,463,627.36
Palacios Area Fund - RB Trull Fund	\$ 100,952.00			\$ 1,564,579.36
Mat Co Economic Development Corporation	\$ 15,000.00			\$ 1,579,579.36
Mr. and Mrs. C. Hastings Johnson and Ann Morrow Johnson	\$ 60,000.00			\$ 1,639,579.36
Matagorda County Navigation District #1	\$ 50,000.00			\$ 1,689,579.36
Houston Galveston Area Council - Windows and Doors	\$ 25,000.00			\$ 1,714,579.36
Charnock & Co. Inv. #8		\$ 32,621.00	4/19/2016	\$ 1,681,958.36
LCRA CDDP - Downstairs Restrooms	\$ 25,000.00			\$ 1,706,958.36
Trull Foundation Funding 2016	\$ 198,014.00			\$ 1,904,972.36
Matagorda County Jazz Festival	\$ 9,919.50			\$ 1,914,891.86
Trull Foundation Funding 2016	\$ 147,946.00			\$ 2,062,837.86
HEB	\$ 2,000.00			\$ 2,064,837.86
STP	\$ 50,000.00			\$ 2,114,837.86
RPA Inc. Inv #1		\$ 4,407.50	10/23/2013	\$ 2,110,430.36
RPA Inc. Inv #2		\$ 8,632.72	11/7/2013	\$ 2,101,797.64
Grantworks		\$ 30,000.00	1/16/2014	\$ 2,071,797.64
RPA Inc. Inv.#4		\$ 5,225.00	1/16/2014	\$ 2,066,572.64

RPA Inc. Inv.#3	\$	15,460.00	1/16/2014	\$	2,051,112.64
RPA Inc. Inv. #5	\$	12,378.14	2/27/2014	\$	2,038,734.50
RPA Inc. Inv. #6	\$	3,160.00	3/14/2014	\$	2,035,574.50
RPA Inc. Inv #7	\$	4,110.00	4/17/2014	\$	2,031,464.50
RPA Inc. Inv. #8	\$	2,074.16	5/13/2014	\$	2,029,390.34
RPA Inc. Inv. #9	\$	20,770.31	6/10/2014	\$	2,008,620.03
RPA Inc. Inv. #10	\$	5,323.75	7/16/2014	\$	2,003,296.28
RPA Inc. Inv. #11	\$	1,350.00	8/15/2014	\$	2,001,946.28
RPA Inc.	\$	18,300.00	3/3/2015	\$	1,983,646.28
RPA Inc.	\$	31,725.00	3/11/2015	\$	1,951,921.28
RPA Inc. Inv. #2, 3, 5	\$	11,910.50	4/17/2015	\$	1,940,010.78
RPA Inc. Inv. #6	\$	4,807.50	6/12/2015	\$	1,935,203.28
RPA Inc. Inv.#8	\$	1,346.00	7/24/2015	\$	1,933,857.28
RPA Inc. Inv.#9	\$	9,179.10	8/21/2015	\$	1,924,678.18
RPA Inc. Inv. #11	\$	5,861.00	9/18/2015	\$	1,918,817.18
RPA Inc. Inv.#12	\$	1,476.10	11/24/2015	\$	1,917,341.08
Grantworks	\$	11,250.00	12/3/2015	\$	1,906,091.08
SureTec - Charnock & Co. Inv. #1	\$	106,093.15	12/3/2015	\$	1,799,997.93
SureTec - Charnock & Co. Inv. #2	\$	79,569.64	1/15/2016	\$	1,720,428.29
Grantworks	\$	11,250.00	2/5/2016	\$	1,709,178.29
SureTec - Charnock & Co. Inv. #4	\$	166,003.69	2/5/2016	\$	1,543,174.60
RPA Inc. Inv.#13	\$	1,553.05	2/19/2016	\$	1,541,621.55
RPA Inc. Inv. # 7	\$	673.05	2/19/2016	\$	1,540,948.50
RPA Inc.	\$	2,633.60	2/19/2016	\$	1,538,314.90
SureTec - Charnock & Co. Inv. #6	\$	81,100.52	3/16/2016	\$	1,457,214.38
RPA Inc. Inv. #16	\$	1,589.10	4/1/2016	\$	1,455,625.28
RPA Inc. Inv.#17	\$	3,198.01	4/19/2016	\$	1,452,427.27
SureTec - Charnock & Co. Inv. #7	\$	187,202.24	4/19/2016	\$	1,265,225.03
Grantworks	\$	11,250.00	4/19/2016	\$	1,253,975.03
SureTec - Charnock & Co. Inv. #9	\$	52,032.31	5/19/2016	\$	1,201,942.72
SureTec - Charnock & Co. Inv. #17	\$	79,508.96	10/20/2016	\$	1,122,433.76
Grantworks	\$	7,500.00	10/14/2016	\$	1,114,933.76
Grantworks	\$	3,750.00	11/18/2016	\$	1,111,183.76
SureTec - Charnock & Co. - Inv. #10	\$	54,011.63	5/20/2016	\$	1,057,172.13
SureTec - Charnock & Co. - Inv. #11	\$	78,643.91	6/15/2016	\$	978,528.22
SureTec - Charnock & Co. - Inv. #12	\$	181,954.75	7/21/2016	\$	796,573.47
SureTec - Charnock & Co. -Inv.#13	\$	66,246.35	8/15/2016	\$	730,327.12
SureTec - Charnock & Co. - Inv. #14	\$	12,764.50	9/1/2016	\$	717,562.62
SureTec - Charnock & Co. - Inv. #15	\$	72,300.49	9/1/2016	\$	645,262.13
SureTec - Charnock & Co. - Inv. #16	\$	162,624.37	10/11/2016	\$	482,637.76
SureTec - Charnock & Co. - Inv. #18	\$	115,962.27	11/15/2016	\$	366,675.49
SureTec - Charnock & Co. - Inv. #19	\$	104,881.67	12/8/2016	\$	261,793.82
SureTec - Charnock & Co. - #20	\$	110,878.01	1/12/2017	\$	150,915.81
Matagorda County	\$	50,000.00		\$	200,915.81
Tax Note	\$	677,650.00		\$	878,565.81
Charnock & Co Inv #21	\$	106,289.90	2/17/2017	\$	772,275.91
Charnock & Co Inv. # 22	\$	46,678.20	3/17/2017	\$	725,597.71
Home Depot	\$	854.00	3/17/2017	\$	724,743.71
RPA Inc. Inv. #27	\$	620.38	4/13/2017	\$	724,123.33
RPA Inc Inv. #28	\$	2,724.68	4/13/2017	\$	721,398.65
Charnock & Co Inv. # 23	\$	58,025.02	4/13/2017	\$	663,373.63
Palacios Beautification	\$	46,206.84	4/13/2017	\$	617,166.79
Matagorda County Self Insurance Pool	\$	882.00	4/13/2017	\$	616,284.79
Big Ass Solutions	\$	12,412.00	4/28/2017	\$	603,872.79
Hallmann Sales	\$	584.83	5/12/2017	\$	603,287.96
Charnock & Co Inv. #24	\$	105,356.29	5/12/2017	\$	497,931.67
Blakley Special Contract	\$	3,000.00	5/26/2017	\$	494,931.67
Tim Harvey	\$	1,790.76	5/26/2017	\$	493,140.91
Ace Hardware	\$	72.76	6/9/2017	\$	493,068.15
Matagorda County Self Insurance Pool	\$	585.00	6/9/2017	\$	492,483.15
Marek Sand	\$	428.00	6/23/2017	\$	492,055.15
RPA Inc	\$	1,389.23	6/23/2017	\$	490,665.92
Ideal Lumber	\$	1,439.11	6/27/2017	\$	489,226.81
Matagorda County Self Insurance Pool	\$	1,467.00	8/4/2017	\$	487,759.81
Mastercard	\$	1,305.50	8/18/2017	\$	486,454.31
RPA Inc Inv. #30	\$	673.05	10/27/2017	\$	485,781.26

Blakley Special Contract	\$ 16,150.00	10/27/2017	\$ 469,631.26
Blakley Special Contract	\$ 35,150.00	11/17/2017	\$ 434,481.26
Mastercard	\$ 673.72	11/19/2017	\$ 433,807.54
Blakley Special Contract	\$ 54,489.38	12/18/2017	\$ 379,318.16
RPA Inc	\$ 1,920.38	1/17/2018	\$ 377,397.78
RPA Inc Inv. #33	\$ 1,922.62	1/17/2018	\$ 375,475.16
Matagorda County Self Insurance Pool	\$ 566.00	1/17/2018	\$ 374,909.16
Blakley Special Contract	\$ 48,925.38	1/25/2018	\$ 325,983.78
Garage Transformers	\$ 7,000.00	1/31/2018	\$ 318,983.78
Blakley Special Contract	\$ 81,369.78	2/28/2018	\$ 237,614.00
RPA Inc Inv. #34	\$ 825.00	3/16/2018	\$ 236,789.00
W&E Baum	\$ 872.31	3/16/2018	\$ 235,916.69
Harvey Welding	\$ 150.00	3/16/2018	\$ 235,766.69
Matagorda County Self Insurance Pool	\$ 297.00	3/16/2018	\$ 235,469.69
TSI Laboratories	\$ 1,408.00	3/16/2018	\$ 234,061.69
Garage Transformers	\$ 7,000.00	3/30/2018	\$ 227,061.69
Blakley Special Contract	\$ 53,886.09	4/9/2018	\$ 173,175.60
RPA Inc Inv.#35	\$ 1,197.62	4/13/2018	\$ 171,977.98
Urban Engineering	\$ 750.00	4/13/2018	\$ 171,227.98
RPA Inc Inv. #36	\$ 625.00	5/1/2018	\$ 170,602.98
Blakley Special Contract - Retainage	\$ 15,266.88		\$ 155,336.10
RPA Inv. #20	\$ 807.66	8/3/2016	\$ 154,528.44
RPA	\$ 10,032.50	4/27/2015	\$ 144,495.94
Charnock & Co Paid by Palacios Beautification	\$ 107,211.63	4/15/2016	\$ 37,284.31
RPA - Inv. 21 and 22	\$ 6,973.50	9/30/2016	\$ 30,310.81
Kirbybuilt	\$ 4,000.00	5/4/2018	\$ 26,310.81
RPA Inv. # 18	\$ 6,100.26	4/29/2016	\$ 20,210.55
RPA Inv. #19	\$ 2,275.26	6/3/2016	\$ 17,935.29
W&E Baum	\$ 1,567.58	7/6/2018	\$ 16,367.71
Frontier Install phone line	\$ 221.90	7/6/2018	\$ 16,145.81
More Mail Services - Brochures	\$ 3,000.00	6/15/2018	\$ 13,145.81
Kirbybuilt	\$ 773.41	6/28/2018	\$ 12,372.40
Gulf Coast Paper	\$ 100.96	5/11/2018	\$ 12,271.44
Mastercard - Signs	\$ 41.50	5/11/2018	\$ 12,229.94
Porter's Ace Hardware	\$ 9.49	5/11/2018	\$ 12,220.45
Lowe's	\$ 29.31	5/25/2018	\$ 12,191.14
Porter's Ace Hardware	\$ 48.00	6/8/2018	\$ 12,143.14
American Electric	\$ 19.95	6/22/2018	\$ 12,123.19
Mastercard - Grand Opening Supplies	\$ 74.13	6/22/2018	\$ 12,049.06
Mastercard - Freight for pavers	\$ 131.89	10/13/2017	\$ 11,917.17
Ferguson Enterprise	\$ 54.90	2/16/2018	\$ 11,862.27
Bay City Communications - Install Security System	\$ 489.00	3/2/2018	\$ 11,373.27
Bay City Communications - Annual Invoice	\$ 468.00	3/2/2018	\$ 10,905.27
Mastercard - Benches and Tables	\$ 4,788.70	4/13/2018	\$ 6,116.57
Mastercard - TV's and brackets	\$ 1,344.44	4/13/2018	\$ 4,772.13
Kocurek - Reimburse message board	\$ 1,798.67	4/27/2018	\$ 2,973.46
Lowe's	\$ 15.12	4/27/2018	\$ 2,958.34
Mastercard - Fencing	\$ 419.04	2/16/2018	\$ 2,539.30
South Texas Corrugated Pipe - Storm Drains	\$ 550.00	2/16/2018	\$ 1,989.30
Matagorda Construction and Material	\$ 450.00	3/2/2018	\$ 1,539.30
Matagorda Construction and Material	\$ 1,500.00	3/16/2018	\$ 39.30
Porter's Ace Hardware	\$ 6.49	3/16/2018	\$ 32.81
			\$ 32.81

ORDINANCE NO. 2018-O-4

AN ORDINANCE AMENDING APPENDIX "A" OF THE CODE OF ORDINANCES OF THE CITY OF PALACIOS BY ADDING SECTION A1.10.002 "PAVILION RENTAL FEES"; CONTAINING A SAVINGS CLAUSE; REPEALING INCONSISTENT ORDINANCES; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

WHEREAS, recent improvements to the City Pavilion are anticipated to increase demand for use of that facility, thereby increasing the maintenance costs and creating the need for a user fee to recover some of those costs and to control the use of the facility; and

WHEREAS, after studying the past use of the Pavilion and projecting the maintenance costs for the Pavilion, City staff recommended the rates proposed below as being reasonable for both the City and the users; and

WHEREAS, the City Council of the City of Palacios finds that the requested new rates are reasonable and that approving the new rates will offset some of the operating cost and will better preserve the health, safety and welfare of the citizens of Palacios; NOW THEREFORE,

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

SECTION 1: That Appendix "A" of the Code of Ordinances of the City of Palacios, Texas is hereby amended by the addition of Section A1.10.002 "Pavilion Rental Rates", which shall read as follows:

APPENDIX A. FEE SCHEDULES

ARTICLE A1.10 PARKS, BEACHES, PIERS AND OTHER PUBLIC PROPERTY

Sec A1.10.002 Pavilion Rental Fees.

RENTAL RATES FOR PAVILION USE

Usage Period	*Rental Fee	Refundable Cleaning/Damage/Security Deposit
Friday (12 hours)	\$650.00	\$250.00*
Friday & Saturday (12 hours/day)	\$1,000.00	\$250.00/day*
Friday (6 hours) & Saturday (12 hours)	\$800.00	\$250.00/day*
Saturday only (12 hours)	\$650.00	\$250.00/day*

Sunday only (12 hours)	\$500.00	\$250.00*
Saturday & Sunday (12 hours/day)	\$1,000.00	\$250.00/day*
Friday, Sat & Sunday (12 hours/day)	\$1,400.00	\$250.00/day*
Monday thru Thursday (6 hours after 4pm)	\$200.00	\$250.00/day*
Monday thru Thursday (3 hours prior to 4pm)	\$150.00	\$100.00/day*
Holidays (see Exhibit A)	\$1000.00	\$250.00

IRS-designated non-profit organizations may be eligible for \$100.00 discount on weekend rates and \$50.00 discount on weekday rates (must provide a copy of IRS designation letter).

*NOTE: If alcoholic beverages will be served or consumed at the event, the deposit will be \$500.

SECTION 2: If any provisions, section, exception, subsection, paragraph, sentence, clause or phrase of this ordinance or the application of same to any person or set of circumstances, shall for any reason be held unconstitutional, void or invalid, such invalidity shall not affect the validity of the remaining provisions of this ordinance or their application to other persons or sets of circumstances and to this end all provisions of this ordinance are declared to be severable.

SECTION 3: All ordinances or parts of ordinances inconsistent with the terms of this ordinance are hereby repealed; provided however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

SECTION 4: This Ordinance shall become effective after its approval and adoption upon second and final reading.

PASSED AND APPROVED on first reading this 26th day of June, 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

...ordinanc\2018-O-4 Pavilion Rates3

RESOLUTION NO. 2018-R-9

**A RESOLUTION OF THE CITY OF PALACIOS, TEXAS
APPROVING A TREASURY MANAGEMENT SERVICES
AGREEMENT WITH FIRST FINANCIAL BANK**

WHEREAS, First Financial Bank of Palacios, Texas is where the City of Palacios does their local banking; and

WHEREAS, First Financial Bank of Palacios, Texas requires an agreement for their management services;

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

Section 1. That the City is authorized to approve and sign a Treasury Management Services Agreement with First Financial Bank.

PASSED AND APPROVED this _____ day of _____, 2018.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

TREASURY MANAGEMENT SERVICES AGREEMENT

This TREASURY MANAGEMENT SERVICES AGREEMENT is executed as of the 18th day of June 2018 (the "Effective Date") by and between First Financial Bank, N.A., a national association ("Bank"), and City of Palacios ("Customer"),
a Other (type of entity), Tax Identification number 74-6001842

- 1. **Treasury Management Services.** Bank offers various Treasury Management Services (individually, referred to herein as a "Service"; when one or more, collectively referred to herein as the "Services") to its commercial customers. Enrollment in any individual Service requires the completion of Schedule A, the Treasury Management Services Request ("Schedule A"). Enrollment in a Service is accomplished by obtaining, completing and signing Schedule A, and submitting it to Bank in person, through regular mail, by facsimile, or via email. Customer understands and agrees that Bank is relying on the information provided by Authorized Signer executing Schedule A in providing the Services hereunder. The procedures, terms and conditions in this Agreement govern those Services. Any capitalized terms not defined herein shall have the meaning ascribed to them in the "Treasury Management Services Agreement – Procedures, Terms and Conditions."
 - 2. **Fees.** Customer agrees to pay Bank for the Service(s) in which Customer enrolls in accordance with the fee schedule for the applicable Service(s), a copy of which will be provided to Customer at the time Customer contracts for such Service(s).
 - 3. **Term.** The term of this Agreement is indefinite, unless terminated by either party pursuant to the termination provisions herein.
 - 4. **Entire Agreement.** This Treasury Management Services Agreement and addenda; the Treasury Management Services Agreement - Procedures, Terms and Conditions and addenda; the Treasury Management Services Request; all applicable Service fee schedules, and attachments, schedules and exhibits thereto, as well as all items expressly incorporated by reference herein shall constitute a single agreement (collectively referred to herein as the "Agreement"), and, as such, shall contain the terms and conditions which govern the Services, and shall constitute the entire agreement between the parties as relates to the Treasury Management Services offered by Bank. This Agreement supersedes any prior agreements or representations relating to the Services and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements.
 - 5. **Authorizations.** Customer agrees to deliver to Bank, prior to or simultaneous with execution of this Agreement or at any time upon Bank's subsequent request, a Corporate Resolution identifying individuals who are authorized to execute this Agreement.
 - 6. **Related Entities.** If Customer desires to obtain Services on behalf of any Related Entities that Customer lists on the Related Entities Schedule ("Schedule B") or any additional Related Entities continuation schedules, Customer hereby represents and warrants that the Related Entities are either (a) a Parent Related Entity, (b) a Subsidiary Related Entity, or (c) an Affiliate Related Entity, as such terms are defined in Section 22 of the General Provisions of the Treasury Management Services Agreement – Procedures, Terms and Conditions. Furthermore, Customer hereby agrees and acknowledges that by listing any Related Entities, Customer is also making all representations and warranties set forth in Section 22 of the Treasury Management Services Agreement – Procedures, Terms and Conditions applicable to Related Entities.
 - 7. **Authority To Execute Agreement.** The individual executing this Agreement on behalf of Customer expressly represents and warrants to Bank that (a) the individual is within their power and authority to enter into and execute this Agreement on behalf of Customer, (b) that the individual's actions in entering into this Agreement have been duly authorized and approved by Customer in accordance with all necessary actions, and (c) that this Agreement shall be legally binding on Customer after the individual's execution.
- In consideration of the mutual promises and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Customer agrees to purchase from Bank certain Services, and Bank agrees to provide Customer such Services, on the terms and conditions stated in this Agreement, as amended from time to time as provided for herein.

City of Palacios

"CUSTOMER"

Signature: *David Kocurek* (Authorized Signer)
 Name: David Kocurek
 Title: City Manager

Schedule A

Treasury Management Services Request

Customer Name City of Palacios

Product	Date Services Added
<input type="checkbox"/> ACH Services	Existing _____
<input type="checkbox"/> Online Banking	_____
<input type="checkbox"/> Positive Pay	_____
<input type="checkbox"/> Payee Name Match	_____
<input type="checkbox"/> ACH Block/Filter	_____
<input type="checkbox"/> Remote Deposit Capture	Existing _____
<input type="checkbox"/> Wire Transfer	_____
<input type="checkbox"/> Reverse Wire Transfer	_____

By checking the box next to a particular Service or Services, I hereby authorize Bank to provide such Service(s).

Default Options

Positive Pay

- Option 1: Bank will PAY all check Exception Items
- Option 2: Bank will RETURN all check Exception Items
- Opt Out of Payee Name Match (payee name will not be validated)

ACH Block/Filter

- Option 1: Bank will PAY all ACH Exception Items
- Option 2: Bank will RETURN all ACH Exception Items

Wire Transfer

- Option 1: Customer chooses to submit wire transfer instructions via Online Banking System's Wire Transfer Feature
- Option 2: Customer chooses to submit wire transfer instructions by telephone with dual callback. A facsimile is required on all third party wires
- Option 3: Customer chooses to submit wire transfer instructions by telephone with callback verification to the same person submitting the request. A facsimile is required on all third party wires

By checking the box next to a particular option, I hereby authorize Bank to make such option the default.

06-18-2018
Date

David Kocurek
Signature of Authorized Signer from Corporate Resolution or Authorized Administrator from
Schedule C - Delegation of Authority to Authorized Administrators

Signer Name (print) David Kocurek
Tax Identification Number 74-6001842
Address P O Box 845
City, State Zip Palacios TX 77465-0845
Phone Number 361-972-3605 Fax Number _____

Schedule C

DELEGATION OF AUTHORITY TO AUTHORIZED ADMINISTRATORS

Customer Name City of Palacios

Any capitalized terms not defined herein shall have the meaning ascribed to them in the Treasury Management Services Agreement - Procedures, Terms and Conditions.

Delegation of Authority

By signing below, you authorize each person listed below to be an Authorized Administrator with the authority to do any combination of the following:

- A. Enroll Customer in any Treasury Management Service through the execution of a Treasury Management Services Request;
- B. Appoint and remove User(s) (as that term is defined in Section 5(c) of the General Provisions of the Treasury Management Services Agreement – Procedures, Terms and Conditions) to perform authorized transactions under the Agreement and any applicable Treasury Management Services Request; and
- C. To perform any transactions pursuant to the Agreement and Treasury Management Services Request.

The Authorized Administrator listed below does not have the authority to execute the Treasury Management Services Agreement or appoint or remove any Authorized Administrator(s).

Name: _____
Title: _____
Business Address: _____
Telephone Number: _____
Fax Number: _____
E-mail Address: _____

Signature: _____

This Delegation shall be binding and the authority shall remain in force until written notice of any revocation or modification is delivered to Bank.

06-18-2018
Date

David Kocurek
Signature of Authorized Signer

David Kocurek
Name (Print)

Disclaimers

Bank recommends Customer establish dual control authority for all outgoing funds transfer requests. This dual control is requiring one Authorized Party to draft the instructions followed by a second Authorized Party to approve. This provides Bank and Customer with greater protection against error and unauthorized transactions to be executed.

Customer has considered the Bank's recommendation to have two Authorized Parties that can draft or approve each outgoing funds transfer request but requests the Bank accept and process outgoing funds transfer requests with the approval of only one Authorized Party.

Customer hereby waives any protection offered by the use of the procedure recommended by the Bank. Customer agrees to be bound by any payment order (whether or not authorized) issued in Customer's name and accepted by Bank in compliance with the Security Procedure selected by Customer. Customer agrees that a lack of dual control is commercially reasonable for Customer's purposes, including with respect to the size, type, and frequency of funds transfers it anticipates issuing and the information which will be transmitted.

06-18-2018

Date

X *David Kocurek*

Signature of Authorized Signer from Corporate Resolution or Authorized Administrator from
Schedule C – Delegation of Authority to Authorized Administrators

RESOLUTION NO. 2018-R-10

**A RESOLUTION OF THE CITY OF PALACIOS, TEXAS
AUTHORIZING THE AWARD OF PROFESSIONAL
SERVICE PROVIDER CONTRACTS TO APPLY FOR THE
2018 TX CDBG DR GRANT**

WHEREAS, the anticipated award of the 2018 TX CDBG contract requires implementation by professionals experienced in the administration of federally-funded disaster recovery grants;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposal (RFP) process for administrative services has been completed in accordance with TX CDBG DR requirements;

WHEREAS, the submissions received by the due date have been scored to determine the most qualified and responsive providers for each professional service;

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

Section 1. That Grant Works be awarded a contract to provide Disaster Recovery project-related **administrative services** for the 2018 contract.

Section 2. That any and all contracts or commitments made with the above-named services provider is dependent on the successful negotiation of a contract with the service provider.

PASSED AND APPROVED this _____ day of _____, 2018.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO. 2018-R-11

**A RESOLUTION OF THE CITY OF PALACIOS, TEXAS,
APPROVING AND AUTHORIZING THE PALACIOS
ECONOMIC DEVELOPMENT CORPORATION TO
EXPEND FUNDS TO PURCHASE THE BUILDING
LOCATED AT 420 MAIN STREET, PALACIOS, TX.**

WHEREAS, the Palacios Economic Development Corporation (the "Corporation") is a non-profit corporation, Type B corporation of the Development Corporation Act governed by Chapter 505 of the Local Government Code (the "Act"); and

WHEREAS, the Corporation was created by the City of Palacios, Texas (the "City"), and authorized to act on behalf of the City in furtherance of the public purposes of the Act; and

WHEREAS, the Corporation may engage in any project authorized under Title 12 of the Act, where the definition of "project" is defined under Section 501.002(13) of the Act, as amended; and

WHEREAS, the Corporation would expend \$27,000 to purchase the building located at 420 Main Street Palacios, TX.

WHEREAS, Sections 505.158 and 505.159 of the Act require the City Council of the City adopt a resolution authorizing the project when amounts exceed \$10,000; and

WHEREAS, the Corporation and the City have approved the project that is to be funded with Palacios Economic Development funds; and

WHEREAS, the meeting at which this Resolution is being considered 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 by Chapter 551, Texas Government Code; NOW, THEREFORE

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

SECTION 1: The recitals set forth in the preamble to this resolution are adopted as the findings of fact and conclusions of the City Council of the City.

SECTION 2: The City Council approves and authorizes the expenditure of \$27,000 to purchase the building located at 420 Main Street Palacios, TX.

SECTION 3: The fund for such expenditure shall come from the Palacios Economic Development Corporation, using funds it holds to be used for such purposes.

SECTION 4: This resolution shall become effective from and after the date of its passage.

PASSED, APPROVED AND ADOPTED on this ____ day of June, 2018.

CITY OF PALACIOS, TEXAS

APPROVED: _____
GLEN SMITH, Mayor

ATTEST: _____
CLISSA MILLS, City Secretary



Authorized Representative Deletion Form

Please complete this form to delete Authorized Representative(s) of the Participant.

*Required Fields

1. Participant Information

City of Palacios	77983	07052018
Participant Name*	Location Number*	Effective Date*

2. Deletions

Please print the name(s) of the individual(s) to be deleted:

As Authorized Representative(s):

- Jackie Jones
-
-

As Inquiry Only Representative(s):

-
-
-

3. Primary Contact

If the person being deleted is the Primary Contact, please provide the name of the TexPool Authorized Representative that will be the new Primary Contact. The Primary Contact is the individual who will receive the daily transaction confirmations, monthly statements, monthly newsletter, TexPool Updates, and other TexPool mailings.

Tammy McDonald	City Treasurer
Name	Title
3619723605	361972555
Telephone Number	Fax Number
tmcdonald@cityofpalacios.org	
Email Address	

4. Inquiry Only

If the person being deleted is an Inquiry Only Representative, please specify below if you wish to add another individual in this capacity. Please note: Inquiry Only Representatives cannot perform transactions.

Name	Title
Telephone Number	Fax Number
Email Address	

5. Approvals

Please enter the name of two individuals who are currently Authorized Representatives and who authorize the deletion(s) of the individual(s) above.

Note: This authorization must be executed by a current Authorized Representative of the Participant as set forth in the duly enacted Resolution of the Participant, which is on file with TexPool.

David Kocurek
Authorized Representative Signature*

0 7 0 5 2 0 1 8

Date*

David Kocurek
Printed Name*

3 6 1 9 7 2 3 6 0 5

Telephone Number

City Manager
Title*

Authorized Representative Signature*

0 7 0 5 2 0 1 8

Date*

Glen Smith
Printed Name*

3 6 1 9 7 2 3 6 0 5

Telephone Number

Mayor, City of Palacios
Title*

6. Mailing Instructions

The completed Authorized Representative Deletion Form can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services
1001 Texas Avenue, Suite 1400
Houston, TX 77002



Resolution Amending Authorized Representatives

Please use this form to amend or designate Authorized Representatives.

This document supersedes all prior Authorized Representative forms.

* Required Fields

1. Resolution

WHEREAS,

City of Palacios

Participant Name*

7 7 9 8 3

Location Number*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Tammy McDonald

Name

City Treasurer

Title

361-972-3605/ 361-972-6555/ tmcdonald@cityofpalacios.org

Phone/Fax/Email

Signature

2. David Kocurek

Name

City Manager

Title

361-972-3605/361-972-6555/dkocurek@cityofpalacios.org

Phone/Fax/Email

Signature

1. Resolution (continued)

3. Glen Smith
 Name
Mayor
 Title
361-972-3605/361-972-6555/gsmith@cityofpalacios.org
 Phone/Fax/Email

 Signature

4. _____
 Name

 Title

 Phone/Fax/Email

 Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Tammy McDonald
 Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

 Name

 Title

 Phone/Fax/Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 12th day July, 20 18.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

 Name of Participant*

SIGNED

 Signature*
Glen Smith
 Printed Name*
Mayor
 Title*

ATTEST

 Signature*
Clissa Mills
 Printed Name*
City Secretary
 Title*

2. Mailing Instructions

The completed Resolution Amending Authorized Representatives can be faxed to TexPool Participant Services at 1-866-839-3291, and mailed to:

TexPool Participant Services
1001 Texas Avenue, Suite 1400
Houston, TX 77002

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED

TEX-REP

2 OF 2

City of Palacios
Application for Tax Abatement

Filing Instructions

This application must be filed prior to the commencement of construction or the installation of equipment associated with the project for which the abatement is being sought. This filing acknowledges that the applicant has read and understands the "Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone the in City of Palacios," approved by the City Council on August 5, 1996; and re-adopted and amended on July 3, 2006; and re-adopted and amended on July 9, 2013. Furthermore, the applicant agrees to comply with all requirements stated in the Guidelines.

This application will become a part of any tax abatement agreement or contract executed between the applicant and the City of Palacios, and knowingly false representations therein will be grounds for voiding such agreement or contract.

An original and two copies of this application and attachments should be submitted to:

City Manager
City of Palacios
Post Office Box 845
Palacios, Texas 77465

Applicant Information

Company Name: Ortiz Remodeling
Mailing Address: 1410 Newsome Blvd. Palacios TX
Street Address 1410 Newsome Blvd. Palacios TX
Phone Number: (361) 827-4382
Fax Number: ()
Email: JoseF.ortiz.67@gmail.com
Primary Contact Person: Jose F. Ortiz SR.
Contact Person's Title: Owner
Phone Number: (361) 827-4382
Fax Number: ()
Email: Jose F.ortiz.67@gmail.com
Second Contact Person:
Title:
Phone Number: ()
Fax Number: ()
Email:

Type of Business (please check appropriate type):

- Privately Held Corporation (until sold)
- Publicly Held Corporation
- Proprietorship
- Sole Partnership
- Limited Liability Partnership
- Other

Attach One of the Following Documents (please check which document is attached):

- Article of Incorporation
- Assumed Name Certificates
- Certificate to do Business in Texas

Federal Tax ID No.: _____

Primary Activity (Good/Service Produced): _____

Standard Industrial Code (4 digit): _____

Annual Sales at Time of Application: _____

Number of Permanent, Full-time Employees at Time of Application: _____

Number of Permanent, Part-time Employees at Time of Application: _____

Project Information

Type of Tax Abatement being sought:

- | | |
|---|--|
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Agriculture/Aquaculture* |
| <input type="checkbox"/> Research | <input type="checkbox"/> Regional Distribution* |
| <input type="checkbox"/> Regional Service* | <input type="checkbox"/> Regional Entertainment/Tourism* |
| <input type="checkbox"/> Other Basic Industry* | <input type="checkbox"/> Personal Property (type): |
| <input type="checkbox"/> Commercial use vehicles, vessels, aircraft | _____ |
| <input checked="" type="checkbox"/> Residential Housing | _____ |

* Note: Applicant must provide evidence that a majority of the revenues generated by this facility are from sources outside of the City of Palacios.

Type of Improvements:

- New Plant
- Modernization of Existing Facility
- Expansion of Existing Facility
- New Commercial Use Vehicles, Vessels or Aircraft
- New furnishings or other forms of movable property
- Residential Housing

Estimated total Value of Improvements: \$ 150,000

Appraised Value of Land: \$ 5,000

Estimated Costs to Build: \$ 75,000

Estimated Costs to Rehabilitate: \$ _____
 Estimated Annual Debt Service: \$ _____
 Building Contractor: ortiz Remodeling
 Contact Person: Jose E. ortiz sr.
 Title: owner
 Phone Number: (361) 827-4382
 Fax Number: (_____) _____
 Email: JoseF.ortiz.67@gmail.com
 Interim Construction Lender: First Financial Bank
 Contact Person: monica perez
 Title: consumer lender
 Phone Number: (979) 332-5480 332-5480
 Fax Number: (979) 773-8336
 Email: mperez2@FFIN.COM
 Mortgage Lender: _____
 Contact Person: _____
 Title: _____
 Phone Number: (_____) _____
 Fax Number: (_____) _____
 Email: _____
 Estimated date Construction to Begin: 7/1/2018
 Estimated date of Completion of Project: 11/1/2018
 Project Location (Address and Legal Description, Please provide a map if available):
Lot 9 Block 102 original townsite 1016 Humphrey Ave
 (NOTE: **Once tax abatement is approved**, please provide a copy of **Title Policy to the Property**)

Commercial use Vehicles, Vessels, and Aircraft:
 Name of manufacturer: _____
 Name of Financing Institution (if applicable): _____
 Contact Person: _____
 Title: _____
 Phone Number: (_____) _____
 Fax Number: (_____) _____
 Email: _____

- Also Required:
1. Copy of Matagorda County Registration for commercial use Vehicle, Vessel or Aircraft
 2. Serial Number and Registration Number of commercial use Vehicle, Vessel or Aircraft
 3. Picture of commercial use Vehicle, Vessel or Aircraft attached to application
 4. Proof of Insurance on commercial use Vehicle, Vessel or Aircraft
 5. Project Location (Address and Legal Description, please provide map if available).

FACILITY ANALYSIS:

Estimated Value of New Facility \$ 150,000
 Estimated Value of Personal Property: \$ 150,000

Estimated Value of Inventory: \$ 150,000
 Estimate the annual amount of electricity usage (KWH): ?
 Estimate the annual amount of water usage (gallons): _____
 Estimate the annual amount of natural gas consumption (cubic feet): _____
 Size of Building: 1,200 sq.ft.
 Acreage of Property: average city lot 50'x150'
 Project Location (Address and Legal Description. Please provide a map if available): _____

CONSTRUCTION INFORMATION:

Anticipated date construction will begin: 7/1/2018
 Anticipated date construction will be completed: 11/1/2018
 Anticipated operations start date: 12/1/2018
 Anticipated peak construction work force: 4-5 workers per phase
 Estimated construction purchases in Palacios: \$ 50,000
 Length of construction period, in months: 3-4 months

EMPLOYMENT INFORMATION:

Total new permanent employment: 5
 Total jobs retained (if modernization): 5
 *Note: Applicant must provide evidence that the company would reduce or cease operations within Palacios, if not for the proposed modernization.
 Palacios payroll amount: \$ 30,000
 How many employees live in Palacios: 5 in Matagorda \County: 5
 Estimate the percentage of employees that own a house in Palacios: 4 in Matagorda County
5
 Estimate the number of employees that will live in the school district to which the business pays school tax: 100%

Please list job titles or classifications of new employees with average hourly or monthly salaries and the number of jobs in each position:

Job Title	No. of Positions	Avg. Hourly/Monthly Salary
Framer	4	\$15-20
concrete worker	5	\$15-20
Electrician	1	\$20-25
Plumber	1	\$35-45
painter	1	\$20-25
Finisher (woodwork)	1	\$15-20

Other Information:

Public Service Requirements and School District Impacts

Volume of treated water required (gallons per day): 500 gal.
Volume of effluent to be treated (gallons per day): 500 gal.
Number of families to be transferred to new facility: 1 per House built
Estimated number of children of school age (K-12) in transferred families: 2-3

Other Abatement Agreement Applications

Has the applicant made application for tax abatement of the value of real property improvement or personal property associated with this project to any other taxing jurisdiction?

 Yes X No

If yes, please provide the following information on each pending application:

- Name of tax jurisdiction
- Date of application
- Date of public hearing (if required)
- Action taken by jurisdiction (if any)

Variance

Does approval of this application by the City Council require a variance from the Guideline and Criteria, adopted by the City Council on July 6, 1998; readopted and amended on July 3, 2006; and readopted and amended on July 9, 2013?

 Yes X No

If "Yes", applicant must provide a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for a variance requires a three-fourths (3/4) vote of the governing body.

Attachments

All applications must contain attachments (a), (b), (c), (d) and (e). The City Council may not review an application until the requested information has been provided.

- (a) A written description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
- (b) A description (including estimated value) of each improvement that will be part of the project.
- (c) A map of the project location and legal property description (including current ownership).
- (d) A time schedule for undertaking and completing, the planned improvements.
- (e) Financial information (annual reports or tax returns) for the most recent two years of operations for which information is available.

Other Special Case Attachments

- A. Pictures of commercial use vehicles, vessels or aircraft
- B. Detailed business plan

Assurances

I do hereby certify:

- (a) The information provided above is, to the best of my knowledge, complete and accurate.
- (b) That I have received and read a copy of the "Guidelines and Criteria for Granting Tax Abatement Reinvestment Zone in the City of Palacios," re-adopted and amended on July 9, 2013, and that I understand the conditions and terms under which a tax abatement agreement may be executed.
- (c) That employees and/or designated representatives of the City shall have access to the facility during the period of the abatement agreement to determine if the

company is in compliance with the terms and conditions of the agreement, as provided in Section 7(b) of the "Guidelines and Criteria," referenced above.

- (d) I understand that failure to comply with the terms and conditions of the abatement agreement may result in the recapture by the City of any and all taxes previously abated by virtue of the agreement.
- (e) I understand that participation in an abatement agreement does not remove any obligation to satisfy all codes and ordinances issued by the City or any other affected taxing jurisdiction that may be in effect and applicable at the time this project is implemented.

Jose F. Ortiz Sr.
Signature of Authorized Officer

6/25/2012
Date

Jose F. Ortiz Sr.
Name of Officer (Type or Print)

OWNER
Title (Type or Print)

IF YOU HAVE ANY QUESTIONS, CALL THE PALACIOS ECONOMIC DEVELOPMENT CORPORATION AT 361-972-3729

**TAX ABATEMENT
AGREEMENT STATE OF
TEXAS**

I KNOW ALL BY THESE PRESENTS:

The Palacios City Council, in the County of Matagorda, State of Texas (the "City"), and Jose Ortiz who will be constructing Capital Improvements in Palacios, Texas (hereinafter referred as the "Applicant"), enter into this Tax Abatement agreement (the "Agreement") as follows:

RECITALS

WHEREAS, the Property Redevelopment and Tax Abatement Act, section 312.001 et seq., Texas Tax Code, as amended, (the "Act") authorizes the City to create a reinvestment zone for residential tax abatement or commercial and industrial business tax abatement purposes; and

WHEREAS, the Palacios City Council has adopted an Ordinance establishing guidelines and criteria governing tax abatement and electing to become eligible to participate in tax abatement pursuant to the requirements of the Act, which Ordinance is incorporated herein by reference thereto for all purposes; and

WHEREAS, the Palacios City Council on the 28th day of March 2017, did enact and adopt an Ordinance designating a certain area as a Reinvestment Zone (the "Zone"), all pursuant to the Act, which Ordinance is incorporated herein by reference thereto for all purposes; and

WHEREAS, the Palacios City Council finds that the terms of the Agreement and the property subject to this Agreement meet the applicable guidelines and criteria governing tax abatement previously approved in the Palacios City Council Minutes of Palacios, Texas on July 10, 2018; and

WHEREAS, the Applicant will use the taxable real property located in the Zone (the "Property") for residential purposes; and

WHEREAS, the City and the Applicant desire to enter into this Agreement to exempt from taxation a part of the increase in the value of the Property over its value during the term of this Agreement as hereinafter set forth, all pursuant to: (i) the Act; (ii) Ordinance; (iii) the Comprehensive Policy Statement on Tax Abatement; and (iv) the terms and conditions herein set forth and contained;

NOW, THEREFORE, and in consideration of the mutual covenants and agreements herein contained, the City and the Applicant agree as follows:

1. **Incorporation of Recitals.** The determinations recited and declared in the preambles to the Agreement are hereby restated, repeated and incorporated herein as part of this Agreement.
2. **Term.** Whereby the Applicant intends to construct, build or expand on the Property a commercial or residential building, with permanent fixtures, to be used for business. The eligibility for the tax abatement provided by this Agreement begins with the 2019 tax year and ends with the 2024 tax year.
3. **Improvements.** In order to obtain any tax abatement under this Agreement, the Applicant agrees (i) to construct Capital Improvement within the Zone, substantially as more particularly described as Lot 9 Block 102 Cloie Humphrey Palacios, Texas; (the foregoing Capital Improvements are collectively referred to hereinafter as the "Improvement").
4. **Abatement of Real Property Taxes.** The City agrees to exempt from taxation all or such parts of the increase in the value of the Property by virtue of the improvements over its value in the year in which this Agreement is executed, as specified and in accordance with the Provisions of Exhibit "A" Guidelines and Criteria for Granting Tax Abatements, and such exemption shall include any addition, change, or modification to the improvements after substantial completion due to casualty loss or otherwise. Provided however, that the abatement of taxes and exemption granted by this Agreement shall pertain only to the Property, the Improvements and other permanent fixtures within the Zone, and shall not include trade fixtures, inventory, or other personal property.
5. **Access to Property.** The Applicant agrees that the City shall, at reasonable times and upon reasonable notice, have access to the Property and the Applicant authorizes employees and agents of the City to inspect the Property to ensure that the Improvements are being made in accordance with the terms and conditions of this Agreement and utilized in accordance with this Agreement.
6. **Recapture of Property Taxes.** The Applicant agrees that should it fail to construct and install (or cause to be constructed or installed), or maintain the Improvements in accordance with the terms of this Agreement, then the City shall have the right, in addition to any other available remedy, to recapture all property tax revenue lost as a result of such breach of this Agreement. The City shall notify the Applicant, in writing, of default(s) by the Applicant in complying with the terms and provisions of this Agreement. The Applicant shall promptly reimburse the City for all city tax revenue lost as a result of the breach and the City may, without further notice to the Applicant, immediately cause all tax abatement to cease on the Property subject to this Agreement. Failure on the part of the City to exercise any right contained in this Agreement shall not constitute a waiver of any right in the event of any subsequent default, and no waiver shall be effective unless in writing, executed by the City, and the Applicant.
7. **Miscellaneous.**
 - a. **Assignment.** No party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.
 - b. **Modifications.** At any time before the expiration of the term of this Agreement, this Agreement may be modified by the joint action of the parties hereto to

include other provisions that could have been included in the original agreement. Any such modification shall be in writing and signed by all the parties hereto and made by the same procedure by which the original agreement was approved and executed. In no event, may this Agreement be modified so as to extend the term of this Agreement beyond five (5) years from the effective date of this Agreement.

- c. **Notices.** Any notices required or desired to be given to any party hereto shall be deemed to be delivered: (i) on the date of delivery, if hand delivered; (ii) one (1) day after sending, if sent by overnight courier; or (iii) if sent by mail, three (3) days after the same is posted in a U.S. mail receptacle, postage prepaid, to the address of the applicable party set out below such party's signature herein below. Any party hereto may change such party's address for notice to another address within the United States of America, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.
- d. **Severability.** If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected hereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable. The City expressly disclaims any warranty or representation as to the legality or enforceability of this Agreement and the Applicant expressly disclaims the existence of any such warranty or representation.
- e. **Governing Law.** This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas and the Act in particular.
- f. **Paragraph Headings: Construction.** The paragraph headings contained in this Agreement are for convenience **only** and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. All parties have participated in the negotiation and preparation of this Agreement so that this Agreement shall not be construed either more or less strongly against or for any party.
- g. **Complete Agreement.** This Agreement contains the entire agreement among the parties and supersedes any and all prior understandings and agreements between the parties hereto relating to the subject matter hereof.
- h. **Binding Effect.** Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.
- i. **Counterparts.** This Agreement has been executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

- j. **Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.
- k. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties.

EXECUTED this the _____ day of _____, 2018.

THE CITY OF PALACIOS, TEXAS:

By: _____
Mayor City of Palacios

Address for Notice:

Mayor Glen Smith
P.O. Box 845
Palacios, Texas 77465
(361) 972-3605

With Copy To:

City Attorney

By: _____

Address for Notice:

(SEAL)

I, Clissa Mills, City Secretary for Palacios, Texas certify that the above is a true and correct copy of Agreement on file in the City Hall of Palacios, Texas and that I, as City Secretary of Palacios, Texas, have legal custody of such writing.

City Secretary

Palacios, Texas

Exhibit A

RESIDENTIAL TAX ABATEMENT

The following is an outline of recommended steps for review and consideration of applications for tax abatement in the City of Palacios based on the requirements contained in the Property Redevelopment and Tax Abatement Act (Tax Code, Chapter 312) and the “Guidelines and Criteria for the Granting of Tax Abatement in the City of Palacios,” adopted by the City Council on August 5, 1996, re-adopted and amended on July 3, 2006, re-adopted and amended on September 26, 2012, and re-adopted and amended on March 28, 2017.

(a) **Receipt of Application**

Upon Receipt of an application for tax abatement, the original and two (2) copies should be dated. The original should be placed in a central file in the City Clerk’s office.

One copy should be delivered to the City Tax Appraisal District Office and one copy should be provided to the local economic development organization (e.g., Palacios Economic Development Corporation [PEDC]).

(b) **Analysis of Application**

Prior to approving the resolution providing for a tax abatement agreement, the City Council shall request the following information:

The City Manager or the PEDC will determine if the facility is eligible under Section 2(a) of the Guidelines and Criteria, if the application was submitted prior to the commencement of construction or installation of equipment as provided in Section 2(b), and will review the description of improvements to determine if the value of the improvements exceeds the \$75,000 minimum requirement.

The Matagorda County Tax Office will determine if the applicant is delinquent in payment of taxes to the City or other affected taxing jurisdictions.

The City Attorney shall determine whether the application is in compliance with the adopted Guidelines and Criteria. If a variance from the Guidelines and Criteria is requested, the City Attorney shall determine if the request is consistent with the requirements provided in Section 3(f) of the Guidelines and Criteria.

(c) **Consideration of the Resolution to Grant Tax Abatement**

At a regularly scheduled meeting of the City Council, the Council members shall consider the application for tax abatement.

Following a public hearing on the request for tax abatement, the Council members approve one resolution unless they find one of the following reasons for denying the tax abatement:

- (a) The application is not consistent with the adopted Guidelines and Criteria;
- (b) There would be a substantial adverse effect on the provision of government services or tax base;
- (c) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;

- (d) Planned or potential use of the property violates the Zoning Ordinance or other codes or laws, or
- (e) Action by the City Council would impose a penalty under Chapter 312 of the Texas Tax Code on another taxing jurisdiction.

(d) **Execution of an Abatement Agreement Contract**

Following approval of the resolution, the City Attorney shall prepare an abatement agreement contract that, at a minimum lists:

- (a) The kind, number, and location of all proposed improvements;
- (b) Provides access to and authorizes inspection of the property by City employees to ensure that the improvements are made according to the terms and conditions of the abatement agreement;
- (c) Limits the use of property consistent with the general purpose of encouraging development or redevelopment of the zone during the period of the agreement, and
- (d) Provides for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements as provided for in the agreement and keeps current on all taxes due to taxing entities.

(e) **Annual Determination of Taxable Value**

At the inception of the tax abatement agreement, the Matagorda County Central Appraisal District shall determine the base value of the facility. The base value of the facility is defined as the appraised value of the January 1st prior to the execution of the agreement, plus the value of any improvement made between January 1st and the date of the agreement.

Annually, the Matagorda County Central Appraisal District shall determine the taxable value of the facility based on the Guidelines and Criteria and report such value to all affected taxing jurisdictions.

Annually, the City or the PEDC, if so designated by the City, shall determine whether the company has made the improvements described in the application for abatement and has complied with the minimum investment and present such information to the City Manager with a recommendation on whether to continue or to terminate the agreement for non-compliance.

(f) **Recapture in the Event of Non-compliance**

If a residence is not in compliance with the abatement agreement or the owner becomes delinquent in payment of any taxes, the City Attorney shall provide notice to the owner of the determination of non-compliance and establish a deadline for resolution of the compliance issues as provided in Section 7(b) of the Guidelines and Criteria. If the compliance issues are not resolved, the City Attorney shall provide the owner and the Matagorda County Central Appraisal District notice of termination of the abatement agreement. The Matagorda County Central Appraisal District shall recapture all taxes previously abated by virtue of the agreement as provided in Section 7(c)(2) of the Guidelines and Criteria.

(g) **Amount of Tax Abatement**

Tax Abatement 2017-March 28

(g) **Amount of Tax Abatement**

The tax abatement must adhere to the following schedule:

- Year 1 – 75% abatement
- Year 2 – 50% abatement
- Year 3 – 35% abatement
- Year 4 – 25% abatement
- Year 5 – 15% abatement



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 MINUTES June 26, 2018

CALL TO ORDER – Mayor Pro Tem Johnny Tran at 7pm
INVOCATION – Councilmember Crocker
PLEDGE OF ALLEGIANCE – Councilmember Tran
PLEDGE TO TEXAS FLAG – Councilmember Tran
PLEDGE TO PALACIOS FLAG – Councilmember Tran

VISITOR / CITIZEN FORUM

1. Jason Rozner discussed his concerns with the Palacios Police Department and Chief Miles during his time of employment again.
2. Patricia Loving discussed her concerns about the punch list for the Pavilion not being completed yet and asked if there are any written procedures.
3. Chip Woolf requested that a copy of the proposed budget is to be posted.
4. Rebecca Sportsman reported that her daughter is being harassed at her place of employment.

ADMINISTRATIVE REPORTS

1. Request for fund raising event for Lucky Strykes Dog Rescue by Jennifer Chau – Jennifer Chau presented a fundraiser idea to City Council
2. City Manager's Report for May 2018 – David Kocurek reported that the Regatta went well and there were a lot of compliments on the Pavilion. He also reminded everyone about the Chamber Event Poker in Palacios on July 14, 2018

ITEMS TO BE CONSIDERED

1. Discuss and consider approving on second reading Ordinance 2018-O-2 amending the garbage collection rates.
 Councilmember McGovern motioned to approve the second reading Ordinance 2018-O-2 amending the garbage collection rates.
 Councilmember Lewis seconded
 There was no opposition

With no opposition, the motion carried

2. Discuss and consider approving the first reading Ordinance 2018-O-4 to establish a Pavilion Fee Schedule

Councilmember Crocker motioned to approve the first reading Ordinance 2018-O-4 to establish a Pavilion Fee Schedule

Councilmember McGovern seconded

AYE: 5

NAY: 1

The motion carried

3. Discuss and consider action to approve the following consent agenda items:

- a) Minutes of the June 12, 2018 Regular Council Meeting

- b) Excuse the absence of Councilmember Tran from the June 12, 2018 council meeting

Councilmember Lewis motioned to approve the minutes of the June 12, 2018 regular council minutes

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 McGovern motioned to adjourn the meeting at 7:29 pm

Mayor Pro Tem Johnny Tran seconded

There was no opposition

With no opposition, the motion carried

Glen Smith, Mayor

Clissa Mills, City Secretary