



City of San Marcos

Regular Meeting Agenda - Final-Amended City Council

Tuesday, June 16, 2020

6:00 PM

Virtual Meeting

Due to COVID-19, this will be a virtual meeting. To view the meeting please go to www.sanmarcostx.gov/videos or watch on Grande channel 16 or Spectrum channel 10.

I. Call To Order

II. Roll Call

III. 30 Minute Citizen Comment Period

Persons wishing to speak during the citizen comment period please submit your written comments to citizencomment@sanmarcostx.gov no later than 12:00pm on the day of the meeting. The first 10 comments will be read aloud during the citizen comment portion of the meeting. Comments shall have a time limit of three minutes each. Any threatening, defamatory or other similar comments prohibited by Chapter 2 of the San Marcos City Code will not be read.

CONSENT AGENDA

THE FOLLOWING ORDINANCES, RESOLUTIONS AND OTHER ITEMS MAY BE ACTED UPON BY ONE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THE ITEMS IS NECESSARY UNLESS DESIRED BY A COUNCIL MEMBER OR A CITIZEN, IN WHICH EVENT THE ITEM SHALL BE CONSIDERED IN ITS NORMAL SEQUENCE AFTER THE ITEMS NOT REQUIRING SEPARATE DISCUSSION HAVE BEEN ACTED UPON BY A SINGLE MOTION.

1. Consider approval, by motion, of the following meeting Minutes:
 - A. May 19, 2020 - Regular Meeting Minutes
 - B. May 28, 2020 - Special Meeting Minutes
2. Consider approval of Ordinance 2020-40, on the second of two readings, amending Chapter 86, Article 5, Division 4 of the San Marcos City Code regarding impact fees to, among other things, change the methodology for establishing impact fees for industrial and commercial uses having peak flow rates in excess of 500 gallons per minute, and to add homes constructed with federal funds awarded to the City and City facilities as projects exempt from the assessment of impact fees; including procedural provisions; providing for the repeal of any conflicting provisions; and providing an effective date.
3. Consider approval of Ordinance 2020-41, on the second of two readings, amending Chapter 86, Article 8, Division 1 and 2 of the San Marcos City Code to, among other things, change the rate structure of the Stormwater Utility to an impervious basis for all customer classes, and to update provisions regarding the maintenance and repair of structural controls in connection with the municipal separate Storm Sewer System (MS4); including procedural provisions; providing for the repeal of any conflicting provisions; and providing an effective date.

4. Consider approval of Ordinance 2020-42, on the second of two readings, adopting Youth Programs Standards of Care for 2020; providing a severability clause; declaring an effective date.
5. Consider approval of Ordinance 2020-43, on the second of two readings, reclassifying and increasing the rank of the firefighter position assigned to the Fire Prevention Division, from the rank of firefighter to the rank of engineer in accordance with Section 143.021 of the Texas Local Government Code; amending the Fire Department staffing table maintained by the City Clerk in accordance with Section 2.373 of the San Marcos City Code to reflect such reclassification; providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.
6. Consider approval of Ordinance 2020-44, on the second of two readings, amending section 2.421 of the San Marcos City Code by adding a new subsection (e) to clearly state that the policy and purpose statements in that section supporting the adoption of the San Marcos Code of Ethics shall not be cited, used, or considered by a citizen or by the ethics review commission as the basis of an ethics complaint filed against any officer or employee of the city; and declaring an effective date.
7. Consider approval of Resolution 2020-116R, approving the Texas Department of Transportation sponsored Public Transportation Agency Safety Plan and establishing safety performance targets for the City of San Marcos Public Transit Services in accordance with 49 CFR part 673; and declaring an effective date.
8. Consider approval of Resolution 2020-117R, authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by 49 U.S.C. Chapter 53; Title 23, United States Code, or other federal statutes administered by the Federal Transit Administration; and declaring effective date.
9. Consider approval of Resolution 2020-118R, approving a change in service to the engineering services agreement with Brown and Gay Engineers, Inc. (Contract No. 219-129) relating to the Briarwood and River Ridge Improvements Project in the estimated amount of \$262,148.00 to add environmental and final design services bringing the total contract price to \$386,183.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the change in service; and declaring an effective date.
10. Consider approval of Resolution 2020-119R, approving a professional services agreement with Jones and Carter for engineering services relating to the Dunbar Utility Improvements project in the estimated amount of \$311,094.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
11. Consider approval of Resolution 2020-120R, approving the award of a construction contract to Insituform Technologies, LLC for the Fredericksburg Street wastewater Replacement Project in the amount of \$93,300.00 through the Texas Local Government

BuyBoard Purchasing Cooperative (Contract No. 555-18); authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

12. Consider approval of Resolution 2020-121R, authorizing the execution of a Ground Lease and Acquisition Agreement between the City and Hunt San Marcos Development, LLC for the City's New Public Services Center; establishing a facility purchase price under the ground lease in an amount not to exceed \$44,400,000.00; approving and authorizing the execution of amendment one to the exclusive negotiating agreement (ENA) with Hunt San Marcos Development, LLC to, among other things, provide for \$62,409 of additional pre-development services for a new total amount payable under the ENA of \$1,562,409.00; authorizing other matters in connection therewith; and declaring an effective date.
13. Consider approval of Resolution 2020-123R, approving Change Orders No. 1 and No. 3 to the construction contract awarded to The Brandt Companies, LLC for the Redwood, Strahan, and McCarty Substation Improvements Project (Contract No. 219-310) in the net increase amount of \$91,276.77 bringing the total contract price to \$1,986,449.30; authorizing the City Manager or his designee to execute the appropriate documents to implement the change orders; and declaring an effective date.
14. Consider approval of Resolution 2020-124R, approving an agreement with Simpleview, LLC for the redesign of the San Marcos Convention and Visitor Bureau website in the initial amount of \$102,700.00 and authorizing up to nine annual extensions for website support in a not-to-exceed amount of \$547,000.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
15. Consider approval of Resolution 2020-125R, approving a Change in Service to the agreement with Knight Security Systems, LLC for the provision of professional high technology services, maintenance, and equipment related to security at the San Marcos Police Department, Trace Fire Station #6 and Rattler Electric Substation in the estimated amount of \$268,684. through the Texas Comptroller of Public account's Department of Information Resources ("DIR") program (contract DIR-TSO-3430) bringing the total contract price to \$623,063.37; authorizing the City Manager or his designee to execute the appropriate purchasing documents on behalf of the City; and declaring an effective date.
16. Consider approval of Resolution 2020-126R, approving an agreement with Moore Iacofano Goltsman, Inc. for services related to the City's Comprehensive Plan project in the estimated amount of \$673,418; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
17. Consider approval of Resolution 2020-127R, approving the award of a construction contract to Trimbuilt Construction, Inc. for the Police Department Building Additions and Renovations Project in the amount of \$9,141,358.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
18. Consider approval of Resolution 2020-128R, authorizing the submission of the terms and conditions and certification documents to the State of Texas Division of Emergency

Management for funding from the Federal Coronavirus Relief Fund; authorizing the City Manager to submit the required documentation and accept funds from the Coronavirus Relief Fund as authorized expenditures related to COVID-19 relief activities during the period from March 1, 2020 through December 30, 2020; and declaring an effective date.

19. Consider approval of Resolution 2020-129R, approving a Change in Service to the agreement with Strategic Government Resources (Contract No. 220-117) relating to the Interim Community Development Block Grant Administrator position in the estimated amount of \$75,000.01 bringing the total contract price to \$125,000.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the Change in Service; and declaring an effective date.
20. Consider approval of Resolution 2020-130R, approving a Change in Service to the agreement with Strategic Government Resources (Contract No. 220-186) relating to the Interim Finance Director position in the estimated amount of \$80,000 bringing the total contract price to \$125,000.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the Change in Service; and declaring an effective date.

PUBLIC HEARINGS

Persons wishing to participate (speak) during the Public Hearing portion of the meeting you must email citizencomment@sanmarcostx.gov prior to 12:00PM the day of the meeting. A call in number will be provided for participation.

21. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-46, amending the project plan and reinvestment zone financing plan for Tax Increment Reinvestment Zone No. 5, also known as the "Downtown TIRZ" to add eligible projects and associated eligible project costs, including the acquisition of property for parking and other public priorities and related operations and maintenance costs up to \$2,000,000.00; approving an amendment to the Tax Increment Participation Interlocal Agreement with Hays County to reduce the City's and the County's contribution rate of the tax increment deposited into the Tax Increment Fund from 70 percent to 25 percent for one year; authorizing the City Manager, or his designee, to execute such amendments on behalf of the City; including procedural provisions; and declaring an effective date; and consider approval of Ordinance 2020-46, on the first of two readings.
22. Receive a Staff presentation and hold a Public Hearing in regards to proposed projects and programs for the 2020 Community Development Block Grant (CDBG) - Entitlement allocation of \$722,904 and reallocation of \$125,000 in the 2019 CDBG Entitlement allocation.

NON-CONSENT AGENDA

23. Consider approval of Ordinance 2020-47, extending the temporary waiver of the 15 percent late charge and the one percent per month interest charge for delinquent hotel occupancy tax payment under section 78.103 of the San Marcos City Code to monthly payments due on July 20, 2020 due to the continuing COVID-19 pandemic; providing for

adoption of this ordinance as an emergency measure on only one reading; and providing an effective date.

24. Consider approval of Resolution 2020-131R, amending the Community Development Block Grant (CDBG) Action Plan for Program Year 2019 to add the awarded Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 and approving projects for the use of these funds; authorizing the City Manager or his designee to act as the official representative of the City in matters related to the CDBG Program and Action Plan; and declaring an effective date.
25. Consider approval of Resolution 2020-132R, providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs for the proposed Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop Highway and Rattler Road, approving findings related to the application, imposing conditions for such non objection, including the requirement that the applicant make an annual payment in lieu of taxes; providing authorizations for execution or submission of documents related to the application and for negotiation and execution of an agreement for the annual payment in lieu of taxes, and declaring an effective date.
26. Consider approval of Resolution 2020-133R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 10 acres of land, generally located at Highway 123 and Rattler Road, authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.
27. Consider approval of Resolution 2020-134R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 83.291 acres of land, generally located at 2519 Redwood Road; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.
28. Consider approval of Resolution 2020-135R, opposing the senseless death of Mr. George Floyd and supporting the San Marcos Police Department's current policies regarding the use of force; requiring annual review and updates of those policies; and providing an effective date.
29. Receive a Staff update and hold discussion on Arts Recommendation Resolution 2020-01RR regarding a one-time withdrawal from the permanent art fund to supplement the FY 2020-2021 Arts and Cultural Grant Program, and provide direction to Staff.
30. Discussion of summer marketing efforts of the Convention and Visitor Bureau, and direction to Staff.
31. Hold discussion and consider the addition of City Council meetings for the month of July, and provide direction to Staff.

EXECUTIVE SESSION

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for Executive Session.

- 32.** Executive Session in accordance with the following Government Code Sections:
- A. §Sec.551.071 of the Texas Government Code: Consultation with attorney - to receive advice of legal counsel regarding state law preemption of city ordinances regulating the sale or use of single-use packages and containers.
 - B. §Sec. 551.087 of the Texas Government Code: Economic Development - to receive a briefing and deliberate regarding the following projects: Project Rx, Project Molly, Project Red Dawn, Project Free Flow, Project Focus, and Project Big Hat

DIRECTION/ACTION FOLLOWING EXECUTIVE SESSION

- 33.** Consider action, by motion, regarding the following Executive Session item(s) held during the Work Session and/or Regular Meeting:
- A. §Sec.551.071 of the Texas Government Code: Consultation with attorney - to receive advice of legal counsel regarding state law preemption of city ordinances regulating the sale or use of single-use packages and containers.
 - B. §Sec. 551.087 of the Texas Government Code: Economic Development - to receive a briefing and deliberate regarding the following projects: Project Rx, Project Molly, Project Red Dawn, Project Free Flow, Project Focus, and Project Big Hat

IV. Adjournment.

POSTED ON THURSDAY, JUNE 11, 2020 @ 11:00AM

TAMMY K. COOK, INTERIM CITY CLERK

V. ADDENDUM

Item #20 was amended to reflect a different contract amount. Previously it read:

Consider approval of Resolution 2020-130R, approving a Change in Service to the agreement with Strategic Government Resources (Contract No. 220-186) relating to the Interim Finance Director position in the estimated amount of \$65,000 bringing the total contract price to \$110,000.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the Change in Service; and declaring an effective date.

ADDENDUM POSTED ON FRIDAY, JUNE 12, 2020 @ 12:00PM

TAMMY K. COOK, INTERIM CITY CLERK

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to ADArequest@sanmarcostx.gov



Legislation Text

File #: ID#20-358, **Version:** 1

AGENDA CAPTION:

Consider approval, by motion, of the following meeting Minutes:

- A. May 19, 2020 - Regular Meeting Minutes
- B. May 28, 2020 - Special Meeting Minutes

Meeting date: 6/16/2020

Department: City Clerk

Amount & Source of Funding

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: Approval of Previous Meeting Minutes

City Council Goal: [Please select goal from dropdown menu below]

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from below]

- Economic Development Choose an item.
- Environment & Resource Protection Choose an item.
- Land Use Choose an item.
- Neighborhoods & Housing Choose an item.
- Parks, Public Spaces & Facilities Choose an item.
- Transportation Choose an item.
- Not Applicable

Master Plan: [Please select the corresponding Master Plan from the dropdown menu below (if applicable)]

Choose an item.

Background Information:

The following minutes are attached for review:

- A. May 19, 2020 - Regular Meeting Minutes
- B. May 28, 2020 - Special Meeting Minutes

Council Committee, Board/Commission Action: [Click or tap here to enter text.](#)

Alternatives:

Recommendation: Approve Minutes as attached



City of San Marcos

Meeting Minutes -Final City Council

Thursday, May 28, 2020

4:00 PM

Virtual Meeting

This meeting was held using conferencing software due to the COVID-19 rules.

I. Call To Order

With a quorum present, the special meeting of the San Marcos City Council was called to order by Mayor Hughson at 4:08 p.m. Thursday, May 28, 2020. The meeting was held virtually.

II. Roll Call

Mayor Pro Tem Mihalkanin arrived shortly after roll call.

Present: 5 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Deputy Mayor Pro Tem Mark Rockeymoore and Council Member Maxfield Baker

Absent: 2 - Council Member Joca Marquez and Council Member Saul Gonzales

PRESENTATIONS

1. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

Bert Lumbreras, City Manager, provided a brief introduction and turned the presentation over to Chase Stapp, Director of Public Safety. Mr. Stapp provided status reports and updates on the COVID-19 response.

Known Cases - as of today

1,662,414 U.S. cases with at least 98,261 fatalities (Nearly 25,000 new cases since yesterday)

***source: Centers for Disease Control and Prevention**

56,560 (22,446 active) cases in 229 Texas counties with 1,536 fatalities

***source: Texas Department of State Health Services**

297 in Hays County with 3 fatalities (129 active and 165 recovered)

-3,621 tests returned negative

-28 active and 50 recovered in San Marcos (1 fatality)

-28 cases have required hospitalization, 5 current

Last 7 days have set new records for active cases

***source: Hays County Health Department**

The following Updates have been made to Governor Abbott's Actions:

May 20 - State agencies and institutions of higher education to reduce budgets by five percent

May 21 - Phased re-opening of driver license offices, Limited services being offered by appointment only, Local offices re-opening May 29 with limited services

May 21 - Terminate all air travel restrictions related to COVID-19

May 22 - Suspend in-person visitations in county, municipal jails, does not apply to visitation by an attorney meeting with client or member of clergy

May 26 - Expanded services and activities that can open under Phase II

Water parks at 25% capacity - May 29

Adult recreation sports programs - practices on June 1, games on June 15

Driver's education programs - immediately

Mall food court dining areas - immediately, with similar guidelines as restaurants

The following efforts have been made to date:

Internal and external recovery groups continue to meet and some facilities will open with limited capacity in the coming weeks.

Processed Late Fee Exemptions for 135 commercial utility accounts and 91 residential utility accounts since implementation on March 26.

-Set up payment arrangements totaling over \$289,277 for 1,137 utility customer accounts over that same time period

Work continues on grant applications

-CDBG-CV update: 4 applications were received totaling \$541,130. The amount allocated is \$425,261

-\$65,000 must be maintained for administrative costs

-Council will consider allocations on June 2 followed by public comment and action on June 16.

Nursing home tests were conducted locally around the County. 967 employees and residents tested. Results indicated zero active cases.

Mr. Stapp provided an update on the Memorial Day weekend river park opening. He stated there was an increase of marijuana usage near the river, 328 contacts made by enforcement officials with 295 warnings issued, 15 citations and 2 arrests made. These were mostly alcohol and ordinance violation related issues.

The City is looking at a phased in approach to re-opening City services and public facing counters.

There will be a large food distribution Saturday May 30th from 8 a.m. to 1 p.m. at 300 Vista Ridge Dr (Smiles Direct) in Kyle, conducted by Central Texas Food Bank.

Council Member Baker asked when demographic shift happened? Has the epidemiologist indicated what is driving the increase for the 20-29-year-old age range and what contact tracing are they doing with these active cases?

Mr. Stapp stated that the 20-29-year-old was not leading in cases, but the last 2 weeks there have been changes. Uncertain at this time why the increase, but the largest number of this age group is college age students and they may have returned. Many of the contract tracing indicates that most people are staying home and not participating in any high-risk activities, but there is still a rise in cases. He will obtain additional contact tracing information from the epidemiologist.

Over the past weekend there were 5 staff, working 7:00 a.m. to 4:00 p.m. picking up trash and cleaning restrooms in the river parks. Twelve Easter Seals staff were also picking up trash and cleaning restrooms from 2:00 p.m. to 4:00 p.m. and they would come lock the restrooms at night. Amy Kirwin and her team were out educating citizens on trash and recycling receptacles. Melani Howard and staff picking up trash in the river.

Mr. Stapp indicated the struggle staff had with the orange fencing being cut, mostly at Children's Park and Bicentennial park near the construction zone. Mayor Hughson asked if a fine is associated with cutting the fencing when it is up for safety reasons. Mr. Stapp indicated there is a fine associated with this but no one was caught so there were no charges. It would be a criminal mischief charge but it would be an eligible offense for cite and release if it rose to the level of a class B misdemeanor.

Council Member Derrick asked if staff was prepared to deal with 295+ warnings over the weekend and to keep up with the crowds? Staff did not indicate they were overwhelmed. She also asked if the staff from Easter Seals staff were wearing Personal Protection Equipment (PPE) during pick up of trash and when coming in contact with citizens. Mr. Stapp stated they were wearing PPE in the parks and also in city facilities when cleaning.

Council Member Baker inquired about the grant money and asked about the proposals and next steps. Will this come before council and will select who it goes to? Council will see this presented on June 2 and June 16 Council will provide their recommendations. Regarding the \$65,000 administration fee, Michael Ostrowski, Assistant Director of Development Services stated this 20% is associated with administration cost as they ensure compliance with applications and follow up with reporting. Mr. Ostrowski stated that city staff who work with these grants are primarily funded by grant dollars and not by the general fund.

Council Member Derrick expressed her appreciation to staff for dealing with the crowds and things went better than expected.

Mayor Hughson stated that much of Rio Vista is under construction, otherwise more people would have been in that park.

Council Member Derrick noted that we have discussed paid parking in the parks previously. Mayor Hughson noted that is still due to come back to Council.

Mr. Lumbreras stated this was a phase of re-opening and the numbers and staffing are good based on the river park and the active piece. The construction near the park did affect the capacity. Staff was considering the phased opening approach and a way to ease ourselves into it. We expected large crowds to show up and a prudent opening.

The re-opening plan will be sent over to Council when this is finalized.

Council Member Derrick stated that a lot of emails have been sent and people wanting our City to do what other cities have done regarding the requirement to wear masks. Since the Governor only issued guidelines and has not made this a requirement, is the City allowed to enforce this? Michael Cosentino, City Attorney stated that the City cannot impose a fine on anyone that fails to follow the guidelines in a public place. It is up to private business owners as to whether they would like to require customers to wear masks in their facility.

Mayor Hughson stated that not everyone believes in six foot spacing, but many of your friends and neighbors do, so please be kind to others and give people their space.

Council Member Baker asked about hospitalization rates and asked if patients

are going to other hospitals since they are not taking up beds in San Marcos. Mr. Stapp stated there is a regionally dedicated hospital as the primary COVID center. We are still in a green zone here if hospitalizations were to rise. He also asked if the task force has identified a number of locally hospitalized cases that would encourage them to revert back to stricter guidelines. Mr. Stapp stated that representatives from the hospitals are on the weekly calls and they rely on the hospital staff to inform us if they are concerned with capacity. So far there is no concern.

III. Adjournment.

Mayor Hughson adjourned the Special Meeting of the City Council on May 28, 2020 at 4:38 p.m.

Tammy K. Cook, Interim City Clerk

Jane Hughson, Mayor



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, May 19, 2020

6:00 PM

Virtual Meeting

This meeting was held using conferencing software due to the COVID-19 rules.

I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Hughson at 6:01 p.m. Tuesday, May 5, 2020. This meeting was held virtually.

II. Roll Call

Present: 7 - Council Member Melissa Derrick, Mayor Jane Hughson, Mayor Pro Tem Ed Mihalkanin, Council Member Joca Marquez, Deputy Mayor Pro Tem Mark Rockeymoore, Council Member Maxfield Baker and Council Member Saul Gonzales

III. 30 Minute Citizen Comment Period

The following comments were submitted as written comments and read aloud during the citizen comment portion of the meeting:

Lisa Marie Coppoletta:

"Once upon a time the house directly behind me 1328 1/2 had a pit bull operation. It took months to shut this down and have the dogs seized and given to pit bull organization to find homes for the puppies. This was when we had an actual city manager that does not think he is the emperor. Jim Nuse and Mayor Daniel worked tirelessly to keep these dogs safe from being used as bait animals in fighting rings. Then, I contacted the land lord and that man was evicted. I should have contacted her sooner. Well now this house is an air b and b. What is the use of the city registering with the city if I cannot find out who is yelling on the phone? Two months ago a very nice TxState student who was quiet and polite and a good neighbor and also a soldier for our great United States of America army had to go out of state to serve during the pandemic. Months of serenity now he is gone because of the pandemic. The land lord should have held the house for him out of patriotism and respect. Instead the dollar dollar bills were her decision making calculus. Now I have a trashy neighbor screaming on the phone and then acting like a lil Angel as he gleefully bikes out of this back lot. I personally am tired of hearing men yell, especially in my back yard, especially when he is not paying the high property taxes I am, a direct result of this council refusing to place spending caps on the

budget. That's right Saul YOU are directly responsible for our property taxes, you told falsehoods in those debates. Soon all my bamboo will be cleared and Ill see exactly what is going on behind my house since the city will not police these transients in my neighbored. A citizen should know their neighbors not be exposed to transients duringa..... pandemic. Of course me and all my neighbors used to be very close until Bert held a secret meeting about MY yard and did EVERYTHING they wanted resulting in promises he made in an audio recording posted on sound cloud being broke to me. I'm white, they are Hispanic and so is Bert. Racism? Many people think that is the case. If you are requiring air B and B to register with the city, then the neighbors have a right what transient population is living next to them. Is the city collecting motel taxes off these properties, if so then that must be the only reason you want it registered for YOU the bureaucrats. See the City manager lives in a gated community he does not have to worry about his yard getting butchered or some stranger living directly behind him hearing him yelling on his phone. And, during a pandemic I find it problematic these places are allowed to stay open. This is not 1h35, its Belvin Street. Is Bert the city manager or the Emperor. I hope you evaluate him congruent with his 20 broken promises to me and my neighbors. The best part is Bert's own city worker, who filled out a fake survey by his boss he wanted a sidewalk in everyone's yard, is the ONLY one not getting his yard butchered. The Belvin Sidewalk should have never been built because those Habitat Homes are a private sidewalk. And, if the city does not fix this problem they will get sued when someone gets hurt on it, or if some stands and refuses to leave and gets arrested. Its NOT a public sidewalk. And, the best part is now the block floods since the instillation of the sidewalk and that very city worker will get flooded out. Is this justice? No its pure city worker stupidity. And zeal to destroy my yard just because Bert was relishing in this harassment. He thinks he is the emperor but he is just a city manager. But in the end, since LMC made this comment it is a proven fact you will ignore it and do just the opposite. Thank you for your time and God Bless San Marcos."

Forrest Fulkerson:

"I am writing to add my voice to agenda item 4 regarding the CITY'S PUBLIC RECORDS MANAGEMENT PROGRAM:ORDINANCE NO. 2020-27. The Texas Open Records Act Government Code Section 552 introduction says a lot about open records and it's role and importance in our government. Here is the Introduction from the Texas Open Records Act: TITLE 5. OPEN GOVERNMENT; ETHICS SUBTITLE A. OPEN GOVERNMENT CHAPTER 552. PUBLIC INFORMATION SUBCHAPTER A. GENERAL PROVISIONS

Sec. 552.001. POLICY; CONSTRUCTION. (a) Under the fundamental philosophy of the American constitutional form of representative government that adheres to the principle that government is the servant and not the master of the people, it is the policy of this state that each person is entitled, unless otherwise expressly provided by law, at all times to complete information about the affairs of government and the official acts of public officials and employees. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created. The provisions of this chapter shall be liberally construed to implement this policy. (b) This chapter shall be liberally construed in favor of granting a request for information. I am hoping that as we compare what is said in this introduction, that you consider that the proposed restructuring of the records policy is too streamlined and cuts out oversight in the records destruction which in the proposal will relegate the decisions of individual records to the individual department records manager. The proposed changes will also give one person, the Records Management Officer, the authority to make policy regarding records and destruction as opposed to the Records Management Committee being the policy authority. In my time on the Ethics Review Commission, we discussed the importance of records being a public interest. So, my proposal would be to align our ordinance with the the Texas Government Code 552 introduction and not relegate the authority to the Records Management Officer an by proxy the city manager, but to keep the authority of policy recommendations at the Records Committee and include a voting majority of public members on that Records Committee. Records are a public interest and concern when public decisions are being made and public monies and resources are being spent. Thank you all for your service on City Council."

Matthew Lewis:

Thank you for your leadership during this challenging time. MoveSM submits this public comment as a moment of reflection on the state of the largest portion of public space in our cities-our streets-and the attached petition as a call to action to create more safe human spaces on them, especially during this time of required physical distancing. One of the "silver linings" of this awful pandemic is that fewer cars have been on the road. You've likely seen the remarkable photos from around the world depicting air quality improvement so dramatic you can actually see it. Unfortunately, you may have also noticed that motorists are driving faster than ever. While the number of car crashes is plummeting due to lower traffic volumes, the rate of the car crashes per mile driven is actually up in many cities as drivers are getting more reckless on wide

open lanes. During this crisis, more people than ever are turning to active transportation as they seek relief from enclosed spaces, but cyclists and pedestrians have been allowed such a limited allocation of street space, they often struggle to give physical distance. The acres of impervious surfaces given over to cars have been brought into stark relief. Nationally, cities small and large are responding by creating "slow streets," "open streets," or "healthy streets" programs where humans are getting back some of the space giving over to cars through the closing of just a few streets to thru-traffic and limiting non-resident access to only emergency and delivery vehicles traveling at slow speeds. A movement for this type of program is growing in Central Texas as well and Austin City Council passed a resolution to create their own "healthy streets" program earlier this month. These programs utilize basic signage and a number of guides for implementation are available, similar to the graphic at right by Street Plans. Inspired by these national movements and resources, MoveSM worked in collaboration with SimpleCity Design to create the attached document and map which offers some streets distributed across a variety of neighborhoods for your consideration of a Phase 1 roll-out of San Marcos' own Slow Street Program. It is encouraging to see portions of Belvin St. have recently been made limited access, which demonstrates the ease of implementing a slow street. Nearby San Antonio St. is also proposed as a Slow Street in the attached document and the Open Curb style shown above would be an excellent option given the large width of that street that would maintain full vehicle access. Regardless of the streets selected, it's important that slow streets be equitably provided throughout the community as all residents deserve the opportunity to safely use public space. Thank you again for your service to the City during this challenging time in our history. And, thank you in advance for creating Slow Streets in San Marcos for the health and safety of your citizens. Sincerely, The Members of MoveSM

PRESENTATIONS

1. Receive status reports and updates on response to COVID-19 pandemic; hold council discussion, and provide direction to Staff.

Bert Lumbreras, City Manager, provided a brief introduction and turned the presentation over to Chase Stapp, Director of Public Safety. Mr. Stapp provided status reports and updates on response to the COVID-19 pandemic.

Known Cases - as of today

- 1,480,349 U.S. cases with at least 89,407 fatalities (13,284 new cases since yesterday)
- 48,693 cases in 222 Texas counties with 1,347 fatalities

- **238 in Hays County with 3 fatalities (81 active after 154 recovered) - 2,265 tests returned negative**
- **22 active in San Marcos with 45 recovered**
- **26 cases have required hospitalization, 5 current**

Updates to Governor Abbott's Actions

- **May 18: Governor announced Texas moving to Phase 2 of reopening**
- **Cited downward trajectory of positivity rate of testing and good availability of hospital beds with ventilators**
- **Key dates are May 18, May 22, and May 31**

- **Key openings:**
- **May 18: Gyms, massage therapy, youth sports**
- **May 22: Restaurants @50%, Bars and tasting rooms @25%, Bowling alleys**
- **May 31: Youth camps, certain professional sports without in-person spectators**
- **June 1: Schools may conduct summer school sessions**

Efforts to date (updated)

- **Nursing Home Testing**
- **Underway with first sites tested in Dripping Springs and Wimberley**
- **Processed Late Fee Exemptions for 125 commercial utility accounts, 82 residential utility accounts since implementation on March 26**
- **Set up payment arrangements totaling over \$218,000 for 819 utility customer accounts over that same time period**
- **Grants update**
- **GRILLS grant was not awarded, which could have been used for Parklet program**
- **CDBG-CV applications received**
- **USAID - WIC extra funding was awarded (\$9,805)**

Upcoming considerations

- **Parks reopening plan**
- Friday, May 22nd open parks with a limited capacity. Seven days a week from 8am- 8pm**
- Playgrounds in all parks remain closed**
- Basketball courts in all parks remain closed (backboards and rims removed)**
- Rio Vista pool remains closed**
- Pavilions remain closed and will be fenced off**
- **Phased approach of re-opening City services and facilities**

Council Member Baker asked about dealing with large crowds and establishing

an entry and exit, are they allowed to use that areas only? And what decisions was to open some parks and not other parks. Mr. Stapp stated we looked at the amenities and if it had access to the river. Some parks will be open because of the trails or access to the river. He noted concern for the safety of our employees. Mr. Stapp suggested that large crowds should use good decision making, common sense and use social distancing. Officers will handle more serious concerns and issuing citations.

Mayor Pro Tem Mihalkanin asked about the data and where are the resources coming from regarding cases? Mr. Stapp stated that the resources on a national level are on the Center for Disease Control (CDC) website, the State level is coming from Department of State Health Services (DSHS) and on the local level is coming from the local health department. Mr. Stapp stated that we are mostly concerned about the local numbers and trends. Mr. Stapp gave a brief report on our readiness for more cases.

Council Member Marquez asked for creativity about informing public safety to protect the public and the officers. Mr. Stapp stated that we can put a ideas together but that will not control the river. Officers who come in contact with the public will educate the public about compliance.

- 2. Receive the FY2021 - FY2030 Capital Improvement Plan (CIP) with Planning & Zoning Commission Recommendation, and provide direction to Staff.**

Laurie Moyer, Director of Engineering and Capital Improvements provided Council with the presentation on the 10 year Capital Improvements Program.

Capital Improvements Program

- Long-range plan and schedule for capital projects and system assets**
- Identifies options for financing projects**
- Only the first year CIP is approved in the budget**
- Detailed look at projects in first 3-years**
- Projects out 4-10 years are less defined**

Capital Improvements Program Funding Sources

4 City Funding Sources External Sources

General Fund

- Property & Sales Tax**
- Airport, Parks, Facilities, Public Safety & Transportation**

Drainage or Stormwater Fund

- Drainage Utility Fee**

- **Drainage and Water Quality**

Electric Fund

- **Electric Rates**

Water/Wastewater Fund

- **W/WW Rates and Impact Fees**

External Funding

- **Grants or outside sources**

Ms. Moyer reviewed the use of color coding and other codes on the CIP spreadsheets. Items are grouped by category showing "multi" when projects have more than one funding source. Also noted are the supporting strategic initiatives and related Comprehensive Plan goals. Prioritization ranking and funding sources are included. There are some projects that may be suggested for a future bond election. Projects are also presented in detail and by map location.

Planning and Zoning Commission recommendation to City Council is to approve the 10-year CIP with the following amendments:

- **Expediting Project 650 (Sessom Shared Use Path from N. LBJ to Comanche) to within the 3-year plan**
- **Moving Project 464 (Old Ranch Road 12 improvements-Craddock to Holland) up to 2021 o Highlight the importance of Project 464 moving forward**
- **Project 464 (Old Ranch Road 12 improvements-Craddock to Holland) shall include on-street buffered bike lanes, separated sidewalks, not widening the road, and pedestrian crossings at the Franklin Intersection. Description shall be updated to reflect that these items are already in the project.**
- **Project 419 (Sessom/Academy Intersection Improvements) shall create a road diet from the Sessom/Academy Intersection from Holland to N. LBJ) Create a road diet to encourage safety improvements through the restriping project.**
- **Project 480 (Hopkins Sidewalk Widening CM Allen to Thorpe) shall support improved sidewalks and encourage safety improvements on Hopkins through a restriped road diet that will also support bike infrastructure.**
- **Project 594 (Hopkins St. Improvements from Moore to Guadalupe) shall include complete street improvements, and not widening of the road.**
- **Project 629 (IH-35 Utility Relocations) shall support pedestrian bike improvements to promote better east-west connectivity across IH-35, and does not including diverging diamond type projects which harm pedestrians and**

connectivity

- **Project 712 (Downtown Pedestrian Safety Comfort Improvements) - The Commission's support of the project shall be highlighted, noting its importance.**
- **Project 681 (Hills of Hays) - The Commission's support of the project shall be highlighted, noting its importance.**
- **Project 732 (Animal Shelter) The Commission's support of the project shall be highlighted, noting its importance.**
- **Project 8 (Fire Station - Airport) The project shall be moved up to 2021 or 2022.**
- **Project 739 (Dunbar Education Building) shall be moved up to 2021 with complete funding.**
- **Road improvements and pedestrian and bicycle facility improvements along on Old Ranch Road 12 between Blanco and Holland shall be added to the 10-year CIP.**

Mayor Hughson asked if information was provided to inform the Planning and Zoning commission, that we have a number of projects per year due to funding constraints? The Mayor stated that Council made the choice several years ago to move some projects associated with the CDBG-DR funding for the drainage to meet that deadline a number of items were pushed to the future. Ms. Moyer stated the financial and the workload constraints were not discussed in detail.

CONSENT AGENDA

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Derrick, to approve the consent agenda, with the exception of item #4, which was pulled and considered separately. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockey Moore, Council Member Baker and Council Member Gonzales

Against: 0

- 3.** Consider approval, by motion, of the following meeting Minutes:
 - A. April 21, 2020 - Regular Meeting Minutes
 - B. April 30, 2020 - Special Meeting Minutes
 - C. May 5, 2020 - Regular Meeting Minutes
- 4.** Consider approval of Ordinance 2020-27, on the second of two readings, amending Article 6, Divisions 1 and 2 of Chapter 2 of the San Marcos City Code to revise and update the City's public records management program; including procedural provisions; and declaring an effective date.

Ms. Cook explained that we follow the retention schedule set by the Texas Library and Archives Commission. There are no changes to the schedule in this ordinance.

A motion was made by Mayor Hughson, seconded by Mayor Pro Tem Mihalkanin, to approve Ordinance 2020-27R. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

5. Consider approval of Ordinance 2020-28, on the second of two readings, amending Chapter 82, Traffic and Vehicles, of the San Marcos City Code, by adding a new Article 9 that prohibits the placement and use of Motor-Assisted Scooters owned by Commercial Scooter Companies on public property, streets and sidewalks; providing a savings clause; providing for the repeal of any conflicting provisions; providing for penalties; and providing an effective date.
6. Consider approval of Resolution 2020-98R, approving the renewal of the agreement with Matchpoint Water Asset Management, Inc. for leak detection services for three additional one-year terms in the amount of \$26,475.00 each for a total contract price of \$132,375.00; authorizing the City Manager or his designee to execute the appropriate documents related to the renewal of the agreement; and declaring an effective date.
7. Consider approval of Resolution 2020-99R, approving an agreement that renews the service contract for Water Treatment Facilities Operations and Asset Management with the Guadalupe Blanco River Authority for an additional five years; authorizing the City Manager or his designee to execute the agreement; and declaring an effective date.
8. Consider approval of Resolution 2020-100R, approving a professional services agreement with Cobb, Fendley & Associates, Inc., for the provision of professional engineering services in connection with the Bishop and Belvin Street Improvements Project in an estimated amount of \$976,921.90; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
9. Consider approval of Resolution 2020-101R, approving a professional services agreement with Weston Solutions, Inc. for design services relating to the Highway 21 Waterline Project in the estimated amount of \$215,917.36; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.
10. Consider approval of Resolution 2020-102R, approving a change in service to the construction contract with Cash Construction Company, Inc. relating to the Main Lift Station Force Main Replacement Project to decrease the contract price by

\$2,936,550.26; authorizing the City Manager or his designee to execute the appropriate documents relating to the change in service on behalf of the City; and declaring an effective date.

11. Consider approval of Resolution 2020-103R, approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for “City of San Marcos, Texas special assessment revenue bonds, series 2020, Whisper Public Improvement District.”
12. Consider approval of Resolution 2020-104R, approving an agreement with OpenGov, Inc. for software that allows multiple years of financial data to be accessible to citizens and staff through an online portal in the annual amount of \$12,000.00 for a total contract price of \$60,000.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

PUBLIC HEARINGS

13. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-31, amending the official zoning map of the city by rezoning approximately 5.217 acres of land, generally located west of the intersection of Old Ranch Road 12 and Craddock Avenue, from “FD” Future Development, “CC” Community Commercial, and “P” Public and Institutional districts to “SF-6” Single Family District; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-31, on the first of two readings.

Shannon Mattingly, Director of Planning and Development Services, provided a brief presentation regarding rezoning 5.217 acres of land located west of intersection of Old Ranch Road 12 and Craddock Avenue.

Mayor Hughson open the Public Hearing at 7:24 p.m. There being no comments, the Mayor closed the Public Hearing at 7:24 p.m.

Council Member Derrick recused herself from discussion on this item because she lives in a nearby neighborhood.

A motion was made by Council Member Gonzales, seconded by Mayor Pro Tem Mihalkanin, to approve Ordinance 2020-31, on the first of two readings. The motion carried by the following vote:

For: 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez and Council Member Gonzales

Against: 1 - Council Member Baker

Absent: 1 - Deputy Mayor Pro Tem Rockeymoore

Recused: 1 - Council Member Derrick

14. Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-32, annexing into the City approximately 9.61 acres of land, generally located in the 400 Block of Centerpoint Road; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-32, on the first of two readings.

Shannon Mattingly, Director of Planning and Development Services provided a presentation regarding an annexation of 9.61 acres of land located in the 400 block of Centerpoint Road.

Benjamin Green, with Kimley Horn addressed Council that client is looking to annex into the City and to have access to the water utilities. Mr. Green stated that planning to place storage units in the back corner and development frontage of commercial type product. Mr. Green stated that he available to answer any questions Council may have on this item.

Mayor Hughson opened the Public Hearing at 7:38 p.m. There being no speakers, the Mayor closed the Public Hearing at 7:38 p.m.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Gonzales, to approve Ordinance 2020-32, on the first of two readings. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

15. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-33, amending the Official Zoning Map of the City by rezoning approximately 7.959 acres of land, generally located in the 400 Block of Centerpoint Road, from "FD" Future Development District to "HC" Heavy Commercial District; and including procedural provisions; and consider approval of Ordinance 2020-33, on the first of two readings.

Shannon Mattingly, Director of Planning and Development Services provided a presentation regarding rezoning of 7.959 acres of land located in the 400 block of Centerpoint Road.

Mayor Hughson opened the Public Hearing at 7:45 p.m. There being no speakers, the Mayor closed Public Hearing at 7:45p.m.

Benjamin Green, with Kimley Horn stated that the project is 100 feet away from the flood plain and he is available to answer questions from Council.

Christian Alvarado, owner of Kimley Horn stated that they are not interested to put a gas station on the project. Gas station does not fit in their model. Mr. Alvarado stated that they are interested in benefiting the community and not allow underground tanks or gas stations.

Council Members discussed their concerns about HC in this area, would a new Zoning District of Medial Industrial be a solution, and splitting the property into HC and Commercial.

Mayor Pro Tem Mihalkanin suggested to have Planning and Zoning Commission and Council to discuss in the future to create a medium industrial category.

A motion was made by Deputy Mayor Pro Tem Rockeymoore, seconded by Mayor Pro Tem Mihalkanin, , to approve Ordinance 2020-33, on the first of two readings. The motion carried by the following vote:

For: 4 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

Against: 3 - Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

- 16.** Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-34, annexing into the City approximately 59.89 acres of land located at 4087 State Highway 21; including procedural provisions; and providing an effective date; and consider approval of Ordinance 2020-34, on the first of two readings.

Shannon Mattingly, Director of Planning and Development Services, provided a presentation regarding the annexation of 59.89 acres of land located at 4087 State Highway 21. The applicant proposes to develop the majority of the property as a manufactured home park and the remaining portion of the property with light industrial uses. The applicant has requested Manufactured Home (MH) and Light Industrial (LI) Zoning which is being considered concurrently with the annexation process.

Mayor Hughson opened the Public Hearing at 9:03 p.m. There being no speakers, the Mayor closed the Public Hearing at 9:03 p.m.

A motion was made by Deputy Mayor Pro Tem Rockeymoore, seconded by Mayor Pro Tem Mihalkanin, to approve Ordinance 2020-34, on the first of two readings. The motion failed by the following vote:

For: 3 - Mayor Hughson, Mayor Pro Tem Mihalkanin and Council Member Gonzales

Against: 4 - Council Member Derrick, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore and Council Member Baker

17. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-35, amending the Official Zoning Map of the City by rezoning approximately 14.90 acres of land located at 4087 State Highway 21, from "FD" Future Development District to "LI" Light Industrial District; and including procedural provisions; and consider approval of Ordinance 2020-35, on the first of two readings.

Mayor Hughson opened the Public Hearing at 9:14 pm. There being no speakers, the Mayor closed the Public Hearing at 9:14 p.m.

A motion was made by Deputy Mayor Pro Tem Rockeymoore, seconded by Council Member Derrick, to postpone Ordinance 2020-35 indefinitely. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

There was discussion about the failure of the motion on item 16. Mr. Bill Glasgow, applicant, asked why the motion to annex did not pass. Council agreed to respond to the question. Mayor Hughson and Mr. Cosentino explained the reconsider process.

MOTION TO RECONSIDER: A motion was made by Council Member Derrick, seconded by Deputy Mayor Pro Tem Rockeymoore, to reconsider (Item #16) Ordinance 2020-34. The motion carried by the following vote:

For: 6 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 1 - Council Member Marquez

Council Member Derrick would like to not have sprawl and is concerned about the Light Industrial zoning in this area.

Council Member Baker agrees he would prefer not to have sprawl.

Council Member Rockeymoore is concerned about the economic outlook, provision of services to this area, and would prefer to wait until fall to consider.

Council Member Mihalkanin noted that the airport is nearby, across Hwy 21 and next to FM 110. He noted the benefits of a city annexing surrounding land

and under our regulatory authority under our Land Development Code.

Council Member Rockey Moore noted that Council Member Mihalkanin makes a good point. He would like to hear from the applicant.

Mayor Hughson stated that we often state that we want development on the east side of IH 35, away from our environmentally sensitive areas. This project meets that criteria. It is near the airport, The Whisper development, and FM 110. It would also be in the FM 110 TIRZ and contribute financial to that effort. There will be development in that area, along FM 110, anyway.

Council Member Saul Gonzales stated that it will be to our benefit to have this project in the city limits

MOTION TO DENY: a motion was made by Council Member Derrick, seconded by Council Member Baker, to deny (Item #16) Ordinance 2020-34. Council held discussion and expressed their concerns regarding future economic outlook, sprawl and the creation of another donut hole within the City.

Mr. Bill Glassgow noted that this property is in an Opportunity Zone. The project in the Light Industrial area will provide jobs and the housing will be affordable.

Mayor Hughson noted that her husband had helped build a number of buildings such as the ones proposed and they were leased upon completion. This is an opportunity for small businesses that are growing, perhaps moving from someone's garage to a larger space.

Council Member Baker noted that between the airport and a Light Industrial project is not a good place to live. Are there studies that show this is detrimental to health?

Mr. Bill Glassgow noted that there are a number of airports in San Antonio with residential nearby. Our airport is limited in activity and should not be a problem. He also noted that affordable housing requires affordable land. The motion failed by the following vote:

For: 3 - Council Member Derrick, Council Member Marquez and Council Member Baker

Against: 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockey Moore and Council Member Gonzales

MOTION TO APPROVE: a motion was made by Mayor Pro Tem Mihalkanin,

seconded by Deputy Mayor Pro Tem Rockeymoore, to approve (Item #16) Ordinance 2020-34, on the first of two readings. The motion carried by the following vote:

- For:** 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Gonzales
Against: 3 - Council Member Derrick, Council Member Marquez and Council Member Baker

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Deputy Mayor Pro Tem Rockeymoore, to reconsider (Item #17) Ordinance 2020-35. The motion carried by the following vote:

- For:** 5 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales
Against: 2 - Council Member Derrick and Council Member Marquez

Mayor Hughson opened the Public Hearing at 9:45 p.m. There being no comments, the Mayor closed the Public Hearing at 9:45 p.m.

A motion was made by Council Member Gonzales, seconded by Mayor Pro Tem Mihalkanin to approve (Item #17) Ordinance 2020-35, on the first of two readings.

Mr. Rockeymoore inquired about the timetable for FM 110 and this project. FM 110 should be bid sometime this year or next year. Mr. Glasgow projects spring of 2021 with 2-3 year for full build-out. The motion carried by the following vote:

- For:** 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Gonzales
Against: 3 - Council Member Derrick, Council Member Marquez and Council Member Baker

18. Receive a Staff Presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-36, amending the Official Zoning Map of the City by rezoning approximately 44.99 acres of land located at 4087 State Highway 21, from "FD" Future Development District to "MH" Manufactured Home District; and including procedural provisions; and consider approval of Ordinance 2020-36, on the first of two readings.

Shannon Mattingly, Director of Planning and Development Services, provided a presentation regarding the rezoning of 44.99 acres of land located at 4087 State Highway 21. The Existing Zoning is outside the city limits, proposed zoning is Manufactured Home (MH), and the applicants is currently proposing a 250 unit manufactured home community with associated amenities.

James Glasgow, applicant of the project provided a presentation. He stated occupants would rent a lot and own the home. Mr. Glasgow stated he is available to answer questions.

The Mayor opened the Public Hearing at 9:59.p.m. There being no speakers, the Mayor closed the Public Hearing at 9:59 p.m

Council Member Baker expressed concern about the project.

Council Member Gonzales inquired as to whether these will be owner-occupied. The response by Mr. Glassgow was “yes.”

Council Member Derrick likes the project, but not near the airport.

Council Member Mihalkanin noted that the price of land has a impact on the rent prices.

Council Member Rockeymoore was raised near air force bases and notes there can be a quality of life nearby. He has concerns, but this project will serve a need of the citizenry.

Mayor Hughson noted that this can be a good transition from the new low-moderate income apartments.

Mayor Hughson wants to ensure the left turn lane is addressed regarding safety concerns. Ms. Mattingly noted that there is a CAMPO project studying that area. There will be a Traffic Impact Study required along with solutions by the developer.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Mayor Hughson, to approve Ordinance 2020-36, on the first of two readings. The motion carried by the following vote:

For: 4 - Mayor Hughson, Mayor Pro Tem Mihalkanin, Deputy Mayor Pro Tem Rockeymoore and Council Member Gonzales

Against: 3 - Council Member Derrick, Council Member Marquez and Council Member Baker

- 19.** Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-37, approved an update to the Service and Assessment Plan for the Whisper Public Improvement District; making a finding of special benefit to the property in the district, levying additional assessments against property with the district; establishing a lien on such property; approving an updated assessment roll for the district; providing for payment of the assessments in accordance with Chapter 372, Texas Local Government Code; providing for the method of assessment and the payment of the additional assessments; providing for penalties and interest on delinquent assessments; providing for a severability clause; providing an effective date; and providing for related matters; and consider approval of Ordinance 2020-37, on the first of two readings.

Melissa Neel, Assistant Director of Finance, provided a brief introduction and turned it over to Paul Snyder, with P3Works. Mr. Snyder provided a presentation regarding the service and assessment plan for the Whisper Public Improvement District.

Mayor Hughson opened the Public Hearing at 10:14 p.m. There being no speakers, the Mayor closed the Public Hearing at 10:14 p.m.

A motion was made by Deputy Mayor Pro Tem Rockeymoore, seconded by Council Member Gonzales, to approve Ordinance 2020-37, on the first of two readings. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

- 20.** Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2020-105R, approving a Consolidated Plan for fiscal years 2020-2024 that provides guidance for annual Community Development Block Grant (“CDBG”) allocations; authorizing the City Manager, or his designee, to act as the Official Representative of the City in matters related to the CDBG Program; declaring an effective date, and consider approval of Resolution 2020-105R.

Michael Ostrowski, Assistant Director of Planning and Development Services, provided a presentation on the Community Development Block Grant (CDBG) 2020-2024 Consolidated Plan that provides guidance for annual Community Development Block Grant allocations.

Mayor Hughson opened the Public Hearing at 10:27 p.m. There being no speakers, the Mayor closed the Public Hearing at 10:27 p.m.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Resolution 2020-105R. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

- 21.** Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the 2015-2019 Community Development Block Grant (CDBG) Consolidated Plan to add Economic Development as a funding category and add the Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261.

Michael Ostrowski, Assistant Director of Planning and Development Services, provided a presentation on the 2015-2019 Consolidated Plan Substantial Amendment to add Economic Development and add the Community Development Block Grant Coronavirus allocation.

The federal department of Housing and Urban Development (HUD) requires the creation of a Consolidated Plan that sets strategic priorities and goals for next five years of HUD grant funding, identifies types of activities the City will fund, and acts as the foundation for, future one-year Action Plans. Staff is recommending two amendments to the 2015-2019 Consolidated Plan because this plan governs the use of funds through the current program year 2019-2020. One of the proposed amendments is to add the Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 to the 2015-2019 Consolidated Plan. This amendment provides the ability to consider project and program requests for CDBG-CV funds as an amendment to the 2019-2020 CDBG Entitlement Action Plan, enabling immediate use of the funds.

The other proposed amendments is to add Economic Development as a funding category so that projects and programs may be considered in this category in response to the COVID-19 pandemic. The categories of activities identified in the original 2015-2019 Consolidated Plan were:

- Affordable Housing**
- Public Services**
- Public Facilities/Infrastructure/Transportation**
- Clearance Activities**
- Program Administration**

The proposed amendment would mean that projects and programs can be considered for CDBG-CV funding in any of the above categories as well as Economic Development, as long as the use is in response to impacts of the COVID-19 pandemic. The guidance issued by HUD to date for CDBG-CV includes waiving the 15% cap on funds used for Public Services, and allowing for a minimum five day public comment period for the changes to the 2019-2020 CDBG Entitlement Action Plan, instead of the usual minimum of 30 days. A public hearing is required prior to commencement of the comment period.

Mayor Hughson opened the Public Hearing at 10:33 p.m. There being no speakers, the Mayor closed the Public Hearing at 10:33 p.m.

22. Receive a Staff presentation and hold a Public Hearing to receive comments in regards to amending the proposed 2020-2024 Citizen Participation Plan to add a shortened review period for actions related to the COVID-19 response.

Michael Ostrowski, Assistant Director of Planning and Development Services, provided a presentation on the Community Development Block Grant (CDBG) 2020-2024 Citizen Participation Plan. In response to the COVID-19 pandemic, HUD has allocated \$425,261 in funding to the City of San Marcos through the new CDBG-CV Coronavirus grant. This grant's process will be in general similar to the creation of the Annual CDBG Action Plan; however, due to the urgent nature of the situation, the comment period for planning actions related to the CDBG-CV grant is five days instead of the typical thirty. This shorter comment time, and the ability to use virtual hearings due to social distancing recommendations, has been added to the Citizen Participation Plan. Therefore, the timeline for adopting the CPP has been modified:

- **May 19, 2020 - Staff Presentation and Public Hearing**
- **May 24-30, 2020 - Comment Period**
- **June 2, 2020 - Request for City Council approval of the CPP**

This Citizen Participation Plan will be in effect upon its approval by City Council. to identify the COVID response.

Mayor Hughson opened the Public Hearing at 10:36 p.m. There being no speakers, the Mayor closed the Public Hearing at 10:36 p.m.

NON-CONSENT AGENDA

23. Consider approval of Ordinance 2020-38, on first and final reading, authorizing the issuance and sale of an amount not to exceed \$40,000,000 of Combination Tax And Revenue Certificates Of Obligation, Series 2020 for constructing, improving, designing and equipping the City's (1) water and waste water system; (2) electric utility system; (3) streets including related drainage, sidewalks, traffic improvements and lighting; (4) municipal buildings to include the City Hall and other city facilities, HVAC improvements, roof replacements and security improvements; (5) stormwater management and flood control facilities; (6) airport, including hangars; (7) public safety facilities to include police and fire station improvements and a new ladder truck and engine; (8) network and fiber optic infrastructure equipment; (9) recreational facilities including parks and sports fields; (10) cemetery including land acquisition; (11) animal shelter; (12) parking including land acquisition; and (13) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation and other matters related thereto; providing for adoption of this Ordinance on one reading only in accordance with State Law.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Deputy Mayor Pro Tem Rockeymoore, to approve Ordinance 2020-38, on first and

final reading. The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

24. Consider approval of Ordinance 2020-39, on first and final reading, authorizing the issuance of City of San Marcos, Texas General Obligation Refunding Bonds in the amount not to exceed \$120,000,000 in one year or more series; approving an official statement, a paying agent/registrar agreement, a bond purchase agreement and an escrow agreement; establishing the procedures for selling and delivering one or more series of the bonds; providing for the approval of this ordinance on one reading only as authorized by state law; and authorizing other matters relating to the bonds.

A motion was made by Mayor Pro Tem Mihalkanin, seconded by Council Member Baker, to approve Ordinance 2020-39, on first and final reading.

Mr. Dan Wegiller of Specialized Finance noted this is simply refinancing some of our bonds starting at \$16.8 million for now. This is at a lower rate with a savings of almost \$1,000,000 and most of that realized in the first two years.

The motion carried by the following vote:

For: 7 - Council Member Derrick, Mayor Hughson, Mayor Pro Tem Mihalkanin, Council Member Marquez, Deputy Mayor Pro Tem Rockeymoore, Council Member Baker and Council Member Gonzales

Against: 0

25. Hold discussion regarding the recent use of the policy and purpose statements in Section 2.421 of the San Marcos Code of Ethics as the basis of ethics complaints; and provide direction to staff

Council Member Marquez, provided a following statement, "I would like to thank Mayor Hughson and my fellow council members for the opportunity to speak on behalf of Item 25. I would also like to thank Council Member Gonzales for supporting me in placing this item on the agenda. I would also like to thank Mr. Lumbreras and Mr. Michael Cosentino for your incredible work ethic and patience in answering all my questions.

There are several reasons why I wanted this item on the agenda and would like to make a brief statement:

Since the time I've been in office, which is from December 2018 until now, there have been three ethics complaints filed against me citing Section 2.421 of the Ethics Code as the violation.

The language of Section 2.421, regarding the policy and purpose of the Code of Ethics, is so broad that almost ANYTHING an officer or employee does, even in his or her private life, could somehow be interpreted as a violation of that section. There are specific provisions in other sections of the code that addresses conduct of officers and employees in the performance of their official duties and only those provisions should be the basis of an ethics complaint.

Although the three complaints have been dropped during this time I resigned and the pandemic, I cannot begin to describe the incredible amount of stress these complaints have caused for myself and of course for my family. As a consequence of those complaints filed against me, there have been other unintended consequences such as the City of San Marcos having to pay a total of \$1,804 in attorney's fees to advise the Ethics Commission on one of my cases that moved forward to public hearing.

In addition, the media blowing constant stories on TV and print, social media backlash, and thousands of harassing comments that have escalated to threats of violence have affected me tremendously. Many of my close friends advised me to hire an attorney for the hearing that was scheduled for April 8th, 2020. I soon became discouraged when one attorney was asking for \$500 an hour to review my case. I was blessed enough when a very prolific attorney in Austin kindly reached out to take my case pro bono.

Recently, the Ethics Review Commission met on May 13, 2020 and adopted the following motion:

A motion was made by Commissioner Rice, seconded by Commissioner Lollar, to recommend an amendment to Section 2.421 - Policy and purpose - by adding item (e) to read as follows: (e) This Section 2.421 shall not be used, cited, or considered by a citizen or by the Ethics Review Commission as the basis of an ethics complaint. The motion passed by the following vote, 6 in favor, 0 against, and 1 absent.

There have been other complaints filed in 2020 citing this section of the Code as a violation. At this time, I would like the Council to consider an ordinance amendment to the Ethics Code to prevent misuse of Ethics Complaints and to prevent the Code of Ethics to be utilized as a political weapon or to intimidate or embarrass city employees and/or council members."

Michael Cosentino, stated bringing forward an amendment and will read as

follows, Sec. 2.421 (e) "This Section 2.421 is intended only to set forth the policy and purposes for adoption of the San Marcos Code of Ethics; it shall not be cited, used, or considered by a citizen or by the Ethics Review Commission as the basis of an ethics complaint filed against any officer or employee of the city."

Council Member Derrick presented a suggestion:

e) The mere appearance of impropriety may not be used as a reason to submit a complaint, however if there is any evidence that supports misconduct, that evidence must be produced as part of the complaint. If no evidence can be produced, then it will not be considered and therefore will not constitute an ethics complaint. Such evidence could include, but is not limited to public records, emails, texts, and in rare cases, social media comments made by the official or employee.

Mr. Lumbreras supports the change and suggested that we look at other Ethics Ordinances for information that may be helpful.

Council consensus is to bring recommendations from the Ethics Review Commission on Council Member Derrick's amendments and proof of requirements on ethic complaints. Mr. Cosentino stated the next Ethics Review Commission meeting will be in held August. He noted that Dr. Marquez is not the only person with a ethics complaint filed.

Council provided consensus to have staff bring an Ordinance to amend Section 2.421 (e) at a future agenda.

EXECUTIVE SESSION (if necessary)

- 26.** Executive Session in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provide Annual Appointee Evaluations to the City Attorney and Interim City Clerk.

Mayor Hughson stated evaluations were held and completed during the Special meeting this afternoon and an Executive Session would not be needed this evening.

ACTION/DIRECTION FOLLOWING EXECUTIVE SESSION

- 27.** Consider action, by motion, or provide direction to Staff regarding the following Executive Session item in accordance with Section §551.074 of the Texas Government Code: Personnel Matters - to discuss and provide Annual Appointee Evaluations to the City Attorney and Interim City Clerk.

Evaluations were held and completed. City Manager, Bert Lumbreras and Municipal Court Judge, Dallari Landry had evaluations on Thursday, May 14th and the City Attorney, Michael Cosentino and Interim City Clerk, Tammy Cook had their evaluations earlier this afternoon.

IV. Adjournment.

Mayor Hughson adjourned the regular meeting of the City Council at 11:13 p.m. on May 19, 2020.

Tammy K. Cook, Interim City Clerk

Jane Hughson, Mayor



Legislation Text

File #: Ord. 2020-40(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-40, on the second of two readings, amending Chapter 86, Article 5, Division 4 of the San Marcos City Code regarding impact fees to, among other things, change the methodology for establishing impact fees for industrial and commercial uses having peak flow rates in excess of 500 gallons per minute, and to add homes constructed with federal funds awarded to the City and City facilities as projects exempt from the assessment of impact fees; including procedural provisions; providing for the repeal of any conflicting provisions; and providing an effective date.

Meeting date: June 16, 2020

Department: Engineering/CIP

Amount & Source of Funding

Funds Required: N/A

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: Ord 2018-10: Providing for the methodology for calculating water and wastewater impact fees.

PH Held on June 2, 2020 with approval on first reading

City Council Strategic Initiative: [Please select from the dropdown menu below]

Sustainability

[Choose an item.](#)

[Choose an item.](#)

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - [Choose an item.](#)

Environment & Resource Protection - Natural Resources necessary for community's health, well-being, and prosperity secured for future development

- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Water Master Plan

Background Information:

This amendment to the Impact Fee ordinance is clarifying the methodology that the City will use to calculate the Living Unit Equivalents (LUEs) for development where peak flow rates are in excess of 500 gallons per minute (gpm.) Other minor changes are also made to clarify the situations for impact fee exemptions.

A summary of the changes are:

- Sec. 86.294 - Definitions: Schedule 1 Table and Service Unit Table are updated with LUE calculation for flows above 500 gallons per minute.
- Sec. 86.295(b) Exemptions:
 - (3) changes to clarify exemption for Habitat and Housing Authority.
 - (5) adds City federal (such as CDBG) projects and City facilities.
- Sec. 86.295 (c): Removed federal reference since now have Council policy
- Sec. 86.299 (b) (1) a. & b.: Updated language for computation for industrial or commercial equipment and calculation for demands over 500 gpm.

The revision to methodology was based upon the same system data which established LUE's for flows below 500 gpm but did not address flows above.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

File #: Ord. 2020-40(b), **Version:** 1

Recommendation:

Approve changes.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 86, ARTICLE 5, DIVISION 4 OF THE SAN MARCOS CITY CODE REGARDING IMPACT FEES TO, AMONG OTHER THINGS, CHANGE THE METHODOLOGY FOR ESTABLISHING IMPACT FEES FOR INDUSTRIAL AND COMMERCIAL USES HAVING PEAK FLOW RATES IN EXCESS OF 500 GALLONS PER MINUTES, AND TO ADD HOMES CONSTRUCTED WITH FEDERAL FUNDS AWARDED TO THE CITY AND CITY FACILITIES AS PROJECTS EXEMPT FROM THE ASSESSMENT OF IMPACT FEES; INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

Purpose of Impact Fee Ordinance Update:

- Clarify methodology to calculate the Living Unit Equivalents (LUEs) in excess of 500 gallons per minute (gpm.)
- Other minor changes are also made to clarify the situations for impact fee exemptions.

Summary of Changes:

- Sec. 86.294 – Definitions: Schedule 1 Table and Service Unit Table are updated with LUE calculation for flows above 500 gallons per minute.
- Sec. 86.295(b) Exemptions:
 - (3) clarified exemption for Habitat and Housing Authority.
 - (5) adds City federally funded projects and City facilities.
- Sec. 86.295 (c): Reference Council's affordable housing guidelines
- Sec. 86.299 (b) (1) a. & b.: Updated language for computation for industrial or commercial equipment and calculation for demands over 500 gpm.



MEMO

ENGINEERING/CIP

To: Bert Lumbreras, City Manager
Joe Pantalion, Assistant City Manager

From: Laurie Moyer, P.E., Director of Engineering & Capital Improvements

Date: May 21, 2020

Re: **Revision to Impact Fee Ordinance to Capture High Flow Situations**

This memo is to provide a brief summary of the changes to the Impact Fee Ordinance (Chap 86 Division 4). The ordinance update is clarifying the methodology that the City will use to calculate the Living Unit Equivalent (LUEs) for development where peak flow rates are in excess of 500 gallons per minute (gpm.) Other minor changes are also made to clarify the situations for impact fee exemptions.

A technical analysis was conducted by Plummer, Inc to analyze the impact of higher flows on the system which were not clearly addressed in the current ordinance. The recommended methodology uses 150 LUEs for the flow up to the first 500 gpm. The LUEs for the flow above 500 gpm are determined by dividing that flow by 0.41 gpm. This provides a more balanced approach for those higher flows by correlating the first 500 gpm to the meter ranges as is provided for the lower flows.

A summary of the changes are:

- Sec. 86.294 – Definitions: Schedule 1 Table and Service Unit Table are updated with LUE calculation for flows above 500 gallons per minute.
- Sec. 86.295(b) Exemptions:
 - (3) clarified exemption for Habitat and Housing Authority.
 - (5) adds City HUD projects and City facilities.
- Sec. 86.295 (c): Reference City Council's housing affordability guidelines.
- Sec. 86.299 (b) (1) a. & b.: Updated language for computation for industrial or commercial equipment and calculation for demands over 500 gpm.

The ordinance Public Hearing and first reading of the ordinance is scheduled for June 2nd.

ORDINANCE NO. 2020-40

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 86, ARTICLE 5, DIVISION 4 OF THE SAN MARCOS CITY CODE REGARDING IMPACT FEES TO, AMONG OTHER THINGS, CHANGE THE METHODOLGY FOR ESTABLISHING IMPACT FEES FOR INDUSTRIAL AND COMMERCIAL USES HAVING PEAK FLOW RATES IN EXCESS OF 500 GALLONS PER MINUTE, AND TO ADD HOMES CONSTRUCTED WITH FEDERAL FUNDS AWARDED TO THE CITY AND CITY FACILITIES AS PROJECTS EXEMPT FROM THE ASSESSMENT OF IMPACT FEES; INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Section 86.294 of the San Marcos City Code is hereby amended to change the definition for “Schedule 1” as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

DIVISION 4. IMPACT FEE ORDINANCE OF THE SAN MARCOS CITY CODE

Sec. 86.294. Definitions.

Schedule 1 means the maximum impact fee per service unit for each service area shall be established by category of capital improvements calculated by peak flow as outlined in section 86.297 and as shown in the table below:

**SCHEDULE 1
APPLICABLE WATER AND WASTEWATER IMPACT FEE AMOUNTS*
CITY OF SAN MARCOS, TEXAS**

Calculated Peak Water Flow (gpm)	Living Units Equivalent LUE's by Flow	Impact Fee Prior to 10/4/2002	Impact Fee after 12/31/2003**	Impact Fee after 12/31/2013	Impact Fee after 4/30/2018
WATER UTILITY					
1 to 10	1.0	\$363.00	\$2,466.00	\$2,285.00	\$3,801.00
>10 to 15	2.0	\$726.00	\$4,932.00	\$4,570.00	\$7,602.00
>15 to 25	4.0	\$1,452.00	\$9,864.00	\$9,140.00	\$15,204.00
>25 to 50	6.0	\$2,178.00	\$14,796.00	\$13,710.00	\$22,806.00
>50 to 80	8.5	\$3,085.50	\$20,961.00	\$19,422.50	\$32,308.50
>80 to 160	32.5	\$11,797.50	\$80,145.00	\$74,262.50	\$123,532.50
>160 to 250	64.5	\$23,413.50	\$159,057.00	\$147,382.50	\$245,164.50

>250 to 500	104.0	\$37,752.00	\$256,464.00	\$237,640.00	\$395,304.00
>500	$150.0 + (\text{Peak Flow in gpm} - 500\text{gpm}) / 0.41\text{gpm/LUE}$	$\# \text{ of LUEs} \times \363 \$54,450.00	$\# \text{ of LUEs} \times \$2,466$ \$369,900.00	$\# \text{ of LUEs} \times \$2,285$ \$342,750.00	$\# \text{ of LUEs} \times \$3,801$ \$570,150.00
WASTEWATER UTILITY					
1 to 10	1.0	\$527.00	\$2,185.00	\$3,506.00	\$2,684.00
>10 to 15	2.0	\$1,054.00	\$4,370.00	\$7,012.00	\$5,368.00
>15 to 25	4.0	\$2,108.00	\$8,740.00	\$14,024.00	\$10,736.00
>25 to 50	6.0	\$3,162.00	\$13,110.00	\$21,036.00	\$16,104.00
>50 to 80	8.5	\$4,479.50	\$18,572.50	\$29,801.00	\$22,814.00
>80 to 160	32.5	\$17,127.50	\$71,012.50	\$113,945.00	\$87,230.00
>160 to 250	64.5	\$33,991.50	\$140,932.50	\$226,137.00	\$173,118.00
>250 to 500	104.0	\$54,808.00	\$227,240.00	\$364,624.00	\$279,136.00
>500	$150.0 + (\text{Peak Flow in gpm} - 500\text{gpm}) / 0.41\text{gpm/LUE}$	$\# \text{ of LUEs} \times \527 \$79,050.00	$\# \text{ of LUEs} \times \$2,185$ \$327,750.00	$\# \text{ of LUEs} \times \$3,506$ \$525,900.00	$\# \text{ of LUEs} \times \$2,684$ \$402,600.00

Maximum fees for prior to 10/4/2002 update are:

Water \$363/LUE

Wastewater: \$527/LUE

Maximum fees for 2002 update are:

Water \$2,466/LUE

Wastewater \$2,185/LUE

Maximum fees for 2013 update are:

Water \$2,285/LUE

Wastewater \$3,506/LUE

Maximum fees for 2018 update are:

Water \$3,801/LUE

Wastewater \$2,684/LUE

*Applicable amount may be reduced by any city-approved offsets.

**Exemption rate in Ordinance 2002-81 is still in effect for remaining qualifying lots.

Service unit means a living unit equivalent ("LUE") based upon the relationship of the maximum design water flow to that of single family residential peak demand as served by a 5/8-inch displacement-water meter. The number of service units or LUEs is based upon the peak development flow relative to the average peak demand in the system for a 5/8-inch meter of 0.41 gpm. LUE's by peak flow ~~and~~ are contained in Schedules 1 and in the chart below:

Calculated Peak Water Flow (gpm)	LUE's by Flow
1 to 10	1.0
>10 to 15	2.0
>15 to 25	4.0
>25 to 50	6.0
>50 to 80	8.5
>80 to 160	32.5
>160 to 250	64.5
>250 to 500	104.0
>500	150.0 + $(\text{Peak Flow in gpm} - 500\text{gpm})/0.41\text{gpm/LUE}$

SECTION 2. Section 86.295 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

Sec. 86.295. Applicability.

(a) This division applies to all new, non-exempt development within the city limits and its extraterritorial jurisdiction within the applicable service areas. The provisions of this division shall apply uniformly within each service area.

(b) Exemptions.

- (1) No wastewater impact fee shall be charged for an irrigation meter.
- (2) No impact fee shall be charged for a fire line meter that serves only a fire suppression system.
- (3) ~~To encourage affordable housing as defined by 42 U.S.C. § 12745, the city may refund impact fees paid for construction of a new single-family dwelling that qualifies for the refund under affordable housing guidelines approved by the city council and exempt the~~ eConstruction of new single-family dwellings by Habitat for Humanity and San Marcos Housing Authority.
- (4) Any exemptions required under applicable state laws.
- (5) Homes constructed by the City using federal funds or with federal funds administered by the City.
- (6) City facilities.

(~~c~~b) ~~The city manager is authorized to adopt and administer guidelines for applying the provisions of this section. To encourage affordable housing the~~ city may refund impact fees paid for construction of a new single-family dwelling

that qualifies for the refund under affordable housing guidelines approved by the city council.

(d) The city manager is authorized to adopt and administer guidelines for applying the provisions of this section.

SECTION 3. Section 86.299 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

Sec. 86.299. Computation of service units and collection of impact fees.

(a) Impact fees shall be computed and collected for platted land at the time the city issues a building permit for land within the city limits or at the time a plumbing permit or utility application is approved for land located outside the city limits.

(b) Impact fees shall be computed and collected for unplatted land at the time the city issues a building permit, plumbing permit or utility application, whichever is applicable pursuant to section 86.299(a).

The computation of the quantity of service units required for a new development will be as follows:

(1) For new development subject to assessment under section 86,298(a)(1), and for new development subject to assessment under section 86.298(a)(2) the quantity of service units will be determined by the calculated peak water demand as listed in Schedule 1. The calculated peak water demand for a new development is to be determined initially by the applicant and is subject to review and approval by the director, using best water utility industry and engineering practices and standards. The director may require an applicant to provide building plans, plumbing layouts, flow calculations and other information.

a. In cases with industrial or commercial equipment where the plumbing fixture count methodology cannot be used, water demand can be provided based upon manufacturer data. The water demand will be added to any peak water demand calculated by fixture count and the combined flow will be used to determine the LUEs per Schedule 1.

b. The quantity of service units for demands greater than 500 gpm will be based upon the relationship to that of a single family residential peak demand as served by a 5/8-inch displacement-water meter of 0.41 gpm.

- (2) No building permit or utility connection shall be issued if the applicant cannot verify payment to staff of the appropriate impact fee and other applicable fees or if existing facilities do not have actual capacity to provide service to the new connections(s), except for those entities that are exempted from impact fees as are specifically set forth herein.
- (3) The impact fee shall attach to the property for which the impact fee was paid and shall not be transferable to other properties or service units.

(c) *Amount to be collected.* The city shall compute the impact fees for a new development in the following manner:

- (1) The amount of each impact fee shall be determined by multiplying the number of service units required for the new development by the impact fee per service unit using the applicable rate in the applicable schedule. The calculation of peak water demand development is subject to review and approval by the director, using best water utility industry and engineering practices and standards.
- (2) The amount of each impact fee shall be reduced by any allowable offsets or credits for that category of capital improvements, in the manner provided in section 86.300.
- (3) The total amount of each impact fee for the new development shall be calculated and attached to the permit or utility application as a condition of approval.
- (4) Except as otherwise provided by contracts with political subdivisions, developer's contracts, or wholesale customers, no building permit shall be issued until all impact fees due and owing have been paid to the city.

(d) *Limit on fees.* The amount of each impact fee for a new development shall not exceed an amount computed by multiplying the assessment amount per service unit under section 86.298 by the number of service units for the development determined under this section.

(e) If a building or plumbing permit or an approved utility application for which an impact fee has been paid has expired, and a new application is thereafter filed, the impact fees shall be computed using the Schedule 1 rate in effect at the time the new permit or application is filed, with credits for previously paid fees being applied against the newly determined amount.

(f) Whenever a property owner proposes to increase the number of service units for a new development, the additional impact fees collected for the new service units shall be determined by using the applicable service unit computation criteria in subsection (b) and the applicable Schedule 1 rate then in effect, and the additional fees for the increase in service units shall be collected at the times prescribed by this section.

(g) For new development to be served by the city wastewater system and by a water system other than the city's, the operator of the water system shall provide written notice to the city of each application for new water service or a change in meter size within ten days of the date the application is received. This requirement is satisfied by the submission of a legible copy of the application or other information that identifies the applicant and indicates the proposed land use, peak demand calculation and the meter size.

(h) The amount of impact fees to be collected for single purpose domestic (sanitary) or irrigation meters will be determined by calculated peak water demand as listed in Schedule 1. The amount of impact fees to be collected for a combined domestic and fire flow meter will be based upon the applicable peak flow demand delineated in Schedule 1 excluding the fire flow portion.

(i) The city council may approve an agreement with a property owner for a different time, manner of computation, or payment of impact fees for new development on the owner's property.

SECTION 4. In codifying the changes authorized by this ordinance, paragraphs, sections and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code.

SECTION 5. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 6. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 7. This ordinance shall become effective upon approval on second reading.

PASSED AND APPROVED on first reading on June 2, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney



Legislation Text

File #: Ord. 2020-41(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-41, on the second of two readings, amending Chapter 86, Article 8, Division 1 and 2 of the San Marcos City Code to, among other things, change the rate structure of the Stormwater Utility to an impervious basis for all customer classes, and to update provisions regarding the maintenance and repair of structural controls in connection with the municipal separate Storm Sewer System (MS4); including procedural provisions; providing for the repeal of any conflicting provisions; and providing an effective date.

Meeting date: June 16, 2020

Department: Engineering / CIP

Amount & Source of Funding

Funds Required: 0

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: Council workshop on February 4, 2020

PH Held on June 2, 2020 and approved on first reading

City Council Strategic Initiative: [\[Please select from the dropdown menu below\]](#)

Sustainability

[Choose an item.](#)

[Choose an item.](#)

Comprehensive Plan Element (s): [\[Please select the Plan element\(s\) and Goal # from dropdown menu below\]](#)

Economic Development - [Choose an item.](#)

Environment & Resource Protection - Public & Private Sector Partnership to Protect Water Quality & proper development in San Marcos and Blanco Rivers

Land Use - [Choose an item.](#)

Neighborhoods & Housing - [Choose an item.](#)

- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City of San Marcos implemented a Drainage Utility fee in 1999. The drainage (stormwater) utility fee is a funding source for drainage capital improvement projects, the operation and maintenance of the City's drainage infrastructure (pipes, channels, detention and water quality facilities) to reduce flooding, improve water quality, and maintain regulatory compliance of our municipal separate stormwater system (MS4).

In 2018 the City started a study to update and explore potential stormwater utility rate structures and requirements, with a goal to establish financial framework for more equitable and sustainable funding program. The study considered the determination of impervious cover for each parcel and an evaluation of existing billing accounts and parcel matching. Study recommendations included a revised stormwater utility rate structure and changes to the billing system. The study also included the development of a stormwater program cost analysis (rate model) and an update to the stormwater utility ordinance. Recommended stormwater rate classifications considered the following:

- New Equivalent Residential Unit (ERU) value = 2,575 square feet
- Residential Class (R1, R2 and R3)
- Non-Residential Class (NR)
- Exemptions (City and Texas State University parcels)
- Residential parcels with 1-4 units
- Residential parcels with 5+units
- Non-Residential (former Commercial and Multi-Family)

In addition, as part of the maintenance and repair of pollution prevention structure controls, an amendment is proposed regarding the inspections of structure controls from an annual basis to occurring once every three years.

To implement recommended changes regarding the stormwater utility fee and inspections of the pollution prevention structures will require amending the following Ordinance.

ORDINANCE; Chapter 86 - Utilities, Article 8 - Stormwater Utility

Division 1 - Stormwater Utility Fee. The ordinance amends the overall rate structure of the utility to an impervious basis for all customer classes, stormwater codes, the relationship between the 3 residential tiers, the equivalent residential unit (ERU), among other minor changes.

Division 2 - Municipal Separate Storm Sewer System (MS4). The ordinance amends the section regarding the maintenance and repair of structural controls.

These amendments will be effective on October 1, 2020

For 2nd reading the following changes have been made to ordinance:

Sec. 86.506. Drainage Stormwater Utility Fund

Sec. 86.509. Exemptions. (3) City facilities

The attached presentation has also been updated with additional slides from the workshop.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends for approval

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 86, ARTICLE 8, DIVISIONS 1 AND 2 OF THE SAN MARCOS CITY CODE TO, AMONG OTHER THINGS, CHANGE THE RATE STRUCTURE OF THE STORMWATER UTILITY TO AN IMPERVIOUS BASIS FOR ALL CUSTOMER CLASSES, AND TO UPDATE PROVISIONS REGARDING THE MAINTENANCE AND REPAIR OF STRUCTURAL CONTROLS IN CONNECTION WITH THE MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4); INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Chapter 86, Article 8, Division 1 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

ARTICLE 8. – ~~DRAINAGE~~ STORMWATER UTILITY

DIVISION 1. - ~~DRAINAGE~~ STORMWATER UTILITY FEE

Sec. 86.501. Declaration of purpose.

(a) After a public hearing on the matter, the city council finds, determines and declares that in order to protect the citizenry from the loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from nonpoint source run-off within the boundaries of the service area established in this article, it is necessary and in the best interest of the public health and safety to establish a ~~drainage~~ stormwater utility as authorized by state law.

(b) To this end, the city council will establish a schedule of ~~drainage~~ stormwater charges against all real property in the service area, subject to the limitations of state law, and the city will provide drainage for all real property in the service area on payment of the drainage charges, except as to real property exempted from the charges under section 86.509. The city will offer drainage service on nondiscriminatory, reasonable and equitable terms.

Sec. 86.502. Definitions.

In this article:

Benefitted property or property means a lot or tract of real property to which drainage service is made available under this article and which is located within the service area.

~~*Board* means the drainage advisory board established in section 2.191 of this Code.~~ *Cost of service* as applied to drainage stormwater utility system service to any benefitted property, means:

- (1) The prorated cost of the acquisition, whether by eminent domain or otherwise, of land, rights-of-way, options to purchase land, easements, and interests in land relating to structures, equipment, and facilities used in stormwater quality treatment and drainage draining the benefitted property;
- (2) The prorated cost of the acquisition, construction, repair, and maintenance of structures, equipment, and facilities used in stormwater quality treatment and drainage the benefitted property;
- (3) The prorated cost of architectural, engineering, legal, and related services, plans and specifications, studies, surveys, estimates of cost and of revenue, and all other expenses necessary or incident to planning, providing, or determining the feasibility and practicability of structures, equipment, and facilities used in stormwater quality treatment and drainage the benefitted property;
- (4) The prorated cost of all machinery, equipment, furniture, and facilities necessary or incident to the provision and operation of stormwater quality treatment and drainage the benefitted property;
- (5) The prorated cost of funding and financing charges and interest arising from construction projects and the start-up cost of a ~~drainage~~ stormwater facility used in stormwater quality treatment and drainage the benefitted property;
- (6) The prorated cost of debt service and reserve requirements of structures, equipment, and facilities provided by revenue bonds or other ~~drainage~~ stormwater utility revenue-pledge securities or obligations issued by the city; and
- (7) The prorated administrative costs of a ~~drainage~~ stormwater utility system.

Customer Class means the land use, residential or non-residential, that the benefitted property is assigned to be based on the predominant use of the parcel.

Director means the ~~executive~~ director of the department of public services, the director of engineering or their designees.

~~*Drainage* means bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.~~

~~*Drainage charge* means:~~

- ~~(1) — The levy imposed to recover the cost of service to the city in furnishing drainage for any benefitted property; and~~
- ~~(2) — If specifically provided by ordinance, an amount made in contribution to funding of future drainage system construction by the city.~~

~~*Drainage system* means the drainage owned or controlled in whole or in part by the city, including the portions of the Blanco River and San Marcos River within the service area, and dedicated to the service of benefitted property, including provisions for additions to the system. The drainage system is also known as a municipal separate storm sewer system, or MS4, meaning that the storm sewers are a separate system not connected with the sanitary sewer system.~~

~~*Equivalent residential unit (ERU)* means the basic billing unit for the drainage stormwater charge.~~

~~*Facilities* means the property, either real, personal, or mixed, that is used in providing drainage stormwater service and included in the drainage stormwater system.~~

~~*Impervious cover* means roads, streets, parking areas, buildings, sidewalks and other construction covering the natural land surface that is impenetrable to stormwater. Compacted dirt or gravel used for vehicular traffic, parking, and other uses is considered impervious cover for the purposes of this section.~~

~~*Improved lot or tract* means a lot or tract that has a structure or other improvement on it that causes an impervious coverage of the soil under the structure or improvement.~~

~~*Public utility* means a drainage stormwater service that is regularly provided by the city through municipal property dedicated to that service to the users of benefitted property within the service area and that is based on:~~

- ~~(1) An established schedule of charges;~~

- (2) The use of the police power to implement the service; and
- (3) Nondiscriminatory, reasonable, and equitable terms as declared under this chapter.

Service area means the geographic area that will be served by the city's ~~drainage~~-stormwater utility, established in section 86.504 and conforming to the limitations of V.T.C.A., Local Government Code § 402.044.

Stormwater charge means:

- (1) The levy imposed to recover the cost of service to the city in furnishing ~~drainage~~-stormwater service for any benefitted property; and
- (2) If specifically provided by ordinance, an amount made in contribution to funding of future stormwater system construction by the city.

Stormwater Code means the specific stormwater code applied to any benefitted property within the service area. The codes are as follows; Residential (R1, R2, R3), Non-Residential (NR), and Exempt (EX).

Stormwater facilities means bridges, catch basins, channels, conduits, creeks, culverts, detention ponds, ditches, draws, flumes, pipes, pumps, sloughs, treatment works, and appurtenances to those items, whether natural or artificial, or using force or gravity, that are used to draw off surface water from land, carry the water away, collect, store, or treat the water, or divert the water into natural or artificial watercourses.

Stormwater system means the drainage owned or controlled in whole or in part by the city, including the portions of the Blanco River and San Marcos River within the service area, and dedicated to the service of benefitted property, including provisions for additions to the system. The drainage system is also known as a municipal separate storm sewer system, or MS4, meaning that the storm sewers are a separate system not connected with the sanitary sewer system.

User means the person who owns or occupies a benefitted property.

Wholly sufficient and privately owned ~~drainage~~ stormwater system means land owned and operated by a person other than a municipal ~~drainage~~ stormwater utility system the drainage of which does not discharge into a creek, river, slough, culvert, or other channel that is part of a municipal ~~drainage~~ stormwater utility system.

Sec. 86.503. Establishment and dedication of drainage utility assets.

The city council establishes the city ~~drainage~~ stormwater utility as a public utility and dedicates to the utility all city-owned property, real and personal, facilities, materials and supplies constituting the city's drainage system as constituted on the effective date of this article and as may be acquired in the future, to be used for the purpose of the stormwater utility.

Sec. 86.504. Establishment and revisions to ~~drainage~~ stormwater utility service area.

(a) The city council establishes the ~~drainage~~ stormwater utility service area as the city limits of the city, as presently configured and as the same may be amended from time to time.

(b) Except as affected by amendments to the city limits, revisions to the service area will be made only after the publication of notice and a public hearing as required by state law.

Sec. 86.505. Establishment and revision of ~~drainage~~ stormwater charges; credits.

(a) The city council establishes ~~drainage~~ stormwater charges to be paid by users of benefitted property in the service area. The determination of the ~~drainage~~ stormwater charges is deemed nondiscriminatory, reasonable and equitable to provide for the creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction and administration of the ~~drainage~~ stormwater utility.

(b) The ~~drainage~~ stormwater charges will be set by separate ordinance based on the following factors:

- (1) The ~~developed-use~~ amount of impervious cover on the benefitted property;
- (2) The ~~number of dwelling units on~~ predominant developed use of the benefitted property; and
- (3) The ~~amount of impervious cover~~ number of equivalent residential units (ERUs) on the benefitted property.

(c) The ~~director will determine the~~ category that applies to each benefitted property will be determined within the guidelines set forth herein and ~~will recommend~~ set the charge in accordance with the category of use and the following factors:

- (1) ~~Categories of land use~~ Customer Class. Each benefitted property will be placed ~~by the director~~ in a specific category of land use, also known as customer class, based upon the actual use of the property. These customer class categories will include ~~but not be limited to~~ residential, ~~and commercial~~ non-residential, and exempt. The stormwater codes associated with these customer classes are residential (R1, R2, or R3), non-residential (NR), and exempt (EX). The residential customer class is billed based on which of the 3 tiers of impervious cover it falls within, the non-residential customer class is billed based on calculated impervious cover on the site, and exempt customer class is a use that falls into an exempt category per Texas LGC § 552.053.
- (2) Impervious cover. The amount of impervious cover existing on each benefitted property ~~designated by the director as being in a category of land use other than residential~~.
- (3) Residential units. The number of residential units existing on a particular benefitted property. For the purposes of the drainage utility, residential structures with 1 to 4 residential units are in the residential customer class and residential structures with more than 4 units are in the non-residential customer class.
- (4) Stormwater Code. Based on the customer class and impervious cover on a benefitted property, a stormwater code is assigned to the account.
 - a. Residential class accounts are divided into three tiers based on ranges of total impervious cover on the benefitted property (R1, R2, R3)
 - i. R1 properties, or small residential, exhibit less than 1,980 square feet of impervious cover. (0.61 ERUs)
 - ii. R2 properties, or typical residential, exhibit between 1,980 – 3,363 square feet of impervious cover. (1.0 ERUs)
 - iii. R3 properties, or large residential, exhibit more than 3,363 square feet of impervious cover. (1.46 ERUs)
 - b. Non-residential properties (NR) are all remaining non-residential properties such as commercial, industrial, retail, government, multi-family with more than 4 units, religious, non-profit, and the like.

c. Exempt properties (EX) are those that are exempted from paying a drainage fee based on the criteria outlined in this ordinance.

(d) The monthly charge for each lot or parcel will be calculated equitably and proportionally using an ERU impervious-based billing system structure. One ERU is established as 2,575 square feet based on a review of all existing single-family residential properties within the service area. Each residential unit, whether single family or multi-family, account is will be billed for one ERU according to its stormwater code tier (see definitions in Section 86.505 (c)(4) above). The number of ERUs billed to a commercial non-residential property is billed will be based on the property's size and the ratio of impervious cover on the property to the average impervious cover associated with the average residential unit total amount of impervious cover associated with the non-residential use divided by the ERU value of 2,575 square feet. Calculations will be subject to credits under subsection (e) (i.e. NR bill charge = total impervious cover / 2,575 * current stormwater utility fee).

(e) A user may apply for a credit towards the drainage stormwater charge for property upon which, or in connection with which, a structural control or practice drainage improvements have has been constructed above and beyond the minimum requirements of the city drainage code. The credit will be up to 50 percent of the drainage charge based on the deferred responsibility the improvement provides to the City of San Marcos for building and maintaining the city stormwater drainage network. The credit will be based upon the extent to which stormwater drainage flows and quality from impervious cover on the property or benefitted property upstream are mitigated by the drainage improvements, and is according to standards developed by the drainage advisory board and approved by the city council. An application for credit will be submitted to the director for determination on tThe amount of credit which can be found in the City of San Marcos Stormwater Utility Procedures Manual along with criteria for doing so will be determined by the drainage advisory board after consultation with the director. The user has the burden of proof when applying for a credit and must provide the director information reasonably required by the director to make a determination. Failure to timely provide information requested by the director is a sufficient reason to deny a requested credit.

(f) If the user receives a credit on their stormwater utility bill for a stormwater structure that does not meet compliance with Section 86.531, the user will lose the credit until it is back in compliance.

(g~~f~~) The monthly charge per ERU is established in a separate ordinance and is based on the revenue required to support the drainage stormwater utility divided by the total number of ERUs to be billed.

(hg) The city council reserves the right to adjust the ~~drainage~~ stormwater charges by separate ordinance from time to time.

(ih) Billing of the ~~drainage~~ stormwater charge against each benefitted property within the service area will be accomplished by a ~~separate stormwater utility charge~~ listing in the monthly city utility bill. Multi-family properties with more than 4 units on a single parcel will have a stormwater utility bill mailed to the owner of record. These bills will become due and payable, and will be subject to late payment penalties, in accordance with the rules and regulations of the city pertaining to the collection of water and wastewater fees and charges.

(ji) No utility deposit will be required as a precondition to accepting surface flow from a benefitted property in the drainage utility.

(kj) Billing of stormwater charges will occur even in when other utilities are disconnected to reflect the on-going discharge from the impervious cover of the benefitted property to the stormwater system.

Sec. 86.506. ~~Drainage~~ Stormwater Utility Fund.

(a) A separate fund is established, known as the ~~drainage~~ stormwater utility fund, for the purpose of identifying and controlling all revenues and expenses attributable to the ~~drainage-stormwater~~ utility. All drainage charges collected by the city and other monies available to the city for the purpose of drainage will be deposited in the ~~drainage~~ stormwater utility fund. The revenues will be used for the purposes of the creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction, administration and other reasonable and customary charges associated with the operation of the ~~drainage~~ stormwater utility. It is not necessary that the expenses from the ~~drainage~~ stormwater utility fund, for any authorized purpose, specifically relate to any particular benefitted property from which the revenues were collected.

(b) All drainage charges collected under this article will be used solely for creation, operation, planning, engineering, inspection, construction, repair, maintenance, improvement, reconstruction, administration and other reasonable and customary charges associated with the operation of the ~~drainage~~ stormwater utility ~~unless otherwise directed by city council for other drainage and water quality purposes.~~ In the event a portion of the drainage revenues is pledged to retire any outstanding indebtedness or obligation incurred, or as a reserve or amount in any contribution for future construction, repair or extension or maintenance of the utility assets, then the pledged portion of revenues may not be transferred to the general fund.

(c) The city manager will provide an annual report of the ~~drainage~~ stormwater utility's revenues, expenses and programs to the city council.

Sec. 86.507. Delinquent drainage stormwater charges; enforcement.

Any drainage stormwater charge which is not paid when due may be recovered in an action at law by the city. In addition to other remedies or penalties provided by this article or state law, failure of a user of any utility within the service area to pay the drainage stormwater charges when due will subject the user to discontinuance of any other utility services provided by the city. In the event that an owner does not pay the charge, a lien can be placed on the property. Furthermore, property that is developed but vacant does not qualify for an exemption and the burden of drainage utility fees ultimately lies with the property owner, whether a tenant is in place or not. In the event that a stormwater utility fee is assessed to a tenant and the tenant moves out, the stormwater utility fee will be assessed to the property owner. In the event that a property has no other utilities turned on or is presently vacant but qualifies as a benefitted property, the stormwater utility fee will be assessed to the property owner.

Sec. 86.508. Administration; rules and regulations; appeals.

(a) The director will be responsible for the administration of this article. The director will develop rules, regulations and procedures for the administration of drainage stormwater charges, develop maintenance programs, and establish drainage criteria and standards for operation of the drainage stormwater utility system.

(b) Any user who disagrees with the land use category assigned to a property, the residential tier that is assigned, or the total number of ERUs assigned may submit a written request to the director for a revision of the category review of the account. ~~A nonresidential user who disagrees with the determination of ERUs assigned to the user's property may submit a written request to the director for a revision of the determination.~~ Each request must include the user's mailing address for notices, a description of the revision requested, whether a revision has previously been requested for the property and the reasons for the request. The process for an appeal is further described in the City of San Marcos Stormwater Utility Procedures Manual. ~~The director will forward the request to the drainage advisory board along with supporting information on the director's determination for the property. Only nonresidential users may appeal the determination of ERUs assigned to their properties. The board will conduct a hearing on the request within 20 days of the director's receipt of the request.~~

(c) ~~The director will notify the user of the board hearing by certified mail or confirmed facsimile transmission. The board will sustain the director's determination if it finds that the determination is supported by substantial evidence. The board may modify the director's determination if the board finds no substantial evidence supporting the determination. Disputed fact issues will be determined by a preponderance of the evidence. Notice of the board's decision will be sent to the user by certified mail or confirmed facsimile transmission, unless the user is present~~

~~at the hearing. The user will be deemed to have received notice of the board's decision if the user is present at the hearing.~~

~~(c) The user may appeal the decision of the ~~drainage advisory board~~ director to the city council by filing a written request with the city secretary within ~~ten~~ thirty calendar days of receipt of the ~~director's~~ board's decision. ~~The council will consider the request within 30 days of the filing of the request. If the council determines that the board's decision is supported by substantial evidence, the council will sustain the board's decision. The council may modify the board's decision if the council finds no substantial evidence supporting the decision. If the council fails to take action on the request within 45 days of its filing, the board's decision on the request will be deemed final.~~~~

Sec. 86.509. Exemptions.

(a) The following properties will be exempt from the provisions of this article:

- (1) Property with proper construction and maintenance of a wholly sufficient and privately owned drainage system;
- (2) Property held and maintained in its natural state, until the time that the property is developed.

(3) **City facilities**

(b) The user has the burden of proof when claiming an exemption under this article and must provide the director information reasonably required by the director to make a determination. Failure to timely provide information requested by the director is a sufficient reason to deny a requested exemption.

Sec. 86.510. Flood; nonpoint source pollution control; liability.

Floods from drainage runoff may occasionally occur which exceed the capacity of the drainage system. In addition, surface water stagnation and pollution arising from nonpoint source runoff may occasionally occur which exceed the capacity of the drainage system. This article does not imply that benefitted properties will always be free from flooding or flood damage, surface water stagnation or nonpoint source pollution or that all possible flood control and water treatment projects to control the quantity and quality of runoff can be constructed cost-effectively. Nothing whatsoever in this article should be construed or be deemed to create additional duties or liability on the part of the city for any damages incurred in any flood or from adverse water quality due to drainage runoff. Nothing in this article should be deemed to waive the city's immunity under state law or affect the need for flood insurance.

SECTION 2. Section 86.523 of the San Marcos City Code is hereby amended to add the definition set forth below. Added text is indicated by underlining.

Structural Control (or Practice) - A pollution prevention practice that requires the construction of a device, or the use of a device, to capture runoff or prevent pollution in stormwater runoff. Structural controls and practices may include but are not limited to: detention and retention ponds, wet ponds, bioretention, infiltration basins, stormwater wetlands, silt fences, earthen dikes, drainage swales, vegetative lined ditches, vegetative filter strips, sediment traps, check dams, subsurface drains, storm drain inlet protection, rock outlet protection, reinforced soil retaining systems, gabions, and temporary or permanent sediment basins.

SECTION 3. Section 86.531 of the San Marcos City Code is hereby amended to read as set forth below. Added text is indicated by underlining and deleted text is indicated by strikethroughs.

Sec. 86.531. Maintenance and repair of ~~permanent stormwater facilities~~ structural controls.

(a) *Control measures.* The City of San Marcos has the authority to require installation, implementation, inspection and maintenance of ~~temporary and permanent structural controls~~ control measures in accordance meeting or exceeding the requirement of with the TPDES Phase II MS4 Permit TXR040000.

(b) *Drainage easements.* Drainage easements shall be required for ~~permanent stormwater management facilities~~ structural controls and recorded in accordance with the city's LDC, Chapter ~~34~~, Article 17.

(c) *Maintenance covenants.* All ~~Owner(s)~~ Owner(s) of ~~permanent stormwater management facility(ies)~~ structural controls shall be required to enter into a maintenance covenant with the City of San Marcos including a schedule of maintenance activities and plans for annual inspections to assess the functionality of the structural control(s) facility(ies). Maintenance covenants shall be recorded in accordance with the city's LDC, Chapter 1, Articles 6 and 8.

(d) *Requirements for annual inspections and reports.* Owner(s) of structural controls ~~permanent stormwater management facility(ies)~~ that discharge or connect to the City of San Marcos stormwater utility (MS4) or discharge into Waters of the United States within the City of San Marcos city limits must conduct, at a minimum, an ~~annual~~ inspection of each structural control facility every three (3) years following a passing inspection beginning in 2020. The inspection report must be prepared by a Texas-licensed engineer and the licensed engineer must be chosen from a list of precertified engineers provided by the city.

- (1) The inspection report must include requirements provided by the city, including but not limited to all of the following:
 - a. An assessment of the condition of the structural control(s) stormwater management facility, current as of the date of the report.
 - b. A history of maintenance activities performed on the structural control(s) facility during the past year.
 - c. The professional opinion of the engineer regarding the current functionality of the facility structural control(s) and its ability to provide total suspended solids removal in accordance with the original design specifications for the structural control(s) facility.
 - d. Recommendations of the engineer regarding the need for maintenance or modification of the structural control(s) facility to meet original design specifications.
- (2) The city may choose to provide a pre-formatted inspection report to be used for each annual inspections.
- (3) The inspection report must be submitted to the City of San Marcos, Public Services — Transportation Department for review. The owner of a stormwater management facility or facilities structural control(s) must submit a certified inspection report for each structural control facility by ~~January~~ December 31 of each ~~year~~ certifying the facility for the previous year required year. ~~Certification of each stormwater facility will be required beginning June 1, 2018. Documentation of certified facilities will be due no later than January 31, 2019 and every year thereafter.~~
 - a. Any maintenance and repair needs or other deficiencies identified in the inspection report must be adequately addressed to ensure compliance with the requirements of this division. Upon completion of all necessary maintenance, repairs or deficiencies identified in the inspection report, the stormwater management facility structural control(s) shall be re-inspected at the owner's expense. Following the re-inspection, the owner of the structural control(s) stormwater management facility shall submit a supplemental certified inspection report to the city confirming that all corrective measures have been completed.

(e) *Failure to maintain facilities or practices or provide certified inspection reports.*

(1) If the owner(s) responsible for maintaining the structural control(s) ~~permanent stormwater management facility~~ fails to properly maintain the structural control(s) facility, or submit certified inspection reports, the city stormwater systems manager will send a written notice to the owner(s) to correct the problem within a ~~reasonable time, not less than five days nor more than~~ 30 days from the owner(s) receipt of the notice. If the owner(s) fails to comply with the notice, the stormwater systems manager may initiate one of the actions specified in section 86.535.

(2) If the structural control(s) ~~permanent stormwater management facility~~ becomes a nuisance or danger to public safety or public health, the City of San Marcos shall notify the owner(s) responsible for maintenance of the structural control(s) facility in writing. Upon receipt of that notice, the owner(s) shall have 30 days to complete maintenance and repair requirements. If the owner(s) of the structural control(s) facility fails to comply with the requirements of the maintenance and/or repair notice, the City of San Marcos, after reasonable notice, may take one or more of the following actions:

a. Initiate enforcement action(s) as specified in section 86.535 requiring the owner(s) to comply with city ordinances.

b. Perform the required maintenance and/or repair, bill the owner(s) for the cost of the maintenance/repair, and record a lien against the property served by the structural control(s) ~~stormwater management facility(ies)~~.

(f) *Stormwater annual inspection precertification.*

(1) An engineer conducting annual structural control ~~stormwater management facility~~ inspections under subsection (d) must be precertified by the public services department prior to performing structural control ~~stormwater management facility~~ inspections for private parties in the city limits.

(2) The public services executive director will promulgate requirements for the precertification of engineers performing structural control ~~stormwater management facility~~ inspections. Eligibility for precertification of engineers will be based upon prior relevant licensing, training and work experience.

- (3) Any engineer seeking to be precertified for structural control stormwater management facility inspections must be a licensed professional engineer registered in the State of Texas.
- (4) Precertification will extend to the individual's firm.
- (5) The city shall maintain a list of engineers precertified under this subsection. The city reserves the right to add or remove engineers from the list, subject to the requirements promulgated by the public services executive director under subsection (f)(2).

SECTION 4. In codifying the changes authorized by this ordinance, paragraphs, sections and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code.

SECTION 5. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 6. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 7. Following its adoption on second reading, this ordinance shall become effective on October 1, 2020.

PASSED AND APPROVED on first reading on June 2, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 16, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael J. Cosentino
City Attorney

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 86, ARTICLE 8, DIVISIONS 1 AND 2 OF THE SAN MARCOS CITY CODE TO, AMONG OTHER THINGS, CHANGE THE RATE STRUCTURE OF THE STORMWATER UTILITY TO AN IMPERVIOUS BASIS FOR ALL CUSTOMER CLASSES, AND TO UPDATE PROVISIONS REGARDING THE MAINTENANCE AND REPAIR OF STRUCTURAL CONTROLS IN CONNECTION WITH THE MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4); INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.



Purpose of Stormwater Utility Ordinance Update:

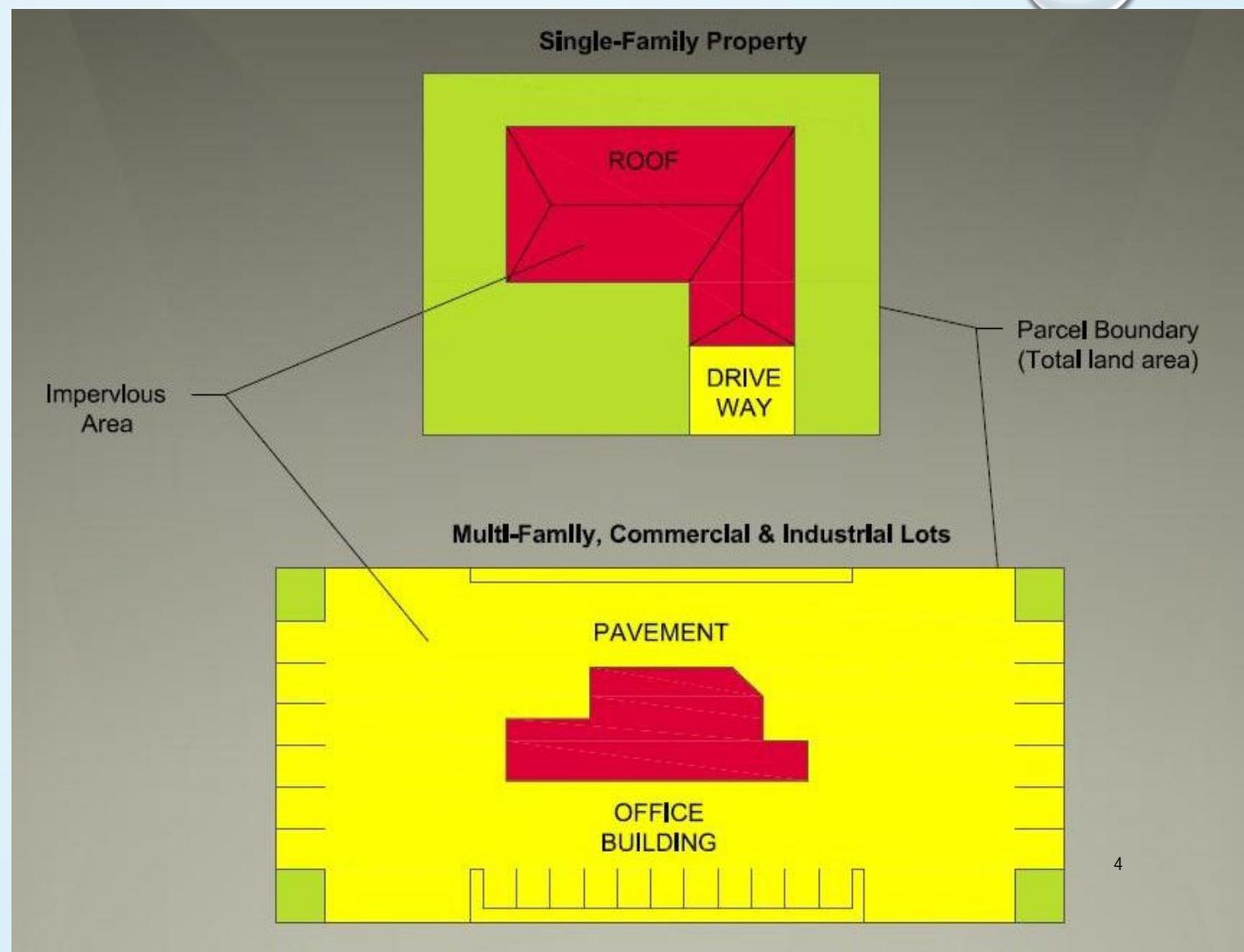
- Update ordinance to reflect recommendations on rate structure and billing changes presented to City Council at Feb 4th workshop
- Modify ordinance language to reflect change from Drainage Utility to Stormwater Utility.
- Update inspection requirements under City's MS4 program
- Effective date of ordinance will be October 1, 2020

Summary of Rate Structure Changes:

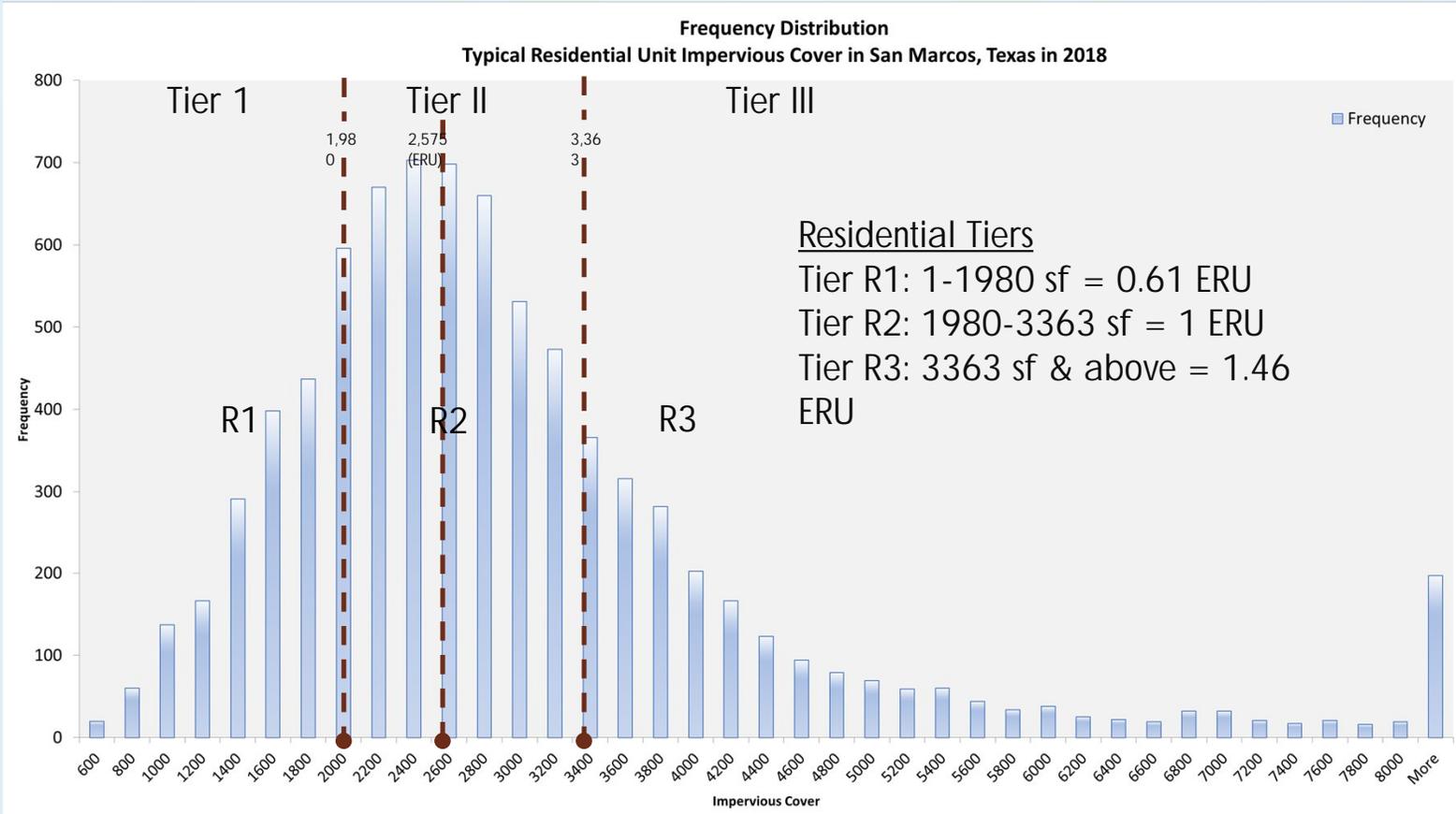
- New Equivalent Residential Unit (ERU) value = 2,575 sf (median value for all SFR parcels)
- Residential Class:
 - The 3 residential tiers change from parcel area to an impervious cover area.
 - Residential parcels with 1-4 units/parcel remain in the residential class.
- Non-residential Class:
 - Residential parcels with 5+ units/parcel classified as Non-Residential
 - Commercial, Retail, Government, Religious, Non-Profit
 - Calculated by dividing total impervious cover by 2,575 to determine ERU's.
- Exemptions:
 - City owned property
 - Texas State properties by State Legislative action

Impervious Area rate basis

- Impervious area is a better indicator of a parcel's demand on the drainage system than lot area
- The Equivalent Residential Unit (ERU) is used to link fees between the residential and non-residential rate class. It is considered by industry standards the most equitable and proportional method.



Residential Distribution – Development of the Rate Structure



Rate Structure Comparison

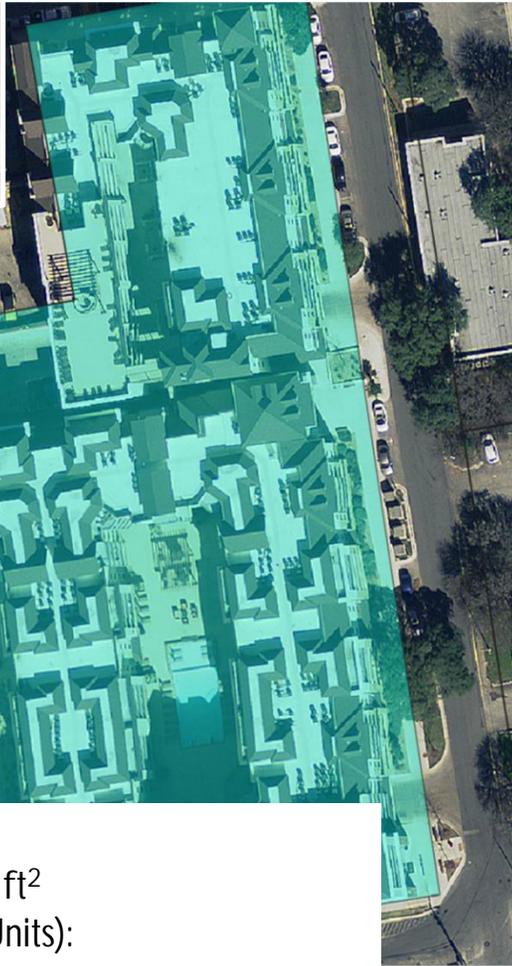
Existing (ERU 2,250 sf)

Class Description	Total Lot Size- Square Feet	Current Rate
Small Residential	0-6,000	\$7.57
Typical Residential	6,001-12,000	\$12.10
Large Residential	12,001+	\$13.86
Commercial	Impervious Area /ERU *Rate	
Multi-Family	# of units * residential rate	

Proposed (ERU 2,575 sf)

Class Code	Description	Impervious Cover Range	Rate Example
R1	Small Residential	0-1,980	\$7.43
R2	Typical Residential	1,981-3,336	\$12.10
R3	Large Residential	3,334+	\$17.68
NR	Commercial, Retail, Governmental, Multifamily, religious, non-profit, etc.	Impervious Area /ERU *Rate (\$12.10)	

Residential Multi-Family Rate Comparison



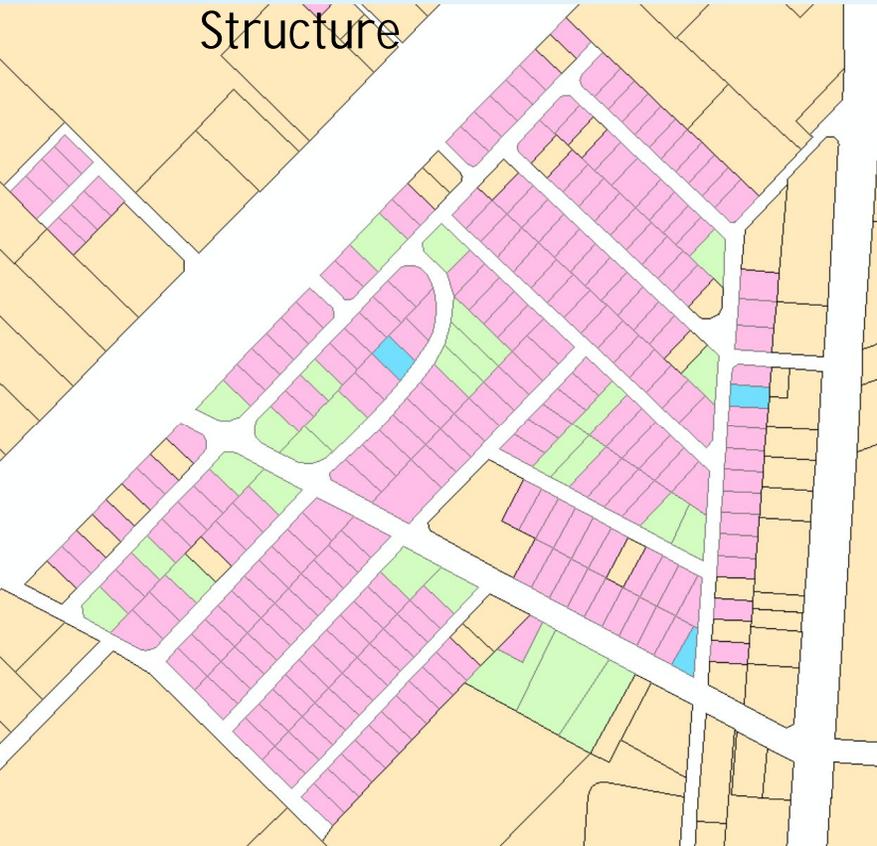
Parcel Area: 117,064 ft²
Impervious Area: 115,087 ft²
Exist. Rate Structure (257 Units):
\$1,691.06/Month



Parcel Area: 1,530,020,ft²
Impervious Area: 808,326 ft²
Exist. Rate Structure (194 Units):
\$2,040.88/Month

Residential Areas Comparison Sunset Acres

Existing Rate Structure



TIER R1: BLUE

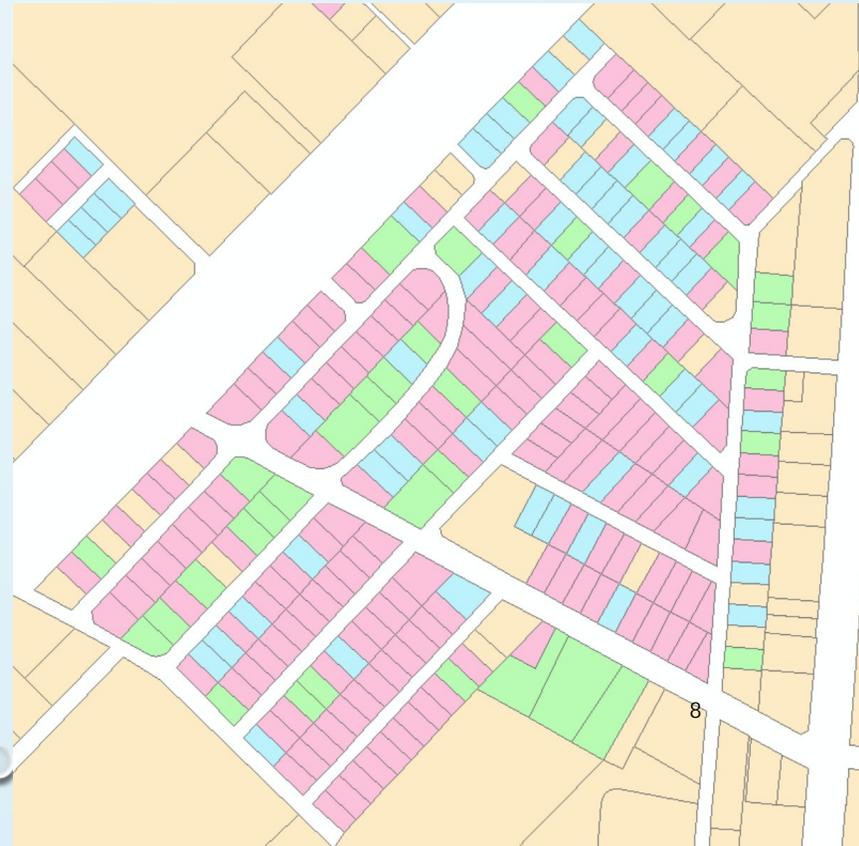
TIER R2:

PURPLE

TIER R3:

GREEN

Proposed Rate Structure

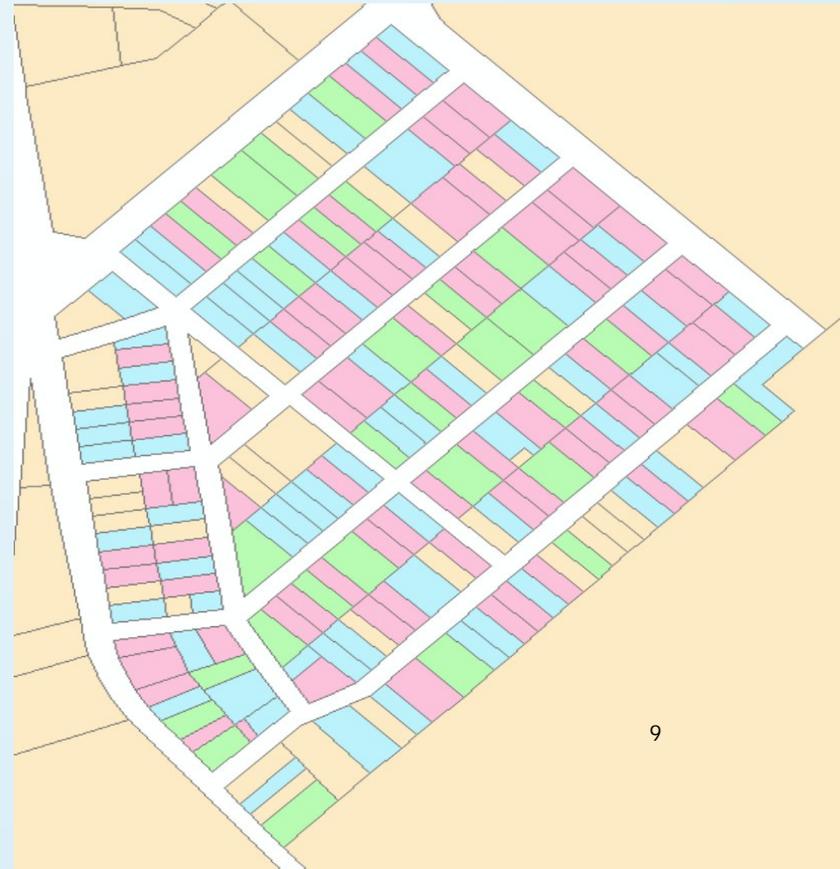


Residential Areas Comparison Wallace Addition

Existing Rate
Structure



Proposed Rate Structure



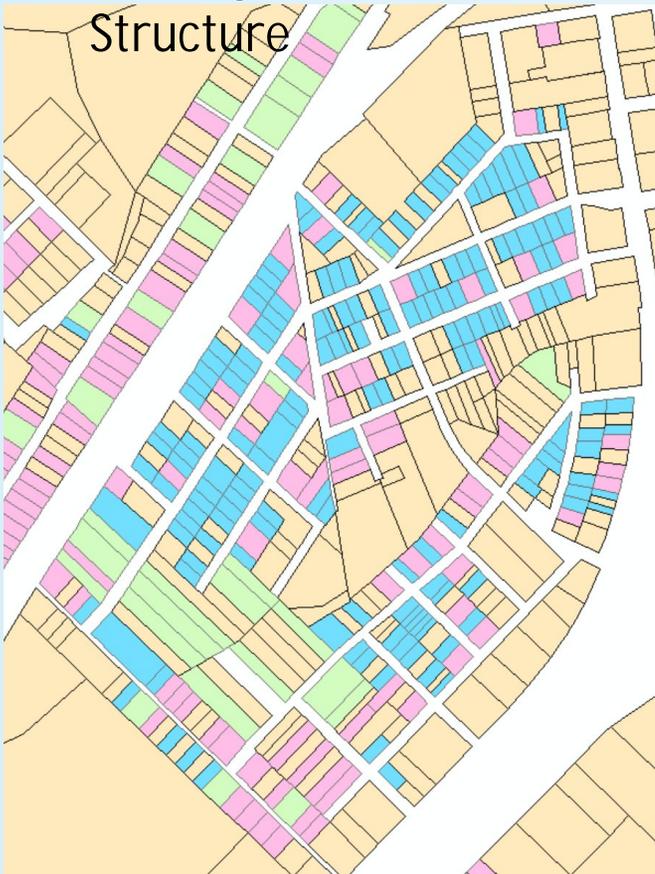
TIER R1: BLUE

TIER R2: PURPLE

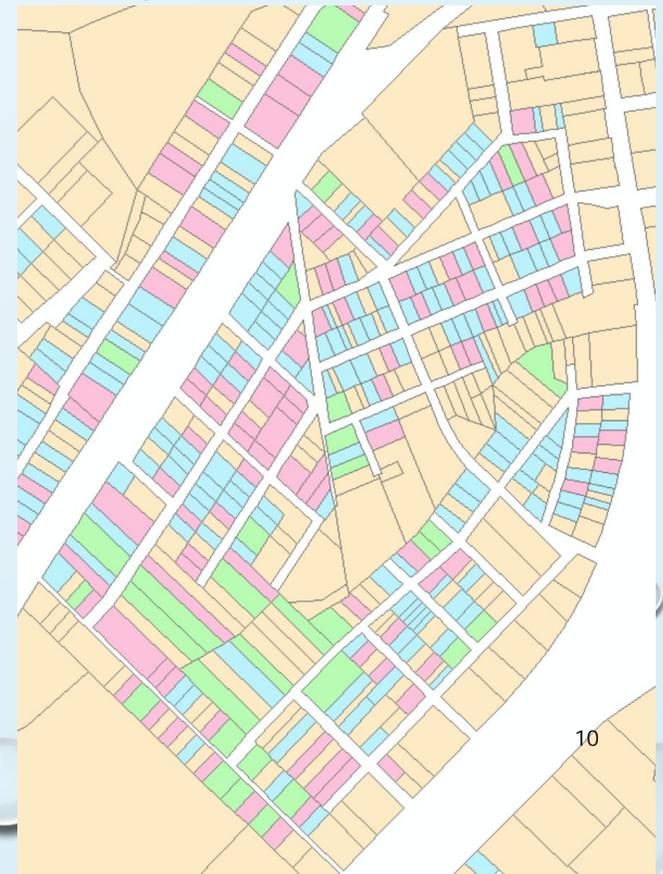
TIER R3: GREEN

Residential Areas Comparison Victory Gardens

Existing Rate
Structure



Proposed Rate Structure



TIER R1: BLUE

TIER R2: PURPLE

TIER R3: GREEN

Summary of Billing Changes:

- Bill for uninterrupted stormwater impervious cover even in the absence of other active utility service (electrical, water, wastewater.)
- Enforcement for non-payment in the absence of other utility connections.
- Parcels that contain more than 1 stormwater account will have fee apportioned between accounts based on impervious cover associated with each account.
- Bill owner of record for residential parcels with 5+ units.
- Clarifies credits for improvements.



Summary of MS4 Changes:

- Updates definition of stormwater facility to structural control.
- Changes frequency of inspection from annual to once every 3 years following a passing inspection in 2020.



Next Steps on Stormwater Utility:

- Finalizing rate model and funding options
- Rate model update to Finance & Audit Committee
- Discussion and direction on FY 2021 rate increase with June 30th Budget Workshop
- Public outreach on ordinance changes June - September



Legislation Text

File #: Ord. 2020-42(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-42, on the second of two readings, adopting Youth Programs Standards of Care for 2020; providing a severability clause; declaring an effective date.

Meeting date: June 16, 2020

Department: Parks and Recreation

Amount & Source of Funding

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: Public Hearing held on June 2, 2020 with approval on first reading with amendments. These amendment is highlighted below and within the Ordinance attached.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Youth Master Plan

Background Information:

The State of Texas Human Resources Code Chapter 42 exempts certain after-school and summer recreation programs from state licensing requirements as identified in Subsection 42.041(14) stating "an elementary-age (ages 5-13) recreation program operated by a municipality provided the governing body of the municipality annually adopts standards of care by ordinance after a public hearing for such programs, that such standards are provided to the parents of each program participant, and that the ordinances shall include, at a minimum, staffing ratios, minimum staff qualifications, minimum facility, health, and safety standards, and mechanisms for monitoring and enforcing the adopted local standards; and further provided that parents be informed that the program is not licensed by the state and the program may not be advertised as a child-care facility;"

The City of San Marcos Parks and Recreation Department offers elementary-age day camp programs for children ages 5-13. The Texas Legislature requires municipal day camp youth programs for these ages to meet day care licensing requirements or file for an exemption (Section 42.041 (b) (14) of the Human Resources Code). To receive exempt status, a municipality must submit a copy of program standards, a notice of a public hearing for the program and a copy of the ordinance adopting the standards.

Youth Programs Standards of Care will provide basic child care regulations for day camp activities operated by the San Marcos Parks and Recreation Department. This will allow the department to qualify as exempt from requirements of the Texas Human Resources Code.

The Standards of Care include:

- Staff ratios
- Minimum staff qualifications
- Minimum facility, health, and safety standards
- Mechanisms for monitoring and enforcing the adopted local standards
- Provide notice to parents that the day camp program is not licensed by the state

RECOMMENDATIONS FOLLOWING 1st Reading:

Section I. Health (B) Amendment:

The City Council approved the addition of the following language to the Youth Programs Standards of Care Ordinance during the first reading on June 2, 2020:

B. Participants and Program Staff will follow all Centers for Disease Control Guidelines.

Following analysis, Staff believes that this amendment is too vague, and needs to be expanded upon. The reason being that the Centers for Disease Control (CDC) does not truly have guidelines, they offer what they call "considerations", only for Influenza (Flu) and COVID-19.

Staff believes that the intent of the amendment was to ensure camp administrators are helping to protect campers, staff and the community from the spread of COVID-19 and recommends the following language be considered in place of the previously approved amendment:

- B. Participants and Program Staff will implement personal prevention practices (such as handwashing and staying home when sick) and environmental cleaning and disinfection as recommended by the follow all Centers for Disease Control to prevent the spread of communicable diseases Guidelines.

Recommendation related to Section V. Nutrition:

Staff spoke with San Marcos Consolidated School District's Director of Child Nutrition Services, Mike Boone, and he provided that these standards are consistent with the dietary guidelines followed by SMCISD as prescribed by the United States Department of Agriculture and their 2015-2020 Dietary Guidelines for Americans.

Council Committee, Board/Commission Action:

N/A

Alternatives:

Click or tap here to enter text.

Recommendation:

Approve the Youth Standards of Care Policy.

ORDINANCE NO. 2020 - ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS , TEXAS ADOPTING YOUTH PROGRAMS STANDARDS OF CARE FOR 2020; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE

Recitals:

1. The City's Parks and Recreation Department has determined that certain minimum standards of care are necessary to health, safety, and welfare of individuals participating in youth recreation programs; and

2. The State of Texas Human Resources Code Chapter 42 exempts certain after-school and summer recreation programs from state licensing requirements as identified in Subsection 42.041(14) stating "an elementary-age (ages 5-13) recreation program operated by a municipality provided the governing body of the municipality annually adopts standards of care by ordinance after a public hearing for such programs, that such standards are provided to the parents of each program participant, and that the ordinances shall include, at a minimum, staffing ratios, minimum staff qualifications, minimum facility, health, and safety standards, and mechanisms for monitoring and enforcing the adopted local standards; and further provided that parents be informed that the program is not licensed by the state and the program may not be advertised as a child-care facility;" and;

3. The City Council of the City of San Marcos has determined that Youth Programs Standards of Care will be beneficial to the City of San Marcos and should be adopted as recommended by Staff; and

4. The City Council of the City of San Marcos, Texas has the authority under its Home Rule Charter and under the laws of the State of Texas to adopt regulations aimed to protect the health, safety, and general welfare of its citizens.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The following standards of care are adopted by ordinance

Youth Programs Standards of Care

**CITY OF SAN MARCOS YOUTH PROGRAMS
STANDARDS OF CARE**

I. PURPOSE

To provide basic childcare regulations for recreation activities operated by the San Marcos Parks and Recreation Department. This will allow the department to qualify as exempt from requirements of the Texas Human Resources Code.

II. DEFINITIONS

- A. City** - City of San Marcos
- B. City Council** - City Council of the City of San Marcos, Texas
- C. Department** - Department of the City of San Marcos
- D. Youth Program(s)** - City of San Marcos Youth Programs that last one consecutive week (five days) or longer.
- E. Operations Manual** - Notebook of policies, procedures, required forms, organizational and programming information relevant to City of San Marcos Youth Programs.
- F. Program Manual** - Notebook of information given to Activity Leaders which includes rosters, attendance sheets, lesson plans, disciplinary action forms, etc.

- G. Director** - City of San Marcos Parks and Recreation Department Director or his/her designee.
- H. Program Coordinator or Coordinator** - City of San Marcos seasonal, temporary staff who has been assigned administrative responsibility for a City of San Marcos Youth Program.
- I. Program Assistant Coordinator or Assistant Coordinator** – City of San Marcos seasonal, temporary staff, who has been assigned responsibility to implement the City's Youth Programs under the general supervisor of the Program Coordinator.
- J. Program Site Supervisor or Site Supervisor** - City of San Marcos seasonal, temporary staff who has been assigned responsibility to implement the City's Youth Programs.
- K. Activity Leader** – City of San Marcos seasonal staff, temporary staff who has been assigned responsibility to implement the City's Youth Programs.
- L. Program Site** - Area or facilities where City of San Marcos Youth Programs are held.
- M. Participant** - A youth whose parent(s) or guardian(s) have completed all required registration procedures and are determined to be eligible for a City of San Marcos Youth Program.
- N. Parent(s)** - This term will be used to represent one or both parent(s) or guardian(s) who have legal custody and authority to enroll their child(ren) in the City of San Marcos Youth Program.
- O. Program Staff** - Term used to describe the person or persons who have been hired or have volunteered to work for the City of San Marcos and have been assigned responsibility for managing, administering, or implementing some or all portions of the San Marcos Youth Programs. This definition also includes Program Coordinator, Program Assistant Coordinator, Program Site Supervisor, and Activity Leader.

III. ORGANIZATION

- A.** Implementation of the San Marcos Youth Programs Standards of Care is the responsibility of the Director and Program Staff.
- B.** Youth Programs to which these Standards of Care will apply are Spring Break Camp, Summer Fun, Discovery Camp, Camp Quest, Holiday Camp, and other non-school day programs that last one consecutive week (five days) or longer.
- C.** Each Program Site will have a current copy of the Standards of Care available for the public and Program Staff.
- D.** Parents of Participants will be given access to a current copy of the Standards of Care prior to the start of the Youth Program, preferably during the registration process.
- E.** Criminal background checks will be conducted on prospective Program Staff. If results of the criminal check indicate that an applicant has been convicted of any of the following offenses, he or she will not be considered for employment:
 1. A felony or a misdemeanor classified as an offense against a person or family,
 2. A felony or a misdemeanor classified as public indecency,
 3. A felony or a misdemeanor violation of any law intended to control the possession or distribution of any controlled substance,
 4. Any offense involving moral turpitude, or
 5. Any offense that would potentially put the City of San Marcos or participants at risk.
 6. In addition, checks of the Texas Department of Public Safety database for the Texas Sex Offender Registration Program will be conducted on prospective Program Staff. If results of the check indicate that an applicant is a registered sex offender, he or she will not be considered for employment.

IV. FISCAL MANAGEMENT

- A. The program will follow the written policies and procedures of fiscal management set forth by the City of San Marcos.
- B. The program will have sound fiscal management and operational oversight of the program.
- C. The program will have a written budget.
- D. Financial statements of the program will be reviewed regularly by the Director and adjustments will be made as needed.

V. STAFFING

A. Program Coordinator-Job Descriptions and Essential Job Functions

Essential Job Functions:

- 1. Supervises Assistant Site Supervisor and Activity Leader positions; trains and educates workers concerning City and departmental policies and procedures; supervises and administers program activities on playground campus site for youth program participants.
- 2. Supervises and trains summer workers about City and Parks and Recreation policies and procedures; manages and administers the Youth Program.
- 3. Prepares and schedules on and off campus site activities.
- 4. Drives to each activity site to supervise and train employees; oversees, administers and monitors program activities. Maintains program documentation and responds to "on-call" situations.
- 5. On-call 24 hours for any problem or situation which may arise which involves the Youth Program and activities.
- 6. Other Miscellaneous Duties: Parent and child counseling.

Minimum Requirements:

- 1. An Associate's Degree in Education, Recreation Administration, or related field is required. Commensurate combination of education and experience may be considered.
- 2. Two years' supervisory experience working with children in recreation and/or education setting is required.
- 3. Valid Texas Driver's License with acceptable driving record.
- 4. CPR/First Aid Certification is required during week of training- administered by COSM
- 5. Required to do Community Services
- 6. Required to work a full 10 weeks with the program.

B. Program Assistant Coordinator-Job Descriptions and Essential Job Functions

Essential Job Functions:

- 1. Assists with the supervision and training of summer workers about City and Parks and Recreation policies and procedures; assists with the management and administration of the Youth Program.
- 2. Schedules arts and crafts classes at playground sites and orders supplies and equipment.
- 3. Assists in preparing and scheduling on and off campus site activities for school age children at sites.

4. Drives to each activity site to supervise and train employees; monitors program activities, and responds to on-call situations; schedule bus transportation to all off campus activities.
5. Other Miscellaneous Duties: Occasional parent and child counseling.

Minimum Qualifications:

1. Associate's Degree in Education, Recreation Administration or related field is required. Commensurate combination of education and experience may be considered.
2. One-year supervisory experience working with children in a recreation and/or educational setting is required.
3. Valid Texas Driver's License with acceptable driving record.
4. CPR/First Aid Certification is required during week of training- administered by COSM
5. Required to do Community Services.
6. Required to work a full 10 weeks with the program

C. Program Site Supervisor- Job Descriptions and Essential Job Functions

Essential Job Functions

1. Supervises Assistant Site Supervisor and Activity Leader positions; trains and educates workers concerning City and departmental policies and procedures; supervises and administers program activities on playground campus site for participants.
2. Performs child supervision duties for both on and off campus activities; administers first aid; enforces safety rules; fills out necessary forms and paperwork; and performs safety inspections daily.
3. Encourages participation in activities, ensures children are accounted for at all times, and adheres to safety policies and procedures including pickup and drop off of children.
4. Organize and supervise recreational program activities on playground campus sites and offsite including structured activities; bowling, swimming, movies, and special field trips including transporting kids by bus.
5. Maintains program site area; cleans floors, picks up trash; cleans bathrooms and performs other janitorial work as needed.

Minimum Qualifications:

1. High school diploma or GED equivalent
2. Two (2) years related experience required
3. Must possess a valid Texas Driver's License with acceptable driving record.
4. Ability to learn and administer first aid
5. Required to do some community outreach
6. Required to work a full length of the program.

D. Activity Leader - Job Descriptions and Essential Job Functions

Essential Job Functions:

1. Performs child supervision duties for both on and off campus program activities; administers first aid; enforces adherence to safety rules; fills out handwritten forms; performs safety inspections daily.
2. Administers recreation activities on a playground campus site including structured activities; bowling, skating, swimming, movies and special field trips.
3. Maintains program site area; cleans floors; picks up trash; cleans bathrooms and performs other janitorial work as needed.

Minimum Qualifications:

1. Must be at least 16 years of age.
2. Required to do some community outreach
3. Required to work a full length the program.

E. Training/Orientation

1. The Department is responsible for providing training and orientation to Youth Program staff in working with Participants and for specific job responsibilities. Coordinators will provide each Leader with a Staff Handbook specific to each Youth Program.
2. Program Staff must be familiar with the Standards of Care for Youth Programs as adopted by the City Council.
3. Program Staff must be familiar with the Youth Program's policies, including discipline, guidance, and release of Participants as outlined in the Staff Handbook.
4. Program Staff will be trained in appropriate procedures to handle emergencies.
5. Program Staff will be trained in areas including City, Department, and Youth Program policies and procedures, recreation activities organization, safety issues, program organization, and other areas as required by assigned Youth Program.
6. Program Staff will be required to sign an acknowledgment that they received the required training.

F. Criminal Background Checks and Drug Testing: Criminal background checks will be conducted on prospective employees. Applicants may be disqualified if they have a job related criminal conviction. A prospective employee will be subject to a drug test prior to hiring.

G. Before being hired, applicants must successfully complete a qualifying interview, clear a criminal history background check and pass a drug test.

H. Staffing Ratios:

1. In a Youth Program, the standard ratio of Participants to Program Staff is 15 to 1, based on average daily attendance. In the event a Leader is unable to report to the Program Site, the Coordinator will assign a replacement.
2. Ratios may be adjusted to provide adequate supervision during higher risk activities, such as field trips, swimming, etc.
3. Each Participant will have a Program Staff who is responsible for him or her and who is aware of details of the Participant's habits, interests and any special needs as identified by the Participant's Parents during the registration process.

VI. PROGRAM OPERATIONS

A. Enrollment

1. Before a child can become a Youth Program Participant, a parent or guardian must register their child and provide the following information:
 - A. Name, address, cell phone, work phone, and home telephone numbers;
 - B. Contact names and telephone numbers in case of emergency;
 - C. The names and telephone numbers of people to whom the child can be released;
 - D. A statement of the child's special conditions and/or needs;
 - E. Emergency medical authorization with doctor's name and telephone number;
 - F. A signed liability waiver;
 - G. A signed release to participate in Youth Programs, including water activities, riding the bus, bowling, movies, and field trips;
 - H. Designation of need for reasonable accommodations;
 - I. Signed acknowledgement of program code of conduct; and
 - J. Proof of date of birth
 - K. Week(s) of participation
 - L. Whether or not photography of the Participant is permitted

B. Special Needs

1. The parent should inform Program Staff in writing of any Participant needs that would affect their ability to participate in organized group activities.
2. The City is committed to providing children with an equal opportunity to participate in the City's programs and services in accordance with the Americans with Disabilities Act (ADA). Any requests for accommodations will be individually assessed to determine the reasonableness of the request, and if the City can meet the particular needs of the Participant without fundamentally altering the program or services involved. Every reasonable accommodation will be made to address Participants with special needs.

C. Field Trips & Transportation

1. Program Staff will be attentive and considerate of the Participant's safety on field trips and during any transportation provided by the Youth Program.
2. During field trips, Program Staff will have authorization for emergency medical care and emergency contact information for each Participant.
3. Program Staff will have a written list of the Participants in their group and must check the roll frequently, specifically before departure to and from destination.
4. Program Staff will have first aid supplies.
5. Before a Participant can be transported to and from City sponsored activities, the parent must give their permission.
6. First aid supplies will be available in all Youth Program vehicles that transport Participants.
7. There will be at least one staff member in the vehicle that is certified in CPR, First Aid, and AED.
8. Before a participant may be transported to or from a city-sponsored activity, a transportation form, completed by a parent of the participant, must be filed with a coordinator.

9. Every program vehicle used for transporting youth participants must be equipped with:
 - a. First aid supplies and a first aid emergency care guide that are easily accessible to program employees in the vehicle; and
 - b. An operable fire extinguisher that is installed in the passenger compartment of the vehicle and that is easily accessible to program employees in the vehicle.

D. Participant Pick Up & Drop Off

1. A completed and signed registration form, including pick-up authorization, must be on file for each Participant.
2. These forms must be updated each year.
3. The original signer of the Pick-Up Authorization Form may contact the center by email or in person to add a new Authorized Person, with written notification.
4. Participants must only be signed out by an Authorized Person listed on the Pick-Up Authorization Form. One staff person must monitor the sign in/out duties each day.
5. Authorized Persons must present picture ID to pick up a Participant.
6. Authorized persons must be 18 or older unless the person is 16 or older and a sibling of the Participant.
7. Sign in/sign out sheets will be kept by the Parks and Recreation Department for two years after the Youth Program has ended.
8. Participants may be signed out by a custodial parent, unless court paperwork is given to Program Staff.
9. Participants must be picked up by the end of the assigned Youth Program. If a child is picked up after 5:30 PM, a late fee will be assessed at a rate of \$6 for every 15 minutes. If a child has not been picked up within thirty (30) minutes after the program has ended and a parent/legal guardian or emergency contact cannot be reached, the police will be called.
10. If an Authorized Person attempts to pick up a Participant while appearing intoxicated, staff will ask if there is another person who can pick up the Participant.
11. If any unauthorized person attempts to pick up a child, staff should:
 - a. Call the Program Coordinator.
 - b. Politely inform the person that they do not have permission to release the child to them.
 - c. Ask the person to leave.
 - d. Move the Participant at risk to another room or area.
 - e. Have another Program Staff in the pick-up area.
 - f. The Coordinator should call the original Authorized Person to inform them of the unauthorized pick up attempt.
 - g. If necessary, Program Staff should call 911.

E. Discipline

1. Program Staff will execute discipline and guidance in a consistent manner based on the best interests of Participants.
2. There will be no cruel treatment or harsh punishment (physical or verbal abuse). Examples of discipline that IS NOT allowed include, but are not limited to:
 - a. Using physical punishment or any action administered to the body such as, but not limited to rough handling, or forcing child(ren) to assume an uncomfortable position,

- b. Restraining movement by tying, enclosing in a confined space, shaking, or using exercise as punishment.
 - c. Being verbally abusive, including, but not limited to, threats, belittling remarks, humiliation, embarrassment, or frightening a child.
 - d. Giving any child the authority to punish another child.
 - e. Placing a child out of visual/hearing range, in the dark, or in an unventilated area.
 - f. Punishing a child for a toileting accident.
 - g. Taunting a child by or any other form of jeering.
 - h. Giving preferential attention to any child over another child.
3. To protect a child from injuring themselves, other Participants, or Program staff, the child may be removed and/or isolated if deemed necessary.
 4. Program Staff will use brief, supervised, separation (time out) from the group, if necessary.
 5. Discipline Guidelines:
 - a. **First intervention**
 - a. Program staff will counsel the participant concerning behavior expectations, the appropriate behavior and the possible consequences for the behavior demonstrated.
 - b. **Second intervention**
 - a. The participant will not be allowed to participate in activities for 5 to 10 minutes (length of time will vary according to the behavior).
 - c. **Third intervention**
 - a. Assistant Site and/or Site Supervisor will talk to the parent, or person designated to pick up the participant concerning behavior.

The first three could take place in a short period of time depending on the response of the participant.

- d. **Fourth intervention**
 - a. A one to three day suspension could be determined by Program Coordinator and Site Supervisor, depending on the severity of the behavior or incident. A parent conference may be required.
 - b. If you received a Discipline Notice, your child will not be able to return to camp until parents have met with Program Coordinator.
- e. **Fifth intervention**

Participant will be dismissed from program for the remainder of the summer.

6. Serious offenses include, but are not limited to:
 1. Disrespectful behavior toward other participants and program staff
 2. Leaving the defined boundaries of site or field trip facility
 3. Refusal to follow rules, policies and staff directions
 4. Physical/Verbal abuse (BULLYING) or any sort of threat WILL NOT BE TOLERATED and are grounds for dismissal from the program.
 5. Possession of anything that can be considered a weapon.
 6. Inappropriate or sexually provocative behaviors.
 7. Possession of over the counter, illegal drugs or unauthorized prescription drugs, tobacco, or alcohol
 8. Serious offenses will SKIP interventions 1 through 3 and may lead to suspension or dismissal.

Serious offenses will NOT BE TOLERATED and are grounds for IMMEDIATE dismissal from the program.

7. The following rules have been designed to provide a fun, safe and healthy environment for all children in the program. Parents are asked to read and share these procedures with their children.
 - a. Children will be required to follow program rules as well as any rules posted at field trip sites.
 - b. Children will not be allowed to show disrespect to staff or other children through actions or words.
 - c. Leaving the defined boundaries of any site or field trip facility will not be allowed.
 - d. Abusive language, mishandling of equipment, defacing of property and theft is not acceptable behavior.
 - e. Children will not be allowed to be physically or verbally abusive to other children.
 - f. Over the counter, illegal drugs or unauthorized prescription drugs, tobacco, or alcohol are not permitted on site.
 - g. Any weapon of any nature found in the possession of a child will be permanently confiscated and the child will be removed immediately from program and may be reported and subject to action by local law enforcement authorities.
 - h. Inappropriate or sexually provocative behaviors will not be tolerated and may be reported to and subject to action by the appropriate authorities.
 - i. Each child will help clean up after every activity.
 - j. If parents would like to bring a special treat for their child's birthday or other special events, they must notify the Site Supervisor two days prior to the event.

VII. FACILITY STANDARDS

A. Inspection/Monitoring/Enforcement

1. Program staff will perform an inspection of the facility prior to the start of the Youth Program to maintain compliance with the Standards of Care.
2. Program staff will report any issues within the facility using the forms created and available for that use.

B. Program Area

1. The Youth Program's indoor space (when applicable) meets the physical, social, emotional, and cognitive needs of Participants.
2. The Youth Program's outdoor space (when applicable) is large enough, appropriately equipped, and safe to allow Participants to be active and independent.
3. The Youth Program's space meets the needs related to planning, activities, and storage.
4. Buildings, grounds, and equipment on the Program Site are regularly inspected, cleaned, repaired, and maintained to protect Participants' health.

VIII. HEALTH & SAFETY

I. Health

A. Illness or Injury

1. A Participant who is considered to be a health or safety concern to other Participants or Program Staff will not be admitted to the Youth Program.
2. Illnesses and injuries will be handled in a manner to protect the health of all Participants and Program Staff. Participants having a temporal fever over 100.4 degrees will not be allowed back into the Youth Program for 24 hours.
3. Program Staff will follow emergency procedures for injured Participants or for Participants with symptoms of an acute illness.
4. In the event of an emergency and/or serious accident, Parents will be notified immediately. If necessary, the local ambulance service will transport the Participant to the nearest hospital.
5. In the case of a minor accident or injury (bumps and bruises), the Program Staff will administer first aid, monitor the Participant, and notify the Parents at pick-up.
6. Parents will be notified if a child is injured in a way that necessitates emergency care.
7. Program Staff will follow the recommendations of the Texas Department of State Health Services concerning the admission or readmission of any Participant after a communicable disease, and a doctor's note will be required allowing Participant's readmission to the program.
8. Parents should notify Program staff if a child has lice. Lice checks will be administered randomly and when needed. Any child found with lice will discreetly be sent home and letter will be sent out to camp parents. Child will be unable to return to camp until lice and nits have been removed. They will be checked by staff upon return.
9. If a Participant becomes sick while in the program, the Parent or Authorized Person(s) must contact staff within one hour to arrange pick up. If no contact is made within one hour after initial contact by staff, the police will be notified.

B. Participants and Program Staff will follow all Centers For Disease Control Guidelines

II. Safety

- A. Program Staff will supervise Participants to ensure their safety.
- B. Program Staff will inspect Program Sites daily checking for sanitation and safety concerns that might affect the health and safety of Participants.
- C. Program Site equipment and supplies will be safe for Participants use.
- D. Program Staff will have first aid supplies available at each Program Site in a designated location, during transportation, and for the duration of any off-site activity.
- E. The Youth Program will ensure that all Program Staff working with participants are trained in CPR, First, and AED.
- F. Participants will have access to clean drinking water at all times.
- G. Program Site air conditioners, electric fans, and heaters will be mounted out of Participant's reach or have safeguards that keep Participants from being injured.

III. Emergencies

Fire/Required Evacuation

If there is a fire at on campus during camp hours follow the following steps:

- Have the children line up silently at nearest exit.
- Exit building to a secure location a safe distance away from the school.
- Call 911.
- Call Program Coordinator.
- In the event that the facility must be evacuated parents will be notified by phone of the pick-up location.

Finding a Participant with a Weapon

If you find a participant with a weapon (i.e. knife, gun, stun gun, fire crackers) in their bag or on them, seclude the child immediately. Call 911, wait for police to arrive and follow their instructions. Notify your Program Coordinator immediately.

Missing Child

If any staff suspects a child is missing, notify the Site Supervisor immediately.

Site Supervisor will:

- Have all children sit down and call roll.
- Notify Activity Leaders of situation and have them check the restrooms and all surrounding facilities.
- Notify Program Coordinator.
- If unable to locate child after trying all of the above, contact child's parents.
- Upon permission from parents, call 911.

Outside Influenced Dangers

- Intoxicated persons should be asked to leave the area by the site supervisor. Because of the unpredictability of the behavior of an intoxicated person, the police should be called to help with the situation no matter what its severity is.
- Disturbances: Disturbances originating outside the jurisdiction of the program and affecting patrons of the facility or program should be referred to the proper authorities
 - SMPD Non-Emergency Phone: 512-753-2101, #1
- Animals: Wild or stray animals on site grounds, call SM Animal Control at 512-805-2655
- Theft: All thefts should be reported to the Site Supervisor and Program Coordinator. The proper action will be taken in response to the level of theft determined by the Program Coordinator.

Severe Weather Procedures

- **Thunderstorm/Lightning**
In the event of lightning or a thunderstorm, take all participants inside. Do not allow children go outside until the storm has passed.
- **Tornado**
If a tornado watch is in effect for Hays County, all participants are to stay indoors. If a tornado warning is issued for Hays County, the Program Coordinator will call each site. When you receive this call, immediately have the children follow the tornado procedures:

- o Children line up silently and walk to the nearest restroom or inner most room of the building.
- o If you are in a restroom, have children line up against the wall(s), face the wall, duck down sitting on their knees and place their head as far in their lap as possible. Have all children place their hands over their heads covering their ears and neck.
- o When the tornado warning expires, you will receive a call from one of the Program Coordinator to let you know it is okay to return to camp activities.

IV. Communication

- A. Each remote Program Site will have a cell phone to allow the Program Site to be contacted by Program Staff. Each Program Site will have access to a telephone for use in contacting Program Staff or making emergency telephone calls. At each Program Site the Coordinator will post the following telephone numbers adjacent to a telephone accessible to all Program Staff:
 1. City of San Marcos ambulance or emergency medical services
 2. City of San Marcos Police Department
 3. City of San Marcos Fire Department
 4. Parks and Community Services Department Administrative Office
 5. Telephone numbers and address for the Program Site itself
 6. Telephone number of Coordinator's office
 7. Program participants' emergency contact information
 8. Poison Control

V. Nutrition

- A. The program will follow the Texas Department of Agriculture Food and Nutrition Guidelines when meals are provided by the City of San Marcos Nutrition Program. Additionally, in keeping with Healthy Eating and Physical Activity (HEPA) Standards, the program will:
 1. Serve whole grain-rich products.
 2. Provide plain potable water at all times at no cost to youth and staff.
 3. Serve plain low-fat milk, plain or flavored nonfat milk or milk alternative limited to 8 fluid ounces per day for elementary school students and 12 fluid ounces per day for middle and high school students.
 4. Serve only 100% fruit or vegetable juice with no added sweeteners or 100% juice diluted with water with no added sweeteners.
 5. Serve only non-caffeinated beverages.
- B. Breakfast and lunch will be provided through San Marcos CISD Child Nutrition Services.
- C. Special snacks may be provided during the program. Parents must note any food allergies on Participant's registration form.
 1. Food brought from home may only be shared between siblings.

VI. Suspected Abuse

- A. Program Staff will receive basic training related to child abuse prevention and how to report suspected abuse.
- B. Concerns about a child should be brought to the attention of the Program Coordinator. The Program Coordinator will then collect all relevant information by:
 1. Talking to staff involved with the child for input and information

2. Talking to parents/guardians (if appropriate)
 3. Contacting the Youth Services Manager to discuss if a report needs to be filed
- C. If deemed necessary, the Youth Services Coordinator will report suspected child abuse to the Texas Department of Family and Protective Services, in accordance with the Texas Family Code, telephone number, 1-800-252-5400 or filing a report at https://www.txabusehotline.org/Login/WebSite_UI/Report-anon.aspx.

VII. Toilet Facilities

- A. The Program Site will have toilets located and equipped so Participants can use them independently and Program Staff can monitor as needed.
- B. An adequate number of lavatories will be provided.

VIII. Sanitation

- A. The indoor Program Sites must have adequate light, ventilation, air conditioning and heat.
- B. The Program Site will have an adequate supply of water meeting the Texas Department of State Health standards for drinking water. Water will be supplied to the Participants in a safe and sanitary manner.
- C. All waste matters will be kept in a leak-proof container.

SECTION 2. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

SECTION 3. This Ordinance shall become adopted and effective upon its second reading and compliance with the City Charter.

PASSED AND APPROVED on first reading this 2nd day of June, 2020.

PASSED, APPROVED, ADOPTED on second reading this 16th day of June, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney



Legislation Text

File #: Ord. 2020-43(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-43, on the second of two readings, reclassifying and increasing the rank of the firefighter position assigned to the Fire Prevention Division, from the rank of firefighter to the rank of engineer in accordance with Section 143.021 of the Texas Local Government Code; amending the Fire Department staffing table maintained by the City Clerk in accordance with Section 2.373 of the San Marcos City Code to reflect such reclassification; providing a savings clause; providing for the repeal of any conflicting provisions; and providing an effective date.

Meeting date: June 16, 2020

Department: Fire Department

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Approved on 1st reading on June 2, 2020

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Choose an item.

- Core Services
 Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

In March of 2018, we began the process of reintegrating the Fire Prevention Division back into the Fire Department. At that time, in keeping with our para-military rank structure and moving from all civilian personnel to sworn personnel, we requested two captain's positions, one engineer position, and one firefighter position. Since that time, we have come to realize that both the engineer and firefighter positions perform the same functions. There is no operational or job performance differences between the Fire Prevention positions of firefighter and engineer.

The purpose of this ordinance is to reclassify/increase the rank of the firefighter position, which is assigned to Fire Prevention, from the rank of firefighter to the rank of engineer. We have also decided that, moving forward, we will only request/assign positions of engineer or above to the Fire Prevention Division due to the job knowledge, skills, and abilities required to excel in this position.

The justification for this is as follows:

- Each position is required to drive safely to and from emergency calls, training, and routine assignments; which is a requirement of the Engineer position.
- Both positions are required to direct and coordinate activities related to Fire Prevention duties.
- Fire Inspector is a required certification for the position of Engineer; therefore, the Firefighter position in Fire Prevention requires certifications of the Engineer position.
- Both positions are required to: utilize department software; inspect buildings for hazards and compliance with adopted fire codes; engage in public education; and assist in the resolution of problems or questions from Fire Department staff, City administrators, and/or the public.

More specifically, Robert Dallimore is currently in the firefighter position and has achieved a passing score on the engineer's Civil Service exam and is eligible to promote to engineer. If this position is reclassified/upgraded, Dallimore has agreed to a five-year commitment of being assigned to Fire Prevention unless he promotes to Captain within the provisions of Civil Service. The advantages of maintaining Mr. Dallimore in Fire Prevention, while reclassifying him to Engineer are:

- The financial investment in Dallimore, which would have to be re-invested in an additional employee would be in excess of \$20,000 in just training courses and the wages associated with the training;
- The difference in pay as a result of the reclassification will be less than \$7,700 annually;
- Dallimore is currently enrolled in a Peace Officer academy to further his effectiveness as a fire/arson investigator within the Fire Prevention division;
- Transferring Dallimore back to Operations and training a new person in the position would result in lost productivity while training the replacement;
- When classified as a firefighter, the position would be a “revolving door” and require constant replacement and training;
- Also, Dallimore has established excellent working relationships with Fire Department personnel, developers, contractors, and other City employees/departments. These relationships cannot have a value placed on them; and,
- Allowing the reclassification would also allow Fire Prevention to maintain an increased level of productivity by not having to train a new full-time person.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Approve the reclassification of this position.

ORDINANCE NO. 2020-43

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS RECLASSIFYING AND INCREASING THE RANK OF THE FIREFIGHTER POSITION ASSIGNED TO THE FIRE PREVENTION DIVISION, FROM THE RANK OF FIREFIGHTER TO THE RANK OF ENGINEER IN ACCORDANCE WITH SECTION 143.021 OF THE TEXAS LOCAL GOVERNMENT CODE; AMENDING THE FIRE DEPARTMENT STAFFING TABLE MAINTAINED BY THE CITY CLERK IN ACCORDANCE WITH SECTION 2.373 OF THE SAN MARCOS CITY CODE TO REFLECT SUCH RECLASSIFICATION; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF ANY CONFLICTING PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. In accordance with Section 143.021 of the Texas Local Government Code, the position of Firefighter assigned to the Fire Prevention Division is hereby reclassified and increased to the rank of Engineer.

SECTION 2. The Fire Department Staffing Table maintained by the City Clerk in accordance with Section 2.373 of the San Marcos City Code is amended as shown in Exhibit A, attached hereto and made a part hereof, to reflect such reclassification.

SECTION 3. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 4. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 5. This ordinance will take effect after its passage, approval and adoption on second reading.

PASSED AND APPROVED on first reading on June 2, 2020.

PASSED, APPROVED AND ADOPTED on second reading on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Approved:

Michael J. Cosentino
City Attorney

EXHIBIT A

FY20 Adopted Staffing Table - Fire Department

Public Safety Fire Operations	Positions				Full Time Equivalent			
	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20
Fire Chief	1	1	1	1	1.00	1.00	1.00	1.00
Assistant Fire Chief	2	2	2	2	2.00	2.00	2.00	2.00
Battalion Chief	5	5	5	5	5.00	5.00	5.00	5.00
Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Fire Captain	18	18	18	18	18.00	18.00	18.00	18.00
Fire Captain-Fire Marshal	2	2	2	2	2.00	2.00	2.00	2.00
Fire Engineer	15	18	18	18	15.00	18.00	18.00	18.00
Fire Engineer-Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Fire Fighter	30	36	36	36	30.00	36.00	36.00	36.00
Fire Fighter -Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Paramedic Program	0	0	0	1	0.00	0.00	0.00	1.00
GIS Analyst	1	1	0	0	1.00	1.00	0.00	0.00
Administrative Coordinator	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant-Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant	1	1	1	1	1.00	1.00	1.00	1.00
Total	78	89	88	89	78.00	89.00	88.00	89.00

Reclass of Fire Fighter Fire Marshal to Fire Engineer Fire Marshal

Public Safety Fire Operations	Positions				Full Time Equivalent			
	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20
Fire Chief	1	1	1	1	1.00	1.00	1.00	1.00
Assistant Fire Chief	2	2	2	2	2.00	2.00	2.00	2.00
Battalion Chief	5	5	5	5	5.00	5.00	5.00	5.00
Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Fire Captain	18	18	18	18	18.00	18.00	18.00	18.00
Fire Captain-Fire Marshal	2	2	2	2	2.00	2.00	2.00	2.00
Fire Engineer	15	18	18	18	15.00	18.00	18.00	18.00
Fire Engineer-Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Fire Fighter	30	36	36	36	30.00	36.00	36.00	36.00
Fire Engineer-Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Paramedic Program	0	0	0	1	0.00	0.00	0.00	1.00
GIS Analyst	1	1	0	0	1.00	1.00	0.00	0.00
Administrative Coordinator	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant-Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant	1	1	1	1	1.00	1.00	1.00	1.00
Total	78	89	88	89	78.00	89.00	88.00	89.00

FY20 Adopted Staffing Table - Fire Department

Public Safety Fire Operations	Positions				Full Time Equivalent			
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Fire Chief	1	1	1	1	1.00	1.00	1.00	1.00
Assistant Fire Chief	2	2	2	2	2.00	2.00	2.00	2.00
Battalion Chief	5	5	5	5	5.00	5.00	5.00	5.00
Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Fire Captain	18	18	18	18	18.00	18.00	18.00	18.00
Fire Captain-Fire Marshal	2	2	2	2	2.00	2.00	2.00	2.00
Fire Engineer	15	18	18	18	15.00	18.00	18.00	18.00
Fire Engineer-Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Fire Fighter	30	36	36	36	30.00	36.00	36.00	36.00
Fire Fighter-Fire Marshal	0	1	1	1	0.00	1.00	1.00	1.00
Paramedic Program	0	0	0	1	0.00	0.00	0.00	1.00
GIS Analyst	1	1	0	0	1.00	1.00	0.00	0.00
Administrative Coordinator	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant-Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant	1	1	1	1	1.00	1.00	1.00	1.00
Total	78	89	88	89	78.00	89.00	88.00	89.00

Reclass of Fire Fighter Fire Marshal to Fire Engineer Fire Marshal

Public Safety Fire Operations	Positions				Full Time Equivalent			
	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20	Actual 2017-18	Adopted 2018-19	Actual 2018-19	Adopted 2019-20
Fire Chief	1	1	1	1	1.00	1.00	1.00	1.00
Assistant Fire Chief	2	2	2	2	2.00	2.00	2.00	2.00
Battalion Chief	5	5	5	5	5.00	5.00	5.00	5.00
Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Fire Captain	18	18	18	18	18.00	18.00	18.00	18.00
Fire Captain-Fire Marshal	2	2	2	2	2.00	2.00	2.00	2.00
Fire Engineer	15	18	18	18	15.00	18.00	18.00	18.00
Fire Engineer-Fire Marshal	0	1	1	2	0.00	1.00	1.00	2.00
Fire Fighter	30	36	36	36	30.00	36.00	36.00	36.00
Paramedic Program	0	0	0	1	0.00	0.00	0.00	1.00
GIS Analyst	1	1	0	0	1.00	1.00	0.00	0.00
Administrative Coordinator	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant-Fire Marshal	1	1	1	1	1.00	1.00	1.00	1.00
Administrative Assistant	1	1	1	1	1.00	1.00	1.00	1.00
Total	78	89	88	89	78.00	89.00	88.00	89.00



Legislation Text

File #: Ord. 2020-44(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-44, on the second of two readings, amending section 2.421 of the San Marcos City Code by adding a new subsection (e) to clearly state that the policy and purpose statements in that section supporting the adoption of the San Marcos Code of Ethics shall not be cited, used, or considered by a citizen or by the ethics review commission as the basis of an ethics complaint filed against any officer or employee of the city; and declaring an effective date.

Meeting date: June 16, 2020

Department: City Attorney

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Approved on 1st reading on June 2, 2020

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The San Marcos Code of Ethics is a city ordinance that includes general policy and purpose statements that explain the need for having an ethics code and the benefits derived from adopting one. Those provisions are contained in Section 2.421 of the San Marcos City Code. A copy of that section is attached.

The San Marcos Code of Ethics also contains specific conflict of interest provisions, standards of conduct for officers and employees, and restrictions on former city employees. Those provisions are contained in Sections 2.423 through 2.426 of the San Marcos City Code. Violations of those provisions can be alleged by any San Marcos resident by means of an ethics complaint filed with the City Attorney's Office and presented to the Ethics Review Commission. A copy of Sections 2.423 through 2.426 are attached as background information.

As a relatively recent development, ethics complaints have been filed that are based on the general policy and purpose statements in Section 2.421 of the Code of Ethics instead of the specific provisions in Sections 2.423 through 2.426 of the code. Such complaints have included allegations having nothing to do with an officer or employee's performance of his or her official duties. Ethics complaints have been filed against city officials for expressing opinions on matters of public policy and, in one instance, for endorsing candidates for public office. The ethics ordinance was not intended to be used as a political weapon, to intimidate, or to embarrass city officials or employees.

This agenda item was posted for consideration of the attached ordinance amending Section 2.421 of the San Marcos City Code, by adding a new subsection (e), to clearly state that the policy and purpose provisions in that section cannot be cited, used, or considered by a citizen by the Ethics Review Commission as the basis of an ethics complaint against any officer or employee of the city.

Council Committee, Board/Commission Action:

This ordinance amendment was discussed by the City Council on May 19, 2020 and direction was given to bring forward the attached amendment to Section 2.421 of the San Marcos City Code as an ordinance for council's consideration. In addition, the San Marcos Ethics Review Commission met on May 13, 2020 and recommended amending Section 2.421 to prevent the policy and purpose statements in that section of the Code of Ethics from being cited, used, or considered by a citizen or by the Ethics Review Commission as the basis of an ethics complaint.

Alternatives:

Click or tap here to enter text.

Recommendation:

Adopt the ordinance as presented.

ORDINANCE NO. 2020-44

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING SECTION 2.421 OF THE SAN MARCOS CITY CODE BY ADDING A NEW SUBSECTION (E) TO CLEARLY STATE THAT THE POLICY AND PURPOSE STATEMENTS IN THAT SECTION SUPPORTING THE ADOPTION OF THE SAN MARCOS CODE OF ETHICS SHALL NOT BE CITED, USED, OR CONSIDERED BY A CITIZEN OR BY THE ETHICS REVIEW COMMISSION AS THE BASIS OF AN ETHICS COMPLAINT FILED AGAINST ANY OFFICER OR EMPLOYEE OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Section 2.421 of the San Marcos City Code is amended as set forth below. Underlining indicates added text.

Sec. 2.421. - Policy and purposes.

- (a) *General policy statement.* It is the policy of the city that all city officials and employees shall conduct themselves both inside and outside the city's service so as to give no occasion for distrust of their integrity, impartiality or devotion to the best interest of the city and the public trust which the city holds.
- (b) *Appearance of impropriety.* Public service is a public trust. All city officials and employees are stewards of the public trust. They have a responsibility to the citizens of the city to administer and enforce the City Charter and city ordinances. To ensure and enhance public confidence in city government, each city official and employee must strive not only to maintain technical compliance with the principles of ethical conduct set forth in this article and in state law, but also to avoid the appearance of impropriety at all times.
- (c) This code of ethics has five purposes:
 - (1) To encourage ethical conduct on the part of city officials and employees;
 - (2) To encourage public service with the city;
 - (3) To establish standards for ethical conduct for city officials and employees by defining and prohibiting conduct that is incompatible with the interests of the city;
 - (4) To require disclosure by city officials and employees of their economic interests that may conflict with the interests of the city; and
 - (5) To serve as a basis for disciplining those who fail to abide by its terms.
- (d) This code of ethics is not intended to be used as a political weapon or to intimidate or embarrass affected persons. The officials charged with administration of this code of ethics shall administer it in a manner that avoids any such use of this code of ethics.
- (e) This Section 2.421 is intended only to set forth the policy and purposes for adoption of the San Marcos Code of Ethics; it shall not be cited, used, or considered by a citizen or by the Ethics Review Commission as the basis of an ethics complaint filed against any officer or employee of

the city.

SECTION 2. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 3. All ordinances or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 4. This ordinance shall become effective upon adoption on second reading.

PASSED AND APPROVED ON FIRST READING on June 2, 2020.

PASSED, APPROVED, AND ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael J. Cosentino
City Attorney



Legislation Text

File #: Res. 2020-116R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-116R, approving the Texas Department of Transportation sponsored Public Transportation Agency Safety Plan and establishing safety performance targets for the City of San Marcos Public Transit Services in accordance with 49 CFR part 673; and declaring an effective date.

Meeting date: June 16, 2020

Department: General Services

Amount & Source of Funding

Funds Required: NA

Account Number: NA

Funds Available: NA

Account Name: NA

Fiscal Note:

Prior Council Action: NA

City Council Strategic Initiative: [Please select from the dropdown menu below]

Multi Modal Transportation

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Safe, Well coordinated transportation system implemented in an environmentally sensitive manner

Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

- City Council declared the City of San Marcos the direct recipient of Federal Transit Administration section 5307 urbanized area formula funds - (August 21, 2018)
- City Council formed an Urban Transit District on behalf of the San Marcos Urbanized Area in accordance with the Texas Transportation Code Chapter 458 - (August 20, 2019)
- The Federal Transit Administration approved the City as the direct recipient with an effective date of October 1, 2019 - (September 13, 2019)
- The Federal Transit Administration published the Public Transportation Agency Safety Plan (PTASP) Final Rule, 49 CFR 673, which took effect July 19, 2019 requiring direct recipients to establish a PTASP by July 20, 2020
- The Texas Department of Transportation has drafted the City of San Marcos PTASP on behalf of the City and in coordination with city staff and the Capital Area Rural Transportation Agency (CARTS)
- The City will administer, modify, and report on the PTASP requirements and CARTS will implement the operations and maintenance requirements of the plan

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of the Public Transportation Agency Safety Plan.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE TEXAS DEPARTMENT OF TRANSPORTATION SPONSORED PUBLIC TRANSPORTATION AGENCY SAFETY PLAN AND ESTABLISHING SAFETY PERFORMANCE TARGETS FOR THE CITY OF SAN MARCOS PUBLIC TRANSIT SERVICES IN ACCORDANCE WITH 49 CFR PART 673; AND DECLARING AN EFFECTIVE DATE

RECITALS:

1. Safety is a core business function of all public transportation providers and should be systematically applied to every aspect of service delivery, as the Federal Transit Administration (FTA) has adopted the principles and methods of Safety Management Systems (SMS) as the basis for enhancing the safety of public transportation in the United States.

2. On July 19, 2018 the FTA published the Public Transportation Agency Safety Plan (PTASP) Final Rule, 49 CFR Part 673, which took effect July 19, 2019 requiring all FTA Section 5307 recipient transit agencies to, within one calendar year after July 19, 2019, establish a PTASP that meets the requirements of Part 673.

3. The PTASP, and subsequent updates, must be signed by the Accountable Executive and approved by the agency's governing body, or an equivalent authority.

4. PTASP must document the processes and activities related to Safety Management System (SMS) implementation and include performance targets based on the safety performance measures established under the National Public Transportation Safety Plan, with those targets being shared with the Capital Area Metropolitan Planning Organization and the Texas Department of Transportation (TxDOT).

5. The initial PTASP for the City of San Marcos has been drafted by TxDOT per 49 CFR 673.11(d) and will remain in effect until the City of San Marcos has drafted the next version.

6. The City of San Marcos is dedicated to ensuring that the necessary processes are in place to accomplish both enhanced safety at the local level and the goals of the NSP, as the SMS helps organizations improve upon their safety performance by supporting the institutionalization of beliefs, practices, and procedures for identifying, mitigating, and monitoring safety risks.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. City of San Marcos City Council approves this PTASP and the tenets of SMS including a Safety Management Policy (SMP) and the processes for Safety Risk Management (SRM), Safety Assurance (SA), and Safety Promotion (SP), in accordance with 49 U.S.C. 5329(d)(1)(A).

PART 2. Safety has always been a primary function at the City of San Marcos and this PTASP lays out a process to fully implement and review an SMS on a yearly and ongoing basis in order to continue compliance with the PTASP Final Rule.

PART 3. This resolution shall be in full force and effect immediately from and after its adoption.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk



City of San Marcos

Public Transportation Agency Safety Plan

Version 1

Adopted June 16, 2020

In compliance with 49 CFR Part 673

**Developed in conjunction with the
Texas Department of Transportation**



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1. EXECUTIVE SUMMARY

Moving Ahead for Progress in the 21st Century (MAP-21) granted the Federal Transit Administration (FTA) the authority to establish and enforce a comprehensive framework to oversee the safety of public transportation throughout the United States. MAP-21 expanded the regulatory authority of FTA to oversee safety, providing an opportunity to assist transit agencies in moving towards a more holistic, performance-based approach to Safety Management Systems (SMS). This authority was continued through the Fixing America's Surface Transportation Act (FAST Act).

In compliance with MAP-21 and the FAST Act, FTA promulgated a Public Transportation Safety Program on August 11, 2016 that adopted SMS as the foundation for developing and implementing a Safety Program. FTA is committed to developing, implementing, and consistently improving strategies and processes to ensure that transit achieves the highest practicable level of safety. SMS helps organizations improve upon their safety performance by supporting the institutionalization of beliefs, practices, and procedures for identifying, mitigating, and monitoring safety risks.

There are several components of the national safety program, including the National Public Transportation Safety Plan (NSP), that FTA published to provide guidance on managing safety risks and safety hazards. One element of the NSP is the Transit Asset Management (TAM) Plan. Public transportation agencies implemented TAM plans across the industry in 2018. The subject of this document is the Public Transportation Agency Safety Plan (PTASP) rule, 49 CFR Part 673, and guidance provided by FTA.

Safety is a core business function of all public transportation providers and should be systematically applied to every aspect of service delivery. At the City of San Marcos, all levels of management, administration and operations are responsible for the safety of their clientele and themselves. To improve public transportation safety to the highest practicable level in the State of Texas and comply with FTA requirements, the Texas Department of Transportation (TxDOT) has developed this Agency Safety Plan (ASP) in collaboration with the City of San Marcos.

To ensure that the necessary processes are in place to accomplish both enhanced safety at the local level and the goals of the NSP, the City of San Marcos adopts this ASP and the tenets of SMS including a Safety Management Policy (SMP) and the processes for Safety Risk Management (SRM), Safety Assurance (SA), and Safety Promotion (SP), in accordance with 49 U.S.C. 5329(d)(1)(A).¹ While safety has always been a primary function at the City of San Marcos, this document lays out a process to fully implement an SMS over the next several years that complies with the PTASP final rule.

¹ Federal Register, Vol. 81, No. 24



A. Plan Adoption – 673.11(a)(1)

This Public Transit Agency Safety Plan is hereby adopted, certified as compliant, and signed by:

Bert Lumbreras, City Manager

ACCOUNTABLE EXECUTIVE SIGNATURE

DATE

The San Marcos City Council formed an urban transit district as allowed under Chapter 458 of the Texas Transportation Code. The main governing body is the San Marcos City Council. Approval of this plan by the San Marcos City Council occurred on June 16, 2020 and is documented in [RESOLUTION] from the City Council meeting.

B. Certification of Compliance – 673.13(a)(b)

TxDOT certifies on [DATE] that this Agency Safety Plan is in full compliance with 49 CFR Part 673 and has been adopted and will be implemented by the City of San Marcos as evidenced by the plan adoption signature and necessary City of San Marcos approvals under Section 1.A of this plan.



2. TRANSIT AGENCY INFORMATION – 673.23(D)

The City of San Marcos (City) is governed by the San Marcos City Council (Council) which consists of seven council members. The Council enacts policies, adopts ordinances and resolutions, establishes the annual budget to provide services to the public, and sets the city tax, water, electric and wastewater rates for San Marcos. The City Council operates as a home rule municipal corporation under a City Charter adopted by the citizens of San Marcos. The San Marcos City Council formed the San Marcos urban transit district as allowed under Chapter 458 of the Texas Transportation Code. The City (Hays County), part of the City of Martindale (Caldwell County), and the unincorporated area of Redwood (Guadalupe County), together make up the San Marcos urbanized area (SM UZA). The City, through an interlocal agreement, contracts all transit operations and maintenance with the Capital Area Rural Transportation System (CARTS). The City, as the direct recipient, administers and plans transit operations in the SM UZA. Transit (“The Bus”) provided by CARTS on behalf of the City includes fixed route service, complementary paratransit, the senior shopper route, and the “1517” Interurban Express.

No additional transit service is provided by the City on behalf of another transit agency or entity at the time of the development of this plan.

Table 1 contains agency information, while an organizational chart for the City is provided in



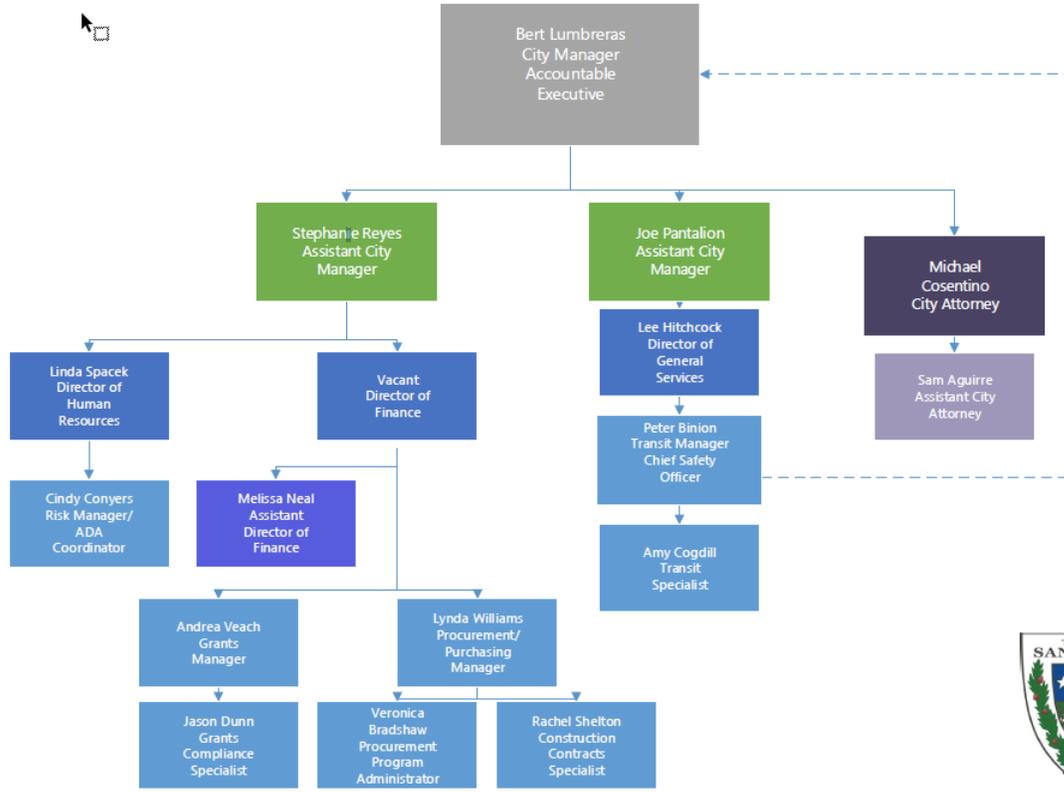
Figure 1.

TABLE 1: AGENCY INFORMATION

Information Type	Information
Full Transit Agency Name	The City of San Marcos
Transit Agency Address	630 E. Hopkins St., San Marcos, TX 78666
Name and Title of Accountable Executive 673.23(d)(1)	Bert Lumbreras, City Manager
Name of Chief Safety Officer or SMS Executive 673.23(d)(2)	Pete Binion, Transit Manager
Key Staff	Amy Cogdill, Transit Specialist
Mode(s) of Service Covered by This Plan 673.11(b)	Fixed Route Bus & Demand Response & Commuter Bus
List All FTA Funding Types (e.g., 5307, 5310, 5311)	5307
Mode(s) of Service Provided by the Transit Agency (Directly operated or contracted service)	Fixed Route Bus & Demand Response & Commuter Bus
Number of Vehicles Operated	14



FIGURE 1: CITY OF SAN MARCOS ORGANIZATIONAL CHART





A. Authorities & Responsibilities – 673.23(d)

As stated in 49 CFR Part 673.23(d), the City of San Marcos, is establishing the necessary authority, accountabilities, and responsibilities for the management of safety amongst the key individuals within the organization, as those individuals relate to the development and management of our SMS. In general, the following defines the authority and responsibilities associated with our organization. Through the interlocal agreement between the City and CARTS, as the service provider, CARTS will implement the plan.

The **Accountable Executive** has ultimate responsibility for carrying out the SMS of our public transportation agency, and control or direction over the human and capital resources needed to develop and maintain both the ASP, in accordance with 49 U.S.C. 5329(d), and the agency's TAM Plan, in accordance with 49 U.S.C. 5326. The Accountable Executive has authority and responsibility to address substandard performance in the City of San Marcos SMS in accordance with 673.23(d)(1).

Agency leadership and executive management are those members of our agency leadership or executive management, other than the Accountable Executive, Chief Safety Officer (CSO)/SMS Executive, who have authority or responsibility for day-to-day implementation and operation of our agency's SMS.

The **CSO** is an adequately trained individual who has the authority and responsibility as designated by the Accountable Executive for the day-to-day implementation and operation of the City of San Marcos SMS. As such, the CSO is able to report directly to our transit agency's Accountable Executive.

Key staff are staff, groups of staff, or committees to support the Accountable Executive, CSO, or SMS Executive in developing, implementing, and operating our agency's SMS.

Front line employees perform the daily tasks and activities where hazards can be readily identified so the identified hazards can be addressed before the hazards become adverse events. These employees are critical to SMS success through each employee's respective role in reporting safety hazards, which is where an effective SMS and a positive safety culture begins.

In addition, during the next year, the City will review our contractor's job descriptions and will ensure that job descriptions comply with 49 CFR Part 673.



3. SAFETY POLICIES AND PROCEDURES

A. Policy Statement – 673.23(a)

The City recognizes that the management of transit safety is a core value. The management team at the City will direct our transit contractor to embrace the SMS and commit to developing, implementing, maintaining, and constantly improving processes to ensure the safety of our employees, customers, and the general public. All levels of management and frontline employees will be committed to safety and understand that safety is the primary responsibility of all employees.

The City and our service contractor are committed to:

- Communicating the purpose and benefits of the SMS to all staff, managers, supervisors, and employees. This communication will specifically define the duties and responsibilities of each employee throughout the organization and all employees will receive appropriate information and SMS training.
- Providing appropriate management involvement and the necessary resources to establish an effective reporting system that will encourage employees to communicate and report any unsafe work conditions, hazards, or at-risk behavior to the management team.
- Identifying hazardous and unsafe work conditions and analyzing data from the employee reporting system. After thoroughly analyzing provided data, the transit operations division will develop processes and procedures to mitigate safety risk to an acceptable level.
- Ensuring that no action will be taken against employees who disclose safety concerns through the reporting system, unless disclosure indicates an illegal act, gross negligence, or deliberate or willful disregard of regulations or procedures.
- Establishing Safety Performance Targets (SPT) that are realistic, measurable, and data driven.
- Continually improving our safety performance through management processes that ensure appropriate safety management action is taken and is effective.
- Reporting all Agency Safety Plan data required by the Federal Transit Administration

I. Employee Safety Reporting Program – 673.23(b)

Frontline employees are a significant source of safety data. These employees are typically the first to spot unsafe conditions that arise from unplanned conditions either on the vehicles, in the maintenance shop, or in the field during operations. For this reason, the Employee Safety Reporting Program (ESRP) is a major tenet of the PTASP Rule. Under this rule, agencies must establish and implement a process that allows employees to report safety conditions directly to senior management; provides protections for employees who report safety conditions to senior management; and includes a description of employee behaviors that may result in disciplinary action.



The City will direct our service contractor to have policies in place pertaining to the employee safety program. The City's current contractor CARTS has a set of policies in place within Section 2.06 of the *CARTS Employee Handbook* (Appendix A, Table 8 shows the document name, file name, and date of adoption) that state that employees may submit issues or safety concerns to the Board or General Manager in writing through their respective supervisor. Additionally, Section 10 of the *Employee Handbook*, called *Employee Responsibilities & Reports* and *Employee Suggestions*, contains policies that state that employees are expected to promptly report every on-the-job matter, no matter how minor, to their Supervisor. Employees are also to immediately report to their Supervisors any conditions that threaten the health and safety of employees or visitors. CARTS encourages all employees to make suggestions to their Supervisors. Over the next year, CARTS, under the direction of and in collaboration with the City, will review and modify, if necessary, the *Employee Responsibilities & Reports* and *Employee Suggestions* to develop the procedures into a full ESRP to ensure that the procedures comply with 49 CFR Part 673.

In general, the City of San Marcos ESRP will ensure that all employees are encouraged to report safety conditions directly to senior management or their direct Supervisor for elevation to senior management. The policy will include any contract employees. The policy will also spell out what protections are afforded employees who report safety related conditions and will describe employee behaviors that are not covered by those protections. The policy will also elaborate on how safety conditions that are reported will be reported back to the initiator(s) – either to the individual or groups of individuals or organization, dependent on the nature of the safety condition.

To bolster the information received from frontline employees, CARTS, in consultation with the City, will also review its current policy for how its agency receives information and safety related data from employees and customers. If necessary, CARTS will develop additional means for receiving, investigating and reporting the results from investigations back to the initiator(s) – either to the person, groups of persons, or distributed agency-wide to ensure that future reporting is encouraged.

II. Communicating the Policy Throughout the Agency – 673.23(c)

The transit management team of the City and our service provider CARTS is committed to ensuring the safety of our clientele, personnel and operations. Part of that commitment is developing an SMS and safety culture that reduces risk to the lowest level possible. The first step in developing a full SMS and safety culture is communicating our SMP to all parties involved.

The SMP and safety objectives are at the forefront of all communications. This communication strategy will include the continuation of Quarterly Safety Meetings to refresh transit employees on the safety policies, posting the policy in prominent work locations for existing transit employees and adding the policy statement to the on-boarding material for all new transit employees. In addition, the policy statement will become part of our transit contractor's regular safety meetings and other safety communications efforts. The policy will be signed by the Accountable Executive so that all transit employees know that the policy is supported by management.



B. PTASP Development and Coordination with TxDOT – 673.11(d)

This PTASP has been developed by TxDOT on behalf of Capital Area Metropolitan Planning Organization (MPO) and the City of San Marcos in accordance with all requirements stated in 49 CFR Part 673 applicable to a small public transportation provider. TxDOT mailed a formal call for participation in a State sponsored PTASP development process to all Texas Section 5307 small bus transit agencies on January 15, 2019 and followed that call with a series of phone calls and additional correspondence. CARTS provided a letter to TxDOT opting into participation on March 15, 2019 and the City of San Marcos provided a letter to TxDOT opting into participation on September 4, 2019 and both entities have been active participants in the development of this plan through sharing existing documentation and participating in communication and coordination throughout the development of this plan. CARTS has provided documentation used in the development of this plan is presented in Table 8, in Appendix A.

In support of tracking performance on our SA and SP processes, the City will direct our service provider to conduct a yearly safety culture survey. This survey is intended to help the City assess how well our service provider communicates safety and safety performance information throughout its organization by gauging how safety is perceived and embraced by our contractor's administrators, supervisors, staff. The survey is designed to help assess how well the conveyance of safety information on hazards and safety risks relevant to employees' roles and responsibilities and informing employees of safety actions taken in response to reports submitted through our ESRP. Results from the most recent survey were analyzed and incorporated into the implementation strategies contained in this ASP.

Once the documents were reviewed, an on-site interview was conducted with CARTS to gain a better understanding of the agency. This understanding was necessary to ensure that the ASP was developed to fit the specifics of the transit program in the San Marcos urbanized area.

The draft ASP was delivered to CARTS and the City in March 2020 for review and comment. Once review was completed and any adjustments made, the final was delivered to the City of San Marcos for review and adoption.

C. PTASP Annual Review – 673.11(a)(5)

In accordance with 49 U.S.C. 5329(d)(1)(D), this plan includes provisions for annual updates of the SMS. As part of the City's ongoing commitment to fully implementing the transit SMS and engaging our contractor's transit employees in developing a robust safety culture, the City in consultation with our contractor, will review the ASP and all supporting documentation annually. The review will be conducted as a precursor to certifying to FTA that the ASP is fully compliant with 49 CFR Part 673 and accurately reflects the agency's current implementation status. Certification will be accomplished through the City of San Marcos' annual Certifications and Assurances reporting to FTA.



The annual review will include the ASP and transit supporting documents from the City’s service provider (Standard Operating Procedures [SOP], Policies, Manuals, etc.) that are used to fully implement all the processes used to manage transit safety for the San Marcos urbanized area. All changes will be noted (as discussed below) and the Accountable Executive will sign and date the title page of this document and provide documentation of approval by the San Marcos City Council whether by signature or by reference to resolution.

The annual ASP review will follow the update activities and schedule provided below in Table 2. As processes are changed to fully implement SMS or new processes are developed, the City’s transit management will track those changes for use in the annual review.

TABLE 2: ASP ANNUAL UPDATE TIMELINE

Task	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Review Agency Operations	→							
Review SMS Documentation <ul style="list-style-type: none"> • Safety Policy; • Risk Management; • Safety Assurance; and • Safety Promotion. 		→						
Review Previous Targets and Set or Continue Targets			→					
Report Targets to National Transit Database (NTD), TxDOT, Capital Area MPO					→			
Make Any Necessary Adjustments to PTASP						→		
Update Version No., Adopt & Certify Plan Compliance								★

The following table, Table 3, will be used to record final changes made to the ASP during the annual update. This table will be a permanent record of the changes to the ASP over time.

TABLE 3: ASP RECORD OF CHANGES

Document Version	Section/Pages Changed	Reason for Change	Reviewer Name	Date of Change
Header	Text	Text	Text	Text
Header	Text	Text	Text	Text
Header	Text	Text	Text	Text

The implementation of SMS is an ongoing and iterative process, and, as such, this PTASP is a working document. Therefore, a clear record of changes and adjustments is kept in the PTASP for the benefit of transit safety plan performance management and to comply with Federal statutes.



D. PTASP Maintenance – 673.11(a)(2)(c)

Transit management of the City, in consultation with our service provider, will follow the annual review process outlined above and adjust this ASP as necessary to accurately reflect current implementation status. This plan will document the processes and activities related to transit SMS implementation as required under 49 CFR Part 673 Subpart C and will make necessary updates to this ASP as the City continues to develop, refine, and direct our service provider to implement transit SMS.

E. PTASP Documentation and Recordkeeping – 673.31

At all times, the City of San Marcos and our transit service provider will maintain documents set forth in the City’s ASP, including those documents related to the implementation of the SMS and those documents related to the results from SMS processes and activities. The City will also maintain documents that are included in whole, or by reference, that describe the programs, policies, and procedures that are used to carry out the transit ASP and all iterations of those documents. These documents will be made available upon request to the FTA, other Federal entity, or TxDOT. The City will maintain these documents for a minimum of three years after the documents are created. These additional supporting documents are cataloged in Appendix A and the list will be kept current as a part of the annual transit ASP review and update.

F. Safety Performance Measures – 673.11(a)(3)

The PTASP Final Rule, 49 CFR Part 673.11(a)(3), requires that all public transportation providers develop an ASP to include SPT’s based on the safety performance measures established under the NSP. The safety performance measures outlined in the NSP were developed to ensure that the measures can be applied to all modes of public transportation and are based on data currently being submitted to the NTD. The safety performance measures included in the NSP are fatalities, injuries, safety events, and system reliability (State of Good Repair as developed and tracked in the TAM Plan).

There are seven (7) SPT’s that must be included in each ASP that are based on the four (4) performance measures in the NSP. These SPT’s are presented in terms of total numbers reported and rate per Vehicle Revenue Mile (VRM). Each of the seven (7) is required to be reported by mode as presented in Table 4.

TABLE 4: NSP SAFETY PERFORMANCE MEASURES

Safety Performance Measure	SPT	
Fatalities	Total Number Reported	Rate Per Total VRM
Injuries	Total Number Reported	Rate Per Total VRM
Safety Events	Total Number Reported	Rate Per Total VRM
System Reliability	Mean distance between major mechanical failure	



Table 5 presents baseline numbers for each of the performance measures. CARTS as the previous direct recipient collected the past five (5) years of reported data to develop the rolling averages listed in the table.

TABLE 5: BASELINE 2019 SAFETY PERFORMANCE MEASURES

Mode	Fatalities	Rate of Fatalities*	Injuries	Rate of Injuries*	Safety Events	Rate of Safety Events*	Mean Distance Between Major Mechanical Failure
Fixed Route (Bus)	0	0.00000	0	0.00000	0	0.00000	21,991.92
Demand Response	0	0.00000	0	0.00000	0	0.00000	8,929.13

*rate = total number for the year/total revenue vehicle miles traveled

While safety has always been a major component of the San Marcos urbanized area transit operation, the adoption of this ASP will result in changes across all aspects of the transit program. The SPT's set in Table 6 and



Table 7 reflect an acknowledgment that SMS implementation will produce new information that will be needed to accurately set meaningful SPT's. We will set the targets at the current NTD reported five-year average as the transit program begins the process of fully implementing the SMS and developing the targeted safety improvements. This will ensure the transit program performs no worse than the baseline performance over the last five years.

TABLE 6: FIXED ROUTE (BUS) SAFETY PERFORMANCE TARGETS

Mode	Baseline	Target
Fatalities	0	0
Rate of Fatalities*	0.00000	0.00000
Injuries	0	0
Rate of Injuries*	0.00000	0.00000
Safety Events	0	0
Rate of Safety Events*	0.00000	0.00000
Mean Distance Between Major Mechanical Failure	21,991.92	21,991.92

*rate = total number for the year/total revenue vehicle miles traveled



TABLE 7: DEMAND RESPONSE SAFETY PERFORMANCE TARGETS

Mode	Baseline	Target
Fatalities	0	0
Rate of Fatalities*	0.00000	0.00000
Injuries	0	0
Rate of Injuries*	0.00000	0.00000
Safety Events	0	0
Rate of Safety Events*	0.00000	0.00000
System Reliability	8,929.13	8,929.13
Other	N/A	N/A

*rate = total number for the year/total revenue vehicle miles traveled

As part of the annual review of the ASP, the City of San Marcos, in consultation with the service provider, will reevaluate our SPT's and determine whether the SPT's need to be refined. As more data is collected as part of the SRM process discussed later in this plan, the City, in consultation with the service provider, may begin developing safety performance indicators to help inform management on safety related investments.

G. Safety Performance Target Coordination – 673.15(a)(b)

The City will make our SPT's available to TxDOT and the Capital Area MPO to aid in those agencies' respective regional and long-range planning processes. To the maximum extent practicable, the City will coordinate with TxDOT and Capital Area MPO in the selection of State and MPO SPT's as documented in the Interagency Memorandum of Understanding (MOU).

Each year during the FTA Certifications and Assurances reporting process, the City of San Marcos will transmit any updates to our SPT's to both the Capital Area MPO and TxDOT (unless those agencies specify another time in writing).



4. SAFETY MANAGEMENT SYSTEMS – 673 SUBPART C

As previously noted, FTA has adopted SMS as the basis for improving safety across the public transportation industry. In compliance with the National Safety Program, National Public Transportation Safety Plan, and 49 CFR Part 673, the City is adopting SMS as the basis for directing and managing safety and risk at our transit program. The City has always viewed safety as a core business function. All levels of transit management and transit employees are accountable for appropriately identifying and effectively managing risk in all activities and operations in order to deliver improvements in safety and reduce risk to the lowest practical level during transit service delivery.

SMS is comprised of four basic components - SMP, SRM, SA, and SP. The SMP and SP are the enablers that provide structure and supporting activities that make SRM and SA possible and sustainable. The SRM and SA are the processes and activities for effectively managing transit safety as presented in Figure 2.

FIGURE 2: SAFETY MANAGEMENT SYSTEMS





Implementing SMS for the City of San Marcos' transit program will be a major undertaking over the next several years. This ASP is the first step to putting in place a systematic approach to managing the transit program's risk. The City has already taken several steps to implement SMS, such as developing this initial transit ASP and designating a CSO. During the first year of implementation, the City of San Marcos, in consultation with the service provider, will identify transit SMS roles and responsibilities and key stakeholder groups, identify key staff to support implementation, and ensure the identified transit staff receive SMS training. The City of San Marcos, in consultation with the service provider, will also develop a plan for implementing transit SMS, inform stakeholders about the ASP, and discuss our progress toward implementation with the San Marcos City Council and the City's transit planning partners as applicable.

A. Safety Risk Management – 673.25

By adopting this transit ASP, the City of San Marcos, in consultation with our service provider, is establishing the transit SRM process presented in Figure 3 for identifying hazards and analyzing, assessing and mitigating safety risk in compliance with the requirements of 49 CFR Part 673.25. The SRM processes described in this section are designed to implement the City's transit program SMS.

FIGURE 3: SAFETY RISK MANAGEMENT PROCESS



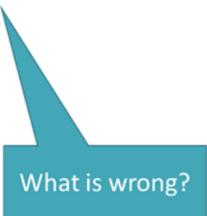
The implementation of the SRM component of the SMS will be carried out over the course of the next year. The SRM components will be implemented through a program of improvement during which the SRM processes will be implemented, reviewed, evaluated, and revised, as necessary, to ensure the processes are achieving the intended transit safety objectives as the processes are fully incorporated into the City's transit program SOPs.

The SRM is focused on implementing and improving actionable strategies that the City's transit management team and service provider have undertaken to identify, assess and mitigate risk on behalf of the San Marcos urbanized area. The creation of a Risk Register provides an accessible resource for documenting the SRM process, tracking the identified risks, and documenting the effectiveness of mitigation strategies in meeting defined transit safety objectives and performance measures. The draft Risk Register is presented in Figure 4.



FIGURE 4: DRAFT RISK REGISTER

Hazard	Type	Likelihood	Consequence	Resolution



What is wrong?



What could happen



What could mitigate this?

As the SRM process progresses through the steps of identifying what may be wrong, what could happen as a result, and what steps the City’s transit program is taking to resolve the risk and mitigate the hazard, the transit CSO completes and publishes the various components of the Risk Register. These components include the use of safety hazard identification, safety risk assessment, and safety risk mitigation, as described in the following sections.

I. Safety Hazard Identification – 673.25(b)

The San Marcos urbanized area transit service provider currently practices safety hazard identification through the communications and reporting policies discussed in the ESRP (Section 3.A.I), found in Sections 2 and 10 of the CARTS *Employee Handbook* (Appendix A). The policies and procedures encourage all CARTS employees to report and identify all safety hazards no matter the scale. Matters are requested to be brought forth to supervisors, however, written concerns can be submitted to the General Manager and the CARTS Board of Directors, if necessary, and will be documented and submitted to the City, as applicable.

Although the current procedures have been effective in achieving the safety objectives, to ensure compliance with 49 CFR Part 673, the City, in consultation with our service provider, is working to implement the following expanded transit SRM process.

The City’s transit SRM process is a forward-looking effort to identify safety hazards that could potentially result in negative safety outcomes. In the SRM process, a hazard is any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure of a public transportation system; or, damage to the environment.



Hazard identification focuses on out-of-the-norm conditions that need special attention or immediate action, new procedures, or training to resolve a condition that is unacceptable and return conditions to an acceptable level. The City through our transit service provider uses a variety of mechanisms for identifying and documenting hazards, namely:

- Through training and reporting procedures, the City's service provider ensures personnel can identify hazards and that each employee clearly understands that the employee has a responsibility to immediately report any safety hazards identified to the employee's supervisors. Continued training helps employees to develop and improve the skills needed to identify hazards.
- Employee hazard training coupled with the ESRP ensures that the City's service provider has full use of information from frontline employees for hazard identification.
- Upon receiving the hazard report, the City's service provider's supervisors communicate the identified hazard to the CSO for entry into the risk register for risk assessment, classification and possible mitigation.
- In carrying out the risk assessment, the CSO uses standard reporting forms (e.g. *Pre-and Post-Trip Inspection Forms* and *Preventative Maintenance (PM) Inspections* to mitigate mechanical based safety hazards that are identified) and other reports completed on a routine basis by administrative, operations and maintenance. The City's service provider's *Maintenance Plan and Training Requirements* (Appendix A) documents contain procedures for flagging and reporting hazards as a part of day-to-day operations.
- The City's service provider's supervisors are responsible for performing and documenting regular safety assessments, which include reporting and recommending methods to reduce identified hazards.
- The City's service provider uses incident reports and records to determine specific areas of training that need to be covered with employees to ensure safety hazard identification is continually improved, and thus ensure that hazards are identified before an event recurrence.
- Incident reports are also analyzed by the City's service provider's risk management team to identify any recurring patterns or themes that would help to identify underlying hazards and root causes of the event that can be mitigated to prevent recurrence.
- If a hazard is such that a transit employee would be reluctant to report the information due to perceived negative consequences (e.g. disciplinary action), alternative, anonymous reporting mechanisms are available through an anonymous suggestion box or anonymous online reporting form, or other secure mechanism.



- To increase the safety knowledge of the service provider’s staff, the CSO, risk management personnel and subject matter experts are also encouraged to participate in available professional development activities and peer-to-peer exchanges as a source of expertise and information on lessons learned and best practices in hazard identification.
- Other sources for hazard identification include:
 - ESRP
 - Inspections of personnel job performance, vehicles, facilities and other data
 - Investigations of safety events
 - Safety trend analysis on data currently collected
 - Training and evaluation records
 - Internal safety audits
 - External sources of hazard information could include:
 - FTA and other federal or state authorities
 - Reports from the public
 - Safety bulletins from manufacturers or industry associations

In addition to identifying the hazard, the hazard identification process also classifies the hazard by type (organizational, technical or environmental) to assist the CSO in identifying the optimal combination of departmental leadership and subject matter expertise to select in assembling the safety risk assessment team.

The various hazard types can also be categorized by subcategory for each type. For example, organizational hazards can be subcategorized into resourcing, procedural, training or supervisory hazards. Each of the subcategories implies different types of mitigation strategies and potentially affect overall agency resources through varying costs for implementation. Technical hazards can be subcategorized into operational, maintenance, design and equipment. Additionally, environmental hazards can be subcategorized into weather and natural, which is always a factor for every operation.

II. Safety Risk Assessment – 673.25(c)

As part of the new transit SRM process, the City of San Marcos, in consultation with our service provider, has developed methods to assess the likelihood and severity of the consequences of identified hazards, and prioritizes the hazards based on the safety risk. The process continues the use of the Risk Register described in the previous section to address the next two components.

To accurately assess a risk, the City of San Marcos, in consultation with our service provider, may need to perform an investigation. The City’s service provider currently investigates accidents or crashes but will need to develop a full investigation procedure, in consultation with the City, to inform the transit SRM process. The investigation procedure will be developed to cover all risk assessment. Once fully



developed, the document will become the Investigation SOP. The SOP will include accident investigation procedures as well as risk investigation procedures. These procedures will be used to investigate risks identified from multiple sources including the ESRP.

Transit safety risk is based on an assessment of the likelihood of a potential consequence and the potential severity of the consequences in terms of resulting harm or damage. The risk assessment also considers any previous mitigation efforts and the effectiveness of those efforts. The results of the assessment are used to populate the third and fourth components of the Risk Register as presented in Figure 5.

FIGURE 5: SAFETY RISK ASSESSMENT STEPS IN POPULATING THE RISK REGISTER

Hazard	Type	Likelihood	Consequence	Resolution

The transit risk assessment is conducted by the CSO, in consultation with the service provider, supplemented by subject matter experts as applicable. The process employs a safety risk matrix, similar to the one presented in Figure 6, that allows the CSO to visualize the assessed likelihood and severity, and to help understand when actions are necessary to reduce or mitigate safety risk.



FIGURE 6: SAFETY RISK ASSESSMENT MATRIX

RISK ASSESSMENT MATRIX				
SEVERITY LIKELIHOOD	Catastrophic (1)	Critical (2)	Marginal (3)	Negligible (4)
Frequent (A)	High	High	High	Medium
Probable (B)	High	High	Medium	Medium
Occasional (C)	High	Medium	Medium	Low
Remote (D)	Medium	Medium	Low	Low
Improbable (E)	Medium	Low	Low	Low

Although the current version of the matrix relies heavily on the examples and samples that are listed on the PTASP Technical Assistance Center website, lessons learned from the implementation process during the coming years will be used to customize the matrix that the City will use to address the unique transit operating realities and transit leadership guidance.

The Risk Assessment Matrix is an important tool. If a risk is assessed and falls within one of the red zones, the risk is determined to be unacceptable under existing circumstances. This determination means that management must take action to mitigate the situation. This is the point in the process when transit SRMs are developed. If the risk is assessed and falls within one of the yellow zones, the risk is determined to be acceptable, but monitoring is necessary. If the risk falls within one of the green zones, the risk is acceptable under the existing circumstances.

Once a hazard’s likelihood and severity have been assessed, the CSO, in consultation with the service provider, enters the hazard assessment into the Risk Register that is used to document the individual hazard and the type of risk it represents. This information is used to move to the next step, which is hazard mitigation.

III. Safety Risk Mitigation – 673.25(d)

Upon completion of the risk assessment, the CSO, in consultation with the service provider, continues populating the Risk Register by identifying mitigations or strategies necessary to reduce the likelihood and/or severity of the consequences. The goal of this step is to avoid or eliminate the hazard or, when elimination is not likely or feasible, to reduce the assessed risk rating to an acceptable level (Figure 7). However, mitigations do not typically eliminate the risk entirely.



FIGURE 7: RISK REGISTER MITIGATION COMPONENT

Hazard	Type	Likelihood	Consequence	Resolution

To accomplish this objective, the CSO, in consultation with the service provider works with transit subject matter experts. The risk management team then conducts a brainstorming exercise to elicit feedback from transit staff and supervisors with the highest level of expertise in the components of the hazard.

Documented risk resolution and hazard mitigation activities from previous Risk Register entries and the resolution’s documented level of success at achieving the desired safety objectives may also be reviewed and considered in the process. If the hazard is external (e.g., roadway construction by an outside agency) information and input from external actors or experts may also be sought to take advantage of all reasonably available resources and avoid any unintended consequences.

Once a mitigation strategy is selected and adopted, the strategy is assigned to an appropriate staff member or team for implementation. The assigned personnel and the personnel’s specific responsibilities are entered into the Risk Register. Among the responsibilities of the mitigation team leader is the documentation of the mitigation effort, including whether the mitigation was carried out as designed and whether the intended safety objectives were achieved. This information is recorded in the appendix to the Risk Register for use in subsequent SA activities and to monitor the effectiveness of the SRM program.

B. Safety Assurance – 673.27 (a)

Safety Assurance means processes within the City of San Marcos’ transit program SMS function to ensure, a) the implementation and effectiveness of safety risk mitigation, and b) meets or exceeds our safety objectives through the collection, measurement, analysis and assessment of information.

SA helps to ensure early identification of potential safety issues. SA also ensures that safeguards are in place and are effective in meeting the San Marcos transit programs’ critical safety objectives and contribute towards SPT’s.



I. Safety Performance Monitoring and Measuring – 673.27 (b)

As the first step in the SA program, the City of San Marcos, in conjunction with the service provider, collects and monitors data on safety performance indicators through a variety of mechanisms described in the following sections. Safety performance indicators can provide early warning signs about safety risks. The City's service provider currently relies primarily on lagging indicators representing negative safety outcomes that should be avoided or mitigated in the future. However, initiatives are underway to adopt a more robust set of leading indicators that monitor conditions that are likely to contribute to negative outcomes in the future. In addition to the day-to-day monitoring and investigation procedures detailed below, the City, in consultation with our service provider, will review and document the safety performance monitoring and measuring processes as part of the annual update of this ASP.

MONITORING COMPLIANCE AND SUFFICIENCY OF PROCEDURES – 673.27 (B)(1)

The City's service provider monitors our system for personnel compliance with operations and maintenance procedures and also monitors these procedures for sufficiency in meeting safety objectives. A list of documents describing the safety related operations and maintenance procedures cited in this ASP is provided in Appendix A of this document.

The City's service provider's supervisors monitor employee compliance with San Marcos urbanized area SOPs through direct observation and review of information from internal reporting systems such as the *Employee Suggestions* procedures, provided in Section 10 of the *CARTS Employee Handbook*, from both employees and customers.

The City in consultation with our service provider addresses non-compliance with standard procedures for operations and maintenance activities through a variety of actions, including revision to training materials and delivery of employee and supervisor training if the non-compliance is systemic. If the non-compliance is situational, then activities may include supplemental individualized training, coaching, and heightened management oversight, among other remedies.

Sometimes personnel are fully complying with the procedures, but the operations and maintenance procedures are inadequate and pose the risk of negative safety outcomes. In this case, the cognizant person submits the deficiency or description of the inadequate procedures to the SRM process. Through the SRM process, the SRM team will then evaluate and analyze the potential organizational hazard and assign the identified hazard for mitigation and resolution, as appropriate. The SRM team will also conduct periodic self-evaluation and mitigation of any identified deficiencies in the SRM process itself.

MONITORING OPERATIONS – 673.27(B)(2)

The City's service provider's management is required to monitor investigation reports of safety events and SRM resolution reports to monitor operations to identify any safety risk mitigations that may be ineffective, inappropriate, or not implemented as intended. If it is determined that the safety risk mitigation did not bring the risk to an acceptable level or otherwise failed to meet safety objectives,



then the transit provider's management resubmits the safety risk/hazard to the SRM process. The CSO will work with transit service management and subject matter experts to reanalyze the hazard and consequences and identify additional mitigation or alternative approaches to implementing the mitigation.

II. Safety Event Investigation – 673.27(B)(3)

The City's transit service provider currently conducts investigations of safety events. From an SA perspective, the objective of the investigation is to identify causal factors of the event and to identify actionable strategies that the City's service provider can employ to address any identifiable organizational, technical or environmental hazard at the root cause of the safety event. To ensure compliance with 49 CFR Part 673, the City in collaboration with our service provider is working to implement the following SRM.

Safety Event Investigations that seek to identify and document the root cause of an accident or other safety event are a critical component of the SA process because they are a primary resource for the collection, measurement, analysis and assessment of information. The City's transit service provider gathers a variety of information to help identify and document root causes of accidents and incidents, including but not limited to the following process based on the FTA's Model Bus Safety Program:

1. Obtain from the Operator the following information:
 - a. The location of the incident and what direction they were traveling (inbound or outbound); if in station, indicate the situation.
 - b. The bus number and the route that they are on.
 - c. If there are injuries, describe how serious they appear (don't be too graphic, just generalize).
 - d. Information about any other vehicles or pedestrians involved and their descriptions.
2. Remind the operator of the safety procedures:
 - a. Turn on 4-way flashers. Place traffic warning devices (orange triangles).
 - b. Recheck anyone with injuries, do not move the seriously injured.
 - c. Render comfort and aid to anyone injured, as may be appropriate.
 - d. Evacuate the bus, if necessary.
 - e. Keep the two-way radio on and monitored.
 - f. Hand out courtesy cards to the passengers and to any witnesses.
 - g. Move the vehicle to the side of the road unless it is inoperable.
3. Notify the following:
 - a. Call the police. Call Emergency Medical Personnel (EMP) 911
 - b. Notify/call immediate supervisor on duty at the time, or Director of Operations if the supervisor is not available.
4. The City's service provider's supervisor in consultation with management will:
 - a. Determine whether the CSO, General Manager or others need to be contacted but will give them a report when the supervisor finishes the initial assessment.



- b. Let the Operator know that police and supervision have been contacted and help is on the way.
 - c. Assign a Standby Operator to pre-trip a bus in case a standby must drive the next round for the operator on that route. When needed, the Standby Operator may take a bus out to continue a route.
 - d. Let the Operator know that a Standby Operator and bus have been assigned to continue the route or that support personnel are bringing another bus out to them.
 - e. Refer the operator for required drug and alcohol testing in compliance with 49 CFR § 655.44 Post-accident testing, if the safety event meets the definition of accident in 49 CFR § 655.4
 - f. Return to the station.
 - g. Record all accident information on the Daily Dispatch log, any missed trips, downtime, or bus change outs.
5. The City's transit service provider in consultation with the CSO, working with content specialists, evaluates the incident report and other available information to determine the root cause of the accident/event. Follow up with driver or other cognizant parties may be necessary to elicit additional information.
 6. The City's transit service provider in consultation with the CSO identifies any hazards noted in the incident report and refers those hazards to the SRM process.

MONITORING INTERNAL SAFETY REPORTING PROGRAMS – 673.27(B)(4)

As a primary part of the internal safety reporting program, the City and our service provider monitor information reported through the ESRP. When a report originating through the complaint process documents a safety hazard, the City's service provider's supervisor submits the hazards identified through the internal reporting process, including previous mitigation in place at the time of the safety event. The City's service provider's supervisor submits the hazard report to the SRM process to be analyzed, evaluated, and if appropriate, assigned for mitigation/resolution.

OTHER SAFETY ASSURANCE INITIATIVES

Because leading indicators can be more useful for safety performance monitoring and measurement than lagging indicators, the City and our service provider will be undertaking efforts to implement processes to identify and monitor more leading indicators or conditions that have the potential to become or contribute to negative safety outcomes. This may include trend analysis of environmental conditions through monitoring National Weather Service data; monitoring trends toward or away from meeting the identified SPT's; or other indicators as appropriate.

C. Safety Promotion – 673.29

Management support is essential to developing and implementing SMS. SP includes all aspects of how, why, when and to whom management communicates safety related topics. SP also includes when and how training is provided. The following sections outline both the safety competencies and training that



the City of San Marcos and our service provider, will implement and how safety related information will be communicated.

I. Safety Competencies and Training – 673.29(a)

The City's transit service provider provides comprehensive training to all employees regarding each employee's job duties and general responsibilities. This training includes safety responsibilities related to the employee's position. In addition, regular driver safety meetings are held to ensure that safety related information is relayed to the key members of the service provider's safety processes.

As part of SMS implementation, the City's service provider will:

- Conduct a thorough review of all current general staff categories (administrative, driver, supervisor, mechanic, maintenance, etc.) and the respective staff safety related responsibilities.
- Assess the training requirements spelled out in 49 CFR Part 672 and the various courses required for different positions. (The City's transit program is not subject to the requirements under 49 CFR Part 672 but will review the training requirements to understand what training is being required of other larger agencies in the event these trainings might be useful).
- Assess the training material available on the FTA PTASP Technical Assistance Center website.
- Review other training material available from industry sources such as the Community Transportation Association of America and the American Public Transportation Association websites.
- Develop a set of competencies and trainings required to meet the safety related activities for each general staff category.
- Develop expectations for ongoing safety training and safety meeting attendance.
- Develop a training matrix to track progress on individuals and groups within the organization.
- Adjust job notices associated with general staff categories to ensure that new personnel understand the safety related competencies and training needs and the safety related responsibilities of the job.
- Include refresher training in all trainings and apply it to agency personnel and contractors.

II. Safety Communication – 673.29(b)

The City of San Marcos' service provider regularly communicates safety and safety performance information throughout our agency's organization that, at a minimum, conveys information on hazards and safety risks relevant to employees' roles and responsibilities and informs employees of safety actions taken in response to reports submitted through the ESRP (noted in Section 3.A.I) or other means.



The City's transit service provider reports operations safety related information to the CSO through the service provider's management. In addition, the City's service provider holds regularly scheduled meetings with drivers to ensure that any safety related information is passed along that would affect the execution of the drivers' duties. The City's service provider posts safety related and other pertinent information in a common room for all employees.

The City, in collaboration with our service provider, will begin systematically collecting, cataloging, and, where appropriate, analyzing and reporting safety and performance information to all staff as applicable. To determine what information should be reported, how the information should be reported and to whom, the City's transit provider, in consultation with the CSO will answer the following questions:

- What information does this individual need to do their job?
- How can we ensure the individual understands what is communicated?
- How can we ensure the individual understands what action must be taken as a result of the information?
- How can we ensure the information is accurate and kept up-to-date?
- Are there any privacy or security concerns to consider when sharing information? If so, what should we do to address these concerns?

In addition, the City will direct the service provider to review our current communications strategies and determine whether others are needed. As part of this effort, the City of San Marcos, in collaboration with our service provider, plans to conduct a future Safety Culture Survey to understand how safety is perceived in the workplace and what areas the San Marcos urbanized area should be addressing to fully implement a safety culture.



5. APPENDIX A

TABLE 8: PTASP SUPPORTING DOCUMENTS

File Name	Revision Date	Document Name	Document Owner
Accident List - 2018.xlsx	2018	Accident List	CARTS
Employee Handbook.pdf	N/A	CARTS Employee Handbook	CARTS
Training Requirements.pdf	N/A	CARTS Training Requirements	CARTS
New Employee Training.pdf	N/A	New Employee Training	CARTS
CARTS Continuing Educational Trainings.pdf	N/A	CARTS Continuing Educational Trainings	CARTS
Drug & Alcohol Policy Final 3-27-14.pdf	3/27/2014	CARTS Drug & Alcohol Policy	CARTS
DrugFreeWorkplace Policy.pdf	N/A	Drug-Free Workplace Act Requirements	CARTS
Drug and Alcohol Policy Update 050119.pdf	5/01/2019	Update to CARTS Drug & Alcohol Policy	CARTS
CARTSFacilityMaint.pdf	N/A	CARTS Facility Maintenance	CARTS
CARTS Procurement Policy Adopted March 27 2014-amended December 17 2015.pdf	12/17/2015	CARTS Procurement Policy	CARTS
CARTS D&A 2018.pdf	12/10/2015	CARTS Drug & Alcohol Policy for Personnel in Safety-Sensitive Positions	CARTS
Triennial2018Final.pdf	9/18/2018	FY 2018 Triennial Review	CARTS
CARTS Maintenance Plan 2018 2.12.18.pdf	2/12/2018	CARTS Vehicle Maintenance Plan	CARTS
CARTS OrgChart 2015.pdf	2015	CARTS Org Chart	CARTS
THE CARTS DISTRICT.docx	N/A	The CARTS District	CARTS
CARTS Service Area_ Maps & Schedules _ Capital Area Rural Transportation System.html	N/A	N/A	CARTS

A. Glossary of Terms

Accident: means an event that involves any of the following: a loss of life; a report of a serious injury to a person; a collision of transit vehicles; an evacuation for life safety reasons; at any location, at any time, whatever the cause.

Accountable Executive (typically the highest executive in the agency): means a single, identifiable person who has ultimate responsibility for carrying out the SMS of a public transportation agency, and control or direction over the human and capital resources needed to develop and maintain both the



agency's PTASP, in accordance with 49 U.S.C. 5329(d), and the agency's TAM Plan in accordance with 49 U.S.C. 5326.

Agency Leadership and Executive Management: means those members of agency leadership or executive management (other than an Accountable Executive, CSO, or SMS Executive) who have authorities or responsibilities for day-to-day implementation and operation of an agency's SMS.

Chief Safety Officer (CSO): means an adequately trained individual who has responsibility for safety and reports directly to a transit agency's chief executive officer, general manager, president, or equivalent officer. A CSO may not serve in other operational or maintenance capacity, unless the CSO is employed by a transit agency that is a small public transportation provider as defined in this part, or a public transportation provider that does not operate a rail fixed guideway public transportation system.

Corrective Maintenance: means specific, unscheduled maintenance typically performed to identify, isolate, and rectify a condition or fault so that the failed asset or asset component can be restored to a safe operational condition within the tolerances or limits established for in-service operations.

Equivalent Authority: means an entity that carries out duties similar to that of a Board of Directors, for a recipient or subrecipient of FTA funds under 49 U.S.C. Chapter 53, including sufficient authority to review and approve a recipient or subrecipient's PTASP.

Event: means an accident, incident, or occurrence.

Federal Transit Administration (FTA): means the Federal Transit Administration, an operating administration within the United States Department of Transportation.

Hazard: means any real or potential condition that can cause injury, illness, or death; damage to or loss of the facilities, equipment, rolling stock, or infrastructure of a public transportation system; or damage to the environment.

Incident: means an event that involves any of the following: a personal injury that is not a serious injury; one or more injuries requiring medical transport; or damage to facilities, equipment, rolling stock, or infrastructure that disrupts the operations of a transit agency.

Investigation: means the process of determining the causal and contributing factors of an accident, incident, or hazard, for the purpose of preventing recurrence and mitigating risk.

Key staff: means a group of staff or committees to support the Accountable Executive, CSO, or SMS Executive in developing, implementing, and operating the agency's SMS.

Major Mechanical Failures: means failures caused by vehicle malfunctions or subpar vehicle condition which requires that the vehicle be pulled from service.

National Public Transportation Safety Plan (NSP): means the plan to improve the safety of all public transportation systems that receive Federal financial assistance under 49 U.S.C. Chapter 53.



Occurrence: means an event without any personal injury in which any damage to facilities, equipment, rolling stock, or infrastructure does not disrupt the operations of a transit agency.

Operator of a Public Transportation System: means a provider of public transportation as defined under 49 U.S.C. 5302(14).

Passenger: means a person, other than an operator, who is on board, boarding, or alighting from a vehicle on a public transportation system for the purpose of travel.

Performance Measure: means an expression based on a quantifiable indicator of performance or condition that is used to establish targets and to assess progress toward meeting the established targets.

Performance Target: means a quantifiable level of performance or condition, expressed as a value for the measure, to be achieved within a time period required by the Federal Transit Administration (FTA).

Preventative Maintenance: means regular, scheduled, and/or recurring maintenance of assets (equipment and facilities) as required by manufacturer or vendor requirements, typically for the purpose of maintaining assets in satisfactory operating condition. Preventative maintenance is conducted by providing for systematic inspection, detection, and correction of anticipated failures either before they occur or before they develop into major defects. Preventative maintenance is maintenance, including tests, measurements, adjustments, and parts replacement, performed specifically to prevent faults from occurring. The primary goal of preventative maintenance is to avoid or mitigate the consequences of failure of equipment.

Public Transportation Agency Safety Plan (PTASP): means the documented comprehensive agency safety plan for a transit agency that is required by 49 U.S.C. 5329 and this part.

Risk: means the composite of predicted severity and likelihood of the potential effect of a hazard.

Risk Mitigation: means a method or methods to eliminate or reduce the effects of hazards.

Road Calls: means specific, unscheduled maintenance requiring either the emergency repair or service of a piece of equipment in the field or the towing of the unit to the garage or shop.

Safety Assurance (SA): means the process within a transit agency's SMS that functions to ensure the implementation and effectiveness of safety risk mitigation and ensures that the transit agency meets or exceeds its safety objectives through the collection, analysis, and assessment of information.

Safety Management Policy (SMP): means a transit agency's documented commitment to safety, which defines the transit agency's safety objectives and the accountabilities and responsibilities of the agency's employees regarding safety.



Safety Management System (SMS): means the formal, top-down, data-driven, organization-wide approach to managing safety risk and assuring the effectiveness of a transit agency's safety risk mitigation. SMS includes systematic procedures, practices, and policies for managing risks and hazards.

Safety Management System (SMS) Executive: means a CSO or an equivalent.

Safety Objective: means a general goal or desired outcome related to safety.

Safety Performance: means an organization's safety effectiveness and efficiency, as defined by safety performance indicators and targets, measured against the organization's safety objectives.

Safety Performance Indicator: means a data-driven, quantifiable parameter used for monitoring and assessing safety performance.

Safety Performance Measure: means an expression based on a quantifiable indicator of performance or condition that is used to establish targets and to assess progress toward meeting the established targets.

Safety Performance Monitoring: means activities aimed at the quantification of an organization's safety effectiveness and efficiency during service delivery operations, through a combination of safety performance indicators and safety performance targets.

Safety Performance Target (SPT): means a quantifiable level of performance or condition, expressed as a value for a given performance measure, achieved over a specified timeframe related to safety management activities.

Safety Promotion (SP): means a combination of training and communication of safety information to support SMS as applied to the transit agency's public transportation system.

Safety Risk: means the assessed probability and severity of the potential consequence(s) of a hazard, using as reference the worst foreseeable, but credible, outcome.

Safety Risk Assessment: means the formal activity whereby a transit agency determines SRM priorities by establishing the significance or value of its safety risks.

Safety Risk Management (SRM): means a process within a transit agency's Safety Plan for identifying hazards, assessing the hazards, and mitigating safety risk.

Safety Risk Mitigation: means the activities whereby a public transportation agency controls the probability or severity of the potential consequences of hazards.

Safety Risk Probability: means the likelihood that a consequence might occur, taking as reference the worst foreseeable, but credible, condition.

Safety Risk Severity: means the anticipated effects of a consequence, should the consequence materialize, taking as reference the worst foreseeable, but credible, condition.



Serious Injury: means any injury which:

- Requires hospitalization for more than 48 hours, commencing within seven days from the date that the injury was received;
- Results in a fracture of any bone (except simple fractures of fingers, toes, or nose);
- Causes severe hemorrhages, nerve, muscle, or tendon damage;
- Involves any internal organ; or
- Involves second- or third-degree burns, or any burns affecting more than 5 percent of the body surface.

Small Public Transportation Provider: means a recipient or subrecipient of Federal financial assistance under 49 U.S.C. 5307 that has one hundred (100) or fewer vehicles in peak revenue service and does not operate a rail fixed guideway public transportation system.

State: means a State of the United States, the District of Columbia, or the Territories of Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, and the Virgin Islands.

State of Good Repair: means the condition in which a capital asset is able to operate at a full level of performance.

State Safety Oversight Agency: means an agency established by a State that meets the requirements and performs the functions specified by 49 U.S.C. 5329(e) and the regulations set forth in 49 CFR part 674.

Transit Agency: means an operator of a public transportation system.

Transit Asset Management (TAM) Plan: means the strategic and systematic practice of procuring, operating, inspecting, maintaining, rehabilitating, and replacing transit capital assets to manage their performance, risks, and costs over their life cycles, for the purpose of providing safe, cost-effective, and reliable public transportation, as required by 49 U.S.C. 5326 and 49 CFR part 625.

Vehicle Revenue Miles (VRM): means the miles that vehicles are scheduled to or actually travel while in revenue service. Vehicle revenue miles include layover/recovery time and exclude deadhead; operator training; vehicle maintenance testing; and school bus and charter services.

B. Additional Acronyms Used

ASP: Agency Safety Plan

CARTS: Capital Area Rural Transportation System

EMP: Emergency Medical Personnel

ESRP: Employee Safety Reporting Program



FAST Act: Fixing America’s Surface Transportation Act

MAP-21: Moving Ahead for Progress in the 21st Century Act

MOU: Memorandum of Understanding

MPO: Metropolitan Planning Organization

NTD: National Transit Database

PM: Preventative Maintenance

SM UZA: San Marcos urbanized area

SOP: Standard Operating Procedure

TxDOT: Texas Department of Transportation



6. APPENDIX B

A. City Council Minutes or Resolution

Place here



Accident List - 2018



CAPITAL AREA RURAL TRANSPORTATION SYSTEM LIST OF ACCIDENTS - 2018

DATE	TYPE OF ACC	VEHICLE TYPE	LOCATION	PREVENTABLE
1/9/2018	Collision	33' Ford Bus	Pflugerville	Yes
1/12/2018	Collision	33' International Bus	Austin	No
1/22/2018	Collision	33' International Bus	Hutto	Yes
1/30/2018	Collision	22' Ford Cutaway	Austin	Yes
2/26/2018	Collision	40' Nova Bus	Austin	No
3/14/2018	Collision	21' Ford Cutaway	SH-130 Toll Road	No
3/26/2018	Small Fire	N/A	CARTS Bastrop	No
4/3/2018	Passenger Injury	32' Eldorado Bus	Hwy 290 East	No
4/10/2018	Collision	32' Eldorado Bus	Austin	No
4/30/2018	Passenger Injury	25' Ford Cutway	Marble Falls	Yes
5/9/2018	Property damage	25' Ford Cutway	Wimberley	Yes
6/8/2018	Collision	22' Ford Cutaway	La Grange	No
7/6/2018	Collision	25' Ford Cutway	Burnet	No
9/6/2018	Collision	40' Nova Bus	Austin	Yes
9/28/2018	Collision	22' Ford Cutaway	Cedar Creek	No
10/2/2018	Collision	25' Ford Cutway	Lago Vista	Yes
10/18/2018	Collision	40' Nova Bus	Austin	Yes
10/31/2018	Collision	40' Nova Bus	Austin	Yes
11/7/2018	Collision	25' Ford Cutaway	Lago Vista	Yes
12/11/2018	Collision	25' Ford Cutaway	Cedar Park	No
12/14/2018	Burglary	Staff Trailer	Austin	No



Employee Handbook



Acknowledgment of Receipt of Employee Policy Manual

Please read the following statements and sign below to indicate your understanding of this information and your receipt of the CARTS Employee Policy Manual.

- ❖ I have received a copy of the CARTS Employee Policy Manual and accept full responsibility for reading the contents. I understand that the policies, rules, and benefits described are subject to change, at any time, at the discretion of the General Manager and Board of Directors.
- ❖ I understand that should the contents of this manual be changed in any way, CARTS may require an additional signature from me to indicate that I am aware of and understand the changes and any new policies.
- ❖ I understand that it is my responsibility to comply with the terms of the manual and any revisions made to it.
- ❖ I understand that my employment is terminable at-will regardless of the length of my employment and with or without cause.
- ❖ I understand that no contract of employment has been expressed or implied, and that no circumstances arising from my employment will alter my at-will employment relationship unless expressed in writing with the terms specifically set forth and signed by my Self and the General Manager of CARTS.
- ❖ I understand that I may ask my Supervisor, the Deputy General Manager (Ms. Pearl Jackson), or other administrative/management personnel, any questions I might have concerning the manual and questions not answered in the manual.

My signature below indicates that I have read and understand the above statements and I have received and will read the contents of the CARTS Employee Policy Manual.

Print- Employee Name

Date

Employee Signature

Signed copy will be kept in employee's personnel file.



PERSONNEL POLICY MANUAL

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PERSONNEL POLICIES MANUAL OF THE CAPITAL AREA RURAL TRANSPORTATION SYSTEM

1.0 INTRODUCTION

1.01 ABOUT CARTS

The Capital Area Rural Transportation System (CARTS) is an interlocal administrative agency designed to ensure that efficient and effective rural public transportation is available in the CARTS nine-county region. CARTS promotes coordination among existing transportation providers and establishes new service where a need exists.

CARTS serves the counties of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Travis and Williamson with community-based regional transportation services. Each member county has one vote on the CARTS Board of Directors, which is responsible for setting overall policy.

The CARTS Board approves budgets, bylaws and personnel policies. The board appoints and may remove the General Manager. The General Manager has authority to appoint and remove all other staff.

1.02 AUTHORITY

All revisions or additions in these policies must be approved by the CARTS Board of Directors.

1.03 IMPLEMENTATION OF PERSONNEL POLICIES

As deemed by the CARTS Board, the General Manager is responsible for the execution of these policies and may delegate other staff members to act in his or her behalf in the administration of these procedures.

1.04 PURPOSE

These policies are the primary rules for employment with CARTs. These policies inform employees of the benefits and obligations of employment with CARTS. The purpose is to insure consistent personnel practices for all employees and supervisors which will result in high-quality public service.

1.05 APPLICABILITY OF PERSONNEL POLICIES

These personnel policies apply to all employees of CARTS unless specified by governmental law or regulation. In cases where governmental laws or regulations supersede this policy for specific groups of employees, such laws or regulations will substitute for these personnel policies only insofar as necessary to comply. In addition to this policy, all drivers must adhere to the Driver's Personnel Policies Manual.

1.06 DISSEMINATION OF PERSONNEL POLICIES

The General Manager maintains current copies of these personnel policies with all revisions for review by employees. In addition each employee receives a copy when hired.

2.0 EMPLOYEE RESPONSIBILITIES

2.01 GENERAL POLICIES

The Capital Area Rural Transportation System (CARTS) is an interlocal political subdivision. Its employees must adhere to high standards of public service that emphasize professionalism, courtesy and avoidance of even the appearance of illegal or unethical conduct. Employees are required to carry out efficiently the work items assigned, to maintain good moral conduct and to do their part maintain good relationships with their supervisors and fellow employees, the public and other member government employees and officials.

2.02 TIMELINESS

Employees are to be punctual in reporting for work, keeping appointments and meeting schedules for completion of work.

2.03 OUTSIDE ACTIVITIES

Employees may not engage in any outside employment activity, if the employment is determined by the General Manager to (1) interfere with the performance of the employee's duties, (2) involve a conflict of interest, (3) involve performance of duties which the employee performs as part of his/her employment with CARTS or (4) occur during the employee's assigned working hours.

An employee must have the advance approval of both his or her supervisor and the General Manager to engage in any outside employment, including self-employment.

2.04 CONFLICT OF INTEREST

An employee may not: (1) solicit or accept or agree to accept a financial benefit, other than from CARTS, that might reasonably tend to influence his or her performance of duties for CARTS or that he or she knows or should know is offered with intent to influence the employee's performance; (2) accept employment or compensation that might reasonably induce him or her to disclose confidential information acquired in the performance of official duties; (3) accept outside employment for compensation that might reasonably tend to impair independence of judgment in performance of duties for CARTS; (4) make any investment that might reasonably be expected to create a substantial conflict between the employee's private interest and duties for CARTS; or (5) solicit or

accept, or agree to accept, a financial benefit from another person in exchange for having performed duties as a CARTS employee.

2.05 POLITICAL ACTIVITY

Employees of CARTS are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies.

A CARTS employee may not:

1. Use his or her official authority or influence to interfere with or affect the result of an election or nomination for office;
2. Directly or indirectly coerce, attempt to coerce, command or advise a local or state officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency or person for a political purpose; or
3. Be a candidate for elective office in a partisan election. (A partisan election is an election in which candidates are to be nominated or elected to represent a party who candidates for presidential electors received votes in the last preceding election at which presidential electors were selected).

A CARTS employee's political activity, not in violation of this section, shall not be considered in determining his or her compensation, eligibility for promotion or demotion, work assignment, leave or travel request, or in applying any other employment practices to the employee.

2.06 COMMUNICATIONS

Matters that involve CARTS policy, operations and organization are brought before the CARTS Board by the General Manager or by a person designated to do so by the General Manager.

An employee may request that a matter be considered by the CARTS Board or the General Manager by submitting the item in writing to his or her Supervisor who will forward the communication to the General Manager.

Communication with the public about CARTS' business is the responsibility of the General Manager. Employees are to refer the public to the Deputy General Manager or the General Manager if a question is non-routine, controversial or outside of the scope of the employee's normal duties.

Employees may be given directions from persons other than their immediate Supervisor. In such cases, the employee must notify his or her Supervisor about the direction, its purpose and the relevant facts of the situation. Failure to do so in a timely manner may result in disciplinary action.

3.0 HIRING PRACTICES

3.01 EQUAL EMPLOYMENT OPPORTUNITY

No discrimination will be allowed against any person in job structuring, recruitment, examination, selection, appointment, placement, training, upward mobility, discipline, or any other aspect of personnel administration based upon race, age, religion, color, disability, national origin, sex (including sexual harassment), political affiliation or belief, or any other non-merit factor. Personnel decisions will be made only on the bases of occupational qualifications job-related factors such as skill, knowledge, education, experience and ability to perform a specific job.

3.02 AFFIRMATIVE ACTION

The Capital Area Rural Transportation System (CARTS) will take affirmative action to see that applicants are employed, and employees are treated during employment, without discrimination based upon race, age, religion, color, disability, national origin, sex (including sexual harassment), political affiliation or belief, or any other non-merit factor.

3.03 SUBSTANCE ABUSE POLICY

The Capital Area Rural Transportation System (CARTS) has established and will adhere to a drug and alcohol-free workplace to insure a safe and productive workplace. CARTS will comply with applicable Federal Law including Omnibus Transportation Employee Testing Act of 1991 and subsequent Acts or revisions and will promulgate appropriate rules and policies consistent with the requirements of Federal Law. The CARTS Drug Free Workplace Policy will apply to all applicable employees. The following rules have been established to insure a drug-free atmosphere:

1. The unlawful manufacture, distribution, dispensing, possession or use of a controlled substance on CARTS property is prohibited.
2. Being under the influence of alcohol or other drugs on CARTS property is prohibited. The unauthorized use or possession of alcoholic beverages and abuse of prescription drugs or over-the-counter drugs on CARTS property is prohibited.
3. Employees who violate the substance abuse policy are subject to appropriate disciplinary action up to and including termination.
4. Alcoholism and other drug addictions are recognized as diseases responsive to proper treatment and this may be a consideration as long as the employee cooperates.
5. Employees should refer to the CARTS Transportation Manual for applicable Drug/Alcohol-Free Workplace Policies for that service group.

3.04 AUTHORIZATION TO WORK

CARTS will comply with Federal Law which governs verification eligibility to work in the United States as per the Immigration Reform and Control Act of 1986. Current and newly hired applicants must provide relevant documentation verifying their eligibility prior to employment or to maintain current position.

3.05 EMPLOYMENT OF RELATIVES

Nepotism is the showing of favoritism toward a relative. The practice of nepotism in hiring personnel or awarding contracts is forbidden by CARTS. No person may be hired who is related within the second degree by affinity (marriage) or within the third degree by consanguinity (blood) to any member of the CARTS Board, or General Manager or direct Supervisor. No person may continue in CARTS employment who is related in one of the prohibited degrees unless the employee has been employed continuously by CARTS for a period of at least one year prior to the CARTS Board member's election or the General Manager's appointment.

No personnel action will be taken that would result in any employee supervising another employee who is related within the second degree of affinity or the third degree of consanguinity to the supervisory employee.

Spouses or relatives within the first or second degree of consanguinity (i.e., son-in-law, mother-in-law, aunt-in-law, nephew-in-law, etc.) are also included in the prohibition.

3.06 AGE REQUIREMENTS

Persons under sixteen (16) years of age will not be employed in any full-time regular position. CARTS drivers must be twenty-one (21) to comply with commercial licensing for operating CARTS vehicles.

Other age limitations will be applied as required by state or federal law.

3.07 VACANCIES

Vacancies on the CARTS staff are filled on the bases of merit, by promotion or by initial appointment. Selections of the best qualified persons are made on the basis of occupational qualifications and job-related factors such as skill, knowledge, education, experience and ability to perform the specific job.

3.08 QUALIFICATIONS

CARTS maintains a job description which establishes the essential functions of each staff positions and the required knowledge, skills, abilities and the acceptable levels of experience and training for each.

The job description sets for the minimum acceptable qualifications to fill the position.

3.09 METHODS OF RECRUITMENT AND SELECTION

CARTS has three methods of recruiting and selecting persons to fill vacancies: (1) promotion from within; (2) lateral transfer from within; or (3) public announcement and competitive consideration of applications for employment. The General Manager determines the method of selection to be used in filling each vacancy.

3.10 PUBLIC ANNOUNCEMENTS

Public announcements of position openings at CARTS, for which there will be competitive consideration, are disseminated by the Executive Director in the manner most appropriate for the particular position being filled and in accordance with CARTS Affirmative Action Plan.

3.11 APPLICATION FOR EMPLOYMENT

Each applicant for employment is required to submit a written CARTS applications and other pertinent information regarding training and experience. The information on the applications form is considered confidential and will be secured.

3.12 CONSIDERATION OF CURRENT EMPLOYEES

CARTS employees will be notified by the General Manager of vacancies in the organization for which competitive applications will be accepted by posting such announcements in a central place, and employees will be permitted to apply for positions for which they believe themselves to be qualified.

3.13 PRIOR SERVICE WITH CARTS

Employees entering service with CARTS who have had prior employment with CARTS may be considered for appointment above the customary entry salary level. A break in continuous service with CARTS forfeits any benefits accrued prior to the break.

3.14 TESTING

Applicable tests will be administered for employment or promotion according to the requirements of the position and federal or state law (e.g., operating equipment, drug testing, DOT physical, typing tests, tabulating columns of number or writing samples).

3.15 PRE-EMPLOYMENT INQUIRIES

The General Manager or his designated staff will make pre-employment inquiries that are specifically job-related and verify candidate application information.

3.16 DISQUALIFICATION

An applicant is disqualified from employment if he or she (1) does not meet the minimum qualifications for performance of the essential duties of the position involved, (2) knowingly has made a false statement on the application form, (3) has committed fraud during the selection process, (4) does not pass the applicable required tests, or (5) is not legally permitted to hold the position.

3.17 SELECTION

The General Manager has exclusive authority to select and employ personnel and may ask other Supervisors for recommendations as needed.

There is no written or verbal guarantee for employment for any specific period of time. Employment with CARTS is contingent on budgetary funding and limited to these policies.

4.0 TYPES OF EMPLOYMENT

4.01 CATEGORIES

The categories of employment with Capital Area Rural Transportation System (CARTS) are:

Regular Full-Time: A regular full-time employee is employed to work 40 hours per week.

Regular Part-Time: A regular part-time employee is employed to work fewer than 40 hours per week.

Temporary: A temporary employee is an employee hired to complete a specific project within a specified period of time. Temporary employees may be full-time or part-time and are treated in the same manner as regular employees except they are not paid for holidays and are not entitled to any CARTS benefits with regard to the duration of their employment. Exceptions can be made at the discretion of the General Manager. See Benefits chapter of these policies for details of benefits available to each category of employment.

4.02 AT-WILL

Regular and temporary employees are employed at-will and may be dismissed with or without cause at any time during their employment.

4.03 ASSIGNED STAFF

Staff who are assigned to CARTS but are paid directly by another government or organization are not employees of CARTS. These employee's benefits are specified in the contract for services. Assigned staff are governed by all terms of these policies not in conflict with their contract for service.

5.0 EMPLOYEE COMPENSATION AND ADVANCEMENT

5.01 PAY PERIODS

The pay period for the Capital Area Rural Transportation System is PAYDAYS semimonthly. The pay period is from the first day of the month through the fifteenth (15th) day of the month and from the sixteenth (16) day of the month through the last working day of each month. Checks will not be distributed prior to the sixteenth (16th) day of each month and the first (1st) day of each month.

If payday falls on a weekend or holiday, checks will be distributed on the Friday preceding or the Monday following as the General Manager determines.

5.02 PAYROLL DEDUCTIONS

Deductions will be made from each employee's pay for the following:

- Federal income taxes;
- Social Security / Medicaid, and
- Any other deductions required by law.

In accordance with policies and general procedures approved by the CARTS Board, deductions from an employee's pay may be authorized in writing by the employee for:

- Group health / medical insurance for dependents;
- Life insurance for the employee and dependents; and
- Other deductions as may be authorized by the employee.

5.03 CLASSIFICATION PLAN

CARTS maintains a classification plan by which each class of positions is assigned to a pay group based on the principle of equity among positions requiring similar knowledge, skills, abilities and having similar levels of responsibility.

5.04 PAY PLAN

Pay ranges for each group are established by a pay plan which is recommended by the General Manager and approved by the CARTS Board.

5.05 PAY GROUP AND STEPS

The General Manager determines the group and step each position is assigned based on the pay plan and overall budget. An employee who is designated exempt from the pay plan is paid within maximums set in a budget approved by the CARTS Board.

5.06 MERIT INCREASES

Merit increases may be granted for exceptionally good and consistent performance in the same position. They are not used to recognize increased duties and responsibilities (a promotion) and are granted without regard to cost-of-living factors or longevity.

Merit increases recognize outstanding performance and are granted in conjunction with a performance evaluation of the employee the results of which are one factor used in merit pay decisions. Any merit increases are granted by the General Manager within authorized budget limits.

5.07 PROMOTIONS

A promotion is a change in the duty assignment of an employee from a position in one classification to a position in another classification in a higher pay group. A promotion recognizes advancement to a higher position requiring higher qualifications and involving great responsibility. A promoted employee will receive a pay increase.

Promotions are approved by the General Manager within the staffing pattern and budget limits approved by the CARTS Board.

5.08 LATERAL TRANSFERS

A lateral transfer is the movement of an employee between positions in the same pay group within CARTS. Lateral transfers may be made within the same section or between sections of CARTS.

5.09 DEMOTIONS

A demotion is a change in duty assignment of an employee from a position in one classification to a position in another classification in a lower pay group. An employee who is demoted will have his or her pay reduced. Demotions may be made for the purpose of voluntary assumption of a less responsibility position; or as a disciplinary measure, or because of unsatisfactory performance in a high position.

5.10 PAY REDUCTION FOR DISCIPLINARY REASONS

An employee's pay for continued performance in the same position may be reduced, as a disciplinary measure, to a lower rate in the pay group for that position or to a rate in the next lower pay group. The period covered by this type of disciplinary action may not exceed sixty (60) days.

After the sixty (60) days has expired, the employee's performance will be evaluated to determine reinstatement of salary or other disciplinary action required such as demotion or dismissal.

5.11 APPROVING AUTHORITY

The General Manager is the approving authority for all pay increases and decreases granted under the terms of: (1) these policies, (2) the classification and pay plans, or (3) the annual budget.

6.0 WORK SCHEDULE AND TIME REPORTING

6.01 WORK WEEK

Normal working hours are Monday through Friday, 8:00 am to 5:00 p.m. with one hour for lunch, for a total of 40 hours per workweek.

The General Manager may set other hours of work for individuals or groups of employees if necessary.

Employees are expected to report punctually for duty at the beginning of their assigned workday and to work the full workday established.

6.02 SCHEDULE ADJUSTMENTS

Adjustments to the normal hours of operation may be made by the General Manager in order to serve member contractors, government or the public better.

Offices will remain open during the noon hour. Lunch periods for some employees may be staggered according to the requirements of the General Manager.

6.03 NUMBER OF HOURS WORKED

The General Manager determines the number of hours worked by an employee for the compensation to be received subject to laws governing pay and working hours and to the provisions of the CARTS budget.

6.04 OVERTIME WORKED

An employee may be required to work more than the normal number of working hours in the official work period.

For employees who are covered by the overtime provisions of the Fair Labor Standards Act (FLSA), the policy of CARTS is to pay them time and one-half for authorized hours worked in excess of 40 working hours. Employees will be paid for double time for hours worked on a CARTS scheduled holiday. (See 9.01 Holidays)

All overtime services by employees covered under FLSA must be authorized in advance by the General Manager and approved by the employee's Supervisor.

Executive, administrative and professional employees are exempt for the overtime provisions of the Fair Labor Standards Act (FLSA) and are expected to render necessary and reasonable overtime services with no additional compensation.

Each CARTS job description designates whether persons hired in that classification are covered by or exempt from the overtime provisions of FLSA.

6.05 HOLIDAYS WORKED

If a non-exempt employee is required to work during a scheduled holiday, he or she will be compensated for the holiday time worked by being paid double time for the hours worked.

Transportation personnel who work on scheduled holidays will be paid double time for the hours worked.

6.06 TIME REPORTING

Employees shall record all hours worked and released time taken on the forms provided by CARTS. Timesheets must be prepared accurately and be signed by the employee and by the employee's immediate Supervisor.

7.0 BENEFITS

7.01 MEDICAL INSURANCE

The Capital Area Rural Transportation System (CARTS) provides group medical insurance coverage for regular full and part-time employees. CARTS will pay the following percentages of the employee's health coverage, based on the number of hours per week employed: 0-9 hours – 0%, 10-19 hours – 25%, 20-29 hours – 50%, 30-39 hours – 75%, 40 hours – 100%. An employee is eligible for health coverage on the first day of the month following 90 days of employment. Benefit packages containing information about CARTS insurance program will be given to eligible employees.

7.02 SOCIAL SECURITY

All employees of CARTS are covered by Social Security. CARTS matches each employee's contribution to the Social Security System dollar for dollar.

7.03 WORKERS' COMPENSATION

All employees of CARTS are covered by the Workers' Compensation Insurance Program. CARTS pays the premium. This coverage provides medical and salary continuation payments to employees who receive bona fide, on-the-job, work-related injuries.

7.04 UNEMPLOYMENT INSURANCE

All employees of CARTS are covered under the Texas Unemployment Compensation Insurance program. CARTS pays this tax. This program provides payments for unemployed workers in certain circumstances.

7.05 VACATION TIME

All regular, full and part-time employees are entitled to vacation leave. Detailed information on vacation leave is found in the next chapter.

7.06 SICK LEAVE

All regular, full and part-time employees of CARTS are entitled to sick leave. Detailed information on sick leave is found in the next chapter.

7.07 EDUCATION AND TRAINING

When CARTS requires an employee to attend any educational or training course, or conference, CARTS will provide necessary time off with pay and reimburse the employee for all associated costs including registration fees and authorized travel, meals and lodging according to the Federal Register per diem guidelines.

8.0 LEAVE TIME

8.01 GENERAL POLICY & DEFINITIONS

Dependable and timely service to CARTS customers requires CARTS to be adequately staffed at all times in order to provide the timely response and level of service expected and demanded by CARTS customers. Therefore, it is the policy of CARTS to promote good attendance by controlling the use of leave.

Leave Time: Leave time is time during normal working hours in which an employee does not engage in the performance of job duties. Leave time may be either paid (sick, annual or compensatory) and unpaid.

Holidays: Holidays are days designated by the CARTS Board of Directors when the CARTS office is closed on what would otherwise be a regular business day.

Unauthorized Absence: An unauthorized absence is one in which the employee is absent from regular duty or tardy without permission of their Supervisor. Employees are not paid for unauthorized absences and such absences are cause for disciplinary action. If an unauthorized absence

falls within a day prior to and a day after a CARTS scheduled holiday, the employee will not be paid for the unauthorized absence.

8.02 APPROVAL OF LEAVE

The granting of annual or compensatory leave is not automatic and may be denied or restricted based on business necessity. In order to attempt to provide employees an opportunity to take leave, each supervisor will establish a leave scheduling system which will allow employees to submit requests for leave within a given fiscal year (January 1st to December 31st). Conflicts arising from leave request resulting from limitations on the number of people that can be off at a particular time will normally be resolved by granting leave to the employee who requested leave first. Exceptions to this policy may be made on a case by case basis.

All leave taken by CARTS employees must be approved by the employee's Supervisor. It is the responsibility of the supervisor to inform the employee within five working days of the request if the leave is approved. If the leave is denied, the specific reasons for granting the leave should be shared with the employee.

Any employee that does not report to work when a leave request has been denied, unless medical certification is submitted and accepted by the Supervisor, will be considered as an Unauthorized Absence, as defined in Section 8.01.

Supervisory and Administrative personnel will coordinate their leave with each other and obtain approval by the General Manager in order to insure that all business functions of CARTS are maintained.

8.03 REPORTING ABSENCES

Employees must report to their immediate Supervisor absences or tardiness before the start of their regularly scheduled day unless warranted by an emergency circumstance. Failure to give notice will be subject to Section 8.01, Unauthorized Absence.

If an employee establishes a pattern of using leave, which indicates possible abuse (for example; regular use of sick leave around holidays, weekends and vacations), the employee may be required to provide medical certification that absences are due to illness or emergencies. Failure to provide required verification for absences and tardiness are unacceptable and will be considered an unauthorized absence and subject to action as set forth under, "Unauthorized Absences" in this section.

8.04 VACATION LEAVE

All regular full-time and part-time employees are entitled to accrual of vacation leave. After the completion of the ninety (90) days of time served, vacation leave is credited to the employee's account; but vacation

leave cannot be taken, nor will it be paid upon separation, during the ninety (90) day time period. Refer to Section 8.06 for the schedule of vacation leave accrued.

Accrual of Vacation Leave Regular full-time employees, who work 40 hours a week, annually earn vacation leave as follows:

- Up to three years of service: 8 hours a month per year
- Three to ten years of service: 10 hours a month per year
- Ten to twenty years of service: 14 hours a month per year
- Twenty and over years of service: 16 hours a month per year

Regular part-time employees, who work fewer than 40 hours a week, earn vacation leave in proportion to the number of hours employee worked per week. Refer to Section 8.06 for the schedule of vacation leave accrued.

Unused Vacation Leave The maximum allowable accumulation of unused vacation leave is one hundred twenty (120) hours.

Scheduling Vacation Leave Vacation leave must be scheduled five (5) working days in advance and must accommodate CARTS' work schedule.

8.05 SICK LEAVE

All regular full-time and part-time employees are entitled to accrual of sick leave, and may utilize it if the employee is absent from work due to:

1. Personal illness or physical or mental incapacity;
2. Medical, dental or optical examinations or treatments;
3. Medical quarantine resulting from exposure to a contagious disease; or
4. Illness of a member of the employee's immediate family who requires to employee's personal care and attention. For this purpose, immediate family is defined as the employee's spouse, child(ren) or any other relative of the employee who resides in the employee's household and depends on their care. Absences for other relatives will be approved on a case-by-case basis by the General Manager.

Medical Statement The General Manager may request written verification by a physician of medical disability regarding availability for duty at any time that sick leave benefits are requested. Employees are required to supply such documentation if requested.

Accrual of Sick Leave Regular employees are entitled to sick leave after the completion of the ninety (90) day service period. Paid sick leave cannot be taken, nor will be paid upon separation, during the ninety (90) day service period. Employees earn sick leave in proportion to the number of hours worked per week. Maximum allowable accumulation of unused sick leave is nine hundred and sixty (960) hours. Refer to Section 8.06 for the schedule of leave accrued.

Exhaustion of Sick Leave An employee who has exhausted earned sick and annual leave benefits may request leave of absence without pay.

Illness While on Annual Leave When an illness or incapacity occurs during the time an employee is on vacation leave, sick leave may be granted to cover the period of illness or incapacity and the charge against vacation leave reduced accordingly. Application for such substitution must be supported by a medical certificate or other acceptable evidence. This must be approved by the General Manager.

Unpaid Leave of Absence An employee may be granted an unpaid leave of absence for the purpose of recovery from an extended illness or temporary disability only after exhaustion of all accrued sick and vacation leave and with the written approval of the General Manager. During this time, an employee accrues no additional vacation leave, sick leave or longevity benefits, but retains those already accrued. Other benefits are retained during unpaid leave of absence unless otherwise prohibited by the terms or provisions of the benefit program. Medical insurance can be continued if paid in advance by the employee.

Pregnancy Pregnancy is treated in the same manner as any other extended illness or temporary disability.

Conditions The General Manager may require an employee to provide a doctor's statement after three (3) or more consecutive sick days, and from time to time, provide an update as to the employee's condition and date upon which paid or unpaid leave of absences for extended illness or temporary disability to provide a medical doctor's statement as to the date upon which the employee is no longer able to perform his or her duties and the expected length of the recuperation period as well as a written statement from the employee concerning his or her intentions about returning to work at CARTS. An employee on extended leave for illness must contact the appropriate CARTS Supervisor at least once each work week to report on his or her condition. Failure to provide required medical status reports or to contact the office on the schedule required by the General Manager is grounds for revoking the leave and for taking disciplinary action. Leaves of absence without pay for illness or temporary disability are limited to a maximum of ninety (90) days.

8.06 SCHEDULE OF LEAVE

The following schedule details the number of vacation leave hours accumulated based on scheduled hours of work:

RATE OF MONTHLY ACCUMULATION OF ANNUAL LEAVE TIME

Weekly Hours Worked	0 – 3 Years	3 – 10 Years	10 – 20 Years	20 Plus Years
40	8	10	14	16
30-39	6	8	12	14
20-29	4	6	10	12
10-19	2	4	8	10
0-09	0	0	0	0

RATE OF MONTHLY ACCUMULATION OF SICK LEAVE TIME

Weekly Hours Worked	Monthly Accumulation
40	8
30-39	6
20-29	4
10-19	2
0-09	0

8.07 MILITARY LEAVE

Regular full and part-time employees who are members of the United States Military Forces or of any Reserve Components of the Armed Forces of the United States are entitled to leave of absences from their duties, without loss of time, efficiency rating, vacation time or salary in accordance with applicable law.

Requests for approval of military leave must have copies of the relevant military orders attached. Military leave will be charged to vacation leave or leave without pay.

Regular full and part-time employees who are ordered to extended active duty with the state or federal military forces are entitled to all of the re-employment rights and benefits provided by law upon their release from active duty.

8.08 CIVIC LEAVE

Regular employees are granted civic leave, with pay, when subpoenaed for jury duty. The employee must provide verification of jury duty.

An employee receiving a legal summons to appear in court as a witness, must notify their supervisor immediately. Arrangements will be made so

that time off will not be charged against annual or sick leave. This time must be clearly documented with a copy of summons in the personnel file.

Any employee who receives a legal summons to appear in court as a plaintiff or defendant must notify his or her supervisor and time must be charged to annual leave time.

When an employee has completed civic leave, he or she must report to CARTS for duty for the remainder of the workday.

8.09 LEAVE OF ABSENCE WITHOUT PAY

Leave of absence without pay is an approved absence from duty in a no-pay status. Granting a leave of absence without pay is at the discretion of the General Manager, but such a leave is not authorized unless there is a reasonable expectation that the employee will return to employment with CARTS at the end of the approved period. Employees on leave of absence without pay receive no compensation and accrue no benefits. However, previously accrued benefits are retained during leave of absence unless otherwise prohibited by the terms or provisions of the benefit programs.

Medical insurance can be continued if the entire premium is paid in advance by the employee. CARTS will not pay an employee's portion of the insurance during the leave of absence without pay.

A leave of absences without pay may be revoked upon receipt of evidence submitted that the cause for granting such leave was misrepresented, or has ceased to exist.

A leave of absence without pay may be appropriate for the following reasons:

- Recovery from extended illness or temporary disability;
- Public service assignments;
- Personnel exchange programs which emphasize intergovernmental relations, or;
- Any other reason which the General manager deems to merit a leave of absence without pay.

8.10 USING LEAVE IN COMBINATION

An employee who is absent on sick leave must exhaust all sick and vacation leave before he or she is eligible to request leave without pay.

Sick leave cannot be used for vacation purposes when vacation leave is exhausted.

8.11 ADMINISTRATIVE AND EMERGENCY LEAVES

Policy Amendment

The information below replaces section 9.01 of the Personnel Policies.

Holidays

Below is the list of paid holidays for Regular employees of CARTS.

Employees in the 90-day entry period– the benefits waiting period– are not eligible for Holiday Pay.

January - the 1 st	New Year's Day
January- third Monday	Martin Luther King's Birthday
February- third Monday	President's Day
March/April- as designated annually	Good Friday
May- last Monday	Memorial Day
July- the 4 th	Independence Day
September- first Monday	Labor Day
November- fourth Thursday	Thanksgiving Day
November- fourth Friday	Day after Thanksgiving
December- the 24 th	Christmas Eve
December- the 25 th	Christmas Day

9.01
General
Policy

The General Manager may designate other holidays in accordance with direction from the Board of Directors.

General The General Manager is authorized to grant administrative or emergency leave to any employee in certain circumstances.

Administrative Leave The General Manager may authorize administrative leave, with or without pay, when warranted by unforeseen circumstances not otherwise provided for in these policies.

Emergency Leave Emergency leave with pay may be granted by the General Manager for reasons of a death in an employee's family. For purposes of emergency leave, family includes spouse, child, parent, brother, sister, uncle, aunt, nephew, niece and grandparents of an employee or employee's spouse's parents. Emergency leave is limited to no more than three (3) days per occurrence. The length of time granted for emergency leave must be approved by the General Manager in advance and will depend on the circumstances.

8.12 ABANDONMENT OF POSITION

Unauthorized absence from work for a period of two (2) consecutive working days will be considered by the General Manager as a resignation.

9.0 HOLIDAYS

See policy update (next page)

~~9.01 GENERAL~~

The following are paid holidays for regular employees of the Capital Area Rural Transportation System (CARTS):

- New Year's Day – January 1
- Martin Luther King's Birth – Third Monday of January
- President's Day – Third Monday of February
- Good Friday – as designated annually
- Memorial Day – last Monday in May
- Independence Day – July 4th
- Labor Day – First Monday in September
- Thanksgiving Day – Fourth Thursday in November
- Day after Thanksgiving – Fourth Friday in November
- Christmas Eve – December 24th
- Christmas Day – December 25th
- Personal Holiday – 1 day at the employee's election with Administrative approval

The General Manager may designate other holidays in accordance with direction from the CARTS Board.

9.02 HOLIDAYS FALLING ON WEEKEND

If a holiday listed above falls on a Saturday or Sunday, it will be observed on the Friday preceding or the Monday following as determined by the General Manager.

9.03 WORK DURING HOLIDAYS

The General Manager may direct some or all employees to work on any holiday. (Refer to the Holidays Worked section for compensation information)

9.04 HOLIDAY DURING VACATION

If an official holiday falls within a regular or part-time employee's vacation, the employee will be granted the holiday and not charged for the day of vacation.

10.0 HEALTH AND SAFETY

10.01 SAFETY POLICY

It is the policy of the Capital Area Rural Transportation System (CARTS) to make every effort to provide healthy and safe working conditions for all of its employees.

10.02 EMPLOYEE RESPONSIBILITIES AND REPORTS

Employees are responsible for conducting their work activities in a manner that is protective of their own health and safety as well as that of other employees.

An employee must promptly report every on-the-job accident, no matter how minor, to his or her Supervisor.

10.03 EMPLOYEE SUGGESTIONS

Employees shall report immediately to their Supervisors any conditions that in their judgment threaten the health and safety of employees or visitors.

Employees are encouraged to make suggestions to their Supervisors of improvements that would make the CARTS workplace safer or more healthful.

10.04 ON-THE-JOB INJURIES

Insurance CARTS provides Workers' Compensation Insurance for all of its employees. This insurance provides medical expenses and weekly payments if an employee is absent from work because of a bona fide on-the-job, work-related injury for more than seven (7) days.

Compensation If an employee sustains a bona fide, on-the-job, work-related injury which renders him or her unfit in performing the duties of the job, the employee will receive pay as follows:

- For up to seven (7) days the employee may use his or her sick or annual leave for that period.
- Beginning on the eighth (8) day and for any days thereafter that the employee is unfit for duty, the employee receives payments from the insurance carrier in accordance with law.

Medical Attention An employee who sustains a bona fide, on-the-job, work-related injury may seek medical attention from the medical facility or professional of his or her choice. CARTS will require a statement of medical condition and of release to return to work from the attending physician. An employee may be required to submit to examination by an independent physician as determined by the General Manager at CARTS' expense.

Reporting While on leave because of a bona fide, on-the-job, work-related injury, an employee must contact the appropriate CARTS Supervisor to report on his or her condition. Failure to provide the required medical status reports or to contact the Supervisor on the schedule required by the General Manager is grounds for revoking the leave and for taking disciplinary action.

Return to Service All employees must return to work after the approval of the attending physician is obtained. Failure to return to work when directed will result in appropriate disciplinary action. An employee who is able to return to work in light duty status may be required to work in a different department and perform duties not contained within his or her current classification.

At the time of final release or settlement of a worker's compensations claim, if no vacancy exists and a reasonable effort has been made to place the employee in another position, he or she will be separated and paid accrued benefits.

An employee does not accrue benefits (sick or vacation leave) while receiving worker's compensation payments.

11.0 DISCIPLINE

11.01 JUST CAUSE

Disciplinary action may be taken against an employee for just cause. Just cause for disciplinary action includes but is not limited to the following:

- Insubordination;
- Absence without leave, including absence without permission, failure to notify a supervisor of sick leave and repeated tardiness or early departure;
- Endangering the safety of other persons through negligent or willful acts;

- Violation of CARTS Statement and Policy on drug abuse while on duty; on use or possession; on alcohol and controlled substances;
- Unauthorized use of public funds or property;
- Violation of the requirements of these personnel policies;
- Conviction of a felony;
- Conviction of Official Misconduct or perjury;
- Falsification of documents or records;
- Unauthorized disclosure of confidential information (personnel information);
- Unauthorized or abusive use of official authority;
- Failure to observe CARTS' policies regarding communications with CARTS board members and the public (see Communications in Employee Responsibilities Chapter);
- Incompetence or neglect of duty; or
- Disruptive behavior which impairs the performance of others.

Transportation personnel are subject to disciplinary action also outlined in the Transportation Personnel Policies Manual.

11.02 PROGRESSIVE DISCIPLINE

The General Manager may take disciplinary action, including dismissal, affecting an employee at any time. The severity of the discipline depends upon the nature of the infraction. Discipline may involve one or more of the following actions:

- Oral warning with records of each warning maintained by the Supervisor;
- Written reprimands which the Supervisor must in all cases cause to be transmitted through the General Manager to the employee's personnel file;
- Reduction in pay without demotion;
- Suspension from duty, with or without pay, for up to thirty (30) days and renewable after informal review of the circumstances;
- Demotion, or;
- Separation by involuntary dismissal.

Actions other than oral or written warnings require the approval of the General Manager.

Except in the case of oral warnings, disciplinary action must be accomplished or preceded by written notice to the employee involved. Notice includes a description of the just cause for the action and, except in the case of dismissal, states the likely consequences of further unsatisfactory performance or conduct. Written notice of disciplinary action is included in the employee's personnel file.

Disciplinary action does not automatically or permanently disqualify an employee from consideration for future promotion, pay increases, commendations, or other beneficial official personnel actions.

12.0 SEPARATIONS

12.01 TYPES OF SEPARATIONS

All separations of employees are designated as one of the following types:

- Resignation;
- Reduction in Force;
- Dismissal;
- Disability; or
- Death

12.02 RESIGNATION

An employee who intends to resign must notify his or her Supervisor in writing at least ten (10) working days prior to the last day of work. The Supervisor is responsible for immediately notifying the General Manager.

An employee who resigns without sufficient notice or is terminated for misconduct will lose the right to payment for accrued unused vacation and is subject to having a written reprimand placed in his or her file documenting this violation of personnel policies, unless there is a valid reason approved by the General Manager for not giving sufficient notice.

12.03 REDUCTION IN FORCE

An employee may be separated when his or her position is abolished, or when there is either a lack of funds or lack of work.

When reductions in force are necessary, decisions on individual separations will be made after considering (1) the relative necessity of each position to the organization, (2) the performance record of each employee, and (3) qualifications of the employee for remaining positions.

12.04 DISMISSAL

In addition to dismissal for just cause, an employee may be dismissed at will any time period when, in the judgment of the Supervisor and the General Manager, the quality and performance of his or her work does not merit continuation on the CARTS staff.

Prior to dismissal for just cause, a regular full-time or part-time employee who has been employed ninety (90) days or more, will be given an oral or written notice of the just cause and the employer's evidence and will be granted an opportunity to present to the General Manager reasons why dismissal should not occur.

Reasons can be presented to the General Manager orally or in writing at the employee's option.

12.05 DISABILITY

An employee will be separated when an appointed physician determines that, for physical or mental reasons, the employee cannot perform the essential duties of the job. The General Manager will appoint a physician who will examine the employee and make his or her recommendation (s) to the CARTS Board. The examination will be paid by CARTS.

12.06 DEATH

If a CARTS employee dies, his or her estate receives all pay due and any earned and payable benefits as of the date of death.

12.07 CALCULATION OF SEPARATION PAY

Regular full-time and part-time employees who have completed at least ninety (90) days of continuous employment, who separate from CARTS employment for reasons other than for cause, or who provide at least ten business days notice of their departure are eligible for sick and vacation separation pay.

Sick Separation Pay Payment for accrued sick leave will be made up to a maximum of 25% of unused hours for employees who have completed at least three years of continuous employment. Payment for such leave balances will be included in the employee's final paycheck and will be calculated according to the hourly rate of pay.

Vacation Separation Pay Payment for unused vacation leave will be made up to a maximum of 120 hours. Payment for such leave will be included in the employee's final paycheck and will be calculated according to the regular rate of pay.

Termination Separation Pay If dismissed with cause, the employee will receive his or her final paycheck on the sixth day following date of termination. All others, will receive final paychecks on the next scheduled payday.

12.08 EXIT INTERVIEWS AND RECORDS

Reason (s) for a separation are stated in writing, signed by the Supervisor, and except in unusual or emergency circumstances, initialed by the employee.

The Supervisor of an employee who is separated shall discuss with the employee the reason (s) for the separation in an exit interview whenever possible.

The General Manager must also sign the Personnel Action Form.

13.0 GRIEVANCES

13.01 GENERAL POLICY

It is the policy of the Capital Area Rural Transportation System (CARTs) insofar as possible to prevent the occurrence of grievances and to deal promptly with those which occur. No adverse action will be taken against an employee for reason of his or her exercise of the grievance right.

A grievance may be filed by an employee on one or more of the following grounds: improper application of rules, regulations and procedures; unfair treatment; illegal discrimination based on race, religion, color, sex (including sexual harassment), age, disability or national origin; disciplinary action taken without just cause; improper application of fringe benefits; or improper working conditions.

13.02 FINAL AUTHORITY

Informal Grievances The first step in the grievance procedure is for the employee to attempt to resolve the grievance by informal conference with his or her immediate Supervisor. If informal conference with the Supervisor does not result in a resolution of the problem (s) that is satisfactory to the employee, he or she may file a formal grievance.

Formal Grievances Formal grievances must be in writing, signed by the employee, and presented to the employee's immediate Supervisor. A statement of the specific remedial action requested by the employee must be included in the written grievance.

After being presented with a written and signed grievance, the immediate Supervisor will: (1) consult with his or her Supervisor, (2) notify the General Manager, (3) attempt to resolve the grievance within five working days after receipt of the grievance, and (4) communicate the decision to the employee and to the General Manager in writing.

An employee who receives no written resolution by the close of the fifth working day following the day the written grievance was presented, or is not satisfied with the proposed resolution, may within the next three working days appeal in writing to the General Manager. The General Manager will respond in writing to the employee by the close of the fifth working day following the day the written appeal was received.

An employee who receives no written resolution by the close of the fifth working day following the day the written grievance was presented to the General Manager, or is not satisfied with the proposed resolution received from the General Manager, may within the next three working days appeal to the CARTS Board. He or she must request in writing to the General Manager to be put on the agenda of the next regularly scheduled board meeting to present his or her case. The decision of the CARTS Board is final.

Grievance Alleging Discrimination An employee who alleges that the employee's immediate Supervisor has illegally discriminated against the employee because of race, religion, color, sex (including sexual harassment), age, disability or national origin may initiate a grievance directly with the General Manager. The initial grievance must be presented informally to the General Manager. If the grievance is not resolved at the informal conference, however, the employee may present a formal, written grievance to the General Manager within five working days after the conference.

The General Manager shall respond in writing to the formal grievance by the close of the fifth working day following the day on which the formal grievance was received.

An employee who receives no written resolution by the close of the fifth working day following the day the written grievance was presented to the General Manager, or is not satisfied with the proposed resolution received from the General Manager, may within the next three (3) working days appeal to the CARTS Board. He or she must request in writing to the General Manager to be put on the agenda of the next regularly scheduled board meeting to represent his or her case. The decision of the CARTS Board is final.

14.0 JOB DESCRIPTIONS AND PERFORMANCE EVALUATION

14.01 JOB DESCRIPTIONS

The General Manager shall establish and periodically review an official job (class) description for each position in the Capital Area Rural Transportation System (CARTS).

14.02 DISTRIBUTION

The job description for each employee's position will be (1) given to such employee, (2) reviewed by the employee and (3) placed in the employee's personnel file along with a certification that the employee reviewed it.

14.03 REQUESTS FOR CLARIFICATION

In the absence of any request for clarification, each employee is considered to understand the responsibilities assigned to the position which he or she occupies.

14.04 EMPLOYEE PERFORMANCE EVALUATION

Supervisory personnel conduct a written performance evaluation and an evaluation interview of each CARTS employee at least annually. Performance evaluation records are maintained in each employee's personnel file.

15.0 PERSONNEL FILES

15.01 GENERAL POLICY

Personnel files are maintained by a staff person designated by the General Manager. The record copy of all personnel information related to an employee shall be filed in the employee's personnel file.

No information from any record placed in an employee's file will be communicated to any person or organization except by the General Manager, or an employee authorized to do so by the General Manager.

An employee or his or her representative designated in writing, may examine the employee's personnel file upon request during normal working hours at the CARTS office.

When a Supervisor requires access to the personnel file of an employee under his or her supervision for the handling of personnel matters, the Supervisor must obtain authorization from the General Manager or the General Manager's designee.

Employees are expected to inform their Supervisors of any changes in, or correction to, information recorded in their individual personnel file such as home address, telephone number, person to be notified in case of emergency or other pertinent information.

15.02 PERSONNEL ACTION FORM

The Personnel Action Form is the official document for recording and transmitting to the personnel file each personnel action. This form is used to promote uniformity in matters affecting:

- Employment category;
- Position title and classification;
- Pay group and rate;
- Annual salary and;
- Other actions affecting the Employee's status.

Each Personnel Action Form becomes a permanent part of the employee's personnel file, and a copy will be made available to the employee upon request.

15.03 CONTENTS OF PERSONNEL FILES

An employee's personnel file contains:

- An employment record;
- A copy of the employee's application for employment;
- A signed copy of the employee's acknowledgment of receiving a copy of the personnel policies, and a copy of the job (class) description for the position he or she currently occupies;

- Personnel Action Form;
- Performance evaluation records;
- Records of any citations for excellence or awards for good performance;
- Records of disciplinary action;
- Proof of vehicle insurance and;
- Copy of Texas Driver's License and MVR (if applicable);
- Any other pertinent information having a bearing on the employee's status

15.04 LEAVE RECORDS

Official records of annual leave and sick leave accrual and of leave usage are kept for each employee by an employee designated by the General Manager.

Leave records are updated every pay period on timesheets. Leave balances are shown on timesheets to reflect any remaining leave to which an employee is entitled.

16.0 REIMBURSEMENT OF EXPENSES

16.01 GENERAL POLICY

The policy of the Capital Area Rural Transportation System (CARTS) is that employees are to be fully reimbursed for necessary and reasonable job-related expenses incurred in the authorized conduct of CARTS business.

All requests for reimbursement of expenses are subject to requirements of documentation and reasonableness and will be honored in conformance with adopted policies and procedures.

All employees using personal cars for CARTS related travel must provide proof of insurance and a valid driver's license upon request but no less often than annually.

16.02 IN-REGION TRAVEL

All staff members shall be reimbursed for necessary and reasonable expenses incurred while traveling on authorized CARTS business.

When deemed necessary by the General Manager, such meals involving CARTS business will be reimbursed.

Mileage is reimbursed at the rate allowed by the Internal Revenue Service at the time the mileage is incurred. Employees are expected to report the shortest distance between destinations for all travel.

16.03 OUT OF REGION TRAVEL

Out-of-region travel by CARTS employees is permissible provided that it is authorized in advance by the General Manager and does not exceed budgetary limitations. Reimbursements for out-of-region travel cost are based upon the most economical conveyance that is reasonably available. When private automobiles are used for out-of-region travel, reimbursement is allowed on the basis of actual mileage traveled or tourist class air fare, (advance purchase prices), whichever is less. If no air service is available to the authorized destination, actual mileage is allowed. The difference in cost between first-class air accommodations and less-than-first-class air accommodations is unallowable except when less-than-first-class air accommodations are not reasonably available.

16.04 SPECIAL TRAVEL EXPENSES

Reasonable documented travel and/or moving expense involving applicants, new employees or transferred employees may be reimbursed by individual action of the General Manager.

16.05 LIMITATIONS

Costs of personal entertainment, amusements, social activities or alcoholic beverages are not allowable for reimbursement.

If the actual travel expenses exceed reimbursable expenses based on federal or state agencies, the excess expenses will be charged to the respective agency.

16.06 PAYMENT OF EXPENSES

Reimbursement requests must be submitted within five working days after completion of travel. All receipts, mileage readings, etc. must accompany the request.

17.0 NO HARASSEMENT POLICY

17.01 GENERAL POLICY

It is the policy of CARTS not to tolerate the harassment of any employee by any other employee for any reason. In addition, harassment on the basis of race, sex, age, national origin, religion or disability is a violation of various state and federal laws which may subject the individual harasser to liability.

17.02 SCOPE

This policy covers all personnel within CARTS and applies at all times on CARTS premises and at any other time and place where CARTS business is being conducted.

17.03 SEXUAL HARASSMENT

Sexual Harassment is considered to exist whenever there are unwelcomed sexual advances; requests for sexual favor, or any other verbal or physical conduct of the sexual nature when:

1. Submission to the conduct is made either implicitly or explicitly a condition of the individual's employment;
2. Submission to or rejection of the conduct is used as the basis for an employment decision affecting the harassed individual; or
3. The harassment has the purpose or effect of unreasonably interfering with the individual's work performance or creating an environment which is intimidating, hostile or offensive to the individual.

Sexually harassing conduct in the work place may include among other things;

1. Sexual flirtations, touching, advances or propositions;
2. Verbal abuse of a sexual nature;
3. Graphic or suggestive comments about an individual's dress or body;
4. Sexually degrading words used to describe an individual;
5. The display of sexually suggestive objects or pictures; and
6. Sexually-oriented jokes, remarks or gestures.

17.04 OTHER WORKPLACE HARASSMENT

Harassment based upon race, age, national origin, religion or disability exists whenever words or conduct related to such criteria have the purpose or effect of unreasonably interfering with an individual's work performance or creating a work environment which is intimidating, hostile or offensive to any CARTS individual.

17.05 COMPLAINT PROCEDURE

Any individual who believes that he or she has been subjected to unwelcomed harassment by any other CARTS individual has the responsibility to complain as soon as possible to his or her supervisor. If circumstances make it inappropriate to complain to the individual's immediate supervisor, the individual may directly complain to the General Manager or CARTS Board of Directors. All complaints of harassment must be investigated promptly in an impartial and in as confidential a manner as possible.

17.06 DISCIPLINARY

Any CARTS employee who is found to have engaged in harassment of another individual in CARTS will be subject to appropriate disciplinary action up to and including termination.

18.0 TEXAS WHISTLEBLOWERS ACT

18.01 GENERAL POLICY

CARTS shall not discriminate against any employee or other person who reports a violation of any law or regulation to the appropriate authority if the report is made in good faith as set forth in Texas Whistleblowers Act.

19.0 CONCEALED HANDGUNS & OTHER WEAPONS

19.01 GENERAL POLICY

Concealed handguns and other weapons are prohibited on any of CARTS premises and properties.

20.0 FAMILY AND MEDICAL LEAVE ACT (FMLA)

- 20.01** To be eligible for Family and Medical Leave, an employee must have worked at CARTS: (A) for at least twelve (12) months and (B) for at least 1,250 hours during the year preceding the start of the leave, at a facility where CARTS employees at least fifty (50) employees within a 75 mile radius.
- 20.02** Family and Medical Leave may be requested for the birth of a son or daughter and to care for such child. Leave must be taken concurrently.
- 20.03** Family and Medical Leave may be requested for the placement, with the employee, of a son or daughter for adoption or foster care. Leave must be taken concurrently.
- 20.04** Family and Medical Leave may be requested to care for a seriously ill spouse, son, daughter or parent. This leave may be taken intermittently, however, the employees must utilize his/her accrued sick and annual leave **first** toward the twelve (12) week authorized family and medical leave.
- 20.05** Family and medical Leave may be requested because of serious health condition that makes the employee unable to perform his/her job function. This leave may be taken intermittently. However, the employees must utilize his/her accrued sick and annual leave first toward the twelve (12) week authorized family and medical.
- 20.06** Each employee who desires to take Family or Medical leave must submit a written request for this leave to the General Manager. Medical documentation must be submitted with the request to substantiate a serious medical condition. Medical statement describing pregnancy and expected date of delivery, adoption papers or foster care records will suffice for family leave. Certifications of serious health conditions will be required.
- 20.07** If the need for leave is foreseeable, employees should request Family and Medical leave thirty (30) days in advance. If approved by the General Manager, the employee will be entitled up to twelve (12) weeks of unpaid leave in each calendar year.
- 20.08** Employees who have annual and sick leave accrued will be required to utilize ALL accrued leave, first and this leave will be counted toward the twelve (12) weeks authorized Family and Medical Leave relating to the birth of a son or daughter, placement of a son or daughter with an employee for adoption or foster care; or care for a family member, insofar as any such leave is covered under the CARTS leave plan.

- 20.09** While on Medical and Family Leave, CARTS will continue to pay the employer's portion of the employee's health insurance premiums. The employee's portion, as well as those who have elected to have insured dependent (s), must insure once they go into a "Leave Without Pay" status that their premium payment is received by CARTS on or before the first day of each month. Non-payment will result in employee's health insurance being terminated by CARTS.
- 20.10** If a married couple are both employees of CARTS, each may request Medical and Family Leave; however, the maximum that will be approved is twelve (12) weeks for the couple together. This restriction does not apply to personal medical leave.
- 20.11** Employees may request intermittent (exception: see 20.02 and 20.03) leave, provided they furnish medical documentation that indicates they are unable, for physical reasons, to work a full work day. In no case will this intermittent leave exceed (80) hours in any calendar year.
- 20.12** For elective medical treatment, employees must request Medical or Family Leave at least thirty (30) days prior to the effective date.
- 20.13** CARTS requires the employee to obtain and submit verification from the health care provider(s) in order to verify the severity of the illness or condition and medical facts surrounding the illness or condition. Employee's health care provider(s) may be asked to confirm the employee's inability to perform their job functions.
- 20.14** CARTS may require, at CARTS expense, a second opinion. In the event there is a difference of medical opinion, CARTS may also obtain a third opinion; the third healthcare provider must be jointly selected by the employee and CARTS. CARTS will be responsible for the expense of the third opinion.
- 20.15** In the event any employee takes Family and Medical Leave and their duties cannot be performed by other employees, CART may hire a temporary employee. The employee on Family and Medical Leave would regain their position or any equivalent position upon their return to work.
- 20.16** If at any time during this leave, the health care provider determines that an employee is capable of returning to work, the employee will be required to return to work immediately. If an employee refuses to return to work, the employee may be terminated and may be charged the cost of health care premiums while on Family and Medical Leave.
- 20.17** These Family and Medical leave policies are to conform to the Family and Medical Leave Act (FMLA) of 1993. Any portion of these policies which do not conform with or is in conflict with Family Medical Leave Act or Federal Regulation, implementing the same as amended, is null and void and the overriding provisions of Federal Law will be substituted for conflicting policies contained herein. Likewise, CARTS intends to utilize the maximum protection afforded to it under the Family Medical Leave Act and implementing regulations and options available to CARTS under the law will be exercised in order to achieve that objective.



Training Requirements





Capital Area Rural Transportation System
P.O. Box 6050 • Austin, TX 78762 / 2010 E. 6th Street • Austin, TX 78702
Phone: 512-481-1011 • Fax: 512-478-1110 • www.RideCARTS.com

Training Requirements

Defensive Driving	Every 2 years
First Aid	Every 2 years
CPR/AED	Every 2 years
PASS	Annually
Wheelchair Transfer and Securing	Annually
Lift Operations/Safety	Annually
Emergency Preparedness	Annually
Recipient Safety	Bi-Annually
ADA	Annually
Harassment and Diversity	Bi-Annually
Customer Service	Annually
HIPPA – Passenger Confidentiality	Annually

In addition to required trainings CARTS also conducts Quarterly Safety Meetings for employees. The following is a list of just a few of the subjects covered during these meetings.

- Pre-Trip/Post Trip Inspections
- School Zone Safety
- Cell Phone Policy
- Work Area Cleanliness
- Paperwork/Manifests/Computer
- Fire Extinguishers
- Railroad Crossings
- Incident/Accident Reports
- Radio Communications
- Curbing Tires
- Fare Collection
- New Ordinances/Laws
- Use of a spill kit – removal of biohazards
- Dress Code
- Diffusing Angry Customers – Dealing With Difficult Customers
- How to communicate clearly and effectively
- Ergonomics
- Exercise and Diet
- Conflicts In The Workplace
- Teambuilding
- Proper handling and securement of mobility aids
- Current Events Preparation (i.e. SXSW, ROT Rally, etc...)
- Workplace Safety



New Employee Training



New Employee Training

Wednesday

Orientation

Drug and Alcohol Awareness

- **Drug and Alcohol Policy Receipt** (signature required)

Thursday

CARTS Driver Policies

- **Cell Phone Policy** (signature required)
- **Vehicle Cleanliness** (signature required)
- **Checking In/Checking Out** (signature required)
- Timesheets
- Bus Wash Claim
- Leave Request
- Holidays

Credit Cards

- Pay at the pump
- Employee ID number (7433)
- Receipts

Human Trafficking

Friday - OFF

Monday

PASS Training

Customer Service Training

- ADA
- **Customer Service Training Agreement** (signature required)
- **Driver Compliance Agreement** (signature required)

Recipient Safety

- Bloodborne Pathogens ([video](#))
- **BBP Test**

(Possible Day 2)

PASS Training (page 21-51; slide 142-305)

Lift Operating Procedures

- PASS (pg. 78-98)
- Mobility Equipment and Features
- Transporting An Aging Society

Sexual Harassment ([video](#))

Non-Discrimination, Sensitivity, and Diversity (video)

Emergency Preparedness Training

- Accidents and Emergencies
- Evacuations (video)
- **Accident/Incident Procedures**

Tuesday

Pre/Post Trip Inspection (*Vehicle Maintenance Center – Tom Grantham*)

- Pre-trip Guidelines
- **Pre-trip Checklist** (signature required)

***METRO Training with Rene** (as needed)

Wednesday

Wheelchair Training

- QRT Max Training Program – Securing a Wheelchair

Wheelchair Practical Demonstration

- Loading, Unloading and Securing a Wheelchair
- Curbs & Sidewalks
- **Wheelchair Lift Operation Policy** (signature required)

Pre-trip Practical Demonstration

- Hands On Inspection

On-The Road Training

- Getting familiar with bus controls
- Bus height/Clearance
- Awnings/Overhangs
- Road Hazards (Potholes, tree limbs, tight turns, etc.)
- Railroad Crossings
- Parking - Backing/Reverse
 - Get out and look behind the bus before backing up

Stop Announcement Training

Stop Announcement Training (signature required)

Thursday

Pre-Trip Practical Demonstration

- Hands On Inspection

Loading and Securing a Wheelchair Practical Demonstration

Behind The Wheel Training

- Demonstrates Stop Announcements

Credit Cards

- Pay at the pump
- Receipts

- Vehicle Number
- Mileage
- Your Name

Fuel Training

- Propane Training
 - * Propane gauges in the buses do not work!
 - * Go by mileage- approximately 5 mpg
 - * Old buses go about 200 miles
 - * New buses go about 100 miles (2600 series)
- Propane Log
 - ✓ Stays in the bus
 - ✓ Turn in at the end of the month
- **Motor Fuel Dispenser Training** (signature required)

Friday

Pre-Trip Practical Demonstration

- Hands On Inspection

Behind The Wheel Training

- Evaluation

Loading and Securing a Wheelchair

- On the road
- Evaluation

General Guidelines for Drivers

- **Tips and Gratuities**
 - Drivers are not allowed to accept tips or gratuities in exchange for preferential treatment
- **Personal Use of Company Property**
 - Office equipment
 - Vehicles
 - Supplies
 - Storage

Monday

First Aid/CPR Training

- **First Aid/CPR/AED Exam**

Tuesday

DDC Training

- **DDC Exam**

***Additional Training**

Training for Fixed Route Drivers

Paperwork

- Trip Sheet/Driver's Log Training
- Priority Seating
- Accident/Incident Report

Fares

- Cash
- Ride Tickets
- Hopthru

Electronic Trainings

- Ranger – Novus/Streets
- Via
- How to accept RideCARTS card in FR buses.
- Destination Sign operation – TwinVision, MobiTec, Luminator, etc.
- Electronic Farebox operation – METRO routes.

When is my paperwork due?

Training for Para Transit Drivers

Electronics Training

- Verizon Tablet/Drivermate app.
- Ranger

Paperwork

- Paper Manifest
 - Time and Mileage
 - Write in Add On Trips
- Nutrition Log
- Grocery Memo
- Priority Seating
- Accident/Incident Report
- Call-In System
- Phone List

Fares

- Cash
- Ride Tickets
- RideCARTS card
- Credit Cards

When is my paperwork due?



CARTS Continuing Educational Trainings



CARTS Continuing Educational Trainings

First Aid/CPR – every 2 years

DDC – every 2 years

Emergency Preparedness – annually

PASS – annually

Recipient Safety/Bloodborne Pathogens – every 2 years

Harassment & Diversity – every 2 years

Wheelchair Safety – annually



Drug & Alcohol Policy Final 3-27-14





Capital Area Rural Transportation System

DRUG AND ALCOHOL POLICY

FOR PERSONNEL IN SAFETY-SENSITIVE POSITIONS

Approved by the CARTS Board of Directors

March 27, 2014

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SECTION 1: Introduction

- 1.1 The US Department of Transportation (USDOT), the Federal Transit Administration (FTA), the Texas Department of Transportation (TXDOT), the Capital Area Rural Transportation System (CARTS), and any of CARTS transportation subcontractors are committed to providing safe transportation services for the citizens we serve and for keeping those who provide that service safe as well. Part of this philosophy is a strong policy in opposition to the abuse of controlled substances, alcohol, and prescription and over-the-counter medications.
- 1.2 This policy summarizes USDOT's and CARTS guidelines to combat substance abuse in its rural transportation program. The policy does not cover all aspects of CARTS substance abuse prevention program, but it does address key issues affecting applicants and safety-sensitive personnel within the CARTS system. This policy exceeds the regulatory requirements for content of such a policy and is intended to provide information to make you aware of your responsibilities and rights under USDOT's drug and alcohol testing programs. **THIS POLICY IS NOT INTENDED TO FORM A CONTRACT WITH SAFETY-SENSITIVE PERSONNEL AND SHOULD NOT BE READ AS SUCH.** If you wish to become more familiar with the requirements of the regulations governing this program, CARTS will provide you access to those or furnish Internet web addresses where you may read and/or print the current regulations.
- 1.3 CARTS substance abuse prevention program will be implemented fairly, equitably, and consistently to meet both our obligation to the safety of our passengers and staff and to ensure compliance with the applicable federal regulations noted in Section 2.
- 1.4 Under the authority and requirements of Title 49, Code of Federal Regulations, Part 655 (49 CFR 655), ***SUBMISSION TO PRE-EMPLOYMENT AND POST-HIRE RECURRING DRUG AND ALCOHOL TESTING IS A CONDITION OF EMPLOYMENT FOR SAFETY-SENSITIVE PERSONNEL.*** [655.15(f)]

SECTION 2: Reading This Policy

- 2.1 Bracketed numbers at the end of a paragraph tell you where in the regulations you will find the information covered in that paragraph. All numeric references (e.g. 40.123) are to Title 49 of the Code of Federal Regulations (CFR). The digits prior to the decimal point indicate the Part (regulation) within Title 49 that applies, and the entire number indicates the specific section within that part (e.g. 40.123 means Title 49, Part 40, Section 40.123). Occasionally, the bracketed reference will be to a document other than a regulation. Many paragraphs do not have regulatory references because the reference is provided in the text, a specific regulatory reference is not practical, or the information does not come from the regulations.
- 2.2 Most, but not all, of the information provided in this policy is based on USDOT regulations. Text within the numbered sections of this document that is NOT based on USDOT authority is identified by use of SMALL CAPITALIZATION lettering.
- 2.3 Text we wish to emphasize will be *bolded*, *italicized*, **BOLDED UPPER CASE**, underlined, or **ANY COMBINATION OF THESE**.

SECTION 3: Authority for This Policy and the Substance Abuse Prevention Program

- 3.1 This policy is established under authority of 49 CFR 655, *Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations*, and any amendments thereto. [655.12(a)]
- 3.2 The authority and requirement for establishment of a substance abuse prevention program, to include all types of drug and alcohol testing described herein, also comes from 49 CFR 655. Specific procedures for conducting drug and alcohol testing are found in Title 49, Code of Federal Regulations, Part 40 (49 CFR 40), *Procedures for Transportation Workplace Drug and Alcohol Testing Programs*, and any amendments thereto. [655.11 & 40.11(c)]
- 3.3 ***INDIVIDUALS WHO HOLD A CDL SHOULD BE AWARE THAT, BY VIRTUE OF HOLDING THE CDL, THEY GIVE IMPLIED CONSENT UNDER FEDERAL REGULATION (49 CFR 383.72) TO SUBMIT TO ALCOHOL TESTING. INDIVIDUALS WHO DRIVE A COMMERCIAL MOTOR VEHICLE IN TEXAS ALSO GIVE IMPLIED CONSENT UNDER TEXAS LAW (TITLE 7, TEXAS TRANSPORTATION CODE, §522.102) TO SUBMIT TO BOTH ALCOHOL AND DRUG TESTING. HOWEVER, TESTS UNDER THOSE CIRCUMSTANCES ARE APPLIED UNDER AUTHORITY SEPARATE FROM THAT UNDER WHICH THE CARTS DRUG AND ALCOHOL TESTING PROGRAM OPERATES.***
- 3.4 CARTS RESERVE THE RIGHT TO REVISE, SUPPLEMENT, OR RESCIND ANY PART OF THIS POLICY AS DEEMED APPROPRIATE, WITH APPROVAL FROM THE CARTS BOARD OF DIRECTORS.
- 3.5 ***Authorize employers to disclose to State commercial driver licensing (CDLs) authorities the drug and alcohol violations of employees who hold CDLs and operate commercial motor vehicles (CMVs), when a state law requires such reporting (49 CFR 40.331 (g)). This rule also permits third-party administrators (TPAs) to provide the same information to State CDL licensing authorities where State law requires the TPAs to do so for owner-operator CMV drivers with CDLs.***

SECTION 4: Definition of Terms and Acronyms

- 4.1 Accident. An occurrence associated with the operation of a vehicle, whether moving or not (to include operation of the wheelchair lift), where any of the following occurs:
- An individual dies (a fatality).
 - An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident.
 - Where any vehicle involved incurs disabling damage (see definition below) as the result of the accident and one or more vehicles is transported from the scene by a tow truck or other vehicle. [655.4]
- 4.2 Adulteration. When a urine specimen contains a substance that is not expected to be present in human urine, contains a substance expected to be present but is at a concentration inconsistent with human urine, or the physical characteristics are outside the normal expected range for human urine. [40.3 & 40.95(a)]
- 4.3 Alcohol confirmation test. A secondary test, following an alcohol screening test with a result of 0.02 or greater using an evidentiary breath-testing device. [40.3]
- 4.4 Alcohol screening device. A breath or saliva device, other than an evidential breath testing device, that is approved by the National Highway Traffic Safety Administration (NHTSA) and placed on a conforming products list for such devices. [40.3]

- 4.5 Alcohol screening test. An analytic procedure to determine whether an individual has a prohibited concentration of alcohol in a breath specimen. [40.3]
- 4.6 Alcohol Testing Form. The form used to document the various actions and certifications required as part of the alcohol testing process.
- 4.7 ATF. Alcohol Testing Form.
- 4.8 Applicant. A person applying for a safety-sensitive position, whether from outside the agency or an internal transferee. Applicants are NOT considered safety-sensitive personnel until they have successfully met the prerequisites for assignment to safety-sensitive duties.
- 4.9 Articulate. Capable of being described.
- 4.10 BAC. Breath alcohol concentration.
- 4.11 Breath alcohol concentration. The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath, as indicated by a breath test. [40.3]
- 4.12 CCF. Custody and Control Form.
- 4.13 Custody and Control Form. The form used to document the handling, various actions, and certifications required as part of the drug testing process.
- 4.14 CDL. Commercial driver's license.
- 4.15 Commercial driver's license. A license issued by a state or other jurisdiction to a person, in accordance with the standards contained in 49 CFR 383, which authorizes the individual to operate a commercial motor vehicle. CARTS vehicles are considered commercial motor vehicles as those designed to transport 16 or more passengers, to include the driver. [383.5]
- 4.16 CFR. Code of Federal Regulations.
- 4.17 CMV. Commercial motor vehicle.
- 4.18 Commercial motor vehicle. For the purposes of CARTS operations, any vehicle with a gross vehicle weight rating greater than 26,000 pounds or designed to transport 16 or more passengers, including the driver. [383.5]
- 4.19 Contemporaneous. Originating, existing, or happening during the same period of time.
- 4.20 Conviction. A finding of guilt (including a plea of nolo contendere) or imposition of sentence or both, by any judicial body charged with responsibility to determine violations of Federal or State criminal drug statutes. [32.615]
- 4.21 DAMIS. Drug and Alcohol Management Information System. The system used to report annual drug and alcohol testing data to USDOT.

- 4.22 DER. Designated Employer Representative.
- 4.23 Designated Employer Representative. A CARTS employee authorized by the General Manager to receive information about drug and alcohol test results and take immediate action to suspend or remove personnel from safety-sensitive duties. [40.3]
- 4.24 Direct observation. Where a person of the same sex watches the flow of urine from the body to the collection container. [40.67]
- 4.25 Disabling damage. Damage that precludes departure of a motor vehicle from the scene of an accident in its usual manner in daylight after simple repairs; i.e. the vehicle must be towed away. This definition includes damage to a motor vehicle that could have been driven but would have been further damaged if driven. The following circumstances are excluded from this definition:
- a. Damage that can be remedied temporarily at the scene without need for special tools or parts.
 - b. Tire disablement without other damage, even if no spare tire is available.
 - c. Inability to drive a vehicle at night solely because its headlamps or taillights are rendered inoperable.
 - d. Damage to turn signals, horn, or windshield wipers that restrict the vehicle from being driven. [655.4]
- 4.26 Employment. The performance of service to CARTS.
- 4.27 Evidential breath-testing device. A device approved by NHTSA for the evidential testing of breath at the 0.02 and 0.04 breath alcohol concentrations, placed on NHTSA's Conforming Products List for "Evidential Breath Testing Devices", and identified on that list as conforming to the model specifications available from NHTSA's Traffic Safety Program. [40.3]
- 4.28 FTA. Federal Transit Administration.
- 4.29 Federal Transit Administration. The agency under the U. S. Department of Transportation responsible for developing, communicating, and interpreting the drug and alcohol testing regulations to which CARTS safety-sensitive personnel are subject.
- 4.30 Follow-up test. Any of the post-rehabilitation drug and/or alcohol tests prescribed by a SAP to ensure an individual has not relapsed into substance abuse.
- 4.31 Follow-up testing plan. A SAP-prescribed regimen of post-rehabilitation drug and/or alcohol testing to ensure an individual has not relapsed into substance abuse. This plan may also incorporate requirements for continuing education and/or treatment.
- 4.32 MRO. Medical Review Officer.
- 4.33 Medical Review Officer. A licensed physician responsible for receiving, evaluating, interpreting, and verifying laboratory drug test results. This person also determines if a positive drug test result was caused by the use of prohibited drugs or a medical or other condition. [40.3]
- 4.34 Negative-dilute test result. A negative drug test result indicating creatinine and specific gravity values that are lower than expected for human urine. [40.3]
- 4.35 Performing safety-sensitive duties. Any period in which a safety-sensitive individual is actually performing, ready to perform, or is readily available to perform those functions or duties. [655.4]

- 4.36 Rehabilitation process. A process of screening by a Substance Abuse Professional to establish and execute a tailored plan of substance-abuse education and/or treatment. [40.307]
- 4.37 Rehabilitative treatment. See *Rehabilitation process*.
- 4.38 Revenue service vehicle. Any vehicle in the CARTS fleet intended for transport of passengers.
- 4.39 Safety-sensitive personnel. Individuals filling safety-sensitive positions, whether CARTS employees or temporary agency employees.
- 4.40 Safety-sensitive positions. Jobs that do or may require performance of the following duties:
- a. Operation of a revenue service vehicle, whether in or out of service.
 - b. Maintenance of revenue service vehicles.
 - c. Dispatch or control the movement of revenue service vehicles.
 - d. Operation of a non-revenue vehicle that requires a CDL to operate.
 - e. Carrying firearms for security purposes. [655.5]
- 4.41 SAP. Substance Abuse Professional.
- 4.42 Substance Abuse Professional. A person who evaluates employees who have violated a USDOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.
- a. A licensed physician (medical doctor or doctor of osteopathy), a licensed or certified psychologist, licensed or certified social worker, a licensed or certified employee assistance professional with knowledge of and clinical experience in the diagnosis and treatment of drug- and alcohol-related disorders, or a state-licensed or certified marriage and family therapist.
 - b. A drug and alcohol counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission, the International Certification and Reciprocity Consortium (alcohol and other drug abuse), or the National Board for Certified Counselors, Inc. (Affiliates/Master Addictions Counselor). [40.3 & 40.281(a)]
- 4.43 Second-chance policy. A CARTS POLICY, SUPPORTED BY USDOT REGULATIONS, WHICH RECOGNIZES THAT PEOPLE MAKE MISTAKES REGARDING DRUGS AND ALCOHOL BUT CAN RECOVER FROM THOSE MISTAKES AND CONTINUE TO BE PRODUCTIVE, SAFE INDIVIDUALS. RATHER THAN REFUSING TO EVER CONSIDER THESE INDIVIDUALS FOR EMPLOYMENT, CARTS IS WILLING TO POTENTIALLY GIVE PERSONS WHO VIOLATE THE FEDERAL DRUG AND ALCOHOL REGULATIONS AND/OR CARTS DRUG AND ALCOHOL POLICY A SECOND CHANCE TO PROVE THEMSELVES. VIOLATORS WILL BE REQUIRED TO MEET ALL USDOT REQUIREMENTS FOR REHABILITATION AS A CONDITION OF BEING AFFORDED THE POSSIBILITY OF A SECOND CHANCE. SECOND-CHANCE DOES NOT REFER TO A USDOT-ALLOWED PROCESS OF GRANTING CURRENT SAFETY-SENSITIVE PERSONNEL CONTINUING EMPLOYMENT WHILE THEY COMPLETE THEIR REHABILITATION PROCESS. CARTS PERSONNEL WHO VIOLATE DRUG AND ALCOHOL REGULATIONS CAN IF THEY CHOOSE TO REQUEST LEAVE WITHOUT PAY, ACCORDING TO THE CARTS PERSONNEL POLICIES TO ATTEND AND COMPLETE THEIR REHABILITATION. IF A PERSON CHOOSES NOT TO PARTICIPATE IN THE SAP REHABILITATION PROGRAM WILL BE TERMINATED.
- 4.44 Shy bladder. A term used to describe a situation where an individual is unable, after one or more attempts, to provide a sufficient urine specimen (45 milliliters).

- 4.45 Shy lung. A term used to describe a situation where an individual is unable, after one or more attempts, to provide a sufficient volume of breath for the screening or confirmation test unit to analyze the breath for alcohol concentration.
- 4.46 Specimen bottles. The two smaller bottles in the drug testing kit that, after being sealed and labeled according to proper procedure, are used to hold the urine specimen during transportation to the testing laboratory. [40.3]
- 4.47 Substitution. When a urine specimen contains creatinine and specific gravity values that are so diminished that they are not consistent with human urine. [40.5]
- 4.48 Texas Department of Transportation. The agency responsible for enforcement of Federal requirements under 49 CFR 655 and 49 CFR 40, as amended, for the State of Texas.
- 4.49 USDOT. United States Department of Transportation. All references to USDOT will assume that the FTA is included in that reference.
- 4.50 United States Department of Transportation. All references to USDOT will assume that the FTA is included in that reference.
- 4.51 Use of alcohol. The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol. [40.3]

SECTION 5: Persons Subject to This Policy

- 5.1 BASED UPON CARTS ANALYSIS, CARTS SAFETY-SENSITIVE POSITIONS (REFER TO DEFINITIONS) SUBJECT TO USDOT REGULATIONS ARE:
 - a. DRIVERS: OPERATING A REVENUE SERVICE VEHICLE, INCLUDING WHEN NOT IN REVENUE SERVICE.
 - b. OTHERS: OPERATING A NONREVENUE SERVICE VEHICLE, WHEN REQUIRED TO BE OPERATED BY A HOLDER OF A COMMERCIAL DRIVER'S LICENSE.
 - c. DISPATCHERS: CONTROLLING DISPATCH OR MOVEMENT OF A REVENUE SERVICE VEHICLE.
 - d. MAINTENANCE STAFF: REPAIRS, OVERHAUL AND REBUILDING A REVENUE SERVICE VEHICLE OR EQUIPMENT SUED IN REVENUE SERVICES.
 - e. ARMED PERSONNEL. THIS PERSON IS SOMETIMES REQUIRED TO CARRY A FIREARM FOR SECURITY PURPOSES.

SECTION 6: Prohibited Substances

- 6.1 Use of the following drugs (controlled substances) is prohibited at all times, whether on- or off-duty:
 - a. Marijuana (THC)
 - b. Cocaine
 - c. Amphetamines
 - o MDMA * Ecstasy 090910
 - d. Opiates
 - o Codeine
 - o Morphine

- o 6-AM (Heroin)
- e. Phencyclidine (PCP)

These are the substances safety-sensitive personnel will be tested for during drug testing. [655.21(b) & (c)]

- 6.2 Use of alcohol is prohibited in the following circumstances:
- a. Four hours prior to performing safety-sensitive duties.
 - b. Any time while performing safety-sensitive duties.
 - c. While on call to perform safety-sensitive duties.
 - d. Within eight hours after an on-the-job accident or until post-accident alcohol testing is performed, whichever occurs first. [655.32, 655.33(a) & (b), & 655.34]
- 6.3 Covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater. [655.31(b)]
- 6.4 ***BY CARTS POLICY, PRESCRIPTION AND OVER-THE-COUNTER DRUGS AND OTHER MEDICATIONS ARE PROHIBITED IF THEY IMPAIR THE ABILITY OF AN INDIVIDUAL TO PROPERLY PERFORM SAFETY-SENSITIVE DUTIES. SAFETY-SENSITIVE PERSONNEL WHO CANNOT PERFORM THEIR DUTIES WITHOUT USE OF IMPAIRING MEDICATIONS MUST BE REMOVED FROM SAFETY-SENSITIVE DUTIES.***

SECTION 7: Pre-employment Requirements for Assumption of Safety-sensitive Duties

- 7.1 Each applicant wishing to perform safety-sensitive duties will be required to furnish CARTS written authorization to check with previous employers to determine if any of the following circumstances exist in the applicant's work history (see Appendices 4).
- a. Alcohol tests confirming a blood-alcohol concentration of 0.04 or more.
 - b. Verified positive drug tests.
 - c. Refusals to take a drug or alcohol test, to include adulterated or substituted specimens.
 - d. Any violations of USDOT drug and alcohol regulations.
 - e. Any information regarding drug and alcohol testing that the former employer has from its own testing program or those of prior employers.
 - f. Information about any successful completion of drug or alcohol rehabilitation. [40.25]
- 7.2 All applicants who will ultimately perform safety-sensitive duties are required to produce a verified negative result on a drug test prior to performing safety-sensitive duties. If a pre-employment drug test is cancelled for whatever reason, another test must be performed and produce a verified negative result before safety-sensitive duties may be assigned. [655.41(a)(1) & (c)]
- 7.3 Applicants with a history of failing or refusing to take a drug or alcohol test, or a history of violation of USDOT regulations, will be required to provide documentation of having successfully completed a post-violation referral, evaluation, and treatment plan (i.e., a substance abuse rehabilitation process, as required by 49 CFR 40, Subpart O). [655.41(a)(2)]
- 7.4 ***BY CARTS POLICY, CARTS CHOOSES NOT TO TEST PERSONNEL FOR ALCOHOL ABUSE PRIOR TO THEM ASSUMING SAFETY-SENSITIVE DUTIES, AS AUTHORIZED BY FEDERAL REGULATIONS. HOWEVER, CARTS RESERVES THE RIGHT TO REVERSE THIS DECISION. [655.42]***

SECTION 8: Persons Out of the Random Testing Pool for 90 or More Days

- 8.1 Safety-sensitive personnel who have been out of the random-testing pool for a period of 90 or more days must produce a verified negative result on a drug test prior to resuming safety-sensitive duties. For purposes of DAMIS reporting, these tests are considered pre-employment testing. [655.41d]

SECTION 9: Post-hire Circumstances for Testing

- 9.1 There are five categories of drug and alcohol testing, which CARTS safety-sensitive personnel will or may encounter. All safety-sensitive personnel will be regularly susceptible to random testing and reasonable-suspicion testing. If involved in an accident, safety-sensitive personnel *may* also be susceptible to post-accident testing. Individuals returning to safety-sensitive duties after substance abuse rehabilitation training *may* further be subject to follow-up testing. Each of these categories of testing is briefly described in this section.
- 9.2 RANDOM TESTING. All safety-sensitive personnel are placed in a random testing "pool" upon assignment to safety-sensitive duties. Employees requiring a CDL are placed in a USDOT testing pool. Each quarter, CARTS selects a pre-determined percentage of all persons placed in those pools for drug and/or alcohol testing using a scientifically valid system for random selections. Once selected for testing, neither the individuals selected nor CARTS management has discretion as to whether selected individuals will be tested. The only discretion allowed CARTS management regards when each individual will be scheduled for testing within the quarter for which they are selected to test. [655.45(e) & (f)]
- 9.3 Each safety-sensitive person has an equal chance of being selected for either or both drug and alcohol testing in any given quarter. Individuals may be randomly tested no more than once per quarter in each category of testing. Because all names are returned to the random pool at the end of each quarter, there is the possibility that any individual may be required to take more than one drug and/or alcohol test each year. There is also the chance that a given individual may not be selected for random testing in a given quarter, year, or at all during their time with CARTS. [655.45(e)]
- 9.4 All random testing will be performed without advance notice to the employee. Random testing will be spread each quarter, and over the course of a year, throughout all operating days and hours in which safety-sensitive duties are performed (to include weekends and holidays, if applicable) so that timing of a given random test is unpredictable. [655.45(g)]
- 9.5 Once notified of selection for random testing, safety-sensitive personnel are expected to report immediately to the collection/testing facility to which they are directed. BY CARTS POLICY, CARTS MANAGEMENT WILL ENSURE THE INDIVIDUAL'S DUTIES ARE COVERED DURING THE TIME THE PERSON IS AWAY FOR TESTING. [655.45(h)]
- 9.6 If a selected individual is unavailable for random testing on a day for which scheduled, that individual will be sent for testing upon returning to work, if such return falls within the quarterly testing period. If a person selected for testing in a given quarter cannot be tested in that quarter, the reason(s) must be documented and maintained on file. [FTA Records Management Checklist, Item 47]
- 9.7 REASONABLE-SUSPICION TESTING. If a supervisor that has been properly trained in observation of suspected substance abusers has personally made specific, contemporaneous, articulable, observations of a safety-sensitive individual's appearance, behaviors, speech, or body odors and has grounds for reasonable suspicion of substance abuse, the suspected individual will be immediately suspended from performing safety-sensitive duties and directed to report for drug and alcohol testing as soon as an escort can be provided. THE REQUIREMENT FOR AN ESCORT IS CARTS POLICY. [655.43(a) & (b)]

- 9.8 Reasonable-suspicion alcohol testing should occur as soon as practicable following a proper observation. If testing does not commence within two hours of the observation by a trained individual, CARTS management must document the reasons for failure to meet the time standard. Attempts to test for alcohol will continue for up to eight hours following the observation. If testing does not occur within the 8-hour period, further attempts will cease and CARTS management must document the reason(s) for failure to complete the alcohol test within prescribed time limits. [655.43(d)]
- 9.9 UNDER CARTS POLICY, SAFETY-SENSITIVE PERSONNEL PENDING RESULTS OF REASONABLE-SUSPICION DRUG TESTING WILL BE SUSPENDED FROM SAFETY-SENSITIVE DUTIES AND PLACED TEMPORARILY IN NON-SAFETY-SENSITIVE DUTIES UNTIL RESULTS OF THE TEST(S) ARE KNOWN. IF TEST RESULTS ARE WITHIN ACCEPTABLE STANDARDS, THE INDIVIDUAL WILL BE REINSTATED TO SAFETY-SENSITIVE DUTIES, PROVIDED THERE ARE NO OTHER VIOLATIONS OF USDOT REGULATIONS OR THIS POLICY.
- 9.10 POST-ACCIDENT TESTING. When an accident occurs, CARTS management must quickly, but thoughtfully, assess which individuals might have contributed to the accident and direct testing for those individuals according to the following decision process.
- a. When there is a fatality, CARTS management must direct drug and alcohol testing as soon as practicable for:
 1. Each surviving safety-sensitive individual operating the vehicle at the time of the accident, and
 2. Any other surviving safety-sensitive personnel whose performance could have contributed to the accident.
 - b. If the accident does NOT involve a fatality, CARTS management must direct drug and alcohol testing as soon as practicable for:
 1. Each safety-sensitive individual operating the vehicle UNLESS management, using the best information available at the time of the decision, determines an individual's performance can be completely discounted as a contributing factor to the accident.
 2. Any other safety-sensitive personnel whose performance could have contributed to the accident.

CARTS management must document these determinations, whether testing is performed or not. [655.44(a) & (d)]

- 9.11 Safety-sensitive individuals involved in the accident must remain readily available at the scene until directed to testing or released by management with the following exceptions:
- a. The safety-sensitive individual may leave the scene for a period necessary to obtain assistance in responding to the accident.
 - b. The safety-sensitive individual may leave the scene if he/she is in need of off-scene medical attention. [655.44(c) & (e)]

Individuals who must leave the scene of an accident must, if practicable, keep the dispatchers or CARTS management aware of her/his location. **LEAVING THE SCENE OF AN ACCIDENT WITHOUT A VALID REASON BEFORE NECESSARY ARRANGEMENTS HAVE BEEN MADE TO PERFORM REQUIRED DRUG TEST SPECIMEN COLLECTION AND ALCOHOL TESTING IS CONSIDERED A REFUSAL TO TEST.** [655.44(c)]

- 9.12 Post-accident alcohol testing should occur as soon as practicable following an accident. Safety-sensitive personnel must not consume alcohol for 8 hours following an accident or until a post-accident alcohol test is performed, whichever occurs first. If testing does not commence within two hours of the accident, CARTS management must document the reasons for failure to meet the time standard. Attempts to test for alcohol will continue for up to eight hours following the accident. If testing does not occur within the 8-hour period, further attempts will cease and CARTS management must document the reasons for failure to complete the alcohol test within the prescribed time standard. [655.34 & 655.44(a)(2)(ii)]

- 9.13 Post-accident drug test specimen collection should occur as soon as practicable but within 32 hours of the accident. If a specimen collection cannot be accomplished within 32 hours of the accident, CARTS management must document the reasons. [655.44(b)]
- 9.14 The results of a blood, urine, or breath test for the use of prohibited drugs and/or alcohol misuse conducted by federal, state, or local officials having independent authority for the test shall be considered to meet the USDOT requirement for post-accident testing provided that such test(s) conforms to the applicable federal, state, or local testing requirements and the test results are obtainable by CARTS. Test results from federal, state, or local authorities, if available, will only be used when CARTS management is unable to perform a post-accident test of its own within the required time standard. [655.44(f)]
- 9.15 BY CARTS POLICY, IF A SAFETY-SENSITIVE INDIVIDUAL IS REQUIRED TO SUBMIT TO POST-ACCIDENT TESTING TO DETERMINE IF THE INDIVIDUAL WAS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL AT THE TIME OF THE ACCIDENT, THAT INDIVIDUAL WILL BE SUSPENDED FROM SAFETY-SENSITIVE DUTIES AND PLACED TEMPORARILY IN NON-SAFETY-SENSITIVE DUTIES UNTIL RESULTS OF THE TEST(S) ARE KNOWN. IF TEST RESULTS ARE WITHIN ACCEPTABLE STANDARDS, THE INDIVIDUAL WILL BE REINSTATED TO SAFETY-SENSITIVE DUTIES, PROVIDED THERE ARE NO OTHER VIOLATIONS OF USDOT REGULATIONS OR THIS POLICY.
- 9.16 FOLLOW-UP TESTING. CARTS MAINTAINS A SECOND-CHANCE POLICY FOR INDIVIDUALS BEING CONSIDERED FOR EMPLOYMENT WHO HAVE COMPLETED THE USDOT-PRESCRIBED REHABILITATION PROCESS (REFER TO DEFINITIONS) FOLLOWING A VIOLATION OF USDOT DRUG AND ALCOHOL REGULATIONS AND HAS DOCUMENTATION OF THAT COMPLETION. COMPLETION OF THE REHABILITATION PROCESS MUST BE VERIFIED AND IN FULL COMPLIANCE WITH THE REQUIREMENTS OF 49 CFR 40, SUBPART O, FOR APPLICANTS TO BE CONSIDERED FOR HIRE OR RE-HIRE. [655.46]
- 9.17 Following the rehabilitation process, the SAP will develop a follow-up testing plan. ***At a minimum***, the follow-up testing plan must include at least six unannounced follow-up tests in the first 12 months of performing safety-sensitive duties. Testing may be done for drugs and/or alcohol, at the sole discretion of the SAP, whether the regulatory violations included either substance or not. These tests are mandatory and are in addition to any susceptibility for random testing. However, a SAP may prescribe even more testing and other requirements for continuing education and treatment, at the SAP's sole discretion, for a period up to 60 months after assignment of safety-sensitive duties. [40.307(d)]
- 9.18 If, after completing the required rehabilitation process, an applicant has had no intervening USDOT-regulated employment in which follow-up testing was fully completed, the new-hire will be required to fulfill the follow-up testing plan prescribed by a Substance Abuse Professional (SAP). [40.307]
- 9.19 If, after completing the required rehabilitation process, an applicant has had intervening USDOT-regulated employment in which follow-up testing was NOT fully completed, the new-hire must complete the follow-up testing plan according to the directions of the directing SAP. [40.307]
- 9.20 If, after completing the required rehabilitation process, an applicant has had intervening USDOT-regulated employment in which follow-up testing was fully completed, the new-hire will NOT be subject to another follow-up testing plan, and CARTS may not impose one. [40.307]
- 9.21 RETURN-TO-DUTY TESTING. SAFETY-SENSITIVE PERSONNEL WHO VIOLATE THE REQUIREMENTS OF USDOT DRUG AND ALCOHOL REGULATIONS WILL BE SUBJECT TO THE CONSEQUENCES DESCRIBED IN SECTION 15 OF THIS POLICY AND WILL BE REQUIRED TO ACCOMPLISH THEIR REHABILITATION PROCESS AT THEIR OWN EXPENSE. INDIVIDUALS HIRED OR RE-HIRED UNDER CARTS SECOND-CHANCE POLICY (REFER TO DEFINITIONS) MUST PROVIDE PROOF OF HAVING COMPLETED THE SAP-PRESCRIBED REHABILITATION PROCESS AND WILL BE SUBJECT TO PRE-EMPLOYMENT TESTING REQUIRED OF ALL PROSPECTIVE NEW-HIRES.

- 9.22 SPECIAL CIRCUMSTANCES FOR PERSONS POSSESSING A CDL. *UNDER SEPARATE FEDERAL AND STATE AUTHORITY, ANY PERSON WHO HOLDS A CDL IS CONSIDERED TO HAVE CONSENTED TO TESTING AS REQUIRED BY ANY STATE OR JURISDICTION IN THE ENFORCEMENT OF FEDERAL OR STATE LAW PROHIBITING THE OPERATION OF A MOTOR VEHICLE WHILE UNDER THE INFLUENCE OF DRUGS OR ALCOHOL. CARTS PERSONNEL WHO HOLD A CDL ARE EXPECTED TO COMPLY AND FULLY COOPERATE WITH THE REQUEST OF LAW ENFORCEMENT PERSONNEL TO SUBMIT TO AN ALCOHOL AND/OR DRUG TEST. TESTS PERFORMED BY LAW ENFORCEMENT PERSONNEL ARE GENERALLY PERFORMED OUTSIDE THE AUTHORITY UNDER WHICH CARTS OPERATES ITS DRUG AND ALCOHOL TESTING PROGRAM, BUT THIS DOES NOT MEAN THAT TESTS UNDER THESE CIRCUMSTANCES WILL NOT HAVE A POTENTIAL IMPACT ON AN INDIVIDUAL.* [49 CFR 383.72 and 7 TTC 522.102]

SECTION 10: When Testing May Occur After Assumption of Safety-sensitive Duties

- 10.1 Drug test specimen collections for safety-sensitive personnel may be performed during any period in which an individual is on duty, regardless of whether the individual is performing safety-sensitive duties or not. [655.45(i)]
- 10.2 Alcohol testing of safety-sensitive personnel may be performed just prior to, during, and just after performing safety-sensitive duties. [655.45(i)]
- 10.3 Individuals subject to follow-up testing will be tested according to the plan established by the SAP. [40.307 & 40.309]
- 10.4 UNDER CARTS POLICY, SAFETY-SENSITIVE PERSONNEL WILL BE COMPENSATED FOR THE TIME NECESSARY TO TRAVEL TO TESTING, ENGAGE IN TESTING, AND RETURN FROM TESTING.

SECTION 11: Testing Methods and Procedures

- 11.1 Drug testing and documentation will be performed in accordance with the requirements of 49 CFR 40, Subparts D, E, and I and any amendments thereto. The drug test specimen collection process is summarized at Appendix 1. **PLEASE NOTE: Per 40 CFR 40.89, specimen testing laboratories are required to perform validity testing on all urine specimens provided for testing under USDOT authority. Validity testing is evaluation of a urine specimen to determine if it is consistent with normal human urine. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the urine specimen was substituted with some other substance.**
- 11.2 Alcohol testing and documentation will be performed in accordance with the requirements of 49 CFR 40, Subparts K through N, and any amendments thereto. The alcohol testing process is summarized at Appendix 2.
- 11.3 Follow-up testing will be performed in accordance with the requirements of the directing SAP and 49 CFR 40, Subpart O, and any amendments thereto.
- 11.4 Procedures for protection of persons subject to testing, integrity of testing processes, and ensuring test results are accurate and attributed to the correct person shall be in accordance with the requirements of 49 CFR 655 and 49 CFR 40 and any amendments thereto.
- 11.5 Urine collection and/or breath testing should commence promptly after arriving at the collection/testing facility. When an individual is required to perform both drug test specimen collection and alcohol testing in the same visit, the alcohol test shall be administered prior to the drug test specimen collection unless

uncontrollable circumstances prevent doing so. If drug test specimen collection is performed first, this does not invalidate the alcohol test result. [40.61(b) & 40.241(b)]

- 11.6 Safety-sensitive personnel, will be tested using the prescribed USDOT drug and alcohol testing forms. [40.13]

SECTION 12: Drug Test Specimen Collection Under Direct Observation

- 12.1 If during specimen collection or specimen testing processes an individual is found to be or is suspected of tampering with, adulteration of, or substitution of the specimen, the collection technician, the MRO, or CARTS management must require a new urine specimen collection under direct observation.
- 12.2 49 CFR 40, as amended, requires collections under direct observation in the following circumstances:
- a. The collection technician determines that personal items were brought to the testing facility with the intent to tamper with the urine specimen. [40.61(f)(5)(i) & 40.67(c)(2)]
 - b. Collection facility personnel observe conduct or detect signs of an attempt at substitution, adulteration, or other attempts to tamper with the specimen. [40.63(e), 40.65(c)(1), 40.67(c)(4), & 40.69(d)]
 - c. The urine specimen falls outside the normal human temperature range at time of collection. [40.65(b)(5) & 40.67(c)(3)]
 - d. All return-to-duty tests (effective August 31, 2009). [40.67(b)]
 - e. All follow-up tests (effective August 31, 2009). [40.67(b)]
 - f. If a directly observed collection was required for a given specimen collection but was not performed. [40.67(n), 40.155(d)(3), 40.159(e)(5), & 40.159(f)(4)]

Any time the MRO directs CARTS to perform a collection under direct observation. [40.23(f)(1), 40.67(a)(1), 40.67(a) (g) (2), 40.67(a)(3), 40.133(b)(1) – (3), 40.155(c), 40.159(a)(5)(2), 40.159(f)(3), 40.187(b)(2), 40.187(b)(3), 40.187(c)(1)(ii), 40.187(c)(2)(iv)(E), 40.187(e)(2), 40.197(b)(1), 40.197(c)(4), & 40.201(c) – (e)]

- 12.3 When CARTS or a urine specimen collector directs an immediate collection under direct observation, there will be no advance notice to the employee. Specimen collectors are required to ensure that the collection observer is the same gender as the employee to be tested; however, the observer may be a different person from the collector and need not be a qualified collector. [40.67(a)(g)]
- 12.4 ***CARTS will direct a collection under direct observation of an employee if the drug test is a return-to-duty test or a follow-up test. [40.67 (b)]***
- 12.5.1 ***REFUSAL TO PERMIT A COLLECTION UNDER DIRECT OBSERVATION, WHEN REQUIRED, WILL BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(4)]***

SECTION 13: Behaviors Constituting Refusal to Test

- 13.1 Once directed to report for drug test specimen collection and/or alcohol testing, applicants and safety-sensitive personnel are expected to complete the collection/testing in a fully cooperative manner or make a good-faith effort to do so. Failure to do so, with few exceptions, is considered a refusal to test, which is the equivalent of a positive drug or alcohol test result. Following is a list of behaviors that constitute a refusal to test, with exceptions noted.
- a. Drug-testing-specific situations:
 1. Refusal to allow monitoring or direct observation of a drug specimen collection, when required. [40.67(m), 40.191(a)(4), & 40.193(b)(3)]
 2. Failure to submit to an additional drug specimen collection if directed to do so. NOTE: This policy does not address all situations that may require a second or subsequent collection. [40.191(a)(6)]
 3. Failure to follow the observer's instructions, during a directly observed urine collection, to raise or lower clothing or to turn around to permit the observer to determine if you have any prosthetic or other device that could be used to interfere with the collection process. [40.191(a)(9)]
 4. Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process. [40.191(a)(10)]
 5. Admitting to the collector or MRO that you adulterated or substituted a urine specimen. [40.159(c), & 40.191(a)(11)]
 6. MRO verification that a drug test was adulterated or substituted. [40.23(b), 40.187(a)(2), 40.187(c)(iv)(D), & 40.191(b)]
 7. Refusal to provide a specimen through self-catheterization, if this is an individual's normal method of voiding urine. [40.61(b)(4)]
 8. Failure to comply with directions to remove all outer garments and personal belongings and secure those away from the collection area prior to submitting a urine specimen during a drug test. [40.61(f)]
 - b. Alcohol-testing-specific situations:
 1. Failure to sign the certification at Step 2 of the Alcohol Testing Form (ATF). [40.241(g), 40.251(d), & 40.261(a)(6)]
 2. Refusal to attempt a new breath test. [40.263(a)(2) & 40.265(b)(1)]
 - c. Situations common to both drug and alcohol testing:
 1. Failure to appear at a collection/testing site within a reasonable time or at all after being directed to do so. CARTS management, by regulation, shall be the sole judge as to what constitutes a reasonable time. That judgement will be made based upon the circumstances surrounding the delayed arrival. EXCEPTION: This does not apply to pre-employment testing. [40.191(a)(1) & 40.261(a)(1)]
 2. Failure to remain at a collection/testing site until the collection/testing process is completed. EXCEPTION: This does not apply to pre-employment testing IF the applicant leaves the collection/testing site *BEFORE* the collection/testing process begins. Once the collection/testing process begins, an applicant is obligated to complete the process to avoid incurring a finding of a refusal to test. [40.191(a)(2) & 40.261(a)(2)]
 3. Failure or refusal to provide a urine specimen or adequate breath specimen for any required drug or alcohol test. This applies to both an initial attempt and any refusal to make additional attempts during a shy bladder or shy lung procedure. EXCEPTION: This does not apply to pre-employment testing, provided the applicant leaves the collection/testing site *BEFORE* the collection/testing process begins. [40.69(g), 40.191(a)(3), 40.191(c), 40.193(b)(3), & 40.261(a)(3)]

4. Failure to provide sufficient urine or breath specimen, and a qualified physician can find no medical basis for the failure to do so. [40.145(g)(1), 40.187(c)(iv)(A), 40.191(a)(5), 40.261(a)(4), & 40.265(c)(1)(iv)(B)]
5. Failure or refusal to undergo a medical examination or evaluation, as directed by the Medical Review Officer (MRO) or CARTS management, as part of a review to determine why an individual failed to provide a sufficient urine or breath specimen. EXCEPTION: A job applicant that fails to undergo a medical examination or evaluation as the result of a pre-employment test will **not** be considered to have refused to test **IF** the applicant had **not** received a contingent offer of employment prior to being told to arrange an examination/review. [40.133(a)(1) – (3), 40.191(a)(7) & 40.261(a)(5)]
6. Failure to cooperate with any part of the drug test specimen collection or alcohol testing processes. [40.191(a)(8), 40.191(d), & 40.261(a)(7)]
7. Leaving the scene of an accident without a valid reason (failure to remain readily available) before necessary arrangements have been made to perform required drug test specimen collection and alcohol testing. [655.44(c)]

Most of these situations are reiterated at the appropriate sections of this document.

- 13.2 Safety-sensitive personnel that refuse to take a **non-USDOT** drug or alcohol test or for purposes outside transit requirements) or refuse to sign a **non-USDOT** testing form are NOT considered to have refused to test for purposes of enforcement of USDOT drug and alcohol testing regulations 49 CFR 655 and 49 CFR 40, as amended. [40.191(e) & 40.261(d)]

SECTION 14: Consumption of Alcohol While On Call for Safety-sensitive Duties

- 14.1 Safety-sensitive personnel are prohibited from consuming alcohol within four hours of performing safety-sensitive duties. However, if a safety-sensitive individual violates this prohibition, he/she has the opportunity, when requested to report to duty, to acknowledge use of alcohol and the inability to perform safety-sensitive duties. [655.33(b)(1)]
- 14.2 **BY CARTS POLICY, AN INDIVIDUAL WHO SELF-REPORTS CONSUMPTION OF ALCOHOL WHILE ON-CALL WILL NOT BE PERMITTED TO RETURN TO SAFETY-SENSITIVE DUTIES FOR EIGHT HOURS OR UNTIL THE INDIVIDUAL'S NEXT REGULARLY SCHEDULED SHIFT, WHICHEVER OCCURS LATER, REGARDLESS OF ANY REGULATORY OPTION THAT MIGHT ALLOW FOR AN EARLIER RETURN.**
- 14.3 See Section 15 for consequences of consumption of alcohol while on-call.

SECTION 15: Consequences of Failure to Abide by This Policy and/or Federal or State Regulations

- 15.1 Applicants who receive a verified positive pre-employment drug test result, refuse to submit to a pre-employment drug test, or have a history of a failed drug and/or alcohol test or a refusal to take either type of test without subsequent proof of completing a rehabilitation process cannot be considered for employment in a safety-sensitive position. These individuals will be provided contact information for an USDOT-qualified SAP so they may seek rehabilitative treatment.[655. 46, 655.61(b) & 655.62]
- 15.2 CARTS safety-sensitive personnel that receive a verified positive drug test result test positive for alcohol with a blood-alcohol concentration (BAC) of 0.04 or more, or refuse a drug or alcohol test will experience the following consequences:

- a. Immediate removal from safety-sensitive duties. [655.61(a), 40.23(a) – (c), 40.191(c), & 40.261(b)]
 - b. Referral to a USDOT-qualified SAP for rehabilitative treatment. [655.62 & 40.287] per CARTS 2nd chance program or refusal to participate will result in termination.
- 15.3 CARTS safety-sensitive personnel that receive an alcohol test result with a BAC equal to or greater than 0.02 but less than 0.04 will experience the following consequences:
- a. Immediate suspension from safety-sensitive duties without pay (WITHOUT PAY IS BY CARTS POLICY) for a period of eight hours or until the next regularly scheduled shift, whichever is later. UNDER CARTS POLICY, AND CONSISTENT WITH 49 CFR 655.48, THE MINIMUM SUSPENSION PERIOD WILL BE EIGHT HOURS, REGARDLESS OF AN OPTION AVAILABLE IN THE REGULATIONS ALLOWING AN EARLIER RETURN. [655.35(a)]
 - b. BY CARTS POLICY, IMPOSITION OF A MINIMUM OF A LETTER OF COUNSELING. MORE SIGNIFICANT DISCIPLINARY ACTION MAY BE IMPOSED, AS DEEMED APPROPRIATE FOR THE CIRCUMSTANCES AND THE INDIVIDUAL'S PERFORMANCE HISTORY.
- 15.4 If a safety-sensitive individual is found to have not disclosed a history of a failed drug or alcohol test or any refusal to perform either type of test, that individual will experience the following consequences:
- a. Immediate removal from safety-sensitive duties.
 - c. Referral to a USDOT-qualified SAP for rehabilitative treatment per CARTS 2nd chance program or refusal to participate will result in termination.
- 15.5 If a safety-sensitive individual participating in a follow-up testing plan fails to comply with the requirements of that plan, that individual will experience the following consequences:
- a. Immediate removal from safety-sensitive duties.
 - b. Referral to a USDOT-qualified SAP for rehabilitative treatment per CARTS 2nd chance program or refusal to participate will result in termination.
- 15.6 BY CARTS POLICY, AND CONSISTENT WITH 49 CFR 655.33, AN ADMISSION OF CONSUMPTION OF ALCOHOL DURING ON-CALL STATUS WILL RESULT IN IMMEDIATE REMOVAL FROM SAFETY-SENSITIVE DUTIES.
- 15.7 UNDER CARTS POLICY, FAILURE TO ADMIT CONSUMPTION OF ALCOHOL WHILE ON-CALL WILL RESULT IN:
- a. Immediate removal from safety-sensitive duties.
 - b. Referral to a qualified Substance Abuse Professional (SAP).
 - c. WILL BE SUBJECT TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT
- 15.8 BY CARTS POLICY, CARTS PERSONNEL WHO HOLD A CDL AND FAIL TO COOPERATE OR COMPLY WITH A LAW ENFORCEMENT PERSONNEL REQUEST TO SUBMIT TO AN ALCOHOL AND/OR DRUG TEST WILL RESULT IN:
- A. IMMEDIATE REMOVAL FROM SAFETY-SENSITIVE DUTIES.
 - B. TERMINATION OF EMPLOYMENT.
- 15.9 BY CARTS POLICY, IT IS THE SOLE RESPONSIBILITY OF THE INDIVIDUAL IN QUESTION TO PAY FOR ANY AND ALL SERVICES RENDERED BY A SAP. [40.289(c)]
- 15.10 PERSONS WHO POSSESS A COMMERCIAL DRIVER'S LICENSE AND VIOLATE USDOT, FTA, OR FEDERAL MOTOR COACH SAFETY ADMINISTRATION REGULATIONS ARE ALSO SUBJECT TO ADDITIONAL CONSEQUENCES DESCRIBED AT TITLE 49, CODE OF FEDERAL REGULATIONS, PART 383 (49 CFR 383), COMMERCIAL DRIVER'S LICENSE

STANDARDS; REQUIREMENTS AND PENALTIES. THESE ADDITIONAL CONSEQUENCES CAN BE FOUND AT SECTION 383.51 OF THAT REGULATION. IF YOU WISH TO BECOME MORE FAMILIAR WITH THAT INFORMATION, CARTS WILL PROVIDE YOU ACCESS TO THE REGULATION OR FURNISH AN INTERNET WEB ADDRESS WHERE YOU MAY READ AND/OR PRINT THE REGULATION.

- 15.11 PER CARTS POLICY, AND CONSISTENT WITH THE INTENT OF 49 CFR 40.25, APPLICANTS WHO FAIL TO FURNISH AND SIGN A RELEASE OF INFORMATION FORM (REFER TO APPENDICES 4 AND 5) WILL NOT BE CONSIDERED FOR SAFETY-SENSITIVE POSITIONS.

SECTION 16: Negative-dilute Test Results

- 16.1 If an MRO notifies CARTS of a negative-dilute drug test and orders a recollection under direct observation, CARTS must comply with the order immediately. [40.197(b)(1)]
- 16.2 For all other negative-dilute drug test results, CARTS has the option whether to perform another drug test. **CARTS POLICY IS TO ORDER RETESTING WITHOUT ADVANCE WARNING WITHIN 24 HOURS, UNDER THE SAME CATEGORY OF TESTING FOR WHICH THE NEGATIVE-DILUTE TEST RESULT OCCURRED, FOR PRE-EMPLOYMENT, REASONABLE SUSPICION, POST-ACCIDENT, OR RANDOM TESTS. IN THESE CIRCUMSTANCES, THE INDIVIDUAL IN QUESTION SHALL BE RETESTED ONLY ONCE. Should this second test result in a negative-dilute result, the test will be considered a negative and no additional testing is allowed unless directed to do so by the MRO. FAILURE TO SUBMIT TO A RE-TEST IS CONSIDERED A REFUSAL TO TEST.** [40.197(b)(2), 40.197(c)(3) & (4), & 40.191(a)(6)]
- 16.3 Recollections will NOT be made under direct observation unless there is some other basis for use of direct observation (must conform with 49 CFR 40.67 (b) and (c)). [40.197(b)(2)]
- 16.4 The results of a second drug test for a negative-dilute situation will be the result of record and shall be the only result that CARTS may act upon. [40.197(c)(2)]

SECTION 17: Importance of Responding to the MRO

- 17.1 If the MRO determines there are grounds to render a determination of a positive drug test result or any other determination that has the same effect, the MRO will attempt to contact the affected person. Therefore, it is imperative that all persons tested ensure the contact information they provide on the Custody and Control Form (CCF) is accurate and legible. [40.131(a)]
- 17.2 If you are not available when the MRO calls, he/she will leave a message, if possible, and will make reasonable attempts to follow up. [40.131(c)]
- 17.3 If, after reasonable attempts, the MRO is unable to contact an individual about the results of her/his test, the MRO will contact CARTS Designated Employer Representative (DER) and ask the DER to confidentially contact the affected individual to advise of the need to contact the MRO. When the affected individual is contacted (actually spoken to) by the DER, the DER is obligated to advise of the potential consequences of failing to contact the MRO within 72 hours (i.e., the MRO will likely declare a positive test as valid or declare a refusal to test, both of which result in termination of employment). If the DER, after reasonable attempts to do so, is unable to contact an affected individual, the DER must leave a message by any practicable means (voice mail, e-mail, or letter) to contact the MRO within 72 hours. The affected individual will have up to 60 days to provide the MRO documentation explaining why serious illness, injury, or other circumstances unavoidably precluded contact with the MRO and DER in the time allowed. [40.131(c) – (d)]

- 17.4 If the MRO is calling, it is because he/she is reviewing a test result that will yield adverse consequences for the affected individual. The MRO will want to ask questions to determine if there is some medical or other reason to discount the test results. Information the affected person furnishes may provide an explanation to justify the MRO rendering a decision that is not adverse. Therefore, it is to an individual's advantage to respond to the MRO.

SECTION 18: Medical Examinations for Inability to Provide a Sufficient Urine or Breath Specimen

- 18.1 When a person to be tested is unable to provide a sufficient urine or breath specimen within a reasonable period of time, as defined by 49 CFR 40 as amended, the facility performing the urine collection and/or alcohol test will notify CARTS DER. [40.193(b)(4) & 40.265(b)(3)]
- 18.2 The DER will direct the person in question to obtain, within five days, an evaluation from a licensed physician who has expertise to evaluate potential causes for shy bladder or shy lung (refer to *Definitions*), as applicable. The person in question is required to fulfill the evaluation. CARTS pays the cost of these medical examinations. **FAILURE TO PARTICIPATE IN A REQUIRED MEDICAL EVALUATION IS CONSIDERED A REFUSAL TO TEST.** [40.193(c) & 40.265(c)]
- 18.3 During the evaluation, the physician will ask questions and/or perform medical tests, as necessary, to determine if there is a probable medical explanation for a failure to provide a sufficient urine or breath specimen. Based on the physician's findings, she/he will advise the MRO as to what determination should be rendered for the test. The MRO is not obligated to follow this recommendation. [40.193(c) – (g) & 40.265(c)]

SECTION 19: Right to Request Split Test Confirmation of Drug Tests

- 19.1 When drug testing is performed, the urine specimen is split into two containers. One container is used to perform the initial drug test. The second container – the split specimen – is held in secure storage for a designated period of time, in case a person with an adverse test result wishes to have the initial results verified through the split specimen – a split test. [40.175 – 40.177]
- 19.2 If a MRO notifies an individual of a verified positive drug test and/or a determination of test refusal due to adulteration or substitution, the affected individual has 72 hours from time of notification to request a test of the split specimen. Such a request may be made verbally or in writing, and it must be made to the MRO. [40.171(a)]
- 19.3 If you do not request a split test within 72 hours, you may present to the MRO information documenting that serious injury, illness, lack of actual notice of the test result, inability to contact the MRO, or other unavoidable circumstances prevented you from making a timely request. [40.171(b)(1)]
- 19.4 Upon receiving a valid request for a split-specimen test, the MRO will document the request and then order the laboratory holding the split specimen to ship it to another Department of Health and Human Services-certified laboratory for confirmation testing. [40.171(c)]
- 19.5 BY CARTS POLICY, SAFETY-SENSITIVE PERSONNEL WILL BE SUSPENDED FROM ALL SAFETY-SENSITIVE DUTIES WITHOUT PAY UNTIL THE RESULT OF THE SPLIT SPECIMEN TEST IS RECEIVED. SAFETY-SENSITIVE PERSONNEL WILL BE RETURNED TO THEIR DUTIES IF THE SPLIT TEST INVALIDATES THE FIRST RESULT.
- 19.6 BY CARTS POLICY, SAFETY-SENSITIVE PERSONNEL REQUESTING A SPLIT TEST MUST REIMBURSE CARTS THE FEE REQUIRED FOR CONDUCTING THE TEST. IF THE SPLIT TEST RESULT IS NEGATIVE FOR DRUGS, CARTS WILL WAIVE

PAYMENT OF THE TEST FEE. APPLICANTS WILL BEAR FULL RESPONSIBILITY FOR SPLIT-SPECIMEN TESTING, IF THEY CHOOSE TO EXERCISE THIS OPTION.

- 19.7 Please note that drug test results determined to be INVALID do not have recourse to a split specimen test. [40.171(a)]

SECTION 20: Training

- 20.1 Before performing any safety-sensitive duties, all safety-sensitive personnel will receive a minimum 60 minutes of training regarding:
- a. The effects and consequences of prohibited drug and alcohol use on personal health, safety, and the work environment, and
 - b. Signs and symptoms that may indicate prohibited drug use and alcohol. [655.14(b)(1)]
- 20.2 **ADDITIONALLY, BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL WILL RECEIVE ADDITIONAL TRAINING REGARDING THE POTENTIAL HAZARDS OF USE OF PRESCRIPTION AND OVER-THE-COUNTER MEDICATIONS.**
- 20.3 Supervisory personnel authorized to make reasonable-suspicion determinations shall receive an additional 60 minutes for each of the following topics:
- a. The physical, behavioral, and performance indicators of probable drug use.
 - b. The physical, behavioral, speech, and performance indicators of probable alcohol misuse. [655.14(b)(2)]
- 20.4 **BY CARTS POLICY, ALL PERSONNEL RECEIVING TRAINING UNDER THIS SECTION WILL SIGN AND DATE AN ACKNOWLEDGEMENT THAT THEY ATTENDED THE TRAINING. THAT ACKNOWLEDGEMENT WILL BECOME PART OF THEIR PERSONNEL FILES.**

SECTION 21: Duty to Report Potential Substance Abuse

- 21.1 CARTS safety-sensitive personnel receive basic training in spotting symptoms of substance abuse. Supervisors receive additional training to be alert for signs of potential substance abuse. **UNDER CARTS POLICY, ALL CARTS SAFETY-SENSITIVE PERSONNEL ARE OBLIGATED TO MAKE USE OF THIS TRAINING AND REPORT TO THEIR SUPERVISOR ANY INDICATION THEY HAVE THAT A SAFETY-SENSITIVE INDIVIDUAL MAY BE ABUSING DRUGS OR ALCOHOL.**
- 21.2 Once supervisors or other individuals designated to make reasonable-suspicion determinations become aware of or are made aware of the potential for substance abuse, they must personally observe the individual in question and determine if there are grounds for reasonable suspicion of substance abuse. If reasonable suspicion exists, the individual in question will be immediately suspended from safety-sensitive duties and directed to drug and alcohol testing as quickly as possible. **BY CARTS POLICY, SUPERVISORS ARE TO ENSURE THAT PERSONS UNDER REASONABLE SUSPICION ARE ESCORTED TO AND FROM COLLECTION/TESTING.** [655.43(a) – (c)]
- 21.3 **BY CARTS POLICY, FAILURE OF ANY CARTS SAFETY-SENSITIVE PERSONNEL TO REPORT SUSPECTED ABUSE WILL RESULT IN DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT. SUPERVISORS WHO FAIL TO ACT ON REPORTED OR OBSERVED POTENTIAL SUBSTANCE ABUSE ARE LIKEWISE SUBJECT TO DISCIPLINARY ACTION.**

SECTION 22: Requirement to Report Citations and Convictions

- 22.1 BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL ARE REQUIRED TO ADVISE CARTS MANAGEMENT OF CITATIONS AND CONVICTIONS FOR VIOLATION OF CRIMINAL DRUG AND ALCOHOL STATUTES RECEIVED AS A RESULT OF ON- OR OFF- DUTY BEHAVIOR. NOTIFICATION WILL BE MADE BY ANY PRACTICAL MEANS TO EITHER YOUR SUPERVISOR OR THE TRANSPORTATION MANAGER WITHIN ONE WORKING DAY OF THE CITATION OR CONVICTION.

SECTION 23: Drug-free Workplace Act Requirements

- 23.1 PER CARTS POLICY IN SUPPORT OF THE DRUG-FREE WORKPLACE ACT, ALL EMPLOYEES ARE SUBJECT TO A PROHIBITION AGAINST MANUFACTURING, DISTRIBUTING, DISPENSING, POSSESSING, OR USING CONTROLLED SUBSTANCES IN THE WORKPLACE
- 23.2 CARTS safety-sensitive personnel are also subject to the more stringent requirements of 49 CFR 655 and 49 CFR 40 (as amended), as outlined in this document, and any consequences prescribed therein.

SECTION 24: Access to Drug and Alcohol Testing Records

- 24.1 All information regarding drug and alcohol testing is maintained in a confidential manner in secure files. Testing results are transmitted to CARTS by controlled means.
- 24.2 All CARTS safety-sensitive personnel subject to CARTS substance abuse testing procedures are entitled, upon written request, to obtain copies of any records pertaining to their use of prohibited drugs or misuse of alcohol, including records pertaining to their own drug or alcohol tests. CARTS may charge reasonable fees for providing copies, but not for review. [655.73(b)]
- 24.3 When employers request information about former CARTS safety-sensitive personnel, CARTS is obligated to furnish that information provided the request is accompanied by a signed release from the person to whom the request pertains stating what information may be released. CARTS may release only the information specifically authorized by the person in question and is obligated to document what information was released, to whom it was released, the date of release, and a summary of the information provided. [655.73(f) & (h)]
- 24.4 CARTS may disclose information it is required to maintain on a safety-sensitive individual to that individual or the decisionmaker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual to whom the records pertain and arising from the results of a drug or alcohol test. [655.74(g)]
- 24.5 AS REQUIRED BY TITLE 37 OF THE TEXAS ADMINISTRATIVE CODE, RULE 4.21, CARTS MUST REPORT ALL VALID POSITIVE DRUG AND ALCOHOL TEST RESULTS FOR DRIVERS POSSESSING A CDL TO THE DEPARTMENT OF PUBLIC SAFETY. [40.331(g)]
- 24.6 If you are ever referred to a SAP, you may request a copy of any SAP report created under the requirements of 49 CFR 40.311. However, the SAP is required to redact (eliminate) follow-up testing plan information from the report before providing it to you.

SECTION 25: Designated Contact Persons for Questions Regarding This Policy

- 25.1 Questions regarding interpretation of this policy and all matters related to it should be referred to the Drug

& Alcohol Manager, 2010 E. 6th Street, Austin, TX 78702. Telephone contact may be made at 512-505-5660.

- 25.2 CARTS primary Designated Employer Representative is the Training Coordinator for CARTS, who may be reached at 512-505-5654.
- 25.3 CARTS secondary Designated Employer Representative is the Deputy General Manager for CARTS, who may be reached at 512-505-5605.

SECTION 26: When Inconsistencies Exist Between This Policy and USDOT or State Regulations

- 26.1 Where this policy is found to be inconsistent with federal or state regulations or statutes, the federal or state documents take precedence. An error in any portion of this policy shall invalidate only that portion of the policy.

SECTION 27: Acknowledgement of Receipt Requirement

- 27.1 BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL WILL BE REQUIRED TO SIGN AND RETURN AN ACKNOWLEDGEMENT OF RECEIPT OF THE INITIAL ISSUE, REVISION, OR RE-ISSUE OF THE DRUG AND ALCOHOL POLICY.
- 27.2 BY CARTS POLICY, IT IS THE RESPONSIBILITY OF EACH SAFETY-SENSITIVE INDIVIDUAL TO READ THE ENTIRE CONTENTS OF THIS POLICY WITHIN ONE WEEK OF PRESENTATION TO THE INDIVIDUAL.

SECTION 28: Approval

March 27, 2014
Date Approved by the CARTS
Board of Directors


Dave Marsh
General Manager, CARTS


Ronnie Hibler, Chairman CARTS Board
Commissioner, Burnet County
Edith Moreida, Vice-Chairman
Travis County CARTS Board

APPENDIX 1

Summary of the Drug Test Specimen Collection Process

This appendix overviews the drug test specimen collection process to give personnel an understanding of what to expect when directed to provide a urine specimen. This summary does not contain all details of the collection process. For full details, consult 49 CFR 40, Subpart E, as amended.

FAILURE OF APPLICANTS AND SAFETY-SENSITIVE PERSONNEL TO COOPERATE FULLY WITH ANY PART OF THE COLLECTION PROCESS MAY BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(8)]

Direction to Test

Upon being directed to report for a specimen collection, you are to proceed promptly, by the most direct route known, to the designated collection facility. **PER CARTS POLICY, YOU WILL BE ESCORTED TO REASONABLE SUSPICION TESTING. OTHER THAN FOR APPLICANTS, FAILURE TO ARRIVE AT THE COLLECTION FACILITY WITHIN A REASONABLE PERIOD OF TIME IS CONSIDERED A REFUSAL TO TEST.** [40.191(a)(1)]

Upon Arrival

- You are to check in with the reception staff upon arrival, provide your name, identify that you have been directed to accomplish a urine collection, and follow whatever instructions you receive. You should NOT be asked to sign a consent form. If you are asked to do so, you must refuse. [40.27 & 40.355(a)]
- The collection process should begin shortly after your arrival. Normally, an alcohol test will precede the drug test specimen collection, if both are being performed. [40.61(b)]

OTHER THAN FOR APPLICANTS, LEAVING THE COLLECTION FACILITY PRIOR TO INITIATING THE REQUIRED COLLECTION IS CONSIDERED A REFUSAL TO TEST. [40.191(a)(2)]

FOR ALL INDIVIDUALS, INCLUDING APPLICANTS, LEAVING THE COLLECTION FACILITY ONCE THE COLLECTION PROCESS HAS BEGUN AND PRIOR TO THE SPECIMEN TRANSMITTAL POUCH BEING SEALED WILL BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(2)]

Prior to Collection of the Urine Specimen

- You will be asked to furnish a photo identification to verify who you are. If you do not have such identification with you, only designated CARTS personnel may verify your identity. [40.61(c)]
- The collection technician will explain the collection procedure and should show you the instructions on the back of the Custody and Control Form (CCF). NOTE: You are not to write anything on the CCF other than what the collection technician instructs or authorizes you to include. [40.61(e)]
- The collection technician will inspect the collection room in advance of the collection to verify it is free of materials that might be used to tamper with the urine specimen.
- You will be asked to remove all outer garments (coat, sweater, vest, shoes, hat, purse, etc.) and to empty the contents of all pockets. You may keep your wallet with you. The collection technician may ask questions about items that could be used to tamper with the urine specimen. The collection technician will tell you which items are to be secured until after collection is completed. You may request a receipt for those items. **FAILURE TO COMPLY WITH DIRECTIONS TO REMOVE ALL OUTER GARMENTS AND PERSONAL BELONGINGS (OTHER THAN A WALLET) WILL BE CONSIDERED A REFUSAL TO TEST.** [40.61(f) & (g)]
- The collection technician will complete Step 1 of the CCF. [40.63(a)]
- You will be asked to wash and dry your hands in view of the collection technician, and you will be advised not to wash again until after delivering your specimen. From this point until you enter the collection room, you must stay in the presence of the collection technician. [40.63(b)]
- The collection technician will unwrap or break the seal of the collection container in your presence (the seals to the two specimen bottles are not to be broken at this time). Once the collection container is unwrapped or its

seal is broken, the collection container should not leave your sight until the specimen has been checked, split, and the specimen transmittal pouch sealed. [40.63(c)]

Collection of the Urine Specimen

- You will be given the collection container and instructed to provide a urine specimen of at least 45 milliliters (the container will be marked) directly into the container. You will also be instructed not to flush the toilet. **REFUSAL TO ATTEMPT TO PROVIDE A URINE SPECIMEN WILL BE CONSIDERED A REFUSAL TO TEST. ALSO, A REFUSAL TO PROVIDE A SPECIMEN THROUGH SELF-CATHETERIZATION, IF THAT IS YOUR NORMAL METHOD OF VOIDING URINE, WILL BE CONSIDERED A REFUSAL TO TEST.** [40.61(b)(4) & 40.63(d)]
- You are to take nothing into the collection room from the collection kit but the collection container. [40.63(c)]
- If the collection facility must make use of a restroom with multiple stalls, there may be need to monitor the collection. This involves having an individual, usually of the same gender (does not have to be the same gender if the monitor is a nurse, doctor, physician's assistant, technologist, or technician licensed or certified to practice in Texas), stand outside the stall in which you will void your sample to ensure you do not tamper with the specimen. A monitor is not allowed to watch the flow of urine from the body to the collection container. However, if the monitor hears or observes anything indicating an attempt to tamper with the specimen, the collection technician may order a collection under direct observation. **REFUSAL TO ALLOW A MONITORED SPECIMEN COLLECTION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.69 & 40.191(a)(4)]
- If you are unable to urinate or provide a sufficient specimen within a reasonable period of time the collection technician must implement the shy bladder procedure. [40.193(a)]

Shy Bladder Procedure

- When you cannot provide a sufficient specimen, you will be asked to drink not more than 40 ounces of fluid over a three-hour period to help generate enough urine to successfully complete the specimen collection. You will be informed as to when the three-hour period begins. You are not obligated to drink any fluids, and unwillingness to do so is not a refusal to test, but it is to your advantage to drink the fluids. The collection technician will document the amount and frequency of the fluids provided. [40.193(b)]
- YOU ARE NOT TO LEAVE THE COLLECTION SITE WHILE WAITING TO GENERATE ADEQUATE URINE, AND ANY ATTEMPT TO DO SO WILL BE CONSIDERED A REFUSAL TO TEST.** [40.193(b)(3)]
- You may attempt to furnish the required specimen at any time within the three-hour period. If further attempts to furnish a sufficient specimen are unsuccessful, you may continue to drink liquid (up to the 40-ounce limit) and try again to deliver a sufficient specimen until the three-hour period is concluded. All additional attempts to provide a sufficient specimen will be documented. If you can provide a sufficient specimen before the three hours is up, the collection process will continue. If you cannot provide a sufficient specimen within the three hours the collection technician will note the failed attempt(s) on the CCF, discontinue the collection process, and notify the DER. [40.193(b)(4)]

Upon Providing a Sufficient Urine Specimen

The following steps must be performed in full view of the donor (you), and you must remain in sight of the collection technician until the split-specimen containers are sealed, dated, initialed, and bagged.

- Upon exiting the collection room, you must take the specimen directly to the collection technician conducting your collection. No person other than yourself and your collection technician is to handle the specimen until it is split, sealed, initialed, and bagged. You may wash your hands once the specimen has been handed to the collection technician. [40.63(b) 40.65]
- The collection technician will verify there is a sufficient specimen, check for signs of tampering, and document the temperature of the specimen. This is all to be done within four minutes of you providing the specimen. [40.65(a) – (c)]
- If the collection technician has reason to suspect that the specimen has been tampered with, he/she may require a new collection under direct observation (refer to Definitions). **REFUSAL TO ALLOW DIRECT OBSERVATION OF A DRUG SPECIMEN COLLECTION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.63(e), 40.65(b)(5), 40.65(c)(1), & 40.191(a)(4)]

- The collection technician will document on the CCF that the specimen has been split and then split the specimen into two specimen bottles. The specimen to be used for the primary test is marked as bottle "A" and will contain 30 milliliters of urine. The specimen to be held for possible split testing is marked as bottle "B" and will contain 15 milliliters of urine. [40.71(b)(1) & (3)]
- The collection technician will then secure the lids to the specimen bottles, seal each with a tamper-proof seal (each seal is to be fully applied), and date the seals. For your protection, the collection technician is allowed to date the seals ONLY AFTER they have been affixed to the specimen bottles. [40.71(b)(4) – (6)]
- The collection technician will then ask you to initial the affixed seal of each specimen bottle to validate that the specimens are yours. For your protection, you must initial the seals ONLY AFTER they have been affixed to the specimen bottles. [40.71(b)(7)]
- You will be asked to read a statement at Step 5 of the CCF, fill in the requested information, and sign there. [40.73(a)(1)]
- The collection technician will then complete the remainder of the CCF and sign it. [40.73(a)(2) & (3)]
- You will be provided Copy 5 of the completed CCF. [40.73(a)(4)]
- The collection technician will then pull Copy 1 of the CCF and place it and the two specimen bottles into a tamper-proof specimen transmittal pouch. The pouch must be sealed in your presence. You should watch to ensure the adhesive seal fully covers the opening of the pouch. [40.73(a)(5) & (6)]
- Once the pouch is properly sealed, you are free to leave. [40.73(a)(7)]

APPENDIX 2

Summary of the Alcohol Testing Process

This appendix overviews the alcohol testing process to give personnel an understanding of what to expect when directed to test. This summary does not contain all details of the testing process. For full details, consult 49 CFR 40, Subparts L & M, as amended.

FAILURE OF APPLICANTS AND SAFETY-SENSITIVE PERSONNEL TO COOPERATE FULLY WITH ANY PART OF THE TESTING PROCESS MAY BE CONSIDERED A REFUSAL TO TEST. [40.261(a)(7)]

Direction to Test

Upon being directed to report for testing, you are to proceed promptly, by the most direct route known, to the designated testing facility. **BY CARTS POLICY, YOU WILL BE ESCORTED TO REASONABLE SUSPICION TESTING. OTHER THAN FOR APPLICANTS, FAILURE TO ARRIVE AT THE TESTING FACILITY WITHIN A REASONABLE PERIOD OF TIME IS CONSIDERED A REFUSAL TO TEST.** [40.261(a)(1)]

Upon Arrival

- You are to check in with the reception staff upon arrival, provide your name, identify that you have been directed to accomplish an alcohol test, and follow whatever instructions you receive. You should NOT be asked to sign a consent form. If you are asked to do so, you must refuse. [40.27 & 40.355(a)]
- The testing process should begin shortly after your arrival. Normally, an alcohol test will precede the drug test specimen collection, if both are being performed. [40.241(b)]

OTHER THAN FOR APPLICANTS, LEAVING THE TESTING FACILITY PRIOR TO INITIATING THE REQUIRED TEST IS CONSIDERED A REFUSAL TO TEST. [40.261(a)(2)]

FOR ALL INDIVIDUALS, INCLUDING APPLICANTS, LEAVING THE TESTING FACILITY ONCE THE TESTING PROCESS HAS BEGUN WILL BE CONSIDERED A REFUSAL TO TEST. [40.261(a)(2)]

Prior to Collection of the Screening Breath Specimen

- You will be asked to furnish a photo identification to verify who you are. If you do not have such identification with you, only designated CARTS personnel may verify your identity. [40.241(c)]
- The testing technician will explain the testing procedure and should show you the instructions on the back of the Alcohol Testing Form (ATF). [40.241(e)]
- The testing technician will complete Step 1 of the ATF. [40.241(f)]
- You will then be instructed to complete and sign Step 2 of the ATF. **REFUSAL TO SIGN THE CERTIFICATION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.241(g)]

Collection of the Screening Breath Specimen

NOTE: Alcohol testing is done in one or two phases, depending upon the circumstances. Phase 1 -- the alcohol screening test, which is done in all alcohol tests -- is a breath test performed using an alcohol-screening device to determine if there is an indication of intoxication (a breath alcohol concentration (BAC) of 0.02 or greater). Phase 2 -- the alcohol confirmation test -- is performed using an evidential breath-testing device only if the alcohol screening device indicates a BAC of 0.02 or greater. [49 CFR 40, Subparts L & M, as amended].

- The testing technician must open a sealed mouthpiece and insert it into the testing device in your presence. [40.243(a) & (b)]
- The testing technician will instruct you regarding how to provide the screening breath specimen. [40.243(c)]

- You will blow into the mouthpiece until the machine indicates it has received a sufficient volume of breath to analyze (typically about 6 seconds). **REFUSAL TO ATTEMPT TO PROVIDE A BREATH SPECIMEN IS CONSIDERED A REFUSAL TO TEST.** [40.243(c) & 40.261(a)(3)]
- The testing technician is required to show you the displayed test result. [40.243(d)]
- The testing technician will then print the result and show it to you, so you may confirm the print matches the display.
 - If the result is not printed directly to the ATF but to a separate strip, the testing technician will attach that strip to the ATF with tamper-proof tape.
 - If the machine does not print the information, the testing technician will write it at Step 3 of the ATF and show it to you for verification. [40.243(e) – (g)]

Shy Lung Procedure

- If you are unable to deliver a sufficient breath specimen (what is called shy lung), the testing technician will re-instruct you about blowing a specimen and ask you to repeat blowing a breath specimen until a sufficient specimen is obtained or the testing technician feels that further attempts will be fruitless. If you cannot provide a sufficient breath specimen within a reasonable number of attempts (as determined by the testing technician) the testing technician will note the failed attempts on the ATF, discontinue the testing process, and notify the DER. [40.263]

Upon Providing a Sufficient Breath Specimen With a Result Below 0.02 BAC

- If you provide a sufficient specimen with a BAC below 0.02, the testing technician will date and sign the ATF at Step 3. [40.247(a)(1)]
- You will be given Copy 2 of the ATF and allowed to leave.

Upon Providing a Sufficient Breath Specimen With an Invalid Result

- The testing technician will advise you of the invalid result, document that fact on the ATF, and sign and date Step 3. [40.247(c)]
- You will be given Copy 2 of the ATF.
- The testing technician will begin the testing process again with a new ATF. [40.247(c)]

Upon Providing a Sufficient Breath Specimen With a BAC of 0.02 Or Greater

- If your test result is 0.02 BAC or greater, you will be advised of the need to complete an alcohol confirmation test. [40.247(b)]
- If the confirmation test is to be done by a testing technician other than the one that administered the screening test, the testing technician will complete Step 3 of the ATF used for screening, sign it, and date it. You will be given Copy 2 of that ATF. [40.247(b)(2)]
- You will be advised of the need to rest for 15 minutes and told not to eat, drink, put anything into your mouth, or belch during the rest period. You will also be advised of the purpose for the waiting period, that following the testing technician's instructions is to your benefit, and the test will be conducted at the end of the waiting period whether you follow the instructions or not. The fact that these instructions were provided to you will be documented on the ATF. You will be told when the rest period begins. This rest period is used to prevent accumulation of mouth alcohol from causing an improperly high reading. You will be tested at the end of the 15-minute rest period whether you follow the instructions or not. [40.251(a)(1)&(2)]
- You must remain in the testing area under the observation of a testing technician for the entire 15-minute period. [40.251(a)(1)(iii)]
- At the end of the 15-minute rest period, you will be taken to the evidential breath-testing device. The confirmation test must be conducted no more than 30 minutes after your 15-minute rest period begins. [40.251(a)(1)]

- If a different testing technician performs the alcohol confirmation test, a new ATF will be started. You will again be asked to provide photo identification and complete Step 2 of the ATF. **REFUSAL TO SIGN THE CERTIFICATION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.251(c) & (d)]
- The testing technician will conduct an "air blank" test of the machine in your presence to demonstrate that the machine is properly calibrated. You will be asked to observe the reading. If the air blank test yields anything other than 0.00 two times in a row, the testing technician must use another machine. [40.253(a)]
- A new mouthpiece will be opened in your presence and inserted into the confirmation machine. [40.253(b)]
- You will be asked to read the unique test number displayed on the screen. [40.253(c)]
- The testing technician will instruct about how to blow a good specimen. [40.253(d)]
- You will blow into the mouthpiece until the machine indicates it has received a sufficient volume of breath to analyze (typically about 6 seconds). **REFUSAL TO ATTEMPT TO PROVIDE A BREATH SPECIMEN IS CONSIDERED A REFUSAL TO TEST.** [40.253(d) & 40.261(a)(3)]
- The testing technician is required to show you the displayed test result. [40.253(e)]
- The testing technician will then print the result and show it to you, so you may confirm the print matches the displayed test number and reading. If the result is not printed directly to the ATF but to a separate strip, the testing technician will attach that strip to the ATF with tamper-proof tape. [40.253(f) & (g)]
- If the alcohol confirmation test is invalid, the testing process begins again with a new ATF. [40.255(a)(4)]
- If you are unable to provide a sufficient specimen for the alcohol confirmation test, the testing technician will implement the shy lung procedure described above. [40.265(a)]
- If the alcohol confirmation test result is valid and returns a BAC less than 0.02, the testing technician will sign and date Step 3 of the ATF and provide you Copy 2. [40.255(a)(2)]
- If the alcohol confirmation test result is valid and returns a BAC of 0.02 or more, the testing technician will sign and date Step 3 of the ATF, ask you to sign and date at Step 4, and provide you Copy 2. [40.255(a)(3)]
- You are free to leave once a valid test is achieved or no further testing can be attempted. If found to be intoxicated (BAC of 0.02 or greater), you will not be allowed to drive.

APPENDIX 4

RELEASE OF INFORMATION FORM-49 CFR PART 40 Drug and Alcohol Testing

Section I. To be completed and signed by the new employee, and transmitted to the previous employer:

APPLICANTS NAME: (Last) _____ (First) _____ (M.I.) _____

CURRENT ADDRESS: _____

DATE OF BIRTH: _____ SOCIAL SECURITY #: _____

I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer, listed in Section I-B, to the employer listed in Section I-A. This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released in Section II-A by my previous employer, is limited to the following DOT-regulated testing items:

Alcohol tests with a result of 0.04 or higher;
Verified positive drug tests;
Refusals to be tested;
Other violations of DOT agency drug and alcohol testing regulations;
Information obtained from previous employers of a drug and alcohol rule violation;
Documentation, if any, of completion of the return-to-duty process following a rule violation.

EMPLOYEE SIGNATURE: _____ DATE: _____

I-A.

NEW EMPLOYER NAME: Capital Area Rural Transportation System

ADDRESS: PO Box 6050, Austin, TX 78762

PHONE #: _____ FAX#: 512-478-1110

EMPLOYER REPRESENTATIVE: _____

I-B. Information required!

PREVIOUS EMPLOYER NAME: _____

ADDRESS: _____

PHONE #: _____ FAX#: _____

DESIGNATED EMP. REP. OR SUPERVISOR: _____

Section II . To be completed by the previous employer and transmitted by mail or fax to the new employer.

II-A. In the two years prior to the date of the employee's signature (in Section I), for DOT-regulated testing ~

- | | |
|---|--------------------|
| 1. Did the employee have alcohol tests with a result of 0.04 or higher? | Yes _____ No _____ |
| 2. Did the employee have verified positive drug tests? | Yes _____ No _____ |
| 3. Did the employee refuse to be tested? | Yes _____ No _____ |
| 4. Did the employee have other violations of DOT agency drug and alcohol testing regulations? | Yes _____ No _____ |
| 5. Did a previous employer report a drug and alcohol rule violation to you? | Yes _____ No _____ |
| 6. If you answered "yes" to any of the above items, did the employee complete the return-to-duty process? | Yes _____ No _____ |
| 7. Is this employee eligible for rehire? | Yes _____ No _____ |

If you answered "yes" to item 5, you must provide the previous employer's report. If you answered "yes" to item 6, you must also transmit the appropriate return-to-duty documentation (e.g., SAP report(s), follow-up testing record).

Name of person providing information in Section II-

A: _____

Title: _____ Phone# _____

Date: _____

APPENDIX 5

ACKNOWLEDGEMENT OF CARTS DRUG AND ALCOHOL TESTING POLICY

I, _____, hereby acknowledge that I have received a copy of the Capital Area Rural Transportation System Drug and Alcohol Testing Policy mandated by the U. S. Department of Transportation, Federal Transit Administration, for all covered personnel who perform a safety-sensitive function.

I understand this policy is required by and conforms to 49 CFR Part 655, as amended, and has been duly adopted by the governing body of Capital Area Rural Transportation System. Any provisions contained herein which are not required by either 49 CFR Part 655 or 49 CFR Part 40, as amended, and have been imposed solely on the authority of the Capital Area Rural Transportation are designated as such in the policy.

I further understand that receipt of this policy constitutes a legal notification of the contents, and that it is my responsibility to, within one week of receipt, become familiar with, and adhere to all provisions contained therein. I will, in a timely manner, seek and obtain from the Designated Employer Representative clarifications for any questions I have regarding this policy or the regulations upon which it is based.

I also affirm my understanding that compliance with all provisions contained in this policy is a condition of my initial and continued employment. By accepting employment or continuing to be employed by Capital Area Rural Transportation System (CARTS) in a safety-sensitive position, I am giving my consent to submit to testing for alcohol and drugs as specified in this policy and the regulations upon which it is based.

I hereby agree to comply with all requirements of CARTS policy and USDOT regulations 49 CFR 655 and 49 CFR 40, as amended, with regard to implementation and execution of their substance abuse programs.

I further understand that the information contained in the approved policy, dated March 27, 2014, is subject to change, and that any change or addendum to this policy shall be provided to me in a manner consistent with the provisions of 49 CFR Part 655, as amended.

Signature

Date

KEEP THIS COPY WITH THE POLICY – YOU WILL SIGN A SEPARATE COPY



DrugFreeWorkplace Policy



SECTION 22: Requirement to Report Citations and Convictions

- 22.1 BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL ARE REQUIRED TO ADVISE CARTS MANAGEMENT OF CITATIONS AND CONVICTIONS FOR VIOLATION OF CRIMINAL DRUG AND ALCOHOL STATUTES RECEIVED AS A RESULT OF ON- OR OFF- DUTY BEHAVIOR. NOTIFICATION WILL BE MADE BY ANY PRACTICAL MEANS TO EITHER YOUR SUPERVISOR OR THE TRANSPORTATION MANAGER WITHIN ONE WORKING DAY OF THE CITATION OR CONVICTION.

SECTION 23: Drug-free Workplace Act Requirements

- 23.1 Per CARTS policy in support of the Drug-free Workplace Act, all employees are subject to a prohibition against manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Any employee convicted of a criminal drug statute violation occurring in the workplace is to report such to CARTS within five (5) calendar days.
- 23.2 CARTS safety-sensitive personnel are also subject to the more stringent requirements of the 49 CFR 655 and 49 CFR 40 (as amended), as outlined in this document, and any consequences prescribed therein.

SECTION 24: Access to Drug and Alcohol Testing Records

- 24.1 All information regarding drug and alcohol testing is maintained in a confidential manner in secure files. Testing results are transmitted to CARTS by controlled means.
- 24.2 All CARTS safety-sensitive personnel subject to CARTS substance abuse testing procedures are entitled, upon written request, to obtain copies of any records pertaining to their use of prohibited drugs or misuse of alcohol, including records pertaining to their own drug or alcohol tests. CARTS may charge reasonable fees for providing copies, but not for review. [655.73(b)]
- 24.3 When employers request information about former CARTS safety-sensitive personnel, CARTS is obligated to furnish that information provided the request is accompanied by a signed release from the person to whom the request pertains stating what information may be released. CARTS may release only the information specifically authorized by the person in question and is obligated to document what information was released, to whom it was released, the date of release, and a summary of the information provided. [655.73(f) & (h)]
- 24.4 CARTS may disclose information it is required to maintain on a safety-sensitive individual to that individual or the decisionmaker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual to whom the records pertain and arising from the results of a drug or alcohol test. [655.74(g)]
- 24.5 AS REQUIRED BY TITLE 37 OF THE TEXAS ADMINISTRATIVE CODE, RULE 4.21, CARTS MUST REPORT ALL VALID POSITIVE DRUG AND ALCOHOL TEST RESULTS FOR DRIVERS POSSESSING A CDL TO THE DEPARTMENT OF PUBLIC SAFETY. [40.331(g)]
- 24.6 If you are ever referred to a SAP, you may request a copy of any SAP report created under the requirements of 49 CFR 40.311. However, the SAP is required to redact (eliminate) follow-up testing plan information from the report before providing it to you.

SECTION 25: Designated Contact Persons for Questions Regarding This Policy

- 25.1 Questions regarding interpretation of this policy and all matters related to it should be referred to the Chief of



Drug and Alcohol Policy Update 050119





Capital Area Rural Transportation System

Date: May 1, 2019

To: All CARTS Safety-Sensitive Personnel

RE: Updates to CARTS Drug and Alcohol Policy

The following is an update to the CARTS Drug and Alcohol Policy. Please add to your employee policy manual under **SECTION 6: Prohibited Substances (page 6)**.

- 6.1 Use of the following drugs (controlled substances) is prohibited at all times, whether on or off duty.
- a. Marijuana (THC)
 - b. Cocaine
 - c. Amphetamines
 - o MDMA *Ecstasy
 - d. Opioids
 - o Codeine
 - o Morphine
 - o 6-acetylmorphine
 - o Oxycodone
 - o Oxymorphone
 - o Hydrocodone
 - o Hydromorphone
 - e. Phencyclidine (PCP)

These are the substances safety-sensitive personnel will be tested for during drug testing [655.21(b) & (c)].

This policy update is effective immediately and supersedes all previous policy regulations.



Capital Area Rural Transportation System

I _____ hereby acknowledge that I have received the following update to the Capital Area Rural Transportation System Drug and Alcohol Policy: **Section 6.1 Prohibited Substances (page 6)**

I further understand that receipt of this update constitutes a legal notification of its contents, and that it is my responsibility to become familiar with, and adhere to all updated provisions. I will, in a timely manner, seek and obtain from the Designated Employer Representative clarifications for any questions I have regarding this update.

Signature

Date



CARTSFacilityMaint



CAPITAL AREA RURAL TRANSPORTATION SYSTEM

CARTS

Facility Maintenance

POLICY STATEMENT:

CARTS maintains its facilities and equipment to protect its investment in and prolong the useful life of its assets and provide public transit to the highest standards financially feasible. Service of the highest quality to our customers cannot be maintained without the most efficient operating and support program we can provide.

OBJECTIVES:

The facilities and equipment used in support of public transit will be maintained at a minimum to the specifications in the operation and maintenance manuals provided with the facilities and equipment.

- Maintain facilities and equipment in safe operating condition
- Maximize facility and equipment service life
- Meet the requirements of the Transit and Rail Division, Federal Transit Administration, the Americans with Disabilities Act, and state and local regulations
- Provide a safe environment for the public and staff
- Minimize service disruptions
- Ensure that our facilities remain an asset to the community

FACILITIES:

CARTS HQ	5300 Tucker Hill Lane	Cedar Creek, Texas
CARTS Bastrop	301 Hospital Drive	Bastrop, Texas
CARTS San Marcos	338 S. Guadalupe	San Marcos, Texas
CARTS Georgetown	3620 S. Austin	Georgetown, Texas
CARTS Smithville	300 N.E. Loop 230	Smithville, Texas
CARTS VMC	5300 Tucker Hill Lane	Cedar Creek, Texas

ASSIGNMENT of RESPONSIBILITY:

Tom Grantham, Director of Maintenance, is responsible for implementing this maintenance plan.

Tom Grantham, Director of Maintenance, will coordinate the following routine maintenance and care functions or ensure they are provided by a contractor:

- 1. Plumbing** -- The Facility Maintenance Coordinator will inspect all plumbing and associated fixtures routinely to ensure there are no leaks and that fixtures are operating properly. Any corrosion or poor operation will be noted and scheduled for repair/replacement.
- 2. HVAC** -- All units will be maintained to operate at peak efficiency by the appropriate contractor through a maintenance contract. In addition, each system will be inspected monthly by the Facility Maintenance Coordinator and have air filters cleaned, replaced and dated as appropriate. Outdoor units will be inspected for general operation, debris build up or any other blockages, etc.
- 3. Generators** -- The back-up power systems will be inspected quarterly by the Vehicle Maintenance Center personnel to ensure proper operation and to verify the unit is serviced twice annually.
- 4. Painting & Exterior Care** -- The exterior of the building will be inspected monthly and needed repairs noted and requested. This inspection shall include, but not be limited to: gutters, doors, sidewalks, windows, flashings, roof, vents, all extrusions, caulking, signage and general appearance issues.
- 5. Landscaping** -- The Facility Maintenance Coordinator will ensure that all landscaped areas are maintained to include trimming, grass cutting, weeding, mulch and live growth replacement when needed. Fences shall also be inspected.
- 6. Parking Lots** -- The parking lots will be inspected for large cracks, holes, crumbling, etc. The Facility Maintenance Coordinator will help determine when re-striping and sealing need to be completed. Ice and snow removal from parking lots and walkways shall be coordinated by the Facility Maintenance Coordinator and supplies prepared before the season.
- 8. Roof** -- The Facility Maintenance Coordinator will inspect all ceilings monthly to look for any stains or other signs of roof failure and inspect outside gutters. Inspecting gutters during hard rains will be important to finding faults.
- 9. Equipment** -- Facility Maintenance Coordinator shall maintain all needed tools and equipment. A physical inventory of the grounds and maintenance equipment will be prepared annually and maintained throughout the year.
- 10. General** -- The Facility Maintenance Coordinator will walk the facilities using a checklist and note any and all repairs to both minor and major equipment items and provide the a written report of any item needing service or repair.

FACILITY MAINTENANCE RECORD KEEPING:

A log of needed non-urgent repairs shall be maintained and appropriate staff notified periodically to incorporate repair costs into budgetary planning. A record of any non-planned, non-urgent maintenance needs are kept by the Director of Maintenance.



**CARTS Procurement Policy Adopted March 27 2014-amended
December 17 2015**





Capital Area Rural Transportation System

CAPITAL AREA RURAL TRANSPORTATION SYSTEM

PROCUREMENT POLICY

POLICY

General Policy

1. It is the policy of CARTS to procure all needed goods and services (exclusive of real property) at the lowest total end-use cost, maintaining the highest quality standards and in accordance with the Agency's DBE Plan. All procurement methods and process shall be conducted in a manner that ensures fair and open competition among qualified interested parties.
2. Contract administration methods shall be maintained to assure that goods and services received by the CARTS meet the terms and conditions of the contract.
3. All solicitations shall incorporate a clear and accurate description for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features that unduly restrict competition. The description may include a statement of the qualitative and quantitative nature of the material, product, or service to be acquired.
4. The Business Manager shall administer the procurement of all goods and services on behalf of the Agency except as otherwise provided by Board Policy or as approved by the General Manager.
5. CARTS shall maintain records detailing the history of a procurement in a manner consistent with the size, complexity and cost of the contract. Purchase order and contract files will be kept in storage for three years from date of final payment. Contract files for bus purchases will be kept for five years from date of final payment. The Written Procurement History will document the results of the applicable independent cost estimates for the stated procurement.
6. Prior to any applicable procurement, CARTS will check the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available at <http://epls.gov>. CARTS will verify and document through the System for Award Management that excluded parties are not participating in federally covered transactions.
7. Should a third party contract will exceed \$100,000, CARTS will obtain a lobbying certification, and if applicable, a lobbying disclosure from any third party contractor before award, as well as require compliance with DOT regulations, "New Restrictions on Lobbying," 49 CFR Part 20, modified as necessary by 31 U.S.C. Section 1352.

Procurement Method

Generally, Agency procurement methods are dictated by provisions of federal law or grant or funding agreements entered into with public entities in connection with funding of particular procurements, projects or activities of the Agency. The Business Office shall conduct procurements in accordance with procedures required by applicable law, if any, and the provisions of applicable grant or funding agreements, if any. Where no procurement procedure is required by provisions of applicable law or grant or funding agreements, the Business Office shall establish procedures for procurements which are designed to meet the policies of the Agency as set forth in this Section.

Award Criteria

1. The following factors shall be considered by the **Designated Scoring Committee (DES)** in awarding procurement contracts:
 - a. conformance to solicitation requirements;
 - b. bidder's or offeror's previous record of performance and quality;
 - c. technical and financial capability of bidder or offeror to render satisfactory service; and
 - d. value, price or cost as determined by the Agency's independent cost estimate and price or cost analysis.
 - e. Based upon the base criteria established within an RFP, should more than one bidder provide a best value to CARTS within a competitive range, the DES can conduct discussions with the competitive range proposers in order to further evaluate the proposers' key personnel, their technical approach, pricing issues, etc. Upon completion of the interview process, the Proposers will again be rated (Final Rating).
2. Prior to award, bids and proposals must be determined to be responsive and responsible to all Agency requirements. Cost or price must be determined to be fair and reasonable and there must be an independent cost estimate and analysis to support such a determination. The Agency reserves the right to reject any and all bids, waive minor informalities and contract in the best interest of the Agency.
3. Competitive Bid Procurement awards must be made to the lowest responsive, responsible bidder.

Award Authority

1. The CARTS Board of Directors shall approve the following procurements:
 - a. Competitive Negotiation Procurements which exceed \$50,000
 - b. Non-Competitive Procurements which exceed \$50,000
 - c. Procurements for a contract term, including options, which exceeds five (5) years
 - d. Procurements which exceed the amounts budgeted or otherwise procurements which had previously been approved by the Board.
2. The General Manager shall approve the following procurements, without further authorization by the Board, provided that (i) the term of such contract, including options does not exceed five (5) years, and (ii) the amount of such contract (which shall be calculated including all options) is within the amounts budgeted or otherwise approved by the Board for such project, function or service:
 - a. Competitive Bid Procurements under \$50,000
 - b. Competitive Negotiation Procurements which do not exceed \$50,000
 - c. Non-Competitive Procurements which do not exceed \$50,000

Contract Options

1. The General Manager may exercise contract options if they have been evaluated and determined to be in the best interest of the Agency. The following factors shall be considered in making such evaluation and determination:
 - a. the continued need for the goods or services;
 - b. the performance of the contractor;
 - c. the fair and reasonableness of cost; and
 - d. the availability of sufficient funds to cover the option cost.

The option price may not exceed the option price set forth under the initial contract and cannot exceed the amount budgeted by or otherwise approved by the Board for such project, function or service.

Contract Modifications

1. The General Manager may enter into modification(s) to contracts awarded pursuant to this Article if the cost of the modification is within
 - a. the amount budgeted, or otherwise approved, for that contract, by the Board; or
 - b. is within the originally established contract contingency approved by the Board. Contract modifications which do not satisfy such parameters must be approved by the Board.
2. The General Manager is authorized to extend contract performance periods up to 180 days beyond the original contract performance period. Contract extensions in excess of 180 days must be approved by the Board.
3. **Conflicts in Policy**

Fuel & Energy Source Procurements

In order to take advantage of fluctuations in the volatile commodities' markets and procure fuel and energy sources in the most timely, cost-effective manner, the Director is authorized to procure fuel and energy sources (e.g. diesel fuel, natural gas, electricity and gasoline, etc.) through a competitive process approved by the General Manager without approval by the Board of specific purchases.

Sale & Disposition of Assets & Property

1. It is the policy of the Agency to sell and dispose of assets and property no longer needed for Agency purposes. Such sale and disposition shall be for fair market value or appraised value, unless otherwise approved by the Board. All federal or state assets or property must be disposed of according to funding sources requirements.
2. The General Manager is authorized to approve contracts disposing of assets (excluding real property) having a fair market or appraised value up to \$50,000. The Board of Directors shall approve all sales and dispositions in excess of \$50,000 fair market or appraised value. Any federal funding property or asset must follow the federal or guidelines for disposal.

Code of Ethics & Conflict of Interest

1. Any Board member, employee, or agent involved in procurement matters shall adhere to the Agency's Code of Ethics and Conflict of Interest policies as contained in the procurement procedures.
2. No Board member, employee or agent shall at any time prior to award of a procurement contract reveal technical and price information, other than information resulting from a public opening or a public meeting of the Board of Directors.

In the event of any conflict between this policy and the provisions of applicable grant or funding agreements, the General Manager shall resolve such conflicts in such a manner that is in the best interest of the Agency. If such resolution would violate the provisions of this Article or other Board Policy, Board of Directors approval is required.

Waiver of Policy

1. The General Manager may waive this procurement policy, but only in an emergency. An emergency is any situation that requires immediate correction to avoid jeopardizing the health or safety of either the general public or Agency personnel, that jeopardizes public or private property, or which risks the interruption of service. The General Manager shall immediately notify the Board Chair of any waiver of the provisions of this policy which require approval by the Board of Directors.
2. Any employee who deviates from this policy without the prior, written approval of the General Manager or Board of Directors is subject to appropriate disciplinary action, including release from employment.

Management Procedures

1. All actions taken by the General Manager and Department Director(s) shall be consistent with this policy.
2. Department Director(s) shall establish procedures to ensure compliance with all aspects of this policy.
3. The General Manager shall provide monthly reports to the Board relating to procurement activities which exceed \$50,000, including contract modifications and award of options.

Procurement Records

The Business Manager shall maintain records relating to procurements which shall include:

- a. the rationale for the method of procurement
- b. the basis of and authority for the award
- c. the basis for the contract price
- d. procurement history
- e. any other documentation required by law, regulation, or funding or grant agreement, if applicable.

Petty Cash Purchases

CARTS uses petty cash to make immediate small-dollar purchases not to exceed \$50.00. Petty cash is assigned to departmental staff who can reimburse employees for purchases made out-of-pocket. The petty cash recipient signs a receipt for the petty cash amount, and that amount is charged to the appropriate department's financial account. The petty cash account is audited at random throughout the year.

Compliance

This *Procurement Policy* establishes guidelines and minimum standards that CARTS will use to process third party contracts. This policy and procedures is intended to help CARTS comply with the Federal Transit Administration's and Texas Department of Transportation standards to ensure competitive bidding through full and open competition and equitable treatment of all potential sources for all purchases.

Competitive proposals and sealed bid transactions will be conducted in a manner to provide maximum open and free competition consistent with FTA Circular 4220.1E "Third Party Contracting Requirements," and Department of Transportation 49 CFR Part 18, "Uniform

Administrative Requirements for Grants and Cooperative Agreements." The following contracts are outside the scope of third party contracting and will not be governed by these policies and procedures:

- Employment Contracts
- Real Estate Contracts
- Intergovernmental Agreements (ILA)

The goal of procurement policies is to provide an atmosphere conducive to "Full and Open Competition," in which all procurement transactions will be conducted in a manner providing full and open competition. CARTS will avoid the following situations considered to be restrictive of competition:

- (1) Unreasonable requirements placed on firms in order for them to qualify to do business;
- (2) Unnecessary experience and excessive bonding requirements;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive awards to any person or firm on retainer contracts;
- (6) The specification of only a "brand name" product without listing its salient characteristics and not allowing "an equal" product to be offered; and
- (7) Any arbitrary action in the procurement process.

CARTS shall conduct procurements in a manner that does not give in-State (Texas) or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. This does not preempt State licensing laws. Geographic location may be a selection criterion in procurements for architectural and engineering (A&E) services if an appropriate number of qualified firms, given the nature and size of the project, are able to compete for the contract.

Disadvantaged Business Enterprise Program

The CARTS District has a DBE policy to ensure that DBE's have an equal opportunity to participate in procurement opportunities with CARTS. CARTS will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on TxDOT for FTA contracts.

Types of Purchases

- *Micro-Purchases:* Do not exceed \$3,500, including delivery charges
- *Small Purchase:* Minimum of \$3,501 and do not exceed \$50,000
- *Large Purchases:* Exceeds \$50,000 require sealed bids
- *Sole Source Purchases:* Only one single supplier
- *Single-Bid Purchases:* Only one bid has been received by bid opening
- *Construction Projects:* Building Construction Over \$2,000
Requires Davis Bacon

Changes to Policy

Any changes to this policy must be approved by the Board of Directors. Purchasing procedures have been established in order to meet federal, state and local purchasing requirements. The General Manager can make changes to procedures as needed.

Disputes and Protest Procedures

Potential bidders, contractors, or proposers can lodge written protests as a remedy to correct a perceived wrong that may have occurred during the procurement process. CARTS will accept and review the protest with the understanding that the integrity of the procurement process may be at stake. CARTS will use the following procedures to resolve disputes.

All protests lodged by potential or actual bidders, contractors, or proposers must be made in writing and contain the following information:

1. Name, address, and telephone number of the protester.
2. Identification of the solicitation or contract number and title.
3. A detailed statement of the protest's legal and factual grounds, including copies of relevant documents.
4. Identification of the issue(s) to be resolved and statement of what relief is requested.
5. Authorities in support of the protest.
6. A statement that copies of the protest have been mailed or delivered to all interested parties in the Invitation For Bid (IFB) or Request for Proposal (RFP) process. In the case of RFP, the transportation director shall direct the protester to mail or deliver the protest to relevant parties.

Mail the protest to:
Capital Area Rural Transportation System
P.O. Box 6050
Austin, TX 78762

Overnight or hand delivers to:
Capital Area Rural Transportation System
2010 E. 6th Street
Austin, TX 78702

Faxed or emailed protests will not be accepted.

CARTS General Manager will respond, in written detail, counterclaims to each substantive issue raised in the protest. The General Manager will also perform the following analysis:

1. Price Analysis or Cost Analysis for each claim.
2. Technical analysis to determine the validity of the claim(s) and determine the appropriate response(s).
3. Legal Analysis to consider all the factors available after the price, cost and technical analyses have been conducted to determine the contractor's, CARTS and FTA's legal positions.

CARTS General Manager has the authority to render the final determination regarding the protest. Any determination rendered by CARTS will be final.

Pre-Bid or Solicitation Phase Protest

A Pre-Bid or Solicitation Phase Protest must be received in writing by CARTS General Manager a minimum of five (5) full work days prior to the bid opening or proposal due date. If the written protest is not received in the time specified, the award may be made following normal

procedures, unless the General Manager, upon investigation, determines that remedial action is required on the grounds of fraud, gross abuse of the procurement process, or otherwise indicates substantial prejudice to the integrity of the procurement system, and said action should be taken. Within three (3) work days from the time the protest is received, the General Manager will notify all potential bidders, contractors, or proposers that a protest has been lodged and the nature of the protest. The General Manager will respond to the protest in writing within five (5) working days from the time the protest was received. If the General Manager decides to withhold the award pending the resolution of the protest, he/she may request a time extension for award acceptance from those bidders, contractors, or proposers whose bids or proposal might become eligible for the award. This extension for the award acceptance must be with the consent of sureties, if any, in order to avoid re-advertising.

CARTS will not make an award prior to five (5) working days after the protest is resolved, or if the protest has been filed with FTA during the protest negotiation period, unless CARTS determines that:

1. The items or services to be procured are urgently required;
2. Delivery or performance will be unduly delayed by failure to make the award promptly, or
3. Failure to make the award will otherwise cause undue harm to CARTS or the Federal government.

The General Manager will document this action and give written notice of the decision to proceed with the award to the Protester, and to other parties where deemed necessary.

Pre-Award Protest

Protests may be lodged after the Bid Opening or Close of Request for Proposal deadline and prior to Notice of Award. Within three (3) working days from the time the protest is received, The General Manager will notify all potential bidders, contractors, or proposers that a protest has been lodged and the nature of the protest. The General Manager will respond to the protest in writing within five (5) working days from the time the protest was received. If the General Manager decides to withhold the award pending the resolution of the protest, he/she may request a time extension for award acceptance from those bidders, contractors, or proposers whose bids or proposal might become eligible for award. This extension for award acceptance must be with the consent of sureties, if any, in order to avoid the need to re-advertise.

CARTS will not make any award prior to five (5) working days after the protest is resolved, or if the protest has been filed with FTA during the protest negotiation process, unless CARTS determines that:

1. The items or services to be procured are urgently required;
2. Delivery or performance will be delayed by failure to make the award promptly;
3. Failure to make the award will otherwise cause undue harm to CARTS or the Federal Government.

The General Manager will document this action and give written notice of the decision to proceed with the award to the Protester, and to other parties where deemed necessary.

Post Award Protest

CARTS will receive protest in writing within three (3) working days after the Notice of Award and letters of notification should have been received by bidders or proposers. Upon receipt of a

protest, the General Manager shall notify the bidder or proposer awarded the contract. The transportation director will render a determination to proceed with the contract or suspend the project until the protest is resolved. The General Manager will respond to the protest in writing within five (5) working days after receipt of the protest.

Appeals

CARTS General Manager has the authority to settle any dispute and resolve the protest. The General Manager may solicit written responses regarding the protest from other parties. If this course of action does not result in a satisfactory resolution, the Protester may appeal in writing to the CARTS Board of Directors within three (3) working days after the General Manager issues a final decision. The General Manager will issue a decision within five (5) working days after receipt of the appeal.

CARTS may elect to involve legal counsel or arbitration and mediation consultants to resolve the issue(s). The Protester has the right to appeal in writing to the Federal Transit Administration if:

1. The Protester has exhausted all administrative remedies with CARTS, and
2. CARTS has failed to follow its protest procedures or failed to review a complaint or protest.

The Protester's appeal must be received by the FTA Region VI Office within five (5) working days of the date of the Protester knew or should have known the violation.

Office of Operations and Program Management
U. S. Department of Transportation
Federal Transit Administration Region VI
819 Taylor Street, Suite 8A36
Fort Worth, Texas 76102
Phone: 817-978-0550

When the Protester sends an appeal to FTA, the Protester must also send a copy of the appeal to CARTS within the same time frame. In the event of a protest, the General Manager will contact FTA to check whether or not an appeal has been made.

Violations of Federal law or regulation will be handled by the complaint process stated within that law or regulation. Violations of State or local law or regions will be under the jurisdiction of state or local authorities.

In the event that data becomes available that was not previously known, or there has been an error of law or regulations, CARTS will grant an allowance for request for reconsideration.

Notification of FTA in Disputes Matters

CARTS will comply with FTA Circular 5010.1C, Chapter 1, Section 7b (1) (d) which requires grantees to notify FTA of any current or prospective litigation or major disputed claim in excess of \$100,000 relating to any third part contract. This Circular also requires grantees to provide a list of all outstanding claims exceeding \$100,000 and a list of all claims settled during the reporting period as part of each quarterly progress report. A brief description and reasons for each claim should accompany this list.

Prompt Payment

CARTS will include a prompt payment clause in all applicable FTA assisted contracts requiring all prime contractors to pay subcontractors for satisfactory performances no later than 30 days from receipt of payment from CARTS. In addition, the prime contractor will be required to return retainage from its subcontractors those subcontractors within 30 days after the subcontractor's work related to the contract is satisfactorily completed. (49CFR26.53)

Good Faith Efforts

In applicable projects, the prime contractor must promptly notify {CARTS whenever a DBE subcontractor performing work related to any applicable contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without the prior written consent of CARTS. (49CFR26.53)



CARTS D&A 2018





Capital Area Rural Transportation System

DRUG AND ALCOHOL POLICY

FOR PERSONNEL IN SAFETY-SENSITIVE POSITIONS

Approved by the CARTS Board of Directors

Adopted – 1 -23- 2014

Amended – 12-10-1015

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SECTION 1: Introduction

- 1.1 The US Department of Transportation (USDOT), the Federal Transit Administration (FTA), the Texas Department of Transportation (TXDOT), the Capital Area Rural Transportation System (CARTS), and any of CARTS transportation subcontractors are committed to providing safe transportation services for the citizens we serve and for keeping those who provide that service safe as well. Part of this philosophy is a strong policy in opposition to the abuse of controlled substances, alcohol, and prescription and over-the-counter medications.
- 1.2 This policy summarizes USDOT's and CARTS guidelines to combat substance abuse in its rural transportation program. The policy does not cover all aspects of CARTS substance abuse prevention program, but it does address key issues affecting applicants and safety-sensitive personnel within the CARTS system. This policy exceeds the regulatory requirements for content of such a policy and is intended to provide information to make you aware of your responsibilities and rights under USDOT's drug and alcohol testing programs. **THIS POLICY IS NOT INTENDED TO FORM A CONTRACT WITH SAFETY-SENSITIVE PERSONNEL AND SHOULD NOT BE READ AS SUCH.** If you wish to become more familiar with the requirements of the regulations governing this program, CARTS will provide you access to those or furnish Internet web addresses where you may read and/or print the current regulations.
- 1.3 CARTS substance abuse prevention program will be implemented fairly, equitably, and consistently to meet both our obligation to the safety of our passengers and staff and to ensure compliance with the applicable federal regulations noted in Section 2.
- 1.4 Under the authority and requirements of Title 49, Code of Federal Regulations, Part 655 (49 CFR 655), ***SUBMISSION TO PRE-EMPLOYMENT AND POST-HIRE RECURRING DRUG AND ALCOHOL TESTING IS A CONDITION OF EMPLOYMENT FOR SAFETY-SENSITIVE PERSONNEL.*** [655.15(f)]

SECTION 2: Reading This Policy

- 2.1 Bracketed numbers at the end of a paragraph tell you where in the regulations you will find the information covered in that paragraph. All numeric references (e.g. 40.123) are to Title 49 of the Code of Federal Regulations (CFR). The digits prior to the decimal point indicate the Part (regulation) within Title 49 that applies, and the entire number indicates the specific section within that part (e.g. 40.123 means Title 49, Part 40, Section 40.123). Occasionally, the bracketed reference will be to a document other than a regulation. Many paragraphs do not have regulatory references because the reference is provided in the text, a specific regulatory reference is not practical, or the information does not come from the regulations.
- 2.2 Most, but not all, of the information provided in this policy is based on USDOT regulations. Text within the numbered sections of this document that is NOT based on USDOT authority is identified by use of SMALL CAPITALIZATION lettering.
- 2.3 Text highlighted in gray applies specifically to volunteers. All other text applies equally to both employees and volunteers.
- 2.4 Text we wish to emphasize will be ***bolded***, ***italicized***, **BOLDED UPPER CASE**, **underlined**, or **ANY COMBINATION OF THESE**.

SECTION 3: Authority for This Policy and the Substance Abuse Prevention Program

- 3.1 This policy is established under authority of 49 CFR 655, *Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations*, and any amendments thereto. [655.12(a)]
- 3.2 The authority and requirement for establishment of a substance abuse prevention program, to include all types of drug and alcohol testing described herein, also comes from 49 CFR 655. Specific procedures for conducting drug and alcohol testing are found in Title 49, Code of Federal Regulations, Part 40 (49 CFR 40), *Procedures for Transportation Workplace Drug and Alcohol Testing Programs*, and any amendments thereto. [655.11 & 40.11(c)]
- 3.3 ***INDIVIDUALS WHO HOLD A CDL SHOULD BE AWARE THAT, BY VIRTUE OF HOLDING THE CDL, THEY GIVE IMPLIED CONSENT UNDER FEDERAL REGULATION (49 CFR 383.72) TO SUBMIT TO ALCOHOL TESTING. INDIVIDUALS WHO DRIVE A COMMERCIAL MOTOR VEHICLE IN TEXAS ALSO GIVE IMPLIED CONSENT UNDER TEXAS LAW (TITLE 7, TEXAS TRANSPORTATION CODE, §522.102) TO SUBMIT TO BOTH ALCOHOL AND DRUG TESTING. HOWEVER, TESTS UNDER THOSE CIRCUMSTANCES ARE APPLIED UNDER AUTHORITY SEPARATE FROM THAT UNDER WHICH THE CARTS DRUG AND ALCOHOL TESTING PROGRAM OPERATES.***
- 3.4 CARTS RESERVE THE RIGHT TO REVISE, SUPPLEMENT, OR RESCIND ANY PART OF THIS POLICY AS DEEMED APPROPRIATE, WITH APPROVAL FROM THE CARTS BOARD OF DIRECTORS.
- 3.5 ***Authorize employers to disclose to State commercial driver licensing (CDLs) authorities the drug and alcohol violations of employees who hold CDLs and operate commercial motor vehicles (CMVs), when a state law requires such reporting (49 CFR 40.331 (g)). This rule also permits third-party administrators (TPAs) to provide the same information to State CDL licensing authorities where State law requires the TPAs to do so for owner-operator CMV drivers with CDLs.***

SECTION 4: Definition of Terms and Acronyms

- 4.1 Accident. An occurrence associated with the operation of a vehicle, whether moving or not (to include operation of the wheelchair lift), where any of the following occurs:
- An individual dies (a fatality).
 - An individual suffers bodily injury and immediately receives medical treatment away from the scene of the accident.
 - Where any vehicle involved incurs disabling damage (see definition below) as the result of the accident and one or more vehicles is transported from the scene by a tow truck or other vehicle. [655.4]
- 4.2 Adulteration. When a urine specimen contains a substance that is not expected to be present in human urine, contains a substance expected to be present but is at a concentration inconsistent with human urine, or the physical characteristics are outside the normal expected range for human urine. [40.3 & 40.95(a)]
- 4.3 Alcohol confirmation test. A secondary test, following an alcohol screening test with a result of 0.02 or greater using an evidentiary breath-testing device. [40.3]
- 4.4 Alcohol screening device. A breath or saliva device, other than an evidential breath testing device, that is approved by the National Highway Traffic Safety Administration (NHTSA) and placed on a conforming products list for such devices. [40.3]
- 4.5 Alcohol screening test. An analytic procedure to determine whether an individual has a prohibited concentration of alcohol in a breath specimen. [40.3]
- 4.6 Alcohol Testing Form. The form used to document the various actions and certifications required as part of the alcohol testing process.

- 4.7 ATF. Alcohol Testing Form.
- 4.8 Applicant. A person applying for a safety-sensitive position, whether from outside the agency or an internal transferee. Applicants are NOT considered safety-sensitive personnel until they have successfully met the prerequisites for assignment to safety-sensitive duties.
- 4.9 Articulate. Capable of being described.
- 4.10 BAC. Breath alcohol concentration.
- 4.11 Breath alcohol concentration. The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath, as indicated by a breath test. [40.3]
- 4.12 CCF. Custody and Control Form.
- 4.13 Custody and Control Form. The form used to document the handling, various actions, and certifications required as part of the drug testing process.
- 4.14 CDL. Commercial driver's license.
- 4.15 Commercial driver's license. A license issued by a state or other jurisdiction to a person, in accordance with the standards contained in 49 CFR 383, which authorizes the individual to operate a commercial motor vehicle. CARTS vehicles are considered commercial motor vehicles as those designed to transport 16 or more passengers, to include the driver. [383.5]
- 4.16 CFR. Code of Federal Regulations.
- 4.17 CMV. Commercial motor vehicle.
- 4.18 Commercial motor vehicle. For the purposes of CARTS operations, any vehicle with a gross vehicle weight rating greater than 26,000 pounds or designed to transport 16 or more passengers, including the driver. [383.5]
- 4.19 Contemporaneous. Originating, existing, or happening during the same period of time.
- 4.20 Conviction. A finding of guilt (including a plea of nolo contendere) or imposition of sentence or both, by any judicial body charged with responsibility to determine violations of Federal or State criminal drug statutes. [32.615]
- 4.21 DAMIS. Drug and Alcohol Management Information System. The system used to report annual drug and alcohol testing data to USDOT.
- 4.22 DER. Designated Employer Representative.
- 4.23 Designated Employer Representative. A CARTS employee authorized by the General Manager to receive information about drug and alcohol test results and take immediate action to suspend or remove personnel from safety-sensitive duties. [40.3]

- 4.24 Direct observation. Where a person of the same sex watches the flow of urine from the body to the collection container. [40.67]
- 4.25 Disabling damage. Damage that precludes departure of a motor vehicle from the scene of an accident in its usual manner in daylight after simple repairs; i.e. the vehicle must be towed away. This definition includes damage to a motor vehicle that could have been driven but would have been further damaged if driven. The following circumstances are excluded from this definition:
- a. Damage that can be remedied temporarily at the scene without need for special tools or parts.
 - b. Tire disablement without other damage, even if no spare tire is available.
 - c. Inability to drive a vehicle at night solely because its headlamps or taillights are rendered inoperable.
 - d. Damage to turn signals, horn, or windshield wipers that restrict the vehicle from being driven. [655.4]
- 4.26 Employment. The performance of service to CARTS, whether in a paid or volunteer capacity.
- 4.27 Evidential breath-testing device. A device approved by NHTSA for the evidential testing of breath at the 0.02 and 0.04 breath alcohol concentrations, placed on NHTSA's Conforming Products List for "Evidential Breath Testing Devices", and identified on that list as conforming to the model specifications available from NHTSA's Traffic Safety Program. [40.3]
- 4.28 FTA. Federal Transit Administration.
- 4.29 Federal Transit Administration. The agency under the U. S. Department of Transportation responsible for developing, communicating, and interpreting the drug and alcohol testing regulations to which CARTS safety-sensitive personnel are subject.
- 4.30 Follow-up test. Any of the post-rehabilitation drug and/or alcohol tests prescribed by a SAP to ensure an individual has not relapsed into substance abuse.
- 4.31 Follow-up testing plan. A SAP-prescribed regimen of post-rehabilitation drug and/or alcohol testing to ensure an individual has not relapsed into substance abuse. This plan may also incorporate requirements for continuing education and/or treatment.
- 4.32 MRO. Medical Review Officer.
- 4.33 Medical Review Officer. A licensed physician responsible for receiving, evaluating, interpreting, and verifying laboratory drug test results. This person also determines if a positive drug test result was caused by the use of prohibited drugs or a medical or other condition. [40.3]
- 4.34 Negative-dilute test result. A negative drug test result indicating creatinine and specific gravity values that are lower than expected for human urine. [40.3]
- 4.35 Performing safety-sensitive duties. Any period in which a safety-sensitive individual is actually performing, ready to perform, or is readily available to perform those functions or duties. [655.4]
- 4.36 Rehabilitation process. A process of screening by a Substance Abuse Professional to establish and execute a tailored plan of substance-abuse education and/or treatment. [40.307]
- 4.37 Rehabilitative treatment. See *Rehabilitation process*.
- 4.38 Revenue service vehicle. Any vehicle in the CARTS fleet intended for transport of passengers.

- 4.39 Safety-sensitive personnel. Individuals filling safety-sensitive positions, whether CARTS employees, temporary agency employees, or volunteers.
- 4.40 Safety-sensitive positions. Jobs that do or may require performance of the following duties:
- a. Operation of a revenue service vehicle, whether in or out of service.
 - b. Maintenance of revenue service vehicles.
 - c. Dispatch or control the movement of revenue service vehicles.
 - d. Operation of a non-revenue vehicle that requires a CDL to operate.
 - e. Carrying firearms for security purposes. [655.5]
- 4.41 SAP. Substance Abuse Professional.
- 4.42 Substance Abuse Professional. A person who evaluates employees who have violated a USDOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare.
- a. A licensed physician (medical doctor or doctor of osteopathy), a licensed or certified psychologist, licensed or certified social worker, a licensed or certified employee assistance professional with knowledge of and clinical experience in the diagnosis and treatment of drug- and alcohol-related disorders, or a state-licensed or certified marriage and family therapist.
 - b. A drug and alcohol counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission, the International Certification and Reciprocity Consortium (alcohol and other drug abuse), or the National Board for Certified Counselors, Inc. (Affiliates/Master Addictions Counselor). [40.3 & 40.281(a)]
- 4.43 Second-chance policy. A CARTS POLICY, SUPPORTED BY USDOT REGULATIONS, WHICH RECOGNIZES THAT PEOPLE MAKE MISTAKES REGARDING DRUGS AND ALCOHOL BUT CAN RECOVER FROM THOSE MISTAKES AND CONTINUE TO BE PRODUCTIVE, SAFE INDIVIDUALS. RATHER THAN REFUSING TO EVER CONSIDER THESE INDIVIDUALS FOR EMPLOYMENT, CARTS IS WILLING TO POTENTIALLY GIVE PERSONS WHO VIOLATE THE FEDERAL DRUG AND ALCOHOL REGULATIONS AND/OR CARTS DRUG AND ALCOHOL POLICY A SECOND CHANCE TO PROVE THEMSELVES. VIOLATORS WILL BE REQUIRED TO MEET ALL USDOT REQUIREMENTS FOR REHABILITATION AS A CONDITION OF BEING AFFORDED THE POSSIBILITY OF A SECOND CHANCE. SECOND-CHANCE DOES NOT REFER TO A USDOT-ALLOWED PROCESS OF GRANTING CURRENT SAFETY-SENSITIVE PERSONNEL CONTINUING EMPLOYMENT WHILE THEY COMPLETE THEIR REHABILITATION PROCESS. CARTS PERSONNEL WHO VIOLATE DRUG AND ALCOHOL REGULATIONS AND/OR CARTS POLICY MUST COMPLETE THEIR REHABILITATION PROCESS WHILE OFF THE CARTS ROLES AND THEN REAPPLY FOR THEIR POSITION. CARTS MAKES NO GUARANTEE OF EMPLOYMENT OR REEMPLOYMENT; APPLICANTS MUST COMPETE FOR OPEN POSITIONS ON A BEST-QUALIFIED BASIS.
- 4.44 Shy bladder. A term used to describe a situation where an individual is unable, after one or more attempts, to provide a sufficient urine specimen (45 milliliters).
- 4.45 Shy lung. A term used to describe a situation where an individual is unable, after one or more attempts, to provide a sufficient volume of breath for the screening or confirmation test unit to analyze the breath for alcohol concentration.
- 4.46 Specimen bottles. The two smaller bottles in the drug testing kit that, after being sealed and labeled according to proper procedure, are used to hold the urine specimen during transportation to the testing laboratory. [40.3]
- 4.47 Substitution. When a urine specimen contains creatinine and specific gravity values that are so diminished that they are not consistent with human urine. [40.5]

- 4.48 Texas Department of Transportation. The agency responsible for enforcement of Federal requirements under 49 CFR 655 and 49 CFR 40, as amended, for the State of Texas.
- 4.49 USDOT. United States Department of Transportation. All references to USDOT will assume that the FTA is included in that reference.
- 4.50 United States Department of Transportation. The Federal department responsible for enforcement of requirements under 49 CFR 655 and 49 CFR 40.
- 4.51 Use of alcohol. The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol. [40.3]
- 4.52 Volunteer. An individual who performs services for CARTS as a charitable act without the expectation of receiving a benefit, whether financial or as part of a program established to relieve an obligation. Volunteers are allowed reimbursement of actual expenses resulting from performance of assigned duties. [FTA Policy Interpretation Letter, dated February 21, 1996 & 655.4, Covered Employee]
- 4.53 Zero-tolerance policy. A PHILOSOPHY ESTABLISHED UNDER CARTS POLICY THAT SAYS VIOLATION OF DRUG AND ALCOHOL REGULATIONS AND/OR LOCAL POLICY WILL NOT BE TOLERATED. TENETS OF THIS PHILOSOPHY ARE:
- a. ANY INDIVIDUAL SUBJECT TO THIS POLICY WHO ABUSES PROHIBITED DRUGS AND/OR ALCOHOL WILL BE TERMINATED.
 - b. PERSONS WHO OTHERWISE VIOLATE APPLICABLE DRUG AND ALCOHOL REGULATIONS AND/OR THE CARTS DRUG AND ALCOHOL POLICY WILL BE TERMINATED, WITH SOME LIMITED EXCEPTIONS PRESCRIBED BY USDOT REGULATIONS.
 - c. A NO-HIRE POLICY FOR INDIVIDUALS WHO VIOLATE THE DRUG AND ALCOHOL REGULATIONS AND/OR THE CARTS DRUG AND ALCOHOL POLICY AND HAVE NOT YET COMPLETED A SUBSTANCE-ABUSE REHABILITATION PROCESS.

SECTION 5: Persons Subject to This Policy

- 5.1 FTA regulation 655.45 requires random testing for drugs and alcohol for all employees that perform safety-sensitive functions. Safety sensitive function is defined in Part 655.4, as any of the following duties, when performed by employees of recipients, subrecipients, operators, or contractors:
- a) Operating a revenue service vehicle, including when not in revenue service;
 - b) Operating a non-revenue service vehicle, when required to be operated by a holder of a Commercial Driver's License;
 - c) Controlling dispatch or movement of a revenue service vehicle;
 - d) Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service. This section does not apply to the following: an employer who receives funding under 49 U.S.C. 5307 or 5309, is in an area with less than 200,000 in population, and contracts out such services; or an employer who receives funding under 49 U.S.C. 5311 and contracts out such services;
 - e) Carrying a firearm for security purposes.
- 5.2 Based upon CARTS analysis, CARTS safety-sensitive positions (refer to Definitions) subject to USDOT regulations are:
- a) Drivers
 - b) Dispatchers
 - c) Transportation Supervisors
 - d) Maintenance Staff
 - e) Armed Personnel
 - f) Volunteers

- 5.3 **BY CARTS POLICY, VOLUNTEERS, EXCEPT AS SPECIFICALLY NOTED, ARE SUBJECT TO CARTS DRUG AND ALCOHOL POLICY.**

SECTION 6: Prohibited Substances

6.1 Use of the following drugs (controlled substances) is prohibited at all times, whether on- or off-duty:

- a. Marijuana (THC)
- b. Cocaine
- c. Amphetamines
- d. Opiates
 - o Codeine
 - o Morphine
 - o 6-AM (Heroin)
- e. Phencyclidine (PCP)

These are the substances safety-sensitive personnel will be tested for during drug testing. [655.21(b) & (c)]

6.2 Use of alcohol is prohibited in the following circumstances:

- a. Four hours prior to performing safety-sensitive duties.
- b. Any time while performing safety-sensitive duties.
- c. While on call to perform safety-sensitive duties.
- d. Within eight hours after an on-the-job accident or until post-accident alcohol testing is performed, whichever occurs first. [655.32, 655.33(a) & (b), & 655.34]

6.3 Covered employees are prohibited from performing or continuing to perform safety-sensitive functions while having an alcohol concentration of 0.04 or greater. [655.31(b)]

6.4 ***BY CARTS POLICY, PRESCRIPTION AND OVER-THE-COUNTER DRUGS AND OTHER MEDICATIONS ARE PROHIBITED IF THEY IMPAIR THE ABILITY OF AN INDIVIDUAL TO PROPERLY PERFORM SAFETY-SENSITIVE DUTIES. SAFETY-SENSITIVE PERSONNEL WHO CANNOT PERFORM THEIR DUTIES WITHOUT USE OF IMPAIRING MEDICATIONS MUST BE REMOVED FROM SAFETY-SENSITIVE DUTIES.***

SECTION 7: Pre-employment Requirements for Assumption of Safety-sensitive Duties

7.1 Each applicant wishing to perform safety-sensitive duties, **TO INCLUDE VOLUNTEERS (BY CARTS POLICY)**, will be required to furnish CARTS written authorization to check with previous employers to determine if any of the following circumstances exist in the applicant's work history (see Appendices 4).

- a. Alcohol tests confirming a blood-alcohol concentration of 0.04 or more.
- b. Verified positive drug tests.
- c. Refusals to take a drug or alcohol test, to include adulterated or substituted specimens.
- d. Any violations of USDOT drug and alcohol regulations.
- e. Any information regarding drug and alcohol testing that the former employer has from its own testing program or those of prior employers.
- f. Information about any successful completion of drug or alcohol rehabilitation. [40.25]

- 7.2 All applicants who will ultimately perform safety-sensitive duties are required to produce a verified negative result on a drug test prior to performing safety-sensitive duties. If a pre-employment drug test is cancelled for whatever reason, another test must be performed and produce a verified negative result before safety-sensitive duties may be assigned. [655.41(a)(1) & (c)]
- 7.3 Applicants with a history of failing or refusing to take a drug or alcohol test, or a history of violation of USDOT regulations, will be required to provide documentation of having successfully completed a post-violation referral, evaluation, and treatment plan (i.e., a substance abuse rehabilitation process, as required by 49 CFR 40, Subpart O). [655.41(a)(2)]
- 7.4 BY CARTS POLICY, CARTS CHOOSES NOT TO TEST PERSONNEL FOR ALCOHOL ABUSE PRIOR TO THEM ASSUMING SAFETY-SENSITIVE DUTIES, AS AUTHORIZED BY FEDERAL REGULATIONS. HOWEVER, CARTS RESERVES THE RIGHT TO REVERSE THIS DECISION. [655.42]

SECTION 8: Persons Out of the Random Testing Pool for 90 or More Days

- 8.1 Safety-sensitive personnel who have been out of the random-testing pool for a period of 90 or more days must produce a verified negative result on a drug test prior to resuming safety-sensitive duties. For purposes of DAMIS reporting, these tests are considered pre-employment testing. [655.41d]

SECTION 9: Post-hire Circumstances for Testing

- 9.1 There are five categories of drug and alcohol testing, which CARTS safety-sensitive personnel will or may encounter. All safety-sensitive personnel will be regularly susceptible to random testing and reasonable-suspicion testing. If involved in an accident, safety-sensitive personnel **may** also be susceptible to post-accident testing. Individuals returning to safety-sensitive duties after substance abuse rehabilitation training **may** further be subject to follow-up testing. Each of these categories of testing is briefly described in this section.
- 9.2 **RANDOM TESTING.** All safety-sensitive personnel are placed in a random testing "pool" upon assignment to safety-sensitive duties. Employees, and volunteers requiring a CDL, are placed in a USDOT testing pool. Each quarter, CARTS selects a pre-determined percentage of all persons placed in those pools for drug and/or alcohol testing using a scientifically valid system for random selections. Once selected for testing, neither the individuals selected nor CARTS management has discretion as to whether selected individuals will be tested. The only discretion allowed CARTS management regards when each individual will be scheduled for testing within the quarter for which they are selected to test. [655.45(e) & (f)]
- 9.3 Each safety-sensitive person has an equal chance of being selected for **either or both** drug and alcohol testing in any given quarter. Individuals may be randomly tested no more than once per quarter in each category of testing. Because all names are returned to the random pool at the end of each quarter, there is the possibility that any individual may be required to take more than one drug and/or alcohol test each year. There is also the chance that a given individual may not be selected for random testing in a given quarter, year, or at all during their time with CARTS. [655.45(e)]
- 9.4 All random testing will be performed without advance notice to the employee or volunteer. Random testing will be spread each quarter, and over the course of a year, throughout all operating days and hours in which safety-sensitive duties are performed (to include weekends and holidays, if applicable) so that timing of a given random test is unpredictable. [655.45(g)]
- 9.5 Once notified of selection for random testing, safety-sensitive personnel are expected to report immediately to the collection/testing facility to which they are directed. BY CARTS POLICY, CARTS MANAGEMENT WILL ENSURE THE INDIVIDUAL'S DUTIES ARE COVERED DURING THE TIME THE PERSON IS AWAY FOR TESTING. [655.45(h)]

- 9.6 If a selected individual is unavailable for random testing on a day for which scheduled, that individual will be sent for testing upon returning to work, if such return falls within the quarterly testing period. If a person selected for testing in a given quarter cannot be tested in that quarter, the reason(s) must be documented and maintained on file. [FTA Records Management Checklist, Item 47]
- 9.7 REASONABLE-SUSPICION TESTING. If a supervisor that has been properly trained in observation of suspected substance abusers has personally made specific, contemporaneous, articulable, observations of a safety-sensitive individual's appearance, behaviors, speech, or body odors and has grounds for reasonable suspicion of substance abuse, the suspected individual will be immediately suspended from performing safety-sensitive duties and directed to report for drug and alcohol testing as soon as an escort can be provided. THE REQUIREMENT FOR AN ESCORT IS CARTS POLICY. [655.43(a) & (b)]
- 9.8 Reasonable-suspicion alcohol testing should occur as soon as practicable following a proper observation. If testing does not commence within two hours of the observation by a trained individual, CARTS management must document the reasons for failure to meet the time standard. Attempts to test for alcohol will continue for up to eight hours following the observation. If testing does not occur within the 8-hour period, further attempts will cease and CARTS management must document the reason(s) for failure to complete the alcohol test within prescribed time limits. [655.43(d)]
- 9.9 UNDER CARTS POLICY, SAFETY-SENSITIVE PERSONNEL PENDING RESULTS OF REASONABLE-SUSPICION DRUG TESTING WILL BE SUSPENDED FROM SAFETY-SENSITIVE DUTIES AND PLACED TEMPORARILY IN NON-SAFETY-SENSITIVE DUTIES UNTIL RESULTS OF THE TEST(S) ARE KNOWN. IF TEST RESULTS ARE WITHIN ACCEPTABLE STANDARDS, THE INDIVIDUAL WILL BE REINSTATED TO SAFETY-SENSITIVE DUTIES, PROVIDED THERE ARE NO OTHER VIOLATIONS OF USDOT REGULATIONS OR THIS POLICY.
- 9.10 POST-ACCIDENT TESTING. When an accident occurs, CARTS management must quickly, but thoughtfully, assess which individuals might have contributed to the accident and direct testing for those individuals according to the following decision process.
- a. When there is a fatality, CARTS management must direct drug and alcohol testing as soon as practicable for:
1. Each surviving safety-sensitive individual operating the vehicle at the time of the accident, and
 2. Any other surviving safety-sensitive personnel whose performance could have contributed to the accident.
- b. If the accident does NOT involve a fatality, CARTS management must direct drug and alcohol testing as soon as practicable for:
1. Each safety-sensitive individual operating the vehicle UNLESS management, using the best information available at the time of the decision, determines an individual's performance can be completely discounted as a contributing factor to the accident.
 2. Any other safety-sensitive personnel whose performance could have contributed to the accident.
- CARTS management must document these determinations, whether testing is performed or not. [655.44(a) & (d)]
- 9.11 Safety-sensitive individuals involved in the accident must remain readily available at the scene until directed to testing or released by management with the following exceptions:
- a. The safety-sensitive individual may leave the scene for a period necessary to obtain assistance in responding to the accident.
- b. The safety-sensitive individual may leave the scene if he/she is in need of off-scene medical attention. [655.44(c) & (e)]

Individuals who must leave the scene of an accident must, if practicable, keep the dispatchers or CARTS management aware of her/his location. **LEAVING THE SCENE OF AN ACCIDENT WITHOUT A VALID REASON BEFORE NECESSARY ARRANGEMENTS HAVE BEEN MADE TO PERFORM REQUIRED**

DRUG TEST SPECIMEN COLLECTION AND ALCOHOL TESTING IS CONSIDERED A REFUSAL TO TEST. [655.44(c)]

- 9.12 Post-accident alcohol testing should occur as soon as practicable following an accident. Safety-sensitive personnel must not consume alcohol for 8 hours following an accident or until a post-accident alcohol test is performed, whichever occurs first. If testing does not commence within two hours of the accident, CARTS management must document the reasons for failure to meet the time standard. Attempts to test for alcohol will continue for up to eight hours following the accident. If testing does not occur within the 8-hour period, further attempts will cease and CARTS management must document the reasons for failure to complete the alcohol test within the prescribed time standard. [655.34 & 655.44(a)(2)(ii)]
- 9.13 Post-accident drug test specimen collection should occur as soon as practicable but within 32 hours of the accident. If a specimen collection cannot be accomplished within 32 hours of the accident, CARTS management must document the reasons. [655.44(b)]
- 9.14 The results of a blood, urine, or breath test for the use of prohibited drugs and/or alcohol misuse conducted by federal, state, or local officials having independent authority for the test shall be considered to meet the USDOT requirement for post-accident testing provided that such test(s) conforms to the applicable federal, state, or local testing requirements and the test results are obtainable by CARTS. Test results from federal, state, or local authorities, if available, will only be used when CARTS management is unable to perform a post-accident test of its own within the required time standard. [655.44(f)]
- 9.15 BY CARTS POLICY, IF A SAFETY-SENSITIVE INDIVIDUAL IS REQUIRED TO SUBMIT TO POST-ACCIDENT TESTING TO DETERMINE IF THE INDIVIDUAL WAS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL AT THE TIME OF THE ACCIDENT, THAT INDIVIDUAL WILL BE SUSPENDED FROM SAFETY-SENSITIVE DUTIES AND PLACED TEMPORARILY IN NON-SAFETY-SENSITIVE DUTIES UNTIL RESULTS OF THE TEST(S) ARE KNOWN. IF TEST RESULTS ARE WITHIN ACCEPTABLE STANDARDS, THE INDIVIDUAL WILL BE REINSTATED TO SAFETY-SENSITIVE DUTIES, PROVIDED THERE ARE NO OTHER VIOLATIONS OF USDOT REGULATIONS OR THIS POLICY.
- 9.16 FOLLOW-UP TESTING. CARTS MAINTAINS A SECOND-CHANCE POLICY FOR INDIVIDUALS BEING CONSIDERED FOR EMPLOYMENT WHO HAVE COMPLETED THE USDOT-PREScribed REHABILITATION PROCESS (REFER TO DEFINITIONS) FOLLOWING A VIOLATION OF USDOT DRUG AND ALCOHOL REGULATIONS AND HAS DOCUMENTATION OF THAT COMPLETION. COMPLETION OF THE REHABILITATION PROCESS MUST BE VERIFIED AND IN FULL COMPLIANCE WITH THE REQUIREMENTS OF 49 CFR 40, SUBPART O, FOR APPLICANTS TO BE CONSIDERED FOR HIRE OR RE-HIRE. [655.46]
- 9.17 Following the rehabilitation process, the SAP will develop a follow-up testing plan. ***At a minimum***, the follow-up testing plan must include at least six unannounced follow-up tests in the first 12 months of performing safety-sensitive duties. Testing may be done for drugs and/or alcohol, at the sole discretion of the SAP, whether the regulatory violations included either substance or not. These tests are mandatory and are in addition to any susceptibility for random testing. However, a SAP may prescribe even more testing and other requirements for continuing education and treatment, at the SAP's sole discretion, for a period up to 60 months after assignment of safety-sensitive duties. [40.307(d)]
- 9.18 If, after completing the required rehabilitation process, an applicant has had no intervening USDOT-regulated employment in which follow-up testing was fully completed, the new-hire will be required to fulfill the follow-up testing plan prescribed by a Substance Abuse Professional (SAP). [40.307]
- 9.19 If, after completing the required rehabilitation process, an applicant has had intervening USDOT-regulated employment in which follow-up testing was NOT fully completed, the new-hire must complete the follow-up testing plan according to the directions of the directing SAP. [40.307]
- 9.20 If, after completing the required rehabilitation process, an applicant has had intervening USDOT-regulated employment in which follow-up testing was fully completed, the new-hire will NOT be subject to another follow-up testing plan, and CARTS may not impose one. [40.307]

- 9.21 RETURN-TO-DUTY TESTING. CARTS MAINTAINS A ZERO-TOLERANCE POLICY (REFER TO DEFINITIONS) WITH REGARD TO VIOLATIONS OF USDOT DRUG AND ALCOHOL REGULATIONS WHILE WORKING FOR CARTS. SAFETY-SENSITIVE PERSONNEL WHO VIOLATE THE REQUIREMENTS OF USDOT DRUG AND ALCOHOL REGULATIONS WILL BE SUBJECT TO THE CONSEQUENCES DESCRIBED IN SECTION 15 OF THIS POLICY AND WILL BE REQUIRED TO ACCOMPLISH THEIR REHABILITATION PROCESS OFF THE CARTS EMPLOYMENT ROLES AND AT THEIR OWN EXPENSE. THEREFORE, RETURN-TO-DUTY TESTING IS NOT APPLICABLE FOR THE CARTS SYSTEM. INDIVIDUALS HIRED OR REHIRED UNDER CARTS SECOND-CHANCE POLICY (REFER TO DEFINITIONS) MUST PROVIDE PROOF OF HAVING COMPLETED THE SAP-PRESCRIBED REHABILITATION PROCESS AND WILL BE SUBJECT TO PRE-EMPLOYMENT TESTING REQUIRED OF ALL PROSPECTIVE NEW-HIRES.
- 9.22 SPECIAL CIRCUMSTANCES FOR PERSONS POSSESSING A CDL. *UNDER SEPARATE FEDERAL AND STATE AUTHORITY, ANY PERSON WHO HOLDS A CDL IS CONSIDERED TO HAVE CONSENTED TO TESTING AS REQUIRED BY ANY STATE OR JURISDICTION IN THE ENFORCEMENT OF FEDERAL OR STATE LAW PROHIBITING THE OPERATION OF A MOTOR VEHICLE WHILE UNDER THE INFLUENCE OF DRUGS OR ALCOHOL. CARTS PERSONNEL WHO HOLD A CDL ARE EXPECTED TO COMPLY AND FULLY COOPERATE WITH THE REQUEST OF LAW ENFORCEMENT PERSONNEL TO SUBMIT TO AN ALCOHOL AND/OR DRUG TEST. TESTS PERFORMED BY LAW ENFORCEMENT PERSONNEL ARE GENERALLY PERFORMED OUTSIDE THE AUTHORITY UNDER WHICH CARTS OPERATES ITS DRUG AND ALCOHOL TESTING PROGRAM, BUT THIS DOES NOT MEAN THAT TESTS UNDER THESE CIRCUMSTANCES WILL NOT HAVE A POTENTIAL IMPACT ON AN INDIVIDUAL. [49 CFR 383.72 and 7 TTC 522.102]*

SECTION 10: When Testing May Occur After Assumption of Safety-sensitive Duties

- 10.1 Drug test specimen collections for safety-sensitive personnel may be performed during any period in which an individual is on duty, regardless of whether the individual is performing safety-sensitive duties or not. [655.45(i)]
- 10.2 Alcohol testing of safety-sensitive personnel may be performed just prior to, during, and just after performing safety-sensitive duties. [655.45(i)]
- 10.3 Individuals subject to follow-up testing will be tested according to the plan established by the SAP. [40.307 & 40.309]
- 10.4 UNDER CARTS POLICY, SAFETY-SENSITIVE PERSONNEL WILL BE COMPENSATED FOR THE TIME NECESSARY TO TRAVEL TO TESTING, ENGAGE IN TESTING, AND RETURN FROM TESTING.

SECTION 11: Testing Methods and Procedures

- 11.1 Drug testing and documentation will be performed in accordance with the requirements of 49 CFR 40, Subparts D, E, and I and any amendments thereto. The drug test specimen collection process is summarized at Appendix 1. ***PLEASE NOTE: Per 40 CFR 40.89, specimen testing laboratories are required to perform validity testing on all urine specimens provided for testing under USDOT authority. Validity testing is evaluation of a urine specimen to determine if it is consistent with normal human urine. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the urine specimen was substituted with some other substance.***
- 11.2 Alcohol testing and documentation will be performed in accordance with the requirements of 49 CFR 40, Subparts K through N, and any amendments thereto. The alcohol testing process is summarized at Appendix 2.

- 11.3 Follow-up testing will be performed in accordance with the requirements of the directing SAP and 49 CFR 40, Subpart O, and any amendments thereto.
- 11.4 Procedures for protection of persons subject to testing, integrity of testing processes, and ensuring test results are accurate and attributed to the correct person shall be in accordance with the requirements of 49 CFR 655 and 49 CFR 40 and any amendments thereto.
- 11.5 Urine collection and/or breath testing should commence promptly after arriving at the collection/testing facility. When an individual is required to perform both drug test specimen collection and alcohol testing in the same visit, the alcohol test shall be administered prior to the drug test specimen collection unless uncontrollable circumstances prevent doing so. If drug test specimen collection is performed first, this does not invalidate the alcohol test result. [40.61(b) & 40.241(b)]
- 11.6 Safety-sensitive personnel, other than volunteers not requiring a commercial driver's license, will be tested using the prescribed USDOT drug and alcohol testing forms. Volunteers not requiring a commercial driver's license shall be tested using non-USDOT forms. ***The test form used is the only difference in the testing procedure experienced by volunteers not requiring a CDL.*** [40.13]

SECTION 12: Drug Test Specimen Collection Under Direct Observation

- 12.1 If during specimen collection or specimen testing processes an individual is found to be or is suspected of tampering with, adulteration of, or substitution of the specimen, the collection technician, the MRO, or CARTS management must require a new urine specimen collection under direct observation.
- 12.2 49 CFR 40, as amended, requires collections under direct observation in the following circumstances:
- The collection technician determines that personal items were brought to the testing facility with the intent to tamper with the urine specimen. [40.61(f)(5)(i) & 40.67(c)(2)]
 - Collection facility personnel observe conduct or detect signs of an attempt at substitution, adulteration, or other attempts to tamper with the specimen. [40.63(e), 40.65(c)(1), 40.67(c)(4), & 40.69(d)]
 - The urine specimen falls outside the normal human temperature range at time of collection. [40.65(b)(5) & 40.67(c)(3)]
 - All return-to-duty tests (effective August 31, 2009). [40.67(b)]
 - All follow-up tests (effective August 31, 2009). [40.67(b)]
 - If a directly observed collection was required for a given specimen collection but was not performed. [40.67(n), 40.155(d)(3), 40.159(e)(5), & 40.159(f)(4)]

Any time the MRO directs CARTS to perform a collection under direct observation. [40.23(f)(1), 40.67(a)(1), 40.67(a)(g)(2), 40.67(a)(3), 40.133(b)(1) – (3), 40.155(c), 40.159(a)(5)(2), 40.159(f)(3), 40.187(b)(2), 40.187(b)(3), 40.187(c)(1)(ii), 40.187(c)(2)(iv)(E), 40.187(e)(2), 40.197(b)(1), 40.197(c)(4), & 40.201(c) – (e)]

- 12.3 When CARTS or a urine specimen collector directs an immediate collection under direct observation, there will be no advance notice to the employee. Specimen collectors are required to ensure that the collection observer is the same gender as the employee to be tested; however, the observer may be a different person from the collector and need not be a qualified collector. [40.67(a)(g)]

12.4 **CARTS will direct a collection under direct observation of an employee if the drug test is a return-to-duty test or a follow-up test. [40.67 (b)]**

12.5.1 **REFUSAL TO PERMIT A COLLECTION UNDER DIRECT OBSERVATION, WHEN REQUIRED, WILL BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(4)]**

SECTION 13: Behaviors Constituting Refusal to Test

13.1 Once directed to report for drug test specimen collection and/or alcohol testing, applicants and safety-sensitive personnel are expected to complete the collection/testing in a fully cooperative manner or make a good-faith effort to do so. Failure to do so, with few exceptions, is considered a refusal to test, which is the equivalent of a positive drug or alcohol test result. Following is a list of behaviors that constitute a refusal to test, with exceptions noted.

a. Drug-testing-specific situations:

1. Refusal to allow monitoring or direct observation of a drug specimen collection, when required. [40.67(m), 40.191(a)(4), & 40.193(b)(3)]
2. Failure to submit to an additional drug specimen collection if directed to do so. NOTE: This policy does not address all situations that may require a second or subsequent collection. [40.191(a)(6)]
3. Failure to follow the observer's instructions, during a directly observed urine collection, to raise or lower clothing or to turn around to permit the observer to determine if you have any prosthetic or other device that could be used to interfere with the collection process. [40.191(a)(9)]
4. Possessing or wearing a prosthetic or other device that could be used to interfere with the collection process. [40.191(a)(10)]
5. Admitting to the collector or MRO that you adulterated or substituted a urine specimen. [40.159(c), & 40.191(a)(11)]
6. MRO verification that a drug test was adulterated or substituted. [40.23(b), 40.187(a)(2), 40.187(c)(iv)(D), & 40.191(b)]
7. Refusal to provide a specimen through self-catheterization, if this is an individual's normal method of voiding urine. [40.61(b)(4)]
8. Failure to comply with directions to remove all outer garments and personal belongings and secure those away from the collection area prior to submitting a urine specimen during a drug test. [40.61(f)]

b. Alcohol-testing-specific situations:

1. Failure to sign the certification at Step 2 of the Alcohol Testing Form (ATF). [40.241(g), 40.251(d), & 40.261(a)(6)]
2. Refusal to attempt a new breath test. [40.263(a)(2) & 40.265(b)(1)]

c. Situations common to both drug and alcohol testing:

1. Failure to appear at a collection/testing site within a reasonable time or at all after being directed to do so. CARTS management, by regulation, shall be the sole judge as to what constitutes a reasonable time. That judgement will be made based upon the circumstances surrounding the delayed arrival. EXCEPTION: This does not apply to pre-employment testing. [40.191(a)(1) & 40.261(a)(1)]
2. Failure to remain at a collection/testing site until the collection/testing process is completed. EXCEPTION: This does not apply to pre-employment testing IF the applicant leaves the collection/testing site *BEFORE* the collection/testing process begins. Once the collection/testing process begins, an applicant is obligated to complete the process to avoid incurring a finding of a refusal to test. [40.191(a)(2) & 40.261(a)(2)]
3. Failure or refusal to provide a urine specimen or adequate breath specimen for any required drug or alcohol test. This applies to both an initial attempt and any refusal to make additional attempts during a shy bladder or shy lung procedure. EXCEPTION: This does not apply to pre-employment

testing, provided the applicant leaves the collection/testing site *BEFORE* the collection/testing process begins. [40.69(g), 40.191(a)(3), 40.191(c), 40.193(b)(3), & 40.261(a)(3)]

4. Failure to provide sufficient urine or breath specimen, and a qualified physician can find no medical basis for the failure to do so. [40.145(g)(1), 40.187(c)(iv)(A), 40.191(a)(5), 40.261(a)(4), & 40.265(c)(1)(iv)(B)]
5. Failure or refusal to undergo a medical examination or evaluation, as directed by the Medical Review Officer (MRO) or CARTS management, as part of a review to determine why an individual failed to provide a sufficient urine or breath specimen. EXCEPTION: A job applicant that fails to undergo a medical examination or evaluation as the result of a pre-employment test will **not** be considered to have refused to test IF the applicant had **not** received a contingent offer of employment prior to being told to arrange an examination/review. [40.133(a)(1) – (3), 40.191(a)(7) & 40.261(a)(5)]
6. Failure to cooperate with any part of the drug test specimen collection or alcohol testing processes. [40.191(a)(8), 40.191(d), & 40.261(a)(7)]
7. Leaving the scene of an accident without a valid reason (failure to remain readily available) before necessary arrangements have been made to perform required drug test specimen collection and alcohol testing. [655.44(c)]

Most of these situations are reiterated at the appropriate sections of this document.

- 13.2 ***Volunteers not requiring a CDL who refuse to take a non-USDOT drug or alcohol test or to sign a non-USDOT form are NOT considered to have refused to test for purposes of enforcement of USDOT drug and alcohol testing regulations*** 49 CFR 655 and 49 CFR 40, as amended. [40.191(e) & 40.261(d)]
- 13.3 Safety-sensitive personnel that refuse to take a ***non-USDOT*** drug or alcohol test (that may be required for volunteers or for purposes outside transit requirements) or refuse to sign a ***non-USDOT*** testing form are NOT considered to have refused to test for purposes of enforcement of USDOT drug and alcohol testing regulations 49 CFR 655 and 49 CFR 40, as amended. [40.191(e) & 40.261(d)]

SECTION 14: Consumption of Alcohol While On Call for Safety-sensitive Duties

- 14.1 Safety-sensitive personnel are prohibited from consuming alcohol within four hours of performing safety-sensitive duties. However, if a safety-sensitive individual violates this prohibition, he/she has the opportunity, when requested to report to duty, to acknowledge use of alcohol and the inability to perform safety-sensitive duties. [655.33(b)(1)]
- 14.2 **BY CARTS POLICY, AN INDIVIDUAL WHO SELF-REPORTS CONSUMPTION OF ALCOHOL WHILE ON-CALL WILL NOT BE PERMITTED TO RETURN TO SAFETY-SENSITIVE DUTIES FOR EIGHT HOURS OR UNTIL THE INDIVIDUAL'S NEXT REGULARLY SCHEDULED SHIFT, WHICHEVER OCCURS LATER, REGARDLESS OF ANY REGULATORY OPTION THAT MIGHT ALLOW FOR AN EARLIER RETURN.**
- 14.3 See Section 15 for consequences of consumption of alcohol while on-call.

SECTION 15: Consequences of Failure to Abide by This Policy and/or Federal or State Regulations

- 15.1 Applicants who receive a verified positive pre-employment drug test result, refuse to submit to a pre-employment drug test, or have a history of a failed drug and/or alcohol test or a refusal to take either type of test without subsequent proof of completing a rehabilitation process cannot be considered for

employment in a safety-sensitive position. These individuals will be provided contact information for an USDOT-qualified SAP so they may seek rehabilitative treatment.[655.46, 655.61(b) & 655.62]

- 15.2 CARTS safety-sensitive personnel that receive a verified positive drug test result test positive for alcohol with a blood-alcohol concentration (BAC) of 0.04 or more, or refuse a drug or alcohol test will experience the following consequences:
- a. Immediate removal from safety-sensitive duties. [655.61(a), 40.23(a) – (c), 40.191(c), & 40.261(b)]
 - b. Referral to a USDOT-qualified SAP for rehabilitative treatment. [655.62 & 40.287]
 - c. TERMINATION OF EMPLOYMENT, BY CARTS POLICY.
- 15.3 CARTS safety-sensitive personnel that receive an alcohol test result with a BAC equal to or greater than 0.02 but less than 0.04 will experience the following consequences:
- a. Immediate suspension from safety-sensitive duties without pay (WITHOUT PAY IS BY CARTS POLICY) for a period of eight hours or until the next regularly scheduled shift, whichever is later. UNDER CARTS POLICY, AND CONSISTENT WITH 49 CFR 655.48, THE MINIMUM SUSPENSION PERIOD WILL BE EIGHT HOURS, REGARDLESS OF AN OPTION AVAILABLE IN THE REGULATIONS ALLOWING AN EARLIER RETURN. [655.35(a)]
 - b. BY CARTS POLICY, IMPOSITION OF A MINIMUM OF A LETTER OF COUNSELING. MORE SIGNIFICANT DISCIPLINARY ACTION MAY BE IMPOSED, AS DEEMED APPROPRIATE FOR THE CIRCUMSTANCES AND THE INDIVIDUAL'S PERFORMANCE HISTORY.
- 15.4 If a safety-sensitive individual is found to have not disclosed a history of a failed drug or alcohol test or any refusal to perform either type of test, that individual will experience the following consequences:
- a. Immediate removal from safety-sensitive duties.
 - b. Referral to a USDOT-qualified SAP for rehabilitative treatment.
 - c. TERMINATION OF EMPLOYMENT, UNDER CARTS POLICY. [655.61 & 655.62]
- 15.5 If a safety-sensitive individual participating in a follow-up testing plan fails to comply with the requirements of that plan, that individual will experience the following consequences:
- a. Immediate removal from safety-sensitive duties.
 - b. Referral to a USDOT-qualified SAP for rehabilitative treatment.
 - c. TERMINATION OF EMPLOYMENT, BY CARTS POLICY. [40.303(c) & 40.309(a)]
- 15.6 BY CARTS POLICY, AND CONSISTENT WITH 49 CFR 655.33, AN ADMISSION OF CONSUMPTION OF ALCOHOL DURING ON-CALL STATUS WILL RESULT IN IMMEDIATE REMOVAL FROM SAFETY-SENSITIVE DUTIES.
- 15.7 UNDER CARTS POLICY, FAILURE TO ADMIT CONSUMPTION OF ALCOHOL WHILE ON-CALL WILL RESULT IN:
- a. Immediate removal from safety-sensitive duties.
 - b. Referral to a qualified Substance Abuse Professional (SAP).
 - c. WILL BE SUBJECT TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT
- 15.8 BY CARTS POLICY, CARTS PERSONNEL WHO HOLD A CDL AND FAIL TO COOPERATE OR COMPLY WITH A LAW ENFORCEMENT PERSONNEL REQUEST TO SUBMIT TO AN ALCOHOL AND/OR DRUG TEST WILL RESULT IN:
- A. IMMEDIATE REMOVAL FROM SAFETY-SENSITIVE DUTIES.
 - B. TERMINATION OF EMPLOYMENT.

- 15.9 BY CARTS POLICY, IT IS THE SOLE RESPONSIBILITY OF THE INDIVIDUAL IN QUESTION TO PAY FOR ANY AND ALL SERVICES RENDERED BY A SAP. [40.289(c)]
- 15.10 PERSONS WHO POSSESS A COMMERCIAL DRIVER'S LICENSE AND VIOLATE USDOT, FTA, OR FEDERAL MOTOR COACH SAFETY ADMINISTRATION REGULATIONS ARE ALSO SUBJECT TO ADDITIONAL CONSEQUENCES DESCRIBED AT TITLE 49, CODE OF FEDERAL REGULATIONS, PART 383 (49 CFR 383), COMMERCIAL DRIVER'S LICENSE STANDARDS; REQUIREMENTS AND PENALTIES. THESE ADDITIONAL CONSEQUENCES CAN BE FOUND AT SECTION 383.51 OF THAT REGULATION. IF YOU WISH TO BECOME MORE FAMILIAR WITH THAT INFORMATION, CARTS WILL PROVIDE YOU ACCESS TO THE REGULATION OR FURNISH AN INTERNET WEB ADDRESS WHERE YOU MAY READ AND/OR PRINT THE REGULATION.
- 15.11 PER CARTS POLICY, AND CONSISTENT WITH THE INTENT OF 49 CFR 40.25, APPLICANTS WHO FAIL TO FURNISH AND SIGN A RELEASE OF INFORMATION FORM (REFER TO APPENDICES 4 AND 5) WILL NOT BE CONSIDERED FOR SAFETY-SENSITIVE POSITIONS.
- 15.12 BY CARTS POLICY, VOLUNTEERS ARE SUBJECT TO THE SAME DISCIPLINARY ACTIONS AS ARE PROVIDED FOR OTHER SAFETY-SENSITIVE PERSONNEL UNLESS SPECIFICALLY NOTED IN THIS POLICY.

SECTION 16: Negative-dilute Test Results

- 16.1 If an MRO notifies CARTS of a negative-dilute drug test and orders a recollection under direct observation, CARTS must comply with the order immediately. [40.197(b)(1)]
- 16.2 For all other negative-dilute drug test results, CARTS has the option whether to perform another drug test. CARTS POLICY IS TO ORDER RETESTING WITHOUT ADVANCE WARNING WITHIN 24 HOURS, UNDER THE SAME CATEGORY OF TESTING FOR WHICH THE NEGATIVE-DILUTE TEST RESULT OCCURRED, FOR PRE-EMPLOYMENT, REASONABLE SUSPICION, POST-ACCIDENT, OR RANDOM TESTS. IN THESE CIRCUMSTANCES, THE INDIVIDUAL IN QUESTION SHALL BE RETESTED ONLY ONCE. **Should this second test result in a negative-dilute result, the test will be considered a negative and no additional testing is allowed unless directed to do so by the MRO. FAILURE TO SUBMIT TO A RE-TEST IS CONSIDERED A REFUSAL TO TEST.** [40.197(b)(2), 40.197(c)(3) & (4), & 40.191(a)(6)]
- 16.3 Recollections will NOT be made under direct observation unless there is some other basis for use of direct observation (must conform with 49 CFR 40.67 (b) and (c)). [40.197(b)(2)]
- 16.4 The results of a second drug test for a negative-dilute situation will be the result of record and shall be the only result that CARTS may act upon. [40.197(c)(2)]

SECTION 17: Importance of Responding to the MRO

- 17.1 If the MRO determines there are grounds to render a determination of a positive drug test result or any other determination that has the same effect, the MRO will attempt to contact the affected person. Therefore, it is imperative that all persons tested ensure the contact information they provide on the Custody and Control Form (CCF) is accurate and legible. [40.131(a)]
- 17.2 If you are not available when the MRO calls, he/she will leave a message, if possible, and will make reasonable attempts to follow up. [40.131(c)]
- 17.3 If, after reasonable attempts, the MRO is unable to contact an individual about the results of her/his test, the MRO will contact CARTS Designated Employer Representative (DER) and ask the DER to confidentially contact the affected individual to advise of the need to contact the MRO. When the affected individual is contacted (actually spoken to) by the DER, the DER is obligated to advise of the potential

consequences of failing to contact the MRO within 72 hours (i.e., the MRO will likely declare a positive test as valid or declare a refusal to test, both of which result in termination of employment). If the DER, after reasonable attempts to do so, is unable to contact an affected individual, the DER must leave a message by any practicable means (voice mail, e-mail, or letter) to contact the MRO within 72 hours. The affected individual will have up to 60 days to provide the MRO documentation explaining why serious illness, injury, or other circumstances unavoidably precluded contact with the MRO and DER in the time allowed. [40.131(c) – (d)]

- 17.4 If the MRO is calling, it is because he/she is reviewing a test result that will yield adverse consequences for the affected individual. The MRO will want to ask questions to determine if there is some medical or other reason to discount the test results. Information the affected person furnishes may provide an explanation to justify the MRO rendering a decision that is not adverse. Therefore, it is to an individual's advantage to respond to the MRO.

SECTION 18: Medical Examinations for Inability to Provide a Sufficient Urine or Breath Specimen

- 18.1 When a person to be tested is unable to provide a sufficient urine or breath specimen within a reasonable period of time, as defined by 49 CFR 40 as amended, the facility performing the urine collection and/or alcohol test will notify CARTS DER. [40.193(b)(4) & 40.265(b)(3)]
- 18.2 The DER will direct the person in question to obtain, within five days, an evaluation from a licensed physician who has expertise to evaluate potential causes for shy bladder or shy lung (refer to *Definitions*), as applicable. The person in question is required to fulfill the evaluation. CARTS pays the cost of these medical examinations. **FAILURE TO PARTICIPATE IN A REQUIRED MEDICAL EVALUATION IS CONSIDERED A REFUSAL TO TEST.** [40.193(c) & 40.265(c)]
- 18.3 During the evaluation, the physician will ask questions and/or perform medical tests, as necessary, to determine if there is a probable medical explanation for a failure to provide a sufficient urine or breath specimen. Based on the physician's findings, she/he will advise the MRO as to what determination should be rendered for the test. The MRO is not obligated to follow this recommendation. [40.193(c) – (g) & 40.265(c)]

SECTION 19: Right to Request Split Test Confirmation of Drug Tests

- 19.1 When drug testing is performed, the urine specimen is split into two containers. One container is used to perform the initial drug test. The second container – the split specimen – is held in secure storage for a designated period of time, in case a person with an adverse test result wishes to have the initial results verified through the split specimen – a split test. [40.175 – 40.177]
- 19.2 If a MRO notifies an individual of a verified positive drug test and/or a determination of test refusal due to adulteration or substitution, the affected individual has 72 hours from time of notification to request a test of the split specimen. Such a request may be made verbally or in writing, and it must be made to the MRO. [40.171(a)]
- 19.3 If you do not request a split test within 72 hours, you may present to the MRO information documenting that serious injury, illness, lack of actual notice of the test result, inability to contact the MRO, or other unavoidable circumstances prevented you from making a timely request. [40.171(b)(1)]
- 19.4 Upon receiving a valid request for a split-specimen test, the MRO will document the request and then order the laboratory holding the split specimen to ship it to another Department of Health and Human Services-certified laboratory for confirmation testing. [40.171(c)]

- 19.5 BY CARTS POLICY, SAFETY-SENSITIVE PERSONNEL WILL BE SUSPENDED FROM ALL SAFETY-SENSITIVE DUTIES WITHOUT PAY UNTIL THE RESULT OF THE SPLIT SPECIMEN TEST IS RECEIVED. SAFETY-SENSITIVE PERSONNEL WILL BE RETURNED TO THEIR DUTIES IF THE SPLIT TEST INVALIDATES THE FIRST RESULT.
- 19.6 BY CARTS POLICY, SAFETY-SENSITIVE PERSONNEL REQUESTING A SPLIT TEST MUST REIMBURSE CARTS THE FEE REQUIRED FOR CONDUCTING THE TEST. IF THE SPLIT TEST RESULT IS NEGATIVE FOR DRUGS, CARTS WILL WAIVE PAYMENT OF THE TEST FEE. APPLICANTS WILL BEAR FULL RESPONSIBILITY FOR SPLIT-SPECIMEN TESTING, IF THEY CHOOSE TO EXERCISE THIS OPTION.
- 19.7 Please note that drug test results determined to be INVALID do not have recourse to a split specimen test. [40.171(a)]

SECTION 20: Training

- 20.1 Before performing any safety-sensitive duties, all safety-sensitive personnel will receive a minimum 60 minutes of training regarding:
- a. The effects and consequences of prohibited drug use on personal health, safety, and the work environment, and
 - b. Signs and symptoms that may indicate prohibited drug use. [655.14(b)(1)]
- 20.2 **ADDITIONALLY, BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL WILL RECEIVE ADDITIONAL TRAINING REGARDING THE POTENTIAL HAZARDS OF USE OF PRESCRIPTION AND OVER-THE-COUNTER MEDICATIONS.**
- 20.3 Supervisory personnel authorized to make reasonable-suspicion determinations shall receive an additional 60 minutes for each of the following topics:
- a. The physical, behavioral, and performance indicators of probable drug use.
 - b. The physical, behavioral, speech, and performance indicators of probable alcohol misuse. [655.14(b)(2)]
- 20.4 **BY CARTS POLICY, ALL PERSONNEL RECEIVING TRAINING UNDER THIS SECTION WILL SIGN AND DATE AN ACKNOWLEDGEMENT THAT THEY ATTENDED THE TRAINING. THAT ACKNOWLEDGEMENT WILL BECOME PART OF THEIR PERSONNEL FILES.**

SECTION 21: Duty to Report Potential Substance Abuse

- 21.1 CARTS safety-sensitive personnel receive basic training in spotting symptoms of substance abuse. Supervisors receive additional training to be alert for signs of potential substance abuse. **UNDER CARTS POLICY, ALL CARTS SAFETY-SENSITIVE PERSONNEL ARE OBLIGATED TO MAKE USE OF THIS TRAINING AND REPORT TO THEIR SUPERVISOR ANY INDICATION THEY HAVE THAT A SAFETY-SENSITIVE INDIVIDUAL MAY BE ABUSING DRUGS OR ALCOHOL.**
- 21.2 Once supervisors or other individuals designated to make reasonable-suspicion determinations become aware of or are made aware of the potential for substance abuse, they must personally observe the individual in question and determine if there are grounds for reasonable suspicion of substance abuse. If reasonable suspicion exists, the individual in question will be immediately suspended from safety-sensitive duties and directed to drug and alcohol testing as quickly as possible. **BY CARTS POLICY, SUPERVISORS ARE TO ENSURE THAT PERSONS UNDER REASONABLE SUSPICION ARE ESCORTED TO AND FROM COLLECTION/TESTING.** [655.43(a) – (c)]

- 21.3 BY CARTS POLICY, FAILURE OF ANY CARTS SAFETY-SENSITIVE PERSONNEL TO REPORT SUSPECTED ABUSE WILL RESULT IN DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT. SUPERVISORS WHO FAIL TO ACT ON REPORTED OR OBSERVED POTENTIAL SUBSTANCE ABUSE ARE LIKEWISE SUBJECT TO DISCIPLINARY ACTION.

SECTION 22: Requirement to Report Citations and Convictions

- 22.1 BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL ARE REQUIRED TO ADVISE CARTS MANAGEMENT OF CITATIONS AND CONVICTIONS FOR VIOLATION OF CRIMINAL DRUG AND ALCOHOL STATUTES RECEIVED AS A RESULT OF ON- OR OFF- DUTY BEHAVIOR. NOTIFICATION WILL BE MADE BY ANY PRACTICAL MEANS TO EITHER YOUR SUPERVISOR OR THE TRANSPORTATION MANAGER WITHIN ONE WORKING DAY OF THE CITATION OR CONVICTION.

SECTION 23: Drug-free Workplace Act Requirements

- 23.1 Per CARTS policy in support of the Drug-free Workplace Act, all employees are subject to a prohibition against manufacturing, distributing, dispensing, possessing, or using controlled substances in the workplace. Any employee convicted of a criminal drug statute violation occurring in the workplace is to report such to CARTS within five (5) calendar days.
- 23.2 CARTS safety-sensitive personnel are also subject to the more stringent requirements of the 49 CFR 655 and 49 CFR 40 (as amended), as outlined in this document, and any consequences prescribed therein.

SECTION 24: Access to Drug and Alcohol Testing Records

- 24.1 All information regarding drug and alcohol testing is maintained in a confidential manner in secure files. Testing results are transmitted to CARTS by controlled means.
- 24.2 All CARTS safety-sensitive personnel subject to CARTS substance abuse testing procedures are entitled, upon written request, to obtain copies of any records pertaining to their use of prohibited drugs or misuse of alcohol, including records pertaining to their own drug or alcohol tests. CARTS may charge reasonable fees for providing copies, but not for review. [655.73(b)]
- 24.3 When employers request information about former CARTS safety-sensitive personnel, CARTS is obligated to furnish that information provided the request is accompanied by a signed release from the person to whom the request pertains stating what information may be released. CARTS may release only the information specifically authorized by the person in question and is obligated to document what information was released, to whom it was released, the date of release, and a summary of the information provided. [655.73(f) & (h)]
- 24.4 CARTS may disclose information it is required to maintain on a safety-sensitive individual to that individual or the decisionmaker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the individual to whom the records pertain and arising from the results of a drug or alcohol test. [655.74(g)]
- 24.5 AS REQUIRED BY TITLE 37 OF THE TEXAS ADMINISTRATIVE CODE, RULE 4.21, CARTS MUST REPORT ALL VALID POSITIVE DRUG AND ALCOHOL TEST RESULTS FOR DRIVERS POSSESSING A CDL TO THE DEPARTMENT OF PUBLIC SAFETY. [40.331(g)]
- 24.6 If you are ever referred to a SAP, you may request a copy of any SAP report created under the requirements of 49 CFR 40.311. However, the SAP is required to redact (eliminate) follow-up testing plan information from the report before providing it to you.

SECTION 25: Designated Contact Persons for Questions Regarding This Policy

- 25.1 Questions regarding interpretation of this policy and all matters related to it should be referred to the Chief of Staff, Lyle Nelson, who serves as the CARTS Drug & Alcohol Manager, who may be reached at (512) 505-5601.
- 25.2 CARTS primary Designated Employer Representative is the Training Coordinator for CARTS, Tina Schneider, who may be reached at (512) 505-5654.
- 25.3 CARTS secondary Designated Employer Representative is the CARTS Deputy General Manager, Pearl Jackson, who can be reached at (512) 505-5605.

SECTION 26: When Inconsistencies Exist Between This Policy and USDOT or State Regulations

- 26.1 Where this policy is found to be inconsistent with federal or state regulations or statutes, the federal or state documents take precedence. An error in any portion of this policy shall invalidate only that portion of the policy.

SECTION 27: Acknowledgement of Receipt Requirement

- 27.1 BY CARTS POLICY, ALL SAFETY-SENSITIVE PERSONNEL WILL BE REQUIRED TO SIGN AND RETURN AN ACKNOWLEDGEMENT OF RECEIPT OF THE INITIAL ISSUE, REVISION, OR RE-ISSUE OF THE DRUG AND ALCOHOL POLICY.
- 27.2 BY CARTS POLICY, IT IS THE RESPONSIBILITY OF EACH SAFETY-SENSITIVE INDIVIDUAL TO READ THE ENTIRE CONTENTS OF THIS POLICY WITHIN ONE WEEK OF PRESENTATION TO THE INDIVIDUAL.

SECTION 28: Approval

March 17, 2014 _____

Date Approved by the CARTS
Board of Directors

Signed Original Filed in CARTS Drug & Alcohol Files

Ronnie
Chairman – CARTS Board of Directors
Burnet County Commissioner

Signed Original Filed in CARTS Drug & Alcohol Files

Dave Marsh
General Manager, CARTS

APPENDIX 1

Summary of the Drug Test Specimen Collection Process

This appendix overviews the drug test specimen collection process to give personnel an understanding of what to expect when directed to provide a urine specimen. This summary does not contain all details of the collection process. For full details, consult 49 CFR 40, Subpart E, as amended.

FAILURE OF APPLICANTS AND SAFETY-SENSITIVE PERSONNEL TO COOPERATE FULLY WITH ANY PART OF THE COLLECTION PROCESS MAY BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(8)]

Direction to Test

Upon being directed to report for a specimen collection, you are to proceed promptly, by the most direct route known, to the designated collection facility. **PER CARTS POLICY, YOU WILL BE ESCORTED TO REASONABLE SUSPICION TESTING. OTHER THAN FOR APPLICANTS, FAILURE TO ARRIVE AT THE COLLECTION FACILITY WITHIN A REASONABLE PERIOD OF TIME IS CONSIDERED A REFUSAL TO TEST.** [40.191(a)(1)]

Upon Arrival

- You are to check in with the reception staff upon arrival, provide your name, identify that you have been directed to accomplish a urine collection, and follow whatever instructions you receive. You should NOT be asked to sign a consent form. If you are asked to do so, you must refuse. [40.27 & 40.355(a)]
- The collection process should begin shortly after your arrival. Normally, an alcohol test will precede the drug test specimen collection, if both are being performed. [40.61(b)]

OTHER THAN FOR APPLICANTS, LEAVING THE COLLECTION FACILITY PRIOR TO INITIATING THE REQUIRED COLLECTION IS CONSIDERED A REFUSAL TO TEST. [40.191(a)(2)]

FOR ALL INDIVIDUALS, INCLUDING APPLICANTS, LEAVING THE COLLECTION FACILITY ONCE THE COLLECTION PROCESS HAS BEGUN AND PRIOR TO THE SPECIMEN TRANSMITTAL POUCH BEING SEALED WILL BE CONSIDERED A REFUSAL TO TEST. [40.191(a)(2)]

Prior to Collection of the Urine Specimen

- You will be asked to furnish a photo identification to verify who you are. If you do not have such identification with you, only designated CARTS personnel may verify your identity. [40.61(c)]
- The collection technician will explain the collection procedure and should show you the instructions on the back of the Custody and Control Form (CCF). NOTE: You are not to write anything on the CCF other than what the collection technician instructs or authorizes you to include. [40.61(e)]
- The collection technician will inspect the collection room in advance of the collection to verify it is free of materials that might be used to tamper with the urine specimen.
- You will be asked to remove all outer garments (coat, sweater, vest, shoes, hat, purse, etc.) and to empty the contents of all pockets. You may keep your wallet with you. The collection technician may ask questions about items that could be used to tamper with the urine specimen. The collection technician will tell you which items are to be secured until after collection is completed. You may request a receipt for those items. **FAILURE TO COMPLY WITH DIRECTIONS TO REMOVE ALL OUTER GARMENTS AND PERSONAL BELONGINGS (OTHER THAN A WALLET) WILL BE CONSIDERED A REFUSAL TO TEST.** [40.61(f) & (g)]
- The collection technician will complete Step 1 of the CCF. [40.63(a)]
- You will be asked to wash and dry your hands in view of the collection technician, and you will be advised not to wash again until after delivering your specimen. From this point until you enter the collection room, you must stay in the presence of the collection technician. [40.63(b)]
- The collection technician will unwrap or break the seal of the collection container in your presence (the seals to the two specimen bottles are not to be broken at this time). Once the collection container is unwrapped or its

seal is broken, the collection container should not leave your sight until the specimen has been checked, split, and the specimen transmittal pouch sealed. [40.63(c)]

Collection of the Urine Specimen

- You will be given the collection container and instructed to provide a urine specimen of at least 45 milliliters (the container will be marked) directly into the container. You will also be instructed not to flush the toilet. **REFUSAL TO ATTEMPT TO PROVIDE A URINE SPECIMEN WILL BE CONSIDERED A REFUSAL TO TEST. ALSO, A REFUSAL TO PROVIDE A SPECIMEN THROUGH SELF-CATHETERIZATION, IF THAT IS YOUR NORMAL METHOD OF VOIDING URINE, WILL BE CONSIDERED A REFUSAL TO TEST.** [40.61(b)(4) & 40.63(d)]
- You are to take nothing into the collection room from the collection kit but the collection container. [40.63(c)]
- If the collection facility must make use of a restroom with multiple stalls, there may be need to monitor the collection. This involves having an individual, usually of the same gender (does not have to be the same gender if the monitor is a nurse, doctor, physician's assistant, technologist, or technician licensed or certified to practice in Texas), stand outside the stall in which you will void your sample to ensure you do not tamper with the specimen. A monitor is not allowed to watch the flow of urine from the body to the collection container. However, if the monitor hears or observes anything indicating an attempt to tamper with the specimen, the collection technician may order a collection under direct observation. **REFUSAL TO ALLOW A MONITORED SPECIMEN COLLECTION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.69 & 40.191(a)(4)]
- If you are unable to urinate or provide a sufficient specimen within a reasonable period of time the collection technician must implement the shy bladder procedure. [40.193(a)]

Shy Bladder Procedure

- When you cannot provide a sufficient specimen, you will be asked to drink not more than 40 ounces of fluid over a three-hour period to help generate enough urine to successfully complete the specimen collection. You will be informed as to when the three-hour period begins. You are not obligated to drink any fluids, and unwillingness to do so is not a refusal to test, but it is to your advantage to drink the fluids. The collection technician will document the amount and frequency of the fluids provided. [40.193(b)]
- YOU ARE NOT TO LEAVE THE COLLECTION SITE WHILE WAITING TO GENERATE ADEQUATE URINE, AND ANY ATTEMPT TO DO SO WILL BE CONSIDERED A REFUSAL TO TEST.** [40.193(b)(3)]
- You may attempt to furnish the required specimen at any time within the three-hour period. If further attempts to furnish a sufficient specimen are unsuccessful, you may continue to drink liquid (up to the 40-ounce limit) and try again to deliver a sufficient specimen until the three-hour period is concluded. All additional attempts to provide a sufficient specimen will be documented. If you can provide a sufficient specimen before the three hours is up, the collection process will continue. If you cannot provide a sufficient specimen within the three hours the collection technician will note the failed attempt(s) on the CCF, discontinue the collection process, and notify the DER. [40.193(b)(4)]

Upon Providing a Sufficient Urine Specimen

The following steps must be performed in full view of the donor (you), and you must remain in sight of the collection technician until the split-specimen containers are sealed, dated, initialed, and bagged.

- Upon exiting the collection room, you must take the specimen directly to the collection technician conducting your collection. No person other than yourself and your collection technician is to handle the specimen until it is split, sealed, initialed, and bagged. You may wash your hands once the specimen has been handed to the collection technician. [40.63(b) 40.65]
- The collection technician will verify there is a sufficient specimen, check for signs of tampering, and document the temperature of the specimen. This is all to be done within four minutes of you providing the specimen. [40.65(a) – (c)]
- If the collection technician has reason to suspect that the specimen has been tampered with, he/she may require a new collection under direct observation (refer to Definitions). **REFUSAL TO ALLOW DIRECT OBSERVATION OF A DRUG SPECIMEN COLLECTION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.63(e), 40.65(b)(5), 40.65(c)(1), & 40.191(a)(4)]
- The collection technician will document on the CCF that the specimen has been split and then split the specimen into two specimen bottles. The specimen to be used for the primary test is marked as bottle "A" and

will contain 30 milliliters of urine. The specimen to be held for possible split testing is marked as bottle "B" and will contain 15 milliliters of urine. [40.71(b)(1) & (3)]

- The collection technician will then secure the lids to the specimen bottles, seal each with a tamper-proof seal (each seal is to be fully applied), and date the seals. For your protection, the collection technician is allowed to date the seals ONLY AFTER they have been affixed to the specimen bottles. [40.71(b)(4) – (6)]
- The collection technician will then ask you to initial the affixed seal of each specimen bottle to validate that the specimens are yours. For your protection, you must initial the seals ONLY AFTER they have been affixed to the specimen bottles. [40.71(b)(7)]
- You will be asked to read a statement at Step 5 of the CCF, fill in the requested information, and sign there. [40.73(a)(1)]
- The collection technician will then complete the remainder of the CCF and sign it. [40.73(a)(2) & (3)]
- You will be provided Copy 5 of the completed CCF. [40.73(a)(4)]
- The collection technician will then pull Copy 1 of the CCF and place it and the two specimen bottles into a tamper-proof specimen transmittal pouch. The pouch must be sealed in your presence. You should watch to ensure the adhesive seal fully covers the opening of the pouch. [40.73(a)(5) & (6)]
- Once the pouch is properly sealed, you are free to leave. [40.73(a)(7)]

APPENDIX 2

Summary of the Alcohol Testing Process

This appendix overviews the alcohol testing process to give personnel an understanding of what to expect when directed to test. This summary does not contain all details of the testing process. For full details, consult 49 CFR 40, Subparts L & M, as amended.

FAILURE OF APPLICANTS AND SAFETY-SENSITIVE PERSONNEL TO COOPERATE FULLY WITH ANY PART OF THE TESTING PROCESS MAY BE CONSIDERED A REFUSAL TO TEST. [40.261(a)(7)]

Direction to Test

Upon being directed to report for testing, you are to proceed promptly, by the most direct route known, to the designated testing facility. **BY CARTS POLICY, YOU WILL BE ESCORTED TO REASONABLE SUSPICION TESTING. OTHER THAN FOR APPLICANTS, FAILURE TO ARRIVE AT THE TESTING FACILITY WITHIN A REASONABLE PERIOD OF TIME IS CONSIDERED A REFUSAL TO TEST.** [40.261(a)(1)]

Upon Arrival

- You are to check in with the reception staff upon arrival, provide your name, identify that you have been directed to accomplish an alcohol test, and follow whatever instructions you receive. You should NOT be asked to sign a consent form. If you are asked to do so, you must refuse. [40.27 & 40.355(a)]
- The testing process should begin shortly after your arrival. Normally, an alcohol test will precede the drug test specimen collection, if both are being performed. [40.241(b)]

OTHER THAN FOR APPLICANTS, LEAVING THE TESTING FACILITY PRIOR TO INITIATING THE REQUIRED TEST IS CONSIDERED A REFUSAL TO TEST. [40.261(a)(2)]

FOR ALL INDIVIDUALS, INCLUDING APPLICANTS, LEAVING THE TESTING FACILITY ONCE THE TESTING PROCESS HAS BEGUN WILL BE CONSIDERED A REFUSAL TO TEST. [40.261(a)(2)]

Prior to Collection of the Screening Breath Specimen

- You will be asked to furnish a photo identification to verify who you are. If you do not have such identification with you, only designated CARTS personnel may verify your identity. [40.241(c)]
- The testing technician will explain the testing procedure and should show you the instructions on the back of the Alcohol Testing Form (ATF). [40.241(e)]
- The testing technician will complete Step 1 of the ATF. [40.241(f)]
- You will then be instructed to complete and sign Step 2 of the ATF. **REFUSAL TO SIGN THE CERTIFICATION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.241(g)]

Collection of the Screening Breath Specimen

NOTE: Alcohol testing is done in one or two phases, depending upon the circumstances. Phase 1 -- the alcohol screening test, which is done in all alcohol tests -- is a breath test performed using an alcohol-screening device to determine if there is an indication of intoxication (a breath alcohol concentration (BAC) of 0.02 or greater). Phase 2 -- the alcohol confirmation test -- is performed using an evidential breath-testing device only if the alcohol screening device indicates a BAC of 0.02 or greater. [49 CFR 40, Subparts L & M, as amended].

- The testing technician must open a sealed mouthpiece and insert it into the testing device in your presence. [40.243(a) & (b)]
- The testing technician will instruct you regarding how to provide the screening breath specimen. [40.243(c)]
- You will blow into the mouthpiece until the machine indicates it has received a sufficient volume of breath to analyze (typically about 6 seconds). **REFUSAL TO ATTEMPT TO PROVIDE A BREATH SPECIMEN IS CONSIDERED A REFUSAL TO TEST.** [40.243(c) & 40.261(a)(3)]

- The testing technician is required to show you the displayed test result. [40.243(d)]
- The testing technician will then print the result and show it to you, so you may confirm the print matches the display.
 - If the result is not printed directly to the ATF but to a separate strip, the testing technician will attach that strip to the ATF with tamper-proof tape.
 - If the machine does not print the information, the testing technician will write it at Step 3 of the ATF and show it to you for verification. [40.243(e) – (g)]

Shy Lung Procedure

- If you are unable to deliver a sufficient breath specimen (what is called shy lung), the testing technician will re-instruct you about blowing a specimen and ask you to repeat blowing a breath specimen until a sufficient specimen is obtained or the testing technician feels that further attempts will be fruitless. If you cannot provide a sufficient breath specimen within a reasonable number of attempts (as determined by the testing technician) the testing technician will note the failed attempts on the ATF, discontinue the testing process, and notify the DER. [40.263]

Upon Providing a Sufficient Breath Specimen With a Result Below 0.02 BAC

- If you provide a sufficient specimen with a BAC below 0.02, the testing technician will date and sign the ATF at Step 3. [40.247(a)(1)]
- You will be given Copy 2 of the ATF and allowed to leave.

Upon Providing a Sufficient Breath Specimen With an Invalid Result

- The testing technician will advise you of the invalid result, document that fact on the ATF, and sign and date Step 3. [40.247(c)]
- You will be given Copy 2 of the ATF.
- The testing technician will begin the testing process again with a new ATF. [40.247(c)]

Upon Providing a Sufficient Breath Specimen With a BAC of 0.02 Or Greater

- If your test result is 0.02 BAC or greater, you will be advised of the need to complete an alcohol confirmation test. [40.247(b)]
- If the confirmation test is to be done by a testing technician other than the one that administered the screening test, the testing technician will complete Step 3 of the ATF used for screening, sign it, and date it. You will be given Copy 2 of that ATF. [40.247(b)(2)]
- You will be advised of the need to rest for 15 minutes and told not to eat, drink, put anything into your mouth, or belch during the rest period. You will also be advised of the purpose for the waiting period, that following the testing technician's instructions is to your benefit, and the test will be conducted at the end of the waiting period whether you follow the instructions or not. The fact that these instructions were provided to you will be documented on the ATF. You will be told when the rest period begins. This rest period is used to prevent accumulation of mouth alcohol from causing an improperly high reading. You will be tested at the end of the 15-minute rest period whether you follow the instructions or not. [40.251(a)(1)&(2)]
- You must remain in the testing area under the observation of a testing technician for the entire 15-minute period. [40.251(a)(1)(iii)]
- At the end of the 15-minute rest period, you will be taken to the evidential breath-testing device. The confirmation test must be conducted no more than 30 minutes after your 15-minute rest period begins. [40.251(a)(1)]
- If a different testing technician performs the alcohol confirmation test, a new ATF will be started. You will again be asked to provide photo identification and complete Step 2 of the ATF. **REFUSAL TO SIGN THE CERTIFICATION WILL BE CONSIDERED A REFUSAL TO TEST.** [40.251(c) & (d)]
- The testing technician will conduct an "air blank" test of the machine in your presence to demonstrate that the machine is properly calibrated. You will be asked to observe the reading. If the air blank test yields anything other than 0.00 two times in a row, the testing technician must use another machine. [40.253(a)]

- A new mouthpiece will be opened in your presence and inserted into the confirmation machine. [40.253(b)]
- You will be asked to read the unique test number displayed on the screen. [40.253(c)]
- The testing technician will instruct about how to blow a good specimen. [40.253(d)]
- You will blow into the mouthpiece until the machine indicates it has received a sufficient volume of breath to analyze (typically about 6 seconds). **REFUSAL TO ATTEMPT TO PROVIDE A BREATH SPECIMEN IS CONSIDERED A REFUSAL TO TEST.** [40.253(d) & 40.261(a)(3)]
- The testing technician is required to show you the displayed test result. [40.253(e)]
- The testing technician will then print the result and show it to you, so you may confirm the print matches the displayed test number and reading. If the result is not printed directly to the ATF but to a separate strip, the testing technician will attach that strip to the ATF with tamper-proof tape. [40.253(f) & (g)]
- If the alcohol confirmation test is invalid, the testing process begins again with a new ATF. [40.255(a)(4)]
- If you are unable to provide a sufficient specimen for the alcohol confirmation test, the testing technician will implement the shy lung procedure described above. [40.265(a)]
- If the alcohol confirmation test result is valid and returns a BAC less than 0.02, the testing technician will sign and date Step 3 of the ATF and provide you Copy 2. [40.255(a)(2)]
- If the alcohol confirmation test result is valid and returns a BAC of 0.02 or more, the testing technician will sign and date Step 3 of the ATF, ask you to sign and date at Step 4, and provide you Copy 2. [40.255(a)(3)]
- You are free to leave once a valid test is achieved or no further testing can be attempted. If found to be intoxicated (BAC of 0.02 or greater), you will not be allowed to drive.

All contractors who provide service related to CARTS Drug and Alcohol Program are periodically subject to both announced and unannounced site visits by a designated representative of CARTS. The purpose of these visits is to confirm that collections are performed properly and to ensure compliance with FTA regulations. Documentation of these site visits will be maintained in the individual vendor's file along with vendor qualifications.

After conducting site visit testing, CARTS will maintain a copy of the ATF and CCF used during testing in the individual vendor's file. In addition the CARTS representative will also use and retain on file a copy of *DOT's 10 Steps to Collection Site Security and Integrity* as a guideline to ensure compliance during testing.

Appendix #3

Contractors

Concentra

10001 South IH-35, Ste. 300
Austin, TX. 78747
512-440-0555

4301 W. William Cannon
Building E, Ste. 320
Austin, TX. 78749
512-467-6608

9333 Research Blvd, Ste. 400
Austin, TX. 78759
512-467-7232

117-B Louis Henna Blvd.
Suite 200
Round Rock, TX. 78664
512-255-9634

TSGI

1306 W. Anderson Ln.
Austin, TX. 78757
512-832-5300

Austin Mobile Drug Testing (AMDT)

402 W. Palm Valley Blvd. Ste. H
Round Rock, TX 78664
512-507-5983

3415 N Hwy 281, Suite B
Marble Falls, TX 78654
830-201-4690

Medical Review Officers (MRO)

Stephen J. Kracht, D.O. (Concentra)
8140 Ward Pkwy. Suite 275
Kansa City, MO. 64114
855-355-7058

Neil Dash, M.D. (TSGI)
Doctors Review Services
546 Franklin Ave.
Massapequa, NY. 11758
800-526-9341

Ernesto Matamoros, M.D. (AMDT)
NMS Management Services, Inc.
2901 S. Congress Ave.
Palm Springs, FL. 33461
561-967-8884

Authorized Department of Health and Human Services (DHHS) Laboratories

Quest Diagnostics (Concentra)
1777 Montreal Circle
Tucker, GA. 30084
800-729-6432

Laboratory Corporation of America (TSGI)
7207 N. Gessner Road
Houston, TX. 77040
713-856-8288

MedTox Laboratories, Inc. (AMDT)
402 W. County Rd. D
St. Paul, MN. 55112
651-636-7466

Substance Abuse Professional (SAP)

Seth Houdeshell
6700 Manchaca Rd #14
Austin, TX 78745
512-466-0835

Drug Collection Sites

APPENDIX 4

RELEASE OF INFORMATION FORM-49 CFR PART 40 Drug and Alcohol Testing

Section I. To be completed and signed by the new employee, and transmitted to the previous employer:

APPLICANTS NAME: (Last) _____ (First) _____ (M.I.) _____

CURRENT ADDRESS: _____

DATE OF BIRTH: _____ SOCIAL SECURITY #: _____

I hereby authorize release of information from my Department of Transportation regulated drug and alcohol testing records by my previous employer, listed in Section I-B, to the employer listed in Section I-A. This release is in accordance with DOT Regulation 49 CFR Part 40, Section 40.25. I understand that information to be released in Section II-A by my previous employer, is limited to the following DOT-regulated testing items:

- Alcohol tests with a result of 0.04 or higher;
- Verified positive drug tests;
- Refusals to be tested;
- Other violations of DOT agency drug and alcohol testing regulations;
- Information obtained from previous employers of a drug and alcohol rule violation;
- Documentation, if any, of completion of the return-to-duty process following a rule violation.

EMPLOYEE SIGNATURE: _____ DATE: _____

I-A.

NEW EMPLOYER NAME: Capital Area Rural Transportation System

ADDRESS: PO Box 6050, Austin, TX 78762

PHONE #: _____ FAX#: 512-478-1110

EMPLOYER REPRESENTATIVE: _____

I-B. Information required!

PREVIOUS EMPLOYER NAME: _____

ADDRESS: _____

PHONE #: _____ FAX#: _____

DESIGNATED EMP. REP. OR SUPERVISOR: _____

Section II . To be completed by the previous employer and transmitted by mail or fax to the new employer.

II-A. In the two years prior to the date of the employee's signature (in Section I), for DOT-regulated testing -

1. Did the employee have alcohol tests with a result of 0.04 or higher? Yes _____ No _____
2. Did the employee have verified positive drug tests? Yes _____ No _____
3. Did the employee refuse to be tested? Yes _____ No _____
4. Did the employee have other violations of DOT agency drug and alcohol testing regulations? Yes _____ No _____
5. Did a previous employer report a drug and alcohol rule violation to you? Yes _____ No _____
6. If you answered "yes" to any of the above items, did the employee complete the return-to-duty process? Yes _____ No _____
7. *Is this employee eligible for rehire?* Yes _____ No _____

If you answered "yes" to item 5, you must provide the previous employer's report. If you answered "yes" to item 6, you must also transmit the appropriate return-to-duty documentation (e.g., SAP report(s), follow-up testing record).

Name of person providing information in Section II-

A: _____

Title: _____ Phone# _____
Date: _____

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APPENDIX 5

ACKNOWLEDGEMENT OF CARTS DRUG AND ALCOHOL TESTING POLICY

I, _____, hereby acknowledge that I have received a copy of the Capital Area Rural Transportation System Drug and Alcohol Testing Policy mandated by the U. S. Department of Transportation, Federal Transit Administration, for all covered personnel who perform a safety-sensitive function.

I understand this policy is required by and conforms to 49 CFR Part 655, as amended, and has been duly adopted by the governing body of Capital Area Rural Transportation System. Any provisions contained herein which are not required by either 49 CFR Part 655 or 49 CFR Part 40, as amended, and have been imposed solely on the authority of the Capital Area Rural Transportation are designated as such in the policy.

I further understand that receipt of this policy constitutes a legal notification of the contents, and that it is my responsibility to, within one week of receipt, become familiar with, and adhere to all provisions contained therein. I will, in a timely manner, seek and obtain from the Designated Employer Representative clarifications for any questions I have regarding this policy or the regulations upon which it is based.

I also affirm my understanding that compliance with all provisions contained in this policy is a condition of my initial and continued employment. By accepting employment or continuing to be employed by Capital Area Rural Transportation System (CARTS) in a safety-sensitive position, I am giving my consent to submit to testing for alcohol and drugs as specified in this policy and the regulations upon which it is based.

I hereby agree to comply with all requirements of CARTS policy and USDOT regulations 49 CFR 655 and 49 CFR 40, as amended, with regard to implementation and execution of their substance abuse programs.

I further understand that the information contained in the approved policy, dated March 27, 2014, is subject to change, and that any change or addendum to this policy shall be provided to me in a manner consistent with the provisions of 49 CFR Part 655, as amended.

Signature

Date

KEEP THIS COPY WITH THE POLICY – YOU WILL SIGN A SEPARATE COPY



Triennial2018Final



FINAL REPORT

**FISCAL YEAR 2018
TRIENNIAL REVIEW**

of the

**Capital Area Rural Transportation System
(CARTS)
Cedar Creek, TX
Recipient ID: 5473**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION VI**

Prepared by:

Qi Tech, LLC

**Scoping Meeting Date: March 2, 2018
Site Visit Date: July 17-18, 2018
Final Report Date: September 18, 2018**

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I. Executive Summary

This report documents the Federal Transit Administration’s (FTA) Triennial Review of the Capital Area Rural Transportation System (CARTS). The review was performed by Qi Tech, LLC. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. CARTS’s transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on CARTS’s compliance in 20 areas. Deficiencies were found in the area listed below.

Review Area	Deficiencies	
	Code	Description
Procurement	P1-3	Procurement policies and procedures not current/ complete
	P20-2	Pre-award and post-delivery audits not performed

II. Review Process and Background

1. Background

The United States Code, Chapter 53 of Title 49 (49 US.C. 5307(f) (2)) requires that “At least once every three years, the Secretary shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements.”

The Triennial Review includes a review of the recipient’s compliance in 20 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of CARTS. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The specific documents reviewed and referenced in this report are available at FTA’s regional office or the recipient’s office.

2. Process

The Triennial Review process includes a pre-review assessment, a review scoping meeting with the FTA regional office, and a site visit to the recipient’s location. A Recipient Information Request (RIR) package was sent to CARTS advising it of the review and site visit, and containing a list of items and questions that the recipient was required to submit to the reviewer. The review scoping meeting was conducted with the Region VI Office on March 2, 2018. Additional files retained by the regional office were sent to the reviewer electronically. A Site Visit Agenda package was sent to CARTS advising it of the site visit date and indicating information that would be needed and issues that would be discussed. The site visit to CARTS occurred on July 17-18, 2018.

The on site portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. No FTA Section 5307 funds have been used by CARTS in the purchase or construction of its new transit maintenance and operations facilities located at 5300 Tucker Hill Lane in Cedar Creek, Texas.

The reviewer examined a sample of maintenance records for FTA-funded vehicles and equipment. Upon completion of the review, FTA and the reviewers provided a summary of preliminary findings to CARTS at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

The metrics used to evaluate whether a recipient is meeting the requirements for each of the areas reviewed are:

- Not Deficient: An area is considered not deficient if, during the review, no findings were noted with the grantee's implementation of the requirements.
- Deficient: An area is considered deficient if any of the requirements within the area reviewed were not met.
- Not Applicable: An area can be deemed not applicable if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Recipient Description

1. Organization and Services

The Capital Area Rural Transportation System (CARTS) is a rural and small urban transit district, and is a political subdivision of the state of Texas as created under Chapter 458 of the Texas Transportation Code solely to operate rural and small urban public transportation. CARTS provides transportation for the non-urbanized areas of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Travis, and Williamson counties and the San Marcos urbanized area. CARTS is governed by an independent board of directors appointed by each of its member political divisions, which consist of nine counties and one municipality.

CARTS has operated rural public transportation service since 1979. In 2010 the City of San Marcos became an urbanized area, and as a result, CARTS became a recipient of Urbanized Area Formula Funds (Section 5307) and was awarded its first grant in 2013. CARTS directly operates all fixed-route bus and paratransit services in the City of San Marcos. The fixed-route bus service is operated from a single transit center, San Marcos Station, at 338 South Guadalupe Street in San Marcos. The transit center was constructed in 2001 using a combination of local funds and FTA Section 5311 funding through a grant with the Texas Department of Transportation (TxDOT). The population of the San Marcos service area is approximately 61,980.

CARTS' urban service is provided under the moniker of San Marcos Transit. San Marcos Transit consists of a network of seven regular fixed routes and ADA complementary paratransit service. Both services are provided on weekdays from 7:00 a.m. to 8:00 p.m. The basic adult fare for San Marcos Transit service is \$1.00. The fare for ADA complementary paratransit service is \$2.00. A half fare of \$0.50 is available for senior citizens, persons with disabilities, and Medicare card holders.

The San Marcos Transit service is operated with a fleet of 11 small transit buses for fixed-route, and a fleet of four small transit vehicles for ADA complementary paratransit services. In addition to the San Marcos urban service, CARTS operates the following:

- Interurban Coach – The Interurban Coach is a regional intercity route providing connections between Austin, Bastrop, Bertram, Burnet, Georgetown, Liberty Hill, Lockhart, Luling, Marble Falls, Round Rock, San Marcos, Taylor, Texas State University, LaGrange, Giddings, Paige, Smithville, and Elgin. This service also makes connections to Greyhound and Capital Metro.
- Bastrop Municipal Bus – The Bastrop Municipal Bus Service offers regular route service connecting neighborhoods with the downtown businesses, the Marketplace, Wal-Mart Center, HEB, Burleson Crossing, Home Depot, the Courthouse, Justice Center, Bluebonnet Trails, and the CARTS Station.
- Country Bus – The Country Bus is a route deviation service that operates scheduled service within the following rural communities: Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Travis, Williamson, and Caldwell/Hays.

- Metro Connector – The Elgin (Manor/Elgin Express 990) provides bus service from downtown Elgin (Depot Street) with stops at Memorial Park, Manor, Koenig and Guadalupe, Guadalupe at 23rd and 6th, and Lavaca and 3rd in downtown Austin. The connector routes extend service from Elgin Park & Ride lot to the Capital Metro buses and Metro Rail. The route provides service for persons wishing to travel for the weekday commute to Austin for work, shopping, or other purposes.
- National Intercity – At the San Marcos CARTS station, a full-service Greyhound station is operated along with AMTRAK services. At the Round Rock station, CARTS connects with Arrow Trailways and Greyhound intercity bus services. These stations give CARTS customers access to transportation and freight services.
- Commuter Routes – CARTS provides regular commuter services, Monday through Friday, into the downtown and Capitol Complex area of Austin from Park & Ride locations in Smithville and Bastrop.

All CARTS vehicles are maintained in a newly constructed Vehicle Maintenance Center (VMC) in Cedar Creek. This facility was constructed using a combination of state and local funds. The VMC represents the completion of Phase I of a multi-phase project to build an integrated operations and maintenance facility.

FTA Section 5307, Urbanized Area Formula Funds, are used only in the San Marcos Transit service. All other services are funded through state (state and federal pass-through) and local sources.

2. Award and Project Activity

Below is a list of CARTS’s open awards at the time of the review.

Award Number	Federal Award Amount	Executed	Description
TX-2017-074-00	\$827,312	9/27/2017	FY16 Section 5307 San Marcos
TX-2016-077-00	\$808,144	9/23/2016	FY15 San Marcos
TX-95-X090-00	\$3,280,000	11/30/2015	Rolling Stock San Marcos Buses
TX-90-Y122-00	\$809,520	10/28/2014	Operating Assistance & Bus Shelters

Projects Completed

During the review period, CARTS has completed the following noteworthy projects:

- Acquired 30-foot buses for the San Marcos Transit fixed-route services
- Increased service hours and frequency of service on all fixed-routes
- Installed passenger amenities along fixed-routes
- Transitioned from rural paratransit to fixed-route complementary ADA.

Ongoing Projects

CARTS is currently in the process of implementing a project to expand placement of passenger amenities.

Future Projects

CARTS plans to update its Five Year Transit Plan in the next three to five years.

IV. Results of the Review

1. Legal

Basic Requirement: The recipient must promptly notify the Federal Transit Administration (FTA) of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Legal.

2. Financial Management and Capacity

Basic Requirement: The recipient must have financial policies and procedures; an organizational structure that defines, assigns and delegates authority; and financial management systems in place to match, manage, and charge only allowable cost to the award. The recipient must conduct required single audits and provide financial oversight of subrecipients.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Financial Management and Capacity.

3. Technical Capacity - Award Management

Basic Requirement: The recipient must report progress of projects in awards to the FTA timely.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Technical Capacity – Award Management.

4. Technical Capacity - Program Management and Subrecipient Oversight

Basic Requirement: The recipient must follow the public involvement process for transportation plans; develop and submit a State Management Plan to the FTA for approval; report in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) on subawards; and ensure subrecipients comply with the terms of the award.

This review area only applies to recipients that receive Section 5310 or 5311 funds or that have subrecipients; therefore, the requirements of this review area are not applicable to the review of CARTS.

5. Technical Capacity – Project Management

Basic Requirement: The recipient must be able to implement FTA-funded projects in accordance with the award application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices; and prepare force account plans.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Technical Capacity – Project Management.

6. Satisfactory Continuing Control

Basic Requirement: The recipient must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Satisfactory Continuing Control.

7. Maintenance

Basic Requirement: Recipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Recipients must keep Americans With Disabilities Act (ADA) accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Maintenance.

8. Procurement

Basic Requirement:

States: When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with 2 CFR §200.322 (*Procurement of Recovered Materials*) and ensure that every purchase order or other contract includes any clauses required by section 2 CFR §200.326 (*Contract Provisions*). All other non-Federal entities, including subrecipients of a state, will follow 2 CFR §§200.318 (*General Procurement Standards*) through 200.326 (*Contract Provisions*).

Non-state recipients: The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, and conform to applicable Federal law and the standards identified in 2 CFR Part 200.

During this Triennial Review of CARTS, the following FTA-funded procurement records were reviewed on site. Deficiencies were noted with the FTA requirements for Procurement.

Goods/Services Purchased	Date	Method	Type	Amount	Comments
Passenger Shelters	5/17/2016	Joint Procurement with CMTA	Materials	\$73,350	No deficiencies
Five New 30-ft Buses – New Flyer	11/30/2015	Piggyback - LRGVDC Options	Rolling Stock	\$1,581,318	Not conducted: • Pre-Award Audit • Post-Delivery Audit

Finding: Per 2 CFR 200.318 and FTA Circular 4220.1F, a recipient must ensure that federally funded procurements conform to applicable federal law and standards. The CARTS Procurement Policy adopted March 27, 2014, was amended December 17, 2015. During this review, it was noted that policy does not address compliance with the following provisions:

- §200.318 - General Procurement Standards
 - Maintenance of contract oversight ✓
 - Avoidance of unnecessary or duplicative items
- §200.323 - Contract Cost and Price
 - Negotiations of contractor profit ✓
 - Prohibition of cost plus contracts ✓
- §200.326 - Contract Provisions ✓
 - Inclusion of required contract/clause provisions
- FTA Circular 4220.1F, Chapter III - Other Requirements ✓
 - Prohibition of exclusionary or discriminatory specifications
 - Compliance with Buy America.

Corrective Action and Schedule: By December 20, 2018, CARTS must submit to the FTA regional office revised procurement policies that include all required provisions and ensure compliance with 2 CFR 200.318 through 200.326.

Finding: The Buy America provisions set forth in 49 U.S.C. 5323(i) apply to all federally funded purchases of steel, iron, and manufactured goods including rolling stock purchases and capital leases. During the site visit, CARTS could not provide evidence of having conducted its own Pre-Award and Post-Delivery Buy America audits for the five new NewFlyer buses. The buses were procured through available options (piggyback) assigned to CARTS by the Lower Rio Grande Valley Development Council bus contract (RFP #LRGVDC-TX-34-00010-00).

Corrective Actions and Schedule: By December 20, 2018, CARTS must confer with the FTA regional office for the appropriate corrective action. In addition, CARTS must submit to the FTA regional office procedures for pre-award and post-delivery review and inspection.

9. Disadvantaged Business Enterprise

Basic Requirement: Recipients must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. Recipients also must create a level playing field on which Disadvantaged Business Enterprises (DBEs) can compete fairly for US DOT-assisted contracts.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the U.S. Department of Transportation (US DOT) requirements for DBE.

10. Title VI

Basic Requirement: The recipient must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The recipient must ensure that all transit services and related benefits are distributed in an equitable manner.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Title VI.

11. Americans With Disabilities Act - General

Basic Requirement: Titles II and III of the Americans With Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the US DOT requirements for Americans With Disabilities Act (ADA) – General.

12. Americans With Disabilities Act - Complementary Paratransit

Basic Requirement: Titles II and III of the Americans With Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the US DOT requirements for ADA – Complementary Paratransit.

13. Equal Employment Opportunity

Basic Requirement: The recipient must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability, be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. (Note: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Equal Employment Opportunity.

14. School Bus

Basic Requirement: Recipients are prohibited from providing school bus service in competition with private school bus operators unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for School Bus.

15. Charter Bus

Basic Requirement: Recipients are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Recipients are allowed to operate community based charter services excepted under the regulations.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Charter Bus.

16. Drug-Free Workplace Act

Basic Requirement: Recipients are required to maintain a drug-free workplace for all award-related employees; report any convictions occurring in the workplace timely; and have an ongoing drug-free awareness program.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Drug-Free Workplace Act.

17. Drug and Alcohol Program

Basic Requirement: Recipients receiving Section 5307, 5309, 5311, or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Drug and Alcohol Program.

18. Section 5307 Program Requirements

Basic Requirements: For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Recipients are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

Recipients shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Recipients must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Recipients must ensure that least one percent of such funds are expended on associated transit enhancement projects.

Finding: During this Triennial Review of CARTS, no deficiencies were found with the FTA requirements for Section 5307 Program Requirements.

19. Section 5310 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects that meet the specific needs of seniors and individuals with disabilities. Projects selected for funding under the Section 5310 program must be included in a locally developed, coordinated public transit-human services transportation plan. Recipients must approve all leases of Section 5310-funded vehicles and ensure that leases include required terms and conditions. Either the recipient or subrecipient must hold title to the leased vehicles.

This review area only applies to recipients that are direct recipients of Section 5310 funds; therefore, the requirements of this review area are not applicable to the review of CARTS.

20. Section 5311 Program Requirements

Basic Requirement: Recipients must expend funds on eligible projects to support rural public transportation services and intercity bus transportation.

This review area only applies to recipients that are direct recipients of Section 5311 funds; therefore, the requirements of this review area are not applicable to the review of CARTS.

V. Summary of Findings

Review Area	Deficiencies		Corrective Action	Response Due Date	Date Closed
	Code	Description			
1. Legal	ND				
2. Financial Management and Capacity	ND				
3. Technical Capacity – Award Management	ND				
4. Technical Capacity – Program Management and Subrecipient Oversight	NA				
5. Technical Capacity – Project Management	ND				
6. Satisfactory Continuing Control	ND				
7. Maintenance	ND				
8. Procurement	PI-3	Procurement policies and procedures not current/complete	CARTS must submit to the FTA regional office revised procurement policies that include all required provisions and ensure compliance with 2 CFR 200.318 through 200.326.	12/20/2018	
	P20-2	Pre-award and post-delivery audits not performed	CARTS must confer with the FTA regional office for the appropriate corrective action. In addition, CARTS must submit to the FTA regional office procedures for pre-award and post-delivery review and inspection.	12/20/2018	
9. Disadvantaged Business Enterprise (DBE)	ND				
10. Title VI	ND				
11. Americans With Disabilities Act (ADA) - General	ND				
12. Americans With Disabilities Act (ADA) – Complementary Paratransit	ND				
13. Equal Employment Opportunity (EEO)	ND				
14. School Bus	ND				
15. Charter Bus	ND				
16. Drug-Free Workplace Act	ND				
17. Drug and Alcohol Program	ND				
18. Section 5307 Program Requirements	ND				
19. Section 5310 Program Requirements	NA				
20. Section 5311 Program Requirements	NA				

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>CARTS</i>			
David Marsh	General Manager	512-505-5676	dave@ridecarts.com
Pearl Jackson	Deputy General Manager	512-505-5605	pearl@ridecarts.com
Lyle Nelson	Chief of Staff	512-505-5601	lyle@ridecarts.com
Tammy Atkins	Controller	512-505-5606	tammy@ridecarts.com
Tom Grantham	Director of Vehicle Maintenance	512-505-5652	tom@ridecarts.com
Donna Aaron	ADA Coordinator/Office Manager	512-505-5661	donna@ridecarts.com
Tina Schneider	Drug & Alcohol, Designated Employer Representative (DER)	512-801-5669	tina@ridecarts.com
<i>Texas Department of Transportation (TxDOT)</i>			
Vanessa Owens	Public Transportation Coordinator, TxDOT	512-574-5237 713-802-5395	vanessa.owens@txdot.gov
<i>FTA</i>			
Suleman Shoaib	General Engineer	817-978-0556	suleman.shoaib@dot.gov
<i>Qi Tech, LLC</i>			
Spiro Colivas	Lead Reviewer	305-788-6967	spiro_colivas@qitechllc.com

VII. Appendices

No appendices included in this report.

**Requested Amendments to the CARTS Procurement
Policy**



CARTS Maintenance Plan 2018 2.12.18



CARTS Vehicle Maintenance Plan

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Attachments:

- A. Preventive Maintenance Checklist
- B. PM Inspection Schedule
- C. Pre/Post Trip Inspection Form

1.0 Introduction

1.1 Purpose

The purpose of the CARTS Vehicle Maintenance Program and Plan is to provide clean, reliable, safe and well-maintained vehicles, and equipment. In order to meet this mission it is important that CARTS have an up to date maintenance program, which outlines the maintenance philosophy of the organization and assigns responsibility for performing maintenance on all vehicles and equipment for CARTS.

This plan is designed to keep all vehicles, shop equipment, and tools in safe, reliable, and operational condition. It requires management, trainers, Operators, and Technicians to be trained and accountable for specific roles. Good preventive maintenance results from all staff working together as a team.

1.2 Goals and Objectives

The goals and objectives of the CARTS maintenance program are to provide safe, clean and reliable vehicles, in the most-effective manner possible.

2.0 Specific Roles

2.1 Management

Management must be sure that all staff are properly trained and equipped for the vehicle maintenance program. The Vehicle Maintenance Director and Shop Supervisor must know all parts of the preventive maintenance program, supervise its implementation and adjust its contents and criteria, based upon vehicle specific needs. Operations Managers must ensure that Operators and other staff follow the CARTS plan and program.

2.2 Trainers

Trainers must ensure that all Operators understand their role in preventive maintenance. Trainers must make sure that Operators understand and can perform their preventive maintenance roles well.

2.3 Operators

Only the Operator sees, hears, and feels the vehicle every day it is driven. Besides being vigilant and reporting observations, the Operator must know the proper starting, shifting, and braking procedures to extend the life of the equipment. Operators are responsible for performing pre and post trip inspections every morning and evening. Operators also ensure that all fluid levels are checked daily. Operator s must be trained to spot cracked or broken belts, loose or broken brackets, or other worn parts, when reasonably visible. They should be

alert for unusual noises, faulty tires, steering or handling issues, or faulty brakes. Operators are particularly responsible to determine whether or not their vehicle is safe for service. Operators must report immediately a safety problem, or failure of a wheelchair lift or securement device.

2.4 Technicians

Technicians are the most accountable in the preventive maintenance process. Due to the variety of vehicles, Technicians must be specifically trained for each type of vehicle they might maintain. Technicians must make sure that all maintenance procedures are followed and completed as stated on preventive maintenance documents. Technicians input as to the content and criteria of Preventive Maintenance inspections is encouraged and always welcomed.

3.0 Preventative Maintenance (PM)

CARTS follows a preventive maintenance (PM) inspection process for each vehicle, that meets or exceeds manufacturers requirements. PM inspections are miles driven based on a combination of manufacturers recommendations as well as CARTS specifications. Typical PM intervals for current CARTS vehicles are 5000 to 6000 miles between PM inspection. PM inspections are to be performed on time +/- 10%.

3.1 PM Inspections

CARTS uses PM inspections that are designed to detect and repair damage or wear conditions before major repairs are necessary. CARTS uses a PM inspection checklist where each operation requires the Technician to check Pass, Fail, or Repaired. A sample of the CARTS PM inspection checklist is attached as Attachment A of this document (see attachment original filed in vehicle history file. PM inspection checklists may vary slightly from one vehicle type to another, based on special inspection items for some vehicle types.

The checklist will provide the following/but not limited to:

- Specify each item to be checked;
- Record repairs and the routine application of fluids; and
- Indicate service level
- Describe the inspection procedures for each item on the checklist
- Contain a pass/fail standard for each item

3.2 PM Levels and Scheduling

PM levels are scheduled based on mileage. As each progressive level of PM service requires more time to complete, upcoming PM inspections are monitored in order to help establish a balanced workload for the shop.

CARTS is currently phasing out the A, B and C level of PM inspection. All new vehicles purchased are entered into CARTS new program, determined by mileage only. For example, 5K, 10K, 15K PM inspections for medium duty vehicles. Heavy duty vehicle PM's are scheduled at 6K, 12K, 18K etc. Each K level will contain it's own specific service level.

Levels A, B and C are being phased out. CARTS goal is to complete phase out by end of calendar year 2018.

Level A –Conducted at 3,000 and 5000 -mile intervals, depending on manufacturers requirements. Inspection of all components remains the same, regardless of service level.

Level B –Conducted at 6000and10,000-mile intervals depending on manufacturers requirements. Includes all items in level A, plus Fuel filter change. Inspection of all components remain the same, regardless of service level.

Level C – Conducted at 30,000 miles, depending on manufacturers requirements.

Preventive Maintenance Levels (Under ABC method)

PM Level	Cumulative 3K interval	Cumulative 5K interval
A	3,000	5,000
B	6,000	10,000
C	9,000	15,000
A	12,000	20,000
B	15,000	25,000
C	18,000	30,000
A	21,000	35,000
B	24,000	40,000
C	27,000	45,000
A	30,000	50,000
B	33,000	55,000
C	36,000	60,000
A	39,000	65,000
B	42,000	70,000
C	45,000	75,000

CARTS new “K” level PM inspection schedules, are attached as attachment B and show service levels for vehicles requiring both 5K and 6K PM inspection intervals.

4.0 Identifying Defects

CARTS identifies defects that are kept separated and prioritized. Immediately following a notification by Pre-trip inspection or otherwise, the Vehicle Maintenance Shop will make the priority determination. Critical issues will be taken out of service, while minor issues will be noted for repair at next PM, or next time the vehicle comes into the shop.

4.1 Safety Defects

Safety cannot be compromised. Any CARTS vehicle with a safety defect, such as poor brakes, fire hazards, steering problems. The vehicle cannot be released until repairs are completed.

4.2 Non-safety defects

A defect that does not compromise safety will not cause further damage if operated, but needs to be corrected prior to, or at the next PM cycle.

5.0 Repair Orders

The CARTS work order, also referred to as a repair order, is the backbone of the CARTS maintenance performance-monitoring program. Information on all aspects of maintenance performance can be obtained from work orders.

5.1. Initiation of Work Order

The Shop personnel initiate the work order by filling in pertinent information such as vehicle number, date, Technicians name or identification number and work to be performed. This provides the assigned Technician with valuable background information to help identify recurring or related failures.

5.2 Completion of Work Order

Technicians complete relevant remaining sections of the work order for each segment of the repair, all parts and fluids used, any work defined, and other items important to the vehicle's repair history. These repair orders help to record a vehicles history, in order to provide documentation of past work performed and to demonstrate proper maintenance schedules and methods have been adhered to.

5.3 Work order system

CARTS currently uses a paper work order system. CARTS will soon transition into an electronic repair order system, by which much of the paperwork will be eliminated. PM checklists will be recorded on paper.

6.0 Pre/Post-Trip Inspections

An important part of preventive maintenance is the establishment of strong communication ties between Operator, Technicians and Management. An easy way to ensure and document this communication link is by way of the Operators daily vehicle pre and post trip inspection checklist, as Attachment C

Each vehicle has a blank copy with duplicate copy of the checklist on-board for the Operators to conduct the pre/post trip inspections. The Operator should identify any defects and report them to their supervisor before driving the vehicle. If a problem arises during the shift, the Operator should add comments to the checklist. All checklists are to be maintained in the vehicle's permanent file.

NOTE: When malfunctions and/or defects are detected which threaten safe operating performance, the vehicle will not be used to transport persons until defects are corrected.

6.1 Pre/Post Trip Forms

Pre and Post Trip Forms include but are not limited to:

The pre- and post-trip inspection forms shall be legibly completed and signed by the vehicle Operator. Pre-trip inspections should include as a minimum:

- Cleanliness - Properly maintained and free of loose articles.
- Lights and reflectors - High/low beams, taillights, turn signals, 4-way hazard flashers, marker lights, license plate light and reflectors should be cleaned as needed.
- Brakes - Both foot and emergency brakes should be capable of effectively stopping or restraining the vehicle. Brake pedal should be firm after 1-2 inch free-play on a single down stroke. No noises, vibration or steering changes should result from applying the brakes while moving.
- Horn - Gives an adequate and reliable warning signal.
- Windshield, washer, wipers and defroster - Surfaces must be clean and unobstructed, inside and outside.
- Mirrors - All rear vision mirrors must be clean, properly adjusted

and unobstructed. Outside mirrors must be mounted on both sides.

- Tires - Must be of adequate load capacity when vehicle is fully loaded. Tires shall be inflated to recommended pressures and compatible with each set. CARTS vehicles will operate on radial tires only. Tire wear surfaces and sidewalls shall be inspected daily for debris, damage and wear. Tires shall be replaced prior to revealing the "wear bars" between the treads at the contact surface.
- Speedometer - Shall be operational and accurately record speed.
- Seat Belts - In good operating condition and used by all passengers (when equipped) and Operators. Wheelchair passenger restraint and securement systems shall be fully operational.
- Doors - Capable of being opened, shut and locked as required.
- Fluids - All fluid levels must be checked each time the vehicle is fueled and maintained at the manufacturers recommended operating levels. This includes engine coolant, oil, brake fluid, power steering fluid, transmission fluid and washer solvent (if accessible).
- Wheelchair lifts - Check operating and structural condition by operating through one complete cycle. Maintenance is performed to exceed cycle count recommendation.
- Emergency Equipment should be present and operational
 - Triangle reflectors
 - Fire Extinguisher
 - Seatbelt Cutter
 - First Aid Kit
 - Blood Borne Pathogens Clean-up Kit

7.0 Vehicle Registration

All vehicles must display a current Texas Vehicle Registration Certificate.

8.0 Training of Vehicle Maintenance Personnel

Maintenance Technicians training will cover all vehicles and equipment operated by CARTS. Maintenance manuals and all updates/revisions will be provided for each type of vehicle and equipment being operated. Vehicle manufacturers or component companies that manufacture the engine, transmission, or heating and air conditioning for the vehicle will be encouraged to provide maintenance training.

- Many training topics will be covered on the job, through the utilization of actual problems and PM procedures and with the guidance of senior technicians. New technicians will work with senior technicians, in order to assess skill levels and familiarize them with CARTS vehicles and procedures.

The following are to be included but not limited to, in regard to the training of Technicians:

- Vehicle maintenance program scope and objectives;
- Forms and procedures used, their purpose and how to complete them;
- Doors and Interlock systems;
- Wheelchair Lifts and Ramps;
- ADA Equipment, including tie-downs and securement devices;
- Brake systems/hydraulic and pneumatic;
- Climate control systems:
- Electrical systems;
- Radio and Communications Systems;
- Power and drive train;
- Electrical Systems;
- Multiplex Systems;
- Steering and Suspension and kneeling systems;
- Shop Safety, including use of Personal Protective Equipment;
- Welding equipment safety;
- Use of Shop Equipment;
- Hazardous communication.

9.0 Vehicle Maintenance Records

CARTS VMC is in the process of transitioning from paper documentation to an electronic MMIS, that will maintain repair order records and parts inventory. Preventive Maintenance checklists will still be recorded on paper, and kept on file.

9.1 Electronic Repair Order System (MMIS)

The implementation of the MMIS system will allow CARTS to electronically:

- Generate and track work orders;
- Track and schedule PM inspection;
- Track services performed externally;
- Track labor details;
- Record Vehicle licensing information;
- Updated vehicle history files;
- Updated parts inventory;
- Track Operator information, in some cases;
- Document road calls;
- Maintain a list of vendors;
- Document warranty recovery;
- Minimize the amount of paper documents.

9.2 History File

Each vehicle has a written record documenting preventive maintenance, repairs, inspections, lubrication and other services performed.

Such information is useful for PM services as the part can be ordered and in hand before the vehicle comes in for a scheduled maintenance. As well, parts for road calls can be dispatched with the service truck, saving time and money. CARTS vehicle's history is also valuable in locating persistent problems and may serve to determine if individual Operator habits merit particular attention.

Such records shall be maintained for the life of the vehicle and include at a minimum the

following information:

- Identification of the vehicle, including make, model, license number or other means of positive identification and ownership;
- Date, mileage, and description of each inspection, maintenance, repair or service performed;
- Any maintenance that is not performed by CARTS, will be recorded on a CARTS repair order, thus retaining the identity of the vendor and other pertinent information associated with the work performed.

10.0 ADA Accessible Maintenance Plan

10.1 Introduction

As part of the CARTS vehicle maintenance plan, CARTS recognizes the importance of providing preventative maintenance and repairs for all accessible features in CARTS Vehicles. These ADA features include, but are not limited to:

- Lifts, Ramps and kneeling systems;
- Securement devices;
- P.A. systems.

10.2 Accessible Equipment Maintenance

CARTS will ensure that all accessibility vehicle features used for persons with disabilities are properly maintained and promptly repaired. CARTS will ensure the availability of spare vehicles to take the place of a vehicle with an inoperable lift.

CARTS will provide Preventive Maintenance checklists based on manufacturers recommended guidelines and perform lift maintenance at scheduled intervals according to the requirements of the manufacturer.

10.3 ADA Pre-trip Inspections

Wheelchair lifts will be fully cycled as part of the daily pre-trip inspection. All Operators who operate a vehicle with a mechanical lift or ramp will be instructed on the importance of proper cycling. Frequent cycling of wheelchair lifts and ramps decreases the likelihood of discovering a faulty lift or ramp, when it is needed for service.

Securement devices will also be inspected during daily pre-trip inspection. All securement devices including tie-downs, floor tracks, webbing extensions and any other related items will be inspected to ensure their presence and good working condition.

Operators must report immediately a failure of a lift or securement device.

11.0 Sublet or Outside Work

When a repair becomes necessary that cannot be performed by the maintenance shop due to lack of specialized equipment, workload or due to emergency breakdown assistance, sublet locations can be approved. The following qualifications must be observed:

- They must have reasonable capability and training in the field of the componentry being serviced. For example, a Ford dealership will be considered qualified to repair a Ford issue. A reputable tire shop will be considered qualified to repair or replace a tire. Wheelchair lifts and other specialty items, will require specialized vendors.
- They must be competitive in prices
- They must use products and parts, known to CARTS as being of acceptable quality
- Repair estimates will be forwarded to the VMC for approval
- All outside work must be approved by VMC, before work begins

12.0 Management of Maintenance Resources

CARTS Vehicle Maintenance Plan includes for the safe and proper management of maintenance resources, which include parts, tools and equipment, as well as the Vehicle Maintenance Facility.

12.1 Parts

CARTS will keep commonly used replacement parts on hand for vehicle components in order to minimize vehicle downtime. However, due to funding, storage and warehousing costs, or obsolete parts, CARTS will identify the need for parts by the frequency of part failure and will keep those parts on inventory.

12.2 Use and Care of Tools and Equipment

Preventive maintenance and proper care of machinery, equipment and tools is essential for the maintenance of CARTS vehicles. Equipment and tools in disrepair pose unnecessary hazards.

- Jack Stands: Jack-stands are to be used to support a vehicle whenever the vehicle is jacked up. Hydraulic jacks alone are not considered a safe method to prevent a vehicle from falling. The vehicle must be lowered onto the jack stands and not suspended

over them. Jack-stands must be placed at a frame location that is suitable for supporting the particular vehicle. Placing a jack-stand underneath a Wheel, Control Arm, or Engine or Transmission, for the purpose of supporting the vehicle is not acceptable and is extremely dangerous. Jacking and support locations are determined by service manual information.

Stertil-Koni portable lifts do not necessarily require jack-stands, as they incorporate mechanical locks, however, use of jack-stands is always encouraged. Certain procedures will require the use of jack-stands, such as removing wheels or axles. Vehicles should not be left unattended or overnight, when raised more than 1 foot off the ground.

Particular attention should be paid to air ride vehicles, which may lean excessively over time, due to air leaks. These vehicles should be lowered completely to ground level by end of work day, or when being left unattended.

- Floor Jacks/Lifting Devices: Shop personnel are trained on the proper use and positioning of floor jacks and other lifting devices. Proper lifting points are provided in vehicle specific service manuals.
- Utmost attention must be paid to surroundings when raising and lowering vehicles.
 - Pay particular attention not to lower vehicle onto other objects.
 - Pay particular attention when raising vehicles, so as to not make contact with overhead equipment.
 - When using column lifts, mirrors and doors can be damaged by making contact with the lift or other objects, during raise or lower.
- Equipment Guards: Guards should be installed and used on all equipment with belts or pulleys.
- Tire Cages/Inflation Devices: Instructions for mounting/dismounting tires is posted and strictly followed. Cages are used any time tires are being inflated.
- Tools are kept clean. Tools are properly selected for the job and proper technique used for the employee's protection. Tools are inspected at each use, for proper condition.

- Cords/Hoses: Air hoses, extension cords, and droplights are inspected regularly for worn or frayed condition. They are kept in a stored or hanging position when not in use. They are wiped clean after each use. All cords and electrical equipment have a grounded plug.
- Eyewash Stations: Eyewash stations are provided and located throughout the facility.
- Fire Extinguishers/First Aid Kit: Fire extinguishers are available on the shop wall. A first aid kit is displayed in the shop with easy access for shop employees. Both items are inspected on a regular basis (first aid kit supplies, fire extinguisher charge and condition).
- Other Shop Equipment: Shop equipment is inspected at each use, for condition and cleanliness. Broken or worn equipment (hoses, stools) are to be replaced to eliminate the possibility of injury to an employee.
- It is the responsibility of the Technician to verify that tools currently in use are in the pre-described conditions and it is the Technicians responsibility to report tools and equipment, that do not meet quality and condition standards, or tool kits that have missing or broken items.

13.0 Personnel and Facility Safety

Safety is the most important concern related to the CARTS Vehicle Maintenance Center. Safety is practiced at all times, and is required by management. It is the responsibility of CARTS management to ensure that safe practices are in place at all times, and that regular and documented safety meetings are held. All safety posters and reminders are to be posted in the shop.

Facility safety training includes additional information on the following:

- Fire safety training, the proper use of all fire/life safety equipment;
- Location of shop power emergency disconnect;
- First aid;
- Shop layout and egress routes.

13.1 Housekeeping

A well-kept shop is an essential part of an effective safety program. Dirty, cluttered aisles and floor space prevent a quick exit in the event of an emergency. Besides providing a pleasant environment that will improve morale and productivity, good housekeeping helps prevent accidents caused by spills and trip hazards.

Employees are responsible for cleaning up their spills as well as keeping their work areas clean. All spills are mopped or cleaned up quickly. Floors and aisles are swept on a daily basis. Workbenches and other designated work surfaces are kept free of clutter and cleaned daily. Adequate trash containers are provided in the shop area and emptied daily. CARTS VMC parking lot are to be kept clean of trash and debris.

Materials and equipment should be stored in designated storage areas that are well maintained and free of clutter.

Flammables and Chemicals should be stored in their proper locations, and personal possession of these items should be kept to an absolute minimum. Flammables and Chemicals scattered throughout the facility, is not acceptable.

13.2 Facility Safety

Vehicle Operation: Only qualified Operators are allowed to maneuver vehicles within the maintenance facility and garage.

Personal Protective Equipment: It is the responsibility of each employee use the proper PPE. Eye protection, ear protection, respiratory protection are fundamental basics to promoting proper safety and health in the workshop. All employees will utilize the proper Personal Protective Equipment.

Vehicle Movement: When vehicles are being moved for any reason, including fueling, speed restrictions are to be followed. Speed limits are posted throughout the yard (Due to ongoing construction, signs are to be placed after completion of facilities).

Shop Access: Access to the CARTS shop is restricted to shop personnel and management only. Signs are displayed to indicate that it is a restricted area.

No Smoking: Smoking is prohibited in all CARTS facilities.

Glass: Care is taken when handling or disposing of glass in the shop. Gloves are to be worn when glass is being handled.

Siphoning: Siphoning by mouth is prohibited. Proper pumps are to be used

to extract gas or other fluids from tanks, barrels, or containers.

Flammables: Proper procedures for handling, storing, and disposing of flammables are explained to shop employee.

Batteries/Acid: Protective clothing including gloves, and safety glasses must be worn when servicing batteries. The proper storage, handling, and disposal of all batteries are mandatory. CARTS follows all local and state requirements for disposal.

Jump Start Procedures: Employees are properly instructed on jump-starting procedures, including cable connection and disconnection.

Overhead Doors: Overhead doors are to be kept either all the way up or all the way down. Doors should not be left in a partially open or closed position.

Backing Vehicles: When backing any vehicle, all personnel are required to use the utmost caution.

- The operator should physically and visually check the area immediately before backing and visually, while backing. The backing vehicles should sound horn, before and during backing.
- While maximum safety should be exercised by all vehicles, forward moving vehicles must yield the Right of way to any backing vehicle.
- Backing safety is a shared responsibility, between backing vehicle operators and forward moving vehicle operators, as well as pedestrians.
- Exhaust Hoses: Hoses are used when vehicles are running and garage doors are closed. Hoses are inspected for wear or damage.
- Fuel Island: The fuel island is inspected on a regular basis for defective or worn hoses and nozzles. A fire extinguisher is kept on the fuel island at all times.

13.3 Shop Personnel Safety

The health and well-being of every employee is of vital importance. The active participation of each employee is mandatory in maintaining a safe work environment. CARTS will keep all employees aware of required safety and health procedures and the employees should be expected to comply with the prescribed guidelines and procedures.

Personnel Protective Equipment: Employees are required to wear all protective equipment at the proper times and in the proper environments. Failure to wear the required protective equipment will be cause for disciplinary action.

Tool Use/Technique: If the employee is unsure about the proper use of a tool or proper technique, he/she should ask for assistance before using or continuing.

Eye Protection: Eye protection is to be worn at all times when under a vehicle, using grinders, buffers, cutting equipment hammers and any other tools that may create the need for eye protection.

Hearing Protection: CARTS will make hearing protection available to VMC employees. Ear Plugs and Ear Muff style protectors will be made available.

Hand Protection: Gloves are to be worn to protect an employee while handling chemicals, using razor blades, and when welding or cutting. The gloves should extend over the forearms to protect against sparks or chemical splash.

Welding Hood: A welding hood is to be worn at all times when welding. Welding goggles should be worn when using cutting torches.

Footwear: Soft-soled shoes are prohibited. A shoe with steel or reinforced toe and a nonskid sole is highly recommended.

Respirators: CARTS will furnish respirators and require that all Technicians wear them when exposed to lead; volatile organic compounds, or any EPA listed airborne hazardous material. An approved respirator or NIOSH/OSHA approved dust mask must be worn while sanding or grinding any painted or primed surfaces. Respirators should be worn by anyone exposed, regardless of their distance from the point where the contamination is generated. Respirators should be inspected prior to use for proper exhaust and inhalation valves, cartridge pre-filter, headband adjustment and the overall condition.

Lifting Techniques: CARTS employees are to use proper lifting techniques at all times when lifting objects. Bend the knees to utilize leg power and get into a proper position before lifting. Ask for assistance from fellow workers for heavy loads. Avoid twisting and awkward/jerky movements during a lift or while carrying an object.

Pushing or Pulling: Use caution not to overexert when pushing, pulling or using a torque wrench. Watch the hand clearance closely.

Horseplay: Horseplay is prohibited. Serious accidents and injuries can occur as a result of practical jokes and thoughtless pranks played on unsuspecting workers

14.0 Chemical and Waste Management

14.1 disposal

CARTS is dedicated to protecting the environment from the effects of improper chemical and waste disposal. CARTS will make every effort to properly dispose of Chemicals and Hazardous Materials that have reached end of useful life. The disposal of these types of materials will be delegated to companies specializing in Hazardous Materials Disposal, in accordance with State and Federal regulations.

Battery Disposal: CARTS batteries are recycled at the end of life. Batteries are exchanged with the vendor for core credit, regularly. CARTS batteries are stored in a dedicated battery room, equipped with an emergency wash station.

Scrap Tires: Scrap tire pickup is delegated to CARTS tire vendors, who in turn, recycle. No tires are disposed of in the trash or by any other method.

Used Oil Filters: Used oil filters are drained and stored in a clearly labeled container. Waste oil and filters are removed from CARTS, by an approved recycler.

Used Solvents: Used solvents are stored in a clearly labeled container. Used Solvents are removed from CARTS, by an approved recycler.

Used Coolant: Used engine coolant is stored in a clearly labeled container. Used coolants are removed from CARTS, by an approved recycler.

Refrigerant: Air conditioning refrigerants must be recycled or reclaimed. An EPA approved training program should certify technicians servicing these systems. CARTS re-uses refrigerant within our fleet vehicles. Contaminated refrigerants will be disposed of through an approved recycler.

Paint wastes and thinners: Will be sent to an authorized treatment, storage, disposal or recycling facility.

14.2 Hazardous Communication

CARTS will develop a hazard communication program for the workplace, maintain lists of present hazardous chemicals, maintain files containing all MSDS for products used in VMC. Label all containers of chemicals in the workplace, store hazardous chemicals in approved locations, and implement employee training programs regarding hazards of chemicals and protective measures.

- MSDS information will be stored in a location familiar to all VMC Employees and can be accessed at any time.
- Hazardous chemical allowed into VMC will be kept at a minimum, so as to not duplicate items that can serve the same purpose and minimize the amount of hazardous risks present.
- All new chemicals must be approved by the VMC Director, before being entered into inventory, or accepted as a sample.

14.3 Hazardous Communication Training

Information and training will be provided to cover:

- The methods and observations used to detect the presence or release of a hazardous chemical in the work area.
- The physical and health hazards of the chemicals in the work area, including signs and symptoms of exposure to chemicals and any medical condition known to be aggravated by exposure to the chemical.
- The measures employees can take to protect themselves from these hazards, including specific procedures the employer has implemented to protect employees from exposure to hazardous chemicals, such as appropriate work practices, emergency procedures, and personal protective equipment to be used.
- An explanation of the labeling system and the material safety data sheet, and how employees can access and use the appropriate hazard information.

15.0 Fleet Management

15.1 Vehicle Inventory

CARTS conducts a physical inventory of vehicles and reconcile the results with the equipment records every year. This inventory is developed to prevent loss, damage, or theft of vehicles.

CARTS inventory consists of a bus number, a serial number, or the vehicle identification number that identifies the equipment. Any loss, damage, or theft is investigated and documented by CARTS.

Vehicle inventory tracking is also achieved through the daily collection of current mileage readings. An unusually long amount of time without a fresh miles report, is a red flag to locate any particular vehicle.

15.2Contingency Fleet Plan

CARTS contingency fleet of spare vehicles are able to continue transit service while vehicles are in the maintenance cycle. CARTS vehicle contingency fleet is tracked as to their assigned location and are maintained in the same manner as all CARTS vehicles. CARTS spare vehicles will be assigned to normal operation on a routine basis, in order to ensure pre/post-trip inspections are current and that any defects on those vehicles will be known, as well as ensuring that PM inspection miles will accrue at a fairly normal rate. CARTS ensures the same high quality maintenance standards for all vehicles within the fleet.

14.0 Warranty Compliance

Warranty claims are to be pursued effectively and promptly. The warranty of vehicles and equipment are only when CARTS adheres to the manufacturer's recommended maintenance program. A warranty recovery system, warranty records, and annual summaries of warranty claims submitted and received should will be maintained.

Prior to performing repairs, CARTS technicians will determine whether or not the vehicles or parts in question are under a current warranty. To facilitate the process of identifying warranty items, a review of the individual vehicle's history file will be conducted.

CARTS parts manager is responsible for tracking warranties and warranties collected on behalf of CARTS. A list of current warranty collections will be maintained.

Attachment A

Preventive Maintenance Checklist

EZ-Rider 120K PM Inspection

Vehicle Number

Vendor Repair Order Number

CARTS R. O. Number

Date in



Date out

Mileage

Technician

Repair items

1	120K PM inspection
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

EZ-Rider 120K PM Inspection

0 _____
Vehicle Number



0 _____
CARTS R. O. Number

SERVICE	Completed
Wash engine compartment, radiator and batteries	
Change engine oil and filters	
Change transmission fluid and filters	
Change fuel filters	
Change coolant filter	
Change hydraulic filter	
Change air filter	
Change differential fluid	
Lube Chassis, steering, king pins, U-joints	
Grease engine cooling fan driveline	
Clean A/C return air filters	

0 _____
 Vehicle Number



0 _____
 CARTS R. O. Number

INSPECT	Pass	Fail	Repaired
Inspect Passenger entry door lighting operation and condition (interior and exterior)			
Inspect fire extinguisher mounting, condition, expiration date, Needle in green zone			
Master switch, check operation day/night/run			
Inspect drivers seat and seatbelts operation, adjustments and condition			
Inspect entry door operation and condition			
Inspect radio operation, mounting and condition			
Inspect farebox operation, mounting and condition			
Inspect AC and heat controls and operation			
Check for brake interlock operation with door open			
Check for brake interlock operation with WC Ramp deployed			
Check for brake interlock operation with bus kneeled			
Inspect kneeling system operation and controls			
Defrost operation, check hi/med/lo and air flow			
Horn operation and condition			
Windshield wipers and washer operation			
Steering column tilt locks in all positions			
Steering wheel, column, shaft and u-joints, inspect for wear/damage/play (Upper portion)			
Check instrument panel lights operation and hi and lo beam indicators operation/condition			
Check park brake operation. Should hold vehicle in place. Check with bus in gear			
Check air pressure cut-in/cut-out 95-100/120-125 psi			
With air pressure at 120 psi, engine off, <u>park brake set</u> , check amount of air pressure loss in 1 minute. Record loss:			
With air pressure at 120 psi, engine off, <u>park brake released</u> , check amount of air pressure loss in 1 minute. Record loss:			
With air pressure at 120 psi, engine off, <u>park brake released</u> , <u>Apply and hold service brake</u> . Check amount of air pressure loss in 1 minute. Record loss:			
Inspect WC Ramp operation and condition. Clean and lubricate.			
Inspect interior lights operation and condition			
Inspect grabrails for condition and proper mounting, all hardware in place.			
Inspect passenger seats condition and mounting			
Inspect windows condition, emergency exit operation and emer exit decals condition			
Inspect roof hatches operation and condition, Decals condition			
Inspect stop request and pullcord operation, condition, mounting			
Inspect flooring and stepwell condition			
Inspect windshield wipers condition and washer fluid level			
Check tire pressures, tread wear and condition (Set tire press to bus makers specifications)			

0 _____
 Vehicle Number



0 _____
 CARTS R. O. Number

INSPECT	Pass	Fail	Repaired
Inspect wheels mounting and condition			
Check exterior lighting operation and condition: Hi and lo beam headlights, front and rear turn signals, marker lights, clearance lights, tail lights, license plate light.			
Inspect body, paint and decals condition			
Inspect rear axle flanges for leaks and inspect nuts for signs of looseness			
Check coolant level and freeze level Record freeze level:			
Check transmission fluid level			
Check power steering fluid level			
Inspect engine compartment wiring condition and for proper clamping			
Inspect engine belts condition, alignment and tension			
Inspect belt tensioners and idler pulley condition, mounting			
Inspect water pump for excessive play, leaks			
Inspect vibration damper condition, runs true			
Inspect fuel system for leaks			
Inspect fuel hoses and lines for leaks, condition, clamps			
Inspect power steering pump and hoses mounting, condition, leaks			
Inspect AC compressor mounting, condition, hoses, leaks			
Inspect AC compressor oil clean and level approx half full in glass			
Check air filter restriction gauge			
Check air intake piping, hoses and clamps, condition and mounting			
Inspect air compressor and discharge line mounting, leaks and condition			
Inspect coolant hoses and clamps condition, clamps, not rubbing			
Check for leaks: Engine oil, trans fluid, power steering fluid, Coolant			
Check DEF level and inspect system for leaks, condition			
Inspect radiator and hoses condition, mounting, leaks			
Inspect charge air cooler, hoses, piping and clamps condition, mounting, leaks			
Inspect engine cooling fan, hub and shaft operation, mounting and condition			
Inspect exhaust system, clamps and blankets mounting, condition, leaks			
Inspect batteries, door and latches, tray, terminals and cables condition			
Check battery voltage with all lighting and accessories on: Record 12V: Record 24V:			
Inspect engine mounts condition and securement			
Inspect starter, cables and wiring connections, condition, mounting, clamping, rubbing			

0 _____
 Vehicle Number



0 _____
 CARTS R. O. Number

INSPECT	Pass	Fail	Repaired
Check for fluid leaks: Engine oil, fuel, coolant, power steering fluid			
Inspect transmission cooler and lines for leaks and proper mounting, rubbing			
Inspect transmission hoses for leaks, rubbing, condition			
Inspect transmission vent condition and cleanliness			
Inspect transmission flywheel housing bolts and mounts condition, proper mounting			
Inspect transmission rear front and rear seals for leaks			
Inspect driveshaft, slip-joint and U-joints condition, mounting, excessive play, in phase			
Inspect driveshaft mounting at transmission and differential			
Inspect pinion seal for leaks			
Check differential fluid level and for leaks			
Inspect rear axle and suspension for cracks, damage and proper mounting			
Inspect rear axle to carrier bolts for signs of looseness of damage			
Inspect rear radius and lateral arms and bushings cracks, breaks, condition and proper mounting of hardware			
Inspect rear shock absorbers and bushings mounting, condition, leaks			
Inspect rear air bellows for leaks, condition, proper mounting, air supply lines condition			
Inspect rear leveling valves, links and lines condition, mounting, leaks			
Check rear ride height			
Inspect rear wheel seals for leaks			
Inspect rear brake lining thickness			
Inspect rear brakes slack adjusters, anchor pins, snap rings, rollers, springs and related hardware condition and proper mounting			
Inspect rear brake chambers, clevis, jamb nuts, clevis and cotter pins, and hoses mounting and condition			
Check welds at frame joints, bulkheads, body frames, and air suspension for cracks/damage			
Inspect air dryers and hoses condition, proper mounting, rubbing, leaks			
Drain air tanks: Check for presence of moisture or sludge			
Inspect air tanks, lines and drain valves, condition, mounting, chafing, leaks			
Inspect fuel tank mounting, condition and leaks			
Inspect front axle and suspension for cracks, damage and proper mounting			
Inspect front radius and lateral arms and bushings cracks, breaks, condition and proper mounting of hardware			
Inspect front shock absorbers and bushings mounting, condition, leaks			
Inspect front air bellows for leaks, condition, proper mounting, air supply lines condition			

0 _____
Vehicle Number



0 _____
CARTS R. O. Number

INSPECT	Pass	Fail	Repaired
Inspect front leveling valves, links and lines condition, mounting, leaks			
Check front ride height			
Inspect front wheel seals for leaks			
Inspect front brake lining thickness			
Inspect front brakes slack adjusters, anchor pins, snap rings, rollers, springs and related hardware condition and proper mounting			
Inspect front brake chambers, clevis, jamb nuts, clevis and cotter pins, and hoses mounting and condition			
Steering column, shaft and u-joints, inspect for wear/damage/play (lower portion)			
Inspect steering gearbox and miter box for proper mouning, condition and for leaks			
Inspect Steering miter box to steering gearbox, shaft and U-joints for play, condition and proper mounting			
Inspect pitman arm condition and proper mounting			
Inspect drag link for excessive play, condition, proper mounting			
Inspect tie rod, tie rod ends and clamps for play, condition and proper mounting			
Inspect king pins radial and lateral play			
Check front wheel bearings: Must rotate smoothly and freely, with no play			
Check front wheel hubs fluid level and for leaks			
Brake test. 27 ft or less to stop, at 20 mph Record results:			



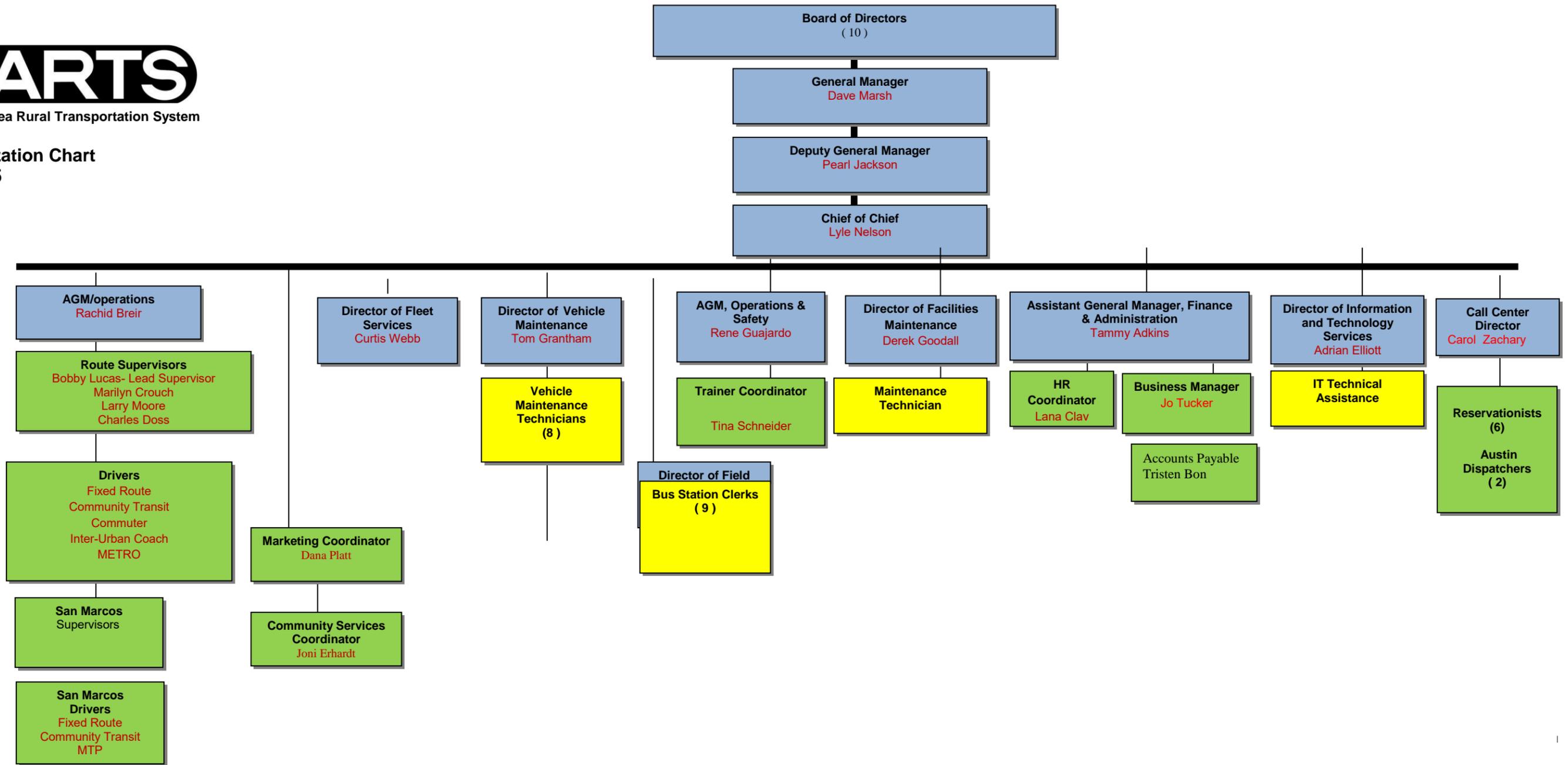
CARTS OrgChart 2015





Capital Area Rural Transportation System

Organization Chart
FY 2015





THE CARTS DISTRICT



THE CARTS DISTRICT

The CARTS District is a rural/urban transit district organized under Chapter 458 of the Texas Transportation Code as a political subdivision of the state and an entity responsible for transit services in a 7200 square mile nine-county area surrounding Austin. The District includes the non-urbanized areas of Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Travis and Williamson counties, and the San Marcos urbanized area.

Governed by a Board made up of a member from each of the nine County Commissioners Courts and an appointed representative of the San Marcos City Council, CARTS provides regional perspective and planning to operate the wide variety of community-based passenger transportation services in its District.

As the region has changed, so has the CARTS District and its role in integrating its transit services and planning with its metropolitan transit counterpart, Capital Metro, including opening a jointly-managed Mobility Management Office, and through interlocal agreement providing blended transit services region-wide to establish a seamless interface between the two statutory transit jurisdictions.

CARTS delivers transportation tailored specifically for each of the one hundred and sixty-nine communities it serves and provides predictable connections between these communities to the national intercity bus network, to Capital Metro services and to the metropolitan center of the region. The service frequency in or to the various locales range from many times a day to once a month.

CARTS buses operate from eight transit stations located strategically throughout the CARTS District, which are also Greyhound stations. These stations are located in Austin, Bastrop, Round Rock, Georgetown, Taylor, San Marcos, Smithville and Marble Falls..

Established in 1978, CARTS is the longest serving public transit agency in the region, and has a reputation for innovation, a practical approach to problem-solving and promoting partnerships to achieve its objectives of furthering regional mobility



**CARTS Service Area Maps & Schedules Capital Area Rural
Transportation System**





SCHEDULES

THE BUS

MON - FRI 7am to 8pm
SMTXTHEBUS.COM

ROUTE 1 HOPKINS/WONDER WORLD (CROSSTOWN)

Table with 24 columns (times) and 5 rows of stops. Includes Westbound and Eastbound sections.

ROUTE 2 POST

Table with 8 columns (stops) and 14 rows of times. Includes Northbound and Southbound sections.

ROUTE 3 UHLAND

Table with 6 columns (stops) and 14 rows of times. Includes Northbound and Southbound sections.

ROUTE 4 CONWAY/LINDA

Table with 8 columns (stops) and 24 rows of times. Includes Eastbound and Westbound sections.

ROUTE 5 OUTLETS/UNIVERSITY

Table with 14 columns (stops) and 14 rows of times. Includes Northbound and Southbound sections.

ROUTE 6 GUADALUPE/REDWOOD

Table with 6 columns (stops) and 6 rows of times. Includes Northbound and Southbound sections.

ROUTE 7 BISHOP

Table with 6 columns (stops) and 6 rows of times. Includes Northbound and Southbound sections.



The CARTS District

For More Information
512/805 RIDE (7433)

SMTXTHEBUS.com

STOPS & INFO

WELCOME ABOARD THE BUS



THE BUS operates on a regular fixed route time schedule. The system wide map of all routes with a designated number and color is included along with the timetables for major designated stops on each of the routes. We suggest you arrive at the bus stop 5 to 10 minutes early. Drivers will announce major stops. You may signal the operator to stop when the bus is approximately one block from your destination.

BIENVENIDO A BORDO DEL AUTOBÚS!

THE BUS opera en un horario de regular de ruta fija. El mapa de todas las rutas esta designado con numeros y color junto con los horarios de las paradas de cada una de las rutas. Sugerimos que llegue a la parada del autobús 5 a 10 minutos antes. Los conductores podrán anunciar las paradas más importantes. Es posible indicar al operador detener cuando el autobús está a una cuadra de su destino.

FARES / TARIFAS

\$1.00 One-Way

\$2.00 Daily Pass (ride all day no transfers needed)

\$30.00 Monthly Pass

\$15.00 Reduced Monthly Pass (for ADA eligible passengers)

Drivers will not make change. Escorted children 5 and under ride for free.

\$1.00 One-Way

\$2.00 Pase Diario (viaje todo el día sin transferencias)

\$30.00 Pase Mensual

\$15.00 Pase Mensual Reducido (pasajeros elegibles)

Conductores no haran cambio. Niños acompañados menores de 5 años viajan gratis.

San Marcos Station

338 S. Guadalupe
San Marcos, Tx
512/805-RIDE (7433)
RideCARTS.com



Capital Area Rural Transportation System

SAN MARCOS STATION

The San Marcos Station also provides connections for passengers and freight shipments on CARTS Interurban and Greyhound bus lines. You can purchase monthly passes and pick up eligibility forms for ADA paratransit service and reduced fares at the Station.

La estación de San Marcos también proporciona conexiones para los pasajeros y el transporte de carga en carros interurbano y líneas de autobuses Greyhound. Puede comprar los pases mensuales y recoger los formularios de elegibilidad para el servicio de paratransporte ADA y tarifas reducidas en la estación.

BIKES / BICICLETAS

All buses are equipped with two-bike racks. Bikes will be loaded on a first come first serve basis, so please be prepared to lock up your bike in a safe and secure location.

Todos los autobuses están equipados con portabicicletas. No siempre habra lugar para su bicicleta asi que por favor este listo para guardar seguramente su bicicleta en otra ubicación.

HOURS OF OPERATION

THE BUS provides service Monday through Friday, 7am to 8pm year round, except Holidays.

HORAS DE OPERACION

EL BUS proporciona el servicio de lunes a viernes, de 7am a 8pm todo el año, excepto festivos.

SMTXTHEBUS.COM

PARATRANSIT/PARATRANSITO

All fixed route buses are accessible for persons with disabilities. Our ADA paratransit curb-to-curb service is available for individuals with disabilities and senior citizens 65 and older. For eligibility information call **512-805-7433**.

Rutas fijas son accesibles para personas con discapacidades. Nuestro servicio de ADA paratransito de acera a acera es disponible para personas discapacitadas y mayores de 65 años. Para información sobre elegibilidad llame a **512-805-7433**.

HOURS OF OPERATION

THE BUS provides service Monday through Friday, 7am to 8pm year round, except Holidays.

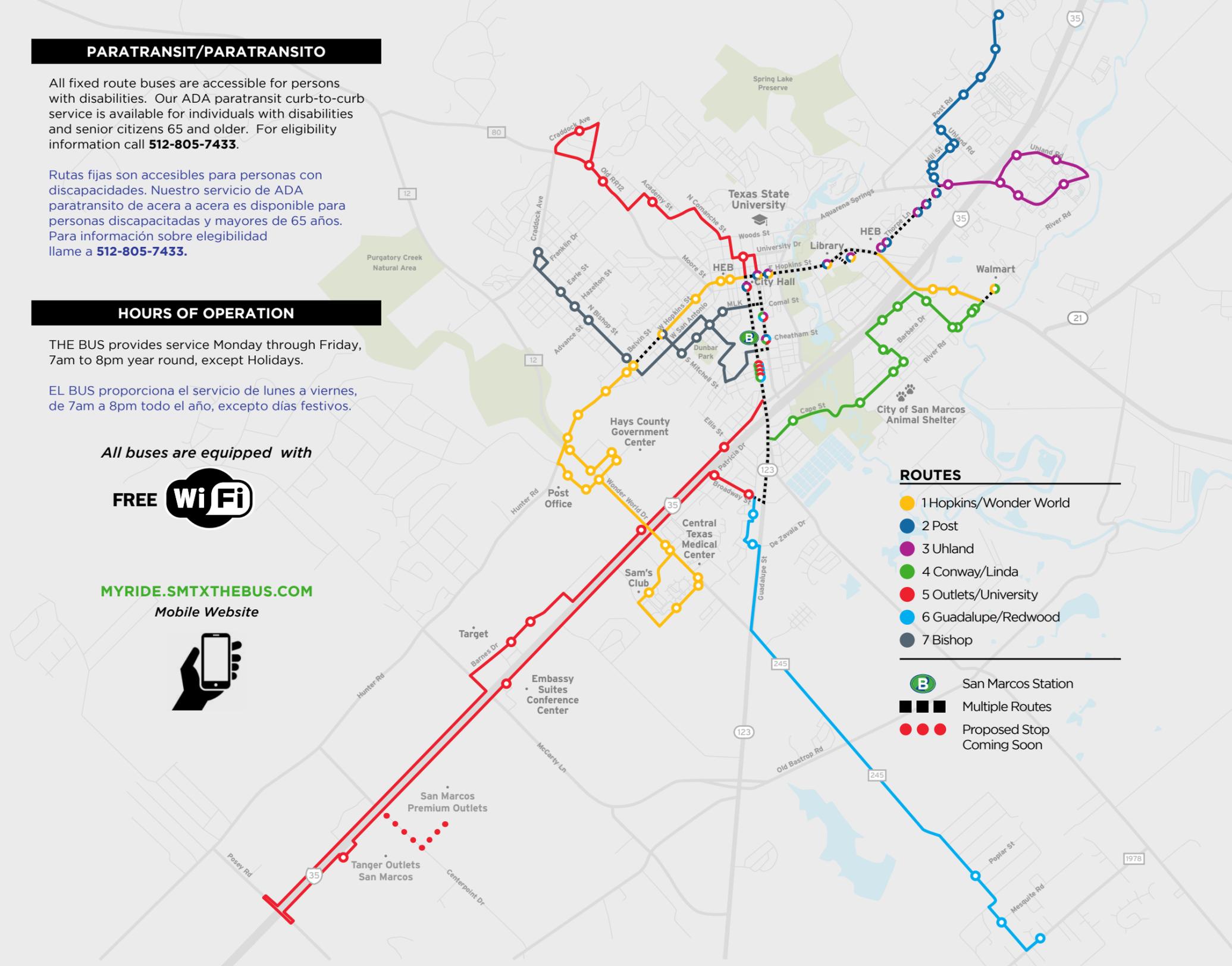
EL BUS proporciona el servicio de lunes a viernes, de 7am a 8pm todo el año, excepto días festivos.

All buses are equipped with



MYRIDE.SMTXTHEBUS.COM

Mobile Website



ROUTES

- 1 Hopkins/Wonder World
- 2 Post
- 3 Umland
- 4 Conway/Linda
- 5 Outlets/University
- 6 Guadalupe/Redwood
- 7 Bishop

- B San Marcos Station
- ■ ■ Multiple Routes
- ● ● Proposed Stop Coming Soon



Legislation Text

File #: Res. 2020-117R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-117R, authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by 49 U.S.C. Chapter 53; Title 23, United States Code, or other federal statutes administered by the Federal Transit Administration; and declaring effective date.

Meeting date: June 16, 2020

Department: General Services

Amount & Source of Funding

Funds Required: NA

Account Number: NA

Funds Available: NA

Account Name: NA

Fiscal Note:

Prior Council Action: NA

City Council Strategic Initiative: [Please select from the dropdown menu below]

Multi Modal Transportation

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Multimodal transportation network to improve accessibility and mobility, minimize

congestion and reduce pollution

Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

- City council passed a resolution declaring the City as the Direct Recipient for the San Marcos urbanized area - August 2018
- City council passed a resolution creating the San Marcos Urban Transit District for the San Marcos urbanized area - August 2019
- The Federal Transit Administration concurred on September 13, 2019 that the City is the direct recipient, effective October 1, 2019
- This resolution provides Council's authorization for city staff to file grant applications on behalf of the City, file the annual certifications and assurances, and to execute the related grant and cooperative agreements as required by the Federal Transit Administration
- Council approved a similar authorizing resolution on October, 15 2019. This updated resolution is meant to improve upon previous version by authorizing additional city staff for roles in grant applications thereby creating operational redundancy

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of the resolution.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AUTHORIZING THE FILING OF APPLICATIONS WITH THE FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL TRANSPORTATION ASSISTANCE AUTHORIZED BY 49 U.S.C. CHAPTER 53; TITLE 23, UNITED STATES CODE, OR OTHER FEDERAL STATUTES ADMINISTERED BY THE FEDERAL TRANSIT ADMINISTRATION; AND DECLARING EFFECTIVE DATE.

RECITALS:

1. The Federal Transit Administration has been delegated authority to award federal financial assistance for a transportation project.
2. The grant or cooperative agreement for federal financial assistance will impose certain obligations upon the applicant, and may require the applicant to provide the local share of the project cost.
3. The applicant has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. That the Grants Manager and Transit Manager are authorized to execute and file an application for federal assistance on behalf of the City of San Marcos with the Federal Transit Administration for federal assistance authorized by 49 U.S.C. Chapter 53, title 23, United States Code, or other federal statutes authorizing a project administered by the Federal Transit Administration. The City of San Marcos, as a direct recipient, has received authority from the Texas Department of Transportation, the designated recipient for the San Marcos urbanized area, to apply for Urbanized Area Formula Program assistance authorized by 49 U.S.C. 5307.

PART 2. That the Director of Finance, Assistant Director of Finance, and Assistant City Manager are authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transit Administration requires before awarding a federal assistance grant or cooperative agreement.

PART 3. That the City Manager is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of the City of San Marcos.

PART 4. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy Cook
Interim City Clerk



Legislation Text

File #: Res. 2020-118R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-118R, approving a change in service to the engineering services agreement with Brown and Gay Engineers, Inc. (Contract No. 219-129) relating to the Briarwood and River Ridge Improvements Project in the estimated amount of \$262,148.00 to add environmental and final design services bringing the total contract price to \$386,183.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the change in service; and declaring an effective date.

Meeting date: June 16, 2020

Department: Engineering and CIP, Laurie Moyer, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$262,148.00

Account Number: C325

Funds Available: Water: \$18,991.25; Drainage: \$176,973.75

Account Name: Briarwood and River Ridge Imp

Fiscal Note:

Prior Council Action: Res. 2019-143R - Approval of design contract to Brown and Gay Engineers, Inc. for the Briarwood and River Ridge Improvements project.

City Council Strategic Initiative: [Please select from the dropdown menu below]

City Facilities

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.

- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Water Master Plan

Drainage Master Plan

Background Information:

On April 16, 2019 the design of the Briarwood and River Ridge Improvements project was awarded to Brown and Gay Engineers, Inc. in the amount of \$124,035.00. The scope of work for this contract included the preliminary engineering design services for an 8” waterline extension on Briarwood and drainage improvements across IH-35 near the River Ridge Parkway intersection.

With the completion of the preliminary engineering report in April, this Change in Service No. 1 will include all environmental and final design services, including the increased effort for Brown and Gay Engineers, Inc. to accommodate the CDBG-DR process.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of this change in service.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CHANGE IN SERVICE TO THE ENGINEERING SERVICES AGREEMENT WITH BROWN AND GAY ENGINEERS, INC. (CONTRACT NO. 219-129) RELATING TO THE BRIARWOOD AND RIVER RIDGE IMPROVEMENTS PROJECT IN THE ESTIMATED AMOUNT OF \$262,148.00 TO ADD ENVIRONMENTAL AND FINAL DESIGN SERVICES BRINGING THE TOTAL CONTRACT PRICE TO \$386,183.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE DOCUMENTS TO IMPLEMENT THE CHANGE IN SERVICE; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. A Change in Service to the engineering services agreement with Brown and Gay Engineers, Inc. (Contract No. 219-129) relating to the Briarwood and River Ridge Improvements Project in the estimated amount of \$262,148.00 to add environmental and final design services bringing the total contract price to \$386,183.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the appropriate documents to implement the change in service.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT B
AUTHORIZATION OF CHANGE IN SERVICE

CONTRACT NUMBER / CONTRACT NAME:	219-129.1 Briarwood and River Ridge Improvements	
CITY REPRESENTATIVE:	Rey A. Garcia, P.E.	
CONTRACTOR:	Brown and Gay Engineers, Inc.	
CONTRACT EFFECTIVE DATE:	April 16, 2019	
THIS AUTHORIZATION DATE:	June 3, 2020	AUTHORIZATION NO.: 1

DESCRIPTION OF WORK TO BE ADDED TO OR DELETED FROM SCOPE OF SERVICES:

This Authorization of Change in Service 1 includes the following scope of services, defines the tasks recommended to prepare final construction plans and specifications, coordinate with City, State, and Federal agencies, and provide limited engineering services through the Project's bid phase. The various tasks and deliverables are to be performed and submitted in accordance with the City of San Marcos (City) Design and Construction Guide, and approved project schedule and budget.

Project Management

Monthly Reports: BGE will prepare monthly written progress reports for the duration of the Design Phase. The Project's schedule will be prepared prior to the onset of the Project's Notice-to-Proceed and will be updated as necessary and reissued to the City and Project Team throughout the design phase. The schedule will estimate the completion of major Project milestones in the Design and Bid Phases.

Project Meetings/Conferences: BGE staff will attend and/or arrange for conferences at monthly intervals with the City for the purposes of describing completed design activities and review of schedule for completion of remaining activities. Meetings are assumed to be located at the City of San Marcos offices. Other meetings may be held via conference calls.

Quality Control Plan (QCP): BGE will implement and manage the Project QCP to reflect the proposed scope of work and team for the preparation of final construction documents. BGE will provide independent quality control reviews of the bid documents and supporting calculations at the 60% interim, 60%, 90%, and 100% milestones.

Data Collection and Reports

Field Survey (Design): BGE will perform field surveys and related office computations and drafting for collecting information required for design.

Contract Documents

For construction to proceed for the project, final bid documents must be prepared and approved, and required permits obtained. Contract documents consist of construction plans, specifications, and cost estimates for the project. The development of contract documents will involve the following milestones: 60% interim, 60% Preliminary Design Documents; 90% Final Design Documents; and 100% Final Construction Documents.

Bid Services

BGE shall participate in the pre-bid conference, prepare and issue addenda, and analyze Contractor bids and qualifications and provide a recommendation to the City regarding the bidder(s) qualifications within (7) calendar days following the bid opening.

Original Contract Amount:	\$ 124,035.00
Previous Increases/Decreases in Contact Amount:	\$ 0.00
This Increase/Decrease in Contract Amount:	\$ 262,148.00
Revised Contract Amount:	\$ 386,183.00

CONSULTANT:



June 6, 2020

Signature

Date

Roman D. Grijalva, P.E., Vice President

Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Print Name

Title

City Department Use Only Below This Line (PM, etc.).

Account Number(s):	Amount	Date
#C325 – Design – W/WW	\$ 70,779.96	06/03/20
#C325 – Design – Drainage	\$ 191,368.04	06/03/20

Exhibit 1
Supplemental Scope and Fee Proposal
for Change in Service #1



PROJECT BACKGROUND & INTRODUCTION

The Briarwood and River Ridge Improvements Project Preliminary Engineering Report (PER) dated April 2020 evaluated various drainage improvements to reduce the flood risk to the Briarwood Court subdivision and surrounding areas. Drainage Alternatives A and C as described in the report will be designed under this Change in Service #1 to existing professional services agreement 291.129-1. These drainage improvements consist of approximately 1150 feet of reinforced concrete box culverts and associated area inlets from Aspen Heights to a new outfall underneath Briarwood Court and into a proposed detention area just west of IH-35. Also, approximately 240 feet of reinforced concrete box culverts will be constructed underneath the IH-35 frontage roads to provide increased conveyance capacity with ultimate outfall toward the Blanco River. A new open channel approximately 1800 feet long will be constructed just west of the Briarwood cul-de-sac to provide additional flood conveyance to the north and southeast. The detention area described above will be improved to the extent needed to allow for flood conveyance into and outfall to the IH-35 frontage Road culverts. Water quality improvements (stormwater treatment) and Construction Phase Services are excluded from this project but may be added later. Lastly, approximately 1,850 feet of existing 2” waterlines currently serving Briarwood Court residences will be either removed or abandoned and replaced with approximately 1,970 feet of new 8” waterline within the roadway along Briarwood Court and looped to connect into the existing water supply system (Option B).

SCOPE OF SERVICES

The following scope of services defines the tasks recommended to prepare final construction plans and specifications, coordinate with City, State, and Federal agencies, and provide limited engineering services through the Project’s bid phase. The various tasks and deliverables are to be performed and submitted in accordance with the City of San Marcos (City) Design and Construction Guide, and approved project schedule and budget.

TASK 01 PROJECT MANAGEMENT

TASK 01A MONTHLY REPORTS

BGE will prepare monthly written progress reports for the duration of the Design Phase. The Project’s schedule will be prepared prior to the onset of the Project’s Notice-to-Proceed and will be updated as necessary and reissued to the City and Project Team throughout the design phase. The schedule will estimate the completion of major Project milestones in the Design and Bid Phases.

TASK 01B PROJECT MEETINGS/CONFERENCES

Project Meetings/Conferences: BGE staff will attend and/or arrange for conferences at monthly intervals with the City for the purposes of describing completed design activities and review of schedule for completion of remaining activities. Meetings are assumed to be located at the City of San Marcos offices. Other meetings may be held via conference calls.

TASK 01C QUALITY CONTROL PLAN (QCP)

BGE will implement and manage the Project QCP to reflect the proposed scope of work and team for the preparation of final construction documents. BGE will provide independent quality control reviews of the bid documents and supporting calculations at the 60% interim, 60%, 90%, and 100% milestones.

TASK 02 DATA COLLECTION AND REPORTS

The following data collection tasks will be initiated upon receipt of the design phase notice to proceed.

TASK 02A FIELD SURVEY (DESIGN)

BGE will perform field surveys and related office computations and drafting for collecting information required for design.

Such surveys will meet the following contract requirements:

- Horizontal and vertical control adequately documented on the final plans.
- Staking and referencing of points of intersections (PI's), points of curvature (PC's), points of tangency (PT's), and benchmarks (BM's) necessary to establish the Project construction in the field.
- If necessary, establish Static GPS Control Monuments with U.S. Geological Survey (USGS) NAD 83 (2011 Adjustment, Epoch 2010) and NAVD 88.
- Horizontal control for facilities shall be on the Texas State Grid Coordinate System Central Zone Grid Coordinates carried to second-order accuracy to permit actual construction staking to third order accuracy.
- The vertical control shall be based on USGS NAVD 88 datum and BM's shall be established not more than 1000 feet apart at an accuracy of 0.01 feet.
- Visible topographic features will be tied to the Project baseline(s) or centerline(s) and will include, but not limited to, existing property or lease lines, property or lease corners, utilities and appurtenances, roadways, structures, railroad structures, trees over eight inches in diameter, and other features within the limits of construction and twenty-five (25) feet beyond.
- Project control must be complete and staked in the field at the time of advertisement for bid so that construction staking can be accomplished immediately thereafter.
- 9-inch caliper or larger trees will be surveyed within or adjacent to the projected impacted areas.

Additionally:

- "Heritage" trees will only be labeled on the drawing with caliper size and identification of tree species.
- For non-ditch/creek areas, BGE will provide a topographic survey with 1' contours within the survey limits.
- For ditch/creek areas, BGE will provide channel cross sections spaced at no less than 50' apart, delineating the flow line, toe, and high banks.
- Survey data will be taken at geotechnical bores (7), infiltration tests (2), and SUE locate (4) points.

TASK 02B ENVIRONMENTAL INVESTIGATIONS

See attached Scope of Services from Cox McLain (**Exhibit 4**) to support CDBG-DR funding utilization.

TASK 03 CONTRACT DOCUMENTS

Mr. Rey Garcia, P.E.
06/03/2020

For construction to proceed for the project, final bid documents must be prepared and approved, and required permits obtained. Contract documents consist of construction plans, specifications, and cost estimates for the project. The development of contract documents will involve the following milestones: 60% interim, 60% Preliminary Design Documents; 90% Final Design Documents; and 100% Final Construction Documents.

60% Interim Conceptual Design Documents - Preparation will start immediately upon receipt of the Design Phase Notice-to-Proceed and will be based upon the final PER and best available information available at the time of preparation.

The 60% interim documents to include:

- QA/QC (Task 01C)

60% Preliminary Design Documents – Preparation of 60% documents will start immediately upon receipt of the 60% Interim Documents QC comments from the City. Documents will represent project proposed infrastructure, field survey, and Level ‘A’ SUE data.

The 60% documents will include:

- General Information and Drainage Plans Sheets (Task 03B and 03C)
- 60% Construction Cost Estimate (Task 03H)
- QA/QC Confirmation (Task 01C)
- Table of Contents for the Project Manual (Task 03G)
- Erosion and Sediment Control (ESC) Plan Sheets (Task 03E)
- Utility Relocation Plan Sheets (Task 03D)

90% Final Design Documents – Preparation of the 90% documents will start immediately upon receipt of 60% QC comments from the City.

The 90% documents will include:

- Responses to 60% City comments.
- 60% document items as listed above.
- Draft Project Manual (Task 03G) with any special provisions or specifications provided.
- Updated cost estimate.
- Easement acquisition support (Task 03K)

100% Final Construction Documents – BGE will prepare 100% final bid documents, which incorporate the City’s comments, and submit to the City for final review prior to bid.

The 100% documents will include:

- Responses to 90% comments.
- 90% document items as listed above.
- Final Project Manual (Task 03G) with any special provisions or specifications provided.
- Updated cost estimate.
- Final design calculations (H&H and ICM Model update) Task 03A.

Bid documents will not be printed until City authorizes BGE to do so. (Task 03J).

TASK 03A DESIGN CALCULATIONS

This task includes the update of the H&H calculations and ICM model. The ICM model will be updated and submitted once at the 100% contract document submittal.

TASK 03B GENERAL INFORMATION PLAN SHEETS

BGE will prepare General Information sheets to include a project cover sheet, sheet index, general notes, abbreviations, legends, and overall project maps, including any proposed phasing. General Information plans will be provided at the 60%, 90% and 100% contract document submittals.

TASK 03C DRAINAGE PLAN SHEETS

BGE will prepare drainage plans, details, and specifications for the project. The drainage plan sheets to include the project drainage area map, summaries of hydrologic and hydraulic calculations, existing condition maps, demolition and security access plans, site and grading plan, storm drain plan and profiles, and standard site and drainage details. City of San Marcos and TXDOT standard details and specifications will be used whenever possible. Drainage plans will be provided at the 60%, 90% and 100% contract document submittals.

TASK 03D UTILITY RELOCATION PLAN SHEETS (water)

BGE will prepare utility relocation plans, details, and specifications to facilitate the drainage improvements. Utility relocation sheets will include relocation designs for up to 3,120 linear feet of 8" water line. The design will be executed per the City of San Marcos Utility standard details and requirements. Utility relocation plans will be provided at 60%, 90% and 100% contract document submittals. Wastewater line relocations are not anticipated.

TASK 03E EROSION AND SEDIMENTATION CONTROL (ESC) PLAN SHEETS

BGE will prepare ESC plan sheets to delineate the project's limits of construction and to protect existing conditions from erosion and sedimentation due to construction. Plans will be prepared per City of San Marcos standard details and requirements. ESC Plans will be provided at 60% 90%, and 100% contract document submittals.

TASK 03G PROJECT MANUAL

The City will prepare the front-end documents and compile/assemble the manual for bid. BGE will assemble specifications (90% documents) and use City Standard Specifications whenever possible. It is assumed that the Project will not require a revision or special provision to the specifications for this project. If said documents become necessary, BGE will provide an additional services scope and fee for the City's approval prior to completion of said work.

TASK 03H CONSTRUCTION COST ESTIMATE

BGE will prepare and update construction cost estimates at each major project milestone (60%, 90%, and 100%). The estimate will utilize City of San Marcos and TXDOT pay items and appropriate contingencies. If the estimate exceeds the City construction budget at a milestone, the consultant shall consult with the City as to what action to take. If the City requires revisions to the project design to reduce the project construction cost, the Consultant shall, for additional compensation, then make such revisions to the project construction documents. BGE will provide an additional services scope and fee for the City's approval prior to completion of said work.

TASK 03J SUBMITTALS

BGE will provide three (3) full and eight (8) half size (11"x17") copies of final bidding documents (consisting of plans, details, and the Project Manual). In addition, BGE will provide 1 copy of electronic files on CD-ROM, or other comparable durable electronic media containing the final Bidding Documents in both .pdf and AutoCAD format.

Mr. Rey Garcia, P.E.
06/03/2020

Phased (60% interim, 60%, 90%, and 100%) documents will be submitted to the City for review and comment. A 14-calendar day review by the City is assumed at each milestone review. BGE will formally respond to one (1) round of City comments per phase (60% interim, 60%, 90%, and 100%). BGE will provide an additional services scope and fee for the City's approval for any additional round of comments.

TASK 03K EASEMENT ACQUISITION SUPPORT

BGE will provide exhibits and supporting information to the City to acquire permanent and temporary easements for construction. BGE is not responsible for acquisition of any real estate associated with the Project.

TASK 03E PERMITTING / AGENCY COORDINATION

BGE will prepare a Stormwater Pollution Prevention Plan (SWPPP) per TCEQ and City of San Marcos guidelines.

TASK 04 BID SERVICES

04A Pre-Bid Conference

BGE shall participate in the pre-bid conference.

04B Addenda

BGE shall prepare and issue addenda (a total of 3 addenda assumed).

04C Bid Review

BGE shall analyze Contractor bids and qualifications and provide a recommendation to the City regarding the bidder(s) qualifications within (7) calendar days following the bid opening.

04D Conformed Plans (As- Built)

BGE shall submit a conformed set of construction plans including the following: (1) 3 full size and 3 half size (11"x17") Plans; (2) 3 Project Manuals, and (3) copies of electronic files.

TASK 05 CONSTRUCTION PHASE SERVICES

Construction Phase not included but may be added later.

INFORMATION TO BE PROVIDED BY OWNER/OTHERS AND NOT MANAGED BY BGE

1. Existing Record Drawings within or adjacent to the selected alternative(s) corridor.
2. Utility location information (SUE) along the selected alternative(s) corridor.
3. Geotechnical information along the selected alternative(s) corridor.
4. Right of Entry for BGE representatives on private property.

ADDITIONAL SERVICES

The Scope of Services and the budget presented herein does not include the following services. At such time that it is determined that these services or other additional services may be required, BGE will obtain authorization from the City prior to performing any of these additional services.

1. Travel and subsistence required of BGE and authorized by City to points other than local governmental agencies, consultant offices, and Project site.
2. Significant revisions by the City after receiving initial direction by City staff or after obtaining approvals from City and other permitting authorities.

Mr. Rey Garcia, P.E.
06/03/2020

3. Unless specifically stated otherwise, filing, review, permit, inspection, or other fees assessed by City, County, or State permitting authorities are excluded.
4. FEMA CLOMR/LOMR coordination, submittals, and approvals.
5. U.S. Army Corp of Engineers (USACE) permitting.
6. U.S. Fish and Wildlife Service (USFWS) consultation.
7. Texas Parks and Wildlife (TPWD) coordination.
8. Level 'B', 'C', or 'D' SUE.
9. Structural details/plan sheets and structural design.
10. Management of services or products provided by City geotechnical or SUE consultants.
11. Existing wastewater line relocations.
12. Tree mitigation plan or Landscape Architecture services.
13. Stormwater treatment of runoff.
14. Construction Phase Services.

SCHEDULE

Upon receiving Notice-to-Proceed (NTP) Final Construction Documents and all permits are scheduled to be completed in approximately 12 months. A three (3) month bid advertisement and award period would immediately follow the completion of Final Construction Documents. A 14-month construction duration is anticipated.

COMPENSATION

Compensation for the above Scope of Services shall be in accordance with the terms of the existing professional services agreement 291.129-1. An itemization of the labor fees and expenses is included in the attached fee schedule, which includes the projected fees of all subconsultants. All compensation will be on a **Lump Sum** basis in accordance with the terms of our Professional Services Agreement. The total compensation for the above Scope of Services is tabulated below:

Design Phase:	\$252,430
Bid Phase:	\$9,718
Construction Phase:	\$0
Total Compensation:	\$262,148

EXHIBIT 2
City of San Marcos - Engineering & Capital Improvements Department
FEE PROPOSAL BREAKDOWN

Project: Briarwood and River Ridge Improvements Final Design
 Prime Consultant: BGE, Inc.
 Proposal Date: 6/3/2020
 Prepared By: Ken Carper, PE

	Principal (QA/QC) \$262.00	Sr. Project Manager \$194.00	RPLS \$180.00	Project Engineer \$142.00	EIT III \$116.00	Survey Crew \$160.00	CADD Tech III / Eng Tech III (GIS) \$132.00	Admin/Clerical \$105.00		
TASK CODE AND DESCRIPTION	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS	TASK HOURS	TASK / PHASE FEE
Task 1 - Project Control/Management	40	72	0	24	0	0	0	12	148	\$29,116.00
a. Monthly Reports		48		24					48	\$9,312.00
b. Progress (4) and Public Information (2) Meetings/Consultation		24		24				12	60	\$9,324.00
c. QA/QC Reviews (4)	40								40	\$10,480.00
Task 2 - Data Collection and Reports	0	24	12	0	0	132	40	0	208	\$33,216.00
a. Design Survey			12			132	40		184	\$28,560.00
b. Environmental Coordination and Review (Cox McLain)		24			0		0		24	\$4,656.00
Task 3 - 60% Contract Documents (includes 30% interim QC review)	1	20	0	70	299	0	284	10	684	\$87,304.00
a. Water Main Design and Plan Sheets (Utility Relocation)	1	6		12	80		95	4	198	\$25,370.00
b. Stormwater Drainage Design and Calculations		4		16	75		30	3	128	\$16,023.00
c. Erosion and Sediment Control Plans		1		8	30		40		79	\$10,090.00
d. 60% Cost Estimate		1		8	24		0		33	\$4,114.00
e. General Information and Drainage Plan Sheets, Project Manual TOC		4		10	60		95	3	172	\$22,011.00
f. Response to Comments (2)		4		16	30		24		74	\$9,696.00
Task 3 - 90% Contract Documents	1	11	1	58	120	0	134	6	331	\$42,870.00
a. General Information, Drainage and Utility Plan Sheets (Update)	1	4		10	50		70		135	\$17,498.00
b. Easement Acquisition Support		0	1	4	16		40		61	\$7,704.00
c. Draft Project Manual		2		16	30		16	6	70	\$8,882.00
d. 90% Cost Estimate		1		4	16		0		21	\$2,618.00
e. Response to Comments		4		24	8		8		44	\$6,168.00
Task 3 - 100% Contract Documents	0	7	0	36	80	0	52	4	179	\$23,034.00
a. General Information, Drainage and Utility Plan Sheets (Update)		1		8	12		24		45	\$5,890.00
c. Final Project Manual		1		4	8		4	4	21	\$2,638.00
d. Final Design H&H Calculations and Model Update		2		16	40		16		74	\$9,412.00
e. 100% Cost Estimate		1		4	12		0		17	\$2,154.00
f. Response to Comments		2		4	8		8		22	\$2,940.00
Task 4 - Bid Phase	0	11	0	18	24	0	17	0	70	\$9,718.00
a. Assist the City in Preparing Advertising Documents		1		2	2		2		7	\$974.00
b. Attend Pre-Bid Meeting		2		2					4	\$672.00
c. Respond to Contractor Questions		4		4	4		4		16	\$2,336.00
d. Prepare and Distribute Necessary Addenda (3)		1		4	8		3		16	\$2,086.00
e. Prepare Conformed Set of Plans and Specifications		1		2	8		8		19	\$2,462.00
f. Prepare Bid Tabulation and Letter of Recommendation	0	2		4	2				8	\$1,188.00
Task 5 - Construction Phase (Assuming 14 months for Construction)	0	0	0	0	0	0	0	0	0	\$0.00
a. Review Contractor Pay Requests (14)										\$0.00
b. Review / Negotiate Change Orders (4)										\$0.00
c. Review Submittals (14)										\$0.00
d. Respond to RFIs (7)										\$0.00
e. Project Site Visits and Reports (14 Site Visits)										\$0.00
f. Participate in Contractor Progress Meetings (7)										\$0.00
g. Final Walkthrough and Punchlist Review (1)										\$0.00
h. Project Closeout (Record Drawings, Warranty Inspection)										\$0.00
Reimbursable Expenses (Mileage) - 10 round trips at 150 miles each										\$1,000.00
Subconsultant: Cox McLain - Environmental Clearance (EA)										\$35,890.00
TOTAL BASE FEE WITH HOUR BREAKDOWN	42	145	13	206	523	132	527	32	1620	\$262,148.00

ENVIRONMENTAL INVESTIGATIONS – SCOPE OF SERVICES
Briarwood and River Ridge Drainage Improvements
For BGE & the City of San Marcos

Project Understanding

Cox|McLain Environmental Consulting, Inc. (CMEC) understands that the City of San Marcos (City) is developing plans for drainage improvements in and around the Briarwood Court subdivision (**Exhibit 1**). The City has contracted BGE, Inc. (Engineer) to design drainage improvements that may include detention basins, open-channel drainage, and/or underground stormwater infrastructure improvements. CMEC understands that the project components would discharge to existing stormwater infrastructure and eventually discharge to the Blanco River at existing outfalls. CMEC understands that various proposed components would require new easement dedication or property acquisition. Additionally, CMEC understands that the project would receive funding from Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Relief (CDBG-DR) program, and that additional infrastructure improvements (e.g., street reconstruction, sidewalk, water infrastructure relocation) would use City funds.

Environmental Services

BGE will provide project alternatives analysis in a Preliminary Engineering Report. CMEC will provide supporting materials for an Environmental Review Record. Due to the new infrastructure elements being proposed, CMEC assumes that the appropriate level of effort associated with the ultimate project's environmental review would be an Environmental Assessment (EA) in accordance with *24 CFR Part 58 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities – Subpart E (Environmental Review Process: Environmental Assessments)*. CMEC will be responsible for data entry using the HUD Environmental Review Online System (HEROS) and the City would be assigned review of the documentation. Excluded services are listed below under **Additional Clarifications and Exclusions**. CMEC will provide the documentation necessary to complete the EA along with supporting mapping and documentation where necessary.

It is assumed that the No Build option will not meet the project's purpose and need, and one Build Alternative will be assessed. CMEC will investigate the following primary topics with research and analysis:

- Cultural Resources
 - Archeological and Historic Resources Coordination Letters to the THC
 - Archeological Resources Survey and Report
 - Historic Resources Survey and Report (e.g., adjacent to acquisitions/permanent easements)
 - Draft Tribal Coordination Letters and mailing list
- Water Resources, Wetlands, and Floodplains (no hydrologic analysis or modelling included)
 - Draft Notification Materials
 - Impact analysis, as needed
- Threatened and Endangered Species Habitat Assessment
- Hazardous Materials Database Search and Analysis
- Socioeconomic/Environmental Justice Analysis
- Additional resource investigations as required by HUD (e.g., Airport Clear Zones, CZMA Proximity, etc.) to accompany current resource partner worksheet submittals
- Draft language for notification and EA Finding and Request for Release Of Funds (RROF) to support the City's submittal

The EA will be prepared to comply with *24 CFR Part 50.4, 58.5, and 58.6 Laws and Authorities* including statements with regard to these categories mentioned in the guidance:

- the National Historic Preservation Act of 1966 and other cultural resources regulations
- Floodplain Management
- Wetlands Protection
- Coastal Zone Management
- Sole Source Aquifers
- Endangered Species
- Wild and Scenic Rivers
- Air Quality
- Farmland Protection
- Noise Control and Abatement

- Explosive and Flammable Operations
- Airport Hazards (Runway Clear Zones)
- Contamination and Toxic Substances (a Hazardous Materials Database Search will be conducted)
- Environmental Justice (Executive Order 12898)

Additional Clarifications and Exclusions

The National Historic Preservation Act of 1966 and other cultural resources regulations: A search of the Texas Archaeological Resources Laboratory (TARL) and Texas Historical Commission (THC) databases will be conducted to identify known resources in the project area. A THC coordination letter will be prepared to determine whether or not an archeological survey and/or construction-phase monitoring is recommended. Pedestrian survey augmented with shovel testing is assumed in this scope. The letter(s) will also be used to establish the APE for historic resource investigations; it is assumed that a Historic Resource Survey and report will be required for historic-age properties in the vicinity of acquisitions or new easements. Archeological field investigations such as monitoring, testing, and data recovery excavations are not included in this scope but could be provided under additional scope and fee.

Endangered Species Act: A vegetation/habitat assessment would be conducted to determine whether or not proposed project activities would affect threatened/endangered species habitat. Coordination with the U.S. Fish and Wildlife Service would be required for any potential impacts to endangered species in accordance with the Endangered Species Act; however, no impacts are anticipated. The scope does *not* include Endangered Species Presence/Absence Surveys; Endangered Species Section 7 or Section 10(a) Formal Consultation and/or the preparation of a Biological Assessment, Habitat Conservation Plan, or assistance with a Biological Opinion.

Public Involvement: It is assumed that the City of San Marcos staff will handle any public notice of document availability for review or any public meeting requirements. CMEC will provide draft materials for City dissemination.

Other services not included, though available for additional scope and fee:

- Right of entry coordination
- Clean Water Act Section 404 permitting or direct coordination with USACE
- Noise barrier analysis
- Air quality modeling
- Geologic Assessment or other Aquifer Protection Plan development per TCEQ requirements
- Expert witness services
- Mitigation planning
- Construction phase monitoring or services
- Phase 1, Phase 2, or Phase 3 Environmental Site Assessment for Hazardous Materials

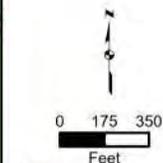
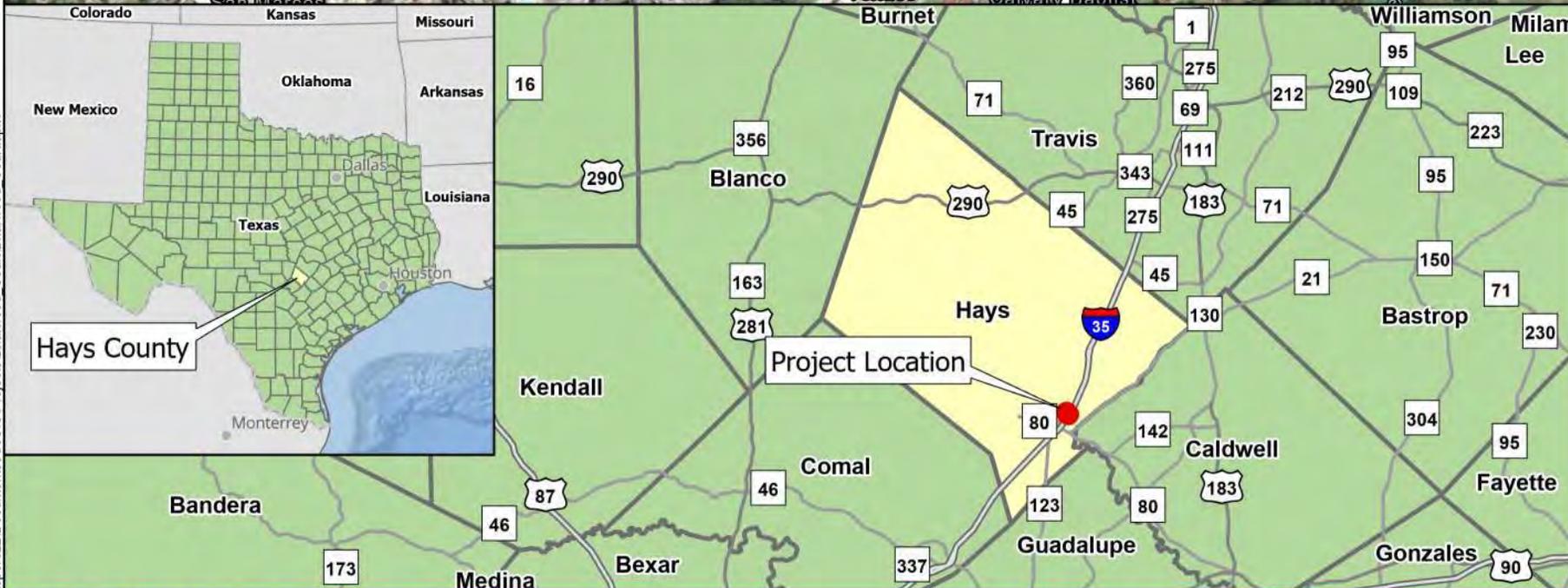
Deliverables

CMEC will provide the information necessary to complete the EA for a HUD project along with supporting mapping and documentation for a cost, not to exceed \$35,889.40, as detailed in **Attachment A**.

L. Ashley McLain, AICP, Principal
Cox|McLain Environmental Consulting, Inc

PROVIDER NAME: Cox McLain Environmental Consulting, Inc.													BGE Inc. - Briarwood and River Ridge Drainage Improvements	
TASK DESCRIPTION	PROJECT MANAGER	QA/QC REVIEWER	SR ENVL SCIENTIST II	SR ENVL SCIENTIST I	ENVL PROF II	ENVL PROF I	ENVL STAFF II	ENVL STAFF I	ENVL TECH II	ENVL TECH I	ADMIN/CLERICAL		LABOR HOURS & COSTS	
HUD EA and Supporting Documentation														
Informal Meetings and Project Communications														
Project Management, meetings, communications	6		2		12						12		32	
Agency Coordination - in person meetings (not included)													0	
Public Involvement/Document Distribution (not included)													0	
HUD EA and Supporting Documentation														
Environmental Review Record documentation														
Archeology Background Study - THC Coordination Letter	1	2	1		4		4		2				14	
Archeology Pedestrian Survey					8		12						20	
Report Preparation, Curation, and Permit Closure	1	2	2		8		16		16				45	
Historic Resources - THC Coordination Letter		1	2		6		4						13	
Historic Resources Reconnaissance Survey & Report (Draft and Final)	1	2	2				16	14	8				43	
Tribal Coordination Draft Materials				1			4	4					9	
Wetlands/Floodplains Assessments & Draft Notifications		1		4	8		12		12				37	
Geologic Assessment (not included)													0	
Threatened/Endangered Species Habitat Assessment	1	1		8			12		4				26	
USFWS Coordination per ESA (e.g., informal section 7) (not included)													0	
Hazardous Materials Database Search and Analysis		1			2	4	8		8	2			25	
Socioeconomics/Environmental Justice		2		2		8		8	4				24	
Air Quality (not included)													0	
HUD Resource Worksheets/HERO Uploads	2	8	1	1	8	16		20	4				60	
Comments and responses, coordination for Environmental Document	4	6		2	2		8	4	8	4			38	
EA Finding - draft language: Request for Release of Funds support	3		4			4	4						15	
HOURS SUB-TOTALS	19	26	14	18	58	52	98	40	58	6	12		401	
CONTRACT RATE PER HOUR	\$159.60	\$75.60	\$142.80	\$123.20	\$112.00	\$98.00	\$75.60	\$67.20	\$56.00	\$51.80	\$50.00			
TOTAL LABOR COSTS	\$3,032.40	\$1,965.60	\$1,999.20	\$2,217.60	\$6,496.00	\$5,096.00	\$7,408.80	\$2,688.00	\$3,248.00	\$310.80	\$600.00		\$35,062.40	
% DISTRIBUTION OF STAFFING	5%	6%	3%	4%	14%	13%	24%	10%	14%	1%	3%			
OTHER DIRECT EXPENSES (PHASE 1 ONLY)														
	UNIT	# OF UNITS	COST/UNIT											
Lodging/Hotel	day/person		\$80.00										\$0.00	
Lodging/Hotel Taxes/fees	day/person		\$20.00										\$0.00	
Meals	day/person		\$41.00										\$0.00	
Mileage	mile	600	\$0.545										\$327.00	
Standard Postage	letter		\$0.49										\$0.00	
Overnight Mail - letter size	each		\$25.00										\$0.00	
Overnight Mail - oversized box	each		\$30.00										\$0.00	
Courier Services	each		\$25.00										\$0.00	
Photocopies B/W (8 1/2" X 11")	each		\$0.10										\$0.00	
Photocopies B/W (11" X 17")	each		\$0.20										\$0.00	
Photocopies Color (8 1/2" X 11")	each		\$0.50										\$0.00	
Plots (B/W on Bond)	square foot		\$0.50										\$0.00	
Plots (Color on Bond)	square foot		\$1.00										\$0.00	
Hazardous Materials Database Search	search	1	\$500.00										\$500.00	
Geologic Assessment (not included)	report		\$3,000.00										\$0.00	
Archeology Equipment - Backhoe Operator (not included)	day/person		\$1,500.00										\$0.00	
CDs	each		\$1.50										\$0.00	
SUBTOTAL DIRECT EXPENSES													\$827.00	

SUMMARY	
EA LABOR	\$35,062.40
EA NON-LABOR	\$827.00
TOTAL	\$35,889.40

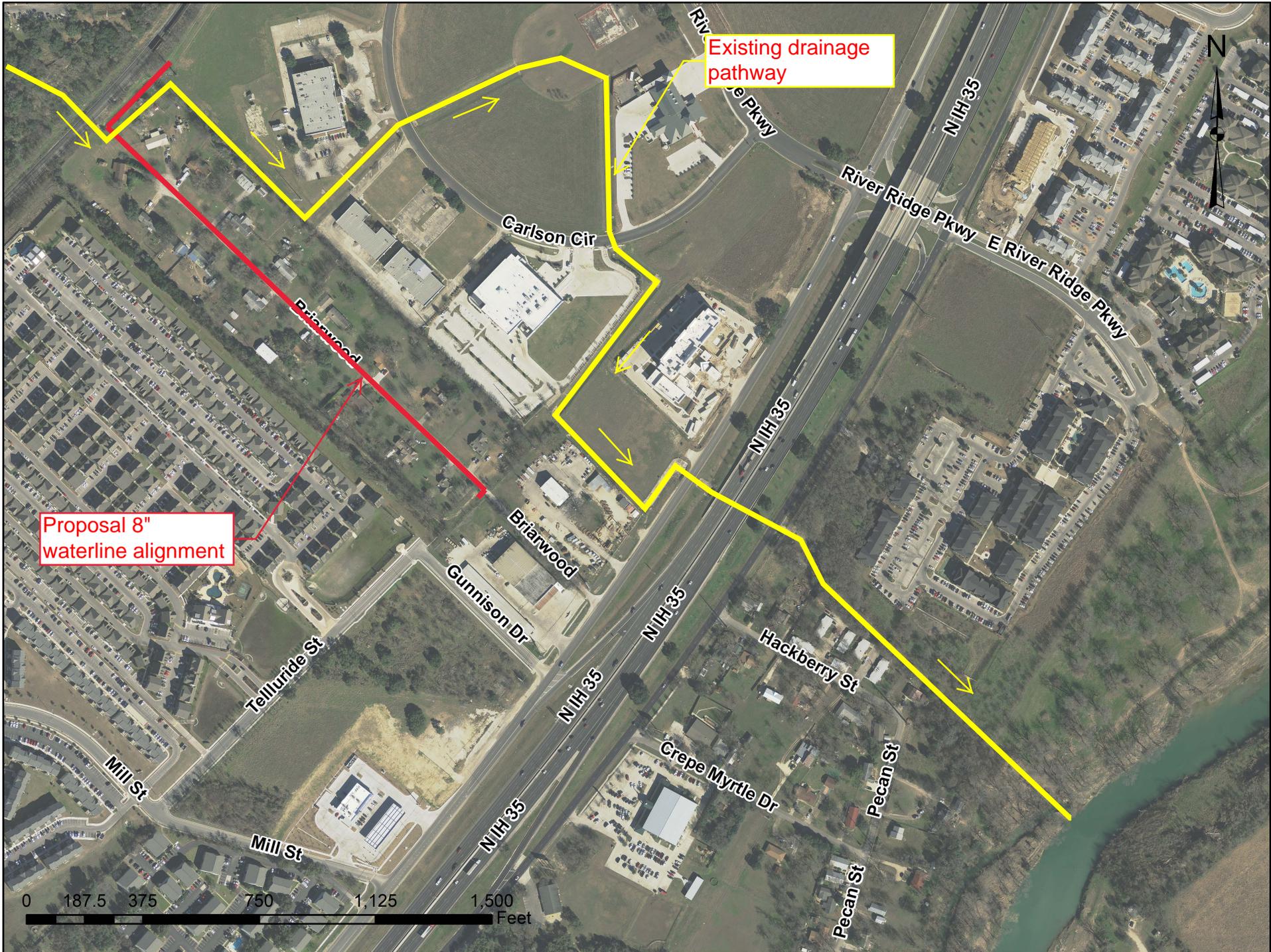


Disclaimer:
Every effort has been made to ensure the accuracy of the basemap data. BGE, Inc. assumes no liability or damages due to errors or omissions.

Date Dec. 2018 Job No: 7171-00

Exhibit A1 Vicinity Map

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Legislation Text

File #: Res. 2020-119R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-119R, approving a professional services agreement with Jones and Carter for engineering services relating to the Dunbar Utility Improvements project in the estimated amount of \$311,094.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Engineering and CIP, Laurie Moyer, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$311,094.00

Account Number: C704

Funds Available: W-WW: \$1,000,000.00

Account Name: Dunbar Utility Imps

Fiscal Note:

Prior Council Action: None

City Council Strategic Initiative: [Please select from the dropdown menu below]

City Facilities

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Water Master Plan

Wastewater Master Plan

Background Information:

This is a professional services agreement between the City and Jones and Carter is for \$311,094.00 and includes preliminary engineering design services for water and wastewater mains to be upgraded to a minimum of 8". These upgrades will also improve fire protection and hydraulic conditions for the Dunbar neighborhood area. This project is funded with City water/wastewater funds. Concluding preliminary design in late 2020 and after options have been presented in the Preliminary Engineering Report, the City anticipates negotiating with Jones and Carter, final design services. Construction is scheduled for mid-2022.

On April 16, 2019 City Council approved a list of fifteen most highly qualified Engineering firms in response to a solicitation for On-Call Water and Wastewater Engineering Services, 219-129 to provide professional Engineering services as needed in connection with current and future Water/Wastewater capital improvements projects. Jones and Carter was selected for this project from the previously approved list of qualified engineering firms.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of this agreement with Jones and Carter for the amount of \$311,094.00 for preliminary engineering.

RESOLUTION NO. 2020-314R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH JONES AND CARTER FOR ENGINEERING SERVICES RELATING TO THE DUNBAR UTILITY IMPROVEMENTS PROJECT IN THE ESTIMATED AMOUNT OF \$311,094.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Professional Services Agreement with Jones and Carter for engineering services relating to the Dunbar Utility Improvements Project in the estimated amount of \$311,094.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the professional service agreement on behalf of the City.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

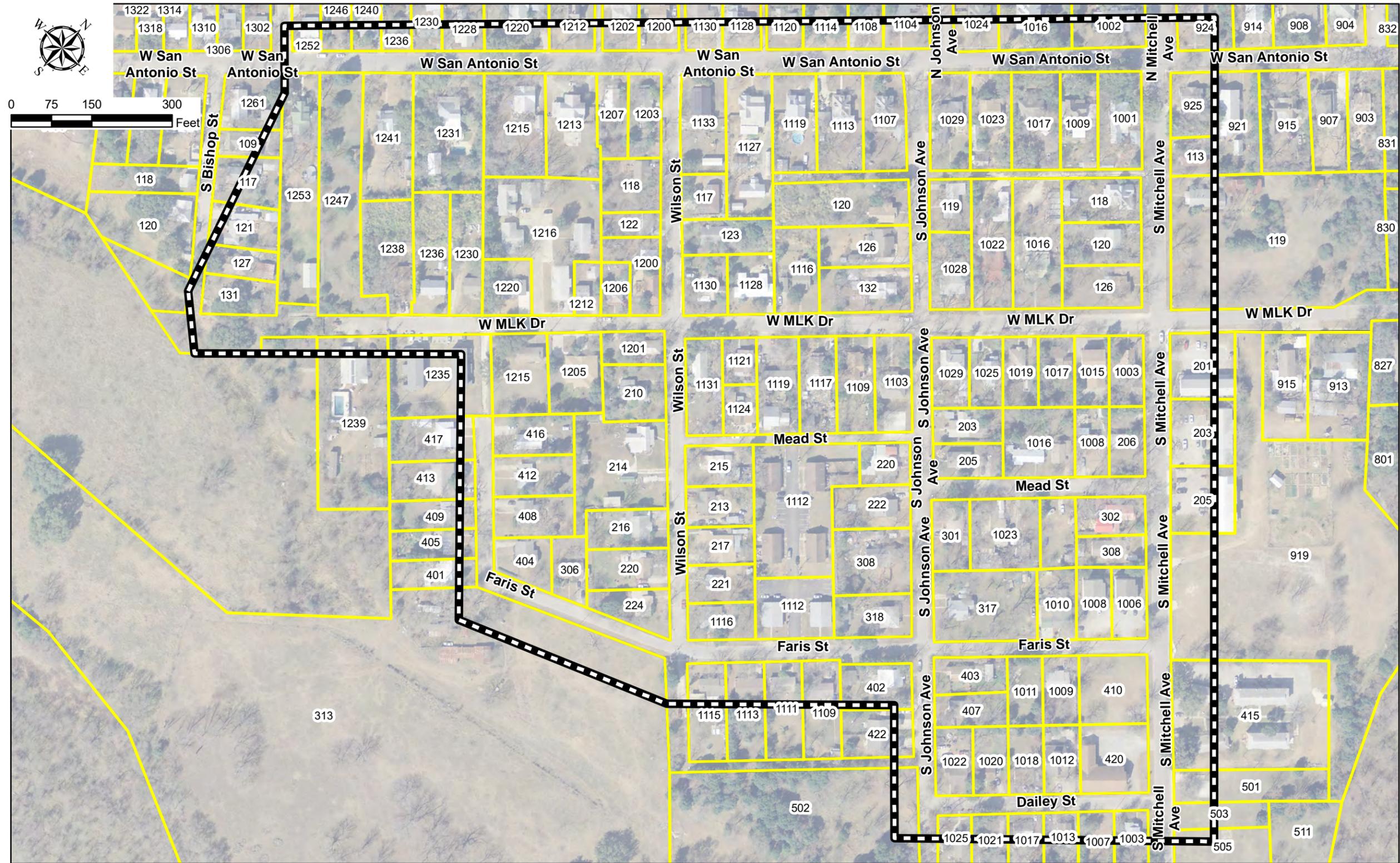
ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Dunbar Utility Imps Aerial





3100 Alvin Devane Boulevard
Suite 150
Austin, Texas 78741
Tel: 512.441.9493
www.jonescarter.com

May 4, 2020

Mr. Rey Garcia, P.E.,
Sr. Project Manager/Sr. Engineer
City of San Marcos
Capital Improvements / Engineering
630 E. Hopkins
San Marcos, Texas 78666

Re: Professional Engineering Services Proposal
Project I.D. 704
Dunbar Water and Wastewater Improvements
Revision No. 01

Dear Mr. Rey Garcia, P.E.,

Jones|Carter is pleased to resubmit the following scope of work and fee proposal package for professional engineering services to the City of San Marcos for the Dunbar Water and Wastewater Improvements Project (City of San Marcos I.D. 704). J|C understands the two key issues to address for this project include:

- Water and Wastewater Improvements in the form of upgrades as defined in the scope of work;
- Assess West San Antonio Street Right of Way for feasibility of addition of Bike Path as defined in the scope of work.

With this package, Jones|Carter is proposing Nieves Alfaro, P.E., as project manager for this project. Mr. Alfaro has 25 years of experience with utility design for municipalities, including with the City of San Marcos, and within established neighborhoods.

We have addressed your comments and made the necessary changes. We are available at your convenience to answer questions or meet to go over the package. Thank you again for requesting that Jones|Carter submit on this project.

Sincerely,

Handwritten signature of Gary P. Rabalais in blue ink.

Gary P. Rabalais, P.E.
Senior Vice President

Sincerely,

Handwritten signature of Nieves Alfaro in blue ink.

Nieves Alfaro, P.E.
Vice President - Water

GPR/bmm

V:\Opportunity Documents\OP100-7881-00 Dunbar Utility Improvements\Dunbar Proposal Cover Letter_R3.docx

PROPOSED SCOPE OF SERVICES
FEASIBILITY AND PRELIMINARY ENGINEERING SERVICES
CITY OF SAN MARCOS
ENGINEERING AND CAPITAL IMPROVEMENTS
DUNBAR WATER AND WASTEWATER IMPROVEMENTS PROJECT

Project Understanding:

The City of San Marcos (City) desires to upgrade water and wastewater mains to a minimum of 8-inch to improve fire protection and improve hydraulic conditions for the project area. The project area is defined by the following boundaries:

- Northern Boundary – South of W. Hopkins St.
- Southern Boundary – Dailey St., with exception of utilities extending south of Dailey St. on S. Johnson Ave.
- Eastern Boundary – West of S. Mitchell Ave.
- Western Boundary – East of N. Bishop St.

Scope of Services

This Scope of Work includes preliminary engineering design phase services associated with defining the project area’s existing conditions, defining design criteria, and establishing recommendations for Design Phase Services. The proposed improvements include the following:

1. Water and Wastewater Improvements in the form of upgrades in the following areas
 - a. McAllister St. from Deadend to N. Mitchell St.
 - b. W. San Antonio St. from N. Bishop St. to N. Mitchell Ave.
 - c. W. MLK Dr. from N. Bishop St. to S. Mitchell Ave.
 - d. Mead St. from Wilson St. to S. Mitchell Ave.
 - e. Faris St. from Deadend to S. Mitchell Ave.
 - f. Dailey St. from S. Johnson Ave. to S. Mitchell Ave.
 - g. Alley from McAllister St. to W. San Antonio St.
 - h. Wilson St. from W. San Antonio St. to Faris St.
 - i. N. Johnson Ave. from W. Hopkins St. to W. San Antonio St.
 - j. S. Johnson St. from W. San Antonio St. to East of Dailey St.
2. Assess ROW for feasibility of addition of Bike Path
 - a. W. San Antonio St. from N. Bishop St. to N. Mitchell Ave.

A project layout map of the proposed improvements is depicted in **Attachment 1**. The following is a detailed description of the Scope of Services for the Feasibility and Preliminary Engineering Design Phase Services for the project.



FEASIBILITY AND PRELIMINARY ENGINEERING DESIGN PHASE SERVICES

Task 110 – Project Initiation

J|C will setup the project internally, prepare subconsultant agreements, prepare a Project Work Plan, which includes a Quality Management Plan, and conduct a Project kick-off meeting with representatives from the City and other team members to discuss the scope, schedule, coordination and Quality Control of the Project.

Deliverables

- Project Work Plan
- Project Kickoff Meeting

Task 120 – Project Administration and Project Management

J|C will be the managing representative of the design team and directly coordinate with City staff. J|C will provide a single point of contact for the City.

Monthly status meetings will be held by the City's Project Manager and J|C. Items to be discussed during the monthly meetings may include, but not be limited to; progress reports, invoices, technical issues, policy interpretations, goals, anticipated challenges, etc. The meetings may also be used to present, discuss, and/or review work-in-progress as required by the City's Project Manager. J|C will prepare and submit minutes of these meetings to the City's Project Manager within one week of the meeting. J|C or the City's Project Manager will schedule the meetings. The proposed level of effort is based on six (6) project meetings during a Feasibility and Preliminary Engineering Design Phase duration of approximately 6 months.

J|C will prepare monthly status reports/email and deliver the reports to the Project Manager a minimum of three business days prior to the monthly status meeting. J|C will submit a monthly status report every 30 days even if meetings are postponed or cancelled. The status report will summarize work completed, work scheduled to be completed for the upcoming month, and any outstanding issues or decisions that must be resolved by City staff and the project team. At the request of the City's Project Manager, J|C will make all plans and project work available for review and examination by City staff.

J|C will provide a hard copy and digital copy of the project schedule prepared using Microsoft Project.

J|C will provide Quality Assurance / Quality Control reviews prior to each submittal to the City as well as a Constructability review prior to finalizing the plans. All Quality Assurance /Quality Control and Constructability reviews will be conducted in accordance with J|C's approved Quality Management Plan.

J|C will coordinate with the subconsultants and OTHERS involved to maintain communication, provide project direction, and to provide general subconsultant management.

J|C will attend project workshops with the City to review major submittals. This task includes preparing applicable exhibits, presenting proposed work, and answering questions as necessary. J|C will prepare meeting minutes of the workshops and submit to the City's Project Manager for distribution. The proposed level of effort includes one (1) workshop to present the DRAFT Feasibility and PER Report submittal.

J|C will attend up to two (2) meetings with the public and be prepared to review project goals, project status, and answer questions. The City will schedule, host, and be responsible for conducting the meetings. J|C will prepare up to two (2) full-size (22"x34") exhibits for each meeting and prepare



meeting minutes and submit them to the City's Project Manager. A two-hour duration has been assumed for each meeting.

Deliverables

- Project Management
- Monthly Status Meetings
- Monthly Status Report
- Submittal Workshop
- Public Meetings

Task 130 – Field Investigations

Survey - J|C (through J|C Survey) will obtain field survey data necessary for the design of the proposed improvements. Such surveys shall include horizontal and vertical control adequately documented on the construction plans and all points necessary to establish Project construction in the field. Horizontal and vertical control (benchmarks) will be based on the City of San Marcos GIS coordinate system (NAD 1983). Benchmarks will be established at a maximum separation of 1,000 feet with a leveled accuracy of 0.01 feet from the nearest City of San Marcos Survey Control Monument found. The survey data will be provided in a digital form in a format that can be read into the City of San Marcos GIS.

All features will be tied to the City of San Marcos existing survey control network and will include:

- a. Survey of the project area indicating right of way lines, property lines, as determined from existing corners located during the time of the survey and/or deed record research, fences, pavement, signs, curb and gutters, drainage structures, power poles, etc. within the project area.
- b. A right of way to right of way of topographic survey of the project area streets with the project area. Areas outside of right of way requiring survey will be recommended for Design Phase.
- c. Horizontal locations and sizes of all known underground and overhead utilities to include wastewater manholes, storm manholes, water valves and gas valves.
- d. Vertical locations of underground utilities, as can be accessed without potholing that may impact the design. J|C is responsible for assisting the surveyor with identifying the utilities that should be collected along the project route;
- e. Locate trees (9 inches and above) within the proposed work area in accordance with the current City of San Marcos Tree Ordinance.
- f. Locate geotechnical soil bore locations for the project.
- g. Confirm ROW utility marking from Utility coordination through the City.

Included will be coordination with the Survey team for development of engineering and placement of the water and wastewater infrastructure, review of survey files and field confirmation of items located by the surveyor.

Utility Investigations - J|C will coordinate with the City to receive records for as-built information detailing the locations of underground utilities within the project area, both public and private. The City will lead this effort and will include research and compilation of data for existing water and wastewater utility systems, existing water and wastewater tap records, existing dry utilities, etc. J|C will organize the information provided and utilize the information for the development of the 30% Design. J|C will also provide a list of utilities needing additional information in the form of SUE Services proposed or the Design Phase.



Right of Entry – J|C will coordinate with the City to request right of entry from the property owners along the project route. These requests will vary depending on the information needed and are due to the anticipated improvements within the project area. J|C will assist with the right of entry requests; however, we cannot guarantee property owners will grant entry and we have budgeted for the initial request only.

Right of entry documents for each property will be drafted for City review. Documents related to right of entry include exhibits showing property ownership, boundary lines, aerial images and areas requesting easements.

Deliverables

- Full Survey of Project Area within ROW.
- Right of Entry Documents

Task 140 – Geotechnical Evaluation

J|C will coordinate with Arias and Associates to perform the required geotechnical investigations for the project. Geotechnical investigation and analysis will be completed to provide information and criteria to be utilized in the design of the upgrade of existing 2-in to 6-in water and wastewater line to proposed 8-in and 12-in for the Dunbar subdivision. During the Preliminary Engineering Phase, the installation methods is assumed to be trenched, open cut methods within the ROW. If trenchless methods are required, these areas will be identified during the engineering analysis and recommended. Additional geotechnical investigations may be required during the Design Phase if trenchless methods are required. The geotechnical investigation will result in establishing baseline conditions for construction and apply them to the recommendations for design: Bedding and backfilling recommendations for trenched excavations; Modulus of soil reaction, E' , for buried pipelines; General recommendations for construction; and Recommendations for groundwater control. The J|C team will issue electronic copies of the Geotechnical Data Report (GDR) and Geotechnical Design Memorandum (GDM) prepared by a licensed professional engineer in the State of Texas. Specifics for the work to be performed are provided in the attached Arias and Associates Fee Proposal. **See Attachment 2.**

Deliverables

- Geotechnical Data Report (GDR)
- Geotechnical Design Memorandum (GDM)

Task 150 – Environmental Evaluations

J|C (through the Environmental Subconsultant) will complete an environmental investigation of this project in accordance with requirements for the project area. **See Attachment 3.**

FIELD STUDIES AND ASSESSMENTS

Sensitive Feature (SF) Assessment

The COSM Development Code, Chapter 6 Environmental Regulations, establishes Enhanced Protection Zones for SFs, which are defined as a permeable Geologic Feature or Manmade Feature located on the Edwards Aquifer Recharge Zone or Transition Zone where:

- a. A potential for hydrologic connection between the surface and the aquifer exists;
- b. Rapid infiltration to the subsurface may occur; and
- c. The feature has a sensitivity rating, according to TCEQ rating criteria, of 25 points or more on a Geologic Assessment prepared to TCEQ standards by a Qualified Geologist.



Baer Engineering will conduct a SF assessment within the proposed project area and a 300-foot buffer around the project area, where access is granted. SFs identified in the field will be located using a handheld Global Positioning System (GPS) device.

Jurisdictional Waters Determination

Baer Engineering will determine if United States Army Corps of Engineers (USACE) jurisdictional waters are present in the project area, if present.

If wetlands are observed, Baer Engineering will estimate their boundary but will not conduct an official delineation. Jurisdictional boundary lines for special aquatic sites, such as wetlands, must be determined by following guidance provided in the 1987 USACE Manual, *Field Guide for Wetland Delineation*, and the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Great Plains Region*. Baer Engineering can conduct jurisdictional waters and wetland delineation for an additional scope and fee.

Limitations: Prior to commencing field studies in **TASK 1**, Baer Engineering will rely on JC to provide the proposed work area in a spatially-referenced electronic file. JC shall also provide right of entry onto properties that are not within public ROW. The SF assessment will be limited to a review of available database information and a visual assessment for exposed features, without removal of vegetation or seasonal leaf-fall.

CONSTRAINTS AND PERMITTING ANALYSIS REPORT (CAPA)

Baer Engineering will conduct desktop research during this task to analyze existing conditions at the project area. The analysis will identify and map environmental constraints. The constraints map will show jurisdictional data and published regulatory information about the site. The map will include data ordered from a third-party source and information from public databases that identify major environmental constraints in the vicinity of the proposed project.

The constraints include, but are not limited to, the following data:

- Geologic fault lines;
- Edwards Aquifer zones;
- Floodplains;
- Natural Diversity Data Occurrences;
- Critical habitat for endangered species;
- Water bodies, and stream crossings;
- Water wells;
- Leaking petroleum storage tank facilities;
- Petroleum storage tank facilities;
- TCEQ Voluntary Cleanup Program sites;
- Hazardous waste sites;
- Oil and gas pipelines; and
- Streets, building footprints, tax parcels.

The desktop research will include an analysis of cultural resources. A Baer Engineering project archeologist will conduct preliminary research on the project area's cultural history.

The cultural history review will include an evaluation of:

- Previously recorded archeological sites listed in the THC Archeological Sites Atlas;



- Local geology and soils;
- Historical aerial photographs and maps;
- Historic sites including National Register of Historic Places districts and individual properties, cemeteries, and State Historical Markers;
- Federal Lands;
- U.S. Department of Transportation Act of 1966 Section 4(f) protected properties; and
- Land and Water Conservation Fund Act (LWCF Act) Section 6(f) protected properties – parks and recreation areas improved by LWCF funds.

The environmental constraints within the project area will be documented in the CAPA report with the accompanying map. Baer Engineering will evaluate the identified constraints and discuss their potential impact on the projects. The report will also include a summary of required environmental permitting. The report will explain how city, state, and federal regulations will affect the proposed projects based upon preliminary design information provided by JC. Information obtained from constraints maps preparation and the permitting analysis will be used to identify portions of the project that may require additional oversight during construction.

Deliverables

- Environmental Assessment Report

Task 160 – Water and Wastewater Engineering

J|C will prepare a Preliminary Engineering Report for water and wastewater infrastructure improvements and additions for the defined areas. It is assumed line sizes will not be increased and preliminary plan and profile sheets will need to be prepared for water and wastewater improvements. Proposed utility improvements include the following:

- a. Review the improvements recommended for this area. Documents and information to be reviewed includes: the 2015 Wastewater Masterplan, the 2014 Water Masterplan for this area, and any information provided by the City (i.e., trouble tickets, repair requests, inspection data and available CCTV to connection areas).
- b. Conduct a coordination meeting with City of San Marcos PM and key staff to gather most up to date information to be used for design.
- c. Evaluate length, slope, diameter and location of proposed water and wastewater infrastructure.
- d. Perform a simplified hydraulic analysis of the proposed infrastructure based on lot counts and historical and/or projected flow assumptions provided by the City.
- e. Evaluate and present three (3) most likely variations of construction methods, materials, and phasing for water and wastewater infrastructure.
- f. Prepare a 30% Engineer's Opinion of Probable Construction Cost (OPCC) for maximum three (3) options. OPCC shall be a Class 3 as described in AACE Recommended Practice No. 17R-97 and 56R-08.
- g. Provide summary of overall impact on project costs and schedule for options evaluated.
- h. Recommendation for next steps to proceed with Final Design

- i. Develop documentation for the Feasibility and Preliminary Engineering Report (Report) summarizing the findings of items above. The Report will cover information, including design criteria, assumptions utilized, environmental impact, utility conflicts and proposed SUE for area, easement requirements, and geotechnical data for area. The Report will also include preliminary engineering design plans, showing the proposed alignment at 30% completion and follow the City's requirements. Design submittal for 30% will be based on City of San Marcos Checklist.

Deliverables

- Water and Wastewater Improvements 30% Design Drawings
- Water and Wastewater Preliminary Engineering Report

Task 170 – Reserved

Deliverables

- Reserved.

Task 180 – ROW Bike Path Engineering and Assessment

J|C will evaluate the existing conditions of W. San Antonio St. from N. Bishop St. to N. Mitchell Ave. to assess the placement of bike facilities within the apparent ROW. Effort for this task includes the following:

- a. J|C will utilize aerial imagery and the survey gathered for the water and wastewater improvements within the project area for the basis of this assessment. Existing fences and retaining walls will be assumed as apparent ROW. Detailed ROW assessment is not included in this scope.
- b. J|C shall prepare three plan view schematic drawings for the following alternatives: restripe the existing W. San Antonio St. roadway section to include buffered bike lanes by removing on-street parking, widen the existing W. San Antonio St. to provide on street parking and add buffered bike lanes, and construct a 10' multi-use path on the south side of W. San Antonio Street. The three schematics will be for evaluation purposes only.
- c. Prepare typical cross sections for the three schematic alternatives.
- d. Develop preliminary opinion of probable construction costs and schedules for the three schematic alternatives.
- e. Develop Technical Memorandum summarizing the findings of items above. The Memorandum will cover information including design criteria, assumptions utilized, scenarios assessed, surface conflicts, utility conflicts, and ROW requirements.

Deliverables

- Technical Memorandum



190 – Preliminary Engineering Report

J|C will develop a Feasibility and Preliminary Engineering Report (Report) for the improvements proposed in the project. The key improvements include: Water Distribution Pipeline and Appurtenances; Wastewater Collection System Pipeline and Appurtenances; and Bike Path Assessment on W. San Antonio St. from N. Bishop St. to N. Mitchell Ave.

The effort under the report includes the following:

- a. Consolidate information for the purposes of the REPORT for the areas to be assessed as stated above, including coordination with J|C's SUBCONSULTANTS, City, and stakeholders.
- b. Prepare for and conduct a 2-hour Report review workshop to review feedback and proposed changes from the City of San Marcos and make the necessary decisions to finalize the Report.
- c. Identify permitting agencies and key project stakeholders (i.e., TxDOT, TCEQ, Edwards Aquifer, and others, develop a plan for coordination activities with the various stakeholders. J|C will schedule coordination meetings, prepare and lead coordination meetings, prepare meeting minutes and share with attendees. Limited to 5 coordination meetings for this phase of the project.
- d. Identify preliminary permitting requirements. Prepare a Permit Log including identified permits required for the project.
- e. Perform internal quality management including control and assurance. Review for comprehensive intent of the Quality Management Plan.

Deliverables

- Preliminary Engineering Report

PROJECT SCHEDULE

The project schedule, prepared in Microsoft Project scheduling software, is included as **Attachment 4**. An electronic copy will be provided to the City's Project Manager during project initiation and updates will be provided with each submittal.

SPECIAL CONSIDERATIONS

This Scope of Work is based on the following assumptions:

- The City will provide J|C the most recent copy of the Master Plans developed for this area for use for verification. Master Plans include Water, Wastewater, Transportation, and Drainage.
- This Scope of Services does not include Final Design Phase services, Subsurface Utility Engineering (SUE) services, FEMA coordination, permitting, or development of a CLOMR or LOMR documents, archaeological assessment, USACE permitting, or any other services not explicitly outlined herein.
- Attendance of public meetings and/or presentations at public meetings other than those listed herein are not included.



- Preparation of survey field notes and/or easement exhibits not described above or specified in the proposal are not included.
- No other utility improvements, roadway and sidewalk design and planning or assessment of drainage conditions other than the Project area as defined herein are included in this proposal.

BUDGET ESTIMATE

A budget breakdown by task is included as **Attachment 5**, Budget Fee Schedule. The total estimated fee is **\$311,094** which includes **\$43,908** in subconsultant services and an estimated **\$2,000** for expenses. The fee breakdown is as follows:

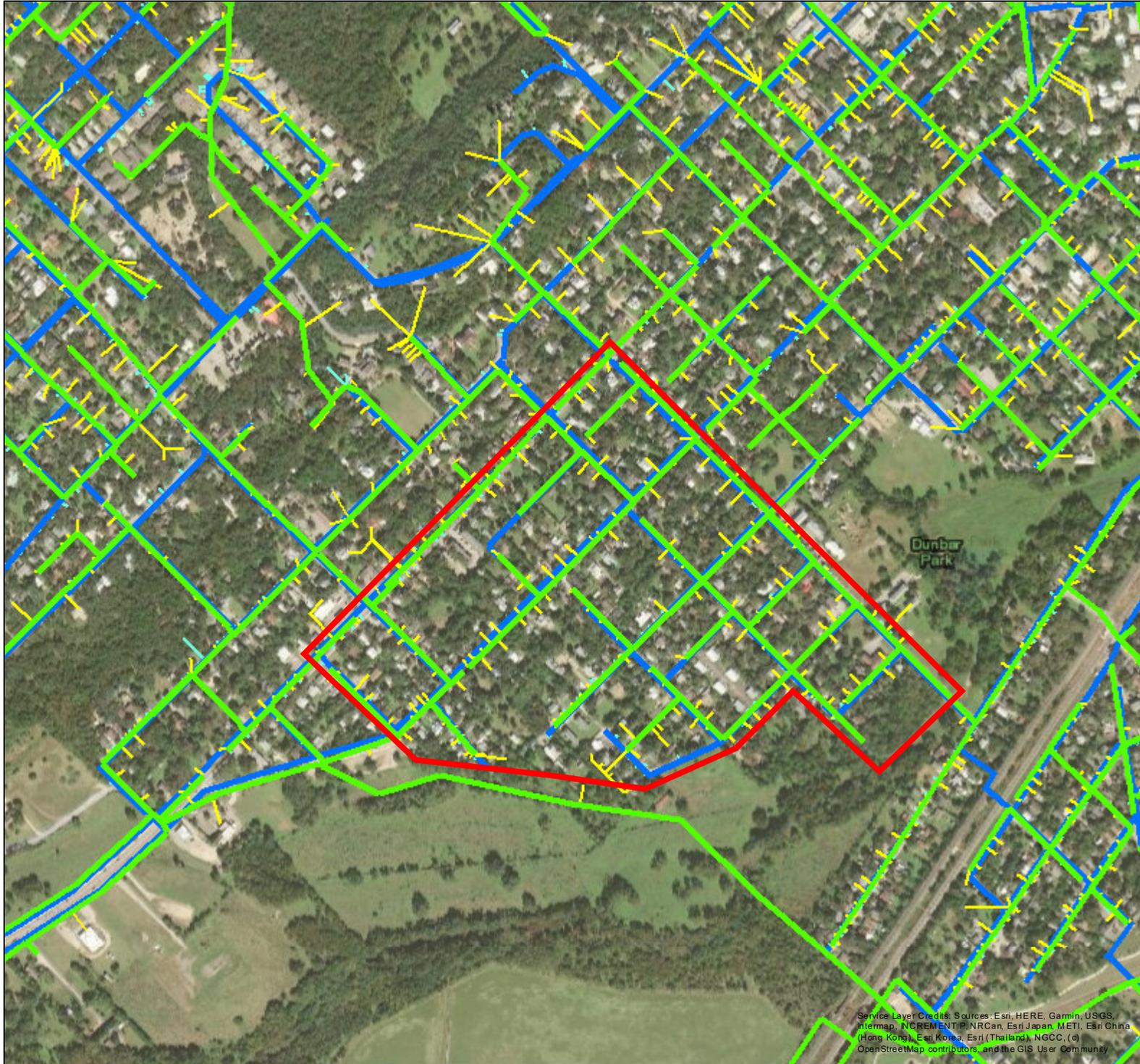
Project Management/Initiation	\$ 37,135	(Tasks 110 and 120)
Water and Wastewater	\$240,874	(Tasks 130, 140, 150, 160, and 190)
Transportation	\$ 31,085	(Task 180)
Expenses	\$ 2,000	(Task 800)
	\$311,094	

ATTACHMENTS

- Attachment 1 – Project Layout Map
- Attachment 2 – Arias and Associates Scope of Work / Fee Proposal
- Attachment 3 – Baer Engineer and Environmental Consultant, Inc. Scope of Work / Fee Proposal
- Attachment 4 – Project Schedule
- Attachment 5 – Budget Fee Schedule & J|C Rate Schedule

ATTACHMENT 1
PROJECT AREA MAP

DUNBAR WATER AND WASTEWATER IMPROVEMENTS



LEGEND

-  Wastewater Mains
-  Wastewater Services
-  Water Mains
-  Water Services

Date: 2/4/2020



Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones & Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES CARTER

Texas Board of Professional Engineers Registration No. F-439

Service Layer Credits. Sources: Esri, HERE, Garmin, USGS, Intermap, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

ATTACHMENT 2

Arias and Associates Geoprofessionals

FEE PROPOSAL



13581 Pond Springs Road, Suite 210, Austin, Texas 78729 • Phone: (512) 428-5550 • Fax: (512) 428-5525

May 1, 2020
Arias Project No. 2020-488

VIA Email: nalfaro@jonescarter.com

Nieves Alfaro, P.E.
Vice President, Water & Wastewater
Jones | Carter
3100 Alvin Devane Blvd, Suite 150
Austin, TX 78741

RE: Proposal for Geotechnical Engineering Services
Dunbar Utility Improvements
San Marcos, Texas

Dear Mr. Alfaro,

Arias Geoprosessionals, Inc. (Arias) is pleased to provide this proposal for geotechnical engineering services for the above referenced project. Our understanding of the project is based on the information provided by you including a map of the alignment and the requested field investigation. The following sections present our understanding of the project, proposed scope of services, fee compensation requirements, and schedule.

Project Information

The project consists of installing approximately 5,505 LF of new water line and 5,365 LF of new wastewater line in San Marcos, Texas. The scope of the work is to upgrade the existing 2-in to 6-in water and wastewater line to proposed 8-in and 12-in for the Dunbar subdivision. The installation methods will consist of trenched, open cut methods along the alignment.

Proposed Investigation

Based on published geologic mapping and nearby experience, the site is likely underlain by surficial Alluvium (Qal) and Fluvatile terrace deposits (Qt) consisting of sand, silt, clay, and gravel in various proportions, typically coarsening with depth. A Geologic Map is presented on the attached Exhibit A. Based on our understanding of the project and the requested scope, we propose the following drilling scope:

Borings	Boring depth, ft	No. of Borings	Footage
Alignment	15	13	195
		Total	195

A Boring Location Map is presented on the attached Exhibit B. Arias personnel will mark the boring locations and will notify Texas One-Call at least 72 hours prior to drilling. Arias will obtain a right of way (ROW) permit and lane closure permit in accordance with the City of San Marcos permit program. The borings will require traffic control for drilling in the public ROW.

The borings will be drilled through the existing roadway/pavement section with a traditional truck-mounted rig. The borings will be advanced using augering and sampling techniques, using either push-tube sampling (ASTM D1587) or split barrel sampler while performing the Standard Penetration Test (ASTM D1586). Arias personnel will locate the borings, coordinate traffic control, direct the sampling efforts, visually classify recovered samples, and be present during drilling. Asphalt and base material thickness will be measured and reported for borings drilled through pavements. If groundwater is encountered, the groundwater levels within the open borehole will be recorded at the time of drilling and immediately following drilling. Each borehole will be backfilled with auger cuttings and bentonite and capped with at least 12 inches of sackrete and cold-patch asphalt to match existing surface elevation. No other site restoration measures, in addition to backfilling the boreholes, are included in this proposal.

We will obtain boring coordinates using a hand-held GPS device accurate to about 3 horizontal meters. Elevations will be provided by others, either by surveying or by estimation from project plan and profile drawings provided to us.

Laboratory testing will be performed on recovered samples selected by the geotechnical engineer to aid in soil classification and to measure engineering properties. Laboratory testing is expected to include moisture content, Atterberg limits, and fines content (percent passing the No. 200 sieve), and unconfined compressive strength testing, and corrosion testing. The actual laboratory program will depend upon the type of soils encountered.

Reporting

We will issue electronic copies of the Geotechnical Data Report (GDR) and Geotechnical Design Memorandum (GDM) prepared by a licensed professional engineer in the State of Texas. Specifically, the report will include the following:

Geotechnical Data Report (GDR):

- Description of the field exploration program;
- Description of the laboratory testing program and results;
- Photographs of the soil samples recovered;
- Soil boring plan that depicts borehole locations on a base map provided by Client;
- Profiles of soil borings along the alignment using plan and profile design information provided by others;
- Soil boring logs with soil classifications based on the Unified Soil Classification System (ASTM D 2487);

- Generalized site stratigraphy and engineering properties developed from field and laboratory data at the explored locations; and
- Depth where groundwater, if encountered, at the time of drilling and stabilized after drilling.

Geotechnical Design Memorandum (GDM): The Geotechnical Design Memorandum will provide the following geotechnical recommendations.

- Bedding and backfilling recommendations for trenched excavations;
- Modulus of soil reaction, E', for buried pipelines;
- General recommendations for construction; and
- Recommendations for groundwater control.

Arias will provide draft reports for review, comment, and requests for clarification, which will then be addressed in the final GDR and GDM reports.

Please be advised that Arias & Associates, Inc. performs Construction Materials Engineering and Testing (CoMET) per project requirements. We will be pleased to provide a separate proposal for construction materials testing at your request.

Proposed Fee

We propose that the fee to perform the above outline preliminary scope of services on a time and materials basis not to exceed **\$27,290**. The work will be performed as outlined in the General Conditions included with this proposal. A Geotechnical Cost Breakdown is presented on the attached Exhibit C, and is summarized in the following table.

Scope Items	Cost
<u>Field Exploration</u> Mobilization and Drilling (195 feet total drilling footage)	\$19,180
<u>Laboratory Testing</u> Soil classification, and unconfined compression strengths	\$3,720
<u>Engineering and Reporting</u> Prepared and sealed by a licensed Texas P.E.	\$4,390
TOTAL	\$27,290

We will invoice on a monthly basis. This proposal is based on the following assumptions:

- Boring locations will be clear and accessible and ground conditions will allow our truck-mounted drilling equipment to reach all test locations. This proposal does not include fees for clearing vegetation, removing obstructions or debris.
- We will notify Texas 811 at least 72 hours prior to drilling. We request to be provided with any existing utility plans, if available, prior to our site mobilization;
- Boring locations will require traffic control;
- We will obtain right of way (ROW) permit and lane closure permit prior to drilling; and
- The City of San Marcos will allow us to drill during normal working hours (8am to 4pm). If drilling hour limitations increase the number of days required for our field investigation, we will need to discuss adjustments to our proposed fee.

Schedule

Upon receiving written authorization, and weather and site conditions permitting, we can initiate our field investigation within 1 to 2 weeks. Permit submittal and approval from the City of San Marcos is expected to take 3 to 4 weeks. Drilling of the boreholes will take about 3-4 days depending on weather conditions, traffic control requirements and restricted working hours. Laboratory testing will take 2 to 3 weeks. We anticipate submitting a draft report about 6 to 7 weeks following receipt of written authorization. We will keep you verbally informed of our findings as they become available.

Delays sometime occur due to adverse weather, utility clearance requirements, site clearing requirements for drill rig access, obtaining ROW permits to drill, obtaining right-of-entry, and other factors outside of our control. In this event, we will communicate the nature of the delay with you and provide a revised schedule at the earliest possible date.

Proposal Acceptance

Please let us know if this proposal meets your expectations. If acceptable, the authorization table at the end of this proposal should be completed as applicable. We will begin work upon receipt of a signed copy of the proposal by an authorized representative. Please return the entire signed proposal to us by fax, mail or email to nzhang@ariasinc.com. If the billing address is different, include that information as well.

Should you have any questions, please do not hesitate to contact us. The undersigned will manage and perform the work. Thank you for this opportunity.

Sincerely,

ARIAS & ASSOCIATES, INC.
TBPE Registration No: F-32



Nan Zhang, Ph.D., P.E.
Geotechnical Project Engineer



John S. Landwermeyer, P.E.
Managing Principal, Austin Operations

Attachments:

- Exhibit A – Geologic Map
- Exhibit B – Boring Location Map
- Exhibit C – Geotechnical Cost Breakdown
- General Conditions (20140214R1)

Exhibit A – Geologic Map

Arias Job: 2020-488

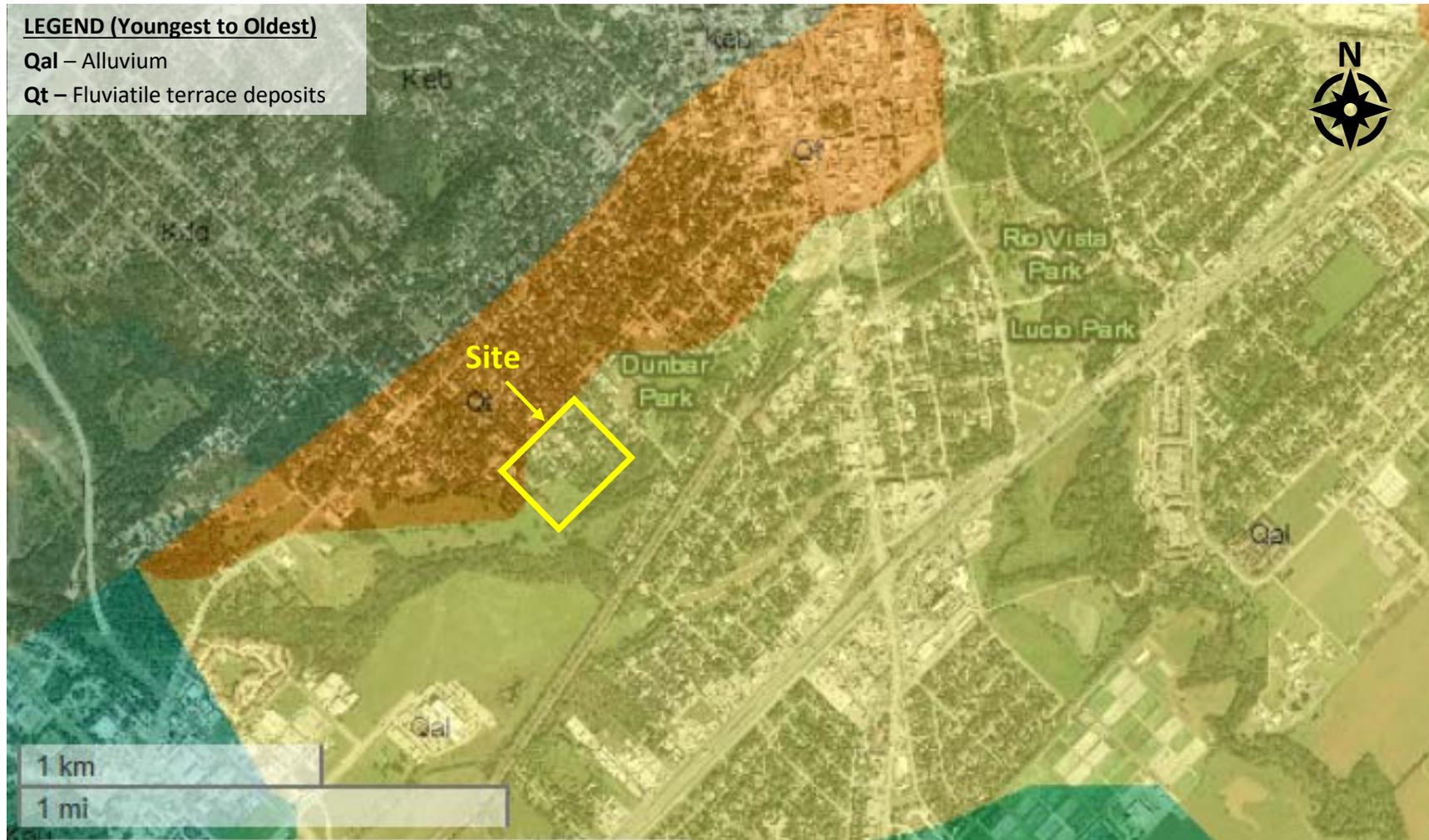


Exhibit B – Boring Location Map

Arias Job: 2020-488

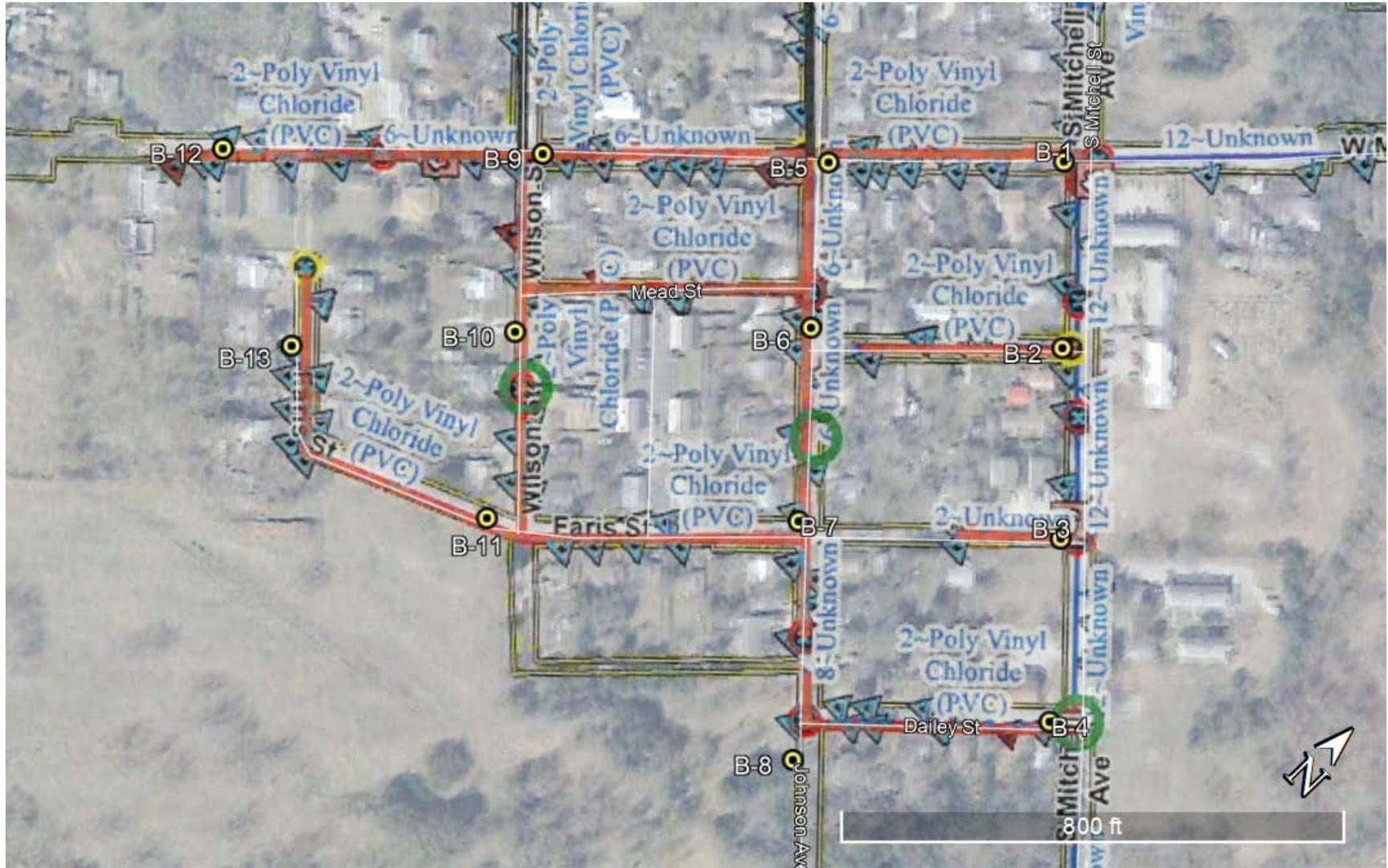
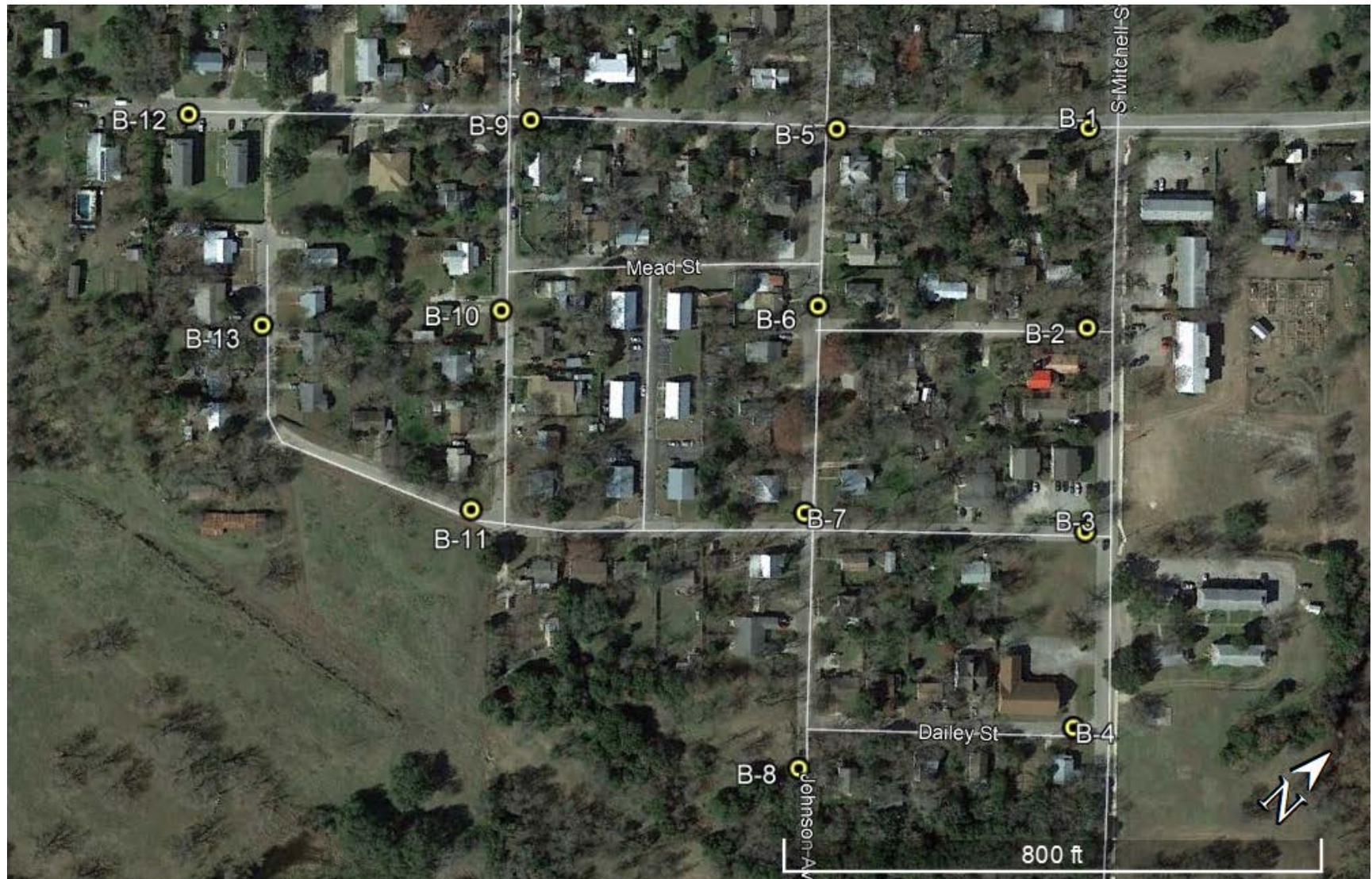


Exhibit B – Boring Location Map

Arias Job: 2020-488





**Geotechnical Cost Estimate
Dunbar Utility Improvements
San Marcos, TX**

Task	Item Description	Est. Qty.	Unit	Unit Price	Est. Total Price
1 Field Exploration					
1.1 Planning and Coordination					
	Drill Rig Logger (Coordination, Staking of Borings, One-Call, Drilling Plan)	16	hr	\$ 65.00	\$ 1,040.00
	Trip Charge	2	trip	\$ 55.00	\$ 110.00
	Graduate Engineer (COSM Permitting)	4	hr	\$ 75.00	\$ 300.00
	Excavation Permits (7 streets)	1	ls	\$ 2,000.00	\$ 2,000.00
	Engineer (Project Management)	4	hr	\$ 135.00	\$ 540.00
				1.1 Subtotal	\$ 3,990.00
1.2 Drilling and Sampling					
	Mobilization (drill rig, support equipment, air compressor)	1	ea	\$ 650.00	\$ 650.00
	Drilling and Sampling (Soil Borings)	195	ft	\$ 20.00	\$ 3,900.00
	Backfill Boreholes (Cuttings/Bentonite)	195	ft	\$ 6.00	\$ 1,170.00
	Patch Holes - Concrete / Asphalt	13	ea	\$ 50.00	\$ 650.00
	Drill Rig Logger	40	hr	\$ 65.00	\$ 2,600.00
	Trip Charge (Logger)	4	trip	\$ 55.00	\$ 220.00
	Traffic control	3	day	\$ 2,000.00	\$ 6,000.00
				1.2 Subtotal	\$ 15,190.00
				Field Exploration TOTAL:	\$ 19,180.00
2 Laboratory Soil Testing					
	Moisture Content	30	ea	\$ 15.00	\$ 450.00
	Atterberg Limits	13	ea	\$ 75.00	\$ 975.00
	Grain Size Analysis Mechanical	13	ea	\$ 75.00	\$ 975.00
	Unconfined Compressive Strength	6	ea	\$ 75.00	\$ 450.00
	Corrosion Suite (Sol Chloride, Sulfates, pH, Box Resistivity)	2	ea	\$ 350.00	\$ 700.00
	Lab Manager	2	ea	\$ 85.00	\$ 170.00
				Laboratory Testing TOTAL:	\$ 3,720.00
3 Engineering and Reporting					
	Senior Geotechnical Engineer	2	hr	\$ 175.00	\$ 350.00
	Engineer	16	hr	\$ 135.00	\$ 2,160.00
	Graduate Engineer	20	hr	\$ 75.00	\$ 1,500.00
	Drill Rig Logger (Drafting)	4	hr	\$ 65.00	\$ 260.00
	Data Processing (Job set-up, billing)	2	hr	\$ 60.00	\$ 120.00
				Engineering TOTAL:	\$ 4,390.00
	Project Total				\$ 27,290.00

ATTACHMENT 3

Baer Consulting and Engineering, Inc.

FEE PROPOSAL



January 28, 2020

Jones | Carter Engineering
3100 Alvin Devane Boulevard, Suite 150
Austin, Texas 78741

Sent via e-mail to nalfaro@jonescarter.com

Attention: Nieves Alfaro, P.E.

Reference: Environmental Consulting Services
City of San Marcos Water and Wastewater Improvements
San Marcos, Texas
Baer Engineering Document No. 202007-5.010, Exhibit A

Dear Mr. Alfaro:

Baer Engineering and Environmental Consulting, Inc. (Baer Engineering) is pleased to provide this proposal to Jones | Carter Engineering (JC) for the above-referenced City of San Marcos (COSM) project. We understand that COSM intends to assess three potential projects in the Dunbar area, including improvement of water and wastewater lines, bike lane development, and drainage improvements. The project area is shown in the attached client-provided map. This proposal identifies the scope and cost for Baer Engineering to provide environmental and permitting services to support the project.

Based on my conversation with you on January 24, 2020, this proposal is for services supporting the Preliminary Engineering phase. Additional services during the design phase or construction phase can be provided for an additional scope and fee.

Our proposal is based on the following project assumptions:

- 1) The project is located in the City of San Marcos;
- 2) Part of the project is within the FEMA 100-year floodplain;
- 3) The project area is located in the Edwards Aquifer Transition Zone;
- 4) The project area is located within the Purgatory Creek watershed.

In order for us to complete the project tasks, JC will provide Baer Engineering with the following:

- Access to the parts of the project area that are not within the right-of-way (ROW) of a public roadway;
- A georeferenced file showing the project boundary. This file should estimate the maximum area that will be disturbed during construction; and
- Specific task-related required materials listed by task below.

SCOPE OF SERVICES

Baer Engineering will provide the services herein using qualified professionals as recognized by industry standards to perform scoped tasks. Provision of these services is based on safe and

reasonable site access and the timely delivery of requested project information and documentation.

Table 1: Scope of Services

TASK	DESCRIPTION
1	Field Studies and Assessments
2	Constraints and Permitting Analysis Report

TASK 1: FIELD STUDIES AND ASSESSMENTS

In order to complete **TASK 2**, Baer Engineering will conduct multiple assessments. We will coordinate with JC on data collection.

Sensitive Feature (SF) Assessment

The COSM Development Code, Chapter 6 Environmental Regulations, establishes Enhanced Protection Zones for SFs, which are defined as a permeable Geologic Feature or Manmade Feature located on the Edwards Aquifer Recharge Zone or Transition Zone where:

- a. A potential for hydrologic connection between the surface and the aquifer exists;
- b. Rapid infiltration to the subsurface may occur; and
- c. The feature has a sensitivity rating, according to TCEQ rating criteria, of 25 points or more on a Geologic Assessment prepared to TCEQ standards by a Qualified Geologist.

Baer Engineering will conduct a SF assessment within the proposed project area and a 300-foot buffer around the project area, where access is granted. SFs identified in the field will be located using a handheld Global Positioning System (GPS) device.

Jurisdictional Waters Determination

Baer Engineering will determine if United States Army Corps of Engineers (USACE) jurisdictional waters are present in the project area, if present.

If wetlands are observed, Baer Engineering will estimate their boundary but will not conduct an official delineation. Jurisdictional boundary lines for special aquatic sites, such as wetlands, must be determined by following guidance provided in the 1987 USACE Manual, *Field Guide for Wetland Delineation, and the Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Great Plains Region*. Baer Engineering can conduct jurisdictional waters and wetland delineation for an additional scope and fee.

Limitations: Prior to commencing field studies in **TASK 1**, Baer Engineering will rely on JC to provide the proposed work area in a spatially-referenced electronic file. JC shall also provide right of entry onto properties that are not within public ROW. The SF assessment will be limited to a review of available database information and a visual assessment for exposed features, without removal of vegetation or seasonal leaf-fall.

TASK 2: CONSTRAINTS AND PERMITTING ANALYSIS REPORT (CAPA)

Baer Engineering will conduct desktop research during this task to analyze existing conditions at the project area. The analysis will identify and map environmental constraints. The constraints map will show jurisdictional data and published regulatory information about the site. The map will include data ordered from a third-party source and information from public databases that identify major environmental constraints in the vicinity of the proposed project.

The constraints include, but are not limited to, the following data:

- Geologic fault lines;
- Edwards Aquifer zones;
- Floodplains;
- Natural Diversity Data Occurrences;
- Critical habitat for endangered species;
- Water bodies, and stream crossings;
- Water wells;
- Leaking petroleum storage tank facilities;
- Petroleum storage tank facilities;
- TCEQ Voluntary Cleanup Program sites;
- Hazardous waste sites;
- Oil and gas pipelines; and
- Streets, building footprints, tax parcels.

The desktop research will include an analysis of cultural resources. A Baer Engineering project archeologist will conduct preliminary research on the project area’s cultural history.

The cultural history review will include an evaluation of:

- Previously-recorded archeological sites listed in the THC Archeological Sites Atlas;
- Local geology and soils;
- Historical aerial photographs and maps;
- Historic sites including National Register of Historic Places districts and individual properties, cemeteries, and State Historical Markers;
- Federal Lands;
- U.S. Department of Transportation Act of 1966 Section 4(f) protected properties; and
- Land and Water Conservation Fund Act (LWCF Act) Section 6(f) protected properties – parks and recreation areas improved by LWCF funds.

The environmental constraints within the project area will be documented in the CAPA report with the accompanying map. Baer Engineering will evaluate the identified constraints and discuss their potential impact on the projects. The report will also include a summary of required environmental permitting. The report will explain how city, state, and federal regulations will affect the proposed projects based upon preliminary design information provided by JC. Information obtained from constraints maps preparation and the permitting analysis will be used to identify portions of the project that may require additional oversight during construction.

PROJECT SCHEDULE

Completion of tasks herein will be contingent upon engineering design progress and the timely delivery of requested information. The estimated time of completion for each task is shown below.

Table 2: Project Schedule

TASK	DESCRIPTION	SCHEDULE	AGENCY REVIEW TIME
1	Field Studies and Assessments	Baer can schedule field work as soon as access to the project area is granted and the geo-referenced project area file is received. Baer can complete the fieldwork within 45	N/A

TASK	DESCRIPTION	SCHEDULE	AGENCY REVIEW TIME
		calendar days of granted access and receipt of project boundary.	
6	Constraints and Permitting Analysis Report	Baer can order the third-party environmental records within one week of receipt of project area boundaries. Baer can complete this task within 45 calendar days of completion of Task 1.	N/A

FEE PROPOSAL

Baer Engineering will complete this project under the terms and conditions of the attached professional services contract. The total cost to complete the scope of services described herein is **\$16,617.92**. The attached fee table outlines the estimated budget we have prepared. This total is based on estimated time and materials required to complete scoped tasks, in accordance with the attached fee schedule. Baer Engineering will not exceed this amount without prior written authorization from JC.

Table 3: Summary of Fees

TASK	DESCRIPTION	FEE
1	Field Studies and Assessments	\$4,670.66
2	Constraints and Permitting Analysis	\$11,947.26
	TOTAL	\$16,617.92

If the scope of services, project schedule, and fee proposal presented herein meet with your approval, please sign the attached contract and return it to me, in its entirety. I will send you an executed copy for your files. Email is adequate for this process. If you have questions about this proposal, please do not hesitate to call me at (512) 453-3733.

Respectfully submitted,
BAER ENGINEERING AND ENVIRONMENTAL CONSULTING, INC.

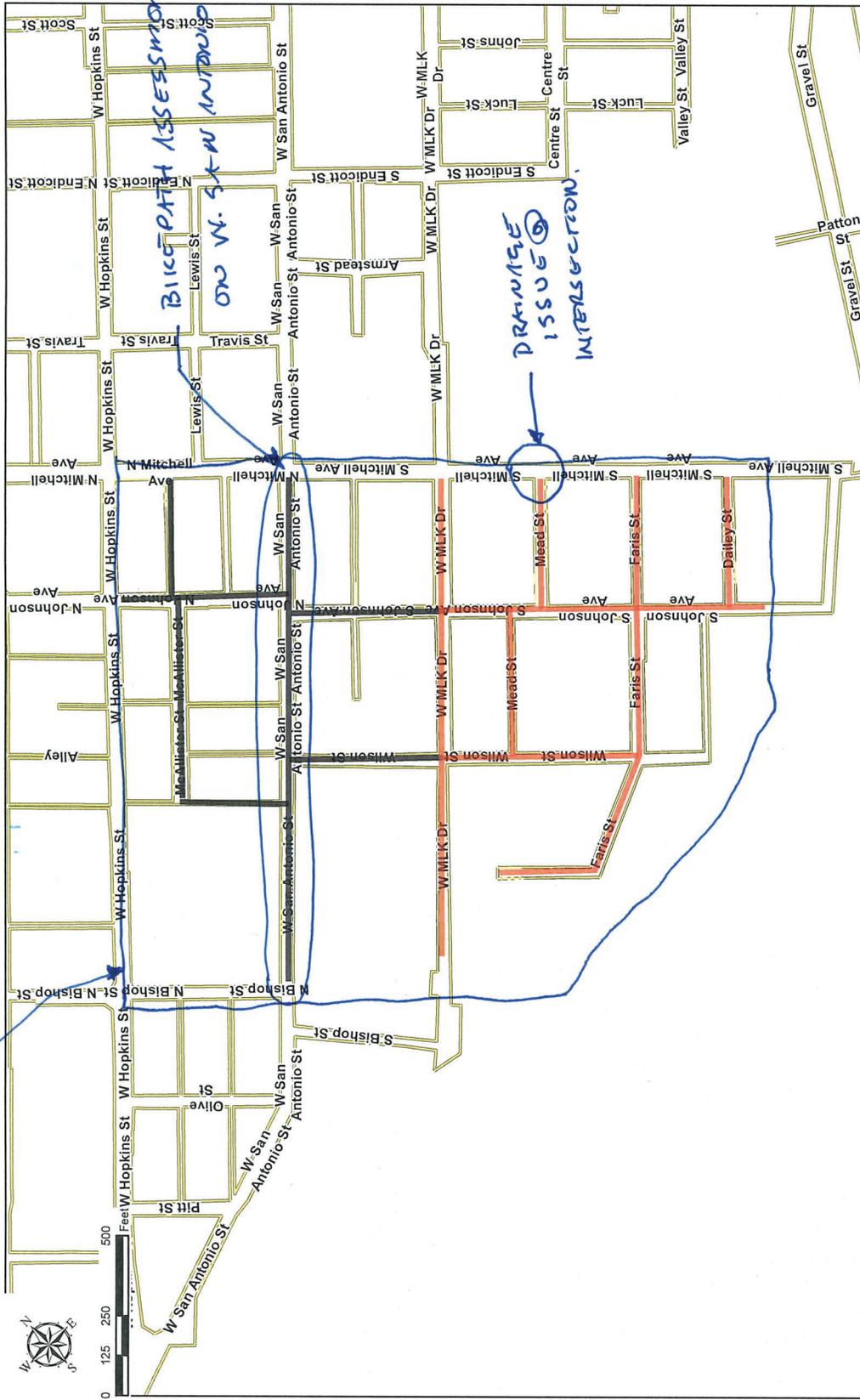


Kat White, MPAff, CESSWI-IT
 Environmental Scientist

- Attachments: Project Area Map
 Fee Table
 2019-2020 COA-approved Category 1 Loaded Hourly Rate Sheet
 Professional Services Contract

Dunbar Utility Improvements

PROJECT AREA





	Key Personnel (Rosemary Wymann, Principal Geologist)	Managing Consultant (Project Manager)	Scientist Associate IV (Project Archeologist)	Scientist Associate IV (Project Scientist)	Scientist Associate II (Staff Scientist)	Scientist Associate I (Field Scientist)	GIS Technician I	Copy, Shipping Costs, Reimburseables	Subtotal
	\$168.87	\$136.67	\$124.62	\$149.24	\$136.60	\$110.72	\$110.25		
Task 1: Field Studies and Assessments									
a SF Assessment					8	8	6		\$2,640.06
d WOTUS determination					4	4			\$989.28
e Data Reduction/Analysis					2	2			\$494.64
f Task Management		4							\$546.68
	Hours Subtotal	4	0	0	14	14	6	\$0.00	\$4,670.66
	Budget Subtotal	\$546.68	\$0.00	\$0.00	\$1,912.40	\$1,550.08	\$661.50	\$0.00	\$4,670.66
Task 2: Constraints and Permitting Analysis Report									
a Records Search							2	\$700	\$920.50
b Review and map environmental constraints				18			14		\$4,229.82
c Preliminary research and reporting on the Project Area's cultural history			14				6		\$2,406.18
d Review and prepare permitting analysis report				18					\$2,686.32
e Quality Control	2	6							\$1,157.76
f Task Management		4							\$546.68
	Hours Subtotal	2	10	14	0	0	22	\$700.00	\$11,947.26
	Budget Subtotal	\$337.74	\$1,366.70	\$1,744.68	\$5,372.64	\$0.00	\$2,425.50	\$700.00	\$11,947.26
									Grand Total: \$16,617.92

ATTACHMENT 4
DUNBAR PER PROJECT SCHEDULE

ATTACHMENT 5
DUNBAR PROJECT RATE SCHEDULE AND FEE



CITY OF SAN MARCOS

SCHEDULE OF HOURLY RATES

Effective January 2019 - Subject to Annual Revision in January 2020

ENGINEERING PERSONNEL

Design Engineer I	\$105
Design Engineer II	\$125
Professional Engineer I	\$150
Professional Engineer II	\$170
Professional Engineer III	\$190
Professional Engineer IV	\$220
Professional Engineer V	\$235
Practice Leader	\$250

ELECTRICAL ENGINEERING PERSONNEL

Electrical Design Engineer I	\$115
Electrical Design Engineer II	\$135
Electrical Professional Engineer I	\$160
Electrical Professional Engineer II	\$175
Electrical Professional Engineer III	\$200
Electrical Professional Engineer IV	\$230
Electrical Professional Engineer V	\$245

CONSTRUCTION PERSONNEL (Includes Mileage)

Project Representative I	\$ 70
Project Representative II	\$ 90
Project Representative III	\$115
Project Representative I – Treatment Facilities	\$ 90
Project Representative II – Treatment Facilities	\$115
Project Representative III – Treatment Facilities	\$150
Construction Manager I	\$110
Construction Manager II	\$130
Construction Manager III	\$150
Construction Manager IV	\$175
Construction Manager V	\$200

SOFTWARE ENGINEER

Software Engineer I	\$125
Software Engineer II	\$200
Software Engineer III	\$240

PLANNING PERSONNEL

Planner I	\$100
Planner II	\$125
Planner III	\$150

DESIGNERS/DRAFTING PERSONNEL

CAD Operator I	\$ 60
CAD Operator II	\$ 80
CAD Operator III	\$100
Designer I	\$105
Designer II	\$125
Designer III	\$150
GIS Operator I	\$ 90
GIS Operator II	\$110
GIS Operator III	\$150

SURVEYING PERSONNEL

1-Person Field Crew	\$150
2-Person Field Crew	\$200
3-Person Field Crew	\$225
4-Person Field Crew	\$250
Scanner Equipment	\$150
Survey Technician I	\$ 75
Survey Technician II	\$100
Survey Technician III	\$110
Project Surveyor I	\$ 90
Project Surveyor II	\$100
Project Surveyor III	\$110
Project Surveyor IV	\$125
Chief of Survey Crews	\$125
Registered Professional Land Surveyor	\$165
Survey Manager	\$195

OFFICE PERSONNEL

Engineer's Assistant I	\$ 60
Engineer's Assistant II	\$ 80
Engineer's Assistant III	\$ 90
Admin I	\$ 60
Admin II	\$ 80
Admin III	\$110
Assistant Controller/ Chief Accountant	\$125
Corporate/Project Acct. I	\$ 85
Corporate/Project Acct. II	\$95



	Practice Leader	Prof Eng V	Prof Eng IV	Prof Eng III	Prof Eng II	Des Eng II	CAD III	Surv Mgr	RPLS	Surv II	Surv Tech I	2 Person Crew	3 Person Crew	Sub-Total	JC Directs	Sub Cons.	Sub Cons. (cost + 10%)	Total Budget	
	\$250	\$235	\$220	\$190	\$170	\$125	\$100	\$195	\$165	\$100	\$75	\$200	\$225						
100 - FEASIBILITY AND PRELIMINARY ENGINEERING PHASE																			
Task 110 - Project Initiation																			
1	Project Set-up		4	2	6									\$3,270				\$3,270	
2	Subconsultant Agreements		2	2	6									\$2,050				\$2,050	
3	Project Work Plan		2	2	8									\$2,930				\$2,930	
4	Kickoff Meeting		6		10									\$3,810				\$3,810	
	Total Task 110	0	14	6	30	0	14	0	0	0	0	0	0					\$12,060	
Task 120 - Project Administration and Project Management																			
5	Project Status Meetings		12		6									\$3,960				\$3,960	
6	Monthly Status Reports		3		6									\$2,220				\$2,220	
7	Monthly Schedule Updates		3		6									\$2,220				\$2,220	
8	Monthly Invoices		3		6									\$2,220				\$2,220	
9	QMP	2	5	6	20	4								\$7,295				\$7,295	
10	Subconsultant Coordination		6		8		4							\$3,580				\$3,580	
11	Stakeholder Coordination		6		8		4							\$3,580				\$3,580	
	Total Task 120	2	38	6	60	0	17	8	0	0	0	0	0					\$25,075	
Task 130 - Field Investigations																			
12	Topographic Survey - J/C Survey							5	10	20	110	110	20	\$39,375				\$39,375	
13	Survey Review & Coordination		2		6									\$3,110				\$3,110	
14	Initial Site Visit with Subconsultants		4		12									\$4,720				\$4,720	
15	Second Site Visit to confirm Utilities and Survey Files				12									\$3,780				\$3,780	
16	Data Collection Added to Base Files				4		22							\$3,960				\$3,960	
	Total Task 130	0	6	0	34	0	44	22	5	10	20	110	110					\$54,945	
Task 140 - Geotechnical Evaluation																			
17	Geotechnical Scope of Work Development		2	1	12			8	6					\$4,570				\$4,570	
18	Geotechnical Review and Coordination		2		6	1		4						\$2,280				\$2,280	
19	Data Collection Added to Base Files				6	1		6	10					\$3,060				\$3,060	
20	Geotechnical Engineering - Arias & Associates															\$27,290	\$30,019	\$30,019	
	Total Task 140	0	4	1	24	2	18	16	0	0	0	0	0					\$39,929	
Task 150 - Environmental Evaluation																			
20	Environmental Review & Coordination		4		6	1		6						\$3,000			\$0	\$3,000	
21	Data Collection Added to Base Files				4	1		4	3					\$1,730			\$0	\$1,730	
22	Environmental Engineering - Baer Engineering & Environmental															\$16,618	\$18,280	\$18,280	
	Total Task 150	0	4	0	10	2	10	3	0	0	0	0	0					\$23,010	
Task 160 - Water and Wastewater Engineering																			
23	Review of Existing Reports		2		4	4		8						\$2,910			\$0	\$2,910	
24	Review Water Master Plan for Area				1	2		4	12					\$2,780			\$0	\$2,780	
25	Review of Wastewater Master Plan for Area				1	4		4	20					\$4,160			\$0	\$4,160	
26	Review of City Provided C&TV Data		2		10			40						\$7,370			\$0	\$7,370	
27	Coordination Meeting with COSM on Existing Issues		4		10			12						\$4,340			\$0	\$4,340	
28	Engineering and Infrastructure Placement		2		20	10		40						\$10,970			\$0	\$10,970	
29	Evaluate Construction and Phasing		4		10	4		20						\$6,020			\$0	\$6,020	
30	Document Development for Report		8	2	10	10		20						\$8,420			\$0	\$8,420	
31	Development of Figures for Report		2		4	8		12	4					\$4,490			\$0	\$4,490	
32	30% Design Plans		4		20	10		40	90					\$20,440			\$0	\$20,440	
33	Engineer's Opinion of Probable Construction Cost		2	2	4	2		10						\$3,260			\$0	\$3,260	
34	QMP	4	8	12	10	8		8						\$9,780			\$0	\$9,780	
	Total Task 160	4	38	18	108	64	242	94	0	0	0	0	0					\$84,940	
Task 170 - Reserved																			
	Total Task 170	0	0	0	0	0	0	0	0	0	0	0	0					\$0	
Task 180 - ROW Bike Path Engineering and Assessment																			
43	Site Visit to Review Asbuilt Items					9		18						\$3,780			\$0	\$3,780	
44	Prepare Base File for Design					1		24						\$3,170			\$0	\$3,170	
45	3 Schematic Drawings		6			16		80						\$14,130			\$0	\$14,130	
46	3 Typical Cross Sections		1			1		6						\$1,155			\$0	\$1,155	
47	Develop 3 OPCC		6			9		15						\$4,815			\$0	\$4,815	
48	Technical Memorandum		1			15		10						\$4,035			\$0	\$4,035	
	Total Task 180	0	14	0	0	51	153	0	0	0	0	0	0					\$31,085	
Task 190 - Preliminary Engineering Report																			
49	Coordination with Technical Leads		8		20			8						\$6,680			\$0	\$6,680	
50	Consolidation of Technical Documentation				8			20						\$4,020			\$0	\$4,020	
51	Draft F&PER Development and Submittal		4		20	20		40	14					\$14,540			\$0	\$14,540	
52	F&PER Workshop		8		16									\$4,920			\$0	\$4,920	
53	Consolidation of Comments and Concurrence		2		4			6						\$1,980			\$0	\$1,980	
53	Final F&PER		2		4	4		4	4					\$2,810			\$0	\$2,810	
54	QA/QC	4	8	8	2									\$3,100			\$0	\$3,100	
	Total Task 190	4	24	8	72	26	78	18	0	0	0	0	0					\$38,050	
Task 800 - Reimbursable Expenses																			
55	Repro/Shipping/Plan Approval Expenses															\$2,000		\$2,000	
	Total Task 800																	\$2,000	
	Hours Subtotal	10	142	39	338	145	576	161	5	10	20	110	110	20					
SUBTOTAL ALL SERVICES		\$ 2,500	\$ 33,370	\$ 8,580	\$ 64,220	\$ 24,650	\$ 72,000	\$ 16,100	\$ 975	\$ 1,650	\$ 2,000	\$ 8,250	\$ 22,000	\$ 4,500	\$260,795	\$2,000	\$43,908	\$48,299	\$311,094



Legislation Text

File #: Res. 2020-120R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-120R, approving the award of a construction contract to Insituform Technologies, LLC for the Fredericksburg Street wastewater Replacement Project in the amount of \$93,300.00 through the Texas Local Government BuyBoard Purchasing Cooperative (Contract No. 555-18); authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Engineering/CIP, Laurie Moyer, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$93,300.00

Account Number: FY165

Funds Available: \$100,000

Account Name: Fredericksburg St Wastewater

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.

Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Recent sewer inspections indicated significant deterioration of an old clay sewer line beneath Fredericksburg Street between Hopkins and San Antonio Streets. The sewer needs to be replaced soon and up-sized from 6-inches to 8-inches diameter to bring it to current standards. Additionally, the adjacent development in progress will be replacing Fredericksburg Street with a concrete surface. Hence, it will be prudent to replace the sewer main before concrete surface work is complete. Construction will be by pipe bursting which will reduce construction time with anticipated completion within four weeks of commencement.

Staff recommends award of this work to Insituform Technologies, LLC in the estimated amount of \$93,300.00 through the BuyBoard Purchasing Cooperative (Contract No. 555-18) in accordance with LGC 271.102 which authorizes the City to participate in cooperative purchasing programs.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends award of this work to Insituform Technologies, LLC in the estimated amount of \$93,300.00 through the BuyBoard Purchasing Cooperative (Contract No. 555-18).

RESOLUTION NO. 2020-120R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE AWARD OF A CONSTRUCTION CONTRACT TO INSITUFORM TECHNOLOGIES, LLC FOR THE FREDERICKSBURG STREET WASTEWATER REPLACEMENT PROJECT IN THE AMOUNT OF \$93,300.00 THROUGH THE TEXAS LOCAL GOVERNMENT BUYBOARD PURCHASING COOPERATIVE (CONTRACT NO. 555-18); AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Agreement with Insituform Technologies, LLC for the Fredericksburg Street Wastewater Replacement Project in the amount of \$93,300.00 through the Texas Local Government BuyBoard Purchasing Cooperative (Contract No. 555-18) is approved.

PART 2. The City Manager or his designee is authorized to execute the Agreement on behalf of the City.

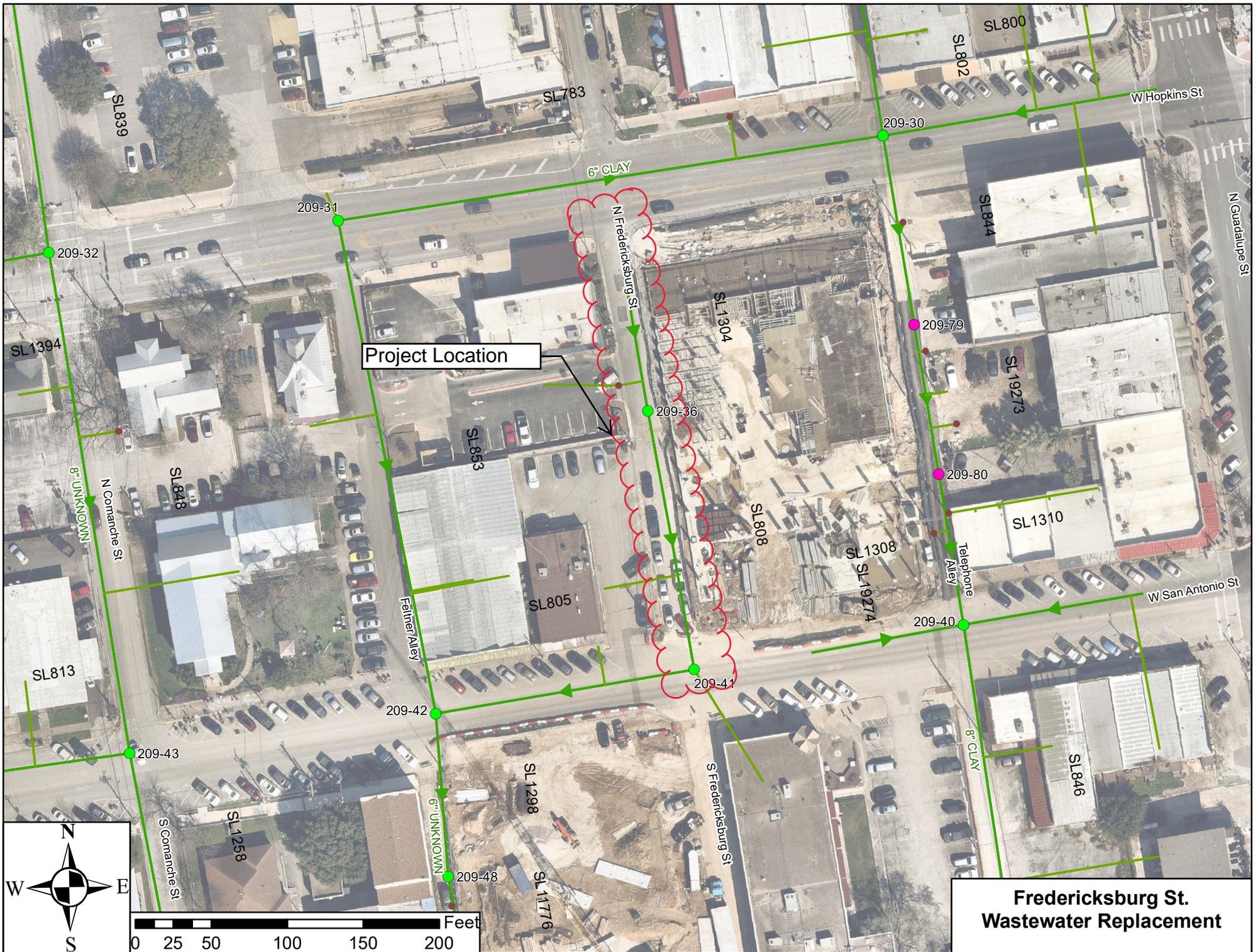
PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk



**Fredericksburg St.
Wastewater Replacement**



17988 Edison Ave.
Chesterfield, Mo
63005

Tel: (713) 845-3002
Fax: (713) 980-0782
www.insituform.com

March 5, 2020

AAJA-YTN8WV

Buyboard Proposal

Kirk Abbott, P.E.

Project Engineer | Capital Improvements/Engineering
City of San Marcos
630 E Hopkins, San Marcos, TX 78666
512.393.8149

Project Name: City of San Marcos, Tx – Fredericksburg St. Sanitary Sewer Rehabilitation Pipe Bursting and Manhole Rehabilitation

Insituform Technologies, LLC. (Insituform) herein proposes to furnish all labor, materials, equipment and services for accomplishing the referenced task (as described in the project location maps presented by the Owner) utilizing The Local Government Purchasing Cooperative Contract #555-18 administered through the BuyBoard.

Assumptions and Qualifications

During TV inspection all lateral side sewers are verified, using best practical efforts, to determine if each is an active hook up. Normal practice only reinstates those that are active. You may direct us to reinstate all, or specific laterals, as you desire. This proposal, unless otherwise stated and a pay item provided, assumes that all laterals will be reconnected. Specific service connections will not be reconnected only when a written directive is received from the Owner. This proposal assumes that the Owner will indemnify and hold Insituform harmless from all claims arising from backups and other effects of such actions or inactions and valid only if backups occur from laterals the Owner specifically instructed not to be reinstated. If mutually agreed upon, then the indemnification will be in accordance with the contract documents.

Water shall be provided at no cost to Insituform for all construction phases of this project. Insituform will follow all required deposit, backflow prevention, and metering procedures.

Insituform has provided for Payment and Performance Bonds in the pricing proposed. An appropriate Certificate of Insurance shall be provided following acceptance of this proposal.

Proposal Terms and Conditions

Terms and Conditions from the City of San Marcos are to be provided prior to award and if agreed upon shall be made a part of this proposal. The City of San Marcos specifications, terms and conditions are subsequent to those of the The Local Government Purchasing Cooperative Contract #555-18 which are available upon request from the Buyboard. City of San Marcos specifications shall govern the construction of this project. Any changes to these conditions must be noted and agreed upon by both parties.

Proposal Pricing

San Marcos					
Pipeburst					
Bid Item per Docs	Description	Unit of Measure	Per Bid Quantity	Bid Price	Total
1	Travel and Mobilization- Pipeburst crew	EA	1	\$ 7,500.00	\$ 7,500.00
2	6" Clean and TV	LF	300	\$ 5.00	\$ 1,500.00
3	Burst existing 6" or 8" to 8" HDPE IPS SDR 19 (0'- 8' deep)	LF	300	\$ 55.00	\$ 16,500.00
4	8" - 12" Pipeburst Setup Charge Per Install Length	LF	300	\$ 15.00	\$ 4,500.00
5	External reconnect (0'- 8' deep)	EA	4	\$ 1,250.00	\$ 5,000.00
6	Service line from main to sidewalk	LF	80	\$ 45.00	\$ 3,600.00
7	Access Pit (0'-8' deep)	EA	2	\$ 2,500.00	\$ 5,000.00
8	Trench safety	LF	40	\$ 10.00	\$ 400.00
9	Install WW Access Chamber	EA	1	\$ 5,000.00	\$ 5,000.00
10	New manhole frame and cover	EA	2	\$ 1,000.00	\$ 2,000.00
11	6" - 18" Post TV Inspection After Rehabilitation	LF	300	\$ 2.00	\$ 600.00
12	Granular backfill	Ton	30	\$ 45.00	\$ 1,350.00
13	Flowable Fill	CY	30	\$ 125.00	\$ 3,750.00
14	R/R 4" Sidewalk	SF	100	\$ 30.00	\$ 3,000.00
15	Repair/Rehab 2" Asphalt pavement	SY	60	\$ 150.00	\$ 9,000.00
16	Manhole Bench Rebuild	EA	1	\$ 750.00	\$ 750.00
17	Travel and Mobilization- MH Rehab Crew	EA	1	\$ 2,800.00	\$ 2,800.00
18	Manhole Rehabilitation - cementitious	SQFT	65	\$ 20.00	\$ 1,300.00
19	Traffic control	Day	5	\$ 850.00	\$ 4,250.00
20	Traffic - Message Board	Day	5	\$ 200.00	\$ 1,000.00
21	Lighted Arrow Board (Per Arrow Board)	Day	5	\$ 100.00	\$ 500.00
22	Traffic Control Plan	EA	1	\$ 2,000.00	\$ 2,000.00
23	Owner Contingency Allowance	AL	1	\$ 12,000.00	\$ 12,000.00
					\$ 93,300.00

Offered By:

Accepted By:

INSITUFORM TECHNOLOGIES, LLC.

CITY OF SAN MARCOS, TX



**TIM NAYLOR
512-677-8732**

SIGNATURE

DATE

NAME

TITLE

This accepted proposal constitutes a formal agreement. If you initiate a purchase order or other contract document, it shall not be acknowledged without this accepted proposal as an attachment.



Legislation Text

File #: Res. 2020-121R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-121R, authorizing the execution of a Ground Lease and Acquisition Agreement between the City and Hunt San Marcos Development, LLC for the City's New Public Services Center; establishing a facility purchase price under the ground lease in an amount not to exceed \$44,400,000.00; approving and authorizing the execution of amendment one to the exclusive negotiating agreement (ENA) with Hunt San Marcos Development, LLC to, among other things, provide for \$62,409 of additional pre-development services for a new total amount payable under the ENA of \$1,562,409.00; authorizing other matters in connection therewith; and declaring an effective date.

Meeting date: June 16, 2020

Department: Public Services -Tom Taggart Director

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: The council approved on 12-3-2019, an Exclusive Negotiating Agreement (ENA) for pre-development services with Hunt San Marcos Development LLC.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Sustainability

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

A Request for Qualifications (RFQ) for the selection of a qualified developers to design, finance, and construct the new Public Services Center was issued under guidance of the City's Bond Program Manager, Jacobs Project Management Company (Jacobs). Four (4) Statements of Qualifications were received and following evaluation against the criteria published in the RFQ by the review committee, three firms, Cowperwood Company, Development 2000, and Hunt Companies, Inc. were invited to respond to Request for Proposals (RFP) in Step 2 of the solicitation/evaluation process. One of the three firms withdrew from the RFP Step which resulted in two of the firms (D2000, and Hunt) provided detailed responses which addressed their recommended plan for the execution of the project including proposed financing models, design concepts, a design and construction schedule, quality assurance and quality control plans, budget and costing methodologies, and lastly the two firms were interviewed. The evaluation committees' final scores and ranking resulted in recommending the top-ranked firm, Hunt Companies, Inc., as the most qualified firm who provides the best value to the City of San Marcos. Following contract negotiations lead by Jacobs, the committee recommended, and the City Council approved (12-3-2019) award of an Exclusive Negotiating Agreement (ENA) to Hunt Companies, Inc. (Hunt) in the not-to-exceed amount of \$1,500,000 for pre-development phase services including financial development, design development, constructability reviews, cost estimating/budgeting, and procurement of additional professional services. Hunt has asked for an amendment to the ENA to increase the not-to-exceed amount to \$1,562,409 recompense them for services not scoped in the original agreement. (Well plugging, off site utility design and cultural surveys-over scope).

Over the past few months Hunt completed the deliverable tasks detailed above with input from the construction lender Key Bank and the design-build team of Flintco, LLC and Lawrence Group. Based on the latest project schedule, design development plans and specifications, and construction cost estimates, Hunt

prepared a Guaranteed Maximum Purchase Price (GMPP) proposal for financing the remaining design and construction of the Public Services Center. The GMPP is the total cost to complete the project comprised of financing costs, design fees, construction cost, project contingency, furniture, fixture, and equipment costs, 3rd party testing services, and building commissioning. The proposed GMPP is included in the Ground Lease and Asset Acquisition Agreement between the City and Hunt, which outlines Hunt's responsibility for obtaining financing and overseeing the project to final completion. If the City and Hunt cannot come to an agreement on the GMPP proposal and Ground Lease Agreement, the City reserves the right to terminate the ENA for convenience, reimburse Hunt for predevelopment services performed up to the \$1,562,409 authorized as amended, and retain ownership of any drawings, specifications, models, renderings or other materials prepared in connection with the project.

The total project cost presented to Council at the 50% design development stage at the 4/7/20 council work session was \$44,000,000. Many cost components of that total have increased or decreased as design was refined, bids received, value engineering was applied. The total cost at this time with 100% design development, sub-contractor bidding submitted and all ancillary costs and additional Jacobs project management services included is \$45,934,000. Offsets from Oversize contributions for utilities and conservation rainwater collection funds reduce it to \$45,599,000. The increase of \$1,934,000 is the result of the following additional costs which were partially offset by other cost saving reductions.

- Solar Panel inclusion (per council 4-7-20) \$796,000
- Concrete laydown storage area \$258,000
- Off Site utility extension \$237,000
- Jacobs increase in services \$166,000
- Financing interest change since 4/20 \$397,000
- Parking canopy foundation reinforcement \$430,000
- Upsized rainwater collection tankage \$63,000
- Fleet crane capacity upsize \$21,000

This agenda item presents City Council the negotiated GMPP proposal included in the Ground Lease and Asset Acquisition Agreement for approval and authorization and the requested ENA not-to-exceed amendment. If City Council approves the award of the Ground Lease and Asset Acquisition Agreement, Hunt will then hold the financial close with Key Bank to secure the project funding and proceed with completing the design and begin construction phase services. The Ground Lease and Asset Acquisition Agreement is structured for City to make a payment for the ENA amount at construction loan closing for work completed to date, one interest payment at month 10 of construction and the remaining balance of the project GMP at

project completion.

Approval of this agreement locks in the \$44,400,000 as the full buyout amount for the complete facility.

Council Committee, Board/Commission Action:

The Planning and Zoning Commission has allowed administrative approval of the block length variance and the Zoning Board of Adjustment has approved variances related to fencing, parking islands and landscaping requirements.

Alternatives:

Start process of developer selection over

Recommendation:

City staff recommends approval of the Ground Lease and Asset Acquisition Agreement and the ENA amendment.

City of San Marcos Public Services Center

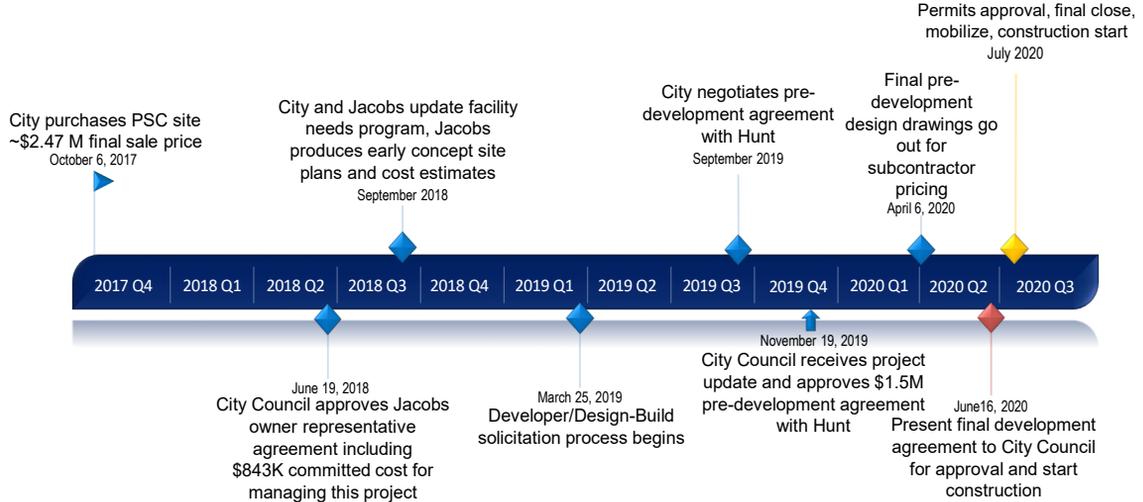
June 16, 2020

COSM Public Service Center

Purpose:

- Obtain approval to execute the Ground Lease and Asset Acquisition Agreement with Hunt San Marcos LLC and commit to purchase the COSM Public Service Center at the Guaranteed Maximum Price of \$44,400,000 upon completion and acceptance of the construction.
- Obtain approval of an amendment to the Exclusive Negotiating Agreement

Project Development Timeline



COSM Public Service Center

This presentation will provide information on the Public Service Center design/build status including:

- Site/Building Design progress
- Council requested features and sustainability elements
- Development of the Ground Lease and Asset Acquisition Agreement
- Presentation of the Guaranteed Maximum Purchase Price
- Financial Capacity Status
- Requested approval of ENA amendment
- Staff recommendation

Code Variance Application Status

- Alternative Compliance Appl. Approved by Planning and Zoning Commission for block length variance on Tuesday, May 12, 2020.
- Variance requests to code for fence height, traffic islands/landscape in secure area, and exceeding site parking maximum was approved by the Zoning Board of Adjustment on Thursday, May 21, 2020 .

The ZBOA placed the installation of solar per design and additional landscaping in other areas as a condition for traffic island/landscaping variance.

Council Approved Changes

- Solar add alternate has been incorporated in the base scope of work
- Concrete material laydown yard has been incorporated in the base scope of work
- Gender neutral locker/shower area added to crew building
- Gender neutral restrooms included throughout facility

COSM Ground Lease and Asset Acquisition Agreement

- Crafted with participation from legal staff of COSM, Lender, Developer, Finance Staff, Bond Counsel, Contractor, and Jacobs (City Project Management)
- City pays for the facility at the Guaranteed Purchase Price upon substantial completion and acceptance
- City holds 5% retainage through final completion
- GMPP includes \$1,760,000 of total contingency

Guaranteed Maximum Purchase Price

Guaranteed Maximum Purchase Price Summary

Estimated Schedule	<u>Period</u>	<u>Start Date</u>	<u>End Date</u>
ENA Period	7 Months	12/1/2019	6/30/2020
Construction	16 Months	7/1/2020	10/31/2021

GMPP

Hard Costs			
Construction		79.1%	\$ 35,103,868
Total Hard Cost			\$ 35,103,868
Soft Costs			
Design /Construction Administration		5.8%	\$ 2,562,267
Testing, Inspections, Commissioning, Insurance, and Contingency		4.0%	\$ 1,773,617
Furniture, Fixtures, and Equipment		3.2%	\$ 1,412,248
Title Insurance/ Closing Costs		0.3%	\$ 115,000
Total Soft Cost			\$ 5,863,132
Developer Fee		4.4%	\$ 1,950,100
Financing Costs		3.3%	\$ 1,482,900
GMPP		100.0%	\$ 44,400,000

Final Construction Cost Total vs 100% Design Development Estimate

	FINAL PRICING	DIFFERENCE	100% DD ESTIMATE 5/7/2020
TOTAL COST OF WORK	\$30,416,969	(\$245,049)	\$30,517,456
CONTINGENCY	\$912,509	(\$878,672)	\$1,791,181
TOTAL COST OF WORK AND CONTINGENCY	\$31,329,478	(\$1,123,721)	\$32,308,637
SUBCONTRACTOR DEFAULT INSURANCE	\$305,928	(\$98,708)	\$404,636
GENERAL CONDITIONS	\$1,244,539	\$44,539	\$1,200,000
SUBTOTAL	\$32,879,946	(\$1,177,889)	\$33,913,273
GENERAL LIABILITY INSURANCE	\$238,706	\$19,004	\$219,702
PAYMENT & PERFORMANCE BOND	\$313,604	(\$12,654)	\$326,258
BUILDER'S RISK INSURANCE (BY HUNT)	\$0	(\$109,853)	\$109,853
SUBTOTAL	\$33,432,255	(\$1,281,393)	\$34,569,086
Design-Build Fee	\$1,671,613	(\$154,401)	\$1,826,014
TOTAL CONSTRUCTION COSTS	\$35,103,868	\$ (1,292,090)	\$36,395,958

Development team was able to reduce the construction cost and construction contingency with subcontractor participation, partially offsetting the impact of additional base scope (solar, concrete laydown, cover foundations, interest rate changes, additional PICP improvements, etc.)

Total Project Cost for Financial Capacity Consideration

Total GMPP	\$44,400,000
JACOBS fee	\$1,009,000*
Staff Move to New Facility	\$200,000
Bluebonnet Electric Service	\$75,000
City IT/ Dispatch Equipment	\$100,000
Contingency	\$150,000
Impact Fee/ Conservation Fund Contribution	(-\$335,000)
Total Project Cost	\$45,599,000

*Includes \$166K proposed additional service fee pending negotiation

Financial Capacity Analysis

	Electric	W/WW	Drainage	General Fund	Total
Cost allocation by Fund	36%	34%	3%	27%	
Total Project Cost*					45,934,237
Debt/Cash funds available**	4,500,000	4,500,000	-	825,000	9,825,000
Project Cost Allocation	16,779,777	15,613,047	1,194,290	12,347,123	45,934,237
Debt Issuance Needed	12,279,777	11,113,047	1,194,290	11,522,123	36,109,237
Annual Debt Service:					
Existing Debt Service	301,500	301,500	-	32,500	635,500
30 Year @ 4.0% coupon	697,723	649,209	49,660	513,408	1,910,000
25 Year @ 4.1% coupon	770,783	717,189	54,860	567,168	2,110,000
20 Year @ 4.2% coupon	886,948	825,277	63,128	652,646	2,428,000

* Does not include \$2.4M for the land that has been purchased

** Includes prior debt funds and Impact Fees

Financing Strategies Planned

- Delay debt service for General Fund 3-5 years
- Front load Enterprise Funds debt service without significant impact to rates
- COVID-19 general fund revenue effects mitigated with the debt plan

Exclusive Negotiating Agreement

- Hunt has requested an amendment to the ENA to provide for an increase of \$62,409 to cover the expense of items outside the scope of the original agreement for pre-development services.
 - Plugging a well found on the site
 - Additional engineering for the Utility off site infrastructure.

This will provide for not to exceed pricing in the amount of \$1,562,409 instead of the original \$1.5M.
- This payment is made separately from the GMPP only if COSM does not proceed with the project.

Staff Recommendation

Staff recommends Council grant to the City Manager authority to execute the Ground Lease and Asset Acquisition Agreement.

Staff recommends approval of the amendment to the Exclusive Negotiating Agreement.

COSM Public Service Center

Questions?

Site/Facility Design Status Updates

- Design has been completed to 100% development status for subcontractor bidding/construction pricing.
- TXDOT drive access permit has been submitted
- Utility routing, electric, gas, w/ww design for on and off site development complete
- Well found on site was plugged
- Initial building plans have been reviewed by Building Officials, no outstanding code issues
- Texas Historical Commission cultural investigation completed, submitted, and under review

(If THC clearance not rec'd within 45 day execution window, Ground Lease and Asset Acquisition Agreement may return to Council for reauthorization.)

Included Sustainability Measures

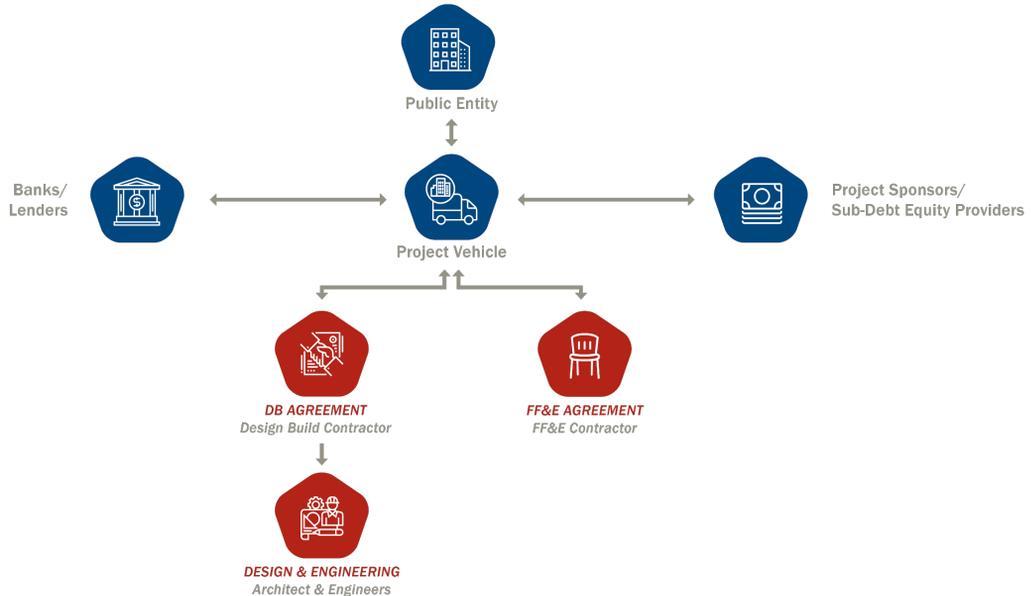
- HVAC with economizer and outside air demand control ventilation
- Low flow plumbing fixtures
- Four 18,000 gallon rainwater capture cisterns
- ~500 KW rooftop solar panels on utility building and warehouse.
- Additional landscaping in transition areas

Permeable pavement was vetted but not included due to soils and performance issues.

Ground Lease and Asset Acquisition Agreement

- The Ground Lease and Asset Acquisition Agreement is the instrument that protects the City, Developer, and Lender in the Design, Build, Finance project delivery method.
- Establishes the guaranteed maximum purchase price and starts construction

Design-Build-Finance Structure



- Agreement with City is a ground lease with a leasehold mortgage
- Loan is terminated at Substantial Completion with City holding retainage until Final Completion

Next Steps after GMPP Approval

- Obtain THC site clearance
- Receive approval on public infrastructure construction plan submittal, and record site plat
- Receive approval on site development permit
- Proceed with financial closing of the construction loan
- Mobilize on site, start site work
- Finalize building construction documents and submit building permit application
- Build facility to completion

Cost Changes since April 7 Update

- The total cost at this time with 100% design complete is \$45,934,000. The increase of \$1,934,000 is the result of the following additional costs which were partially offset by other cost saving reductions.
- Solar Panel inclusion (per council 4-7-20) \$796,000
- Concrete laydown storage area \$258,000
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- Parking canopy foundation reinforcement \$430,000
- Upsized rainwater collection tankage \$63,000
- Fleet crane capacity upsize \$21,000

* proposed-in negotiation

Interior Renderings



CONTROL CENTER

Interior Renderings



DISPATCH

 LAWRENCE
GROUP

sanmarcostx.gov

Interior Renderings



TRAINING ROOM

Interior Renderings



TRAINING ROOM



Interior Renderings



FIRST FLOOR HALLWAY

Solar Panel Design/ ROI estimate



- ~500 KW (1,278 panels) or roughly 75% average load
- Construction Cost Estimate ~\$750K
- Payback 15-19 years depending on electricity rate escalation assumptions (0%-3%/year)
- Includes 25 yr manufacturer performance monitoring agreement and linear power output warranty

Solar Panel Annual Environmental Savings



Environmental Savings Summary For COSM Public Service Center

Estimated Solar Array Size: 510 kW
Estimated Annual kWh Savings: 774,920 kWh



Estimated Annual Environmental Savings Results:

580	Tons of Carbon Dioxide
110	Cars Removed from Road
59,920	Gallons of Gasoline
13,520	Trees Planted
50	Homes Powered
11,790	Light Bulbs Powered

Current Project Cost Estimate

Construction Cost*	\$34.5M
Design Cost	\$2.5M
FF&E Cost	\$2.0M
Fees/Soft Cost	\$3.6M
<u>Financing Cost</u>	<u>\$1.4M</u>
Total	\$44M

* Does not include concrete for laydown yard alternate (~\$400K) and solar panels alternate (~750K)

Funding Considerations

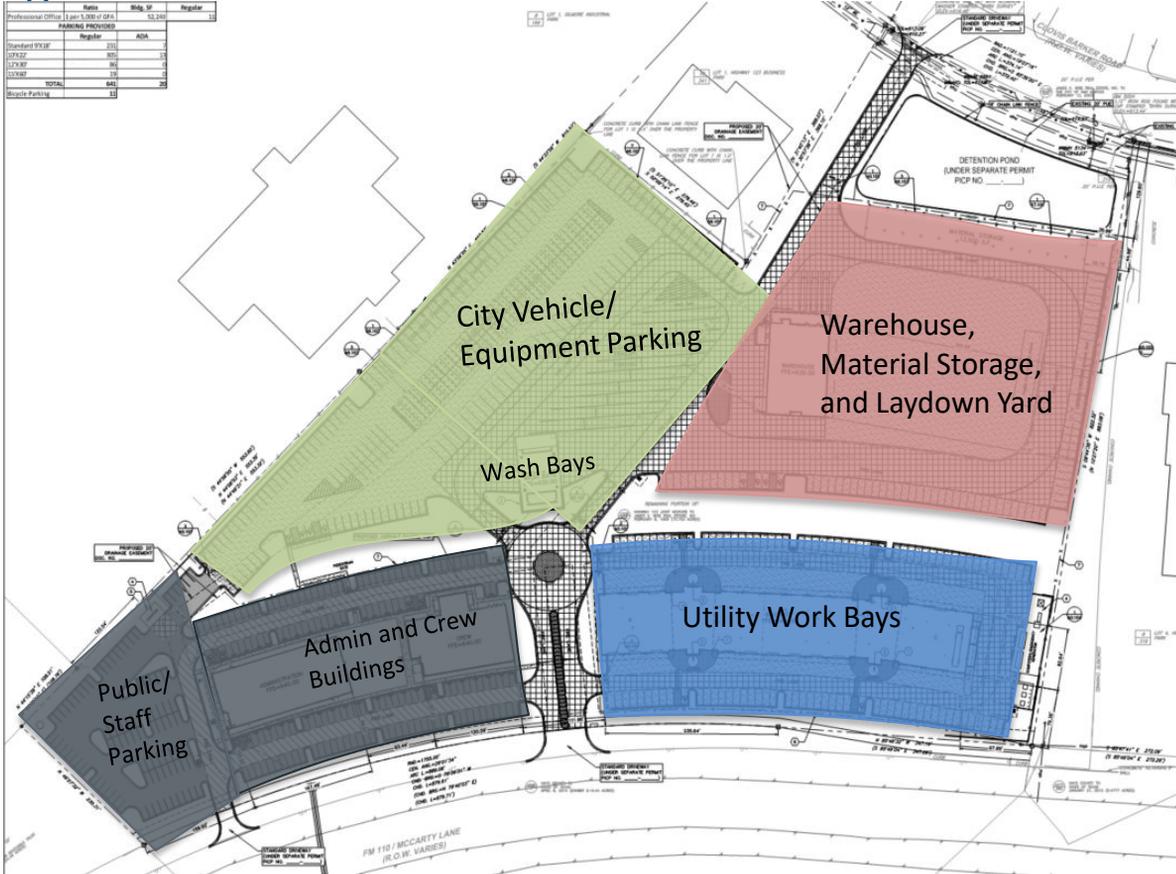
Period	Phases
Q4 2019	Contract approved by Council
Q2 2020	Design complete
Q3 2020	Construction Begins
Q4 2021	Construction Complete
Q1 2022	Move in and Buy out
FY2023	First Debt Payment Due Enterprise Funds
FY2026-28	First Debt Payment Due General Fund

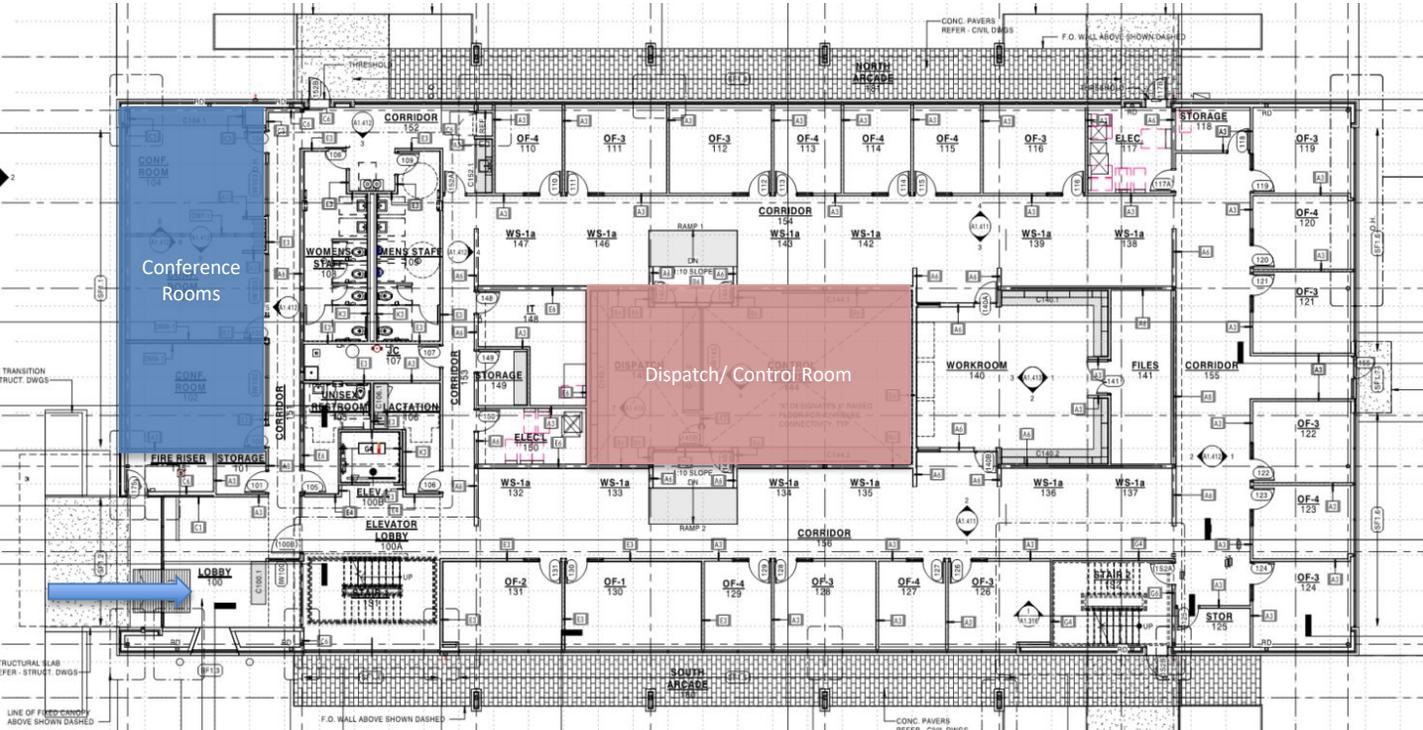
Funding considerations:

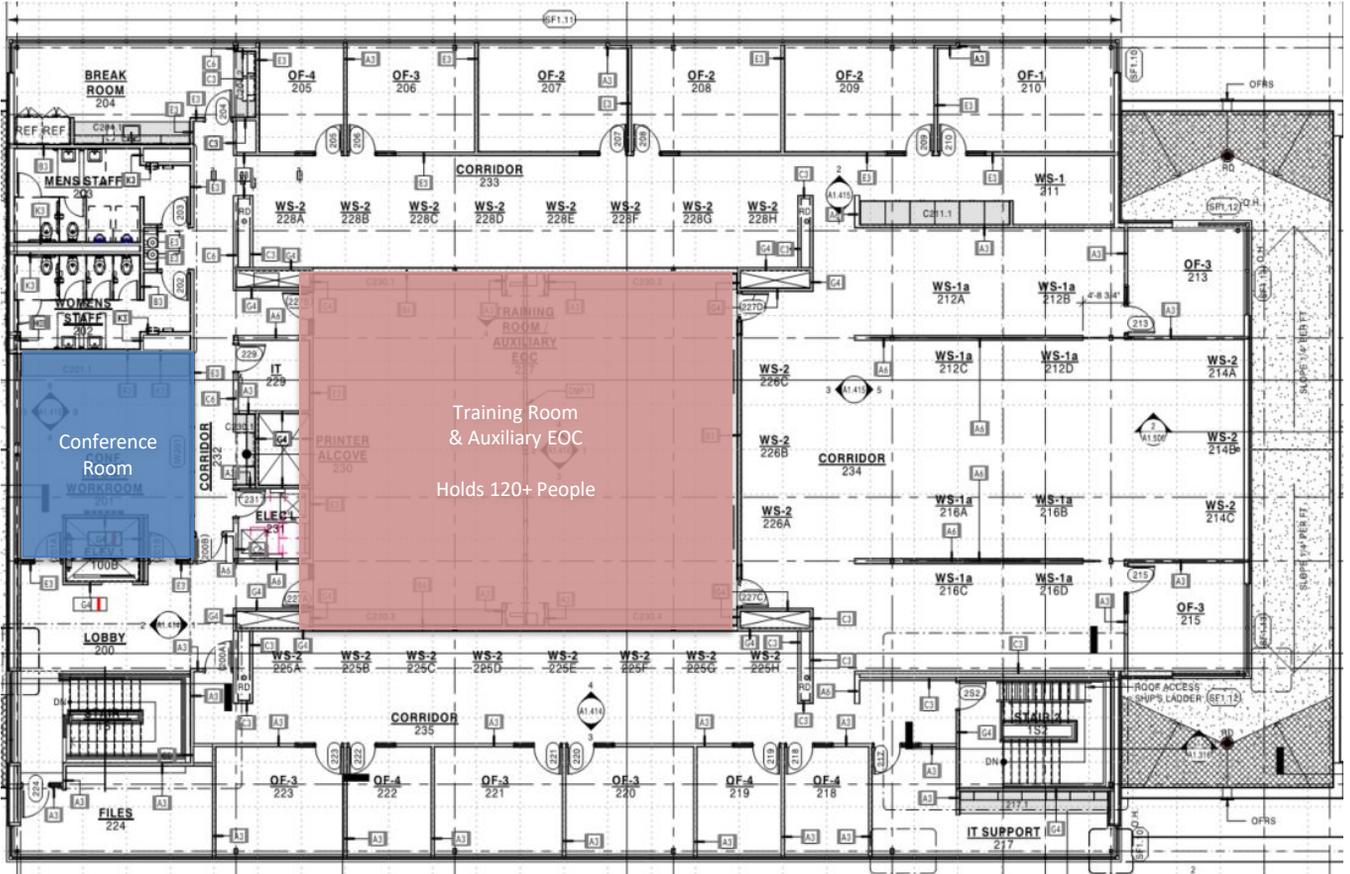
- Delay debt service for General Fund 3-5 years
- Front load Enterprise Funds debt service without significant impact to rates
- COVID-19 revenue effects mitigated with the debt plan

Site Plan

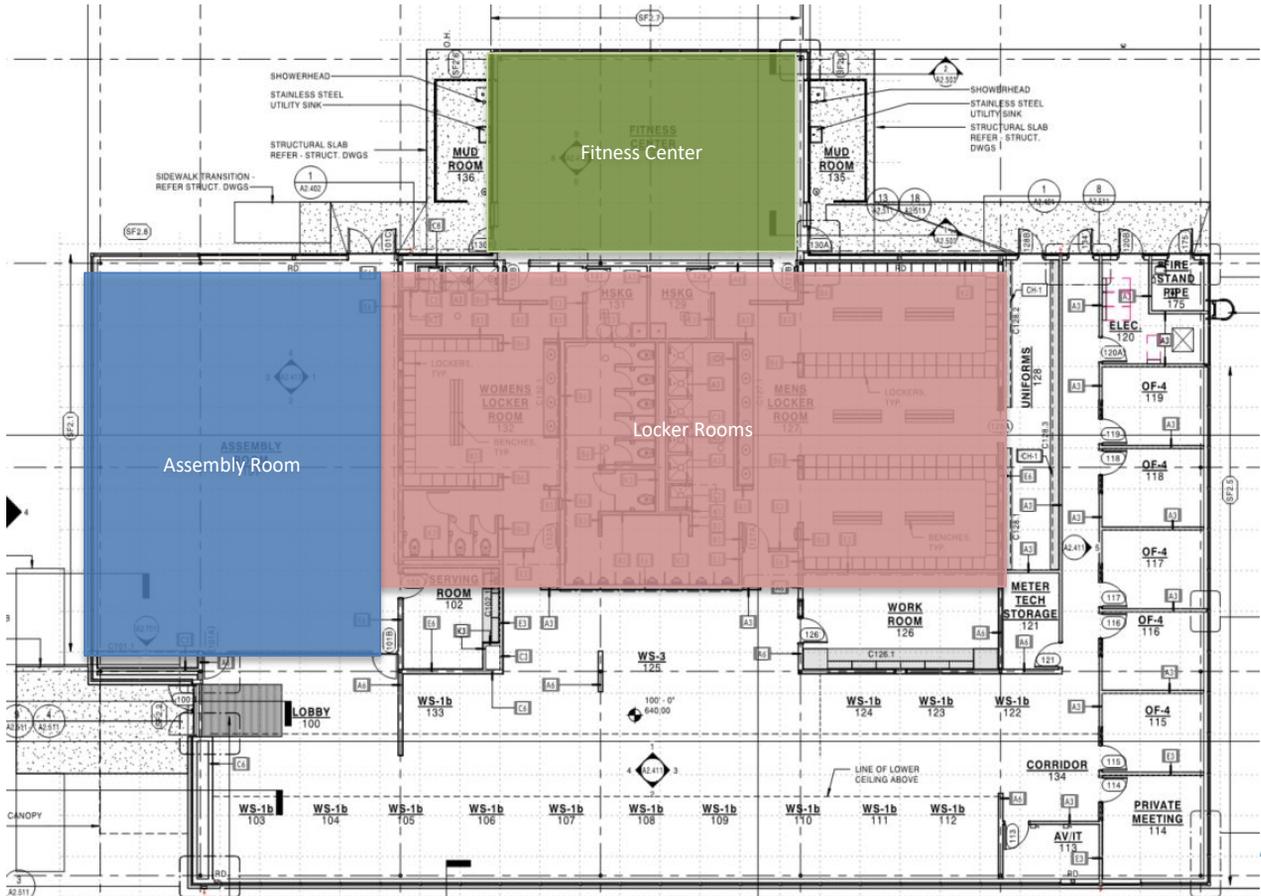
	Rate	Bldg. SF	Regular
Professional Office (3 per 5,000 or GP)			\$2.00
Parking (per space)			
Regular		ADA	
Standard 575 SF	1.00		
175 SF	0.50		
125 SF	0.30		
100 SF	0.20		
75 SF	0.15		
50 SF	0.10		
TOTAL	641		24
Street Parking			10



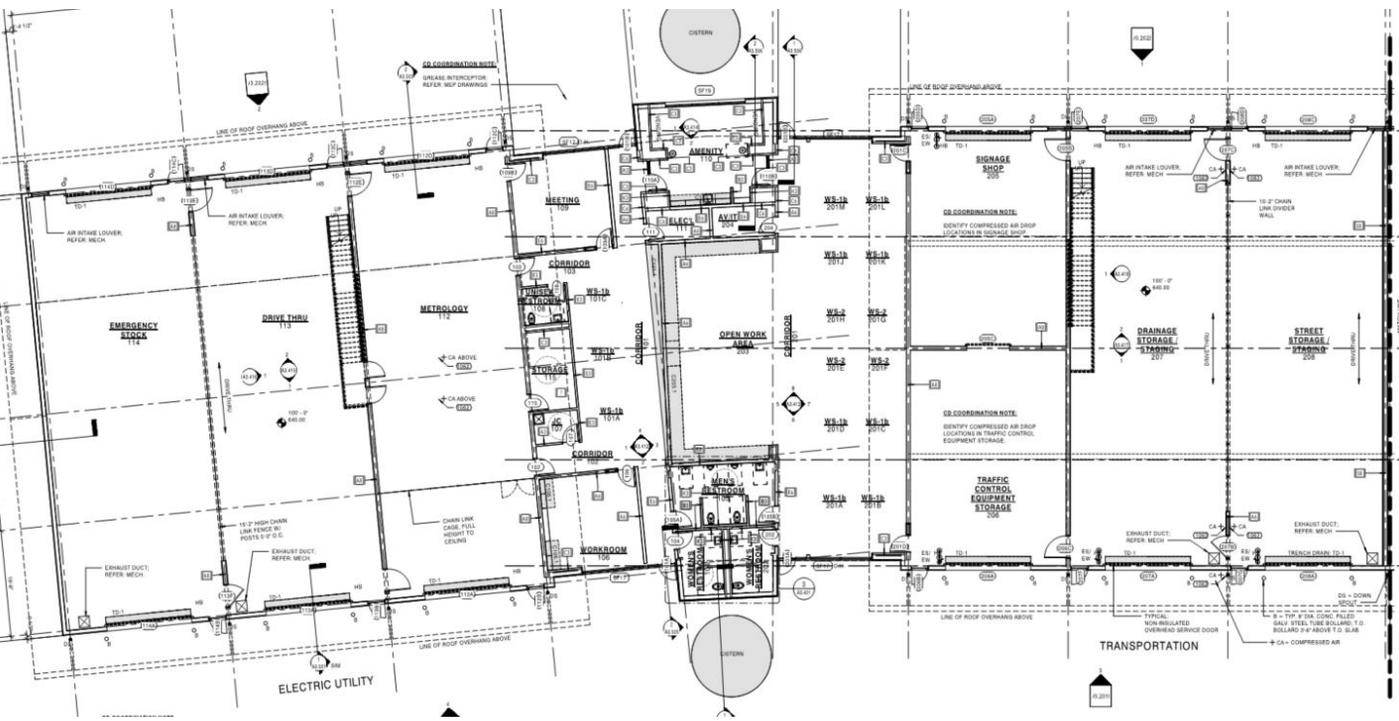




Crew Building



Utility Building West



RESOLUTION NO. 2020-121R

AN RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AUTHORIZING THE EXECUTION OF A GROUND LEASE AND ACQUISITION AGREEMENT BETWEEN THE CITY AND HUNT SAN MARCOS DEVELOPMENT, LLC FOR THE CITY'S NEW PUBLIC SERVICES CENTER; ESTABLISHING A FACILITY PURCHASE PRICE UNDER THE GROUND LEASE IN AN AMOUNT NOT TO EXCEED \$44,400,000.00; APPROVING AND AUTHORIZING THE EXECUTION OF AMENDMENT ONE TO THE EXCLUSIVE NEGOTIATING AGREEMENT (ENA) WITH HUNT SAN MARCOS DEVELOPMENT, LLC TO, AMONG OTHER THINGS, PROVIDE FOR \$62,409 OF ADDITIONAL PRE-DEVELOPMENT SERVICES FOR A NEW TOTAL AMOUNT PAYABLE UNDER THE ENA OF \$1,562,409.00; AUTHORIZING OTHER MATTERS IN CONNECTION THEREWITH; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. In 2008, the City of San Marcos, Texas (the *City*) merged three departments, Water/Wastewater, Public Works, and San Marcos Electric Utility, into one department, known as Public Services.
2. Even before this merger, the City recognized these departments had grown beyond the ability of the existing facilities to house them in a safe, effective, and cost-efficient work space.
3. After a multi-year study that included a comprehensive facility assessment to document the then-current and forecasted needs of the merged Public Services department into a consolidated facility, the City initiated a competitive process under Chapter 2269, as amended, Texas Government Code (the *Selection Process*) to identify and select the most qualified provider to deliver a facility of specified characteristics pursuant to the "design-build" method of technical project delivery.
4. At the conclusion of this Selection Process, at the recommendation of City administration (who was advised by third party consultants), the Council selected Hunt Companies, Inc. (*Hunt*) to deliver a consolidated public works facility to house the Public Services department, which facility shall, upon completion, consist of eight functional areas totaling approximately 140,000 gross square feet and onsite surface parking for approximately 700 vehicles (the *Facility*) built on City-owned land (such City-owned land, the *Parcel*), developed in accordance with the technical requirements included in and made a part of the Selection Process.
5. On December 3, 2019, the City entered into an Exclusive Negotiating Agreement (the *ENA*) with Hunt San Marcos Development, LLC (the *Lessee*), a wholly-owned Hunt-subsubsidiary created specifically for the purpose of developing the Facility, which agreement specified the terms and provisions by which the Lessee would conduct preliminary development

activities relative to Facility development that necessarily preceded the ability of the City and the Lessee to enter into a comprehensive agreement concerning full Facility development.

6. As a result of the Selection Process and completion of the Facility preliminary development work specified under the ENA, the City and the Lessee have now determined to facilitate Facility development through the City's entry into the Ground Lease and Acquisition Agreement (the *Lease*) with the Lessee, pursuant to which the City leases the Land to the Lessee and the Lessee is obligated to design, finance, construct, and convey to the City the Facility in accordance with the terms therein specified.

7. In connection with the planning for the Facility, it is necessary to amend the ENA to add \$62,409.00 of pre-development services to the scope of services, increasing the amount payable under the ENA from \$1,500,000.00 to \$1,562,409.00 (*ENA Amendment One*).

8. The City Council of the City (the *Council*) finds that the adoption of this Resolution is in the best interests of the residents of the City.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. Approval of Lease; Adoption of Representations and Warranties. Pursuant to authority conferred by and in accordance with the provisions of the Constitution and general laws of the State of Texas, including (particularly) Chapters 271 and 282, as amended, Texas Local Government Code, and Chapter 2269, as amended, Texas Government Code (*Chapter 2269*), and the City's Home Rule Charter and as a culmination and conclusion of the Selection Process, the City hereby authorizes its entry into the Lease, in the form attached hereto as Exhibit A, with the Lessee. In addition to being a lease for real property, the City hereby finds that the Lease is a public work contract under Chapter 2269. The City hereby adopts as its own the representations and warranties of the City included in, and recognizes and accepts its duties and obligations (subject to any limitations therein specified) under, the Lease, which Lease provisions are incorporated by reference in this Resolution as though herein replicated. With respect to the foregoing, the City hereby approves a Facility Purchase Price (as defined in the Lease) in an amount not to exceed \$44,400,000.00.

PART 2. Ratification of Prior Actions; Authorization of City Manager to Execute Documents. All actions necessary or incidental to the adoption of this Resolution by the Council, whether heretofore or hereafter taken, are hereby ratified and approved as the act and deed of the City for all purposes. The Council hereby authorizes the City Manager, on behalf of the City, to execute the Lease (evidencing, among other things, a Facility Purchase Price not in excess of the maximum Facility Purchase Price established in Part 1 of this Resolution), any Memorandum of Lease thereunder required, and any other document, agreement, certification, representation, warranty, or receipt relating to the Lease, the transactions thereunder or hereunder contemplated, or that are necessary or desirable to effectuate the intent and purpose of the Lease or this Resolution which executions shall be binding on the City as the act and deed thereof. In addition, and to the extent necessary or required, the City hereby authorizes the recordation in the real property records of Hays County, Texas the Lease, any Memorandum of Lease, or such other documentation

relating to the Land or the Facility as may be necessary or desirable as a result of or in relation to the transactions that are a part of or that are contemplated under or described in the Lease.

PART 3. Term of Authorization. Time is of the essence regarding Facility development. Accordingly, the counterpart to the Lease is not executed by the Lessee on or before July 31, 2020, the signature of the City Manager shall be null and void, and the Lease may not become effective without subsequent consideration and approval of the Council. The Council may, at any time prior to the Lessee's execution of the Lease, revoke the authorization provided in Section 1 hereof, upon written notice to the Lessee at the address provided for the Lessee in the Lease.

PART 4. Approval of ENA Amendment One. ENA Amendment One is approved for the purpose of adding \$62,409.00 of additional pre-development services as specifically described in ENA Amendment One, attached hereto as Exhibit B, for a total amount payable under the ENA of \$1,562,409.00. The City Manager, or his designee, is authorized to execute ENA Amendment One.

PART 5. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Council.

PART 6. Inconsistent Provisions. All ordinances and resolutions of the City, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters provided herein.

PART 7. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

PART 8. Severability. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Resolution would have been enacted without such invalid provision.

PART 9. Construction. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Resolution and all the terms and provisions hereof shall be constructed to effectuate the purposes set forth herein and to sustain the validity of this Resolution.

PART 10. Compliance with Texas Open Meetings Act. It is officially found, determined, and declared that the meeting of the City at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

PART 11. Effective Date. This Resolution shall be in full force and effect immediately from and after its adoption.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT A

Ground Lease and Acquisition Agreement

EXHIBIT B

Amendment to ENA for Additional Services

GROUND LEASE AND ASSET ACQUISITION AGREEMENT

between

CITY OF SAN MARCOS, TEXAS
a corporate body and political subdivision of the State of Texas
as Lessor

and

HUNT SAN MARCOS DEVELOPMENT, LLC,
a Delaware limited liability company
as Lessee

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GROUND LEASE AND ACQUISITION AGREEMENT

THIS GROUND LEASE AND ACQUISITION AGREEMENT (this “Lease” or this “Agreement”) is dated, entered into, and effective as of July 1, 2020 (the “Effective Date”) between the CITY OF SAN MARCOS, TEXAS (“Lessor” or the “City”), a political subdivision and body corporate and politic of the State of Texas, and HUNT SAN MARCOS DEVELOPMENT, LLC (“Lessee”), a Delaware limited liability company.

BACKGROUND:

1. Lessor is the owner of that certain real property located in Lessor’s corporate limits, as more particularly described in Exhibit A attached hereto (the “Parcel”).

2. This Lease is being entered into between Lessor and Lessee pursuant to the general and special laws of the State of Texas, including Chapters 271 and 282, as amended, Texas Local Government Code, and Chapter 2269, as amended, Texas Government Code, the City’s Home Rule Charter, and other authorities for the lease of land and purchase of facilities to comprise a new public services complex (as more particularly defined and described herein, collectively, the “Facility”).

3. Lessee’s proposal for the Facility was selected by Lessor after its conduct of a competitive process.

4. On December 3, 2019, Lessor and Lessee entered into an Exclusive Negotiating Agreement (as the same may be further amended, the “ENA”), for purposes of establishing the preliminary terms for the design, development, construction, furnishing and equipping of the Facility.

5. Lessee is obtaining a loan to provide a source of financing for Lessee’s design, development, construction, furnishing and equipping of the Facility (such loan, as more particularly described herein, the “Construction Loan”) pursuant to the hereinafter-defined Loan Agreement.

6. Lessor and Lessee desire to enter into this Lease to set forth certain terms and conditions of the lease of the hereinafter-defined Property, the Lessee’s construction of the Facility, the Lessor’s purchase of the Facility, and other agreements as set forth herein.

ACCORDINGLY, in consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, Lessor and Lessee hereby enter into this Lease and do hereby agree as follows:

Article 1 Definitions, Rules of Construction

Section 1.1 Definitions of Words and Terms. Unless otherwise stated, the following terms used herein shall have the following meanings.

“Acceptable Bank” means a financial institution (a) that is organized under the laws of the United States of America or any state thereof or is a foreign bank with an office in the United States of America, (b) that has a combined capital and surplus of not less than \$500,000,000, and (c) has, as of any date of determination, an Acceptable Credit Rating.

“Acceptable Credit Rating” means, with respect to any financial institution, the rating of its unsecured, unsubordinated, unguaranteed senior long-term indebtedness (or, if such financial institution has no such rating, then its issuer rating or corporate credit rating), at the time such financial institution executes, delivers or issues the Lessee LOC, is no lower than ‘A+’, or the equivalent thereof, from any Nationally-Recognized Rating Agency, and at any time thereafter, no lower than ‘A’, or the equivalent thereof, from any Nationally-Recognized Rating Agency.

“Acceptance Date” means the date of Substantial Completion of the Facility, the acceptance of the Improvements by Lessor, and the occurrence of other actions by each of the Parties, all as further described and provided in Section 5.2(a) hereof.

“Act” means the Texas Public Information Act, codified as Chapter 552, as amended, Texas Government Code.

“Additional Rent” has the meaning given in Section 3.2(a)(iii) hereof.

“Adjustments” has the meaning given in Section 4.10(b) hereof.

“Affiliate” means any Person controlling, controlled by or under common control with any other Person. For the purposes of this definition, the term “control” when used with respect to any Person means the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by law, regulation, contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Architect” means Lawrence Group, or such successor thereto or assignee thereof, acting in the capacity of “Design Professional” under the Design-Build Agreement.

“Bankruptcy Event” means (a) a petition for relief under applicable bankruptcy law is filed by Lessee; (b) an involuntary petition for relief is filed against Lessee under any applicable bankruptcy law and such petition is not dismissed within thirty (30) days after the filing thereof; or (c) an order for relief naming Lessee is entered under any applicable bankruptcy law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to by Lessee.

“Base Case Model” has the meaning ascribed thereto in the Loan Agreement.

“Base Rent” has the meaning given in Section 3.2(a)(ii) hereof.

“Casualty” means damage or destruction caused by fire, flood, earthquake, windstorm, the elements, accident, war, riot, public disorder, acts authorized or unauthorized by the government or any other cause or happening that result in damage to or destruction of any of the Property.

“Change of Control” means with respect to a person (other than Lessor), any direct or indirect change in the ownership or control of any legal, beneficial, or equitable interest in any or all of the shares or equity in the person (including the control over the exercise of voting rights conferred on equity share capital, unit interests, or equity interests or the control over the right to appoint or remove directors, a general partner, a managing member, or other managers), including changes arising from assignment or transfer of existing shares or equity, issuance of new shares or equity amalgamation, merger, consolidation, amendment of a limited liability company certificate, or other reorganization, or any other direct or indirect change which results in a person or group of persons, other than the equity holders of the entity immediately prior to the change, directly or indirectly:

(i) Controlling the composition of the majority of the board of trustees of the entity or of a general partner or manager of the entity;

(ii) Controlling the decisions made by or on behalf of the person, including by controlling the voting power of the board of trustees or by controlling the voting power of any class of shareholders or equity holders of any of the entity, a general partner of the entity, or a manager of the entity, or otherwise;

(iii) Holding equity (either beneficially or otherwise) of that entity with a subscribed value (taking into account contributions to be made in the case of a limited liability company) of more than one half of the subscribed value (taking into account contributions to be made in the case of a limited liability company) or equity (either beneficially or otherwise) of that entity with more than one half of the voting rights; or

(iv) Having the ability to direct or cause the direction of the management, actions, or policies of the entity

“Change Order” shall have the meaning ascribed thereto in the Design-Build Agreement or the FF&E Agreement, as applicable.

“City Council” means the City Council of the Lessor, as its governing body, or any successor governing body thereto.

“Claim(s)” has the meaning given in Section 10.1 hereof.

“Claim for Permitted Delay” has the meaning given in Section 5.3(b) hereof.

“Compensable Delay” means any critical path delay resulting directly from:

(i) any Lessor Modifications as expressly set forth in a Change Order formally approved by Lessor in accordance with Section 4.2(c)(iii) hereof;

(ii) Lessor’s failure to provide any approvals required under this Lease within the prescribed time periods, or in the absence of a prescribed time period, within 30 days from the time that Lessor has been notified in writing; or

(iii) Lessor's failure to timely approve the final Plans and Specifications or any Material Modifications, subject to and in accordance with the terms and conditions set forth in Section 4.02(a) or Section 4.2(c)(i) or (ii) hereof, as applicable;

(iv) Lessor's failure to timely make any Installment Payment subject to and in accordance with the terms of this Lease (other than by reason of a Lessee Event of Default);

(v) Lessor directs Lessee to suspend or stop Work for any reason other than a Lessee Event of Default);

(vi) A formal order by a court of competent jurisdiction for Lessee to stop Work;

(vii) Discovery of a Non-Discoverable Preexisting Condition, response to or remedy of which results in an increase in the Cost of the Work or a delay in the critical path schedule under the Design-Build Agreement; or

(viii) Any change in Legal Requirements, when compared to those existing on the Effective Date, national emergency, or Force Majeure Event that results in Lessee's delay or inability to proceed with the Work.

"Completion Date" means the date of Final Completion.

"Construction Documents" means the Final Plans and Specifications, Design-Build Agreement, the FF&E Agreement, and any and all interests of Lessee in and to such other contracts and agreements entered into with respect to the design, permitting, construction, furnishing and equipping of the Facility, including, those agreements entered into with any Subcontractors.

"Construction Lender" means KeyBank National Association, together with its successors and assigns.

"Construction Lender Credit" means:

(i) for purposes of calculating the Default Termination Purchase Price, an amount equal to any and all cash or cash equivalents held in reserve or otherwise held by or for the benefit of the Construction Lender as security for the repayment of the Construction Loan in excess of 80% of any amounts owing to the Construction Lender under the Loan Agreement (including outstanding principal, accrued and unpaid interest, default interest, and termination fees) as of the Termination Date, after the application of the Unadjusted Default Termination Purchase Price; and

(ii) for purposes of calculating the Non-Default Termination Purchase Price, an amount equal to any and all cash or cash equivalents held in reserve or otherwise held by or for the benefit of the Construction Lender as security for the repayment of the Construction Loan in excess of 100% of any amounts owing to the Construction Lender under the Loan Agreement (including outstanding principal, accrued and unpaid interest, default interest, and termination fees) as of the Termination Date, after the application of the Unadjusted Non-Default Termination Purchase Price.

“Construction Loan” means the credit facility made available by the Construction Lender to Lessee under the Loan Agreement and pursuant to which the Lessee is permitted to borrow an amount not to exceed \$41,000,000, the proceeds from which are available to Lessee for the design, development, construction, furnishing and equipping of the Facility.

“Construction Monitor” means the independent construction monitor and design consultant retained by Lessor for the benefit of Lessor and the Construction Lender, for the purposes of monitoring Lessee’s compliance with the requirements of this Lease, and for the performance of such other duties as set forth herein, initially being Jacobs Project Management Co.

“Contingency” means, collectively, the D-B Contingency and the Lessee Contingency.

“Cost of the Work” means the “Cost of the Work”, as such term is defined in the Design-Build Agreement, plus the “Design Builder’s Fee”, as such term is defined in the Design-Build Agreement, plus the costs of the FF&E under the FF&E Agreement.

“D-B Contingency” means an amount equal to \$912,509, being the Design-Builder’s contingency included as a part of the GMP, as set forth in Sections 3.1.6 and 3.2.7, respectively, of the D-B Agreement and as set forth in the GMP Amendment.

“D-B Long Stop Date” means December 1, 2021, unless extended as a result of Permitted Delay.

“Default Termination” has the meaning given in Section 11.7(b)(i) hereof and includes the events described in such Section and in Section 11.7(d)(iv) hereof.

“Default Termination Purchase Price” means an amount equal to the Unadjusted Default Termination Purchase Price, less the Construction Lender Credit.

“Delinquent Interest Rate” means a per annum rate of interest equal to the lesser of (a) twelve percent (12%) or (b) the then highest lawful contract rate which Lessee is authorized to pay, and Lessor is authorized to charge, under the laws of the State with respect to the relevant obligation.

“Design-Build Agreement” means that certain “Consensus Docs 410 Standard Design-Build Agreement and General Conditions Between Developer and Design-Builder (Cost of the Work Plus a Fee with a GMP)” dated as of July 1, 2020, as the same is amended by the GMP Amendment and may be further amended or modified in accordance with the terms thereof and hereof.

“Design-Builder” means Flintco, LLC, an Oklahoma limited liability company, and its permitted successors and assigns.

“Design Requirements” means, collectively, (i) the Facility requirements as described in the Design-Build Agreement and as attached hereto (except as otherwise may be modified by agreement of the Parties); (ii) the FF&E Requirements; (iii) such additional criteria and specifications set forth in the GMP Amendment; and (iv) all applicable building codes, standards,

guidelines, and policies of any and all authorities having jurisdiction over the design, permitting and construction of the Facility. In the event of a conflict between any of the foregoing items, items “(i)” and “(ii)”, as applicable, shall govern.

“**Designated Representative**” has the meaning given in Section 4.7 hereof.

“**Development Fee**”, as used in Exhibit J hereto, means the fee earned by Lessee for development of the Facility, as evidenced in the Base Case Model.

“**Development Schedule**” has the meaning given in Section 4.3(d) hereof.

“**Effective Date**” has the meaning given in the introductory paragraph hereof.

“**ENA**” has the meaning given in the recitals hereof.

“**Entitlements**” mean plats, zoning, site development permits, building permits and any other permits and approvals (or any modifications of the foregoing) from the City or any other Governmental Authorities or other Persons under Legal Requirements that are required in connection with the design, development, construction, furnishing, and equipping of the Facility.

“**Environmental Claim**” means, but is not limited to, any claim, demand, action, cause of action, suit, loss, cost, damage, fine, penalty, expense, liability, judgment, forfeitures, proceeding, or injury, threatened, sought, brought, or imposed, that seeks to impose costs or liabilities for: (i) pollution or contamination of the air, surface water, groundwater or soil with Hazardous Materials; (ii) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation of Hazardous Materials; (iii) exposure to Hazardous Materials; (iv) the generation, handling, treatment, transportation, manufacture, processing, distribution in commerce, use, storage or disposal of Hazardous Materials; (v) injury to or death of any Persons directly or indirectly connected with Hazardous Materials and directly or indirectly related to the Property; (vi) destruction or contamination of any property directly or indirectly in connection with Hazardous Materials; (vii) any and all penalties directly or indirectly connected with Hazardous Materials; (h) the costs of removal of any and all Hazardous Materials from all or any portion of the Property; (viii) costs required to take necessary precautions to protect against the release of Hazardous Materials at, on, in, about, under, within, near or in connection with the Property in or into the air, soil, surface water, groundwater, or soil vapor, any public domain, or any surrounding areas; (ix) costs incurred to comply, in connection with all or any portion of the Property, with all Legal Requirements with respect to Hazardous Materials; (x) the costs of site investigation, response, and remediation of any and all Hazardous Materials at, on, about, under, within, near or in all or any portion of the Property; or (xii) any asserted or actual breach or violation of any requirements of Legal Requirements with respect to Hazardous Materials.

“**Environmental Law**” means any law, statute, ordinance, rule, regulation or legal requirement in effect at the Effective Date pertaining to (iii) the protection of health, safety, or the environment; (iv) the conservation, management, protection, or use of natural resources and wildlife; (v) the protection or use of source water and groundwater; (vi) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release, threatened release, abatement, removal, remediation, or handling of, or exposure to, any Hazardous Material; or (vii) pollution (including any release to air, land, surface water and

groundwater), and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any similar, implementing or successor law, and any amendment, rule, regulation, order or directive, issued thereunder.

“Environmental Reports” means, collectively, (i) the Phase I Environmental Site Assessment, dated January 17, 2019 (sic), prepared by Raba Kistner Consultants, Inc.; (ii) the Environmental Overview Document, dated April 20, 2020, prepared by Raba Kistner Consultants, Inc., and (iii) the Cultural Resources Report No. 20-011, dated May 28, 2020, prepared by Raba Kistner Consultants, Inc.

“Expenses” means all costs, expenses (including, without limitation, Taxes and Utilities) and obligations of every kind or nature whatsoever, arising out of the Property, including the design, development, permitting, construction, furnishing, equipping and ownership of the Facility.

“Facility” means the San Marcos Public Services Complex, being a facility comprised of eight (8) functional areas totaling approximately 140,000 gross square feet and onsite surface parking for approximately 700 vehicles, developed in accordance with the Design Requirements.

“Facility Executive Committee” means a committee comprised of Lessor’s City Manager (or his designee), City Attorney, Director of Public Services, Director of General Services, and Director of Finance.

“Facility Purchase Price” means \$44,400,000, as such amount may be adjusted pursuant to the provisions of Section 4.10(b) hereof, of which amount \$1,562,409 is paid by the City on the Closing Date under the ENA and the balance of \$42,837,591 is paid by the City from time to time in Installment Payments. Unless specified otherwise herein, references to the Facility Purchase Price means the portion of the Facility Purchase Price to be paid from Installment Payments.

“FF&E” means all furnishing, fixtures, and equipment for the Facility identified in the FF&E Requirements, to be installed in the Facility by Lessee in accordance with Section 4.4 hereof.

“FF&E Agreement” means that certain Consultant Service Agreement Master Contract dated as of July 1, 2020, between Lessee and the Purchasing Manager, and approved by Lessor.

“FF&E Requirements” means the specifications and requirements relating to the purchase and installation of the FF&E set forth in Exhibit D attached hereto.

“FF&E Suppliers” means any and all suppliers, contractors, and consultants employed or retained by the Purchasing Manager for the performance of the FF&E Requirements.

“Final Completion” has the meaning given in Section 5.2(b) hereof.

“Final Payment” means the final Installment Payment payable to Lessee by Lessor on the Completion Date.

“Final Plans and Specifications” means the 100% final Plans and Specifications for the Facility, setting forth in detail the requirements and technical specifications for the construction of the Facility and which Final Plans and Specifications, including any Material Modifications thereto, are subject to the approval of Lessor in accordance with Section 4.2 hereof.

“Financing Fee”, as used in Exhibit J hereto, means the fees from time to time paid by Lessee to the Construction Lender for its making to Lessee the Construction Loan, as such fees are evidenced in the Base Case Model

“Force Majeure Event” means war, act of terrorism, civil commotion, pandemic, quarantine, fire, severe flood, hurricane, tornado, explosion, court order, or change in Legal Requirements in existence as of the Effective Date or other similar events or circumstances that are outside of Lessee’s control, but only to the extent that such events or circumstances delay Substantial Completion or Final Completion or otherwise make Lessee’s construction of the Facility impracticable or impossible, in its commercially reasonable judgement, after taking reasonable steps to mitigate the effects thereof. With respect to the current COVID-19 pandemic, the definition of Force Majeure Event shall include any new or changed Legal Requirements or any other events or circumstances arising after the Effective Date, notwithstanding that the COVID-19 pandemic was in existence as of the Effective Date.

“Foreclosure Delay Period” means the period of time equal to the lesser of (i) that period between the date of the notice from the Construction Lender that it is exercising its right to foreclose on the Lender’s Security Interest pursuant to Section 8.2(c) hereof and the date on which a party approved by Lessor takes an assignment of the Leasehold Estate pursuant to Section 8.2(c) hereof and (ii) an actual critical path delay resulting from such foreclosure process.

“Form 1295” has the meaning given in Section 14.12(d) hereof.

“Geotechnical Report” means, together, (i) the Preliminary Geotechnical Engineering Study for Public Service Site Farm to Market Road 110 at State Highway 123 San Marcos, Texas, dated June 15, 2017, prepared by Raba Kistner Consultants, Inc. and (ii) the Engineering Study for Public Service Site Farm to Market Road 110 at State Highway 123 San Marcos, Texas, dated February 13, 2020 and as revised on March 11, 2020, prepared by Raba Kistner Consultants, Inc.

“GMP” means the guaranteed maximum price under the Design-Build Agreement, as specified in the GMP Amendment.

“GMP Amendment” means Amendment No. 1 to the Design-Build Agreement, incorporating the GMP to the Design-Build Agreement.

“GMPP Retainage” means an amount equal to five percent (5%) of the Cost of the Work; provided, however, that in determining the Cost of the Work, the portion of the “Cost of the Work” under the Design-Build Agreement attributable to design work that is paid after the Effective Date shall be disregarded.

“Governmental Authority” means any and all courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, quasi-governmental or otherwise) whether now or hereafter in existence and including, specifically, the City Council.

“Ground Lease Long Stop Date” means June 1, 2022, unless extended as a result of Permitted Delay.

“Hazardous Materials” mean any substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Legal Requirements or common law, as “hazardous substance,” “hazardous material,” “hazardous waste,” “acutely hazardous,” “extremely hazardous waste, infectious waste,” “toxic substance,” “toxic pollutant” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity, including any petroleum, natural gas, natural gas liquids, liquified natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) or derivatives thereof. **“Hazardous Materials”** also include, without limitation, those substances listed in the United States Department of Transportation Table (49 CFR 172.101, as amended).

“HUB” has the meaning given in Section 14.12(b) hereof.

“Improvements” mean any structures or improvements now or hereafter erected or situated on the Parcel, including, without limitation, the foundations and footings thereof and any and all fixtures, equipment and machinery of every kind and nature whatsoever owned by Lessee and now or hereafter has affixed or affixes or has attached or attaches thereto, or now or hereafter used or procured for use in connection with Lessee’s operation, use or occupancy thereof, and all appurtenances thereto. The Improvements shall include the Facility.

“Incidental Agreements” means the various professional consulting agreements undertaken by Lessee with third parties who are not Affiliates thereof related to measurement and verification of its performance under this Lease and the Design-Build Agreement, which agreements have been presented to Lessor for review and comment prior to their effectiveness.

“Indemnitee(s)” has the meaning given in Section 10.1 hereof.

“Indemnity Proceedings” has the meaning given in Section 10.2 hereof.

“Interest Rate Cap Premium” has the meaning ascribed thereto in the Loan Agreement.

“Installment Payment(s)” means the periodic installment payments made by Lessor to Lessee in satisfaction of the Facility Purchase Price, as set forth in the Installment Payment schedule attached hereto as Exhibit H.

“Insurance Requirements” means those insurance requirements set forth in Exhibit E attached hereto.

“Insureds” has the meaning given in Section 4.5(a) hereof.

“Leasehold Estate” means Lessee’s leasehold interest in the Property as granted thereto by Lessor under this Lease.

“Leasehold Mortgage” means that certain Leasehold Deed of Trust, Assignment, Security Agreement, and Fixture Filing, dated as of July 1, 2020, made by the Lessee in favor of the trustee therein named for the ultimate benefit of the Construction Lender.

“Leasehold Mortgagee” means the Construction Lender, as the benefited party under the Leasehold Mortgage, or any other holder of indebtedness secured by Lessee’s leasehold interest under this Lease with the consent of Lessor pursuant to Section 8.2 hereof; provided, however, that the term “Leasehold Mortgagee” shall not include Lessor.

“Legal Requirements” means the Entitlements and all other applicable title encumbrances, any requirements imposed under service extension requests, zoning ordinances, and building codes, access, disabilities, health, safety, environmental, and natural resource protection laws and regulations, and all other applicable federal, state, and local laws, statutes, ordinances, rules, common law, design criteria, regulations, orders, determinations and court decisions.

“Lender Releases” has the meaning given in Section 5.2(a)(v) hereof.

“Lender Security Interest” means, in addition to any other security sources or collateral specified in the Loan Agreement or the security agreements entered into in connection therewith, including a security interest in the assets of the Lessee and a pledge of the membership interests in Lessee, all rights and interests of the Construction Lender in and to the Property and the Construction Documents, as the same have been or may hereafter be pledged, granted, assigned or conveyed by Lessee as security for Lessee’s obligations under the Loan Agreement.

“Lessee” means Hunt San Marcos Development, LLC, a Delaware limited liability company, together with its permitted successors and assigns.

“Lessee Contingency” means Lessee’s contingency for the development of the Facility, being an amount equal to \$870,000.

“Lessee LOC” means a letter of credit issued by an Acceptable Bank for the benefit of Lessor, caused to be delivered to Lessor by Lessee in satisfaction of Lessee’s obligations under Section 3.2(b) hereof, and once delivered, maintained by Lessee in the LOC Amount for so long as required by the provisions of Section 3.2(b) hereof.

“Lessee Event of Default” has the meaning given in Section 11.1(a) hereof.

“Lessee Responsible Parties” has the meaning given in Section 10.1(b) hereof.

“**Lessor**” has the meaning given in the introductory paragraph hereof.

“**Lessor Event of Default**” has the meaning given in Section 11.1(b) hereof.

“**Lessor Modifications**” means any Modifications to the Plans and Specifications for the Facility made at the request of Lessor and approved in accordance with Section 4.2(c)(iii) hereof.

“**Lien(s)**” has the meaning given in Section 4.12 hereof.

“**Loan Agreement**” means that certain Construction Loan Facility, dated and effective as of July 1, 2020, between Lessee and the Construction Lender in connection with the Construction Lender making the Construction Loan to Lessee, as the same may be modified or amended.

“**LOC Amount**” means \$180,000, or such other amount as may be agreed to, in writing, by Lessor and Lessee.

“**Material Modification**” means any modification to the approved Plans and Specifications for the Facility which (i) is reasonably expected, in the good faith reasonable judgement of Lessee, to cause a delay in the completion of the Facility beyond the D-B Long Stop Date; (ii) would cause the Plans and Specifications to no longer comply with the Design Requirements in any respect; or (iii) otherwise constitutes a significant deviation from the Final Plans and Specifications in terms of the overall concept, quality, scope or purpose of the Facility as set forth in the Design-Build Agreement.

“**Memorandum of Lease**” has the meaning given in Section 14.9 hereof.

“**Modification**” means any Material Modification or Non-Material Modification.

“**Nationally-Recognized Rating Agency**” means each of Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings Inc., and any other nationally recognized statistical rating organization recognized as such by the United States Securities and Exchange Commission.

“**New Lease**” means a new lease of all right, title, and interest of Lessor in and to the Property, effective as of (or retroactively to) the Termination Date, for the remainder of the Term of this Lease, considered as if this Lease had not been terminated, with New Lessee, on substantially all of the same terms and provisions of this Lease and in substantially the same form as this Lease.

“**New Lessee**” means the Leasehold Mortgagee that requests a New Lease, or such other party under a New Lease as such Leasehold Mortgagee shall select having the necessary capitalization, experience, and qualifications to perform the obligations of Lessee hereunder and which has received the Written Approval of Lessor, not to be unreasonably withheld.

“**Non-Compensable Delay**” means any delay other than a Compensable Delay, even if such delay is otherwise deemed to be a Permitted Delay.

“**Non-Default Termination**” has the meaning given in Section 11.7(b)(ii) hereof and includes the events described in such Section and in Section 11.7(d)(i) through (iii) hereof.

“Non-Default Termination Fee” means the amount payable to Lessee by Lessor upon a Non-Default Termination set forth in Exhibit J, as consideration for the early termination of this Lease pursuant to Section 11.7(b)(ii) or Section 11.7(d)(i) through (iii) hereunder.

“Non-Default Termination Purchase Price” means an amount equal to the Unadjusted Non-Default Termination Purchase Price, *less* the Construction Lender Credit.

“Non-Discoverable Preexisting Condition” means a condition encountered on the Parcel during performance of the Work that is the result of (a) a subsurface or other physical condition materially different from those that would be reasonably foreseeable to a sophisticated developer of similar size projects in the area of the City based on a professional visual review of the site, adjacent utilities and utility surveys, and the Geotechnical Report, (b) an unusual and unknown physical condition materially different from conditions ordinarily encountered and generally recognized as inherent in construction activity such as the Work, including unknown utilities, archeological, paleontological, or cultural resources, threatened or endangered species, and other similar conditions regulated by Legal Requirements, (c) the presence of any Hazardous Material that would not be reasonably foreseeable to a sophisticated developer of similar size projects in the area of the City based on a professional visual review of the site and which was in fact not identified in the Phase I Site Assessment and was existing prior to the Effective Date, or any release by a third-party of Hazardous Material who is not acting for or on behalf of Lessee, (d) any endangered species or historic or archeological condition not identified in the Environmental Reports, or (e) any title reservation, condition, easement, encumbrance, inclusion or impairment in the chain in title relating to the Property, or any other impairment of Lessor’s right to access, occupy, and use the Property that, in each case, was not identified in the title policy delivered by Lessee at the inception of the Construction Loan

“Non-Material Modification” means any modification to the Final Plans and Specifications for the Facility which is not a Material Modification.

“Notice of Lien” has the meaning given in Section 11.6 hereof.

“OFAC” has the meaning given in Section 13.2(k) hereof.

“Parcel” has the meaning given in the recitals hereof.

“Parties” means, together, Lessor and Lessee, as parties to this Lease.

“Party” means either of Lessor or Lessee, as a party to this Lease.

“Permitted Delay” means:

- (i) any Compensable Delay;
- (ii) any critical path delay resulting directly from Unforeseeable Weather;
- (iii) any critical path delay resulting directly from a Force Majeure Event;
- (iv) any condition described in Section 3.4(a) or (b) hereof; or

(v) any Foreclosure Delay Period.

“**Permitted Use**” has the meaning given in Section 2.3 hereof.

“**Personal Obligations**” means any nonmonetary Lessee Event of Default that is not reasonably susceptible to cure by a Leasehold Mortgagee, such as (i) a Bankruptcy Event affecting Lessee or any other person or entity, (ii) a breach of Lessee’s covenants contained in Section 6.5 hereof, or (iii) any other nonmonetary Lessee Event of Default that by its nature relates only to, or can reasonably be performed only by, Lessee or Lessee’s Affiliates.

“**Phase I Site Assessment**” means the Phase I Environmental Site Assessment for Proposed Acquisition Property Proposed City of San Marcos – New Public Services Complex 20.61 Acre Tract FM 110 San Marcos, Texas, dated as of January 17, 2020, prepared by Raba Kistner, Inc.

“**Plans and Specifications**” means all drawings and specifications describing the Facility’s character, and other appropriate elements incorporating the structural, architectural, mechanical and electrical systems for the Facility.

“**Prior Agreements**” has the meaning given in Section 4.1 hereof.

“**Progress Reports**” has the meaning given in Section 4.3(e) hereof.

“**Property**” means the Parcel and the Improvements.

“**Punch List**” means a list of unfinished items relating to Facility construction, initially determined at Substantial Completion, comparing the then-current Facility construction state to the Final Plans and Specifications.

“**Punch List Retainage**” means an amount of money equal to two times the costs of completion, as estimated by Developer (and confirmed by the Construction Monitor), of the items included in the initial Punch List prepared at Substantial Completion.

“**Purchasing Manager**” means CGL Companies, LLC, a Florida limited liability company, and its permitted successors and assigns.

“**Qualified Borrowing Costs**” means the sum of (i) any and all costs and fees incurred by Lessee or by the Construction Lender on behalf of Lessee with respect to the Construction Loan, including (but not limited to) its legal counsel fees and fees and expenses of the Construction Lender that are the responsibility of the Lessee as a condition to its obtaining the Construction Loan, (ii) unused commitment fee, (iii) any termination fees incurred by Lessee (or by the Construction Lender on behalf of Lessee) with respect to any interest rate hedging strategy implemented in connection with the Construction Loan under the Loan Agreement, (iv) any and all accrued and unpaid interest payable under the Construction Loan (but expressly excluding any default interest or prepayment fees) to the extent that capitalized interest reserves of the Lessee are not available for the payment thereof, and (v) other fees and expenses under the Loan Agreement, when and if owed.

“Qualified Project Costs” means, as of the Termination Date, the sum of:

(i) any and all project costs previously disbursed by the Construction Lender to or for the benefit of Lessee and certified for payment by the Construction Monitor in its monthly construction monitoring reports, including any development management fees or other development costs of Lessee, and

(ii) any and all documented costs incurred that have not previously disbursed by the Construction Lender, but which nevertheless have been actually incurred (A) by the Design-Builder under the Design-Build Agreement for design and construction services performed with respect to the Facility in accordance with the terms thereof as of the date of termination, and for which conditional lien waivers have been received from such payees (including, without limitation, the Design-Builder); and (B) by Lessee under the FF&E Agreement for the purchase and installation of FF&E; and (C) by Lessee under the Incidental Agreements.

“Questionnaire” has the meaning given in Section 14.12(a) hereof.

“Real Property Records” means the Official Public Records of Hays County, Texas.

“Rent” shall mean, collectively, Base Rent and Additional Rent.

“Retainage” means the sum of GMPP Retainage and Punch List Retainage, less the amount of Punch List Retainage that is attributable to Cost of the Work that is included in the GMP.

“State” means the State of Texas.

“Subcontractor(s)” means any and all suppliers, contractors, consultants, engineers employed or retained by the Design-Builder for the performance of the design and construction services under the Design-Build Agreement.

“Substantial Completion” has the meaning given in Section 5.2(a) hereof.

“Taking” has the meaning given in Section 12.2 hereof.

“Taxes” means all taxes, assessments, levies, imposts, excises, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are during the Term imposed or levied upon, assessed against or measured by (a) the Leasehold Estate; (b) the Improvements (including with respect to the design, development, construction, furnishing and equipping of the Facility); (c) any Rent or other sums payable by Lessee hereunder; or (d) which otherwise arises in respect of Lessee’s development, construction, financing, operation, occupancy, possession or use of the Property. “Taxes” shall not include any ad valorem taxes or other assessments, if any, payable by or assessable against Lessor’s fee interest in the Property.

“Term” means the period during which this Lease is in force and effect, from and including the Effective Date to and including the Termination Date.

“Termination Date” means the date of termination of this Lease, being the earlier to occur of the Completion Date and the date of any termination of this Lease in accordance with Section 11.7 hereof.

“Unforeseeable Weather” means more than one day per calendar month of delay to normally scheduled critical path activities caused by weather (including wind, rain, snow, and ice) that cannot be made up on a Saturday within the same work week.

“Utilities” means all utilities and services furnished to, or used by, the Property, including (as applicable and without limitation) gas, electricity, water, sewer, telephone, and data services.

“Work” has the meaning ascribed thereto in the Design-Build Agreement.

“Written Approval” means the written approval of Lessor, signed by Lessor’s Designated Representative, in the form attached hereto as Exhibit F.

“Unadjusted Default Termination Purchase Price” means, as of the Termination Date, an amount equal to 80% of the sum of (i) all Qualified Project Costs, less (ii) the amount of any Installment Payments previously paid by Lessor to Lessee.

“Unadjusted Non-Default Termination Purchase Price” means, as of the Termination Date, an amount equal to (i) the sum of all Qualified Project Costs, all Qualified Borrowing Costs, and the Non- Default Termination Fee, less (ii) the amount of any Installment Payments previously paid by Lessor to Lessee.

Section 1.2 Rules of Construction. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Lease:

- (a) All references in this Lease to exhibits, articles, paragraphs, subparagraphs, sections, subsections and other subdivisions refer to the exhibits, articles, paragraphs, subparagraphs, sections, subsections and other subdivisions of this Lease unless expressly provided otherwise. Titles appearing at the beginning of any subdivisions are for convenience only and do not constitute any part of such subdivisions and will be disregarded in construing the language contained in such subdivisions. The words “this Lease”, “herein”, “hereof”, “hereby”, “hereunder” and words of similar import refer to this Lease as a whole and not to any particular subdivision unless expressly so limited. The phrases “this paragraph” and “this subparagraph” and similar phrases refer only to the paragraphs or subparagraphs hereof in which such phrases occur. The word or is not exclusive, and the word “including” (in its various forms) means “including without limitation.” Pronouns in masculine, feminine and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context clearly otherwise requires. References to any constitutional, statutory or regulatory provision means such provision as it exists on the Effective Date and any future amendments thereto or successor provisions thereof.

- (b) Unless the context clearly otherwise requires or unless otherwise expressly provided herein, the terms defined in this Lease which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, supplements, modifications, amendments and restatements of such agreement, instrument or document; provided that paragraph will be construed to authorize any such renewal, extension, supplement, modification, amendment or restatement.
- (c) This Lease has been reviewed and revised by legal counsel for both Lessee and Lessor, and no presumption or rule that ambiguities will be construed against the drafting Party will apply to the interpretation or enforcement of this Lease.
- (d) This Lease contains various rights of consent and approval in favor of Lessor relating to the design, construction and acceptance of the Facility. In instances where this Lease expressly provides that Lessor's consent or approval shall not be unreasonably withheld or in which Lessor is entitled to exercise commercially reasonable discretion, such consent or approval shall not be unreasonably withheld or delayed, but Lessee agrees that Lessor shall nevertheless be entitled to exercise its reasonable business judgment, taking into account such factors applicable to Lessor as a political subdivision and body corporate and politic of the State; provided, however, that it is agreed and understood that Lessor shall exercise such discretion acting in its capacity as a landlord exercising its rights and powers granted under this Lease, and not as a regulatory agency exercising police powers under the laws of the State.
- (e) The relationship between Lessor and Lessee at all times will remain solely that of Lessor and tenant and will not be deemed a partnership or a joint venture.
- (f) Time is of the essence for each provision of this Lease for which time is an element.
- (g) If any term or provision of this Lease is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Lease, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the Parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties herein set forth.

Article 2

Lease of Property

Section 2.1 Lease of Property. Commencing on the Effective Date hereof and continuing to (but excluding) the Acceptance Date, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Parcel, together with all rights, privileges, easements, and appurtenances belonging to or in any way pertaining thereto. From the Acceptance Date to (and including) the Completion Date, Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, the Property, together with all rights, privileges, easements, and appurtenances

belonging to or in any way pertaining thereto that are necessary, but only to the extent access to or use of the same are necessary, to allow Lessee's completion of the Punch List items. Lessee's lease of the Property from Lessor from the Acceptance Date through the Completion Date is non-exclusive, as such Property shall be concurrently occupied by Lessor.

Section 2.2 Reservation of Rights by Lessor. Notwithstanding anything in Section 2.1 or elsewhere in this Lease to the contrary, from the Effective Date through the Acceptance Date, Lessor is entitled, upon reasonable prior notice (except in case of an emergency, in which event notice will be provided to the extent the circumstances permit Lessor the ability to do so and, in all cases, promptly after such entry occurs if no prior notice is provided) and, in a manner that minimizes interference with operations at the Property and risk of damage to the Improvements or personal injury, subject to Section 4.3(g), to enter the Property for the purpose of (i) conducting examinations or inspections of the same; or (ii) making such repairs or alterations therein as permitted by Lessee pursuant to the terms of this Lease; provided, however, that no provision of this Lease shall obligate Lessor to enter the Property for a purpose described in clause (i) or (ii) of this Section 2.2. Lessor's entering into the Property in accordance with this Section 2.2 shall not entitle Lessee to any abatement of Rent, nor shall any such entry be deemed an actual or constructive eviction of Lessee. If a Lessee Event of Default has occurred and is continuing, any inspection prompted by, or relating to, such Lessee Event of Default will be at the sole cost and expense of Lessee.

Section 2.3 Permitted Use. The right of Lessee to use, occupy and enjoy the Property hereunder shall be solely and exclusively for purposes of Lessee's development, construction, furnishing, equipping, and conveyance of the Facility as provided herein (the "**Permitted Use**"). Lessee shall not use the Property for any other purpose without the prior written consent of Lessor, which consent may be granted or withheld at Lessor's sole and absolute discretion.

Section 2.4 Quiet Enjoyment. So long as no Lessee Event of Default exists, Lessor covenants to Lessee that Lessee shall lawfully and quietly hold, occupy, and enjoy the Property during the Term for the Permitted Use, without hindrance or molestation by Lessor or any Person claiming by, through or under Lessor; subject, however, to all Legal Requirements (including, without limitation, all matters of record and any matters that would be revealed by a current survey, including visible and apparent easements, encroachments, and boundary line conflicts, if any); and subject further, however, to the limitation of purpose and scope of Lessee's access, use, and occupancy of the Property subsequent to the Acceptance Date, as described in Section 2.1 hereof. Neither Lessor nor any Person claiming by, through or under Lessor, shall take any portion of the Property under the power of eminent domain during the Term of this Lease.

Article 3 Term and Rent

Section 3.1 Term. This Lease is valid, enforceable, and shall remain in effect for the duration of the period that commences on the Effective Date and continues until the earlier to occur of (i) the Completion Date and (ii) termination pursuant to Section 11.7 hereof.

Section 3.2 Rent; Lessee's Assurance of Performance.

(a) *Rent.*

- (i) Generally. Lessee shall pay Rent to Lessor as hereinafter provided. Rent shall be payable to Lessor in immediately available funds. No invoice shall be provided or required from Lessor in order for any Rent to become due and payable under this Section 3.2(a).
- (ii) Base Rent. On the Effective Date, Lessee shall pay Lessor nominal rent in the amount of Ten Dollars (\$10.00) ("**Base Rent**") as and for full payment of Rent for the Term
- (iii) All amounts and sums which Lessee is obligated to pay or reimburse to Lessor pursuant to this Lease (other than Base Rent), if any, shall be collectively referred to herein as "**Additional Rent**". All Additional Rent shall be due and payable within thirty (30) days after Lessor's demand therefor.

- (b) *Lessee's Letter of Credit for Completion Delay*. If, as of the D-B Long Stop Date, there has not occurred the Completion Date, Lessee shall deliver or cause to be delivered to Lessor, to be held by Lessor in an account established with a depository bank of Lessor, the Lessee LOC, which may be drawn upon from time to time by Lessor to reimburse itself for actual costs incurred as a result of the occurrence of the Completion Date beyond the D-B Long Stop Date. Any Lessee LOC hereunder delivered must be issued by an Acceptable Bank, shall be maintained from its delivery to the Completion Date in an amount not less than the LOC Amount, and shall be accompanied by a Lessee directive to the providing bank that the Lessee LOC may be drawn upon by Lessor, immediately from its date of delivery and in an amount up to the LOC Amount for the purposes specified above, without condition (including without further requirement of notice to or approval by Lessor).

Section 3.3 Net Lease. This Lease constitutes a net lease, and the obligations of Lessee hereunder are absolute and unconditional. As between Lessor and Lessee, Lessee shall pay (or cause to be paid) all Expenses during the Term. Accordingly, as between Lessor and Lessee, all Expenses which may arise or become due during the Term shall be paid (or caused to be paid) by Lessee, and Lessor shall be indemnified and held harmless by Lessee from and against Lessee's failure to pay (or causing to be paid) the same.

Section 3.4 No Right of Offset. Any present or future law to the contrary notwithstanding, except as otherwise specifically provided in this Lease, Lessee shall not be entitled to any abatement, reduction, setoff, counterclaim, defense or deduction with respect to any Rent, nor shall the obligations of Lessee hereunder be affected by reason of: (a) any damage to or destruction of the Property, including the Facility or any part thereof, or by any Taking of the Facility or any part thereof by condemnation subject to Section 12.2 hereof; (b) the prohibition, limitation or restriction of or interference with Lessee's use of all or any portion of the Property,

including the Facility; (c) the occurrence of a Bankruptcy Event, (d) any claim which Lessee has or might have against Lessor, or (e) for any other cause whether similar or dissimilar to the foregoing. Except as otherwise expressly provided in this Lease, Lessee agrees that Lessee's obligation to pay Rent hereunder shall be absolute and unconditional, and Lessee hereby waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or its interest in the Property or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of Rent.

Section 3.5 Delinquent Interest Rate. Any amount due from Lessee to Lessor not paid within thirty (30) days after the due date thereof shall bear interest at the Delinquent Interest Rate, from the date such payment is due until paid. The payment of such interest shall not excuse or cure any default by Lessee under this Lease.

Section 3.6 Calculation of Charges. Lessee is knowledgeable and experienced in commercial transactions and does hereby acknowledge and agree that the provisions of this Lease for determining charges and amounts payable by Lessee are commercially reasonable and valid and constitute satisfactory methods for determining such charges and amounts as required by Section 93.012 of the Texas Property Code. LESSEE FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ALL RIGHTS AND BENEFITS OF LESSEE UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEEDED.

Article 4 Development of the Facility

Section 4.1 General. Lessor has leased the Parcel to Lessee, and Lessee has accepted this Lease for the sole and exclusive purpose of developing, constructing, furnishing, equipping and conveying the Facility as provided herein. This Lease has been negotiated based upon the City's Request for Qualifications and Request for Proposals, respectively, concerning the Facility, pursuant to which (collectively), the Lessee's proposal for design and construction of the Facility was selected, and the ENA was executed (which incorporates by reference the aforementioned City Request for Qualifications and Request for Proposals), including the schedules and exhibits thereto (collectively, the "**Prior Agreements**"). The Prior Agreements collectively highlight the key terms, conditions, and plans for the Facility as they are known and envisioned by the Parties as of the Effective Date and have been incorporated into the Design Requirements. This Lease reflects the contractual terms for the final planning, programming, design, development, funding, construction, furnishing, equipping, and conveying the Facility, and as such, the Prior Agreements are hereby replaced and superseded by this Lease.

Section 4.2 Plans and Specifications.

- (a) *Approval of Plans and Specifications.* Prior to the commencement of any construction work for the Facility, the Final Plans and Specifications for the performance of such work shall be subject to the Written Approval of Lessor. Lessee shall submit the Final Plans and Specifications to Lessor and the Construction Monitor on or before August 31, 2020. Lessor shall have fourteen (14)

calendar days in which to review the Final Plans and Specifications submitted by Lessee.

- (b) *Design Requirements.* The Plans and Specifications shall conform to the Design Requirements in all respects. If at any time during the construction of the Facility the Plans and Specifications fail to conform to the Design Requirements, Lessee shall notify Lessor and make such Modifications to the Plans and Specifications as are necessary to cause the Plans and Specifications to conform to the Design Requirements, subject, however to the notice and approval requirements set forth in Section 4.2(c) hereof.
- (c) *Modifications.*
 - (i) Material Modifications. Any Material Modifications to the Plans and Specifications shall be subject to the Written Approval of Lessor for purposes of ensuring conformance to the requirements of this Lease and the Design Requirements. Lessee shall submit any proposed Material Modifications to the Plans and Specifications to Lessor and the Construction Monitor, together with a narrative explanation describing the purpose and need for such Material Modifications, and the manner, if any, in which such Modifications will affect the critical path for the completion of the Facility. Any such submission shall be clearly marked as a “*Request for Approval of Material Modifications.*” Lessor shall have fourteen (14) calendar days in which to review the proposed Material Modifications, and to provide its Written Approval or disapproval thereof.
 - (ii) Non-Material Modifications. Lessee shall deliver any proposed Non-Material Modifications valued at greater than \$100,000 or extending the Acceptance Date to Lessor and the Construction Monitor no less than seven (7) calendar days prior to the proposed date of their adoption, together with a narrative explanation describing the purpose and need for such Non-Material Modifications. Any such submission shall be clearly marked as a “*Notification of Non-Material Modifications.*” If Lessor reasonably determines that such proposed Modification is a Material Modification, Lessor’s Designated Representative shall notify Lessee in writing of such determination within seven (7) calendar days following Lessor’s and the Construction Monitor’s receipt thereof, whereupon Lessor shall have an additional seven (7) calendar days, being a duration consistent with the amount of time provided under Section 4.2(c)(i) hereof regarding approval of a Material Modification, to review such proposed Modification for purposes of giving Lessor’s Written Approval or disapproval therefor. If Lessor’s Designated Representative does not notify Lessee in writing of its determination within seven (7) calendar days of receipt of a notice of a notification of Non-Material Modifications, Lessor shall be deemed to have determined that such Modifications are not Material Modifications subject to Lessor’s Written Approval.

(iii) Lessor Modifications. Lessor may from time to time request Modifications to the Plans and Specifications by submitting notice of such request to Lessee, clearly marked “*Request for Lessor Modifications*.” Such request shall include a narrative description of the request. Upon receipt of any request for Lessor Modifications, Lessee shall make the Design-Builder and the Architect available to consult with Lessor and the Construction Monitor, to the extent necessary or appropriate, to come to a determination as to the timing and cost for implementing such proposed Lessor Modifications. If after consulting with Lessee, the Design-Builder and the Architect, Lessor elects to proceed with the implementation of the proposed Lessor Modifications, Lessee shall coordinate with the Design-Builder and the Architect and prepare a Change Order for the modification of the Plans and Specifications, together with any additional documentation necessary to reflect a price increase or decrease in the Design-Build Agreement and any modifications to the schedule for the completion of the Facility; provided, however, that Lessee’s obligation to implement any such Change Orders shall be subject to the availability of funds therefor under the Construction Loan or from some other source (as confirmed in writing by the Construction Lender) after taking into account an increase in the Facility Purchase Price under Section 4.10(b) hereof. Such Change Order shall then be submitted to Lessor and the Construction Monitor for Lessor’s Written Approval. Provided Lessee has notified Lessor of the potential costs for preparation work necessary to accommodate a Lessor Modification in advance of incurring the costs, Lessor shall reimburse Lessee for Lessee’s reasonable, direct out-of-pocket costs incurred related to re-design in connection with the preparation of any Lessor Modification in the event that Lessor ultimately elects not to proceed with such Lessor Modification.

(d) *Incomplete Submissions; Resubmissions*. Notwithstanding anything in this Section 4.2 to the contrary, to the extent that Lessor or the Construction Monitor determines in its reasonable judgment that the Final Plans and Specifications or any Modifications submitted by Lessee hereunder are incomplete or are otherwise lacking in necessary information or supporting documentation for Lessor to make a reasonable determination as to the necessity or appropriateness of such Final Plans and Specifications or Modifications, or their conformity with the Design Requirements, Lessor’s Designated Representative may notify Lessee of such determination in writing, explaining the need for additional information or supporting documentation, and Lessor and the Construction Monitor shall be granted such additional amount of time to review such proposed Final Plans and Specifications or Modifications (as the case may be) after receipt of such additional information or supporting documentation.

Any notification from Lessor’s Designated Representative that Lessor has disapproved of the Final Plans and Specifications or any Material Modification shall include a detailed explanation of the reasons for Lessor’s disapproval, and may include recommendations for revising such proposed Plans and Specifications or Material Modifications, the incorporation of which would result in receipt of

such approval. After making the necessary revisions, the proposed Plans and Specifications or Material Modifications shall be resubmitted to Lessor and the Construction Monitor for approval in accordance with the terms of Section 4.2(a) or Section 4.2(c), as the case may be.

- (e) *Cooperation.* Lessor and Lessee agree to cooperate in good faith and to meet as may be reasonably necessary to come to an agreement with respect to the Final Plans and Specifications and any Modifications in accordance with this Section 4.2. Lessee shall make the Design-Builder and the Architect available to consult with Lessor and the Construction Monitor, to the extent necessary or appropriate in connection with Lessor's review of the Plans and Specifications or any Modifications thereto. Lessee shall provide any supporting documentation relating to the Plans and Specifications or Modifications at the request of Lessor or the Construction Monitor, including any and all inspection and engineering reports.
- (f) *Effect of Lessor Approvals.* No approval of the Final Plans and Specifications or any Modifications thereto shall be construed as a waiver by Lessor of any obligation of Lessee to design and construct the Facility in conformity with the Design Requirements and in accordance with the terms and agreements contained in this Lease, including, without limitation, Lessee's compliance with any and all applicable Legal Requirements. Lessor's approval of the Final Plans and Specifications and any Modifications thereto shall not relieve Lessee of its obligations hereunder (unless such approval is directly in conflict with a provision hereof, acknowledged by Lessor in it is Written Approval therefor, in which case such approved Final Plans and Specifications or Modification shall control).

Without limiting the generality of the foregoing, except for Lessor Modifications, Lessor shall not be deemed to have consented to any delay in connection with any Material Modifications approved by Lessor in accordance with the terms hereof, it being understood that any modifications to the schedule for completion of the Facility reflected in any Material Modification is for informational and recordkeeping purposes only.

- (g) *Ownership of Plans and Specifications.* Upon Final Completion, Lessee assigns and agrees to assign to Lessor any and all right, title, and interest in and to the Plans and Specifications. The Parties acknowledge and agree that the rights transferred herein may be conditionally assigned to the Construction Lender as security under the Loan Agreement and that Lessor's ownership interest in and to the Plans and Specifications granted herein is subject to any interests of the Construction Lender therein as a secured party, until such rights have been otherwise terminated or extinguished.

Lessor may reuse, reproduce, or make derivative works from the Plans and Specifications solely for the purposes of maintaining, renovating, remodeling, or expanding the Facility. Lessor's use of the Plans and Specifications without the Design-Builder's involvement or on other projects is at Lessor's sole risk (except for Design-Builder's or the Architect's indemnification obligations). To the extent

permitted by applicable law, Lessor shall indemnify and hold harmless Lessee, Design-Builder, the Architect, the Subcontractors, and the agents, officers, directors, and employees of each of them, from and against, all claims, damages, losses, costs, and expenses (including reasonable attorneys' fees and costs) arising out of or resulting from any prohibited use of the Plans and Specifications.

Section 4.3 Construction of the Facility.

- (a) *Design-Builder and Design-Build Agreement.* Lessee has entered into the Design-Build Agreement and the GMP Amendment, respectively, with the Design-Builder for the design and construction of the Facility for a guaranteed maximum price or “GMP”. The Design-Builder has agreed to complete the Facility in all material respects as required by the Plans and Specifications in a good and workmanlike manner, free and clear of all mechanics', materialmen's and similar liens, all in substantial accordance with the Design Requirements and the terms of this Lease.

Lessor hereby acknowledges receipt of the Design-Build Agreement. Lessee hereby covenants and agrees that all work relating to the design or construction of the Facility shall be performed by the Design-Builder and its Subcontractors pursuant to the Design-Build Agreement, and no other construction work shall be performed on the Property by any other Person without the Written Approval of Lessor. Lessee shall not permit, nor shall Lessee agree to any assignment of the Design-Build Agreement or replacement of the Design-Builder without the prior written consent of Lessor, which consent may be granted or withheld at Lessor's commercially reasonable discretion. Except as otherwise provided in Section 4.2(c) hereof or as the same is amended pursuant to the GMP Amendment, Lessee shall not agree to any amendment or modification to the terms of the Design-Build Agreement without the prior, written consent of Lessor, which consent may be granted or withheld at Lessor's commercially reasonable discretion.

- (b) *Lessee Ultimately Responsible for Construction of the Facility.* Notwithstanding anything in Section 4.3(a) or anything else herein to the contrary, Lessee shall be ultimately responsible to complete the construction of the Facility in a good and workmanlike manner, free and clear of all mechanics', materialmen's and similar liens, and in substantial accordance with the requirements of this Lease and the Design Requirements. Lessee shall manage and supervise the work and activities of the Design-Builder and shall be responsible for the acts and omissions of the Design-Builder and its Subcontractors, and of their respective employees, independent contractors, and subcontractors employed or retained for the performance of any design or construction services or for the supply of materials. Lessee shall endeavor to expedite the development, design, construction, furnishing and equipping of the Facility, to cause the Acceptance Date to occur on or before the Ground Lease Long Stop Date, and to protect against unnecessary delays (Permitted Delay excepted).
- (c) *Cooperation with Lessor.* Lessee shall maintain close communications and coordinate with Lessor and the Construction Monitor with respect to the

development, design and construction of the Facility. Lessee shall schedule regular planning and progress meetings with Lessor and the Construction Monitor, to be held every one to two weeks through the Facility's construction phase, in an effort to provide updates on progress and to solicit input, feedback, and when appropriate, decisions and/or approvals on material matters pertaining to the design and construction of the Facility.

- (d) *Schedule for Completion.* A schedule for completion of the Facility is attached hereto as Exhibit B (the '**Development Schedule**'). Lessee shall act in good faith and shall devote sufficient time to cause the completion of the Facility to occur in accordance with the Development Schedule.
- (e) *Progress Reports.* During the course of construction of the Facility, Lessee shall provide Lessor, the Construction Monitor and the Construction Lender, on or before the fifth (5th) day of each calendar month, a progress report for the preceding month ("**Progress Reports**"). Each Progress Report shall include:
 - (i) A narrative description of the progress of Facility construction in the preceding month, together with progress photos;
 - (ii) a variance report, comparing actual costs, on a category basis, with the costs and expenses set forth in the Facility construction budget, along with a reasonably detailed explanation of all material or significant variances (including the then-current cumulative cost savings and the amount by which costs exceed the applicable amounts set forth in the construction work on a line-item basis) and all changes to the Development Schedule;
 - (iii) any Modifications to the Plans and Specifications;
 - (iv) any material observations made by Lessee in the course of Lessee's physical inspections of the Property or material events reported to Lessee relating to the design, development, or construction of the Facility; and
 - (v) a signed certification of Lessee to the effect that (i) no notice has been received by Lessee or the Design-Builder that any portion of the Facility is in violation of any Legal Requirements and, to the actual knowledge of Lessee's Designated Representative, after due inquiry, the Facility is not in violation of any Legal Requirements, except as has been otherwise reported in writing to Lessor and the Construction Monitor; (ii) the Facility is in compliance with the Design Requirements and the approved Plans and Specifications in all material respects; and (iii) except as has been otherwise reported in writing to Lessor and the Construction Monitor, there are no material impediments that would cause the Completion Date to not occur on or before the Ground Lease Long Stop Date.

Lessee shall also deliver any supporting documentation as may be reasonably requested by Lessor or the Construction Monitor relating to the construction of the Facility.

- (f) *Use of Contingency.* Lessee shall manage and report to the Construction Monitor at least monthly any and all uses of Contingency; including, without limitation, for the funding of unforeseen costs, scope gaps, and other reimbursable costs reasonably required for the performance of the Lessee's and Design-Builder's obligations under the Design-Build Agreement and this Lease (including any use of Contingency for acceleration to avoid payment of Additional Rent). Contingencies are not to be used to pay for additional costs arising out of a breach of contract or negligence of Design-Builder. Lessee shall report the use of Contingencies to the Lessor monthly in the Progress Report. Any dispute between Lessor and Lessee regarding the appropriateness of Lessee's or Design-Builder's use of Contingency shall be resolved in accordance with Section 4.8 hereof.
- (g) *Site Visits; Inspection.* Lessor, the Construction Monitor, and their designated representatives, may each visit the Property at any time. All such persons must sign-in with the Design-Builder and follow the Design-Builder's safety rules and regulations in all respects,
- (h) *Payment and Performance Bonds.* Lessee shall provide or cause to be provided to Lessor commercial payment and performance bonds for the construction of the Facility in accordance with the terms of the Design-Build Agreement, which bonds shall be subject to the Written Approval of Lessor (not to be unreasonably withheld) and shall name Lessor and the Construction Lender as dual obligees.
- (i) *Construction Site.* Lessee shall confine its operations to the Parcel, except as approved in writing and subject to such conditions as may be specified and approved by Lessor. Lessee shall protect all Work and maintain a perimeter fence surrounding the Parcel, and shall at all times keep and cause its contractors to keep the Property reasonably clean and free from waste materials and rubbish.

Section 4.4 FF&E. Installation of FF&E being integral to timely delivery of the Facility, Lessee has retained the Purchasing Manager for the purchase and installation of all FF&E for the Facility pursuant to the terms of the FF&E Agreement. Lessee shall supervise the procurement of the FF&E by the Purchasing Manager, and shall be responsible for the installation of all FF&E in accordance with the Design Requirements and in coordination with the construction of the Facility. Lessee shall not amend or modify the FF&E Agreement without the prior written consent of Lessor, such consent not to be unreasonably withheld.

Section 4.5 Insurance.

- (a) *Required Insurance.* Lessee shall maintain, and shall cause the Design-Builder and its Subcontractors, including without limitation, the Architect and any other design professionals and engineers engaged by Lessee or the Design-Builder (collectively, the "**Insureds**"), to obtain and maintain errors and omission insurance, builder's risk insurance, and all other insurance policies as set forth in the Insurance Requirements.

- (b) *Loss Payable Clauses.* To the extent applicable, all contracts of insurance required to be maintained by the Insureds shall contain a standard loss payable endorsement providing that no act or omission by the named insureds shall in any way prejudice the rights of the Construction Lender as mortgagee and loss payee or the Lessor as loss payee.
- (c) *Delivery of Insurance Certificates.* On or before the Effective Date and at each policy renewal date, Lessee shall furnish to Construction Lender and Lessor such insurance certificates or renewal certificates evidencing all insurance required to be carried by the Insureds.
- (d) *Evidence of Payment of Premiums.* Lessee shall furnish to Lessor upon request duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by the Insureds.
- (e) *Changes in Coverage.* Lessee shall keep and maintain such other liability insurance and property damage insurance on the Property or any replacements or substitutions therefor in such amounts as may from time to time be reasonably required by Lessor (after consultation with Lessee) and covering such other insurable hazards that at the time are commonly insured against in the case of premises similarly situated, due regard being given to the type of the Improvements, their construction, location, and use.

Section 4.6 Compliance with Laws. Lessee shall comply and shall cause the Design-Builder to comply in all material respects with all applicable Legal Requirements, including those Legal Requirements set forth in the Design Requirements.

Section 4.7 Designated Representatives. For ease of communication and accountability, Mr. Paul Acevedo, Jacobs Engineering or, in the event of his unavailability, Mr. Tom Taggart, Lessor's Public Services Director, will serve as the designated representative and "point person" for Lessor, and Rodney Moss (or his successor subject to the reasonable approval of Lessor) will serve as the designated representative and "point person" for Lessee (each such person being a "**Designated Representative**"). The Designated Representatives shall be responsible for all communication and interaction with each Party's project team with respect to the design, development, construction, furnishing and equipping of the Facility, and all communication relating to such matters shall flow through the Designated Representatives (who shall be responsible for the further dissemination of information to other members of their respective project teams).

Notwithstanding the foregoing to the contrary, Lessee's Designated Representative shall actively involve and make all members of Lessee's project team (including, without limitation, the Design-Builder and the Architect) available to participate in regularly scheduled planning and progress meetings with Lessor and its designated project team, and for all other purposes set forth in this Lease.

Section 4.8 Resolution of Disputes.

- (a) Upon written notice from one Party to the other regarding a dispute over the interpretation or applicability of any provision of this Lease or the determination or approval of one Party concerning a matter that is within its power to determine or approve hereunder, at its discretion or otherwise (such as a response to a Claim for Permitted Delay or a proposed Change Order for Compensable Delay under Section 5.3 hereof), the Parties shall meet to make a good faith effort to resolve the dispute. The notice shall specify the Party's intent to dispute any action or inaction of the other Party and the nature of and material facts underlying the dispute. Within ten (10) calendar days of delivery of the notice, the Parties' Designated Representatives shall meet in person and attempt to resolve the dispute.
- (b) If the dispute is not resolved within ten (10) calendar days of the meeting, either Designated Representative may present the matter in writing to the Facility Executive Committee by providing them notice thereof, which notice shall contain a detailed description of the dispute and the requested resolution of it. Within ten (10) calendar days of delivery of the notice, the Facility Executive Committee and the Parties' Designated Representatives shall meet in person and attempt to resolve the dispute. The Facility Executive Committee will send a written proposal for resolution of the dispute to the Parties' Designated Representatives within five (5) calendar days of the aforementioned meeting.
- (c) If Lessee is not satisfied with the proposed resolution, Lessee may within ten (10) calendar days after receipt of the proposed resolution submit a written Notice of Appeal to the City Council through the Facility Executive Committee. Lessee shall then have the right to be heard by the City Council and the Facility Executive Committee will coordinate the placement of the matter on the agenda of the next occurring City Council meeting on which the item may be placed in accordance with the Texas Open Meetings Act. The City Council will, through the Facility Executive Committee, send a written proposal for resolution of the dispute to Lessee within fourteen (14) calendar days of the City Council meeting.
- (d) If the foregoing process does not resolve the dispute and mediation is acceptable to both Parties, the Parties agree to use the Dispute Resolution Center of Austin, Texas, or another mediation group agreeable to the Parties, as the provider of mediators for mediation as described in the TEX. CIV. PRAC. AND REM. CODE, Section 154.023. Unless both Parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation will remain confidential as described in TEX. CIV. PRAC. AND REM. CODE, Section 154.073, unless the Parties agree in writing to waive confidentiality.
- (e) If the process described does not resolve the dispute and the Parties do not agree to mediation, or if the mediation process does not resolve the dispute, the Parties will be entitled to pursue any other remedy available under this Lease or applicable law

or equity. Neither Party will pursue such a remedy without first exhausting the process described in Subsections (a) through (d) of this Section 4.8.

Section 4.9 Reserved.

Section 4.10 Purchase of Facility.

- (a) *Agreement to Purchase.* Subject to and in accordance with the terms of this Section 4.10, Lessee hereby agrees to sell to Lessor, and Lessor hereby agrees to purchase from Lessee, the Facility, as the same shall be designed, developed, constructed, furnished and equipped by Lessee, in accordance with the terms hereof. Notwithstanding this Lease to purchase upon completion, Lessor and Lessee hereby acknowledge and agree that all Improvements constructed on the Property shall be vested with Lessee for the Term of this Lease. Lessor hereby agrees to purchase the Improvements, subject to and in accordance with the terms hereof, in an amount equal to the Facility Purchase Price, payable in three Installment Payments, each as identified in the schedule attached hereto as Exhibit H (the final of which becoming due and payable on the Completion Date, whereupon this Lease shall terminate; the Property having been theretofore delivered to the City on the Acceptance Date upon satisfaction of the requirements for such delivery as elsewhere provided herein). Lessee hereby acknowledges that the payment of the Facility Purchase Price, as the same may be adjusted in accordance with the terms of Section 4.10(b) hereof (including, without limitation, increases due to Lessor Modifications and compensable Change Orders for Compensable Delay approved by Lessor pursuant to Section 5.3(c)), shall be Lessor's sole and exclusive payment obligation with respect to the Improvements, and Lessor shall not be responsible to Lessee or any other Person for any liabilities, costs, or expenses whatsoever relating to the development, design, construction, permitting, furnishing, financing, or equipping of the Facility, and Lessee hereby waives any claim against Lessor for the payment of any such liabilities, costs or expenses. Lessee shall indemnify, defend and hold harmless Lessor and the Indemnitees from and against all Claims related to the development, design, construction, permitting, furnishing, financing, or equipping of the Facility in accordance with Article 10. This indemnification obligation shall apply to a Leasehold Mortgagee who succeeds to the interest of Lessee hereunder pursuant to (i) a foreclosure of the Lender Security Interest, (ii) an assignment in lieu of foreclosure, or (iii) a New Lease resulting from a Bankruptcy Event, only as it relates to claims that arise out of events or circumstances occurring on or after to the effective date on which such Leasehold Mortgagee succeeds to the interest of the Lessee hereunder as described above.

For the avoidance of doubt, the Facility Purchase Price shall not be adjusted for any increased costs resulting from Non-Compensable Delay.

- (b) *Facility Purchase Price.* The purchase price for the Facility shall be the Facility Purchase Price. The Facility Purchase Price is subject to the following adjustments described in clauses (i) through (vi) of this Section 4.10(b) (the "**Adjustments**"),

to be reflected in Installment Payment No. 2 identified in the schedule attached hereto as Exhibit H:

- (i) Lessor Modification Adjustment. The Facility Purchase Price shall be adjusted upward in an amount equal to any Change Orders approved by Lessor for Lessor Modifications in accordance with Section 4.2(c)(iii) hereof.
- (ii) Compensable Delay Adjustment. The Facility Purchase Price shall be adjusted upward in an amount equal to any Change Orders approved by Lessor for any cost increases resulting from Compensable Delay as determined in accordance with Section 5.3(c) hereof
- (iii) Sales Tax Adjustment. The Facility Purchase Price shall be adjusted upward in an amount equal to the cost of any sales and use taxes incurred by Lessee for the purchase of permanent materials, equipment, and FF&E incorporated into and made a part of the Facility; provided, however, that the Facility Purchase Price shall not be adjusted to the extent that such sales and use taxes are incurred by Lessee due to Lessee's failure to maintain proper books and records for the qualification for exemption from available sales and use tax exemptions.
- (iv) Ad Valorem Tax Adjustment. The Facility Purchase Price shall be adjusted upward in an amount equal to any ad valorem taxes or assessments payable by or assessable against the Property.
- (v) Cost Savings Adjustment. The Facility Purchase Price shall, on the Final Date, be adjusted, if at all as a result of the succeeding provisions, downward in the amount necessary to reflect Lessor's capture of a portion of the hereafter-described savings (which downward Facility Purchase Price adjustment shall be reflected in the Final Payment due on the Completion Date): (A) an amount equal to 75% of any unspent D-B Contingency, pursuant to and as further described in Section 7.4.3 of the Design-Build Agreement; (B) an amount equal to 75% of any unspent Lessee Contingency, as evidenced to Lessor by Lessee; and (C) an amount equal to any "prompt payment" discounts, pursuant to and as further described in Section 8.3 of the Design-Build Agreement.
- (vi) Lessor Offset Adjustment. The Facility Purchase Price shall be adjusted downward in an amount equal to any unpaid Rent.

No Adjustment shall become effective until such Adjustment shall have been approved in writing by the Parties (such approval not to be unreasonably withheld) pursuant to a "Facility Purchase Price Adjustment Addendum" in the form attached hereto as Exhibit I.

- (c) *Payment of the Facility Purchase Price*. The Facility Purchase Price shall be paid to Lessee by Lessor in Installment Payments, as and when indicated in Exhibit H

hereto; provided, however, that Lessor's payment of Installment Payment No. 2 and the Final Payment, as each of the foregoing are identified in the schedule attached hereto as Exhibit H, shall be subject to the satisfaction of the applicable and respective terms and conditions set forth in Section 5.2 hereof.

(d) *Payment on Termination.*

- (i) Default Termination. Upon the occurrence of a Default Termination, Lessor agrees to pay to Lessee an amount equal to the Default Termination Purchase Price. Lessee shall submit an application for payment of the Default Termination Purchase Price within thirty (30) calendar days after the Termination Date listing (i) all Qualified Project Costs incurred as of the Termination Date, (ii) any Installment Payments previously paid by Lessor to Lessee, and (iii) the amount of the Construction Lender Credit (as confirmed in writing by the Construction Lender), together with all certificates and supporting documentation evidencing the Qualified Project Costs, and any other supporting documentation reasonably requested by Lessor in writing for purposes of verifying the amount of Qualified Project Costs. If Lessor determines that Lessee's application for payment is lacking the necessary certifications and supporting documentation to verify the amount of Qualified Project Costs (as indicated by Lessor to Lessee in writing within five (5) calendar days of Lessee's delivery of a completed application to Lessor), Lessor shall be granted such additional amount of time to review such application for payment after receipt of such additional information or supporting documentation. Lessor shall notify Lessee in writing of its determination, within ten (10) calendar days after Lessor's receipt of Lessee's application for payment, whether: (A) any of the items identified Lessee's application for payment are not Qualified Project Costs or such costs cannot be verified, including an explanation of the reasons for Lessor's determination (in which case, Lessee shall revise and resubmit its application for payment), or (B) all items identified in Lessee's application for payment are Qualified Project Costs. Lessor shall have sixty (60) calendar days after notifying Lessee in writing of its confirmation of Lessee's application for payment to remit the Default Termination Purchase Price to Lessee. The Default Termination Purchase Price shall be delivered by Lessor to an account or accounts designated by Lessee. Payment of the Default Termination Purchase Price by Lessor in accordance with this Section 4.10(d)(i) shall discharge and satisfy all remaining payment obligations of Lessor hereunder.
- (ii) Non-Default Termination. Upon the occurrence of a Non-Default Termination, and provided that a Lessee Event of Default has not occurred and is then continuing, Lessor agrees to pay to Lessee the Non-Default Termination Purchase Price. Lessee shall submit an application for payment of the Non-Default Termination Purchase Price within thirty (30) calendar days of the Termination Date, listing (i) all Qualified Project Costs incurred as of the Termination Date, (ii) all Qualified Borrowing Costs incurred as

of the Termination Date, (iii) the Non-Default Termination Fee, (iv) any Installment Payments previously paid by Lessor to Lessee, and (v) the amount of the Construction Lender Credit (as confirmed in writing by the Construction Lender), together with all certificates and supporting documentation evidencing the Qualified Project Costs, and any other supporting documentation reasonably requested by Lessor in writing for purposes of verifying the amount of Qualified Project Costs. If Lessor determines that Lessee's application for payment is lacking the necessary certifications and supporting documentation to verify the amount of Qualified Project Costs or Qualified Borrowing Costs (as indicated by Lessor to Lessee in writing within five (5) calendar days of Lessee's delivery of a completed application to Lessor), Lessor shall be granted such additional amount of time to review such application for payment after receipt of such additional information or supporting documentation. Lessor shall notify Lessee in writing of its determination, within ten (10) calendar days after Lessor's receipt of Lessee's application for payment, whether: (A) any of the items identified in Lessee's application for payment are not Qualified Project Costs or such costs cannot be verified, including an explanation of the reasons for Lessor's determination (in which case, Lessee shall revise and resubmit its application for payment), or (B) all items identified in Lessee's application for payment are Qualified Project Costs. Lessor shall have sixty (60) calendar days after notifying Lessee in writing of its confirmation of Lessee's application for payment to remit the Non-Default Termination Purchase Price to Lessee. The Non-Default Termination Purchase Price shall be delivered by Lessor to an account or accounts designated by Lessee. Payment of the Non-Default Termination Purchase Price by Lessor in accordance with this Section 4.10(d)(ii) shall discharge and satisfy all remaining payment obligations of Lessor hereunder.

- (iii) Survival of Obligation to Pay Upon Termination. For the avoidance of doubt, the obligation of Lessor to pay the Default Termination Purchase Price or the Non-Default Termination Purchase Price (as the case may be) in accordance with this Section 4.10(d) shall survive termination of this Lease.

Section 4.11 Books and Records. Lessee shall keep proper books and records of all transactions hereunder with respect to the development and construction of the Facility as reasonably required by Lessor. Lessee shall cooperate with Lessor in any inspections and audits of the documents relating to the construction and development of the Facility and the preparation of financial statements and tax returns. Lessor shall have the right to verify and audit the details of the Lessee's and/or Design-Builder's billings, certificates, accountings, cost data, and statements, either before or after payment and to inspect, copy and audit the books and records of Lessee and/or the Design-Builder during business hours until the fourth (4th) anniversary of the Acceptance Date. Until then, originals of Lessee's and Design-Builder's books and records shall be kept for such purposes at Lessee's address stated herein.

Section 4.12 All Liens Subordinate to Lessor. Except as otherwise expressly provided herein, Lessee's rights, as well as the rights of anyone else, including (but not limited to) any mortgagee, architect, independent contractor, assignee, sublessee, sub-contractor, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to Lessor's title, interest, and estate in the Property. Lessee shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise (a "**Lien**") that might or does constitute a lien, encumbrance, or charge upon the Property, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of Lessor in the Property or any part thereof, or the income therefrom. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to the filing of any Lien against the Property by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Property or any part thereof. For the avoidance of doubt, this Section is qualified in its entirety with respect to Lessee's granting of a first and prior lien on and pledge of its interest in the Leasehold Estate for the benefit of the Construction Lender as security for repayment of the Construction Loan, which is authorized and approved by Lessor pursuant to Article 8 hereof.

Article 5 Acceptance of the Facility

Section 5.1 Title to the Improvements. Title to all Improvements now or hereafter located on the Parcel (including the Facility), together with all FF&E, shall be vested in Lessee until the earlier to occur of the Acceptance Date and the Termination Date, at which time all title to and ownership of said Improvements shall automatically and immediately vest (without the necessity of any further action being taken by Lessee or Lessor or any instrument being executed and delivered by Lessee to Lessor other than the payment of the Default Termination Purchase Price or the Non-Default Termination Purchase Price, as applicable) in Lessor.

Section 5.2 Acceptance of the Facility.

- (a) *Substantial Completion.* For purposes of this Lease, the Facility will be deemed substantially complete and the Lessor shall accept the Facility upon the occurrence of the following (such occurrence, "**Substantial Completion**"):
- (i) The Facility has been constructed substantially in accordance with the Final Plans and Specifications and is sufficient, suitable, and ready to be occupied for its intended purposes as evidenced by a certificate from the Architect in form and substance reasonably satisfactory to Lessor;
 - (ii) A temporary certificate of occupancy and any other permits and orders necessary for the occupancy of the Facility for its intended purpose has been obtained and delivered to Lessor;

- (iii) All fixed FF&E (as so designated in the FF&E Requirements) has been installed in accordance with the terms of, as applicable, this Lease, the Design Requirements, and the Final Plans and Specifications;
- (iv) Lien waivers and “all bills paid” affidavits have been provided to Lessor, together with a down-date endorsement from the title company insuring that the Leasehold Estate, as of such date, is free and clear from all mechanics’ and materialmen’s liens;
- (v) The Construction Lender and any other Leasehold Mortgagee hereunder shall have executed a release of lien in form and substance satisfactory to Lessor, releasing their respective mortgagee interests in and to the Leasehold Estate (collectively, the “**Lender Releases**”);
- (vi) A final, “as-built” survey shall have been obtained (at the sole cost and expense of Lessee) and delivered to Lessor;
- (vii) A final, “as-built” set of plans and specifications and electronic BIM model (at the sole cost and expense of Lessee) shall have been delivered to Lessor;
- (viii) Lessee and the Architect have each provided a written certification to Lessor in form and substance reasonably satisfactory to Lessor to the effect that the Facility has been constructed in accordance with the Design Requirements and the Final Plans and Specifications in all material respects; and
- (ix) A Punch List has been prepared by Lessee and approved by Lessor, as evidenced by Lessor’s Written Approval therefor.

On the Acceptance Date, the following shall occur:

- (i) Lessor shall pay to the Lessee (or directly to the Construction Lender if specified in the Loan Agreement or requested by the Construction Lender) Installment Payment No. 2 indicated on Exhibit H hereto; and
- (ii) The applicable Party shall deliver the following documents to the other Party:
 - (A) the executed Lender Releases,
 - (B) the executed certificates of Lessee and the Architect concerning accomplishment of Substantial Completion, and
 - (C) the executed certificate of the Construction Monitor concerning accomplishment of Substantial Completion.

Lessee shall notify Lessor and the Construction Monitor at least twenty (20) calendar days prior to the date upon which Lessor expects to achieve Substantial Completion. Within ten (10) calendar days after receipt of such notice, Lessor and Lessee shall schedule one or more inspections

of the Facility for purposes of Lessee's development and preparation of the Punch List. Lessee shall deliver the Punch List to Lessor and the Construction Monitor for Lessor's Written Approval thereof. The Design-Build Agreement provides that the Design-Builder shall achieve Substantial Completion, which date of actual delivery is elsewhere defined herein as the Acceptance Date, by September 1, 2021. On the Acceptance Date, Lessor shall pay to the Lessee (or directly to the Construction Lender if specified in the Loan Agreement) Installment Payment No. 2 identified in the schedule attached hereto as Exhibit H.

- (b) *Final Completion.* For purposes of this Lease, the Facility will be deemed to be finally complete upon the occurrence of the following (such occurrence, "**Final Completion**"), which the Parties anticipate to occur not later than December 1, 2021:
- (i) Substantial Completion shall have occurred and all Punch List items have been completed to the reasonable satisfaction of Lessor's Designated Representative;
 - (ii) All loose FF&E (as so designated in the FF&E Requirements) has been installed in accordance with the terms of, as applicable, this Lease, the Design Requirements, and the Final Plans and Specifications;
 - (iii) A final certificate of occupancy and all final permits for the Facility have been obtained and delivered to Lessor;
 - (iv) All final lien waivers and "all bills paid" affidavits have been provided to Lessor, together with a down-date endorsement from the title company insuring that the Leasehold Estate is free and clear from all mechanics' and materialmen's liens;
 - (v) Lessee shall have vacated the Property and removed all of Lessee's personal property therefrom;
 - (vi) All specified trainings for the use, occupancy, and maintenance of the Facility, including with respect to all FF&E, have occurred to the reasonable satisfaction of Lessee; and
 - (vii) All warranties, manuals, BIM models, equipment cuts, operating guides, and any other documents necessary for the full operation, maintenance and occupancy of the Facility have been delivered to Lessor.

On the Completion Date, the following shall occur:

- (viii) Lessor shall pay to the Lessee (or directly to the Construction Lender if specified in the Loan Agreement) the Final Payment; and

- (ix) The applicable Party shall deliver the following documents to the other Party:
 - (A) the executed certificates of Lessee and the Architect concerning accomplishment of Final Completion,
 - (B) the executed certificate of the Construction Monitor concerning accomplishment of Final Completion,
 - (C) an executed memorandum, in recordable form, evidencing the termination of this Lease to be filed in the Real Property Records, and
 - (D) any and all additional documentation required by Lessor or Lessee in connection with the Final Completion and the termination of this Lease.

Section 5.3 Delay.

- (a) *Notice of Delay.* Lessee shall notify Lessor and the Construction Monitor immediately (but in any event no later than fourteen (14) calendar days) of the occurrence of any actual or anticipated delay with respect to the completion of the Facility. Such notice shall be clearly marked as a “*Notice of Delay*” and shall include the following.
 - (i) a narrative explanation setting forth in reasonable detail (A) the causes(s) of such delay, (B) the effects to the critical path for the completion of the Facility, and (C) the efforts taken by Lessee to mitigate the impact on the Facility’s completion schedule; and
 - (ii) such relevant documentation or other evidence supporting the cause of the delay(s) and the effect thereof on the critical path.

If the event or circumstance that caused the delay is ongoing, Lessee shall notify Lessor and the Construction Monitor as soon as possible (but no later than seven (7) calendar days) following the conclusion of such event or circumstance, together with an updated report detailing the effects to the critical path for the completion of the Facility.

- (b) *Claim for Permitted Delay.* Lessee may submit a written claim to Lessor and the Construction Monitor for extension of the scheduled D-B Long Stop Date or the Ground Lease Long Stop Date because of the delayed occurrence of the Acceptance Date or the Completion Date resulting directly from a Permitted Delay (a “**Claim for Permitted Delay**”). Such claim must be submitted by Lessee within fourteen (14) calendar days following the later of the date of the event or circumstance giving rise to a claim for Permitted Delay or the date on which Developer learns of the event or circumstance giving rise to a claim for Permitted Delay. Such claim shall be clearly marked as a “*Claim for Permitted Delay*” and shall include the following:

- (i) a narrative explanation setting forth in reasonable detail (A) the nature of such claimed Permitted Delay, (B) the effects to the critical path for the completion of the Facility, and (C) the efforts taken by Lessee to mitigate the impact on the schedule for completion of the Facility; and
- (ii) such relevant documentation or other evidence supporting the cause of the claimed Permitted Delay and the effect thereof on the critical path.

If the event or circumstance giving rise to Lessee's claim for extension of the D-B Long Stop Date or the Ground Lease Long Stop Date due to Permitted Delay is ongoing, Lessee shall notify Lessor and the Construction Monitor as soon as possible (but no later than seven (7) calendar days) following the conclusion of such event or circumstance, together with an updated report detailing the effects to the critical path for the completion of the Facility.

Upon receipt of any Claim for Permitted Delay from Lessee, Lessor shall diligently and in good faith review such claim to come to a determination as to whether such claim is justified by virtue of being a Permitted Delay, taking into account both the extent to which such events or circumstances are classified as events giving rise Permitted Delay as provided herein, and the extent to which such events or circumstances were the direct cause of such delay after Lessee has taken reasonable steps to mitigate the effects.

Lessor shall notify Lessee in writing of its determination within fourteen (14) calendar days after receipt of such Claim for Permitted Delay, setting forth the number of days, if any, by which the D-B Long Stop Date or the Ground Lease Long Stop Date shall be extended.

- (c) *Change Orders For Compensable Delay.* Concurrently with the submission of any Claim for Permitted Delay pursuant to Section 5.3(b) above arising out of a Compensable Delay, Lessee may submit a proposed Change Order reflecting an increase to the Cost of the Work for the completion of the Facility directly resulting from such Compensable Delay, together with such relevant documentation supporting such cost increases. Lessor shall diligently and in good faith review such proposed Change Order to come to a determination as to whether such Change Order is justified, taking into account the extent to which the Compensable Delay was a direct cause of such cost increases after Lessee has taken reasonable steps to mitigate the effects thereof. Lessor shall notify Lessee in writing of its approval or disapproval of such proposed Change Order within seven (7) calendar days after receipt of such proposed Change Order; provided, however, that Lessee's approval of any such proposed Change Order shall not be unreasonably withheld.

Any award for Compensable Delay shall be calculated based upon the increase to the Cost of the Work for the completion of the Facility, in addition to the Qualified Borrowing Costs (if any) which accrue, per day of delay only to the extent that such costs are the direct result of such Compensable Delay, but expressly excluding any costs that have been or should have been mitigated by Lessee.

For the avoidance of doubt, no Change Orders shall be permitted, nor shall the Facility Purchase Price be adjusted, for any increased costs resulting from Non-Compensable Delay.

Article 6

Additional Covenants of Lessee

Section 6.1 Operations. Lessee shall obey, perform and comply in all respects with any and all applicable Legal Requirements existing at any time during the Term in any way affecting the Property, or the use or condition thereof. Lessee shall not knowingly (with knowledge to be deemed upon the earlier of obtaining actual knowledge, or earlier if knowledge could have been obtained using reasonable diligence) permit or suffer the Property to be used or improved in any manner which violates applicable Legal Requirements. Lessee shall at its own expense, obtain any and all licenses, easements, permits, and other agreements necessary for its use of the Property (including, without limitation, Entitlements for the Facility). Lessor will join in the applications for any such licenses, easements, permits, agreements, or otherwise as necessary to comply with the Legal Requirements where the signature of Lessor, as owner of the Parcel, is required (provided that Lessee pays all costs and expenses of Lessor associated therewith and Lessor incurs no liability or obligations with respect thereto (or if any liability or obligation is so imposed upon Lessor, then provided Lessee indemnifies Lessor for same)).

Lessee shall not occupy or use the Property in any manner that will constitute waste or nuisance, or permit any portion of the Property to be occupied or used for any purpose which is unlawful or unusually hazardous on account of fire, nor permit anything to be done that will in any way invalidate insurance on the Property. Without limiting the generality of the foregoing, Lessee shall not, and shall not knowingly (with knowledge to be deemed upon the earlier of obtaining actual knowledge or when knowledge could have been obtained using reasonable diligence) permit others to: (i) use or occupy the Property or any part thereof for any unlawful purpose or in such a manner as to (A) violate any certificate of occupancy, certificate or policy of insurance, permit, license affecting the Property or (B) constitute a public nuisance or waste; or (ii) impair Lessor's title to the Property or any portion thereof or create a claim or claims of adverse usage or adverse possession by the public or of implied dedication of the Property or any portion thereof.

Section 6.2 Maintenance and Repair. Lessee, at its sole cost and expense, shall maintain the Property in good condition, repair and working order, and make all necessary repairs thereto and replacements thereof, of every kind and nature whatsoever, whether interior or exterior, ordinary or extraordinary, structural or nonstructural or foreseen or unforeseen, in good order, condition and repair until the Acceptance Date. Lessor shall under no circumstances be required to build any improvements or install any equipment on the Property or make any repairs, replacements, alterations or renewals of any nature to the Property, nor may Lessee require Lessor to make any expenditure whatsoever in connection with this Lease or maintain the Property in any way. Lessor shall not be required to maintain, repair or rebuild all or any part of the Property, and Lessee waives any right which might arise by virtue of this Lease or pursuant to any Legal Requirements to (i) require Lessor to maintain, repair or rebuild all or any part of the Property or (ii) make repairs to the Property at the expense of Lessor pursuant to the terms of any Legal Requirement, contract, agreement, covenant, condition or restriction. Notwithstanding the foregoing to the contrary, Lessor agrees and acknowledges that Lessee shall not be responsible for

the cost of any maintenance or repair obligations with respect to the Property (including the Facility) from or after the Acceptance Date, and that from and after the Acceptance Date, Lessor shall assume the responsibility for such maintenance and repair obligations.

Section 6.3 Taxes. Lessee shall pay or cause to be paid, not later than ten (10) days prior to delinquency, all Taxes directly to the appropriate Person; provided, however, that Lessee shall not be responsible for the payment of any taxes or assessments, if any, on or against Lessor's fee simple estate in the Property.

Lessee shall prepare and file all reports and returns required by Legal Requirements with respect to any Tax and shall furnish copies thereof to Lessor upon written request. Lessee shall promptly forward to Lessor, upon written request, copies of any bill or assessment respecting any Tax. Lessee shall also furnish and deliver to Lessor receipts evidencing the payment of any Tax as required by this Lease. If Lessee fails to pay any Tax when due, Lessor, without declaring a Lessee Event of Default hereunder, may, but shall not be obligated to, pay any such Tax and any amount so paid by Lessor, together with all costs and expenses incurred by Lessor in connection therewith, shall constitute Additional Rent hereunder and shall be paid by Lessee to Lessor on demand with interest at the Delinquent Interest Rate. Lessee's obligation to pay Taxes accruing during the Term shall survive the expiration or earlier termination of this Lease.

To the extent permitted by applicable law, Lessee shall, in accordance with Article 10 hereof, protect, indemnify, defend and hold harmless Lessor and the Indemnitees from and against all Claims for Lessee's failure to timely and fully pay any and all such Taxes, together with any interest, penalties or other sums thereby imposed, and from any sale or other proceeding to enforce payment thereof.

Lessee shall have the right to contest in good faith the amount or validity of any Tax by appropriate proceedings which operate to prevent or stay the collection of the Tax so contested. Upon the termination of such proceeding, Lessee shall deliver to Lessor proof of the amount of the Tax as finally determined and thereupon Lessee shall pay such Tax. Lessor shall not be subjected to any liability for the payment of any costs or expenses in connection with any proceedings and to the extent permitted by applicable law, Lessee shall, in accordance with Article 10 hereof, indemnify, defend and hold Lessor and the Indemnitees harmless from any such costs and expenses.

Section 6.4 Utilities and Services. Lessee shall, at its sole cost and expense, contract and pay (prior to delinquency) all charges for Utilities, including any impact fees, related to the construction of the Facility. Lessor will not be obligated to furnish any Utilities required for the construction and occupancy of the Property prior to the Acceptance Date and will not be liable for the failure of any Utilities to be provided or for any loss of or injury to property prior to the Acceptance Date, however occurring, through or in connection with or incidental to the failure to furnish any Utilities. Lessor shall, at Lessee's sole cost and expense, execute easements in form and substance acceptable to Lessor in Lessor's commercially reasonable discretion, which are required to be executed by the owner of the Property to aid in obtaining Utilities for the Property.

Section 6.5 Special Purpose Covenants; Change of Control.

- (a) *Single Purpose, Bankruptcy Remote Covenants.* Lessee shall: (i) maintain full and complete books and records, separate from any other person or entity; (ii) maintain its assets in such a manner that it is not costly or difficult to segregate, identify or ascertain such assets; (iii) maintain its bank accounts separate from any other person or entity; (iv) not commingle its assets or funds with those of any other person or entity and shall hold all of its assets in its own name; (v) conduct its own business in its own name independently and through its own authorized officers and agents; (vi) have sufficient officers to run its business operations; (vii) pay its own obligations only out of its own funds and not permit any affiliate to pay its obligations; (viii) prepare and maintain separate, full, and complete tax returns and financial statements, showing its assets and liabilities separate and apart from those of any other person or entity or if part of a consolidated group, then there will be an appropriate notation on the financial statements indicating the separate existence of Lessee, as applicable, and its assets and liabilities; (ix) not assume, guarantee, become obligated for, or pay the debts or obligations of any other person or entity; (x) not hold out its credit as being available to satisfy the obligations of any other person or entity; (xi) not acquire the obligations or securities of any affiliate; (xii) not make loans or advances to any person or entity or buy or hold evidence of indebtedness issued by any other person or entity; (xiii) use separate stationery, invoices, and checks bearing its own name; (xiv) not pledge its assets for the benefit of any person or entity, except as contemplated and permitted under the Loan Agreement; (xv) hold itself out as a legal entity separate and distinct from any other entity; (xvi) correct any known misunderstanding regarding its separate identity; (xvii) identify itself only as an affiliate or subsidiary and not identify itself as a division of any other person or entity; and (xviii) conduct business limited solely to the purposes of the design, development, construction, furnishing and equipping of the Facility.
- (b) *Governing Documents.* Lessee shall abide by and enforce the terms of its governing documents, and shall not amend its bylaws, articles of incorporation or other organizational or governing documents, without the prior written consent of Lessor.
- (c) *Change of Control.* Except with respect to a Change of Control resulting from the Construction Lender's exercise of remedies under the Loan Agreement, Lessee shall not permit a Change of Control of Lessee to occur without the prior written consent of Lessor.

Section 6.6 Assignment and Subletting. Except as otherwise provided in Article 8, Lessee shall not have the right to assign or transfer this Lease or any interest herein or any right or privilege appurtenant hereto or to sublease the Property or any portion thereof, without the prior written consent of Lessor, which may be granted or withheld at Lessor's sole and absolute discretion.

Article 7
Property Condition; Environmental Matters

No provision of this Article 7 shall act to modify, diminish, or qualify the representations and warranties of Lessor and Lessee made elsewhere herein.

Section 7.1 As-Is Condition of Property.

IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING LEASED HEREUNDER "AS IS", "WHERE-IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY LESSOR. LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, AND HEREBY SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ITS CONDITION (INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE), COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER LAWS, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PARCEL OR THE IMPROVEMENTS, AND LESSOR HEREBY DISCLAIMS AND RENOUNCES ANY OTHER REPRESENTATION OR WARRANTY. LESSEE ACKNOWLEDGES AND AGREES THAT IT IS ENTERING INTO THIS LEASE WITHOUT RELYING UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY LESSOR OR ANY REPRESENTATIVE OF LESSOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF LESSOR WITH RESPECT TO THE PARCEL OR THE IMPROVEMENTS, BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. LESSEE REPRESENTS THAT IT IS A KNOWLEDGEABLE DEVELOPER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN ENTERING INTO THIS LEASE, DEVELOPING THE FACILITY AND LEASING THE PROPERTY.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LESSEE FOR ITSELF AND, TO THE MAXIMUM EXTENT PERMITTED BY LEGAL REQUIREMENTS, ITS SUCCESSORS AND ASSIGNS, HEREBY EXPRESSLY WAIVES, RELEASES AND RELINQUISHES ANY AND ALL CLAIMS, CAUSES OF ACTION, RIGHTS AND REMEDIES LESSEE AND ITS SUCCESSORS AND ASSIGNS MAY NOW OR HEREAFTER HAVE AGAINST LESSOR AND THE OTHER INDEMNITEES, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO ANY PAST, PRESENT OR FUTURE PRESENCE OR EXISTENCE OF HAZARDOUS MATERIALS AT, ON, IN, NEAR, UNDER OR ABOUT THE PROPERTY, OR WITH RESPECT TO ANY PAST, PRESENT OR FUTURE VIOLATIONS OF ANY LEGAL REQUIREMENTS, NOW OR HEREAFTER ENACTED, REGULATING OR GOVERNING THE USE, HANDLING, STORAGE, PRESENCE, RELEASE, MANAGEMENT OR DISPOSAL OF HAZARDOUS MATERIALS, INCLUDING (WITHOUT LIMITATION) ANY AND ALL CLAIMS, WHETHER KNOWN OR UNKNOWN, AND WHETHER BASED ON STRICT LIABILITY OR OTHERWISE, UNDER OTHER APPLICABLE ENVIRONMENTAL LAWS OR BASED ON NUISANCE, TRESPASS OR ANY OTHER COMMON LAW OR STATUTORY PROVISIONS.

LESSEE ACKNOWLEDGES AND AGREES THAT IT IS ENTERING INTO THIS LEASE WITHOUT RELYING UPON ANY REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY LESSOR OR ANY REPRESENTATIVE OF LESSOR OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF LESSOR WITH RESPECT TO THE PROPERTY, BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY. LESSEE HEREBY EXPRESSLY ACKNOWLEDGES THAT IT HAS BEEN AFFORDED EVERY OPPORTUNITY TO EXAMINE AND INSPECT, AND HAS THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY LESSEE IN ORDER TO ENABLE LESSEE TO EVALUATE THE PROPERTY. LESSEE REPRESENTS THAT IT IS A KNOWLEDGEABLE DEVELOPER OF REAL ESTATE SUCH AS THE PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF LESSEE'S CONSULTANTS. LESSEE HAS CONDUCTED SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS LESSEE HAS DEEMED NECESSARY OR APPROPRIATE, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, THE SQUARE FOOTAGE OF THE PROPERTY, IMPROVEMENTS AND INFRASTRUCTURE, IF ANY, DEVELOPMENT RIGHTS AND EXACTIONS, EXPENSES ASSOCIATED WITH THE PROPERTY, TAXES, ASSESSMENTS, BONDS, PERMISSIBLE USES, TITLE EXCEPTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, SUBDIVISION AND ZONING OF THE PROPERTY, SOIL CONDITIONS AND THE ADEQUACY OF THE SOIL FOR ANY PARTICULAR FOUNDATION SYSTEM, SUBSOIL, THE PURPOSES FOR WHICH THE PROPERTY TO BE USED, DRAINAGE, BUILDING LAWS, RULES OR REGULATIONS, HAZARDOUS MATERIALS OR ANY OTHER MATTERS AFFECTING OR RELATING TO THE PROPERTY. LESSEE ASSUMES THE RISK OF ANY ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS THAT MAY NOT HAVE BEEN REVEALED BY LESSEE'S INSPECTIONS AND INVESTIGATIONS. LESSEE HEREBY WAIVES AND RELINQUISHES ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT OR IN RELATION TO, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS, WHETHER EXPRESS OR IMPLIED, THAT MAY HAVE BEEN MADE OR GIVEN, OR THAT MAY HAVE BEEN DEEMED TO HAVE BEEN MADE OR GIVEN, BY LESSOR. LESSEE HEREBY ASSUMES ALL RISK AND LIABILITY, INCLUDING, WITHOUT LIMITATION, UNDER APPLICABLE ENVIRONMENTAL LAWS (AND AGREES THAT LESSOR WILL NOT BE LIABLE, INCLUDING, WITHOUT LIMITATION, NOT STRICTLY LIABLE, FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY.

Section 7.2 Environmental Matters.

- (a) *Prohibition.* Lessee shall not cause or permit the use, treatment, generation, storage, disposal, spill, leakage, release, or production on, under or about or transportation to the Property of any Hazardous Materials, except in minor quantities required for Lessee's use of the Property as may be reasonably necessary in connection with the Permitted Use, but in such event only to the extent that the Hazardous Materials are

acquired, kept, stored, maintained, transported and disposed of in strict accordance with all Legal Requirements.

- (b) *Other Rights.* Nothing contained in this Lease shall prevent or in any way diminish or interfere with any rights or remedies, including (without limitation) the right to contribution, which Lessor or Lessee may have against the other Party under any Legal Requirements, all such rights being hereby expressly reserved.
- (c) *Notice of Actions.* Lessee shall give Lessor immediate written notice of the receipt of any notice or discovery of any information regarding any actual, alleged or potential Environmental Claim relating to the Property, and shall deliver to Lessor copies of any and all orders, notices, permits, reports, and other communications, documents and instruments which Lessee receives pertaining to such Environmental Claim.
- (d) *Assumption of Liability.* Lessee hereby covenants and assumes all responsibility for responding to, defending against and complying with any administrative order, request or demand relating to potential or actual contamination on the Property or release of any Hazardous Material from the Property into any adjoining property or the air, soil, surface water or ground water, whether such order, request, demand or claim names Lessor, Lessee or both, or refers to the Property in any way, including responding to such orders, requests, demands and claims on behalf of Lessor and defending against any assertion of Lessor's financial responsibility or individual duty to perform thereunder.
- (e) *Indemnification.* To the fullest extent allowed by applicable law, Lessee shall, in accordance with Article 10 hereof, indemnify, save harmless and defend Lessor and the Indemnitees from and against any and all Claims (including, without limitation, third party claims for personal injury or real or personal property damage and diminution in value of the Property and sums paid in settlement of claims, attorneys' fees, consultant fees, expert fees and any fees and expenses incurred in enforcing this indemnity) of any kind or of any nature whatsoever incurred by, sought from or asserted directly or indirectly against Lessor or the Indemnitees during or after the Term as a result of (a) the presence of any Hazardous Material on, in or under the Property or any release of any Hazardous Material into the air, soil, surface water or ground water, which Hazardous Material was brought, kept or used in or about the Property at any time during the Term, regardless of whether brought, kept or used by Lessee or any Lessee Responsible Parties, or (b) as a result of any breach by Lessee of its obligations under this Section 7.2. The foregoing indemnity shall include, without limitation, (i) the costs of removal of any and all Hazardous Materials from the Property; (ii) all additional costs required to take necessary precautions to protect against the release of Hazardous Materials on, in, under or affecting the Property, into the air, any body of water, any other public domain or any surrounding areas; and (iii) any costs incurred to comply with all Legal Requirements. Notwithstanding the foregoing, this indemnification obligation shall apply to a Leasehold Mortgagee who succeeds to the interest of Lessee hereunder pursuant to (i) a foreclosure of the Lender Security Interest,

(ii) an assignment in lieu of foreclosure, or (iii) a New Lease resulting from a Bankruptcy Event only as it relates to claims that arise out of events or circumstances occurring on or after the effective date on which such Leasehold Mortgage succeeds to the interest of the Lessee hereunder as described above

- (f) *City Indemnification Concerning Certain Environmental Matters.* Notwithstanding the foregoing, and to the extent (but only to the extent) permitted by applicable law, Lessor shall indemnify, defend, and hold harmless Lessee, its successors and assigns, from and against any and all Claims, losses, damages, penalties, and costs, including (but not limited to) reasonable attorney, engineering, expert, or other professional fees, arising out of or resulting from a breach of Lessor's representations and warranties set forth in Section 13.1(o) hereof. This indemnity shall survive termination of this Lease.

Section 7.3 Survival. THE TERMS AND CONDITIONS OF THIS ARTICLE 7 WILL EXPRESSLY SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS ARTICLE 7 WERE A MATERIAL FACTOR IN LESSOR'S DETERMINATION OF THE CONSIDERATION FOR ENTERING INTO THIS LEASE.

Section 7.4 Rights and Remedies of Lessee. THE FOREGOING PROVISIONS OF THIS ARTICLE 7 NOTWITHSTANDING, LESSEE SHALL NOT BE DEPRIVED OF THE RIGHT TO SEEK OR BE PROHIBITED FROM SEEKING OR PURSUING (A) SCHEDULE AND COST RELIEF AVAILABLE TO LESSEE UNDER THIS LEASE RESULTANT FROM THE DISCOVERY OF ANY NON-DISCOVERABLE PREEXISTING CONDITION OR CHANGE IN LEGAL REQUIREMENT (WHEN COMPARED TO THE LEGAL REQUIREMENTS EXISTING ON THE EFFECTIVE DATE) AND QUALIFICATION OF THE SAME OR ANY OTHER EVENT OR CIRCUMSTANCE AS AN EVENT OR CIRCUMSTANCE CONSTITUTING COMPENSABLE DELAY OR PERMITTED DELAY, AND (B) ANY OTHER RIGHTS OR REMEDIES AVAILABLE TO LESSEE UNDER THIS LEASE, AT LAW OR IN EQUITY TO THE EXTENT ANY OF THE REPRESENTATIONS OR WARRANTIES MADE BY LESSOR PURSUANT TO SECTION 13.1 HEREOF OR ANY OTHER SECTION OF THIS LEASE IS NOT TRUE AND CORRECT IN ALL MATERIAL RESPECTS AS OF THE DATE OF SUCH REPRESENTATION OR WARRANTY.

Article 8 Mortgaging the Leasehold

Section 8.1 Lessor Consent Required. Subject to Section 8.2, Lessee shall not encumber its interest in this Lease or the Property without Lessor's prior written consent (which consent shall be given at Lessor's sole and absolute discretion).

Section 8.2 Consent to Lender Security Interest. Notwithstanding the foregoing to the contrary, Lessor hereby consents to Lessee's encumbrance of its interest in this Lease and the

Property pursuant to the Lender Security Interest and the exercise of remedies thereunder and further agrees as follows:

- (a) *Construction Lender Consent.* There shall be no cancellation, termination, surrender, acceptance of surrender, abandonment, amendment, rejection, modification, assignment, novation, or transfer (by operation of law or otherwise) of this Lease or any right, title, or interest in this Lease by Lessor or Lessee without the prior written consent of the Construction Lender. Notwithstanding the foregoing (but, in any event, subject to the Construction Lender's curative rights set forth in Section 8.2(b) and Section 8.2(c) hereof), nothing herein shall be deemed to prohibit Lessor from terminating this Lease in accordance with its terms.
- (b) *Notices to Construction Lender; Construction Lender's Rights Upon Receipt of Notice.* Lessor, upon providing Lessee with any notice of a Lessee Event of Default or failure to comply with the terms of or termination of this Lease, shall simultaneously deliver a copy of such notice to the Construction Lender, and no such notice shall be deemed to have been given and no rights or remedies of Lessor predicated upon giving such notice shall be deemed to have arisen if Lessor fails to simultaneously deliver a copy of such notice to Construction Lender. If Lessor shall notify Lessee with a notice of a failure to comply with any term, covenant, condition, or provision hereof, and such failure is of the nature that it can be cured by the Construction Lender on behalf of Lessee, the Construction Lender shall then have sixty (60) days following expiration of the cure period given to Lessee hereunder to remedy or cause to be remedied such failure, and Lessor shall not exercise any remedy available to Lessor during such cure period (other than pursuant to Section 11.2(a)(ii)) and shall accept such performance as if it had been done by Lessee. Nothing herein contained shall be construed or interpreted as requiring Construction Lender to remedy any such failure of Lessee to comply with any term, covenant, condition, or provision hereof.
- (c) *Limitation Upon Termination Rights of Lessor.* If, after the expiration of any applicable cure period of Lessee and the Construction Lender provided for in this Lease, Lessor desires to terminate this Lease upon the occurrence of a Lessee Event of Default, Lessor shall provide written notice thereof to the Construction Lender and the Construction Lender shall have the right to postpone and extend the date of such termination as fixed by the provisions of this Lease for a period of not more than twelve (12) months from the expiration of the applicable cure period, so long as (i) the Construction Lender continues to pay the Rent and other charges required to be paid under this Lease; and (ii) the Construction Lender continues, to the extent practicable, to perform all other obligations, duties and covenants of Lessee, and maintains the Property in good repair and condition during such period. So long as the Construction Lender has commenced and diligently pursues such action, and has delivered notice to Lessor of intention to postpone and extend the date of such termination, Lessor shall have no right to terminate this Lease for the period specified in this paragraph.

In connection with the Construction Lender's exercise of rights pursuant to this Section 8.2(c), Construction Lender (i) shall be entitled to take steps necessary to acquire the Leasehold Estate by foreclosure of the Lender Security Interest or otherwise, and shall notify Lessor of such acquisition as soon as practicable thereafter, and (ii) shall have a period of one hundred twenty (120) days following such acquisition to assign the Leasehold Estate pursuant to Section 8.2(d) hereof, in which case this Lease shall continue in full force and effect and any such assignee shall be deemed to have assumed and agreed to be liable for all of the obligations of the Lessee, as predecessor lessee hereunder. Any such assignee shall immediately commence the Work necessary to achieve Final Completion in accordance with the terms of this Lease, and all Personal Obligations of Lessee, as predecessor lessee hereunder, shall no longer be deemed Events of Default hereunder (provided that this shall not limit Lessor's rights and remedies against any former Lessee in such former Lessee's capacity to the extent such former Lessee may have personal liability to Lessor hereunder).

- (d) *Assignment by Construction Lender.* Lessor agrees that in the event of any foreclosure of the Lender Security Interest, either by judicial proceedings or under power of sale contained therein, all right, title, and interest encumbered by the Lender Security Interest may be assigned to and vested in the purchaser having the necessary capitalization, experience, and qualifications to perform the obligations of Lessee hereunder, with the prior Written Approval of Lessor (such approval not to be unreasonably withheld) and subject and subordinate to the rights, title, and interests of Lessor hereunder. Any such assignee shall be vested by virtue of such assignment with any and all rights of the party whose estate shall have been encumbered by such Leasehold Mortgage as though Lessor had consented thereto.
- (e) *Third Party Beneficiary Rights.* To the extent that this Lease confers upon or gives or grants to the Construction Lender any right, remedy, or claim under, or by reason of, this Lease, the Construction Lender is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy, or claim conferred, given or granted hereunder; provided, however, that nothing in this Lease expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, any right, remedy, or claim under or by reason of this Lease or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements contained in this Lease by and on behalf of Lessor, Lessee, or the Construction Lender, as the case may be shall be for the sole and exclusive benefit of such Person. Whenever the Construction Lender seeks to enforce any right or remedy of Lessee under this Lease, whether as a third party beneficiary or in any other capacity under this Lease, the Construction Lender shall be subrogated to Lessee and shall have the rights and be subject to all the limitations accruing to Lessee hereunder.
- (f) *Lessee Bankruptcy Event.* If Lessee (as debtor in possession) or a trustee in bankruptcy for Lessee rejects this Lease in connection with any Bankruptcy Event affecting Lessee, then such rejection shall be deemed Lessee's assignment of this Lease and the Leasehold Estate to the Leasehold Mortgage or, with the prior

Written Approval of Lessor (such approval not to be unreasonably withheld), an assignee designated by the Leasehold Mortgagee having the necessary capitalization, experience, and qualifications to perform the obligations of Lessee hereunder, in the nature of an assignment in lieu of foreclosure, subject to the Leasehold Mortgage. Upon such deemed assignment, this Lease shall not terminate. Leasehold Mortgagee shall continue to have all the rights granted hereunder as if the Bankruptcy Event had not occurred, unless such Leasehold Mortgagee shall disapprove such deemed assignment by notice to Lessor within thirty (30) calendar days after such Leasehold Mortgagee received notice of the rejection of this Lease in connection with the Bankruptcy Event affecting Lessee. If any court of competent jurisdiction shall determine that this Lease shall have been terminated notwithstanding the deemed assignment provided for in place of rejection of this Lease, then Leasehold Mortgagee shall be entitled to enter into a New Lease with Lessor. In order to obtain a New Lease, a Leasehold Mortgagee must make a written request to Lessor for the New Lease within sixty (60) days after the Leasehold Mortgagee is notified, by a court order or otherwise by Lessor, of the date of termination, rejection or disaffirmance of this Lease, as the case may be. In addition, as of the execution of the New Lease, the Leasehold Mortgagee must cure all defaults under this Lease which are reasonably susceptible of being cured by the Leasehold Mortgagee and pay to Lessor all Rent and other sums that would have been due and payable by Lessee under this Lease (save and except for penalties and late fees) but for the rejection, disaffirmance or termination. Lessor agrees that upon the written request by any Leasehold Mortgagee to Lessor, Lessor shall provide such Leasehold Mortgagee a reasonably detailed listing, in writing, of the defaults or Events of Default under this Lease at such time existing. Any New Lease shall include all rights and privileges of Lessee and Leasehold Mortgagee under this Lease, but shall not include any liability for any Personal Obligations of a predecessor lessee or any obligations of Lessee that have already been performed, it being agreed that such New Lessee will only be responsible for its own Personal Obligations.

- (g) *Limitation on Leasehold Mortgagee's Liability.* Notwithstanding anything to the contrary in this Lease, no Leasehold Mortgagee (or its assignee) shall have any personal liability under or with respect to this Lease (or a New Lease) except during such period as Leasehold Mortgagee (or its assignee) is the Lessee under this Lease (or a New Lessee under a New Lease), but then, in no event greater than Leasehold Mortgagee's (or its assignee's) interest in this Lease (or a New Lease).

Section 8.3 Subordination to Lender Security Interest. Except as hereafter specified, Lessor hereby agrees that any sale, transfer, conveyance or encumbrance of Lessor's fee interest in and to the Parcel shall be subject and subordinate to this Lease, and the rights of any purchaser, transferee, or encumbrance of Lessor's fee interest in the Parcel shall be subject and subordinate at all times to this Lease. Lessor hereby agrees that (i) Lessor's security interest in and to the Construction Documents granted pursuant to the terms of Article 9, and (ii) Lessor's continuing lien on the Leasehold Estate reserved under Section 11.6 hereof, shall be junior and subordinate to the Lender Security Interest. So long as any of the indebtedness created, evidenced, or secured by any of the Lender Security Interest remains outstanding and unpaid, Lessor shall not exercise any

rights or remedies with respect to the Construction Documents without obtaining in each instance the prior written consent of the Construction Lender; provided, however, that nothing in this Section 8.3, but subject in all respects to the provisions of Section 8.2(c), shall limit the right of Lessor to terminate this Lease in accordance with Section 11.2(a)(i) hereof, or exercise any other remedies available to Lessee under this Lease as provided herein. For the avoidance of doubt, nothing contained in this Section 8.3 shall be construed as an agreement to subordinate Lessor's fee interest in and to the Parcel to a Leasehold Mortgagee or the Lender Security Interest.

Article 9 Security Interest in Construction Documents

Section 9.1 Pledge, Assignment, and Grant of Security. As security for the performance of Lessee's obligations hereunder, upon the occurrence of a Lessee Event of Default under Section 11.1(a) (but subject to the provisions of Section 8.2 and Section 8.3 hereof), Lessee hereby assigns and pledges and hereby grants to Lessor a security interest in all of Lessee's right, title, and interest in and to the Construction Documents, whether now or hereafter existing, and as the same may be further amended, modified, or supplemented, including, without limitation: (i) all rights of Lessee to receive moneys due and to become due under or pursuant to the Construction Documents; (ii) all rights of Lessee to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Construction Documents; (iii) claims of Lessee for damages arising out of or for breach of or default under the Construction Documents; and (iv) the right of Lessee to terminate the Construction Documents, to perform thereunder, and to compel performance and otherwise exercise all remedies thereunder.

Section 9.2 Further Action and Documents. Lessee agrees that from time to time, and at the expense of Lessee, Lessee will promptly execute and deliver all further instruments and documents, and take all further action, that Lessor may reasonably request, in order to perfect and protect any pledge, assignment, or security interest granted or purported to be granted hereby or to enable Lessor to exercise and enforce its rights and remedies hereunder with respect to any Construction Documents.

Section 9.3 Financing Statements. Subject to Section 8.3 hereof, Lessee hereby authorizes Lessor to file one or more financing and/or continuation statements, and amendments thereto, relating to all or any part of the Construction Documents without the signature of Lessee where permitted by law. A photocopy or other reproduction of this Lease or any financing statement covering the Construction Documents or any part thereof shall be sufficient as a financing statement where permitted by law.

Section 9.4 Lessor Appointed Attorney-in-Fact. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact, with full authority in the place and stead of Lessee and in the name of Lessee or otherwise, if a Lessee Event of Default shall have occurred (but subject to the provisions of Section 8.2 and Section 8.3 hereof), to take any action and to execute any instrument that Lessor may deem necessary or advisable to accomplish the purposes of this Lease, subject in all cases to the rights of the Construction Lender, including, without limitation: (i) to obtain insurance required to be paid to Lessor pursuant hereto in the event Lessee shall fail to obtain such insurance; (ii) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in connection with the Construction

Documents; and (iii) to file any claims or take any action or institute any proceedings that Lessor may deem necessary or desirable to enforce compliance with the terms and conditions of, or the rights of Lessor with respect to any of, the Construction Documents. The right and powers conferred upon Lessor hereunder are solely to protect its interest in the Construction Documents and shall not impose any duty upon it to exercise any such powers. Lessor shall have no duty to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any of the Construction Documents.

Article 10 Indemnity by Lessee

Section 10.1 Indemnity by Lessee. Lessee assumes liability for, and shall indemnify, protect, save and keep harmless Lessor, Lessor's Affiliates, and their respective officers, directors, shareholders, members, managers, partners, contractors, employees and agents (each an "**Indemnatee**"), from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including, without limitation, legal fees and expenses (collectively, "**Claims**"), of whatsoever kind and nature, imposed on, incurred by or asserted against any Indemnatee, in any way arising out of:

- (a) Lessee's performance of or failure to perform its obligations under, or any breach of any representation or warranty by Lessee under, this Lease, the Loan Agreement or the Construction Documents;
- (b) any injury to or the death of any person or damage to any property occurring on the Property prior to the Acceptance Date of that portion of the Facility development work on which the injury or death occurred or otherwise arising out of the Facility development work of the Lessee, the Design-Builder and its Subcontractors, and their respective employees, consultants, design professionals, independent contractors, and subcontractors employed or retained for the performance of any design or construction services or for the supply of materials (collectively referred to herein as the "**Lessee Responsible Parties**");
- (c) the negligent or wrongful acts or omissions of the Lessee and any other Lessee Responsible Parties;
- (d) except with respect to Non-Discoverable Preexisting Conditions (liability for which Lessee hereby expressly disclaims), the use, ownership, possession, or condition of the Property prior to the Acceptance Date; and
- (e) the violation by Lessee of any term, condition or covenant of this Lease or of any contract, agreement, restriction, or Legal Requirements affecting the Property,

EVEN IF CAUSED BY THE CONTRIBUTORY NEGLIGENCE OR ALLEGED CONTRIBUTORY NEGLIGENCE OF AN INDEMNITEE OR IF AN INDEMNITEE WOULD OTHERWISE BE STRICTLY LIABLE UNDER LEGAL REQUIREMENTS.

LESSEE ACKNOWLEDGES AND AGREES THAT PURSUANT TO THE PROVISIONS OF THIS SECTION 10.1. LESSEE AGREES TO INDEMNIFY THE INDEMNITEES EVEN IF

THE INDEMNITEES ARE NEGLIGENT (BUT NOT TO THE EXTENT THAT THE CLAIMS ARISE OUT OF OR RESULT FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE APPLICABLE INDEMNITEE).

The provisions of this Section 10.1 shall survive the expiration or earlier termination of this Lease. For the avoidance of doubt, with respect to any Lessee Event of Default, the intention of the Parties is that, as between Lessor and Lessee, Lessor's remedies against Lessee as a result of such Lessee Event of Default shall be the remedies set forth in Section 11.2(a) and not a claim for indemnity under this Section 10.1 (except to the extent that there are third-party Claims arising out of such Lessee Event of Default by Lessee, in which case Lessor is entitled to a claim for indemnity under this Section 10.1).

Section 10.2 Indemnity Procedures. With respect to all the indemnity obligations in this Lease for which Lessee is obligated to indemnify an Indemnitee, if an Indemnitee notifies Lessee of any claim, demand, action, administrative or legal proceeding, investigation or allegation (collectively, "**Indemnity Proceedings**"), Lessee shall assume on behalf of the Indemnitee and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel reasonably satisfactory to the Indemnitee; provided, that the Indemnitee shall have the right to be represented by advisory counsel of its own selection and at its own expense; and provided further, that if any Indemnity Proceeding involves both Lessee and the Indemnitee and the Indemnitee shall have been advised in writing by reputable counsel that there may be legal defenses available to it which are inconsistent with those available to Lessee, then the Indemnitee shall have the right to select separate counsel to participate in the investigation and defense of and response to such Indemnity Proceeding on its own behalf, and Lessee shall pay or reimburse the Indemnitee for all reasonable attorneys' fees incurred by the Indemnitee because of the selection of such separate counsel. If any Indemnity Proceeding arises, and Lessee fails to assume promptly (and in any event within twenty (20) days after being notified of the Indemnity Proceeding) the defense of the Indemnitee, then the Indemnitee may contest (or settle, with the prior consent of Lessee, which consent will not be unreasonably withheld, conditioned or delayed) the Indemnity Proceeding at Lessee's expense using counsel selected by the Indemnitee; provided, that after any such failure by Lessee which continues for ninety (90) days or more no such contest need be made or continued by the Indemnitee and settlement or full payment of any Indemnity Proceeding may be made by the Indemnitee without Lessee's consent and without releasing Lessee from any obligations to the Indemnitee under this Lease if, on the advice of counsel to the Indemnitee, the settlement or payment is advisable. If the applicable Claim is covered by insurance maintained by Lessee pursuant to this Lease, then (i) Lessor agrees to reasonably cooperate with the requirements of the applicable insurance company whose insurance relates to the Claim, and (ii) if Lessor retains its own counsel pursuant to the above-stated provisions, then Lessee's obligation to reimburse Lessor for reasonable legal fees and costs incurred by Lessor because of the selection of such separate counsel shall only be to the extent covered by such insurance. The provisions of this Section 10.2 will survive the expiration or earlier termination of this Lease.

Article 11
Defaults and Remedies; Termination

Section 11.1 Events of Default.

- (a) *Lessee Default.* Each of the following events is a “**Lessee Event of Default**” under this Lease:
- (i) Failure by Lessee to pay Rent or any other sums of money stipulated in this Lease to be paid by Lessee and such failure continues for ten (10) days after Lessor gives written notice to Lessee of such failure;
 - (ii) Lessee subleases or assigns its interest in this Lease or any portion thereof, or causes or permits a Change of Control to occur in violation of the provisions hereof;
 - (iii) The development and construction of the Facility by Lessee shall have been rendered impracticable or impossible because of any material misrepresentation or breach of warranty of Lessee contained herein, as so made on the Effective Date;
 - (iv) Final Completion of the Project shall not have occurred by the Ground Lease Long Stop Date, subject to adjustment, however, for Permitted Delay;
 - (v) Failure by Lessee to perform or observe any other terms, covenants, conditions, agreements and provisions of this Lease (other than those Events of Default expressly described in this Section 11.1(a)) and such failure continues for a period of thirty (30) days after notice has been delivered to Lessee; provided however, that if any such failure (other than a failure involving payment of liquidated sums of money) cannot reasonably be cured within the thirty (30) day period, then such thirty (30) day period will be extended if Lessee has commenced to cure such failure after the effective date of the notice and within the thirty (30) day period and proceeds in good faith, continuously, and with due diligence to remedy and correct any such failure, but in no event will such period be extended by more than an additional one hundred fifty (150) days;
 - (vi) The initiation of any proceeding whereupon the Leasehold Estate, or any portion thereof, or this Lease is levied upon or attached if such proceeding is not vacated, discharged or bonded within sixty (60) days after the date of such levy or attachment; or
 - (vii) A Bankruptcy Event shall have occurred.
- (b) *Lessor Default.* Each of the following events is a “**Lessor Event of Default**” under this Lease:

- (i) Subject to Section 11.2(a)(ii) hereof, the occurrence of which shall not constitute a Lessor Event of Default, Lessor fails to pay, when due in accordance with the terms of this Lease, any Installment Payment; or
- (ii) Lessor fails to perform or observe any other terms, covenants, conditions, agreements and provisions of this Lease (other than those Events of Default expressly described in this Section 11.1(b)) and such failure continues for a period of thirty (30) days after notice has been delivered to Lessor; provided however, that if any such failure (other than a failure involving payment of liquidated sums of money) cannot reasonably be cured within the thirty (30) day period, then such thirty (30) day period will be extended if Lessor has commenced to cure such failure after the effective date of the notice and within the thirty (30) day period and proceeds in good faith, continuously, and with due diligence to remedy and correct any such failure, but in no event will such period be extended by more than an additional one hundred fifty (150) days.

Section 11.2 Remedies.

- (a) *Lessor's Remedies.* Upon the occurrence of a Lessee Event of Default and the continuation thereof after the expiration of any applicable cure period therefor, Lessor will have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or in equity or by this Lease:
 - (i) Subject to Section 8.2(c) hereof, Lessor may terminate this Lease by giving written notice thereof to Lessee in accordance with Section 11.7 hereof and paying the Default Termination Purchase Price pursuant to Section 4.10(d)(i) hereof, whereupon Lessee shall immediately surrender the Property to Lessor and if Lessee fails so to do, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in Rent, enter upon and take possession of the Property and expel or remove Lessee and any other Person who may be occupying the Property, or any part thereof, by force, if necessary, without having any civil or criminal liability therefor, and Lessee hereby agrees to pay to Lessor on demand the amount of all reasonable loss and damage which Lessor may suffer by reason of such termination, specifically including, but not limited to, any increase in insurance premiums caused by the vacancy of the Property;
 - (ii) Suspend its obligation to make any Installment Payment until such Lessee Event of Default has been cured to the satisfaction of Lessor; and/or
 - (iii) Enter upon the Property, without having any civil or criminal liability therefor, and, with or without such entry upon the Property, do whatever Lessee is obligated to do under the terms of this Lease, and Lessee agrees to reimburse Lessor on demand for any increased expenses which Lessor

may incur by effecting compliance with Lessee's obligations under this Lease, with interest (from the date incurred until payment) calculated at the Delinquent Interest Rate.

- (b) *Lessee's Remedies.* If there occurs a Lessor Event of Default hereunder, and to the extent Lessee has obtained the written approval of Construction Lender as required by Section 8.2(a) hereof, then Lessee shall be entitled to terminate this Lease by giving Lessor written notice thereof, and/or seek a writ of mandamus if appropriate and allowed under such circumstances to compel Lessor to make such payments then due under the terms of this Lease. If Lessee elects to terminate this Lease pursuant to this Section 11.2(b), Lessee shall be entitled to submit an application for payment of the Non-Default Termination Purchase Price pursuant to Section 4.10(d)(ii) hereof. If Lessor shall fail to pay such Non-Default Termination Purchase Price in accordance with Section 4.10(d)(ii), then Lessee shall be entitled to seek a writ of mandamus if appropriate and allowed under such circumstances to compel Lessor to pay such Non-Default Termination Purchase Price or seek any other remedies available at law or in equity to recover the Non-Default Termination Purchase Price; provided, however, that Lessee's remedies shall expressly exclude, and Lessee shall not be entitled to seek or recover loss of profits or incidental, indirect, exemplary, punitive, special or consequential damages of any kind other than the Non-Default Termination Purchase Price.

Section 11.3 Payment of Expenses. Lessee shall pay to Lessor, with interest (from the date incurred until payment) calculated at the Delinquent Interest Rate, all costs and expenses incurred by Lessor, including attorneys' fees, as a result of a Lessee Event of Default, in (a) retaking or otherwise obtaining possession of the Property under this Lease, (b) repairing or restoring the Improvements to the condition in which Lessee is required to deliver the Improvements on the Acceptance Date, to the extent such amounts (when taking into account all other payments made by Lessor with respect to the Facility), exceed the Facility Purchase Price (c) paying or performing the underlying obligation that gave rise to the subject default and that Lessee failed to pay or perform and (d) enforcing any of Lessor's rights and remedies under this Lease, at law or in equity, arising as a consequence of the Lessee Event of Default. For the avoidance of doubt, any expenses payable by Lessee pursuant to this Section 11.3 shall not be applied by Lessor to offset the Default Termination Purchase Price or the Non-Default Termination Purchase Price, as the case may be, and Lessor shall not be deemed to waive the right to recover any expenses payable by Lessee under this Section 11.3 by remitting payment of the Default Termination Purchase Price or the Non-Default Termination Purchase Price, as the case may be.

Section 11.4 No Waiver. No delay or omission by either Party in exercising any right or power accruing upon non-compliance or failure to perform by the other Party under any of the provisions of this Lease will impair any such right or power or be construed to be a waiver thereof. A waiver by either Party of any of the covenants or conditions to be performed by the other Party will be in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought, and any such waiver will not be construed as a waiver of any succeeding breach or non-performance of the same or other covenants and conditions hereof.

Section 11.5 Holdover. If Lessee fails to vacate the Property and deliver the same to Lessor on the Termination Date, subject to payment of the Default Termination Purchase Price or Non-Default Termination Purchase Price pursuant to Section 4.10(d) hereof, as applicable, then Lessee shall be a Lessee at sufferance and, in addition to all other damages and remedies to which Lessor may be entitled for such holding over, Lessee shall otherwise continue to be subject to all of Lessee's obligations under this Lease. The provisions of this Section 11.5 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Lessor provided herein or at law or a consent by Lessor to any holding over by Lessee, and Lessor expressly reserves the right to require Lessee to surrender possession of the Property upon the expiration of the Term or upon the earlier termination hereof and to assert any remedy in law or equity to evict Lessee and/or collect damages in connection with such holding over. If Lessee fails to surrender the Property on the Termination Date, subject to payment of the Default Termination Purchase Price or Non-Default Termination Purchase Price pursuant to Section 4.10(d) hereof, as applicable, in addition to any other liabilities to Lessor accruing therefrom, to the extent permitted by applicable law, Lessee shall, in accordance with Article 10 hereof, protect, defend, indemnify and hold the Indemnitees harmless from all Claims resulting from such failure, including any claims made by any succeeding lessees founded upon such failure to surrender, provided that Lessor has given Lessee at least thirty (30) days advance written notice of any potential Claims and Lessee fails to surrender the Property within such thirty (30) day period.

Section 11.6 Lien. Subject to Section 8.3 hereof, Lessor hereby reserves and Lessee hereby grants to Lessor a continuing lien in the nature of a mortgage lien on the Leasehold Estate to secure payment of all of Lessee's obligations under this Lease. If there shall occur a Lessee Event of Default by Lessee, Lessor shall be entitled to record a notice of lien ("**Notice of Lien**") in the Real Property Records, setting forth the amount due and payable and Lessor shall thereafter be entitled to foreclose the lien with respect to such amount as set forth in the recorded Notice of Lien, together with interest thereon, in the same manner as the foreclosure of mortgage liens under the laws of the State, and recover all such amounts, together with attorneys' fees and expenses and court costs incurred in connection with the enforcement of such lien and the collection of such unpaid amount. The lien hereinabove provided shall have priority from the date and time that a Notice of Lien as aforesaid is filed for record in the Real Property Records. Notwithstanding the foregoing, the above described lien shall not have priority over any Leasehold Mortgage lien on the Property recorded in the Real Property Records prior to the recording of the Notice of Lien (including the Lender Security Interest).

Section 11.7 Termination.

- (a) *Termination Only in Accordance with the Terms of this Lease.* Neither Lessor nor Lessee shall be permitted to terminate this Lease except in accordance with the terms and conditions set forth herein (including, without limitation, the obligation of the Parties to first submit to and participate in the dispute resolution procedures set forth in Section 4.8 hereof), and each Party hereby waives any and all rights such Party may have at law or in equity to terminate this Lease except in accordance with the terms and conditions set forth herein.

- (b) *Termination by Lessor.* This Lease may be terminated by Lessor prior to the Ground Lease Long Stop Date:
- (i) Upon a Lessee Event of Default, which termination is effected pursuant to and in accordance with Section 11.2(a)(i)(i) hereof (a “**Default Termination**”); or
 - (ii) In Lessor’s discretion and convenience at any time by delivery of written notice to Lessee and Construction Lender, which notice shall provide that such termination is not a result of a Lessee Event of Default under Section 11.1(a)(i) hereof (a “**Non-Default Termination**”), the foregoing subject, however, to Lessor having obtained Construction Lender’s prior written approval therefor pursuant to Section 8.2 hereof.

A termination by Lessor under Clauses (i) or (ii) above shall require Lessor’s prior or concurrent payment of the Default Termination Purchase Price or Non-Default Termination Purchase Price, respectively, under Section 4.10(d) hereof as a condition to the effectiveness of either a Default Termination or Non-Default Termination, as applicable.

- (c) *Termination by Lessee.* This Lease may be terminated by Lessee prior to the Ground Lease Long Stop Date upon a Lessor Event of Default, pursuant to and in accordance with the terms and provisions of Section 11.2(b) hereof.
- (d) *Other Circumstances Giving Rise to Termination.* This Lease shall automatically terminate without any further action on the part of Lessor or Lessee upon:
- (i) a Taking shall have occurred that in the good faith, reasonable judgment of Lessor would, after application of any condemnation or applicable insurance proceeds, render infeasible the intended completion of the Facility by Lessee or use by Lessor of the Facility;
 - (ii) the issuance of a final, non-appealable order by a court of competent jurisdiction to the effect that this Lease is void, unenforceable, or impossible to perform on the part of Lessee;
 - (iii) the discovery of a Non-Discoverable Preexisting Condition, a change in Legal Requirement (when compared to the Legal Requirements existing on the Effective Date), or the occurrence and continuation of a Force Majeure Event, the result of any of the foregoing (after applying the relief to schedule and cost resultant from qualification of any of the foregoing as events of Compensable Delay or Permitted Delay) being the impossibility of Lessee’s achieving, through no fault of Lessee, Substantial Completion; or
 - (iv) the occurrence and continuation of a Lessee Event of Default hereunder, and to the extent the Construction Lender has exercised its rights to cure such Lessee Event of Default as permitted under Section 8.2(c) hereof, at

the conclusion of the extended cure period provided under such Section 8.2(c).

Any termination of this Lease pursuant to Section 11.7(d)(i) through (iii) shall also constitute a “Non-Default Termination”; any termination of this Lease pursuant to Section 11.7(d)(iv) shall also constitute a “Default Termination”.

- (e) *Effect of Termination.* This Lease shall be deemed to have been terminated (x) immediately upon delivery of notice thereof by Lessor to Lessee pursuant to Section 11.7(b)(i) or (ii) and compliance with Section 11.7(b)(iii), (y) immediately upon delivery of notice thereof by Lessee to Lessor pursuant to Section 11.7(c), or (z) as provided in Section 11.7(d) hereof, and, in each case (as applicable), payment of the Default Termination Purchase Price or Non-Default Termination Purchase Price pursuant to Section 4.10(d) hereof.

Article 12 Casualty, Condemnation, and Other Impairment

Section 12.1 Damage or Destruction. If, prior to the Acceptance Date, a Casualty event damages or destroys the Improvements, or any portion thereof, Lessee shall, at its sole cost and expense, restore the Improvements to their condition existing immediately prior to such Casualty, in accordance with the terms hereof. All insurance proceeds payable to an account or accounts specified by Lessee by reason of such Casualty, if any, shall be paid to Lessee, subject to the terms and conditions of the Loan Agreement, and Lessee shall be required to use such insurance proceeds to rebuild the Facility in accordance with the terms hereof.

Section 12.2 Condemnation. If, prior to the Acceptance Date, the Parcel, any Improvements, or any portion thereof or interest therein, shall be appropriated, taken or damaged by reason of the exercise of the power of eminent domain, whether by condemnation proceedings or otherwise, or any transfer thereof shall be made in avoidance of an exercise of the power of eminent domain (all of the foregoing being referred to as a “**Taking**”), and such Taking, in the good faith, reasonable judgment of Lessor (after consultation with Lessee) would, after application of any condemnation or applicable insurance proceeds therefor, render infeasible the intended completion of the Facility by Lessee or use by Lessor of the Facility, then this Lease shall be terminated pursuant to Section 11.7(d)(i) hereof. In the event Lessor terminates this Lease pursuant to a Taking, any condemnation award shall be paid to Lessor or applied as an offset to the Non-Default Termination Purchase Price. Upon receipt by either Lessor or Lessee of notice of any proposed Taking, the Party receiving such notice shall promptly give notice thereof to the other, and such other Party may also participate in such proceeding.

Section 12.3 Lessor Notice of Impairment. Lessor shall promptly notify Lessee of any violations, conditions, or events of the type described in Section 13.1(k) hereof of which Lessor receives notice (whether written or oral).

Article 13
Representations and Warranties

Section 13.1 Representations and Warranties of Lessor. Lessor hereby represents and warrants to Lessee, as of the Effective Date, as follows:

- (a) The execution, delivery, and performance of the this Lease has been duly authorized by all necessary action of Lessor and does not conflict or constitute on the part of Lessor a violation of, breach of, or default under any statute, indenture, mortgage, deed of trust, ordinance, resolution, or other agreement or instrument to which Lessor is a party or by which Lessor or its property (including the Parcel) is bound, or any ordinance, order, rule, or regulation of the City Council or any regulatory body or court having jurisdiction over Lessor or any of its activities or properties.
- (b) No litigation of any nature has ever been filed, or to Lessor's actual present knowledge, is pending or threatened, pertaining to, affecting, questioning, or contesting the validity or enforceability of the City Council authorization of Lessor's entry into and execution of this Lease, the legal authority for Lessor to execute and deliver this Lease, or Lessor's performance of its obligations hereunder.
- (c) Lessor's ownership of the Parcel does not include any tenants-in-common ownership, undivided ownership interests nor fractional ownership interests.
- (d) There is no agreement to which Lessor is a party or that is binding on Lessor which is in conflict with this Lease.
- (e) There is no action or proceeding pending or, to Lessor's knowledge, threatened against Lessor relating to the Parcel which challenges or impairs Lessor's ability to execute or perform its obligations under this Lease or against or with respect to the Parcel.
- (f) Lessor has not committed or obligated itself in any manner whatsoever to sell, lease or encumber the Parcel or any interest therein to any party other than Lessee.
- (g) No rights of first offer or rights of first refusal regarding the Parcel exist under any agreement by which Lessor or the Parcel is or may be bound or affected.
- (h) Lessor is not a party to, nor has Lessor assumed, any leases, subleases, licenses or other agreements to occupy all or any portion of the Parcel.
- (i) Lessor has not commenced any condemnation proceedings and will not (during the Term of this Lease) commence any condemnation proceedings against the Property.

- (j) The Parcel is currently zoned Light Industrial District (LI), and construction of the Facility upon the Parcel in the manner contemplated under this Lease represents a permissible use of the Parcel compliant with such zoning classification.
- (k) Lessor is not aware, and has not received any written notices from any governmental agencies or authorities or from any other parties, of any (i) conditions, defects or inadequacies with respect to the Parcel (including health hazards or dangers, nuisance or waste), which, if not corrected, would prohibit the issuance of a certificate of occupancy by Lessor, (ii) violation of any applicable Legal Requirements, (iii) pending or threatened condemnation proceeding with respect to the Parcel, or (iv) proceedings or petitions for proceedings which could cause the change, redefinition or other modification of the zoning classification of the Parcel or access thereto from any public right-of-way.
- (l) Except pursuant to this Lease, Lessor has no obligation to any tenant, governmental or quasi-governmental entities or any other person or entity which commitment relates to the Parcel and would be a binding obligation of Lessee upon effectiveness of this Lease, in each case to pay or contribute Parcel or money or to construct, install or maintain any improvements on or off the Parcel.
- (m) All bills and other payments due with respect to the ownership, operation and maintenance of the Parcel and any improvements located thereon have been paid or will be paid in the ordinary course of business prior to Effective Date.
- (n) To the best of Lessor's knowledge, after due inquiry, the Parcel is suitable for the development and construction of the Facility, as specified in the Final Plans and Specifications and as contemplated in this Lease
- (o) To the best of Lessor's knowledge: (i) the Parcel is in full compliance with all applicable Environmental Laws; (ii) the Parcel does not now contain and has not contained any Hazardous Materials; (iii) the Parcel is not listed on any state or federal environmental remediation priority list; and (iv) no claim, action, suit or proceeding is pending or threatened against Lessor or any third party arising, either directly or indirectly, out of the presence or discharge (whether intentional or unintentional) of any Hazardous Materials in, on, under, at, or about the Parcel, the violation of any Environmental Law, or the presence of any tank; underground or otherwise.
- (p) Lessor has used no Hazardous Material in, on, under, at, or about the Parcel nor has Lessor permitted any other person or entity to use any Hazardous Materials in, on, under, at, or about the Parcel.
- (q) On or before the due date of any Installment Payment or other payment hereunder due and owing by Lessor, Lessor (acting by and through its governing body) shall use its best efforts to obtain and appropriate Lessor funds (which may include use of funds on hand or obtained through issuance of indebtedness) in an amount necessary to cause the proceeds therefrom to be sufficient to make any such

Installment Payment or other payment hereunder due and owing when, as, and in the amount due.

Section 13.2 Representations and Warranties of Lessee. Lessee hereby represents and warrants to Lessor, as of the Effective Date, as follows:

- (a) Lessee is a Delaware limited liability company and has been duly organized, is validly existing, is in good standing in the state in which it was formed, and is qualified to do business in the State.
- (b) Lessee has the full right, power and authority and has obtained any and all consents required to enter into this Lease and to consummate or cause to be consummated the transactions contemplated hereby.
- (c) This Lease, the Design-Build Agreement, the Loan Agreement, and all other documentation described therein to be entered into by the Lessee has been or will be by the Effective Date executed and delivered by Lessee and, at such time, will be authorized and duly executed and delivered by Lessee and constitute, or will constitute, as appropriate, legal, valid and binding obligations of Lessee, enforceable in accordance with their respective terms.
- (d) The execution, delivery, and performance of this Lease has been duly authorized by all necessary action of Lessee, and does not conflict or constitute on the part of Lessee a violation of, breach of, or default under any statute, indenture, mortgage, deed of trust, resolution, or other agreement or instrument to which Lessee is a party or by which Lessee or its property is bound, or any order, rule, or regulation of any regulatory body or court having jurisdiction over Lessee or any of its activities or properties.
- (e) No litigation of any nature has ever been filed, or to our actual present knowledge, is pending or threatened, pertaining to, affecting, questioning, or contesting the authority Lessee to execute and deliver this Lease or the performance of Lessee's obligations hereunder.
- (f) There is no agreement to which Lessee is a party or that is binding on Lessee which is in conflict with this Lease.
- (g) There is no action or proceeding pending or, to Lessee's knowledge, threatened against Lessee or relating to the Property, which challenges or impairs Lessee's ability to execute or perform its obligations under this Lease or against or with respect to the Property.
- (h) Lessee has not committed or obligated itself in any manner whatsoever to sell, lease or encumber any portion of the Property or any interest therein to any party other than Lessor.
- (i) No rights of first offer or rights of first refusal regarding the Property exist under any agreement by which Lessee or the Property is or may be bound or affected.

- (j) Lessee is neither a “foreign person” nor a “foreign corporation” as those terms are defined in Section 1445 of the Internal Revenue Code of 1986, as amended.
- (k) Lessee is currently in compliance with, and shall at all times during the term of this Lease (including any extension thereof) remain in compliance with, the regulations of the Office of Foreign Assets Control (“OFAC”) of the Department of the Treasury (including those named on OFAC’s Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

Article 14
Miscellaneous Provisions

Section 14.1 Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Lease to be made, given or furnished to or filed with the following persons, if the same shall be delivered in person or duly mailed by first-class mail, postage prepaid or duly transmitted by telecopy, at the following addresses or telecopy numbers:

- (a) To Lessor at:

Paul Acevedo
Jacobs Project Management Co.
c/o San Marcos City Hall Complex
630 E. Hopkins Street
San Marcos, Texas 78666
Phone: 210-825-8540
Email: paul.acevedo@jacobs.com

With a copy to:

Tom Taggart
City of San Marcos, Texas
630 E. Hopkins Street
San Marcos, Texas 78666
Phone: 512-393-8300
Email: ttaggart@sanmarcostx.gov

- (b) To Lessee at:

Rodney Moss
Hunt San Marcos Development, LLC
812 San Antonio, Suite 300
Austin, Texas 78701
Telephone: 512-647-1725
Email: rodney.moss@huntcompanies.com

With a copy to:

Sharyn Procaccio
Hunt Companies
Vice President and Assistant General Counsel
980 N. Michigan Avenue, Suite 1150
Chicago, Illinois 60611
Telephone: 312-799-3911
Email: sharyn.procaccio@huntcompanies.com

And with a copy to:

Clay Binford
McCall, Parkhurst & Horton L.L.P.
700 N. St. Mary's, Suite 1525
San Antonio, Texas 78205
Phone: 210-225-2819
Email: cbinford@mphlegal.com

(c) To the Construction Lender at:

Keven D. Smith
Key Bank National Association
OH-01-27-1122
127 Public Square
Cleveland, Ohio 44114
Phone: 206-343-6966
Email: Renewables.ProjectFinance@KeyBank.com

With a copy to:

Douglas M. Fried
Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
Phone: 212-408-5124
Email: douglas.fried@nortonrosefulbright.com

(d) To the Construction Monitor:

Paul Acevedo
Jacobs Project Management Co.
c/o San Marcos City Hall Complex
630 E. Hopkins Street
San Marcos, Texas 78666

Phone: 210-825-8540
Email: paul.acevedo@jacobs.com

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of Lessee shall constitute a sufficient notice.

Section 14.2 Records. During the Term of this Lease and for a period of four (4) years after termination of this Lease, Lessee shall maintain proper records for the Facility. Lessor and its duly authorized representatives shall have access to all such records for the purpose of making audits, examinations, excerpts, and transcriptions. Lessee shall provide copies (including electronic copies in a form acceptable to Lessor if electronic copies are requested) of such records to Lessor upon written request to Lessee, and those copies shall be provided no later than ten business days after receipt of that request. The Parties agree that this Lease, all performance under this Lease, and all information obtained by Lessee in connection with this Lease is subject to applicable provisions of the Act, and all legal authorities relating to the Act, including decisions and letter rulings issued by the Texas Attorney General's Office; and Lessee agrees to provide Lessor, citizens, public agencies, and other interested parties with reasonable access to all records pertaining to this Lease in accordance with the Act.

Section 14.3 Severability. If any terms or provisions of this Lease or the application of any terms or provisions of this Lease to a particular situation, are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Lease or the application of such terms or provisions of this Lease to other situations, will remain in full force and effect unless amended or modified by mutual consent of the Parties; provided that, if the invalidation, voiding or unenforceability would deprive either Lessor or Lessee of material benefits derived from this Lease, or make performance under this Lease unreasonably difficult, then Lessor and Lessee will meet and confer and will make good faith efforts to amend or modify this Lease in a manner that is mutually acceptable to Lessor and Lessee.

Section 14.4 Amendment. No amendment, modification, or alteration of the terms of this Lease will be binding unless it is in writing, dated subsequent to the date of this Lease, and duly executed by the Parties.

Section 14.5 Merger. There will be no merger of this Lease or of the Leasehold Estate by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, in whole or in part, (a) this Lease or the Leasehold Estate or any interest in this Lease or such Leasehold Estate, or (b) any right, title or interest in the Property.

Section 14.6 Successors and Assigns. This Lease will be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and permitted assigns.

Section 14.7 No Third Party Beneficiaries. Except as provided in Section 8.2(e), Lessor and Lessee hereby renounce the existence of any third party beneficiary to this Lease and agree that nothing contained herein will be construed as giving any other Person third party beneficiary status.

Section 14.8 Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of Lessor and Lessee, errors are made in this Lease in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing which is an exhibit, or in the typing of this Lease or any of its exhibits or any other similar matters, the Parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Lease.

Section 14.9 Memorandum of Lease. Lessor and Lessee shall execute a “**Memorandum of Lease**” at the same time as they execute this Lease. The Memorandum of Lease will be recorded in the Real Property Records. This Lease, and not the Memorandum of Lease, is what creates the Leasehold Estate and whether this Lease is terminated or expires is governed by the terms of this Lease.

On the Termination Date, Lessee agrees to execute, acknowledge and deliver to Lessor an appropriate instrument in writing releasing and reconveying to Lessor all of Lessee’s right, title and interest in and to the Property. Lessor is hereby irrevocably vested with full power and authority as attorney in fact for Lessee and in Lessee’s name, place and stead (which shall be deemed to be coupled with an interest and irrevocable), to execute such instrument releasing Lessee’s interest under this Lease following the expiration or earlier termination of this Lease; provided, however, that Lessor shall not exercise such power and authority until Lessee fails to execute such a release within thirty (30) days after Lessor’s request for the same. In no event shall this Lease be recorded in the Real Property Records without Lessor’s and Lessee’s consent, in their respective sole discretion.

Section 14.10 Governing Law and Venue. The laws of the State and the rules and regulations issued pursuant thereto shall govern the validity, construction, enforcement, and interpretation of this Lease, without regard to conflict of law provisions. All claims, disputes and other matters in question arising out of or relating to this Lease, or the breach thereof, shall be decided by proceedings instituted and litigated in a State court of competent jurisdiction sitting in San Marcos, Texas, and the Parties hereto expressly consent to the venue and jurisdiction of such court. Any provision included or incorporated herein by reference that conflicts with said laws, rules and regulations shall be null and void and shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise.

Section 14.11 No Waiver of Sovereign Immunity. NOTHING IN THIS LEASE SHALL BE CONSTRUED TO WAIVE THE SOVEREIGN IMMUNITY OF LESSOR. LESSOR IS ENTERING INTO THIS LEASE IN ITS GOVERNMENTAL FUNCTION AND CAPACITY SOLELY AS A LESSOR OF REAL PROPERTY, AND THIS LEASE DOES NOT CONSTITUTE AN EXERCISE OF LESSOR’S REGULATORY POWERS (E.G., REGULATORY APPROVALS OR IN ANY OTHER REGULATORY CAPACITY OF LESSOR). LESSEE ACKNOWLEDGES THAT LESSOR CANNOT CONTRACT IN ANY MANNER REGARDING THE EXERCISE, AND NOTHING CONTAINED IN THIS LEASE CONSTITUTES THE LESSOR’S EXERCISE, OF ITS REGULATORY POWERS OR A WAIVER OF ITS SOVEREIGN IMMUNITY PROTECTIONS.

Section 14.12 Lessor Contracting Provisions.

- (a) *Non-Discrimination.* Lessee shall not discriminate on the basis of race, color, religion, national origin, disability, gender or sexual orientation, in the award and/or performance of contracts. Lessor encourages all entities involved in development of the Facility to support and implement a program designed to achieve the goal of establishing equal opportunity for all Lessor's residents.
- (b) *HB 1295.* Lessee has delivered, unless exempted under applicable law, the Certificate of Interested Parties Form 1295 ("**Form 1295**") and certification of filing generated by the Texas Ethics Commission's electronic portal, signed by an authorized agent, prior to the execution of this Lease by Lessor and Lessee. Lessor and Lessee understand that none of Lessor or Lessor's representatives or consultants have the ability to verify the information included in Form 1295, and none of Lessor or Lessor's representatives or consultants have an obligation, nor have undertaken any responsibility, for advising Lessee with respect to the proper completion of Form 1295 other than, with respect to Lessee, providing the identification numbers required for the completion of Form 1295.
- (c) *No Boycott of Israel.* Lessee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Lease is a contract for goods or services, will not boycott Israel during the term of this Lease. The foregoing verification is made solely to comply with Section 2271.002, as amended, Texas Government Code, and to the extent such section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Lessee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with Lessee and exists to make a profit.
- (d) *No Business with Sanctioned Jurisdictions.* Lessee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, as amended, Texas Government Code, and posted on any of the following pages of such officer's Internet website.

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, as amended, Texas Government Code, and to the extent such section does not contravene applicable Texas or federal law and excludes Lessee and each of its

parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Lessee understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Lessee and exists to make a profit.

Section 14.13 Counterparts. This Lease may be executed simultaneously in two or more counterparts deliverable in electronic “pdf” format, each of which shall be deemed original and all of which, when taken together, shall constitute one and the same document.

(Signature Page Follows)

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

CITY OF SAN MARCOS, TEXAS, as Lessor

By: _____
Bert Lumbreras, City Manager

HUNT SAN MARCOS DEVELOPMENT, LLC,
as Lessee

By _____
Rodney Moss, Sr. Vice President

EXHIBIT A

DESCRIPTION OF PARCEL

EXHIBIT B

DEVELOPMENT SCHEDULE

(appears on immediately following page)

EXHIBIT C

DESIGN REQUIREMENTS

(appears on immediately following page)

EXHIBIT D

FF&E REQUIREMENTS

(appears on immediately following page)

EXHIBIT E

INSURANCE REQUIREMENTS

1. INSURANCE DURING THE TERM OF THE AGREEMENT

The Lessee shall obtain and keep in force, or cause to be obtained and kept in force, the following policies of insurance, in accordance with the terms of this Section. Copies of these policies or other evidence of insurance as may be specified by the Lessor shall be delivered to the Lessor promptly when received by the Lessee. Each policy shall be obtained and be effective prior to the performance of any Work or commencement of any activity intended to be insured by each policy.

1.1 **Builder's Risk.** Builder's risk course of construction insurance policy, covering all Improvements and FF&E at the Facility while in transit and at any temporary off-site location; all materials, supplies, machinery, fixtures and equipment intended to become a permanent part of the Project or for permanent use in the Project or incidental to the construction; all temporary structures at the Facility that are to be used in or incidental to the fabrication, erection, testing, or completion of the Project to the extent the cost thereof is included in the Improvements upon which the Development Fee is based, while on or about the Facility awaiting or during construction, The builder's risk policy:

- (a) shall be maintained at least until Final Acceptance;
- (b) shall be in an amount not less than the sum of the Design-Build Agreement (excluding the cost of demolition and excavation) and FF&E Agreement, hereafter defined as "Full Insurable Value";
- (c) shall be written on an all risk basis, including coverage for the perils of equipment breakdown, flood, named storm, water intrusion, earth movement, collapse and terrorism, and subject to aggregate sublimits of not less than the Full Insurable Value;
- (d) LEG 3 or equivalent;
- (e) shall include delayed start-up ("DSU") coverage for not less than 180 days of debt service of \$10,000 per day with a deductible period not to exceed 30 days; and
- (f) deductibles shall not exceed \$50,000 (except LEG 3, which shall not exceed \$150,000).

Named Insureds: Lessee, Design-Builder, all Subcontractors

Additional Named Insureds: The Lessor and the Construction Lender

First Loss Payee: The Construction Lender, as its interests may appear

1.2 **Professional Liability Insurance.** A master contractor's protective professional indemnity insurance policy, which policy shall:

- (a) be in an amount not less than \$10,000,000 per claim and in the aggregate excess of practice professional liability policies of design professionals;
- (b) have coverage for rectification of design errors discovered prior to Substantial Completion
- (c) be on a “claims-made” basis; and
- (d) have an extended reporting or discovery “tail” period, or be renewed for a period, of not less than ten years after the Effective Date.

Such policy shall have a retroactive date effective before the commencement of any design. In the event the available limits are eroded below the required limits, Design-Builder shall increase the limits as reasonably required by either Indemnified Party until Final Completion.

Named Insureds: Design-Builder

Indemnified Parties: Lessee and Lessor

The primary design professional also shall maintain its practice policy until the statute of repose expires in an amount not less than \$5,000,000, which policy shall be primary to the above. In addition, Lessee shall maintain an Owner’s Protective Professional Indemnity policy until the statute of repose expires in an amount not less than \$5,000,000 to cover the professional acts of its professional consultants not under the scope of the Design-Build contract.

1.3 Commercial General Liability. An Owner’s Interest commercial general liability insurance policy on the latest ISO Form CG 00 01 and covering liabilities arising out of the construction of the Project. Endorsements shall include the broadest commercially available endorsements in Texas narrowing Coverage A exclusions j(5), j(6), and 1. The products and completed operations liability coverage shall be maintained for a period of not less than 10 years following Substantial Completion or the Statute of Repose, whichever occurs first. The insurance shall apply separately for each insured against whom a claim is made or a lawsuit is brought, subject only to the insurance policy limits of liability. This insurance policy shall:

- (a) have minimum limits of \$1,000,000 combined single limit each occurrence, \$2,000,000 combined single limit aggregate for products/completed operations and \$2,000,000 combined single limit aggregate for other than products/completed operations.
- (b) be maintained throughout the Term until Final Completion and provide extended coverage with respect to warranty repairs.
- (c) have a non-vitiation endorsement in favor of the Lessor and the Construction Lender

First Named Insured: The Lessee

Additional Named Insureds: The Lessor

Additional Insureds: The Construction Lender

The additional insured status afforded to the Construction Lender shall apply to premises, ongoing operations and completed operations, on a primary and non-contributory basis. In addition, the Design-Builder and each of its subcontractors shall maintain its corporate commercial general liability policy complying with the limits and terms set forth above naming Lessee, Lessor, and Construction Lender as “Additional Insureds” under ISO Form CG 2010 4/13 at a minimum.

1.4 Business Auto Liability. A Business auto liability insurance policy on ISO Form CA 00 01 with limits of liability of not less than \$1,000,000 combined single limit per accident, which requirement may be met by any combination of primary and excess coverage so long as the excess is written on a “follow form” basis. The insurance must cover liability arising from the ownership, maintenance or use of any auto, including owned, hired or non-owned autos, assigned to or used in connection with the construction of the Facility.

Named Insureds: Any entity operating autos in connection with the Improvements

1.5 Workers’ Compensation and Employers’ Liability. Workers’ compensation as required by Applicable Law, and employers’ liability insurance having coverage limits of \$1,000,000 for each accident, \$1,000,000 for disease (each employee), and \$1,000,000 for disease (policy limit).

The minimum limits may be satisfied with a combination of primary employers’ liability and excess liability insurance.

Waiver of right of recovery (subrogation) to the benefit of: The Lessor and its Indemnitees

1.6 Excess Liability. A project-specific excess liability insurance policy with minimum limits of \$25,000,000 combined single limit each occurrence, \$25,000,000 combined single limit aggregate for products/completed operations and \$25,000,000 combined single limit aggregate for other than products/completed operations.

This insurance shall include and “follow form” the commercial general liability as required above on the applicable schedule of underlying insurance. This insurance shall afford insured status to all individuals and entities required to be insureds on underlying insurance, to the same extent as the underlying insurance. In addition, the Design-Builder shall maintain its corporate excess liability policy complying with the limits and terms set forth above at a minimum.

1.7 Contractor Pollution Liability. A contractor pollution liability insurance policy written on an occurrence form with limits of not less than \$10,000,000 and a \$10,000,000 project aggregate limit, covering liability due to pollution caused by or exacerbated by construction activities, including mold and other airborne pollutants. If the policy is provided on a “claims made” form, the Lessee shall cause the Design-Builder to continue such coverage, either through policy renewals or purchase of an extended discovery period, if such coverage is available, for not less than three years following Substantial Completion.

Named Insured: Design-Builder

Additional Insured: The Lessor, its Indemnitees, and Construction Lender

2. GENERAL POLICY REQUIREMENTS

2.1 Policy Requirements. Each policy of insurance required under this Appendix shall:

- (a) be in a form approved by the Lessor, such approval not to be unreasonably withheld;
- (b) be non-contributing with and shall apply only as primary and not excess to any other insurance, self-insurance, or other risk financing program available to the Lessor;
- (c) contain an undertaking by the insurers to notify the Lessor and Construction Lender in writing not less than 30 days before any material change, cancellation or termination;
- (d) where the Lessor is a named or additional insured, insure the Indemnitees; and
- (e) Include a waiver of all rights of subrogation or action which insurers may acquire against the Lessor or its Indemnitees and Construction Lender.

2.2 Waiver of Insurance Requirements. If the Lessee does not fulfill all requirements of Required Insurance, it shall forward a written request to the Lessor for a waiver in writing of the requirements not met or approval in writing of alternate insurance coverage or self-insurance arrangements. If the Lessor denies the request, the Lessee, must comply with the requirements as specified in this Lease. Failure of the Lessor to obtain copies of the policies or other evidence of full compliance with the insurance requirements or failure of the Lessor to identify a deficiency in the policies or evidence provided shall not be construed as a waiver of any obligation to maintain the Required Insurance.

2.3 Lessor Acceptance of Insurance. No acceptance or approval of any insurance by the Lessor shall be construed as relieving or excusing any other party, or their surety from any liability or obligation imposed upon any of them by the provisions of this Lease. Nothing herein shall be construed as permitting the Lessee, Design-Builder, or any Subcontractor to allow the insurance coverage required by this Lease to lapse.

2.4 Subcontractors. The Lessee shall require all Subcontractors to maintain during the term of this Lease commercial general liability insurance, business auto liability insurance, workers compensation and employers' liability insurance to the same extent required of Design-Builder, except as otherwise agreed to by the Lessor or to the extent coverage to all named insureds and additional insureds is provided under a policy provided by Lessee. Subcontractors' certificates of insurance shall be provided to the Lessor immediately upon request.

2.5 Deductibles. Deductibles under the Commercial General Liability Owner's Interest shall be borne by the Lessee. Deductibles under the Builder's Risk shall be paid up to \$25,000 by the negligent party(ies) responsible for the loss. In the event of an act of God or other unattributable loss, Builder's Risk deductibles may be paid from remaining Construction Contingency. Any deductibles or retentions of \$250,000 or greater shall be disclosed by Lessee or Design-Builder and are subject to Lessor's written approval. Except as otherwise provide in this paragraph 2.5,

any deductible or retention amounts elected by Lessee, Design-Builder, or any Subcontractors or imposed by Lessee's, Design-Builder's or any Subcontractor's insurers shall be the sole responsibility of the party with the deductible or retention and are not chargeable as costs to be reimbursed or paid by Lessor.

3. EVIDENCE OF INSURANCE

Upon the issue of a policy of insurance, and otherwise upon request by the Lessor, the Lessee shall deliver to the Lessor a copy of the policy of insurance or other evidence of adequate insurance permitted by and acceptable to the Lessor. The Lessee, acting reasonably, may redact proprietary information from the copy of the policies delivered to the Lessor. Upon request by the Lessor, the Lessee shall deliver proof of payment of premiums for insurance required to be effected pursuant to this Exhibit. No review or approval of any insurance certificate or insurance policy by the Lessor shall derogate from or diminish the Lessor's rights under this Lease.

EXHIBIT F

FORM OF LESSOR APPROVAL

Notice of Lessor Approval

Reference is hereby made to that certain Ground Lease Agreement between the City of San Marcos, Texas (“**Lessor**”) and Hunt San Marcos Development, LLC (“**Lessee**”), effective as of July 1, 2020 (as amended from time to time, the “**Ground Lease**”). All capitalized terms used herein shall have the meaning given thereto in the Ground Lease.

Pursuant to Section [SECTION REFERENCE] of the Ground Lease, the undersigned Designated Representative of Lessor hereby approves of [DESCRIBE SUBJECT OF APPROVAL] on behalf of Lessor. This Notice of Lessor Approval shall be effective solely for the express purposes of [SECTION REFERENCE] of the Ground Lease, and nothing contained in this Notice of Lessor Approval shall be construed as a waiver of any other rights or interests of Lessor under the Ground Lease.

LESSOR’S DESIGNATED REPRESENTATIVE:

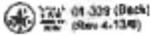
NAME: _____

TITLE: _____

DATE: _____

EXHIBIT G

SALES AND USE TAX EXEMPTION CERTIFICATE



Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: _____

Street address: _____ City, State, ZIP code: _____

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

Sec. 151.311, Tax Code (a) The purchase of tangible personal property to be incorporated into a county building
(b) The purchase of tangible personal property (other than machinery/equipment and accessories) necessary for the construction of a county building and completely consumed at the construction site.
(c) The purchase of a service performed at the construction site of a county building that is either expressly required by the contract or is integral to the construction.

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here	Purchaser	Title	Date

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.
THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.
Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.**

EXHIBIT H

INSTALLMENT PAYMENT SCHEDULE

INSTALLMENT PAYMENT NO.	INSTALLMENT PAYMENT DATE	INSTALLMENT PAYMENT AMOUNT
1	February 20, 2021	\$108,800
2	Acceptance Date	Facility Purchase Price minus GMPP Retainage
3	Completion Date	GMPP Retainage

EXHIBIT I

FORM OF PURCHASE PRICE ADJUSTMENT ADDENDUM

FACILITY PURCHASE PRICE ADJUSTMENT ADDENDUM NO. __

This Facility Purchase Price Addendum No. _____ (this “**Addendum**”) is executed as of _____, 20__, pursuant to that Ground Lease and Asset Acquisition Agreement (the “**Lease**”), dated effective as of July 1, 2020, between City of San Marcos, Texas (the “**Lessor**”), a political subdivision and body corporate and politic of the State of Texas, and San Marcos Development Partners, LLC (the “**Lessee**”), a Delaware limited liability company. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Lease.

i. The original Facility Purchase Price for the Facility (as of the Effective Date of the Lease is \$44,400,000, \$1,562,409 of which was paid by the City on the Closing Date under the ENA and the balance of \$42,837,591 paid by the City from time to time in Installment Payments (the “**Original Facility Purchase Price**”).

ii. Since the Effective Date of the Lease, the Parties have previously approved the following adjustments to the Original Facility Purchase Price:

[If no previous adjustments have been approved, replace the following table with “NONE”.]

ADJUSTMENT DATE	ADJUSTMENT TYPE	ADJUSTMENT AMOUNT

iii. By signing below, the Parties hereby approve the following adjustments to the Facility Purchase Price:

ADJUSTMENT TYPE	ADJUSTMENT AMOUNT

iv. The total adjusted Facility Purchase Price, taking into account the adjustments described above, is equal to \$ _____.

v. The Installment Payment Schedule attached as Exhibit J to the Lease is hereby replaced with the updated Installment Payment Schedule attached hereto as Exhibit A.

(Signature page follows)

IN WITNESS WHEREOF, Lessor and Lessee have approved this Facility Purchase Price Addendum No. ___ as of the date set forth above and caused same to be duly executed by their duly authorized officers.

CITY OF SAN MARCOS, TEXAS, as Lessor

By: _____
[NAME], [TITLE]

HUNT SAN MARCOS DEVELOPMENT, LLC,
as Lessee

By _____
Rodney Moss, Sr. Vice President

EXHIBIT A TO FACILITY PURCHASE PRICE ADDENDUM

UPDATED INSTALLMENT PAYMENT SCHEDULE

INSTALLMENT PAYMENT NO.	INSTALLMENT PAYMENT DATE	INSTALLMENT PAYMENT AMOUNT (\$)

EXHIBIT J

NON-DEFAULT TERMINATION FEE SCHEDULE

PERIOD	FORMULA
AFTER EFFECTIVE DATE AND BEFORE THE FIRST TO OCCUR OF THE ISSUANCE OF ALL PERMITS AND DECEMBER 31, 2020	50% OF DEVELOPMENT FEE, 50% OF FINANCING FEE, AND 100% OF THE INTEREST RATE CAP PREMIUM
THEREAFTER	100% OF THE INTEREST RATE CAP PREMIUM AND PRO RATA PERCENTAGE OF THE DEVELOPMENT FEE AND THE FINANCING FEE CALCULATED BY THE ACTUAL QUALIFIED PROJECT COSTS DIVIDED BY THE TOTAL ADJUSTED FACILITY PURCHASE PRICE.

groundwater), and includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 USC 9601 et seq., Solid Waste Disposal Act, as amended by the Resource Conservation Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 USC 6901 et seq., Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC 1251 et seq., Clean Air Act of 1966, as amended, 42 USC 7401 et seq., Toxic Substances Control Act of 1976, 15 USC 2601 et seq., Hazardous Materials Transportation Act, 49 USC App. 1801, Occupational Safety and Health Act of 1970, as amended, 29 USC 651 et seq., Oil Pollution Act of 1990, 33 USC 2701 et seq., Emergency Planning and Community Right-to-Know Act of 1986, 42 USC App. 11001 et seq., National Environmental Policy Act of 1969, 42 USC 4321 et seq., Safe Drinking Water Act of 1974, as amended by 42 USC 300(f) et seq., and any similar, implementing or successor law, and any amendment, rule, regulation, order or directive, issued thereunder.

“Environmental Reports” means, collectively, (i) the Phase I Environmental Site Assessment, dated January 17, 2019 (sic), prepared by Raba Kistner Consultants, Inc.; (ii) the Environmental Overview Document, dated April 20, 2020, prepared by Raba Kistner Consultants, Inc., and (iii) the Cultural Resources Report No. 20-011, dated May 28, 2020, prepared by Raba Kistner Consultants, Inc.

“Expenses” means all costs, expenses (including, without limitation, Taxes and Utilities) and obligations of every kind or nature whatsoever, arising out of the Property, including the design, development, permitting, construction, furnishing, equipping and ownership of the Facility.

“Facility” means the San Marcos Public Services Complex, being a facility comprised of eight (8) functional areas totaling approximately 140,000 gross square feet and onsite surface parking for approximately 700 vehicles, developed in accordance with the Design Requirements.

“Facility Executive Committee” means a committee comprised of Lessor’s City Manager (or his designee), City Attorney, Director of Public Services, Director of General Services, and Director of Finance.

“Facility Purchase Price” means \$44,400,000, as such amount may be adjusted pursuant to the provisions of Section 4.10(b) hereof, of which amount \$1,562,409 is paid by the City on the Closing Date under the ENA and the balance of \$42,837,591 is paid by the City from time to time in Installment Payments. Unless specified otherwise herein, references to the Facility Purchase Price means the portion of the Facility Purchase Price to be paid from Installment Payments.

“FF&E” means all furnishing, fixtures, and equipment for the Facility identified in the FF&E Requirements, to be installed in the Facility by Lessee in accordance with Section 4.4 hereof.

“FF&E Agreement” means that certain Consultant Service Agreement Master Contract dated as of July 1, 2020, between Lessee and the Purchasing Manager, and approved by Lessor.

EXHIBIT H

INSTALLMENT PAYMENT SCHEDULE

INSTALLMENT PAYMENT NO.	INSTALLMENT PAYMENT DATE	INSTALLMENT PAYMENT AMOUNT
1	February 28 <u>20</u> , 2021	\$146,200 <u>108,800</u>
2	Acceptance Date	Facility Purchase Price minus GMPP Retainage
3	Completion Date	GMPP Retainage

EXHIBIT I

FORM OF PURCHASE PRICE ADJUSTMENT ADDENDUM

FACILITY PURCHASE PRICE ADJUSTMENT ADDENDUM NO. __

This Facility Purchase Price Addendum No. _____ (this “**Addendum**”) is executed as of _____, 20__, pursuant to that Ground Lease and Asset Acquisition Agreement (the “**Lease**”), dated effective as of July 1, 2020, between City of San Marcos, Texas (the “**Lessor**”), a political subdivision and body corporate and politic of the State of Texas, and San Marcos Development Partners, LLC (the “**Lessee**”), a Delaware limited liability company. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Lease.

i. The original Facility Purchase Price for the Facility (as of the Effective Date of the Lease is \$44,400,000, \$1,562,409 of which was paid by the City on the Closing Date under the ENA and the balance of \$42,837,591 paid by the City from time to time in Installment Payments (the “**Original Facility Purchase Price**”).

ii. Since the Effective Date of the Lease, the Parties have previously approved the following adjustments to the Original Facility Purchase Price:

[If no previous adjustments have been approved, replace the following table with “NONE”.]

ADJUSTMENT DATE	ADJUSTMENT TYPE	ADJUSTMENT AMOUNT

iii. By signing below, the Parties hereby approve the following adjustments to the Facility Purchase Price:

ADJUSTMENT TYPE	ADJUSTMENT AMOUNT

iv. The total adjusted Facility Purchase Price, taking into account the adjustments described above, is equal to \$ _____.

v. The Installment Payment Schedule attached as Exhibit J to the Lease is hereby replaced with the updated Installment Payment Schedule attached hereto as Exhibit A.

(Signature page follows)

**Amendment One to
Exclusive Negotiating Agreement
Between City of San Marcos and Hunt San Marcos Development, LLC**

This Amendment One is entered into between the City of San Marcos ("City") and Hunt San Marcos Development, LLC, a Delaware limited liability company ("Developer").

Recitals

City and Developer entered into an Exclusive Negotiating Agreement between the City and Hunt San Marcos Development, LLC dated December 3, 2019 (the "Agreement").

In negotiating a Ground Lease and Guaranteed Maximum Purchase Price ("GMPP") for a new Public Services Complex using an open book process, City and Developer have determined that it is appropriate to revise the target date for execution of the Definitive Agreements ("Outside Date").

In addition, the City and the Developer have determined that it is appropriate to revise the amount of Predevelopment Costs and Developer's total costs necessary to reach Financial Close.

To memorialize the changes desired by both City and Developer, they are entering into this Amendment One to the Agreement.

Amendments

1. Section D of the Recitals is deleted in full and the following is inserted in its place:
 - D. The City has determined that it is in City's best interests to establish and pursue a Project schedule to enable an estimated Project completion and occupancy in fourth quarter of 2021, with anticipated execution of the Definitive Agreements and Developer financing of the Project ("Financial Close") by July 31, 2020 (the "Selected Project Milestones").

2. Section L of the Recitals is deleted in full and the following is inserted in its place:
 - L. The City and Developer agree that Predevelopment Costs to be paid by Developer through Financial Close are a not to exceed amount of \$1,562,409. Notwithstanding anything to the contrary in this Agreement, Developer also may incur interest charges of approximately \$23,000 related to the financing of the Development Costs prior to the City's reimbursement of the Predevelopment Costs. Therefore, the Developer's total Predevelopment Costs necessary to reach Financial Close will be paid under the Definitive Agreements (defined below). However, the City and Developer agree that the City's total liability cap under this Agreement is \$1,562,409 million with Developer at risk for all amounts above such cap, except as specifically authorized by the City.

3. Paragraph 2.a.iv of the Agreement is deleted in full and the following is inserted in its place.
 - iv. The Parties will negotiate and agree on the final maximum development cost of the Project and the timing of subsequent periodic installment payments to acquire completed capital components of the Project in the Guaranteed Maximum Project Price (GMPP), all of which will be reflected in a final development business terms and pro forma (the "Final Real Estate Deal Terms") that will provide the basis for negotiating and executing the Definitive Agreements needed to consummate the real estate transaction. At the time of this Agreement the GMPP is targeted at or below Forty-Four Million Four Hundred Thousand Dollars (\$44,400,000) including all hard and soft cost, including furniture and new loose equipment.

4. Paragraphs a. and b. of Section 5 are deleted in full and the following is inserted in its place:
 - a. The term of this Agreement {the "Term")} shall commence on the Effective Date and, except with respect to any liabilities or obligations contained herein that expressly survive the termination of this Agreement, shall terminate upon the earlier of:
 - i. the date on which the Parties have both executed the Definitive Agreements;
 - ii. the date this Agreement is terminated by either party pursuant to a right set forth herein; or
 - iii. July 31, 2020 (the "Outside Date").

- b. If the Parties have both executed the Final Real Estate Deal Terms on or before the Outside Date, the Term shall be automatically extended to July 31, 2020, or any other date the Parties agree on, to allow time for the Parties to finalize and execute the Definitive Agreements. If the Parties have not both executed the Final Real Estate Deal Terms on or before the Outside Date or executed the Definitive Agreements on or before July 31, 2020, as the same may be extended hereunder, for any reason other than a default by either Party, then this Agreement shall automatically terminate on such date, except with respect to any liabilities or obligations contained herein that expressly survive the termination or expiration of this Agreement.

5. Paragraphs a. and b. of Section 8 are deleted in full and the following are inserted in their place:

- a. It is contemplated that the Project will involve the development of a new public services complex, comprising of eight functional areas totaling approximately 165,000 gross square feet with parking for approximately 700 vehicles in onsite surface parking.
- b. The target date for commencement of final programming, planning, design, and obtaining all necessary government permits and approvals for the Project is December 4, 2019. The target date for execution of Final Real Estate Deal Terms, including the final agreed GMPP, is June 16, 2020. The target date for execution of the Definitive Agreements is June 26, 2020. The target date for occupancy of the Project is October 2021. These dates may be amended by mutual agreement of the parties.

6. Section 11 is deleted in full and the following is inserted in its place:

- 11. Funding of Preliminary Development Activities. The Developer has secured and budgeted \$1,562,409 for Predevelopment Costs to fund the Preliminary Development Activities during the term of this Agreement as set forth in Exhibit A. The Preliminary Development Activities shall be performed directly by the Developer or by third parties engaged by the Developer. All actual and reasonable third-party costs and expenses incurred or paid by the Developer in connection with the Preliminary Development Activities shall be funded by the Developer and shall be subject to approval by the City within the \$1,562,409 Predevelopment Cost maximum.

7. Exhibit B, Predevelopment Cost Schedule is deleted in full and the new Exhibit B, attached, is inserted in its place.
8. The remaining Exhibits to the Agreement are and remain effective for all purposes including performance of services and reporting related to the Agreement.
9. City and Developer hereby incorporate the Agreement in this Amendment One. City and Developer hereby ratify all of the terms and conditions of the Agreement and the Agreement as amended by this Amendment One continues in effect throughout its term.
10. This Amendment One is effective when it is approved by both the San Marcos City Council and the Developer.
11. This Amendment may be executed by the parties in multiple counterparts, each one being considered an original for any purpose.

DEVELOPER: Hunt San Marcos Development, LLC

By: _____

Name: Rodney Moss

Title: Senior Vice President

Date:

CITY OF SAN MARCOS, TEXAS: a Texas political subdivision

By: _____

Name:

Title:

Date:

Exhibit B

The objective during the ENA period is 100%DD plus design and a tight GMP with 70-80% committed scopes and minimal (3%) contingency by late May 2020 ready to start the day after financial close.

	12/1/2019	1/1/2020	2/1/2020	3/1/2020	4/1/2020	5/1/2020	Total	Comments
A&E/Design								
Final Program Validation	\$49,000	0	\$0	\$0	\$0	\$0	\$49,000	
Schematic Level Design	\$0	\$96,000	\$90,000	\$0	\$0	\$0	\$186,000	
50% Design Development	\$0	\$0	\$90,000	\$150,000	\$0	\$0	\$240,000	
100% Design Development	\$0	\$0	\$0	\$0	\$250,000	\$300,000	\$550,000	
Preconstruction	\$0	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$175,000	Does not include \$124,332 in subcontractor design assist fees
Garza EMC Off Site Utility PCIP					\$15,621	\$15,621	\$31,242	
Well Plugging					\$24,000		\$24,000	
Geotech & Environmental			\$3,200	\$18,600	\$6,200	\$29,167	\$57,167	Includes \$12,300 for additional environmental assessment & \$16,767 for archeological survey
Legal Fees	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	
Total ENA Anticipated Costs Within Cap	\$49,000	\$181,000	\$268,200	\$253,600	\$380,821	\$429,788	\$1,562,409	

Note: Target Cost is \$44.4 million including solar and laydown yard paving and PICP improvements
 GMPP with 100% DDs.
 ~3% Construction Contingency
 ~2% Development Contingency



Legislation Text

File #: Res. 2020-123R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-123R, approving Change Orders No. 1 and No. 3 to the construction contract awarded to The Brandt Companies, LLC for the Redwood, Strahan, and McCarty Substation Improvements Project (Contract No. 219-310) in the net increase amount of \$91,276.77 bringing the total contract price to \$1,986,449.30; authorizing the City Manager or his designee to execute the appropriate documents to implement the change orders; and declaring an effective date.

Meeting date: June 16, 2020

Department: Public Services - Tom Taggart, Executive Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$91,276.77

Account Number: C388 51538163-70200

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: 217-155R - Approval of Capital Improvement Project C388 for the upgrade of the Redwood Substation; approval of the purchase of the large power transformer for this project. 2019-190R - Approved construction contract to The Brandt Companies, LLC for the upgrades to the Redwood, McCarty, and Strahan Electric Substation.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

On September 30, 2019 the Redwood, Strahan, and McCarty Substation Improvements Project was awarded to The Brandt Companies, LLC in the amount of \$1,870,206.58. The construction includes a substation upgrades to replace the power transformer and distribution breakers, replace the relaying and control systems and update the substation for enhanced data acquisition. The contract includes the installation of the power transformer, six (6) distribution breakers, three (3) relay panels, and one (1) SCADA panel.

Change order #1 is to reduce the size of the boring from a 36" steel bore 130LF in length to 20" steel bore, 105 LF in length for a contract reduction of \$63,282.92.

Change order #2 was approved administratively because it was under \$50,000.00.

Change order #3 for contract #219-310 with The Brandt Companies, LLC is to reroute and extend feeder duct banks and increase in quantity and size change of precast vaults in the amount of \$154,559.69. The additional feeder duct bank is required to connect the underground from Redwood substation to a location southeast of Brookdale to connect to the Redwood 340 circuit.

This request is to approve the deductive change order #1 and change order #3 for \$154,59.69. The net amount between change order #1 and #3 is \$91,276.77.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of change orders #1 and #3 to The Brandt Companies, LLC in the net amount of \$91,276.77.

RESOLUTION NO. 2020-123R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING CHANGE ORDERS NO. 1 AND NO. 3 TO THE CONSTRUCTION CONTRACT AWARDED TO THE BRANDT COMPANIES, LLC FOR THE REDWOOD, STRAHAN, AND MCCARTY SUBSTATION IMPROVEMENTS PROJECT (CONTRACT NO. 219-310) IN THE NET INCREASE AMOUNT OF \$91,276.77 BRINGING THE TOTAL CONTRACT PRICE TO \$1,986,449.30; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE DOCUMENTS TO IMPLEMENT THE CHANGE ORDERS; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. Change Orders No. 1 and No. 3 to the construction contract awarded to The Brandt Companies, LLC for the Redwood, Strahan, and McCarty Substation Improvements Project (Contract No. 219-310) in the net increase amount of \$91,276.77 bringing the total contract price to \$1,986,449.30 are approved.

PART 2. The City Manager or his designee is authorized to execute the appropriate documents to implement the change order.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

March 20, 2020

Mr. Raymond Nutall
City of San Marcos – Public Services
1040 Highway 123
San Marcos, Texas 78666

RE: **Redwood Substation T2 Upgrade – Brandt Change Order Request**

Dear Mr. Nutall:

Schneider Engineering is recommending the acceptance of the Redwood Substation - Change Proposal #1 R.1 from Brandt Companies, LLC. This request is documented in a letter submitted to Kevin Klock on February 18, 2020.

Schneider Engineering has reviewed the submitted documents and finds the request to include items and cost that are appropriate for the changes at this substation.

Since this substation has been grouped with McCarty Lane and Strahan for construction, I am not sure if the change requests should be addressed as a group as well. There have been additional requests for McCarty and Redwood that are being reviewed. If there are to be addressed as a group, Brandt will need to retitle each request to make them consistent and serial.

Please call or e-mail if you have any questions. I can be reached at 830.249.3887 or dduke@se-texas.com.

Respectfully,



Dwain Duke
Project Manager





1728 Briercroft Ct.
Carrollton, TX 75006
972-395-6000

February 18, 2020

Kevin Klock
Project Manager
San Marcos Electric Utility
1040 TX-123
San Marcos, TX 78666

REFERENCE: **Redwood Substation – Change Proposal #1 R.1**

Dear Kevin,

Please see the following scope change pricing proposal as it relates to our work associated with the **Redwood Substation** near San Marcos, TX:

The undersigned agree to the following change to the contract for construction of Redwood Substation, (the "Contract"), between The Brandt Companies, LLC ("Contractor") and San Marcos Electric Utility ("Owner"). Capitalized terms not defined herein have the meaning given in the Contract. This change in Scope of Work, Contract Price and/or Project Schedule is considered an amendment to the Agreement. With the exception of the change that is specifically described in this document, this change does not relieve the Owner or the Contractor of their responsibilities described in the Contract. The below adjustment to the Contract Price will constitute a full and complete settlement for the change(s), unless otherwise provided in the detailed description below.

We hope that you will find this proposal accurate and equitable. Should you have any questions, please do not hesitate to call.

Requested:

Agreed To:

The Brandt Companies, LLC

San Marcos Electric Utility

Signature

Signature

Thomas Bode - Ops Manager

Power System Technician

Name & Title

Name & Title

2/18/20

5/21/2020

Date

Date

Work Description

- Size of the boring changed from a 36" steel bore 130LF in length to 20" steel bore, 105LF in length.

Clarifications

- Brandt is still awaiting permits from Client.
- Brandt believes there may be some elevation errors and requests confirmation that the latest P&P of the boring is correct as identified due to significant elevation differences between the initial and revised ground elevations.
- Brandt does not see the existing water line depths identified on the P&P or on the drawings themselves.
- Deduct for Grout line item in breakdown compared to original pricing is minimal due to minimum quantities when ordering grout and fixed costs such as the grout pump.

Schedule

- No additional duration requested at this time.

Itemized Breakdown

<u>Description</u>	<u>Total Price</u>
K10.11 Horizontal Boring – Size Change	\$(63,282.92)
Total Deduct for Size Change	\$(63,282.92)

[Handwritten Signature]
5/21/20

K10.11 Detailed Breakout

K10.11 - Horizontal Boring	Original	Revised with Updated Drawings
Mob	\$ 25,000.00	\$ 17,500.00
Driveway Crossing	\$ 16,500.00	\$ 16,500.00
Grout	\$ 14,550.00	\$ 13,370.00
36" Steel Boring	\$ 160,290.00	\$ -
20" Steel Boring	\$ -	\$ 109,725.00
Bonding	\$ 5,826.80	\$ 4,641.90
Deduct to Match Initial Subcontractor Quote*	\$ (437.16)	\$ -
Subcontractor Subtotal	\$ 221,729.64	\$ 161,736.90
Brandt Direct Onsite Costs*	\$ -	\$ 4,964.12
Brandt Markup	\$ 33,259.45	\$ 25,005.15
Total	\$ 254,989.09	\$ 191,706.17
Delta/Deduct	\$ (63,282.92)	
*Note: Repair of station ground grid and need for Brandt personnel to supervise boring while Brandt crews are not onsite.		

[Handwritten Signature]
5/21/20



CITY OF SAN MARCOS CONSTRUCTION CHANGE ORDER

PROJECT: Redwood, Strahan & McCarty Substations
 CONTRACT NO.: 219-310

Date Prepared: 2/18/2020
 Change Order #: 1

CONTRACTOR: THE BRANDT COMPANIES, LLC
 ADDRESS: 1728 BRIERCROFT CT.
 CITY/STATE/ZIP: CARROLLTON, TX 75006

We are submitting this Change Order to the referenced contract. In consideration of the Change Order agreed to herein as complete equitable adjustments and full and final payment for the Contractor's additional work, the Contractor hereby releases the Owner from any and all liability under this contract for further equitable adjustments, including additional time for performance, attributable to such facts or circumstances giving rise to the proposal for adjustment.

This authorization provides for the following modifications or additions: The Brandt Companies, LLC is requesting additional compensation for general conditions and manpower due to scheduling delays caused by the Owner.

I. Explanation of Items								
ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
1	K10.11	Deduct for change in Horizontal Boring size	\$ 254,089.09	\$ 191,706.17	\$ (63,282.92)	LS	-\$63,282.92	-\$63,282.92
2			\$ -	\$ -	\$ -	LS	\$0.00	\$0.00
3			\$ -	\$ -	\$ -	LS	\$0.00	\$0.00
4			\$ -	\$ -	\$ -	LS	\$0.00	\$0.00
5			\$ -	\$ -	\$ -	LS	\$0.00	\$0.00
6			\$ -	\$ -	\$ -	LS	\$0.00	\$0.00
TOTAL FOR BID CATEGORY						SUB TOTAL I:		-\$63,282.92

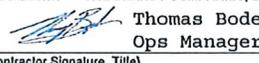
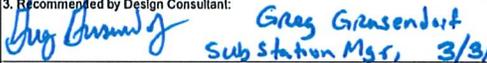
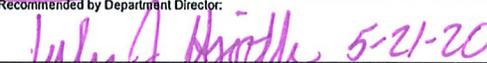
II. Explanation of Items								
ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
TOTAL FOR BID CATEGORY						SUB TOTAL II:		\$0.00

TOTAL CHANGE ORDER **TOTAL III:** **-\$63,282.92**

CHANGE IN DAYS REQUESTED FOR CHANGE ORDER **0**

Date	Contract Document	Amount	Days	Running Sum	% Change \$
	ORIGINAL CONTRACT AMOUNT:	\$1,870,206.58	-	\$1,870,206.58	0.0%
	CHANGE ORDER 1:	(\$63,282.92)	-	\$1,806,923.66	-3.4%
	CHANGE ORDER 2:	\$0.00	0	\$1,806,923.66	-3.4%
	CHANGE ORDER 3:	\$0.00	0	\$1,806,923.66	-3.4%
	CHANGE ORDER XX:	\$0.00	0	\$1,806,923.66	-3.4%
	REVISED CONTRACT AMOUNT/DAYS:	\$1,806,923.66	0		

Your signature below will constitute your acceptance of this Change Order:

1. Prepared By Project Manager:  (Signature) Date: <u>3/4/2020</u>	2. Contractor: THE BRANDT COMPANIES, LLC  Thomas Bode Ops Manager Date: <u>2/18/20</u>
3. Recommended by Design Consultant:  (Consultant Signature, Title) Date: <u>3/3/20</u>	4. Recommended by Department Director:  (Director Signature) Date: <u>5-21-20</u>
5. Reviewed by Finance: Contractor Administrator Date Purchasing Manager Date	6. Approved By: City Manager Date

Distribution List: Project Manager
 Finance Department - Contract Administration
 Contractor
 Inspector


 5/21/20

May 6, 2020

Mr. Raymond Nutall
City of San Marcos – Public Services
1040 Highway 123
San Marcos, Texas 78666

RE: **Redwood Substation T2 Upgrade – Brandt Change Order Request #3**

Dear Mr. Nutall:

Schneider Engineering is recommending the acceptance of the Redwood Substation - Change Proposal #2 R.2 from Brandt Companies, LLC. This request is documented in a letter submitted to Kevin Klock on March 27, 2020.

Schneider Engineering has reviewed the submitted documents and finds the request to include items and cost that are appropriate for the changes at this substation. The cost increase is **\$154,559.69**. The following are the costs in the documentation:

- Original costs $\$186,039.36 + \$136,443.53 = \$322,482.89$
- Revised costs $\$321,638.76 + \$155,403.82 = \$477,042.58$
- Original cost allowances: $\$5,175.00$
- Revised cost allowances: $\$32,850.00$

Since this substation has been grouped with McCarty Lane and Strahan for construction, each change order has been issued with the next consecutive number.

Please call or e-mail if you have any questions. I can be reached at 830.249.3887 or dduke@se-texas.com.

Respectfully,



Dwain Duke
Project Manager





1728 Briercroft Ct.
Carrollton, TX 75006
972-395-6000

March 27, 2020

Kevin Klock
Project Manager
San Marcos Electric Utility
1040 TX-123
San Marcos, TX 78666

REFERENCE: **Redwood Substation – Change Proposal #2 R.3**

Dear Kevin,

Please see the following scope change pricing proposal as it relates to our work associated with the **Redwood Substation** near San Marcos, TX:

The undersigned agree to the following change to the contract for construction of Redwood Substation, (the "Contract"), between The Brandt Companies, LLC ("Contractor") and San Marcos Electric Utility ("Owner"). Capitalized terms not defined herein have the meaning given in the Contract. This change in Scope of Work, Contract Price and/or Project Schedule is considered an amendment to the Agreement. With the exception of the change that is specifically described in this document, this change does not relieve the Owner or the Contractor of their responsibilities described in the Contract. The below adjustment to the Contract Price will constitute a full and complete settlement for the change(s), unless otherwise provided in the detailed description below.

We hope that you will find this proposal accurate and equitable. Should you have any questions, please do not hesitate to call.

Requested:

Agreed To:

The Brandt Companies, LLC

San Marcos Electric Utility

Signature

Signature

Thomas Bode - Ops Manager

Kevin Klock - Power System Technician

Name & Title

Name & Title

4/8/20

5/7/2020

Date

Date

Work Description

- Rerouting and extension of feeder duct banks.
- Increase in quantity and size change of precast vaults.
- See detailed breakdown attached for full quantity changes.

Clarifications

- Price is based off the deltas between bid drawings and drawings dated 1-15-20. Quantities are outlined in the attached detailed breakdown
- Price includes revision to the overall duct bank depth from 3' to 4' to top of conduit.
- Boring under the 2EA driveways in front of the nursing home is included as agreed verbally with SMEU to mitigate any emergency medical situation access concerns
- Hydro-Excavation, Landscaping/Sprinkler Repair, and Traffic Controls are allowances and any unused funds after cost plus OH&P (14.8%) will be credited back to SMEU unless there are over-runs and Brandt requests an increase.
 - \$24,400.00 – Hydro-Excavation Allowance.
 - \$3,450.00 – Traffic Controls Allowance.
 - \$5,000.00 – Landscaping and Sprinkler Repair Allowance

Schedule

- Completion of 5/22/20 for Duct Bank. Station itself will be completed prior.

Itemized Breakdown

<u>Description</u>	<u>Total Price</u>
K10.7 Underground Feeders – Size and Quantity Changes	\$135,599.40
K9.4 Cable Vault – Size and Quantity Change	<u>\$18,960.29</u>
Total	\$154,559.69



CITY OF SAN MARCOS CONSTRUCTION CHANGE ORDER

PROJECT: Redwood, Strahan & McCarty Substations
 CONTRACT NO.: 219-310

Date Prepared: 4/8/2020
 Change Order #: 3

CONTRACTOR: THE BRANDT COMPANIES, LLC
 ADDRESS: 1728 BRIERCROFT CT.
 CITY/STATE/ZIP: CARROLLTON, TX 75006

We are submitting this Change Order to the referenced contract. In consideration of the Change Order agreed to herein as complete equitable adjustments and full and final payment for the Contractor's additional work, the Contractor hereby releases the Owner from any and all liability under this contract for further equitable adjustments, including additional time for performance, attributable to such facts or circumstances giving rise to the proposal for adjustment.

This authorization provides for the following modifications or additions: The Brandt Companies, LLC is requesting additional compensation for additional scope requested for extension of the duct bank beyond the scope of the original RFP.

I. Explanation of Items								
ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
1	K10.7	Underground Distribution Duct Bank	\$ 186,039.36	\$ 321,638.76	\$ 135,599.40	LS	\$135,599.40	\$135,599.40
2	K9.4	Precast Vaults	\$ 136,443.53	\$ 155,403.82	\$ 18,960.29	LS	\$18,960.29	\$18,960.29
3					\$ -		\$0.00	\$0.00
4					\$ -		\$0.00	\$0.00
5					\$ -		\$0.00	\$0.00
6					\$ -		\$0.00	\$0.00
7					\$ -		\$0.00	\$0.00
TOTAL FOR BID CATEGORY						SUB TOTAL I:	\$154,559.69	

II. Explanation of Items								
ITEM NUMBER	ITEM SPEC REF.	DESCRIPTION	PREVIOUS QUANTITY	REVISED QUANTITY	CHANGE IN QUANTITY	UNIT	UNIT PRICE	TOTAL
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
ITEM #	ITEM #	ITEM DESCRIPTION			0			\$0.00
TOTAL FOR BID CATEGORY						SUB TOTAL II:	\$0.00	

TOTAL CHANGE ORDER TOTAL I+II: \$154,559.69

CHANGE IN DAYS REQUESTED FOR CHANGE ORDER 25

Date	Contract Document	Amount	Days	Running Sum	% Change \$
	ORIGINAL CONTRACT AMOUNT:.....	\$1,870,206.58	120	\$1,870,206.58	0.0%
	CHANGE ORDER 1 - Redwood Boring Duct:	(\$63,282.92)	0	\$1,806,923.66	-3.4%
	CHANGE ORDER 2 - McCarty Lane Duct Bank Changes:	\$24,965.95	25	\$1,831,889.61	-2.0%
	CHANGE ORDER 3 - Redwood Duct Bank Additions:	\$154,559.69	0	\$1,986,449.30	6.2%
	CHANGE ORDER XX:	\$0.00	0	\$1,986,449.30	6.2%
	REVISED CONTRACT AMOUNT/DAYS:.....	\$1,986,449.30	145		

Your signature below will constitute your acceptance of this Change Order:

1. Prepared By Project Manager: <i>Raymond Nutall</i> Date: <u>5/7/2020</u>	2. Contractor: THE BRANDT COMPANIES, LLC <i>[Signature]</i> Operations Manger - 4/8/2020
3. Recommended by Design Consultant: <i>[Signature]</i> Date: <u>May 6, 2020</u>	4. Recommended by Department Director: <i>[Signature]</i> Date: <u>5-7-20</u>
5. Reviewed by Finance: Contractor Administrator Date	6. Approved by: City Manager Date

Distribution List: Project Manager
 Finance Department - Contract Administration
 Contractor
 Inspector

Redwood Ductbank Change - R1

Original

	UNDERGROUND DISTRIBUTION CONDUIT DUCT BANK; FEEDERS (DIRECT BURIED)		QTY	MH Rate	Extended MH	Material Unit Price	Material Extended Price	Sub Unit Price	Sub Extended Price
K10.7	UNDERGROUND DISTRIBUTION CONDUIT DUCT BANK; FEEDERS (DIRECT BURIED)	LOT							
K10.7	Excavation & Backfill								
K10.7	LF of Trench	LF	683.0	0	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	Excavation	CY	303.6	0.5	151.8	\$0.00	\$ -	\$0.00	\$ -
K10.7	Sand	CY	75.9	0.5	37.9	\$25.03	\$ 1,899.50	\$0.00	\$ -
K10.7	Backfill	CY	227.7	0.85	193.5	\$0.00	\$ -	\$0.00	\$ -
K10.7	Spill Removal	CY	113.6	0.35	39.8	\$0.00	\$ -	\$28.75	\$ 3,272.71
K10.7	Conduit								
K10.7	Fiber Conduit								
K10.7	4" PVC SCH 40	FT	720.0	0.055	39.6	\$1.89	\$ 1,380.80	\$0.00	\$ -
K10.7	4" PVC SCH 40 90-DEG EL 24"R	EA	13.0	1.2	15.6	\$6.82	\$ 88.66	\$0.00	\$ -
K10.7	4" PVC COUPLING	EA	24.0	0.8	19.2	\$1.89	\$ 45.36	\$0.00	\$ -
K10.7	4" PVC FEMALE ADAPTER	EA	1.0	0.8	0.8	\$2.24	\$ 2.24	\$0.00	\$ -
K10.7	4" PVC END BELLS	EA	4.0	0.4	1.6	\$2.91	\$ 11.64	\$0.00	\$ -
K10.7	4" PVC CONDUIT CAP	EA	2.0	0.31	0.6	\$15.45	\$ 30.80	\$0.00	\$ -
K10.7	4 x 3 BASE DUCT BANK CONDUIT SPACER	EA	0.0	0.2	0.0	\$1.06	\$ -	\$0.00	\$ -
K10.7	4 x 3 INTERMEDIATE DUCT BANK SPACER	EA	0.0	0.2	0.0	\$0.91	\$ -	\$0.00	\$ -
K10.7	Feeder Conduit								
K10.7	6" PVC SCH 80	FT	4,445.0	0.0646	287.1	\$5.80	\$ 26,225.50	\$0.00	\$ -
K10.7	6" PVC FLD-BEND	EA	0.0	4.2	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 80 90-DEG EL 54"R - Horizontal	EA	27.0	1.008	27.2	\$160.30	\$ 4,328.10	\$0.00	\$ -
K10.7	6" PVC SCH 80 45-DEG EL 54"R - Horizontal	EA	18.0	1.008	18.1	\$83.42	\$ 1,501.56	\$0.00	\$ -
K10.7	6" GRC 90-DEG EL 54"R - Vertical	EA	24.0	5.2	124.8	\$886.73	\$ 21,281.52	\$0.00	\$ -
K10.7	6" PVC SCH 40 11.25-DEG EL	EA	0.0	1.5	0.0	\$173.09	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 40 22.5-DEG EL	EA	0.0	1.5	0.0	\$138.34	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 40 30-DEG EL	EA	0.0	1.5	0.0	\$37.21	\$ -	\$0.00	\$ -
K10.7	6" PVC COUPLING	EA	88.9	1	88.9	\$8.86	\$ 787.65	\$0.00	\$ -
K10.7	6" PVC EXPANSION COUPLING	EA	0.0	2.25	0.0	\$156.91	\$ -	\$0.00	\$ -
K10.7	6" PVC MALE ADAPTER	EA	0.0	1.25	0.0	\$8.91	\$ -	\$0.00	\$ -
K10.7	6" LOCKNUT	EA	0.0	0.77	0.0	\$41.94	\$ -	\$0.00	\$ -
K10.7	6" PVC FEMALE ADAPTER	EA	24.0	1.25	30.0	\$7.18	\$ 172.27	\$0.00	\$ -
K10.7	6" PVC END BELLS	EA	30.0	0.5	15.0	\$9.93	\$ 297.90	\$0.00	\$ -
K10.7	6" PVC CONDUIT CAP	EA	0.0	0.4	0.0	\$27.88	\$ -	\$0.00	\$ -
K10.7	6" PVC CONDUIT PLUG	EA	0.0	0.4	0.0	\$3.35	\$ -	\$0.00	\$ -
K10.7	6 x 3 BASE DUCT BANK CONDUIT SPACER	EA	185.2	0.2	37.0	\$1.56	\$ 289.67	\$0.00	\$ -
K10.7	6 x 3 INTERMEDIATE DUCT BANK SPACER	EA	0.0	0	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	Concrete Allowance for Turning Points (Vertical)	EA	8.0	3	24.0	\$287.50	\$ 2,300.00	\$0.00	\$ -

Original Proposal Price
 Labor Unit Price \$ 125,416.09
 Material Unit Price \$ 60,623.27
 Total \$ 186,039.36

Revised

UNDERGROUND DISTRIBUTION CONDUIT DUCT BANK; FEEDERS (DIRECT BURIED)		QTY	MH Rate	Extended MH	Material Unit Price	Material Extended Price	Sub Unit Price	Sub Extended Price
K10.7	UNDERGROUND DISTRIBUTION CONDUIT DUCT BANK; FEEDERS (DIRECT BURIED)	LOT						
K10.7	Excavation & Backfill							
K10.7	LF of Trench	1,538.3	0	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	Excavation	854.6	0.5	427.3	\$0.00	\$ -	\$0.00	\$ -
K10.7	Sand	213.7	0.5	106.8	\$25.03	\$ 5,347.84	\$0.00	\$ -
K10.7	Backfill	641.0	0.85	544.8	\$0.00	\$ -	\$0.00	\$ -
K10.7	Spill Removal	320.5	0.35	112.2	\$0.00	\$ -	\$28.75	\$ 9,213.98
K10.7	Conduit							
K10.7	Fiber Conduit							
K10.7	4" PVC SCH 40	965.0	0.055	53.1	\$1.89	\$ 1,823.85	\$0.00	\$ -
K10.7	4" PVC SCH 40 90-DEG EL 24"R	27.0	1.2	32.4	\$6.82	\$ 184.14	\$0.00	\$ -
K10.7	4" PVC COUPLING	24.0	0.8	19.2	\$1.89	\$ 45.36	\$0.00	\$ -
K10.7	4" PVC FEMALE ADAPTER	1.0	0.8	0.8	\$2.24	\$ 2.24	\$0.00	\$ -
K10.7	4" PVC END BELLS	4.0	0.4	1.6	\$2.91	\$ 11.64	\$0.00	\$ -
K10.7	4" PVC CONDUIT CAP	2.0	0.31	0.6	\$15.45	\$ 30.90	\$0.00	\$ -
K10.7	4 x 3 BASE DUCT BANK CONDUIT SPACER	0.0	0.2	0.0	\$1.06	\$ -	\$0.00	\$ -
K10.7	4 x 3 INTERMEDIATE DUCT BANK SPACER	0.0	0.2	0.0	\$0.91	\$ -	\$0.00	\$ -
K10.7	Feeder Conduit							
K10.7	4" PVC SCH 40	930.0	0.055	51.2	\$1.89	\$ 1,757.70	\$0.00	\$ -
K10.7	4" PVC SCH 40 90-DEG EL 24"R	24.0	1.2	28.8	\$6.82	\$ 183.68	\$0.00	\$ -
K10.7	4" PVC COUPLING	20.0	0.8	16.0	\$1.89	\$ 37.80	\$0.00	\$ -
K10.7	4" PVC FEMALE ADAPTER	3.0	0.8	2.4	\$2.24	\$ 6.72	\$0.00	\$ -
K10.7	4" PVC END BELLS	12.0	0.4	4.8	\$2.91	\$ 34.92	\$0.00	\$ -
K10.7	4" PVC CONDUIT CAP	0.0	0.31	0.0	\$15.45	\$ -	\$0.00	\$ -
K10.7	4 x 3 BASE DUCT BANK CONDUIT SPACER	0.0	0.2	0.0	\$1.06	\$ -	\$0.00	\$ -
K10.7	4 x 3 INTERMEDIATE DUCT BANK SPACER	0.0	0.2	0.0	\$0.91	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 80	4,470.0	0.0646	288.8	\$5.90	\$ 26,373.00	\$0.00	\$ -
K10.7	6" PVC FLD-BEND	0.0	4.2	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 80 90-DEG EL 54"R - Horizontal	22.0	1.098	22.2	\$160.30	\$ 3,526.60	\$0.00	\$ -
K10.7	6" PVC SCH 80 45-DEG EL 54"R - Horizontal	30.0	1.098	30.2	\$83.42	\$ 2,502.60	\$0.00	\$ -
K10.7	6" GRC 90-DEG EL 54"R - Vertical	24.0	5.2	124.8	\$866.73	\$ 21,281.52	\$0.00	\$ -
K10.7	6" PVC SCH 40 11.25-DEG EL	0.0	1.5	0.0	\$173.09	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 40 22.5-DEG EL	0.0	1.5	0.0	\$138.34	\$ -	\$0.00	\$ -
K10.7	6" PVC SCH 40 30-DEG EL	0.0	1.5	0.0	\$37.21	\$ -	\$0.00	\$ -
K10.7	6" PVC COUPLING	89.4	1	89.4	\$8.66	\$ 792.08	\$0.00	\$ -
K10.7	6" PVC EXPANSION COUPLING	0.0	2.25	0.0	\$156.91	\$ -	\$0.00	\$ -
K10.7	6" PVC MALE ADAPTER	0.0	1.25	0.0	\$6.91	\$ -	\$0.00	\$ -
K10.7	6" LOCKNUT	0.0	0.77	0.0	\$41.94	\$ -	\$0.00	\$ -
K10.7	6" PVC FEMALE ADAPTER	24.0	1.25	30.0	\$7.16	\$ 172.27	\$0.00	\$ -
K10.7	6" PVC END BELLS	48.0	0.5	24.0	\$9.93	\$ 476.64	\$0.00	\$ -
K10.7	6" PVC CONDUIT CAP	0.0	0.4	0.0	\$27.88	\$ -	\$0.00	\$ -
K10.7	6" PVC CONDUIT PLUG	0.0	0.4	0.0	\$3.35	\$ -	\$0.00	\$ -
K10.7	6 x 3 BASE DUCT BANK CONDUIT SPACER	186.3	0.2	37.3	\$1.56	\$ 291.30	\$0.00	\$ -
K10.7	6 x 3 INTERMEDIATE DUCT BANK SPACER	0.0	0	0.0	\$0.00	\$ -	\$0.00	\$ -
K10.7	Concrete Allowance for Turning Points (Vertical)	6.0	3	24.0	\$287.50	\$ 2,300.00	\$0.00	\$ -
K10.7	Driveway Boring	1.0	20	20.0	\$1,500.00	\$ 1,500.00	\$19,895.00	\$ 19,895.00
K10.7	Hydro-Excavation Allowance	1.0	10	10.0	\$350.00	\$ 350.00	\$17,500.00	\$ 17,500.00
K10.7	Landscaping & Sprinkler Repair Allowance	1.0	20	20.0	\$0.00	\$ -	\$5,000.00	\$ 5,000.00

Updated Pricing due to Design Changes
 Labor Unit Price \$ 252,625.95
 Material Unit Price \$ 69,012.81
 Total \$ 321,638.76

Original

K9.4	CABLE VAULT; PRECAST (12'x12')	EA	3.0								
K9.4	Vault Installation	EA	3.0	30	80.0	\$16,983.20	\$	50,949.60	\$4,600.00	\$	13,800.00
K9.4	Excavation	CY	450.0	0.4	180.0	\$0.00	\$	-	\$0.00	\$	-
K9.4	Gravel at Base	CY	14.2	0.25	3.6	\$40.25	\$	572.44	\$0.00	\$	-
K9.4	Backfill	CY	281.0	0.5	140.5	\$0.00	\$	-	\$0.00	\$	-
K9.4	Spoil Removal	CY	253.5	0.25	63.4	\$0.00	\$	-	\$17.25	\$	4,372.88
K9.4	#2 Cu Ground	LF	300.0	0.045	13.5	\$2.88	\$	862.50	\$0.00	\$	-
K9.4	Shoring and Trench Safety	EA	3.0	5	15.0	\$0.00	\$	-	\$3,105.00	\$	9,315.00
K9.4	Hydro-Excavation Allowance	EA	1.0	0	0.0	\$0.00	\$	-	\$3,450.00	\$	3,450.00
K9.4	Allowance for Traffic Controls	EA	1.0	20	20.0	\$0.00	\$	-	\$1,725.00	\$	1,725.00

K9.4a	CABLE VAULT; PRECAST (12'x6')	EA	0.0								
K9.4a	Vault Installation	EA	0.0	25	0.0	\$10,574.76	\$	-	\$4,600.00	\$	-
K9.4a	Excavation	CY	0.0	0.35	0.0	\$0.00	\$	-	\$0.00	\$	-
K9.4a	Gravel at Base	CY	0.0	0.25	0.0	\$40.25	\$	-	\$0.00	\$	-
K9.4a	Backfill	CY	0.0	0.5	0.0	\$0.00	\$	-	\$0.00	\$	-
K9.4a	Spoil Removal	CY	0.0	0.25	0.0	\$0.00	\$	-	\$17.25	\$	-
K9.4a	#2 Cu Ground	LF	0.0	0.045	0.0	\$2.88	\$	-	\$0.00	\$	-
K9.4a	Shoring and Trench Safety	EA	0.0	5	0.0	\$0.00	\$	-	\$3,105.00	\$	-
K9.4a	Hydro-Excavation Allowance	EA	0.0	0	0.0	\$0.00	\$	-	\$3,450.00	\$	-
K9.4a	Allowance for Traffic Controls	EA	0.0	20	0.0	\$0.00	\$	-	\$1,725.00	\$	-

Original Proposal Price
 Labor Unit Price \$ 84,059.00
 Material Unit Price \$ 52,384.53
 Total \$ 136,443.53

Revised

K9.4	CABLE VAULT; PRECAST (12'x12')	EA	2.0								
K9.4	Vault Installation	EA	2.0	30	60.0	\$16,983.20	\$	33,966.40	\$4,600.00	\$	9,200.00
K9.4	Excavation	CY	300.0	0.4	120.0	\$0.00	\$	-	\$0.00	\$	-
K9.4	Gravel at Base	CY	9.5	0.25	2.4	\$40.25	\$	381.63	\$0.00	\$	-
K9.4	Backfill	CY	187.3	0.5	93.7	\$0.00	\$	-	\$0.00	\$	-
K9.4	Spoil Removal	CY	169.0	0.25	42.3	\$0.00	\$	-	\$17.25	\$	2,915.25
K9.4	#2 Cu Ground	LF	300.0	0.045	13.5	\$2.88	\$	862.50	\$0.00	\$	-
K9.4	Shoring and Trench Safety	EA	2.0	5	10.0	\$0.00	\$	-	\$3,105.00	\$	6,210.00
K9.4	Hydro-Excavation Allowance	EA	1.0	0	0.0	\$0.00	\$	-	\$3,450.00	\$	3,450.00
K9.4	Allowance for Traffic Controls	EA	1.0	20	20.0	\$0.00	\$	-	\$1,725.00	\$	1,725.00

K9.4a	CABLE VAULT; PRECAST (12'x6')	EA	2.0								
K9.4a	Vault Installation	EA	2.0	25	50.0	\$10,574.76	\$	21,149.51	\$4,600.00	\$	9,200.00
K9.4a	Excavation	CY	146.7	0.4	58.7	\$0.00	\$	-	\$0.00	\$	-
K9.4a	Gravel at Base	CY	9.5	0.25	2.4	\$40.25	\$	381.63	\$0.00	\$	-
K9.4a	Backfill	CY	92.7	0.5	46.4	\$0.00	\$	-	\$0.00	\$	-
K9.4a	Spoil Removal	CY	80.9	0.25	20.2	\$0.00	\$	-	\$17.25	\$	1,395.33
K9.4a	#2 Cu Ground	LF	80.0	0.045	3.6	\$2.88	\$	230.00	\$0.00	\$	-
K9.4a	Shoring and Trench Safety	EA	2.0	5	10.0	\$0.00	\$	-	\$3,105.00	\$	6,210.00
K9.4a	Hydro-Excavation Allowance	EA	1.0	0	0.0	\$0.00	\$	-	\$3,450.00	\$	3,450.00
K9.4a	Allowance for Traffic Controls	EA	1.0	20	20.0	\$0.00	\$	-	\$1,725.00	\$	1,725.00

Updated Pricing
 Labor Unit Price \$ 98,432.15
 Material Unit Price \$ 56,971.67
 Total \$ 155,403.82

Summary

	Original Total	Revised Total	Delta
K10.7	\$ 188,039.36	\$ 321,638.76	\$ 133,599.40
K9.4(a)	\$ 136,443.53	\$ 155,403.82	\$ 18,960.29
Total	\$ 322,482.89	\$ 477,042.58	\$ 154,559.69



Legislation Text

File #: Res. 2020-124R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-124R, approving an agreement with Simpleview, LLC for the redesign of the San Marcos Convention and Visitor Bureau website in the initial amount of \$102,700.00 and authorizing up to nine annual extensions for website support in a not-to-exceed amount of \$547,000.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Destination Services Department - Rebecca Ybarra-Ramirez, Director (By Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$102,700

Account Number: 12024224

Funds Available: 70000

Account Name: Advertising

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Choose an item.

- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City of San Marcos received eighteen (18) proposals in response to RFP 219-365 for San Marcos Convention and Visitor Bureau Website Redesign. A City-staffed evaluation team reviewed all proposals submitted and interviewed the top three (3) firms. Following interviews, the evaluation team selected Simpleview, LLC, located in Tucson, Arizona, as the most qualified firm to perform these services.

Toursanmarcos.com is one of the key marketing tools used to entice tourists to visit San Marcos with a mixture of inspiration and informational content in an aesthetically pleasing and engaging manner. The purpose of this contract is to recommend and provide website development services, management of a content management system, website analytics, and incorporation of a search engine. The awarded firm will work closely with Destination Services/Convention and Visitor Bureau staff during the planning, developing, and execution stages of the Tourssanmarcos.com redesign and launch.

The contract will be for an initial one (1) year period with the option to extend for nine (9) additional one (1) year periods, not to exceed a maximum contract term of ten (10) years. Below is the cost breakdown, which includes added features and Search Engine Optimization (SEO) as indicated:

Initial Year 1: \$102,700

- \$65,000 for design and annual licensing
- Add ons:
 - o SimpleSupport5 \$6,000
 - o SEO \$24,000
 - o Map Publisher \$6,500
 - o XML Feed \$1,200

Year 2 (and even number years no SEO): \$38,700

- \$25,000 Annual Licensing
- \$13,700 Add Ons (no SEO)

Year 3 (and odd number years with SEO): \$62,700

- \$25,000 Annual Licensing
- \$37,700 Add Ons (with SEO)

The total maximum contract amount for these services over a ten (10) year period will not exceed \$547,000.

File #: Res. 2020-124R, **Version:** 1

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends awarding a contract to Simpleview, LLC, for San Marcos Convention and Visitor Bureau Website Redesign.

RESOLUTION NO. 2020-124R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT WITH SIMPLEVIEW, LLC FOR THE REDESIGN OF THE SAN MARCOS CONVENTION AND VISITOR BUREAU WEBSITE IN THE INITIAL AMOUNT OF \$102,700.00 AND AUTHORIZING UP TO NINE ANNUAL EXTENSIONS FOR WEBSITE SUPPORT IN A NOT-TO-EXCEED AMOUNT OF \$547,000.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Agreement with Simpleview, LLC for the redesign of the San Marcos Convention and Visitor Bureau website in the initial amount of \$102,700.00 and authorizing up to nine annual extensions for website support in a not-to-exceed amount of \$547,000.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the Agreement on behalf of the City.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk



PROPOSAL SUBMITTAL LOG

San Marcos Convention and Visitor Bureau Website Redesign

#219-365

December 12, 2019 – 2:00 p.m., C.S.T.

PROPONENT NAME
Louder Design North Richland Hills, TX
Anderson Marketing Group San Antonio, TX
Development Counsellors International New York, NY
Appddiction Studio, LLC San Antonio, TX
Premier Digital Designs San Antonio, TX
Simpleview Tucson, AZ
Spectrum Media Solutions, LLC Roanoke, VA
OS Ignite, Inc. Costa Mesa, CA
Status Not Quo Valencia, CA
CivicPlus Manhattan, KS
Cocolevio, LLC Austin, TX
Ammunition, LLC Atlanta, GA
PrimeSite Web Solutions San Marcos, TX
Madden Media Tucson, AZ

Promet
Chicago, IL

Rhyme & Reason Design
Atlanta, GA

ESO Marketing
San Antonio, TX

CJB Designs + Pixel Pie Designs
Lancaster, TX

Recorded by:

Rachel Shupe

Witnessed by:

[Signature]

San Marcos

website design proposal



Let's make something

INSPIRING



Simpleview,
the global standard for integrated
destination marketing solutions built on experienced
leadership and meaningful **relationships**.

simpleview 

SIMPLEVIEWINC.COM

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Executive Summary

Provide an Executive Summary of the major features of the proposal, including any conclusions, assumptions, and general recommendations the Firm desires to make.

After reviewing your RFP, we understand that your primary goals for the new website redesign are to create a mobile first, interactive experience that advances your mission, vision, and values by promoting your lodging partners, unique attractions, outdoor wonders and unspoiled landscapes. The redeveloped website will serve as the primary information and content hub for leisure travelers, group travel leaders, media, and meeting planners. The outcome of this project will build and promote your brand and improve the reach and quality of the experience for users visiting TourSanMarcos.com.

SUMMARY OF SERVICES OFFERED WITHIN THE SCOPE OF OUR PROPOSAL

Simpleview offers a broader range of post-development services and additional products for our customers. Below are the services outlined within this proposal: Website Redesign with our Creative Department, Content Management Solution (CMS), CRM Integration, Blog, Itinerary Builder, UGC Embed Capability and Google Map Modules, Support Plan (SimpleSupport), Marketing Automation (ActOn), Digital Accessibility (AudioEye), Content Optimization (SEO), Content Amplification (Paid Media; SEM), Content Creation, MapPublisher (Custom Map Solution).

We will achieve these outcomes through our experience in designing and developing websites specifically for DMOs. While each project is unique, every destination website we've developed has been designed/organized to maximize page views, visits, referrals and conversions. Our team will collaborate with key staff at The City of San Marcos Convention and Visitor's Bureau, stakeholders and agency partners, leading the group through a series of exercises designed to ensure a website experience that allows visitors to quickly find the information they want and inspire them to explore everything that San Marcos has to offer.

Simpleview has designed and developed more destination websites than any other firm; our seamlessly-integrated CMS/CRM platform, which we are proposing, is used by more DMOs than any other solution. We take the time to learn what you offer the visitor that no one else does, and then translate that into functionality to help tell your unique story.

Executive Summary

The name of the project manager who will work on the contract and relevant project experience.

Melanie's expanded bio appears in Section 2: Relevant Experience Information



MELANIE SOULES | CMS Project Manager

Melanie has been managing CRM and CMS projects for nonprofits and tourism organizations since 2007. Since joining Simpleview in 2015 as a Project Manager, Melanie works with clients throughout the project process—from design to beyond launch—and acts as a liaison to produce beautiful and high-performing websites on time and on budget.

Verification that the proposed team individuals are currently employed by the firm.

The individuals proposed to redesign the website for The City of San Marcos Convention and Visitor's Bureau currently work at Simpleview.

Confirmation that that the general liability insurance, workers' compensation, and professional liability insurance will be provided within ten (10) calendar days of the Contract Award.

Simpleview's Proof of Insurance is attached in [Appendix A](#).

Brief statement providing assurances that the Firm will be cognizant of, comply with, and enforce all applicable Federal, State, and local laws, regulations, and ordinances, and a description of your firm's methodology for handling errors and omissions in the materials developed as part of this Project.

Simpleview is cognizant of, complies with, and enforces all applicable Federal, State, and local laws, regulations, and ordinances. To list a few examples, Simpleview is compliant with Canada's Anti-Spam Laws, GDPR, ADA, US & EU Privacy Standards.

To ensure there are no errors or omissions in the development of materials for your project, Simpleview adheres to a 12-Step website design, development, and communication plan which is explained in grater detail further within our proposal.

Relevant Experience Information

Identification of the firm/team responding to the RFP and a brief description of each firm/team member should be provided, including a brief summary of their experience and qualifications.

Please see the following pages, beginning on page 8, for more information on your Simpleview team.

Location of the headquarters office for the lead firm should be indicated as well as the location of each firm/team member office where work will be performed for the project.

The work will be performed, and the The City of San Marcos Convention and Visitor's Bureau account will be supported, from our headquarters in Tucson, Arizona and our East Coast office in Pennsylvania and in Dallas, Texas where Shawn Wilkins, your CRM Project Manager, resides.

Headquarters:

8950 N. Oracle Road,
Tucson, AZ 85704

Pittsburgh Office:

250 Mt. Lebanon Blvd., Suite #417
Pittsburgh, PA 15234

Provide information on each firm/team member's relevant experience and qualifications for the type of work necessary to accomplish the requirements of this RFP.

Please see the following pages, beginning on page 8, for more information on your Simpleview team. .

Year firm established, including former firm names and year established for each as applicable.

Simpleview was established in 2001 and has been the industry leader in destination marketing solutions. Our headquarters are located in Tucson, AZ, where we were founded by Ryan George (CEO), Bill Simpson (CTO) Scott Wood (COO) and Rich Reasons (President).

Relevant Experience Information

State the size of the firm and the number and nature of the professional staff to be assigned to the project.

Simpleview employs +350 full-time staff – all focused and dedicated to destination marketing excellence. We have the resources, bandwidth, experience and expertise to help The City of San Marcos Convention and Visitor’s Bureau achieve its objectives. Our proposal includes work samples, references and case studies to help demonstrate our effectiveness, which is unmatched.

The nature of the assigned staff–listed individually in the previous question–are all full-time Simpleview employees who will be dedicated to your project. Please see the following pages for more information on the assigned staff.

Your Dedicated Simpleview Team



Kelly Genzman

Senior Account Executive

With Simpleview since July 2015

Kelly's primary responsibility at Simpleview is to provide ongoing support for clients for the lifetime of our partnership. This includes answering various questions via phone or email, assisting with building out pages in the CMS, identifying specific needs, contributing to solutions, managing requests, and offering information about noteworthy industry trends and overall website trends.

“Here at Simpleview we're Thought-Leaders, but we're always learning. It's all part of our whatever-it-takes attitude that's crucial for building trust and friendship with our clients.”

–Kelly Genzman

CLIENT REFERENCES FOR KELLY:



Visit Knoxville

www.visitknoxville.com

Angie Wilson – *Senior Director of Marketing*
awilson@knoxville.org | 865.523.7263

Time period of work: August 2018

Description of Scope of Work: During a monthly call, it was decided the events page on Visit Knoxville’s website needed to be redesigned. We discussed all the elements of the current layout then created a document outlining all the features we would like to implement. From changing the overall interface and adding certain elements (quickview and a trip planner tool). After implementation, Visit Knoxville now has a very easy to navigate Calendar of Events page. This is one of the top landing pages on the websites and from the time this project was completed, traffic has increased and bounce rate has decreased.



Discover Dunwoody

www.discoverdunwoody.com

Kim Franz, *Director of Marketing*
Kimf@cvbdunwoody.com | 678.244.9805

Time Period of Work: October 2018

Description of Scope of Work: When Discover Dunwoody created their goals for the upcoming year, they shared one of their biggest goals was to inspire potential travelers to visit Dunwoody by being the voice of Dunwoody through their blog, From Shops to Tree Tops. The blog included an abundance of evergreen content that was a little difficult to find unless a user was searching through archives. After several calls and emails, we created a scope of work and executed a new blog layout that showcased categories, had a featured post section and a recent post widget that Discover Dunwoody can control how many posts are being showed and what posts to display.

Your Dedicated Simpleview Team



Tim Thurein

Director of Account Services

With Simpleview since November 2009

“Building meaningful relationships isn’t just part of our mission statement; it’s something we strive for everyday. Many times I have seen friendships formed between employees and clients that goes well beyond the great work we do together.”

–Tim Thurein

Tim’s primary responsibility at Simpleview is to provide high level support for the Account Services Team and to ensure our customers are happy and engaged. Prior to working in the Account Services department, Tim held numerous roles such as CRM/CMS Project Manager, SEO Analyst, and CMS Training Manager. Having experience in those different departments has given him a better understanding of how DMOs operate and how to apply Simpleview’s products and services to help clients accomplish their goals.

CLIENT REFERENCES FOR TIM:



Las Vegas Convention and Visitors Authority

www.visitlasvegas.com

Bob Naugle – *Director of Marketing Systems*

bnaugle@lvcva.com | 702.892.0711

Time period of work: June 2016 - March 2017

Description of Scope of Work: The Las Vegas Convention & Visitors Authority had built their previous website with Simpleview on the domain of lasvegas.com. The partnership LVCVA had with a third party company that allowed them to use that domain was dissolving along with some of the integrations that pulled in listings and rates onto their website. Simpleview had to come up with a quick solution to move the site from lasvegas.com to visitlasvegas.com, coordinate with multiple agencies and minimize the SEO/traffic impact because of the move. We're happy to say that our efforts have increased organic traffic by 85% month over month.



Pocono Mountains VB

www.poconomountains.com

Brian Bossuyt, *Executive Vice President/CMO*

bbossuyt@poconos.org | 570.534.4543

Time Period of Work: January 2016 - Present

Description of Scope of Work: After launching a new website and URL in August 2015, the Pocono Mountains Visitors Bureau wanted to increase their e-newsletter database. After performing a mouse tracking analysis using heatmaps and click maps, it became apparent the top-level navigation could be distracting and affecting conversions. Ultimately, the decision was made to remove the top-level navigation on that page and run a test. The second item to address was the Things to Do page, as it was one of the most visited on the site, yet had a below average conversion rate for e-newsletter sign-ups. By making the e-newsletter widget more prominent, they would increase conversions and achieve their goal for this page. After removing the distraction on the e-newsletter sign-up page, page clarity increased and there was a 21.4% increase in e-newsletter form completions. In addition, by placing the e-newsletter sign-up in a more prominent location on the Things to Do page, sign-ups increased by 480% on that page alone. The test was conducted across more than 5,000 site visitors and results met a 95% statistical significance.

Your Dedicated Simpleview Team



Melanie Soules

Project Manager, CMS

With Simpleview since December 2015

Each and every Simpleview project includes communication, approval and deadlines from both internal staff and our clients. With that being said, your dedicated project manager will monitor and follow-up as needed throughout the project to ensure all mandatory requirements are completed via the contractual requirements and agreed upon dates. As part of any CMS/website build project, our project managers include bi-weekly progress reports in order to properly communicate where a client/project is currently at within our established process. These progress reports are delivered in a Gantt Chart format with clear representation of the project milestones, as well as who owns each milestone. Melanie has launched over 150 websites created by Simpleview.

CLIENT REFERENCES FOR MELANIE:



Visit Eau Claire

www.visiteauclaire.com

Kenzi Havlicek, *Director of Marketing*

kenzi@visiteauclaire.com | 715.559.9185

Time period of work: June 2018 - April 2019

Description of Scope of Work: Melanie managed the redesign of Eau Claire's existing Simpleview CMS website to align with their new branding and downtown visitor experience center. After meeting with the Eau Claire team onsite to fully understand their destination, goals, challenges and opportunities, she helped create and implement a beautiful new website design that highlights Eau Claire's unique and fun personality through a custom interactive map, enhanced festivals and events page, and a redesigned blog.



NYC & Company

www.nycgo.com

Chris Galatioto,

VP of Product Development & Project Management

cgalatioto@nycgo.com | 212.484.1210

Time Period of Work: June 2017 - March 2018

Description of Scope of Work: Managed a collaborative team of Simpleview and NYC & Company staff to create a new Simpleview CMS website for NYC & Company's business partners. We met with the NYC & Company team onsite to get an in-depth understanding of how their different departments do business with their partners and their goals and priorities for their new website. Our team then developed a content structure and unique navigation to address their four key segments for Membership, Meeting Planners, Travel Trade and Press. We also collaborated with NYC & Company's in-house web designers to align their new business site design with their primary leisure website to ensure brand consistency. The resulting site features enhanced listing directories, custom interactive hotel zone map and Google Ads integration.

Your Dedicated Simpleview Team



“I’m a ball of energy, spurred by research and data. Every recommendation I make is fully supported. But, I’m always learning from our clients who are the best and brightest in the business.”

Bryce Henry

Sitemap Analyst

With Simpleview since June 2018

–Bryce Henry

Bryce thrives on data. His role as Sitemap Analyst is defined by making data driven decisions in the sitemap process along with content recommendations using SEO best practices. He balances research with client needs and experimentation. Beyond the sitemap process, he facilitates the SEO of launching a new website with success. Prior to Simpleview, he worked with data and research in a different capacity as a Meteorologist and Multimedia Journalist on a local TV news station. Bryce graduated from Northland College with a Bachelor of Science degree in Meteorology with minors in both Physics and Geoscience.

CLIENT REFERENCES FOR BRYCE:



Visit York County SC

www.visityorkcounty.com

Sonja Burris, *SVP of Marketing & Communications*
sburris@visityorkcounty.com | 803.329.5200

Time Period of Work: August 2018 - April 2019

Description of Scope of Work: An immersion into York County helped form the backbone for showcasing all that York County has to offer on their website. Further research was done to show all opportunities for attracting visitors to the site. The final sitemap included many new page recommendations based on this research.



New Mexico Tourism Department

www.newmexico.org

Erin Ladd, *Marketing Director*
Erin.Ladd@state.nm.us | 505.469.2900

Time Period of Work: October 2018 - May 2019

Description of Scope of Work: The New Mexico Tourism Department was experiencing an overload of content on their website, along with pages being deeply buried within subnavigation making content extremely hard to find. Bryce ran keyword research and conducted a deep-dive into the current site analytics and search data. This helped to create a new, well-organized and optimized sitemap for better usability.

Your Dedicated Simpleview Team



SHAWN WILKINS | CRM Project Manager

Shawn works with new clients to collect their data for importing into Simpleview's CRM, and ensures each client is adequately trained and understands the CRM system throughout the build process. Shawn has been working with DMOs, large and small, for nearly 15 years. Shawn is currently working with The City of San Marcos Convention and Visitor's Bureau to implement their CRM.



CYNDY NEIGHBORS | Creative Director

Cyndy brings the dual talents of design and marketing to her role as Creative Director in Simpleview's XD department. Creating transformational user experiences and achieving client goals and KPIs through marketing strategy and design is her wheelhouse. Cyndy owned her own full service marketing agency for 25 years focusing on luxury hospitality, including St Regis and Westin Hotels, PGA National Resort & Spa, and Miraval Resorts. She comes to Simpleview from six years as Vice President of Marketing for Canyon Ranch Wellness Resorts and Spas, where she developed brand identity, creative, and marketing strategy for the entire portfolio including two U.S. wellness resorts, an international resort in Bodrum, Turkey, their spa in Las Vegas (the largest four-star spa in Las Vegas), and spas on 22 cruise ships across 4 brands - Cunard, Celebrity, Regent, and Oceania - and an in-flight partnership with Singapore Airlines.

Your Dedicated Simpleview Team



CELESTE CHISM | Account Coordinator

Celeste has worked at Simpleview since May of 2019. As an Account Coordinator, she acts to support her Account Director and Account Executive. She provides clients with any follow up needs they may have in addition to assisting her team members with day-to-day responsibilities which relate to individual and departmental goals. Celeste comes to us from Northern Arizona University where she graduated with Magna Cum Laude and earned two Bachelor's Degrees in Business Administration and Spanish. Before joining the Simpleview team, Celeste gained valuable experience as a Marketing Assistant for a nonprofit organization in Flagstaff, Arizona.



GREG EVANS | Vice President of Sales & Account Services

Greg Evans has been with Simpleview since 2008 and currently serves as our Vice President of Sales & Account Services, where he works with his department to understand every detail of the high-tech products and services we offer and explain their relevance to clients and prospects.

Project Approach

Discuss your firm's approach to interactive digital services management. For example, if your firm was awarded this contract, what research would you conduct and steps would you take to design our website to give it a uniquely San Marcos, Texas, feel?

Your website redesign process will begin with our understanding of your immediate and long-term goals and mapping those objectives to best-practices, which are grounded in nearly two decades of experience working with DMOs.

Research and thorough planning are keys to success. Our proven process includes a findings presentation, competitive and barrier analyses, defining user profiles and user goals, identifying actionable objectives and business outcomes, building detailed content inventories, usability testing, creating information architectures built around priority profiles and objectives and designing both global user interface structure and elements, as well as optimal sequencing for user tasks (trip-planning, bookings, information requests, content sharing, etc.).

A destination marketing organization and destination website, can have various strategic objectives, and therefore many goals. What's more, depending on the strategic context, there are also different objectives throughout the customer journey. Before metrics and measurements can be established, we must collaborate and agree upon specific, measurable goals.

We also take into account the process of transferring your old site's content to your new site which is why it is included within the site build as is the transfer of any new content. Simpleview also offers a unique opportunity to allow our in-house editor source content writing for you (locally if possible) to provide the new site content as needed.

As a part of your new website build, the Simpleview SEO Site Transition line item located in the proposed pricing will address all of the best practice requirements for launching a site (setting up friendly 404 pages, updating your ISAPI file, building out a sitemap, etc). In addition, because the Simpleview CMS is built with SEO friendliness in mind, you will also have control over redirect creation, tagging (meta, schema, open graph, etc) and more to allow for the ongoing maintenance of new site content.

In every website redesign project, Simpleview's goal is to preserve and increase organic traffic for your site. We believe a foundation of research into content, keywords, demographics, psychographics, and more is a critical component at the

Project Approach

beginning of this process to help determine what content/navigation can stay and what might need to be removed or updated. Once we complete this level of research and discuss it with your team, Simpleview will begin the exercise of diagramming your advanced sitemap. The resulting document displays where each piece of content will reside relative to the others, what the main content or tool on the page will be, and what the URL will be.

We adhere to best practices that ensure our sitemaps produce sites optimized for search engine traffic and usability. We maintain existing URL structure throughout the site wherever possible; however, data compiled during the initial sitemap review may require changes across the entire site. Within each section, we try to place the most popular pages and the ones that drive conversions toward the top of the list of navigation links. We assess popularity based on site traffic history and keyword research.

Client feedback on their own content experience is also invaluable while we determine the optimal arrangement of content, as we organize site content in a way to make it easy for search engines to crawl and understand it. We also avoid burying content at the fourth level of navigation, or lower, in an effort to avoid too much exploration and too many clicks to find, which results in poor results.

Provide a detailed project schedule for implementation, and any tasks or milestones associated with implementation and testing to ensure the project is complete and successfully functional.

Simpleview has a 12-step website development process ensures that you not only end up with the site you want aesthetically, but the site your users need. By basing our build team's efforts on generating conversions (as you define them via key performance indicators), we will begin with a foundation that will be built upon through the remainder of the process. From that point, our SEO team begins researching your current site, digging into analytics and keyword research, as well as demographics, psychographics and common paths associated with your site visitors to help develop their distinct profiles. All of this research is then presented back to you by our team to help influence the sitemap, wireframes, and eventually design. We follow a linear process, which defines clear milestones, deliverables, and timelines for the entire project. All tasks within the process are documented in our projects system, which ensures information is always available for future reference.

Project Approach



The second phase is focused on the development, production and testing of your website leading up to site launch. This phase requires much less client involvement (until modules and site functionality are complete and ready to be reviewed and trained on with your team). Because Simpleview has more control over the outcome of this portion of the build, we are very confident in a 4 month build timeline. Combined, this leads to a typical 6-7 month build process with the possibility to either flex up or down, depending heavily upon how quickly your dedicated build team receives what they need (on time) in the first phase. We can also try to expedite your project in other ways by providing preliminary content and asset collection assignments, design file guidelines (in the case of an agency-provided design), etc. Ultimately, our timeline and various milestones have been battle-tested following the design and launch of hundreds of DMO websites, and is something we're extremely confident in executing against, which should provide a great deal of reassurance to the The City of San Marcos Convention and Visitor's Bureau team.

Project Approach

Describe the types of training you offer and in what formats that allow City staff to modify the completed website as needed.

Comprehensive, personalized training is conducted virtually via GoToMeeting (or similar). Following the initial system setup and data import, preliminary orientation training sessions will be conducted for each module. Key staff will then have the opportunity to “test drive” the system and collaborate with the Project Manager to tailor the system to meet your organization’s needs. In conjunction with system launch, additional training sessions will be conducted for all staff.

Additionally, Simpleview regularly hosts training webinars, all of which are recorded and available on-demand in our training webinar library. Users will also have real-time access to a built-in knowledgebase with “how to” articles and tips/tricks/best practices.

Follow-up training can also be arranged for new staff, or as a refresher for all staff, at any time in the future.

STORYTELLING

The single most important function of a DMO website is to inspire travel to your destination for visitors at the top of the funnel (dreaming) or bottom (booking) through authentic storytelling, brand elevation, powerful imagery, social proof (UGC via Crowdriff), and local perspective authenticity and advocacy to ultimately evoke an emotional impulse/connection between the destination and visitor, and connect those visitors with your local businesses and foster their engagement with your tourism product.

A destination website is any given DMO’s single most important and valuable marketing tool. It is their first impression to prospective visitors and is the digital marketing gateway for visitors to understand the destination’s unique experiences, events, lodging, culinary scene, and more.

In today’s world of Digital Marketing, the blog has proven to be one of the most effective means of generating excitement and interest in your destination. A blog is the perfect place to post using unique voices, highlight timely trends or post evergreen “best of” lists for restaurants, attractions and more. Such a dynamic module deserves an exciting presentation. The Simpleview CMS includes a robust blog module, and we typically recommend the blog be hosted within the main site domain for SEO purposes. Our blog includes features and functions such as publish start/end dates, RSS feeds, guest bloggers, drop widgets within blog posts, allow UGC in blog posts and more.

Project Approach

There are many ways to effectively communicate your story and we thoroughly enjoy collaborating with DMOs to find the best way to tell your story for your intended audience. Below are examples of story telling microsites that Simpleview has executed for DMOs.

The following types of storytelling are not included in the proposed investment.

THE NEW AUGUSTAN | VISIT AUGUSTA, GA

Visit Augusta wanted to create an online editorial microsite to showcase their local magazine, The New Augustan. Visit Augusta is able to update all the content on a regular basis and this is one of the best performing pages on Visit Augusta’s website.

Homepage of microsite: <https://www.visitaugusta.com/newaugustan/>

Interior page of microsite: <https://www.visitaugusta.com/newaugustan/paddle-tales/>

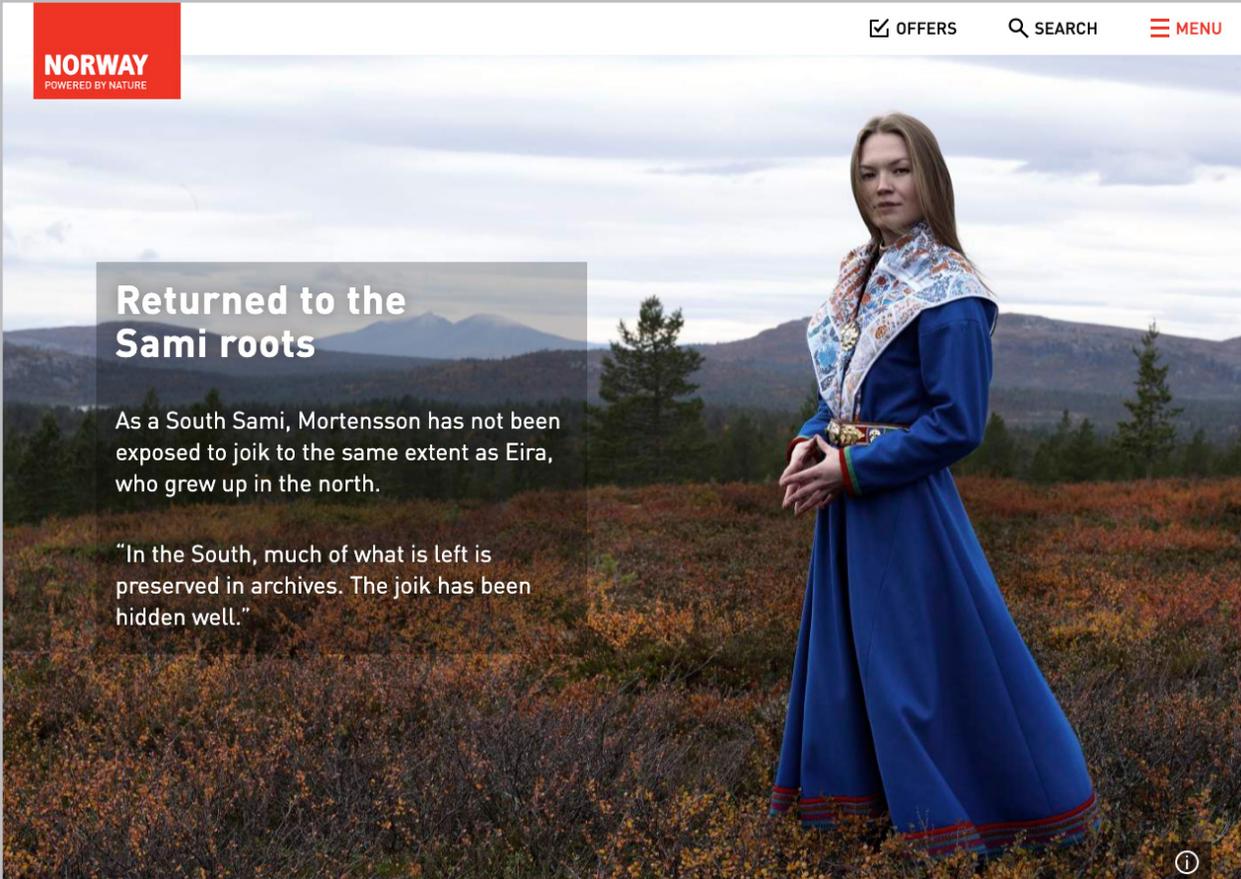


Project Approach

TYPICALLY NORWEGIAN | VISIT NORWAY

Visit Norway worked with Simpleview to create a microsite for users to get to know locals and discover unique attributes of Norway while visiting their website.

Homepage of microsite: www.visitnorway.com/typically-norwegian/
Interior page of microsite: www.visitnorway.com/typically-norwegian/sami-people/rebirth-of-the-joik/

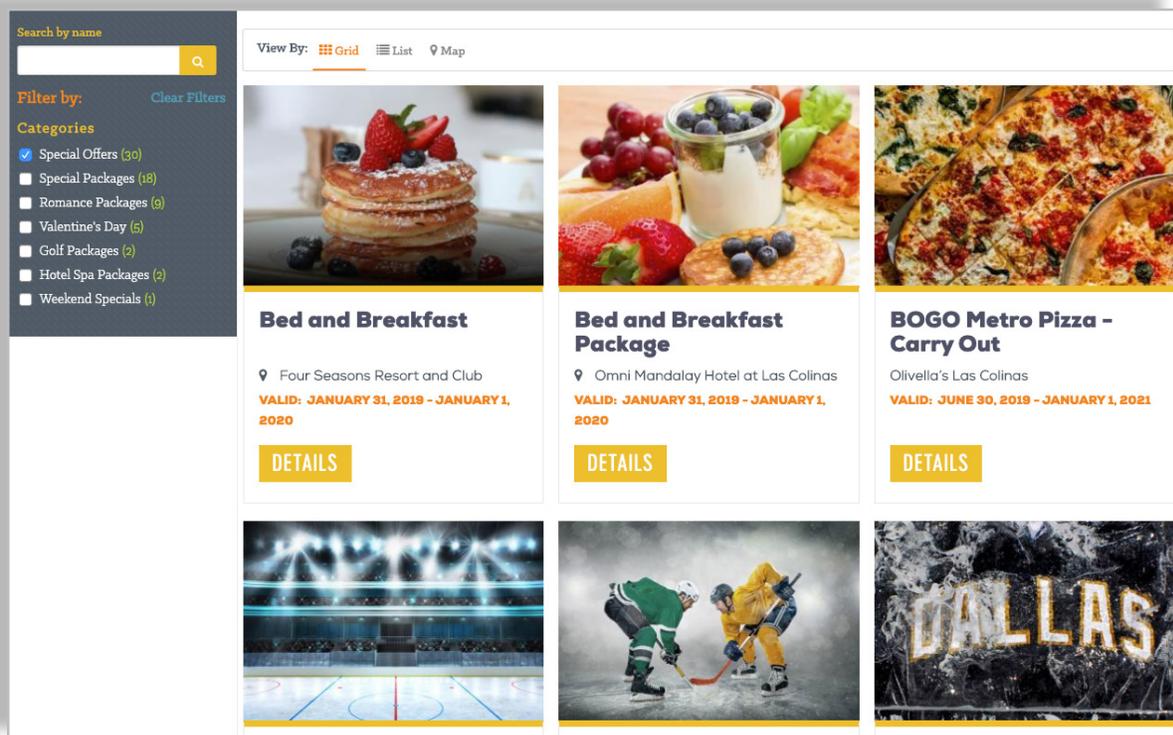


Project Approach

SITE SEARCH

Site Search will be available from any page on the site, and allow users to enter a word/phrase; results are categorized (e.g. Listings, Events, Offers, Pages, Articles), and will suggest alternatives for misspellings. Listings, events, deals and other database-driven content types include search and filter options (e.g. category, type, location, date range, etc.).

See www.irvingtexas.com/visitor-info/offers and www.visitraleigh.com/foodie/restaurants for examples.



Simpleview's CMS leverages an open source search framework known as SOLR. This approach allows for our standard site search to address complex and varied site search needs for our DMO sites. Site searches can be organized and displayed based on category "buckets" such as listings, events, blogs, and articles. Additionally, the search itself can be modified over time to adjust to new needs and result sets. Pages can be omitted from site search and common words that might interfere with the accuracy of the search results can be ignored. It is also worth noting that the site search feature includes an intuitive "did you mean?" capability that will help to suggest results when it suspects a user has misspelled a word or search phrase.

Project Approach

MOBILE

We begin our design strategies with mobile first and use responsive design for all of our websites as destination website traffic is now vastly dominated by mobile devices. This approach helps us plan our strategies with strict constraints, which we believe results in simpler solutions that may be technically advanced, but increase usability. There will be occasions that require page elements to be hidden or removed based on screen real estate, so we may choose to do this for content that would be considered non-critical, based on user research and common design patterns.

Our philosophy is “mobile first”, but never “mobile only”. We will ensure that the desktop experience takes full advantage of a larger display to incorporate full-width imagery of your destination as well as provide multiple widget placements, large and small for engaging video content.

Additionally, our CMS has live-preview functionality that enables you to instantly toggle the view based on the breakpoint that you would like to review. This saves you massive amounts of time and ensures a clean, consistent display of your content regardless of device or screen size.

Integration Capabilities

List the systems and software types with which your firm can integrate to design and operate a website such as this project. Include any mapping, events/calendars, blog, social media, etc., as may be appropriate for this project. • List any systems and software types with which your firm cannot integrate or with which your firm's architecture is not compatible.

Simpleview works closely with our destination clients and their agencies to adhere to the brand standards and ensure consistent messaging and continuity between online and offline campaigns. We are uniquely positioned in that we have the only seamlessly-integrated CMS/CRM platform designed specifically for the tourism industry.

We routinely integrate with third party providers ranging from booking technology suppliers (Jackrabbit Book Direct is a Simpleview strategic partner), Google, user-generated content (Crowdriff), TripAdvisor, Yelp, etc. and more.

We have also accommodated many custom integration requests by scoping and executing one of methods listing below:

Read-only example: In several destinations, our DMO customers (or their third-party designees) have read-only access to the SQL database for reporting purposes (Crystal Reports, Tableau, etc.).

One-way example: Several clients work with third-party developers who prefer a simple one-way XML feed for partner data (listings, offers) for publishing on native apps, kiosks, mobile sites, etc. In New York, Rhode Island and Kansas, all of the DMOs using Simpleview have a one-way integration to send listings and offers data to the state website.

Two-way example: The most common two-way example would be our API. As noted above, the partner data feeds a third party website, and the analytics are passed back into Simpleview CRM for reporting. But we have also done other two-way integrations; for example, in some destinations we have setup two-way integrations with their accounting/finance software.

Simpleview is always open to exploring additional integrations with our product development team and third party platforms.

Integration Capabilities

Describe how your firm improves search engine optimization (SEO) for your client's sites.

All Simpleview-built websites are developed to be fully SEO optimized at the time of launch (and beyond) via a series of best practices such as setting up friendly 404 pages, a proper sitemap and updating ISAPI files. In addition, we provide the tools and functionality needed to continue to maintain your site for SEO success via provided control over Meta Tagging, Schema.org tagging, redirect management and more. And because Simpleview CMS is a Software as a Service offering, it is constantly updated under the guidance of our Digital Marketing team to ensure that it continues to be up-to-date with the latest SEO industry requirements.

From the initial sitemap consultation, we perform thorough keyword and demographic research to confirm that your content is aligned with what users are searching for and that your navigation is structured in the best possible way to cultivate usability as well as search ranking. All of our Sitemap and SEO Analysts are heavily certified and execute this portion of the project according to the latest standards and best practices in the tourism industry. Our industry experience gives us a huge advantage since we understand specifically how Google and other competitors have been infringing on your content and hampering your optimization efforts.

The SEO Site Transition in a website redesign includes: creating a sitemap file in HTML and XML and submitting it to the major search engines, setting up friendly 404 redirects, installing Google Analytics tracking tags, setting up and configuring Google Search Console and Bing Webmaster tools, creating a robots.txt file, checking for crawl errors, performing an overall scan of the site, and other miscellaneous tasks to verify that your technical SEO is all as healthy as possible for the launch of a new website. In addition, we provide the tools and functionality needed to continue to maintain your site for SEO success via provided control over Meta Tagging, Schema.org tagging, redirect management and more. Since Simpleview CMS is a Software as a Service offering, it is constantly updated under the guidance of our Digital Marketing team to ensure that it continues to be up-to-date with the latest SEO best practices.

The Simpleview Search Engine Marketing team follows all published Webmaster guidelines and best practice policies from all the major search engines. We do not conduct SEO activities that risk any negative short or long-term effect on search engine visibility and rankings, known as black-hat SEO. Our Search Engine Marketing team stays current on search engine algorithm updates, industry trends and guideline changes and makes recommendations and updates accordingly.

Integration Capabilities

We work tirelessly to adhere to SEO best practices and to develop strategies that make an immediate impact and also lay the foundation for future growth and success for our clients. Additionally, the entire Search Engine Marketing team is Google certified in either paid search or Analytics.

The above tasks are all completed as part of the core redesign process. We also offer ongoing Search Engine Optimization as a managed service.

Describe the architecture of the site you propose for our project and how your firm ensures a client's website can adapt to changing technology.

Because the Simpleview CMS is built upon a Software as a Service model much like our industry-leading Destination Management System (CRM), our goal was to provide a fully scalable system that ensures you are always on the newest version of our industry-specific tools. In addition to insulating you from website maintenance costs on an ongoing basis (browser updates, bug fixes, API changes, new features) the CMS was also developed in a way that allows for these updates and upgrades to be implemented without affecting the core code. These types of updates are rolled-out every 2-3 weeks to ensure that the platform is always growing and evolving.

The Simpleview CMS allows the user to create their own pages via functionality that is native to the CMS itself. This begins with the ability for the Admin to create a variety of page templates consisting of one, two or three column layouts (typically). It's within these larger level page templates that the base structure for a landing page can be determined. From there, once a user has selected their template, they can begin to make some specific navigation and content decisions. For example, if the goal of the landing page is to keep the user within a specific experience/funnel, the Admin may not want to include site nav on the landing page they're creating and so they would simply unlock the navigation widget and remove the navigation from this page. Then the user could move on to assign custom header images, drop in content and place additional widgets as needed. Finally, if the Admin wanted to create a different visual look for their landing page (i.e. swapping out the background color), they could access the CMS Code Editor to edit those details at the code level, preview those changes and then push them live. In the case where the Admin may not desire to edit the code of the page, Simpleview's dedicated development team could then be leveraged as an extension of staff as needed.

Integration Capabilities

LISTING CONTENT

As your current CRM provider, the inherent integration with your Listings, Events, Coupons and Forms will allow us to easily pull through all of the data you need to populate on your website. How much or how little data we expose to the front end user and how we style the display of that data is completely up to you. The Simpleview CRM employs a tagging system that allows users to create, assign and remove tags, which enables them to sort, organize, and segment records for reporting, create mailing and distribution lists, and store records. Each field, including custom fields, can be filtered and queried to generate lists or reports based on criteria needed for sales prospecting, tradeshow, etc.

Marrying the front end experience of your audiences with optimized internal workflow and process is a goal that Simpleview is uniquely positioned to realize. The key to streamlining internal process at The City of San Marcos Convention and Visitor's Bureau lies in the ability for the chosen vendor to integrate their CMS technology with the CRM platform that your staff utilizes to perform your destination management operations. The fully integrated CMS and CRM solution that Simpleview brings to the table at the onset of the project would eliminate the need to allocate timeline and resources towards establishing a connection between the platforms. We can instead leverage that existing integration and expand upon it in the most effective manner to save your staff valuable time and effort. Data would flow freely from your website into your CRM and vice versa, significantly reducing the need for any double work, data entry, or ongoing maintenance of the integration.

Reference List of Projects

A reference list of clients with contact names, telephone numbers, and email addresses. Projects listed should encompass minimum of five (5) years of experience.

- **With each reference listed, include a live link to each project site.**
- **You may include an additional page detailing projects and associated links to demonstrate your work products and styles.**

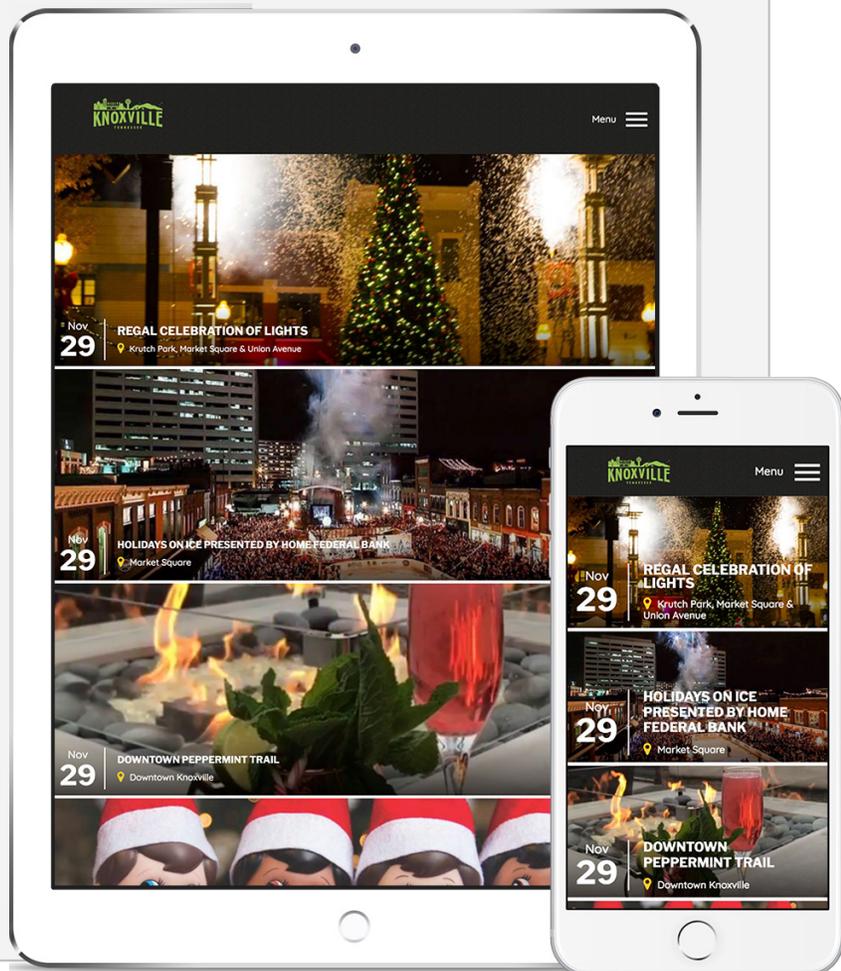


Angie Wilson – *Senior Director of Marketing*
awilson@knoxville.org | 865.523.7263

Client Since: March 2013

www.visitknoxville.com

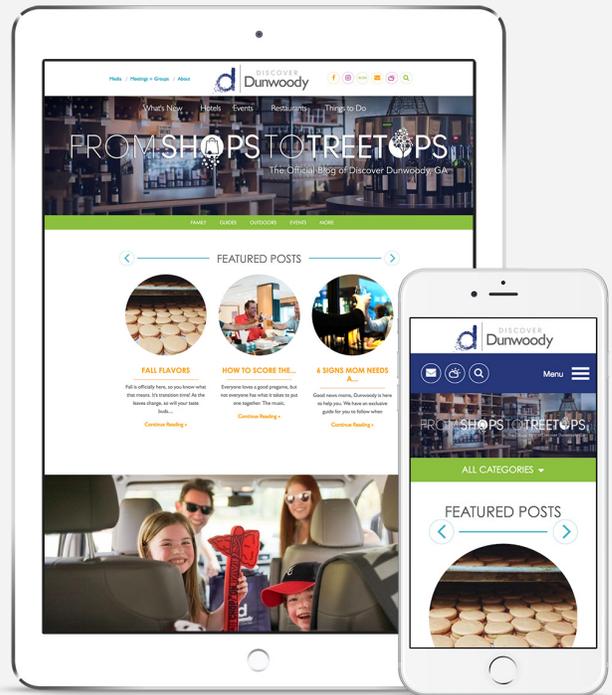
Description of Scope of Work: During a monthly call, it was decided the events page on Visit Knoxville’s website needed to be redesigned. We discussed all the elements of the current layout then created a document outlining all the features we would like to implement. From changing the overall interface and adding certain elements (quickview and a trip planner tool). After implementation, Visit Knoxville now has a very easy to navigate Calendar of Events page. This is one of the top landing pages on the websites and from the time this project was completed, traffic has increased and bounce rate has decreased.





Kim Franz, *Director of Marketing*
Kimf@cvbdunwoody.com | 678.244.9805
Client Since: October 2010
www.discoverdunwoody.com

Description of Scope of Work: When Discover Dunwoody created their goals for the upcoming year, they shared one of their biggest goals was to inspire potential travelers to visit Dunwoody by being the voice of Dunwoody through their blog, From Shops to Tree Tops. The blog included an abundance of evergreen content that was a little difficult to find unless a user was searching through archives. After several calls and emails, we created a scope of work and executed a new blog layout that showcased categories, had a featured post section and a recent post widget that Discover Dunwoody can control how many posts are being showed and what posts to display.



Hope Strokes, *Director of Brand Marketing*
hope@visitamarillo.com | 806.342.2024
Client Since: September 2013
www.visitamarillo.com



Description of Scope of Work: Visit Amarillo was ready to dust off the boots and build a new website. The goal for the new website was to have a "Modern Western" website that illustrated all the offerings in Amarillo with large imagery, fonts that were easy to read but had a western feel and also captured some of the nature scenes (see Palo Duro Canyon illustration in the footer). This was a very exciting project to add a modern twist on a western inspired website, by adding small items i.e boots instead of bullet points, the website really makes you feel as though you are in Amarillo, Texas.



case study | website redesign

THE LIVE MUSIC CAPITAL OF THE WORLD GETS A WEBSITE REDESIGN

PAIN POINTS

- An outdated website that could be difficult to navigate and was not mobile-friendly
- Preconceived notions about Texas that could dissuade first-time visitors



49%
increase in
organic search traffic



29%
increase in
social traffic



47%
increase in
referral traffic



a Silver Award at
the 2019 HSMIA
Adrian Awards

First-time visitors to Austin might be surprised to find themselves being entertained with live music as they walk through the terminal at Austin's airport after deplaning. But in actuality, it's probably the most on-brand welcome the city could offer.

Dubbed 'The Live Music Capital of the World®', Austin is home to more than 250 live music venues throughout the city. Visitors can expect to see – and hear – musicians in typical venues, such as clubs, coffeehouses, bars and concert halls, as well in unexpected places like grocery stores and city council meetings.

When it came time for the team at Visit Austin to redesign their website, it was this energy and personality that they wanted the new site to convey. The design needed to not only communicate Austin's love for live music, but even more so - the fact that Austin is a culturally rich destination with diverse offerings for every kind of traveler.

EN ROUTE TO AUSTIN

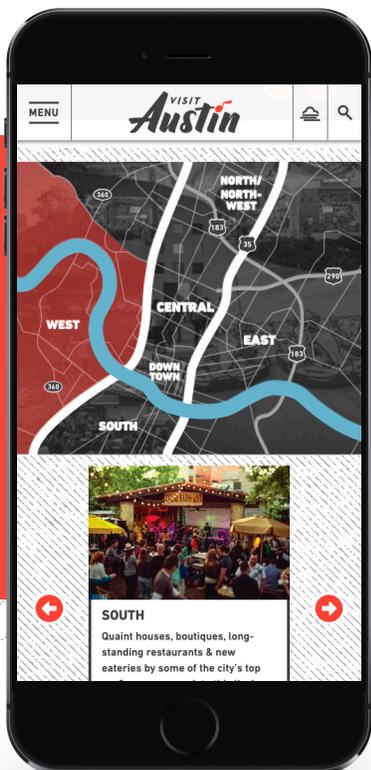
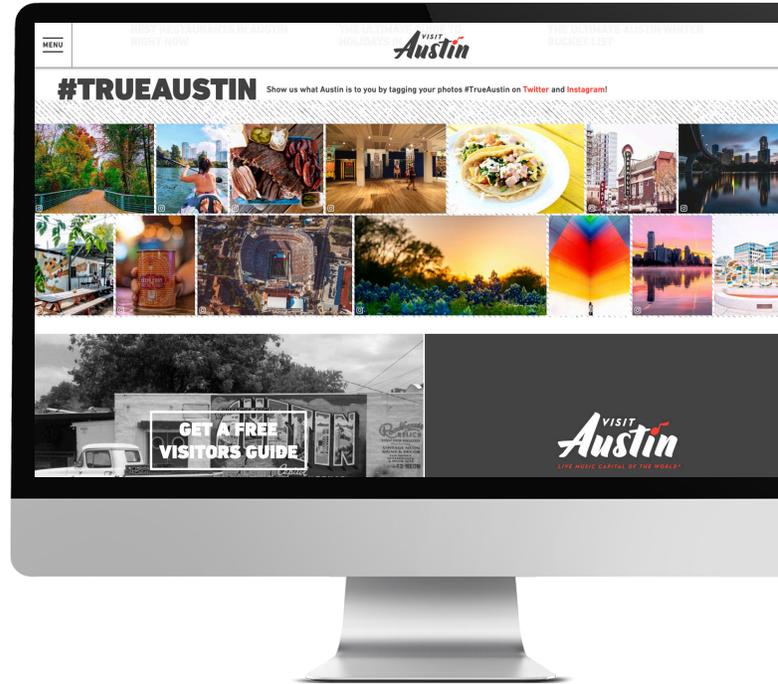
Prior to their website redesign, the team at Visit Austin had also undergone a complete visual and identity rebrand. Formerly known as the Austin Convention & Visitors Bureau, the destination marketing organization (DMO) had taken on an updated name and logo, as well as a new set of bold colors and typography.

But the rebrand was far more than just a new name and a few strategically chosen fonts. Rather, Visit Austin was the face of a bold, bright city that welcomes visitors to experience Austin for themselves. And it was up to the Simpleview experience design (XD) team to create a brand new, state-of-the-art website to complete this mission.

To begin the redesign process, several members of the Simpleview team visited Austin to experience the destination for themselves. They ate local food, attended live music shows and shopped for goods at Austin's small businesses.

During the immersion trip, the XD team also asked the Visit Austin team to partake in a few branding exercises to help them better understand the city. First, the team was asked to create a playlist that captured the essence of Austin, followed by the curation of a menu that reflected the tastes of Texas.

This data – along with the personal experiences collected during the trip – enabled the Simpleview team to begin to conceptualize a website that was truly unique to Austin.



I wasn't sure if the onsite immersion was entirely necessary, but after I saw the design that came through and the level of detail included, I realized how important it was for the designers to come to our destination in person and experience it for themselves. I'm really glad we went through with it!"



– KATIE COOK
Director of Digital Marketing



HIT THE REFRESH BUTTON

With the redesign, Visit Austin wanted a clean, striking design that featured eye-catching visuals. And while their previous site had plenty of engaging content, it could be difficult for the user to navigate the site to find what they were looking for. As a result, the XD team focused on putting content first and using website data to make the user experience more intuitive and interactive.

Message-wise, the Visit Austin team had several objectives. First and foremost, they wanted to amplify their reputation as The Live Music Capital of the World®, and give potential visitors a taste of what they could expect from the city's music scene.

Overall, the site needed to exude a certain “coolness” factor that might help to negate preconceived notions and stereotypes of Texas from first-time visitors. Austin isn't just tumbleweeds and dude ranches; it's a cool, urban destination with a rich and diverse culture.

BEAUTY IS IN THE EYE – AND EAR – OF THE BEHOLDER

As the Simpleview XD team set to work, they focused on highlighting a few of Austin's key characteristics: its foodie scene, its outdoor offerings and its status as The Live Music Capital of the World®. These are the things that set Austin apart from other destinations, even within Texas itself, and it was important to the team to incorporate these elements into the final design.

They did so in obvious ways, such as adding a “Music Scene” tab to the navigation bar, and in more subtle ways, by incorporating a grooved texture into the site background, designed to mimic the grooves on a record.

The one-column, mobile-first site also showcased full-width videos and user-generated content (UGC) from visitors, creating visual storytelling elements that encourage visitors to picture themselves in the destination. In addition, features such as fully customizable listings pages and a mobile navigation menu set the site apart from other destination websites and enhance the user experience.

Going forward, the team at Visit Austin is placing an emphasis on increasing engagement metrics such as time on site and pages per visit. In doing so, they've prioritized the integration of video assets and user-generated content into the site, and made sure that editorial content is easier for users to find and consume.



Since its launch in April 2018, the website has seen impressive metrics and was recognized at the 2019 HSMAI Adrian Awards with a Silver Award in the Digital Marketing – Website category.





case study | website design

WELCOME TO SKI CITY

PAIN POINTS

- Finding a way to creatively showcase Salt Lake's winter attractions
- Promoting those winter attractions without deterring meeting and event planners from holding events in the region



Website sessions up

27%



Blog sessions up

123%



Super Pass clicks up

141%



Super Pass web sales up

40%

Home of the 2002 Winter Olympics - and a bid city for the 2030 Olympic Games – Salt Lake City has long embraced its reputation as a thriving winter destination. Professionals and hobbyists alike often make their way to the Utah capital to partake in an array of winter sports.

For the team at Visit Salt Lake, the city's reputation as a winter wonderland was both a blessing and a curse. While it made Salt Lake City a prime destination for travelers seeking adventure and recreational snow play, this reputation became a hurdle when trying to book meetings and events in the city.

They quickly realized that each demographic required a unique marketing strategy, and they needed to find a creative way to market to both winter sports enthusiasts looking for adventure and meetings professionals seeking a prime location to host their next event.

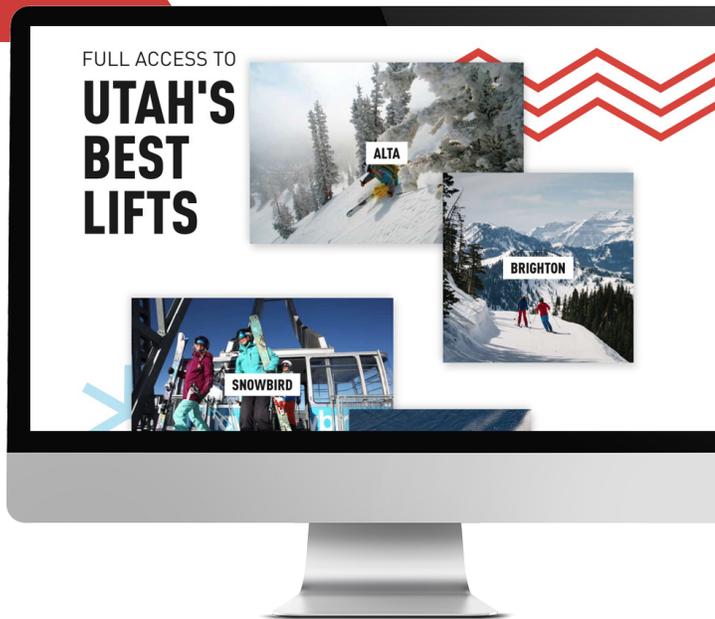
And thus, Ski City was born.

WELCOME TO SKI CITY

To solve their problem, the team at Visit Salt Lake came up with a creative solution: they would double down on the myriad ski assets VisitSaltLake.com provided, but do so on an entirely new platform with the sole purpose of marketing the destination's winter attractions. This would leave VisitSaltLake.com to promote year-round to visitors, meeting and tour planners; while the new site, aptly named SkiCity.com, would showcase Salt Lake's world-class resorts and "the greatest snow on earth."

The goal for SkiCity.com was not only to emphasize the city's devotion to winter sports, but also to highlight that it's ski destination unlike any other. More than just a name, Ski City is a place that offers you unlimited options after a day spent at any one of the four world-class resorts just 30 minutes from the city's center. It's about who the city is. Who the people are. And the feeling you get when you're there. It's about a city that came together to host the 2022 Winter Olympics. It's about making friends with all the snow fanatics who call this place home.

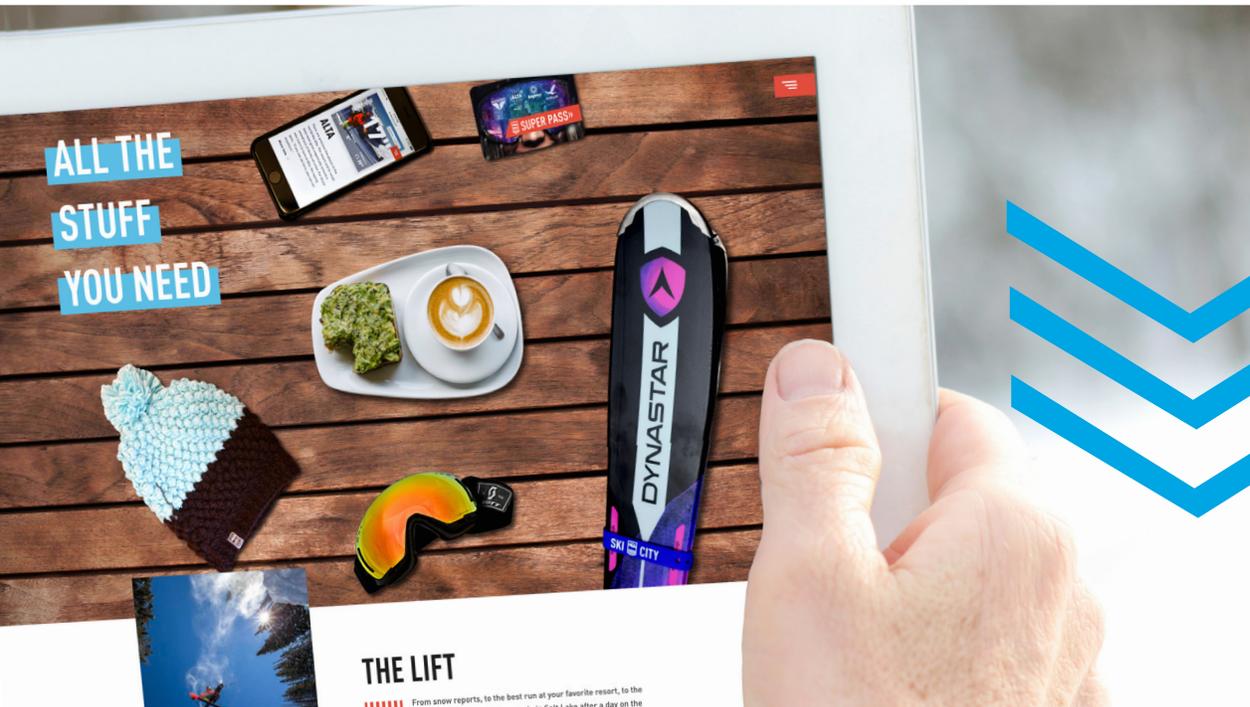
Eric Thompson, vice president of marketing for Visit Salt Lake, put it best, saying: "It's not just a cute name, it's who we are." And it was exactly that sentiment they wanted to capture within the new site. They needed a website design that sold a lifestyle, not just a destination.



The new website needed to convey the message that no matter what you wanted to do, you could do it in Ski City. And I think the Simpleview team delivered on that."



– KATIE VAN RIPER
Ski City Brand Manager



TIME TO HIT THE SLOPES

When Simpleview's Associate Creative Director Travis Yewell got ahold of the Ski City project, he immediately knew that he wanted to create a website that was just as unique as the concept.

Oftentimes, when it comes to promoting winter destinations and ski towns, designers will opt for a more rustic, "cabin in the woods" aesthetic. Instead, Travis and the Simpleview experience design team decided they wanted to convey a cool, mountain sports meets urban lifestyle. With Visit Salt Lake's full support, Travis and team had the creative freedom to begin pushing the boundaries of what was expected. The team recognized their challenge as this: they needed to create a site that was not only cool and conceptual, but also easy-to-use and intuitive.



We wanted to create a visually intriguing site with innovative features while maintaining a clean user experience."



— **TRAVIS YEWELL**
Associate Creative Director,
Simpleview

As they began brainstorming ways to showcase Ski City, they knew they wanted to rely heavily on high quality visual aspects, including a video overlay, animations and other visual design elements. In order to do so, the site needed a few seconds of load time. Knowing that lagging load times could negatively affect user experience and lead to higher bounce rates, the designers created a custom preloader to enhance the user experience, allowing the homepage to fully load before its reveal.

Then they really got creative, adding features such as full-page navigation and interactive snowfall calculators that update in real time. They even built an interactive widget to drive partner referrals. Need to find somewhere to eat? Click on the avocado toast. Forgot your winter hat at home? Tap on the beanie to find the nearest retail locations.

These innovative features would set the site apart from anything the city had ever done before, and set the user's expectations for a unique winter sports experience in Ski City.



TWO WEBSITES ARE BETTER THAN ONE

At the end of the ski season, Visit Salt Lake was able to see if the risk to separate their content onto two separate sites had paid off.

For SkiCity.com, the results were impressive. Sessions were up 27 percent over visits to the Visit Salt Lake site during the same period, and SkiCity.com's blog sessions soared to a 123 percent increase over the Salt Lake City blog.

The redesigned site also drove a whopping 118 percent increase in clicks to purchase a Super Pass, leading to a 40 percent increase in web sales of the Super Pass from the previous year.

Visit Salt Lake's partners were also thrilled with the investment that the DMO had made into the Ski City brand, knowing how integral winter sports tourism is to the local community.

Website sessions up **↑ 27%**

123% ↑ Blog sessions up

118% ↑ Increase in clicks to purchase a Super Pass

Increase in web sales **↑ 40%**

Information Questionnaire



ATTACHMENT "A"

VENDOR INFORMATION QUESTIONNAIRE

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	Simpleview LLC
Primary/Principal Office Address:	8950 N. Oracle Road, Tucson AZ 85704
Telephone Number:	(520) 575-1151
Email Address:	Kelly.genzman@simpleviewinc.com
DUNS Number (if applicable):	01-501-3951

Form of Ownership (check one):

- Corporation State Incorporated/Registered NC / Date Incorporated/Registered 3/11/13
- LLC
- Joint Venture
- Partnership: If Partnership, select one of the following: () Limited or () General
- Individual

Company has been in business since: 2001

List of Partners, Principals, Corporate Officers or Owners:

Name	Title
Ryan George	Chief Executive Officer
Scott Wood	Chief Operating Officer
Keith McLamb	Chief Financial Officer
Scott Meredith	Head of Contracts & Procurement

List of Corporate Directors:

Name	Title
Richard Reasons	President
Bill Simpson	Chief Technology Officer
Brad Wilford	Director
Eion Hu	Director

1. Have you had any contracts terminated for default or other performance reasons? Yes No
If yes, explain: _____

2. Has your company been convicted of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, has the conviction occurred within three (3) years immediately preceding either the date of submission of a

Information Questionnaire

bid/proposal, or the date of award of the contract?

If yes, explain: _____

3. Is your company involved in pending investigation or criminal prosecution of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, explain: _____

4. Does your company have pending claims, investigations, or civil litigation involving allegations of fraud, misrepresentation, or conversion? Yes No

If yes, explain: _____

5. Does your company have previous final judgments against the City for breach of contract, fraud misrepresentation or conversion? Yes No

If yes, explain: _____

6. Has your company failed to timely pay/remit sales tax, property tax, or utility payments to the City of San Marcos? Yes No

If yes, explain: _____

7. Has your company refused to execute a contract following an award by the San Marcos City Council?

Yes No

If yes, explain: _____

8. Has your company violated the anti-lobbying provisions in a current or previous City of San Marcos procurement process by making contact with a member of the San Marcos City Council prior to the award of a contract?

Yes No

If yes, explain: _____

9. Has your company furnished unauthorized substitutions of materials not meeting contract specifications in a current or previous contract with the City of San Marcos? Yes No

If yes, explain: _____

I, Scott Meredith, as Head of Contracts and Procurement

Name of Individual

Title & Authority

of Simpleview LLC, declare under oath

Company Name

that the above Statements, including any supplemental responses attached hereto, are true and correct, and that the representations made herein are accurate to the best of my knowledge and are based upon a diligent search of records. I further acknowledge that any failure to conduct a diligent search or to make a full and complete disclosure may result in cancellation of my contract by the City of San Marcos, and possibly debarment.

Scott Meredith

Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL

Price Proposal

Price Proposal Form (Attachment B) is attached. We've also included a further break-down of pricing on the following pages.



ATTACHMENT "B"

PRICE PROPOSAL FORM

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	Simpleview LLC
Contact Person:	Kelly Genzman
Primary/Principal Office Address:	8950 N. Oracle Road, Tucson AZ 85704
Telephone Number:	(520) 575-1151
Email Address:	Kelly.genzman@simpleviewinc.com

Website Redesign Cost:	\$45,000 (one-time), \$25,000 (annually)
Data Migration Cost:	Included w/ one-time fee
Implementation Cost:	Included w/ one-time fee
Initial Training Cost:	Included w/ one-time fee
Hourly Rates: (you may include this as a separate attachment)	\$125/hour * Discounted to \$100/hour if Support Plan is purchased

*You may attach a separate cost proposal outlining all associated costs for this project. Indicate if costs listed are required for this project or if optional. Include a project cost total for required expenses where appropriate. Also indicate if package/tier/discount rates are available for support, licensing, or other services.

I, Scott Meredith, as Head of Contracts and Procurement
Name of Individual Title & Authority
of Simpleview LLC, proposes to complete the
Company Name

Project for the prices listed in this Price Proposal Form for scope of work and services described in the RFP documents.

Scott Meredith
Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL

Investment Summary

Website Design	One-Time Cost	Annual Licensing
Responsive Sitemap Consultation & Content Roadmap	\$6,000	-
Discovery Session	\$2,000	-
Responsive Strategy, Usability & Design Development	\$25,000	-
Strategic Planning & Ideation	Included	-
Discovery Session	Included	-
Research & Findings Presentation	Included	-
Wireframes	Included	-
Digital Style Guide	Included	-
High Fidelity Prototypes	Included	-
Interaction Design & Development	Included	-
CMS Development Assets	Included	-
Content Collection, Page Creation & Data Migration	\$4,000	-
SEO Site Transition Program	\$4,500	-
Website Development Core Engagement	One-Time Cost	Annual Licensing
Navigation & Content Management (CMS)	-	\$16,000
Homepage Slideshow & Interior Header Management (Image & Video embed)	-	Included
Metatag Management	-	Included
Redirect Module	-	Included
Articles Module (Includes One Feed; \$500 One-Time/Additional Feed)	-	Included
Content Ownership	-	Included
RSS Feeds	-	Included
Template Generator	-	Included
Site Search	-	Included
Hosting and Sitewide SSL Certificate	-	Included
Code Editor (CSS, Template & Javascript Code Overwrite Capabilities)	-	Included
Responsive GEO Triggers (Listings, Coupons, Events)	-	Included
Add This Social Sharing	-	Included
Schema.org and Open Graph Tagging Capabilities	-	Included
Quality Assurance Testing	-	Included
Staff Training (conducted over the phone)	-	Included
Access to our client portal and training video resources	-	Included
Core CRM Integrations	One-Time Cost	Annual Licensing
Form Builder	-	Included
Partner Listings	-	Included
Calendar of Events	-	Included
Special Offers/Coupons	-	Included

Investment Summary

CMS Modules, Add-Ons, & Integrations	One-Time Cost	Annual Licensing
Asset Request	-	\$2,500
Blog (Includes One Feed; \$500 One-Time/Additional Feed)	-	\$1,500
Highlights Module	-	\$1,000
Media Gallery	-	\$1,000
Itinerary Building Tool	-	\$2,500
Google Maps	-	\$2,500
Social	One-Time Cost	Annual Licensing
Crowdriff Embed Integration	-	Included
Compliance & Accessibility	One-Time Cost	Annual Licensing
GDPR Banner (One-Time Fee)	\$500	-
Subtotal	\$42,000	\$27,000
Project Management Fee	\$6,300	-
Current CRM Customer Confidential Discount	-\$8,300	-\$2,000
Total Cost	\$40,000	\$25,000
YEAR ONE TOTAL	\$65,500	

Payment Schedule

We have proposed our standard payment terms and schedule below. Other arrangements can be discussed.

One-time Cost Payment Schedule	Amount
Project Deposit Equal to 50% of the One-time Cost Due Upon Contract Execution	\$20,000
Balance of One-time Cost Due 90 Days After Contract Effective Date	\$20,000

Recurring Cost Payment Schedule	Amount
Date of 90-day mark after effective date of agreement sets the anniversary date for Years 2 and beyond.	\$25,000

Recommended Items (Not Included in Proposed Investment)

Recommended Items (Not Included in Proposed Total)	One-time Cost	Annual Cost
SimpleSupport5 - 60 hours/year of post-launch website support for change requests and additional design/development work @ \$100/hour vs. standard hourly rate of \$125/hour	-	\$6,000
AudioEye ADA Complaint Tool	-	\$10,000
Search Engine Optimization	-	\$24,000
Search Engine Marketing SEM/ Paid Digital Marketing	-	TBD based on media spend
Content Creation and Strategy (annual engagement)	-	\$28,000
Email Marketing/Marketing Automation via Act-On	-	TBD based on number of contacts
Map Publisher	\$500	\$6,000
Book>Direct Widget	-	TBD
XML Listings and Events Feed to integrate VisitWidget	-	\$1,200

Additional Services (Not Included in Proposed Investment)

1. Customer Relationship Management (“CRM”)

Simpleview’s CMS was designed to fully integrate with Simpleview CRM. Simpleview was the first tourism industry technology provider to recommend and create a technology stack where your CRM, website, and interactive marketing are integrated tightly. Which means any time you update member/partner listing information, Google Maps data, business details, media files, contact information, social media, etc., they are dynamically available on your website. This two-way push/pull of data between the CRM and website will also allow you to capture new opportunities, subscribers, visitor data and literature requests via forms. In addition, any interactions with partner listings, events and coupons are also all tracked back into the CRM’s Partner Benefit Summary, so you can seamlessly report on all of your success. The City of San Marcos Convention and Visitor’s Bureau is currently in build with our CRM solution and the project will launch early 2020.

2. Email Marketing / Marketing Automation

As digital marketing continues to evolve, we believe, and see a true omni-channel marketing automation strategy is essential to any DMO. Two years ago, we completed a comprehensive review of Marketing Automation platforms and decided to partner with Act-On, a true industry-leader in the Marketing Automation space.

We are the marketing automation leaders in the tourism industry. We have implemented Act-On’s marketing automation platform with over 60 DMOs including both Leisure and Meeting Sales programs. Our experience and in-depth knowledge of the tourism industry has enabled us to develop a marketing automation framework that uses multiple channels and translates traffic into leads.

Act-On allows us the ability to lead score your website’s interactions with consumers and meeting planners to help automatically move them through the path to purchase. And with a Simpleview CRM integration with Act-On in place, you can ensure that any tracking and lead scoring associated with your marketing programs (emails, social media, landing pages and more) will be captured in your CRM.

Flow Chart: Act-On Integration

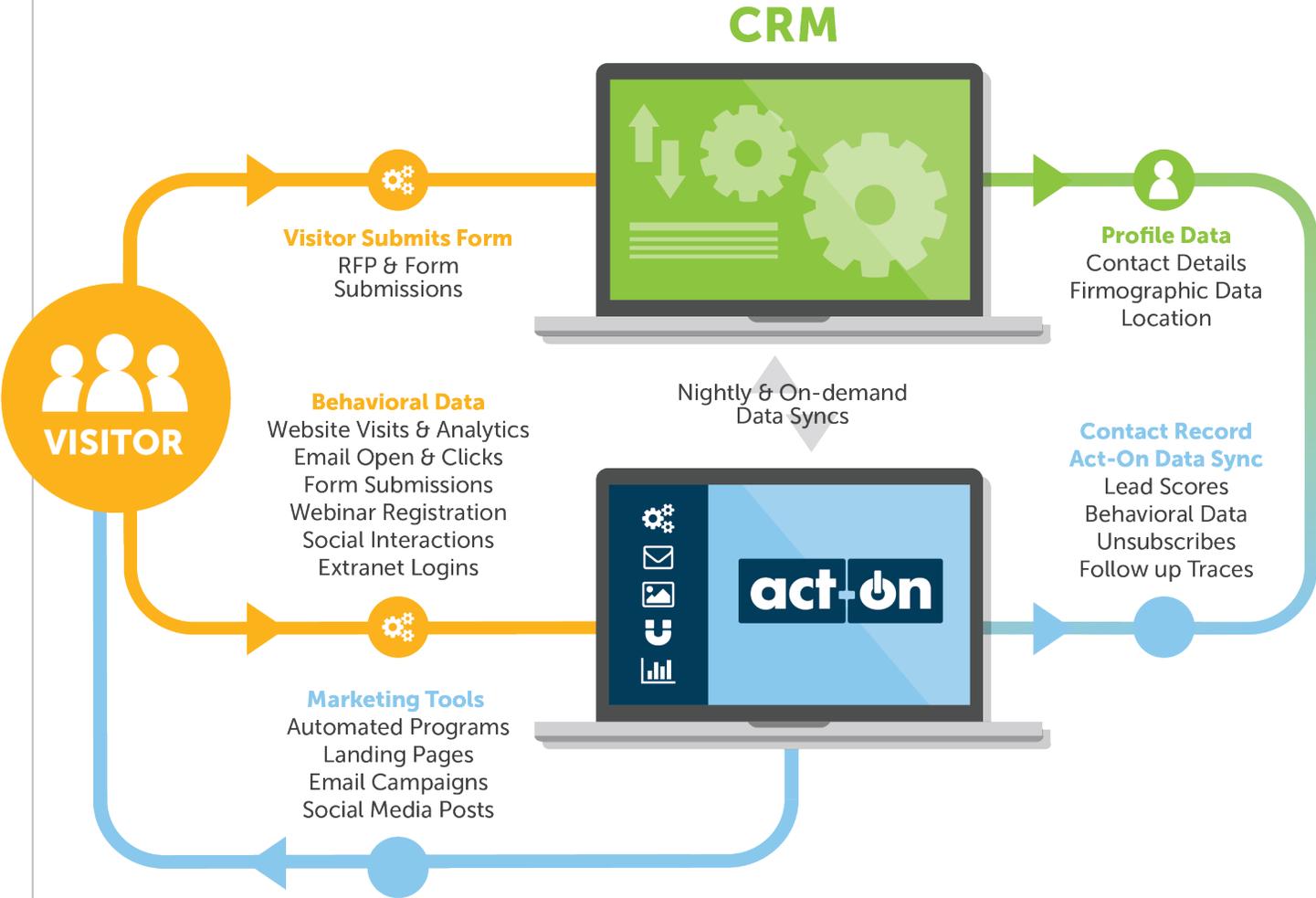


Image: Act-On seamlessly integrates with our tourism leading CRM. This seamless integration ensures your data and contact lists are always synchronized.

Additional Services (Not Included in Proposed Investment)

3. SEO

Search Engine Optimization is an ongoing process that continues long after a website has been launched. Our job is to continually refine and evolve your site, building on strengths and correcting weaknesses to constantly improve your organic traffic quality and volume, increase bookings, build your databases and meet other goals. At the beginning of an ongoing SEO engagement, Simpleview gathers all members of the search engine marketing team to review the project scope, goals and objectives in an internal strategy session. Once this has taken place, the team reviews the marketing strategies and KPIs that have been set up and tracked in Google Analytics. A full site evaluation and Competitive Analysis Report is then performed, which provides an SEO roadmap for the upcoming years activities.

Our website analytics services start with correctly reviewing Google Analytics throughout your site to provide detailed information on visitors and their behaviors on your site. Each month, we study the queries and referrals that brought visitors to your site, traffic patterns, bounce rates and other important engagement information, recommending site refinements and marketing initiatives to increase your website returns. Some of our organic optimization activities include the following:

- Developing annual SEO account plan
- Detailed monthly reporting
- Constant monitoring and optimization
- Competitive analysis report
- Technical barrier report
- Deep keyword research and analysis
- On-page optimization
- Redirects and friendly URLs
- Tracking for marketing initiatives
- Link building strategy
- SEO related developer work included with all engagements

Additional Services (Not Included in Proposed Investment)

4. Search Engine Marketing (“SEM”) / Paid Digital Media

Simpleview specializes in managing custom Search Engine Marketing (SEM) and Pay-Per-Click (PPC) campaigns for destinations and attractions in the travel and tourism industry. Our philosophy revolves around having expert, non-automated analysis and optimization of all PPC campaigns. Currently, we average over a 5% click through rate and under \$0.30 per click across all DMO accounts. A paid search campaign works best when paired with an organic SEO campaign, which helps to increase overall web traffic from all angles.

Simpleview SEM services offer a full range of media options for destination marketing organizations from strategic planning and media buying to optimizing results for interactive advertising campaigns. We collaborate with our clients to achieve their targeted goals and adjust our tactics to meet market demands. Every member of the SEM team is certified in Google Adwords and only works in the travel and tourism space making us the industry experts in paid media.

As with any campaign our strategy begins with getting a good understanding of your website objectives and goals. Equally important is spending some time researching your competitors to get a true understanding of the overall market. Doing this initial research gives our team the ability to develop a strategy that best fits your needs and takes any potential challenges into account.

The goal of most DMO campaigns is to drive qualified traffic and increase conversions. To achieve the highest traffic and conversions possible it is important to have a team that will constantly optimize (especially since travel is an incredibly competitive space). Our initial focus is to conduct research on the search terms used by your target audience. Since we only work in the travel and tourism space we have years of experience that give us a unique advantage over others. Armed with that knowledge we'll develop an SEM strategy to reach your goals. This may include doing paid search, setting up retargeting campaigns through remarketing lists for search ads (RLSA), contextual and audience targeting, or even social media ads through Facebook advertising. Along the way we'll continually optimize, reducing the costs you pay per click and improve conversion rates to maximize your search engine marketing ROI. Equally important is that we aren't cannibalizing your SEO efforts. Our team keeps a close eye on this by reviewing reports that give us insight into how each channel is performing.

Additional Services (Not Included in Proposed Investment)

5. Content Development and Strategy

Simpleview proudly offers content creation to our clients. Our team will collaborate with key staff, stakeholders and agency partners, leading the group through a series of exercises designed to ensure website content lets visitors quickly find the information they want and easily complete tasks. At the beginning of a full content marketing engagement our team has a kick-off call with you to discuss key business objectives. This begins the strategy and planning phase of the content creation process.

We'll ask your team questions such as:

- "What are your goals?"
- "What content drives traffic to your site?"
- "What are your current conversion rates?" and
- "What content marketing strategies are currently in place?"

The primary objective for DMOs typically falls into one or more of four buckets:

- Increase referrals to partners (CPR)
- Increase onsite engagement (CPE)
- Increase leads (CPL)
- Increase sales (CPS)

After your primary objective is determined, our research experts take a deep dive into your site and conduct an audit where we execute a sitemap analysis, keyword analysis, competitive analysis, engagement analysis, and content distribution review. The findings of the report lead the way for the content team to create a content roadmap, which will define the types of content needed for future creation.

Once research is complete and a content roadmap developed, content creation activities will begin. A quarterly phone call will be setup to discuss and review your content marketing report as well as to discuss upcoming content creation items.

Additional Services (Not Included in Proposed Investment)

6. Digital Campaign Development and Strategy

Over the last few years, consumer behavior has experienced huge shifts triggered by a greater demand for personalization, growth of digital channels, and increased mobile use. Visitors are now overwhelmed by an abundance of information and options, a feeling magnified by shorter attention spans to navigate them. The traditional travel purchase cycle we once knew is evolving, which means today's DMO needs to adapt to a new landscape.

Simpleview's Digital Marketing department offers a full suite of services that will lift your brand and website presence. Simpleview provides a comprehensive, fully-integrated solution that includes the services for a successful online marketing campaign through our six-step framework: research, creation, optimization, amplification, testing, and proper measurement.



Additional Services (Not Included in Proposed Investment)

RESEARCH:

Your destination is more than just Keywords. Making an informed data-driven decision begins with research. Research is the foundation of everything we do—it provides a clear roadmap for digital strategy and insights, and paves the way for success.

CREATE:

We develop content that engages your audience and inspires them to take action. Our team recommends telling a story through a combination of original (website, blog), curated (UGC), and even sponsored content (guest bloggers, influencers).

OPTIMIZE:

Our team spends nearly 30,000 hours per year optimizing DMO websites for search—no other agency can make that statement. The landscape is ever-changing for DMOs, yet organic search is still the #1 source of traffic, accounting for more than 53% of overall site traffic. The City of San Marcos Convention and Visitor's Bureau is empowered to take advantage of this through our full SEO services suite, which ultimately positions you to reach engaged travelers who are actively looking for the information and inspiration The City of San Marcos Convention and Visitor's Bureau has to offer.

AMPLIFY:

We provide intelligent and effective PPC, email marketing, social media advertising, influencer marketing, YouTube ads, and more. These channels not only promote, but amplify digital content to increase the likelihood of destination arrivals. Our team recommends targeting, tracking, testing, and optimizing paid media efforts to deliver the right message to the right person at the right time.

Additional Services (Not Included in Proposed Investment)

TEST:

Are you balancing your site's intentions with your visitor's experience? Testing and CRO will let you know. Conversion is one of the most crucial metrics that DMOs should consistently monitor. For destination marketers, this doesn't always mean a sale; however, it does indicate that a visitor completed an action that pushes them further down the funnel toward a purchase. The City of San Marcos Convention and Visitor's Bureau is currently engaged with Simpleview in our full-service CRO and testing program that compliments your Dynamic Content and A/B Testing modules. More importantly, it allows you to avoid decisions based on gut feelings and instead focus more on data-driven digital marketing strategies.

MEASURE:

DMOs often drown in data, and focus on the wrong metrics. As a destination marketer, it's possible to track many metrics well, yet never measure what really matters for your organization. We begin by identifying the outcomes your DMO wants to achieve, and then determine the best way to measure for those goals. Our Business Intelligence team will work with you to analyze information with detailed reporting and data-visualization tools, like Destination Dashboards, so your team has helpful insights.

A large Saguaro cactus stands prominently in the foreground, its arms reaching upwards. The background features a vast desert landscape with various other cacti and shrubs, set against a backdrop of mountains under a sunset sky. The scene is bathed in the warm, golden light of the setting sun, creating a serene and picturesque atmosphere.

Appendix A: Additional Information



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

2/20/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Crest Insurance Group, LLC 5285 E Williams Cir. Ste 4500 Tucson AZ 85711	CONTACT NAME: Lori Steiner	
	PHONE (A/C No. Ext): 520-881-5760	FAX (A/C. No.): 520-325-3757
E-MAIL ADDRESS: LSteiner@crestins.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : American Casualty Co. of Reading PA		20427
INSURER B : Continental Insurance Company		35289
INSURER C : Columbia Casualty Company		31127
INSURER D :		
INSURER E :		
INSURER F :		

INSURED SIMPHOL-01
 Simpleview LLC
 8950 N. Oracle Road
 Tucson AZ 85704

COVERAGES **CERTIFICATE NUMBER:** 745127644 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			6050463165	9/29/2018	9/29/2019	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
							MED EXP (Any one person)	\$ 15,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			6050463151	9/29/2018	9/29/2019	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0			6050463179	9/29/2018	9/29/2019	EACH OCCURRENCE	\$ 8,000,000
							AGGREGATE	\$ 8,000,000
								\$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			6056637307	12/31/2018	12/31/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C	Professional Liability/ Cyber Liability			596832209	9/29/2018	9/29/2019	Per Claim Aggregate	\$ 3,000,000 \$ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Professional Liability-Policy Number 596832209, 9/29/18-9/28/19- Business Interruption & Extra Expense Limit \$3,000,000

CERTIFICATE HOLDER**CANCELLATION**

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Cody Ritchie

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ACORD 25 (2016/03)

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Website Design & Development

Smart, proven, beautiful design. That's what you see, but Simpleview websites are more than meets the eye.

We've been building destination websites since 2001, and have continued to build more than 400 sites for places as far apart and different as the town of Mat-Su, Alaska, the State of New Mexico, and the country of Norway.

WHAT YOU'LL FIND IN THIS SECTION:

Design Overview



EXPERIENCE DESIGN (XD)

Smart, proven, beautiful.



Simpleview’s Experience Design group creates each DMO’s website from scratch, specific to the destination, and focuses on the quality of the user’s overall experience. We work with you to bring your location to life in distinctive ways, creating a custom design meant to leave a lasting impression.

We collaborate closely with our talented CMS developers, who turn your individual design into an easily and efficiently managed content solution. All along the way, your dedicated Simpleview Project Manager, Experience Design Lead, Interactive Designer, Search Engine Optimization (SEO) Analyst, and CMS Developers communicate openly so there are no surprises.



WEBSITE BUILD PROCESS



Based on collaboration and technology expertise, and carefully reviewed-over time, our design and build process has evolved into a refined, 12-step method, meticulously designed to provide the best experience for our clients and streamline internal workflow. This proven design process reduced turnaround time from the project kick-off to design approval by more than 60%, and over 30% of the website designs presented were approved as is. Some recent design presentations even received client approval on the spot, an impressive accomplishment for all involved and a testament to prudent planning and communication.

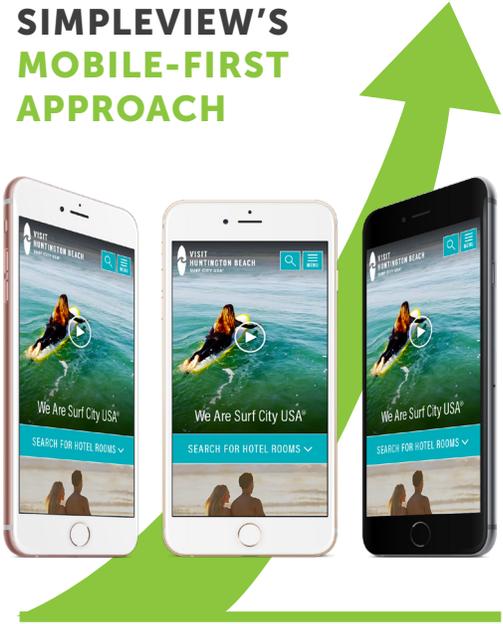


RESPONSIVE DESIGN

As smartphone and tablet use continues to proliferate, (not to mention smart TVs and wearable tech) it is critically important to make your content available to audiences when and where they want it. While there are certainly cases where a dedicated native app makes sense (Simpleview has an entire division – VisitApps– dedicated to mobile app development), Simpleview’s go-to approach in recent years has been responsive design.

For the majority of our clients, traffic from mobile devices has surpassed desktop traffic. We therefore recommend a mobile-first approach, and we can collaborate with you to prioritize the most important requirements and elements for various screen sizes and use cases – we can hide elements to minimize the need to scroll. Additionally, we can continue to allow users to search “what’s nearby” using geo-location.

SIMPLEVIEW’S MOBILE-FIRST APPROACH



GRAPHIC DESIGN FOR MOBILE



Simpleview has designed and developed more responsive-design websites for destinations than any other firm.

Through extensive analysis and usability testing, we have honed our mobile-first responsive design approach; a great deal of thought and planning goes into information architecture, wireframing, creative and UI design to ensure an optimal experience.

Whether it’s a desktop PC, tablet, smartphone, kiosk or smart TV, Simpleview will help create the best possible experience for your audiences. As we will highlight later in our proposal, the Simpleview CMS itself is responsive, and allows real-time previews of pages in desktop, tablet and smartphone views.



1. Project Kick-off

- Introduce Simpleview website team
- Review process
- Identify key decision maker(s)



2. Orientation Meeting

- Review contract
- Discuss timeline
- Q & A with your dedicated Project and Account Manager



3. Discovery Meeting

- Review site with your dedicated Design Lead and Search Engine Optimization (SEO) Analyst
- Discuss site expectations in addition to your brand, engagement, and content strategy
- Collaborate and refine goals and KPIs for the new site



4. Research & Planning

- Your SEO Analyst will identify your website audience needs.



5. Findings Presentation

- (Optional) Destination Immersion led by DMO staff
- Receive analytic data from your SEO Analyst that defines your website audience
- Review findings from brand assessment with our Creative Director
- Your Simpleview team presents the recommended new site structure



6. Digital Style Guide

- Learn how to communicate the essence of your brand for the web

Advanced Sitemap

- Review recommended content road map





7. Design Presentation (High-fidelity Prototypes)

- Receive highly detailed functional prototypes from our Experience Design group for prototyping
- Approve design, then website moves into development
- Set website launch date



8. Website Development

- Powered by Simpleview CMS, the industry's most advanced content management system for creating, revising and managing website content
- Built as a SaaS (Software as a Service) platform



9. CMS Training

- Simpleview staff trains your team on CMS basics
- Access the online user forum, webinars, and document library



10. Website Review

- Site functionality tested and reviewed by our quality assurance team
- Website reviewed by our Experience Design group to ensure it matches the design and intended performance
- Final inspection completed by your Project Manager before it's turned over to you for review



11. Website Launch

- An exciting, collaborative event requiring participation across multiple departments
- Time to celebrate a successful project!



12. 30-Day Punch List

- A 30-day transition (post-launch) period for you to identify any issues and request functionality adjustments





Integrated Solution

Two-gether is better.

Two solutions are better than one. And when they integrate seamlessly to let your team accomplish more goals in less time, make your partnerships more powerful, and engage more visitors, two solutions become one powerful pair. Find out why more than 250 destinations use Simpleview's integrated solution.

WHAT YOU'LL FIND IN THIS SECTION:

Integrated Solution (CRM + CMS) Overview

Tool Descriptions: CRM, CMS

Software as a Service (SaaS) Defined





Integrated Solution

Simpleview CRM & CMS: A Fully Integrated Management System, a Full-Service Solution



Your website and business relationships don't exist in separate worlds, and neither should the tools you use to manage them.

Through the years, we've designed and launched hundreds of DMO websites—all powered by the Simpleview Content Management System (CMS)—and have implemented Simpleview Customer Relationship Management (CRM) for 300+ DMOs. As you would expect, the Simpleview CMS is inherently and seamlessly integrated with the Simpleview CRM system.

In fact, Simpleview was the first in the industry to link CRM and CMS, and the first company to extend the integrated solution to sites optimized for mobile web. The goals of this

integrated marketing approach? To make the destination marketer's job easier and, most importantly, provide a better user experience for staff, partners, and customers. What's more, it allows your team to accomplish more in less time, make your partnerships more powerful, and engage more customers by eliminating inefficiencies, lost data, and lost revenue that can result from juggling information across multiple systems.

In addition to enhanced capabilities for site administrators with regard to database-driven content and forms (among other advantages), this single platform approach also eliminates the costs associated with integration and means single-source accountability. Nearly 200 clients (including some of the largest destinations in the United States) utilize this integrated solution every day to make processes and communication easier.



Simpleview CRM & CMS: A Fully Integrated Management System

Simpleview CRM & CMS Communication



Consumer information, such as form submissions and tracking data, flows from the Website/CMS into your CRM.

Below are just a few of the consumer information pieces that travel from the website/CMS to CRM:

- Visitor Guide/brochure request forms
- RFP submission forms
- eNewsletter signup forms
- Partner listing views
- Listing click-throughs

Member/Partner content and data flows from your CRM to the website/CMS.

Below are just some of the member/partner details that travel from the CRM to the website/CMS:

- Business information
- Listing descriptions
- Amenity information
- Images
- Special offers
- Meeting facility information
- Events
- Geo data



Simpleview CRM & CMS

A FULLY-INTEGRATED DESTINATION MANAGEMENT SYSTEM

The union of this powerful pair offers a seamless full-service solution. The integration equates to:



Efficiency

A more consistent experience for staff, partners, and customers.



Accountability

Automatic tracking of all your activities and successes in one system, with the results tied back to your partners to show them the value of your efforts.



Savings

Lower costs than having disparate solutions. Not to mention the time you'll save due to powerful partner integrations.



Support

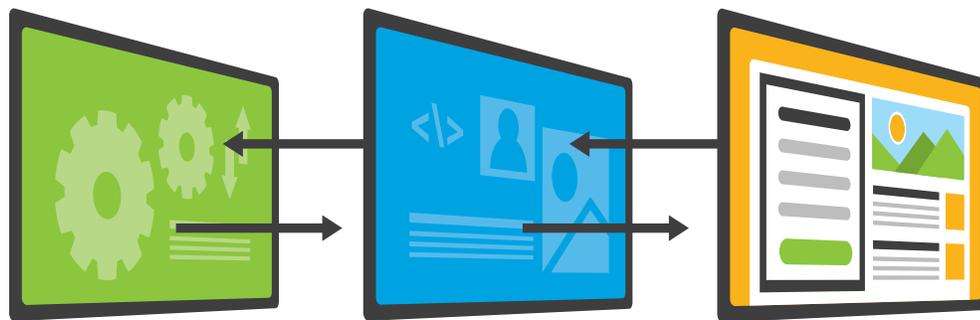
Always available, but you'll probably need less of it, as both tools are built especially for the way DMOs work, and function that way right out of the box.





Simpleview CRM & CMS

TOOLS THAT WORK TOGETHER FOR DMOs



SIMPLEVIEW CRM

Partner Listing Analytics, Visitor Guide Requests, RFPs, and More Feed From the Website into the CRM

SIMPLEVIEW CMS

Partner Listings, Events, and Forms are Managed in the CRM and Feed to the Website Via the CMS

WEBSITE

CRM & CMS Work Together to Create the DMO's Website

On a feature-by-feature comparison, these two tools have more power than any other options out there – and they have years of user group input, advisory board insights, and client and partner feedback to back them up. This not only makes them more intuitive to your organization's needs from the get-go, but also drives our continuous research, development, and innovation so you can rest assured you're always building on the best tools in the market.

Not only are you able to seamlessly push data out of CRM to the website, but the integrated solution also pushes partner tracking (listing views/click-throughs, coupon downloads, event views, etc.) back to the CRM including consumer data captures (newsletter signups, guide requests etc.). The CRM can facilitate fulfillment of these items or integrate with a third party fulfillment company. The tracking can be viewed via the partner extranet, be part of ongoing reporting at a more granular partner-by-partner level, or at a more macro regional/state level.

These tools are also scalable; making the benefits of integration available and affordable for DMOs of all sizes and budget ranges. Both Simpleview CRM and CMS are offered as Software as a Service (SaaS) platform, which ensures users are always protected and provided with updates as soon as they're released.



Industry Specific Tools

Our integrated solution combines industry-specific, cloud-based tools of the highest quality, vetted by thousands every day.



Simpleview CRM

Simpleview CRM combines relationship management with sales, reporting, forecasting and more. Our industry-specific CRM is created for every customer you serve – not just those planning a vacation, and not just partners and meeting planners, but your board, film crews, sports teams – everyone. It’s also the industry’s only CRM solution seamlessly tied to a powerful content management system: Simpleview CMS.



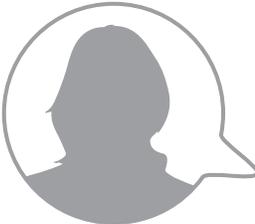
Simpleview CMS

Simpleview CMS is the destination marketing industry’s most advanced platform for creating, editing, managing and distributing web content, and is harmoniously integrated with Simpleview CRM. Continually evolving through collaboration with DMOs, our CMS is designed to work the way you work. It gives you as much control over your web content as you want – not just text and images, but also special offers from your partners, video galleries, social media and more.



Industry Specific Tools

On a feature-by-feature comparison, these two tools give you more power than any other options out there – and they have years of user group input, advisory board insights, and client and partner feedback to back them up. This not only makes them more intuitive to your organization’s needs from the get-go, but also drives our continuous research, development, and innovation, so you can rest assured you’re always building on the best tools in the market.



“Simpleview’s CRM and CMS systems are very robust– you can do so much with the integration.”

Jasmyn Goodwin, Visit Omaha

“We’ve found a lot of efficiency by having both the CRM and CMS within one organization at Simpleview.”

Lilly Kelly, Visit Anchorage





THE POWER OF Software-as-a-Service (SaaS)

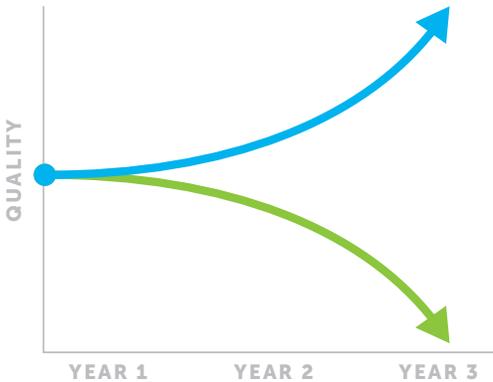
HOW THE COMPETITION DOES IT:

The “old school” approach to website development was a broken model: it requires a major up-front investment to develop a website on the current version of a CMS, using current approaches to UI/UX and the immediately starts to become outdated as soon as the site launches. This forces DMOs to get as much “mileage” as possible out of their investments, often using the same site for over five years – all the while technology is evolving. After enough time has passed, they have to do the whole process over again.

HOW SIMPLEVIEW DOES IT:

Simpleview has broken the cycle by creating a CMS that is a Software-as-a-Service (SaaS) platform. Customers now pay-as-they-go for a CMS license – this allows the CMS to update as needed, with no additional fees to the customers, ensuring that customers always have the best and latest technology available for DMOs.

QUALITY over TIME

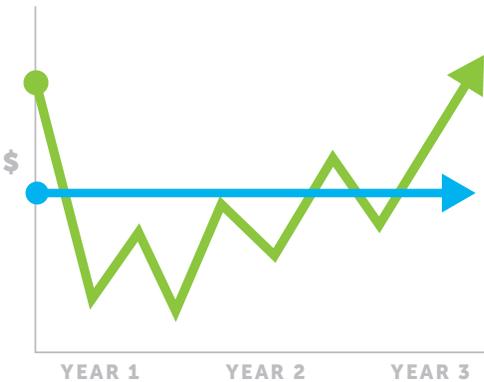



Simpleview CMS

Competitor (old way)

Never out of date, constantly improving

COST over TIME



Predictable pricing, easy to budget



ADVANTAGES OF SaaS –WHAT’S INCLUDED?

All Updates, Versions, and Upgrades Included – This model allows our developers to push core updates, enhancements, point upgrades, and full version upgrades to all clients simultaneously, in real time, ensuring that they are protected and will always have the latest and greatest technology available as the platform grows and evolves over time.

Website support Costs are Reduced – Browser updates, general code fixes, and third-party API updates will be included. This removes the “white noise” of web maintenance and insulates you when the Twitters and Googles of the world update their APIs. The

Freedom of Design – You are no longer limited by development layers. Easily and inexpensively refresh the look of your site or take on a full redesign without having to rebuild the entire site on a new version of the CMS.

Open Source Community – Not only can a developer utilize open source extensions, but solutions developed by your team are yours to keep.

World-Class Hosting and Global Content Delivery Network – We’ve partnered with Edge Hosting to provide tier one hosting for our customers, and Verizon’s EdgeCast global content delivery network (CDN) to serve your content faster to users around the world and eliminate downtime.

SaaS at a Glance:



- Incredibly fast service
- Nimble response to emerging technologies
- A new, affordable pricing structure with the ability to plan long term for budgets
- Significant extension of the life of customer websites and relationships

LEARN MORE ABOUT SAAS

Check out our blog: Lightning in a Bottle: [The Benefits of Software as a Service](#)

Simpleview CMS

Simpleview CMS allows everyday users to accomplish anything they **need** to do, while empowering advanced users to do anything they **want** to do.

As industry leaders in destination marketing, we've once again pushed our platform further than ever before. Guided by client and user group feedback, Simpleview CMS is the most powerful and user-friendly content management system available for DMOs.

WHAT YOU'LL FIND IN THIS SECTION:

Simpleview CMS Overview

Module & Integration Examples

Tasks

All your tasks are complete!

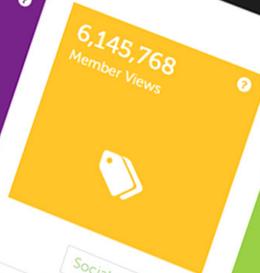
Action Items

0	Asset Requests Pending
15	Unpublished Pages in Site: Primary
1	Listings Pending
505	Listings without Media
189	Listings without Geocoding
30	Events Pending
86	Events without an Image
226	Events without Geocoding

SimpleFeed

12/15/2015	New Feature and Documentation Up...	Read More
10/27/2015	New Feature and Documentation Up...	Read More
9/21/2015	New Feature and Documentation Up...	Read More
8/20/2015	New Feature and Documentation Up...	Read More
7/20/2015	New Feature and Documentation Up...	Read More
6/30/2015	New Feature and Documentation Up...	Read More
6/3/2015	New Feature and Documentation Up...	Read More
5/7/2015	New Feature and Documentation Up...	Read More

At A Glance...



Stats



Top Pages

1	4,945	/events/
2	3,892	/blog/post/grand-rapids-golf-course-becoming-a-wi
3	3,562	/
4	3,459	/events/search-events/
5	3,309	/things-to-do/
6	2,091	/blog/post/9-west-michigan-festivals-and-events-ya
7	1,719	/things-to-do/attractions/
8	1,426	/things-to-do/family-fun/

Site Activity



MacBook Air

Simpleview CMS

Content Management Designed for Destination Marketing Organizations

Guided by years of client and user feedback, Simpleview CMS delivers DMOs a website management system flexible enough for both standard and advanced users, and incorporating features uniquely designed to bring the best information and services to visitors, planners, and partners. From web modules like itinerary builders to consolidated visual analytics, our CMS options are intended to address the day-to-day needs of DMOs, right out of the box. Because our CMS is built as a Software as a Service (SaaS) platform, users receive higher quality updates, faster. Plus, you benefit long-term from the scalability. Redesigning your site down the line to meet new goals is easier and more cost-efficient.

Open Source Solutions

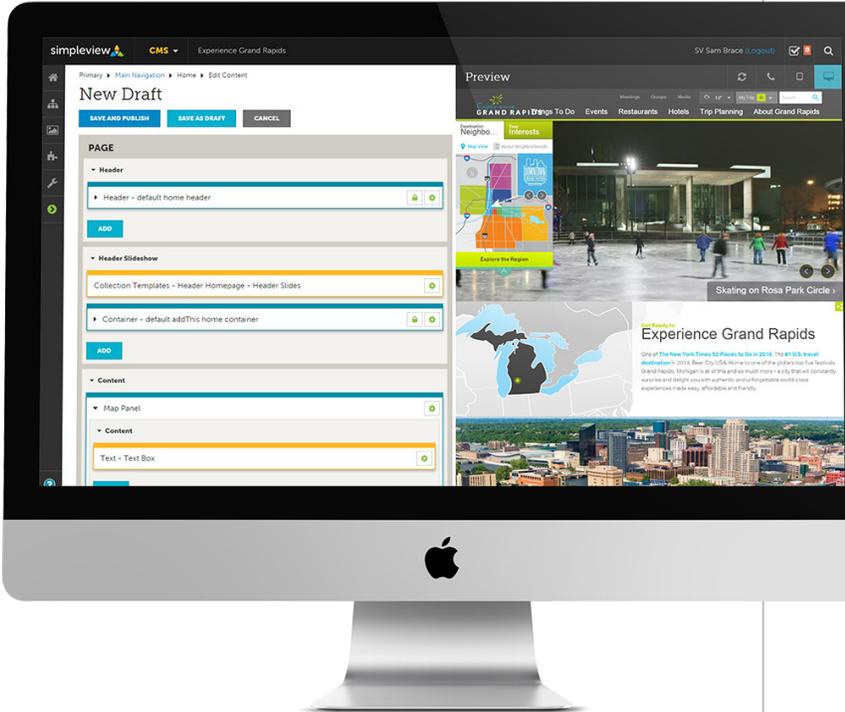
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Industry-Tailored Tools

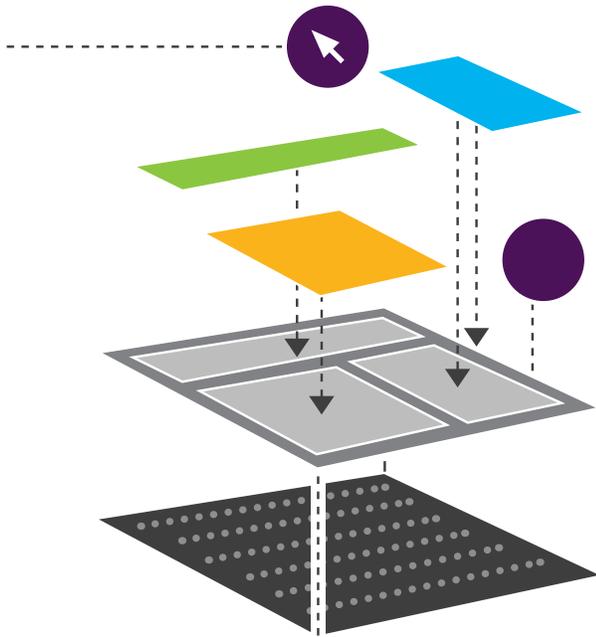
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Years of Client/User Feedback

= a CMS for you & users of all levels



Simpleview CMS Delivers



*A short CMS overview demonstration can be viewed online at <https://youtu.be/VlxFMs4A0XM>

- Exactly what your marketers **need**, plus everything an advanced users **wants**
- An **industry-specific** tool vetted by thousands of DMO users and leaders daily
- A **scalable, modular solution** for DMOs of every size and budget
- A **SaaS platform**, providing the most up-to-date technology and better support
- The most **advanced, open source technologies**
- **Freedom of design**, without technology limitations
- Simpleview **CRM integration**

Software as a Service (SaaS) Platform



The industry standard, SaaS is web-based software that delivers:

Faster access to high-quality technology and security updates

A scalable, modular solution for DMOs of all sizes

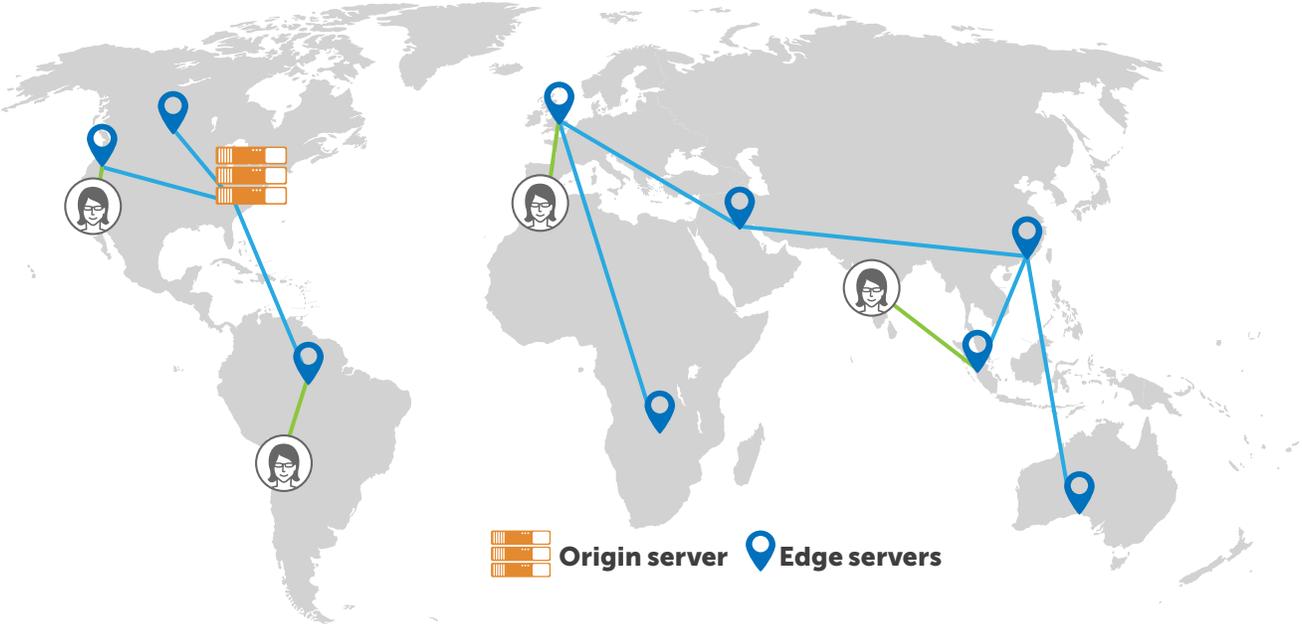
Quicker content delivery

Smoother, more cost-effective redesign options

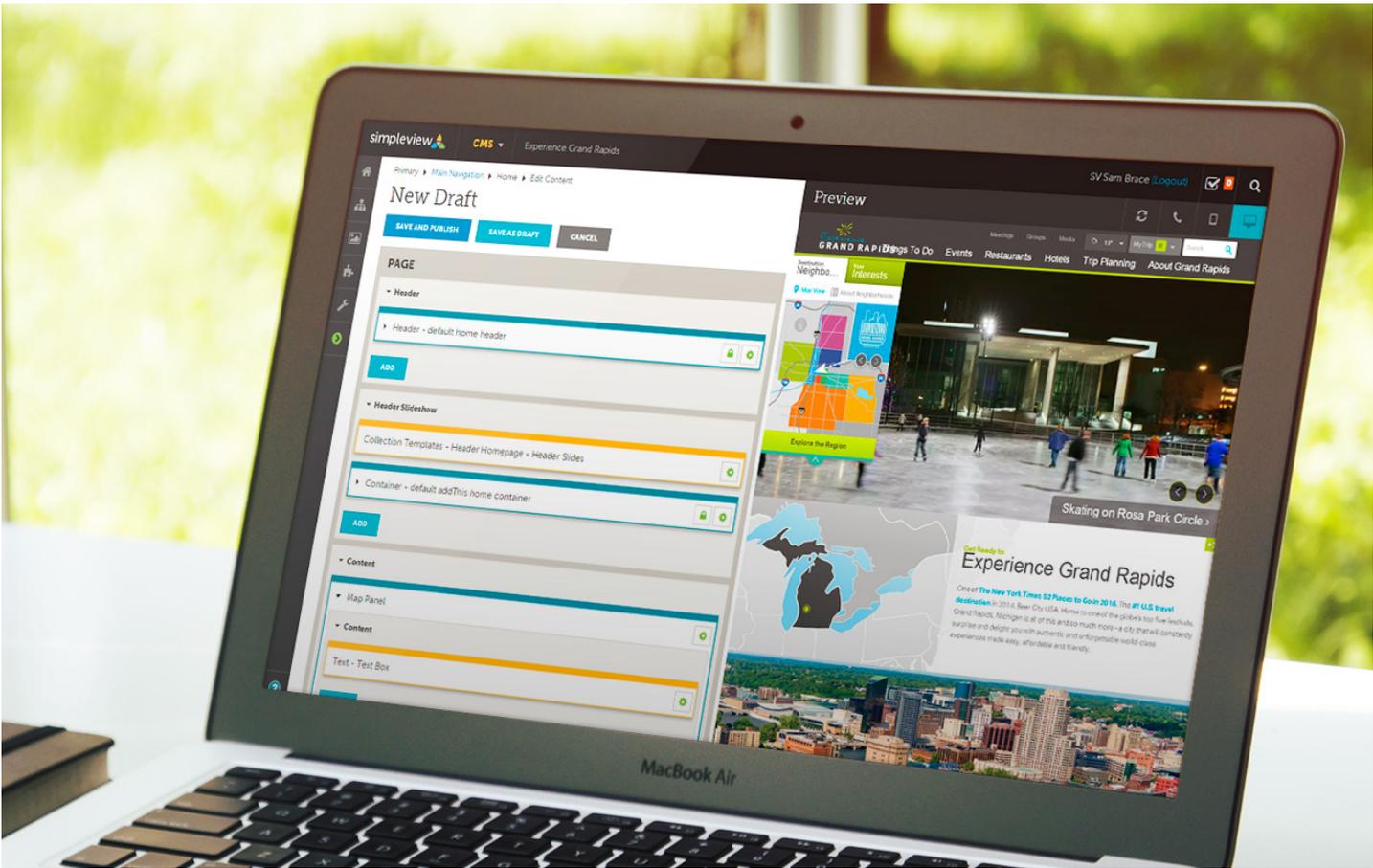
Open Source Technologies

node.js is our primary development language. JavaScript is the language behind this cross-platform environment and a language that just about every programmer knows, making it easier for your programmers to work seamlessly with us, and for us to hire quality talent. It offers better scalability, a huge user community, with the #1 code repository on Github, and it's where companies like LinkedIn, PayPal, eBay, AirBnB and others have moved.

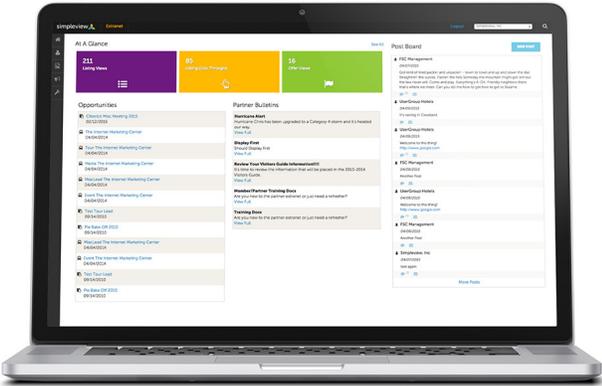
MongoDB is a document database that provides easy scalability, and high performance and availability. In MongoDB, objects map nicely to programming language data types, and embedded documents and arrays reduce need for joins. In addition, it is also faster, takes up less storage, and uses less processing power.



We use **Edgecast** to effectively replicate your site all over the world. Riding on the biggest Content Delivery Network (CDN) on the planet, we can connect users to a real-time copy of your site at a node that is closest to them. This not only means faster performance, which adds to the user experience, but also increases search rankings and improves reliability. Should something happen to a site at our datacenter, whether there's a bug, a denial of service attack, or any other issue, these nodes remain up while we address the problem. This is something that no other CMS natively offers as part of licensing.

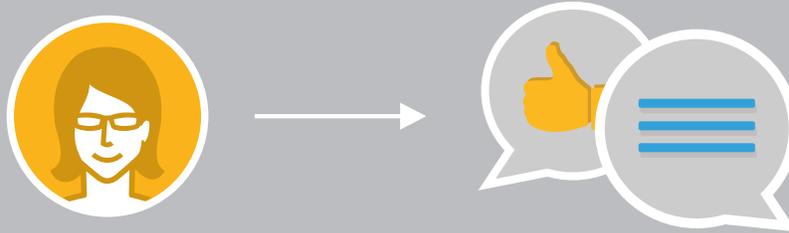


With Simpleview CMS,
DMOs benefit from:



- Reimagined feedback and design
- Unrivaled industry tools
- Intuitive content creation
- Powerful updates and support

Reimagined Feedback & Design



Dashboard analytics, tasks, and updates:

Get a snapshot of key site statistics, tasks, and updates all in one, centralized location.



Easy-to-use navigation and iconography:

Finding information and completing tasks goes smoother than ever.



Greater screen real estate:

Display more information in one place.



Advanced user access:

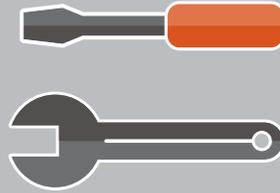
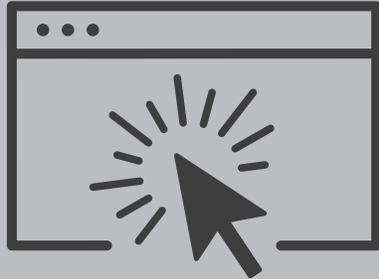
Ability to not only make cost-effective customizations to your site with CSS, HTML, and Javascript, but also edit stylesheets, upload templates, and more.



Real-time feedback page editing:

Don't waste time previewing each individual change; see them as they happen, without stepping out of the editor.

Unrivaled Industry Tools



Industry-specific web modules, functionality and partner integrations:

Battle-tested by DMOs for over a decade, our industry-leading modules include event calendars, partner listings, forums, itinerary builders, and more.

Full permissions and task management:

Encourage efficient workflows.

Responsive page preview:

Test how your website appears across all devices, including mobile, tablet, and everything in between.

Simpleview CRM integration:

Seamless service both internally and externally. Simpleview CRM and CMS were designed to work together, allowing you do more in less time.

Destination Dashboards integration:

Destination Dashboards allow you to view all your data in one centralized location, expanding your reporting capabilities and presenting key metrics in a visual way, proven to be more effective for communicating data to key stakeholders.

Intuitive Content Creation

Content control:

You have as much control as you want, not just for text and images, but also for special offers from partners, video galleries, social media, and more.

Top response times:

Our content delivery network (CDN) allows users worldwide to see your content faster and helps prevent site crashes.

Drag-and-drop functionality:

Drag widgets from one column or row to another, instantly changing the layout of your content.

Reusable Content Collections:

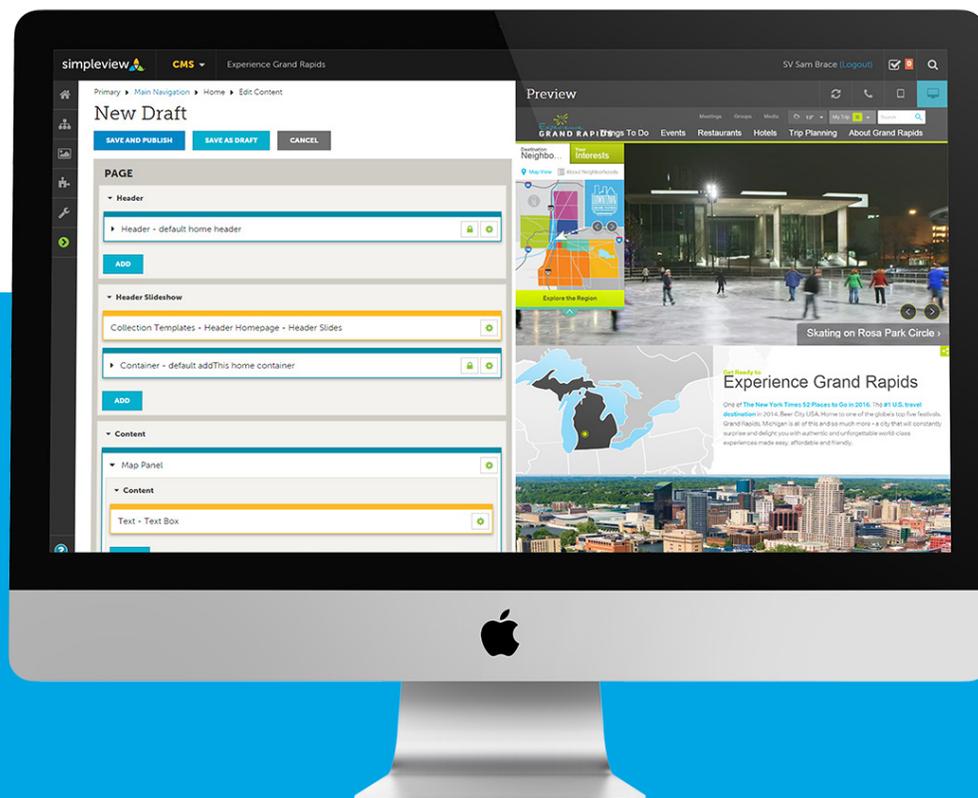
Save collections of code to reuse on similar pages, or combine to create entirely new ones.

User-friendly template building:

Use panels and widgets to organize specific content where you want it to reach the right audience.

Microsites:

Quickly create event-specific or campaign sites with specialized content.



Powerful Updates and Support



Single to multi-tenant platform:

Whether a small town or big city, one or multiple sites, Simpleview CMS is scalable to meet your needs.



Higher quality updates, faster:

The SaaS platform ensures core updates are rolled out to everyone at once—meaning developers don't need to update each individual product.



Enterprise level global content delivery network (CDN):

We've partnered with Cloudinary to provide faster turnaround for delivering your content.



Safe and secure:

Spend less time on the technology, and more time marketing your destination. Coupled with hosting, you can minimize IT expenses.



Training and ongoing education:

We always offer training and ongoing education, no matter how you want to learn more about Simpleview CMS and its capabilities. Get hands-on training for your staff from our experts or free online guidance through the CMS knowledge base and peer-to-peer forum.

Project Timeline: Website Design & Development

Website development is an intensely collaborative process, with deliverables and deadlines on both sides. The lynchpin in any site development is the design phase, the length of which hinges on how much time clients need for review. In most cases, when designs meet quick approval, we can complete the entire process in as little as 30 – 34 weeks, closely paralleling this timeline chart.

PHASE 1: SITE STRUCTURE & DESIGN	TIME
Project kickoff	Week 1
Orientation meeting - contract review and coordination of initial project requirements	Week 2
Discovery meeting - initial creative and SEM discussion regarding brand, audience, goals, KPIs, etc.	Week 2
Collect client branding assets (logos, fonts, images, print samples, etc.)	Weeks 1 - 3
Collect content files (imagery, blog data, etc.)	Weeks 2 - 17
SEM research - analyze site traffic, search data, and industry trends to generate sitemap recommendations	Weeks 2 - 4
Creative research - reviewing brand assets and SEM research to generate initial wireframes	Weeks 4 - 6
Findings presentation - deliver sitemap and wireframe recommendations	Week 7
Style guide - create and present digital style guide after findings approval	Weeks 8 - 9
Develop advanced sitemap document after findings approval and gain approval	Weeks 8 - 17
Design - create high-fidelity prototypes after style guide approval	Weeks 10 - 14
Present design	Week 14
Acquire design approval	Weeks 15 - 17
PHASE 2: PRODUCTION	TIME
Cut up design files into individual image assets	Weeks 18 - 20
Initial CMS setup and configuration	Week 21
Development of contracted modules and functionality	Weeks 21 - 25
Content & data migration	Weeks 26 - 27
Internal quality assurance testing and review	Weeks 28 - 30
PHASE 3: TESTING & LAUNCH	TIME
Client CMS training	Weeks 31 - 34
Client site review	Weeks 31 - 40
Launch website & CMS	Week 34
30 business day post-launch review period begins	Week 34

Modules, Add-Ons, Integrations

Listing ID: 3585	Account: Oakland Marriott City Center	
Type: Website	Contact: --None--	
Category: Accommodations	Address Type: Account: Physical	
SubCategory: Hotels	Rank: --None--	
Additional Subcategories: --None--		
OnceThere ID:		
Search Keywords: Oakland Marriott City Center		
Listing: Oakland Marriott City Center is a modern hotel that mirrors its dynamic downtown surroundings. Their refined guest rooms ooze urban cool, boasting perks like cutting-edge technology and spa-quality rain showers. Dine with at Iron & Oak, their signature bar and restaurant, and enjoy new American cuisine prepared from locally-sourced ingredients.		
Ares Details		
Ares ID:	Ares SiteID:	
Start Range:	End Range:	
Listing Details		
Company: Oakland Marriott City Center	Sort Company: Oakland Marriott City Center	
Address: 1001 Broadway Oakland, CA 94607 UNITED STATES	Email:	
	Web Site: http://www.marriott.com/hotels-event-planning/business-meeting/oakdt-oakland-marriott-city-center/	
Primary: (510) 451-4000	WCT ID:	
Tollfree:	Alternate:	
Notification Email:	Fax:	
Trip Advisor ID:	Notification Interval: 0	
Trip Advisor Category:	Show Trip Advisor Reviews: No	
Assigned Tags		
<ul style="list-style-type: none"> Accommodation Downtown Accommodations 		
Partner Referral Contacts		
Member/Partner:		
Tour/Travel:		
Meeting Sales:		
Media/PR:		
Consumer:		
Industry:		
Misc. Leads:		
Media		
Type	Title	Media
Logo	Iron & Oak	Iron & Oak
Image	King Room 1	King Room 1
Image	King Room 2	King Room 2
Image	M Club Lounge	M Club Lounge

PARTNER LISTINGS

- Rank listings in order of membership priority
- Overwrite account information that will be displayed on the website
- Associate multiple sub-categories to avoid duplication
- Set maximum amount of characters for listing types

Display listings by categories and allow users to filter by sub cat, region and/or keyword

Results Page: 1 of 4

Categories

- Hotels (24)
- Motels (10)
- Bed and Breakfast (4)

Neighborhoods

- Airport District (14)
- Jack London Square (7)
- Downtown (5)
- Oakland Hills (9)
- Lake Merritt (2)

[Show More](#)

[Clear Filters](#)

Best Western Plus Bayside Hotel
1717 Embarcadero, Oakland, CA 94606

Executive Inn & Suites
1755 Embarcadero, Oakland, CA 94606

Claremont Club & Spa, A Fairmont Hotel
41 Tunnel Rd., Oakland, CA 94705

Z Hotel
233 Broadway, Oakland, CA 94607

Holiday Inn Express Hotel & Suites
66 Airport Access Rd., Oakland, CA 94603

Display member/partner account amenities

Quickview

Oakland Marriott City Center

1001 Broadway, Oakland, CA 94607

Neighborhood: Downtown

Phone: (510) 451-4000

www.marriott.com

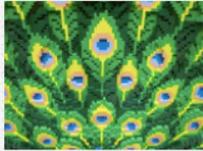
About

Oakland Marriott City Center is a modern hotel that mirrors its dynamic downtown surroundings. Their refined guest rooms ooze urban cool, boasting perks like cutting-edge...

[View More Details](#)

Modules, Add-Ons, Integrations

Upcoming Events



Apr 26, 2017 (Recurring daily)
Nature Connects: Art with LEGO® Bricks

[MORE](#)



May 10, 2017
Chance the Rapper: Spring Tour 2017 Concert

[MORE](#)



May 13, 2017
58th Annual Florence Days Parade

[MORE](#)

CALENDAR OF EVENTS

- Easily add information about your member/partners' events from your Simpleview CRM to your website
- Visitors can sort events by proximity with geolocation features
- Define the date range for displayed events

FORM BUILDER

- Ability to place any form developed in Simpleview CRM on any page of the website
- Collect visitor data on the website and instantly import it into your Simpleview CRM User Groups
- Form data from visitors, captured into the CRM, can then be exported to CSV or Excel without Vendor involvement

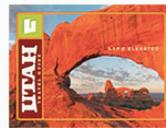
Salt Lake Visitors Guide



View the Fall/Winter 2016/17 Visitors Guide

Looking for summer information? Download the [Summer 2016 Visitors Guide](#)

Utah Travel Guide



Looking for something with a little wider range?

Check out the Utah Travel Planner [online](#) or [request one](#).

Utah's Special Needs Travel Guide



Get specialized information about access & travel across the state of Utah.

[Download](#)

Request a Free Visitors Guide

Delivery Information

Fill out the form below to request your FREE mailed Salt Lake information.

Visit Salt Lake produces a variety of informative email newsletters. [sign up here](#)

First Name:

Last Name:

Company:

Email:

Address 1:

Address 2:

Modules, Add-Ons, Integrations

SPECIAL OFFERS/COUPONS

- Display coupons from your members/partners in your Simpleview CRM onto your website
- Display all available coupons in a list view
- Use the Coupons feed in other site features, such as your Collection Templates and Related Content Aggregator

Modules, Add-Ons, Integrations

Surf City USA Blog

Why I Surf HB Contest Offers "Circle of Honor" Spots to Surfers

Tuesday, May 16, 2017 10:00 AM by Rachel Volbert



In fall of 2016, the International Olympic Committee officially declared surfing an Olympic event

[Comments](#) | [Continue Reading](#) >



Search

From: mm/dd/yyyy

To: mm/dd/yyyy

Keyword

SEARCH

Tag Cloud

- Active (46) Art (23) Beach (50)
- Biking (02) Bowling (5) Brewery (03)
- Deals (25) Dining (78)
- Downtown (64)
- Event (67) Fall (02)
- Family Fun (68)
- Happy Hour (03) Health (02)
- Holidays (31) Local (50)
- Must-See (24) Nature (05) Nightlife (21)
- PCH (19) Pet Friendly (02) Photography (1)
- Plat (05) Romance (7) Running (4)
- Shopping (25) Skate (8) Spa & Salon (8)
- Sports (28) Surf (24) Yoga (8)

Authors

- Alicia Richardson (1)
- Allison Hata (31)
- Antonina Ruskowska (1)
- Bonnie Gruttadauria (22)

BLOG

- Ability to create blog posts for your site with full text styling and access to HTML code
- Associate meta data for search engine optimization purposes
- Create categories and tags to enhance organization
- Moderate all visitor comments via Disqus.com integration (leading comment hosting and moderation site in the world)

ASSET REQUEST

- Ability to provide images from Asset Library as downloadable files
- Add media-specific descriptions to all content
- Set up email notifications to assigned staff members of pending requests

PENNSYLVANIA'S LAUREL HIGHLANDS

THINGS TO DO OUTDOORS RESTAURANTS PLACES TO STAY DEALS ABOUT US

Stock Media Store Home » Search Results My Account View Request

Current Filters: OUTDOOR RECREATION X RESET

Keyword Search:

Categories:

- ACCOMMODATIONS (83)
- DINING (6)
- FAMILY FUN (30)
- HISTORY (29)
- OUTDOOR RECREATION (36)
- SCENERY (19)
- SHOPPING (3)
- SPECIAL EVENTS (27)
- THINGS TO DO (17)
- TOWNS (6)

Tags:

- HISTORIC-SITES (0)

SORT BY TITLE VIEW IMAGES AS: < 1 of 6 >

Biking on the Great Allegheny Passage, Ohioyle

3 Downloads

3216 x 2136 px

Biking on the Great Allegheny Passage, Ohioyle

5 Downloads

2896 x 1944 px

Biking on the Great Allegheny Passage, Ohioyle

3 Downloads

1337 x 981 px

Fishing at Laurel Hill Trout Farm

2 Downloads

1337 x 981 px

Technical Integrity

We know you have a lot invested in our technology. You rely on it's consistent dependability, and so do we. Support, maintenance, and security surrounding our technology and your data are of the utmost importance to us, and specifically to our Network Operations team.

WHAT YOU'LL FIND IN THIS SECTION:

Technical Specifications
Network Operations
Service Level Agreement (SLA)
Hosting

Technical Specifications

HIGHEST SECURITY STANDARDS



HOSTING

Simpleview provides professional website and data hosting at a Tier 1 data facility to support our client, including security measures and traffic analysis by industry leader Google and Omniture when requested.

APPLICATION INFRASTRUCTURE

Software Architecture

Simpleview employs logical tiers for all products to separate presentation layers from business logic and data components.

HARDWARE ARCHITECTURE

Simpleview maintains web/application servers and database servers in separate subnets for security.

ACCESSIBILITY

Simpleview site designs are always developed to comply with W3C WCAG1, WCAG2 (WAI) and Section 508 accessibility guidelines.

APPLICATION DESIGN

Simpleview has built role-based security into all our technologies. We validate query strings using strong type validation to prevent injection attempts and use IDS devices under firewalls for further protection.

HIGHLIGHTS

- 24 Hour Manned Facility
- Tier I and II Support On-Site
- 5-Tier Security platform
- N+2 for all critical components
- SSAE 16, SAS 70, HIPAA, PCI, FISMA and EU Safe Harbor Compliant Hosting

APPLICATION IMPLEMENTATION

Infrastructure Design Requirements

For all our technology implementations, Simpleview uses separate environments for any required development, staging and production. As needed, we can provide network design documents of our production environment/data center.

WEB APPLICATION SECURITY WITHIN THE SOFTWARE DEVELOPMENT LIFE CYCLE

Simpleview offers mature products already in use. Should the need arise, our veteran development environments are protected by thorough security measures.

SYSTEM AND INFRASTRUCTURE DOCUMENTATION

Simpleview can provide documentation as required for our existing development and staging environments.



Hosting

CLUSTERED ENVIRONMENT FOR MAXIMUM SCALABILITY AND REDUNDANCY

Both our Web Application and Database Servers utilize a clustered and load balanced environment to provide flexible peak demand scalability and downtime protection. In our clustered environment, there are always two exact copies of each website running simultaneously. If one of the servers in the cluster becomes taxed, the load balancer will automatically route new requests to the other cluster. In the unlikely scenario that one of the web or database servers fails, our platform will automatically switch over to the secondary cluster to avoid downtime. This same mechanism allows us to provide zero-downtime server maintenance since there is always a copy of the website running during the maintenance window.

INTEGRATED SANDBOX ENVIRONMENT

In order for changes to be completed and tested without affecting the live website, any organization that has to make changes to code must maintain a development/sandbox environment. Traditionally, this would require a large investment in IT infrastructure to create development versions of the Web and Database Servers that are required to host the application, as well as allow for the IT staff required to handle the maintenance of the environment.

Our platform has a sandbox/development environment directly built in, enabling our clients to create an exact copy of the live

website within minutes. This means your developers can create features without worrying about the overhead associated with a separate development environment. Furthermore, changes in the development environment can be deployed to live with a single click, and in the case of uncaught bugs or errors, our integrated Source Control Solution makes recovery simple.

GLOBAL MARKET REACH WITH THE EDGECAST CONTENT DELIVERY NETWORK

Traditional hosting solutions are limited by the physical location of the web server. The further the distance between the visitor and the web server, the longer it takes for the visitor to receive the information for which they are searching. Any delays in serving content increases the likelihood of that visitor bouncing from the site, as they look for a faster source for that information. Since one of the major goals, if not the most important, of a tourism website is to attract visitors from distant locations and keep them engaged, network latency due to distance is a major barrier to achieving that goal and serving those visitors' needs.



Hosting

(continued) With our integrated Content Delivery Network (CDN), your website's content is served from hundreds of servers located in dozens of data centers around the world. Whether visitors are on the opposite coast of the United States, within the European Union or inside the crucial emerging markets of Asia, they will receive content from the location closest to them. For international clients, this can mean eliminating frustrating wait time from each page view.

In addition to serving content locally, a CDN network also provides unparalleled redundancy. If one of the datacenters experiences a problem, the rest of the network will automatically deliver your content. In addition, since the content is cached throughout the world, your website will also continue to serve static content, even if the web servers hosting your CMS crash.

CONTINUOUS SERVER PERFORMANCE MONITORING AND OPTIMIZATION

In a traditional hosting environment, server optimizations are cost prohibitive. Due to budget constraints, most organizations cannot afford to have an engineer spend hundreds of hours shaving off 200ms from each page load. However, the power of multi-tenancy Software as a Service (SaaS) ensures that any optimization we make will positively impact each of our clients. This creates an economy of scale where we can provide a constant stream of improvements to our platform without any additional cost to our clients. Our engineering team is largely invested in creating systems that measure the real-time performance of your website and alert us to any potential problems, often before they have a negative impact. Through a detailed understanding of how the platform as a whole and each individual client is performing, our engineering team proactively optimizes to continually improve the speed and accuracy of each request.



Disaster Recovery Plan

DATA INTEGRITY

We place the integrity of client data and our developed data at the highest level of importance in our disaster recovery plan. We established the following efforts to ensure data is always as safe as possible.

DEVELOPMENT ENVIRONMENT

In our development environment, we have multiple development servers that store and host our data for testing and development purposes. This data is backed up daily to a local Network Attached Storage (NAS) and replicated to an offsite NAS. In the event of a server failure we are able to recover data from the most recent backup onto another server allowing our Dev teams to continue working on existing projects. The databases are backed up in full weekly with daily incremental backups and transaction log snapshots throughout the day. These database backups are stored on a local NAS and replicated to an offsite NAS.

PRODUCTION ENVIRONMENT

In our production environment we have multiple web and database servers running and serving our live data. These are either private virtual machines on multiple VMware hosts or physical database servers configured with RAID5 to allow for single drive failure without the loss of data. All private virtual machines are backed up daily using Veeam replication software with periodic daily snapshots. Our databases are backed up in full weekly with daily incremental backups and transaction log snapshots taken throughout the day. This data is stored on an isolated Storage Area Network (SAN) in the data center. All our servers are built into a redundant and fail-over network to ensure maximum up-time, in the event of a primary server failure, the transactions are migrated to a standby server that will continue to manage the site and serve data while the primary is repaired or replaced. This is an automated process, however there is a possibility of momentary service loss resulting from the migration of the services from one server to another resulting in minimal interruption.



Disaster Recovery Plan

DATA CENTER PHYSICAL ATTRIBUTES

SPACE

- 10,000 square feet total space
- Nine-foot ceiling height clearance
- Raised floors with structural capacity of 1,200 lbs/rack
- Overhead ladder racking
- Zone 1 seismic code construction

POWER

- Direct connection to power grid at 13.2 kV
- N+1 electrical design and distribution, including redundant UPS n+1 configuration and battery backup with n+1+1
- Automatic transfer switches ensure smooth transition to backup power
- 72-hour, 750 kW backup generator with 2,300 gallons of fuel onsite, enough capacity to power more than 1,500 homes
- At least 200 watts/sq. ft. density in raised floor area.

ENVIRONMENTAL CONTROLS

- Manned Facility — Security and Engineers onsite 24/7/365
- Technical support available 24/7/365
- Focused on complex managed hosting environments

STRINGENT, MULTI-LAYERED SECURITY CONTROL PROCEDURE

- 24/7 security monitoring
- Biometric palm scan and photo ID access cards required to enter colocation area. All visitors supervised and escorted.
- 24/7 closed-circuit video monitoring and logging with backup tape storage
- Support Connectivity

DATA CENTER PROVIDES AND MAINTAINS ALL INTERNET CONNECTIVITY FOR CUSTOMERS AS PART OF SERVICE

- 7 diverse fiber paths
- 23 Internet carriers
- FCP best-path routing



Disaster Recovery Plan

HARDWARE/ SOFTWARE BASED SECURITY

Our network is protected by a four tier security platform.

TIER 1 - DATACENTER BORDER SECURITY

- a. Traffic enters and leaves our hosting provider through one of 13 redundant multi-homed Internet carriers and is always routed for best performance.
- b. All traffic hits the first line of defense in the 5-Tiered Security, our data center border routers and firewalls. These redundant devices filter known threats, automated attacks, malicious traffic, bogon IPs, bad ports and untrusted networks.

TIER 2 - INTRUSION PREVENTION AND DETECTION

- a. If a request makes it through the first tier of security, it enters our hosting providers intrusion prevention and detection systems (IPS/IDS). Here, all requests go through a deep packet inspection and are analyzed for legitimacy.
- b. Our hosting providers IPS/IDS systems monitor traffic in real time at gigabit speeds, and blocks over 2 million attacks per day. Rules are updated routinely and include most zero-day exploits.

TIER 3 - DEDICATED HIGH PERFORMANCE REDUNDANT FIREWALLS

- a. Dedicated high-performance Cisco ASA firewalls are used to achieve complete isolation between environments.

Because our security needs are unique and we are dedicated to the security of our clients data, our staff work directly with the firewall administrators at our data center provider to tune our firewall rules for your data security.

- b. Firewalls limit ingress and egress traffic, perform stateful packet inspections and establish VPN connectivity to our offices and for our remote users.

TIER 4 - ENTERPRISE ANTI-VIRUS SYSTEM

- a. The fourth tier works to protect our clients from mistakes and accidents. Our enterprise class anti-virus system uses the latest anti-virus software combined with a host intrusion prevention system to detect and remove viruses and malware from your servers before they can ever execute.

RECOVERY PLANS

When possible the desire is to recover data as rapidly as possible and ensure that the redundancy systems have kicked in and determine the need for intervention. Secondary to that, if there is a system failure, recover data as rapidly as possible to either a standby server or to a server of equal capability to ensure that clients web presence remains online.

In the event of catastrophic data center loss, recover the data from the NAS / SAN and begin the process of acquiring and rebuilding servers utilizing disk imaging system to assist with rapid deployment of servers into the domain.



Service Level Agreement (SLA)

1. SERVER MAINTENANCE

a. Scheduled Maintenance

Simpleview reserves a monthly maintenance window during the third week of the month between the hours of midnight and 3:00 AM Mountain Time for all our North American clients to apply security updates, patches, and other software related updates that require a reboot of a system. Total downtime of a server should not exceed 15 minutes and could occur at any point within this window. For all Clients outside of North America, we will schedule this maintenance as best as we are able in accordance with your work schedules to ensure no disruption of service during your primary business hours. Client will receive a notification via email at least 24 hours prior to any other scheduled out-of-band maintenance not within this window.

b. Emergency Maintenance

If unplanned downtime occurs or is required to restore the availability of any server/services, all efforts will be made to notify clients. Various means of communication will be used, which may include email, forum/blog, tickets, or phone call.

2. MONITORING SERVICE

Simpleview employs an enterprise-level monitoring service to alert technicians to any potential issue in availability of any service. Technicians are on-call 24/7 if any alerts are received and issue will be analyzed immediately.

3. SERVICE LEVEL AGREEMENT

a. Network Uptime

Simpleview's data center network has 100% guaranteed uptime in a given month, excluding scheduled maintenance. The data center network Simpleview managed switches, routers, and cabling. It does not include client's local area network or client-provided internet connectivity.

b. Infrastructure

Simpleview's data center HVAC and power has 100% guaranteed uptime in a given month, excluding scheduled maintenance. Power includes UPS's, PDU's, and cabling, but does not include power supplies on your server(s). Infrastructure downtime exists when a particular server is shut down due to power or heat problems..

c. Hardware

Simpleview employs redundant hardware systems where possible to prevent downtime related to hardware failure. If a failure occurs hardware will be replaced at no cost and client will be notified if any downtime results. All hardware has a maximum life of 3 years and is replaced routinely without interruption of service.



Service Level Agreement (SLA)

4. RESPONSE TIME

Response times indicate when the problem will be addressed, when the client will be contacted, and when resolution will begin. In many cases, the issue will be resolved within the response window. In other cases, it may take more time to troubleshoot and correct an issue, in which case client will be notified as to the estimated time necessary to complete a request. Response time deadlines will start when the issue is brought to the attention of Simpleview through:

RESPONSE LEVELS

- **Critical** (Priority 1 – 1 hour)
The problem results in extremely serious interruptions to the system. It has affected, or could affect, all users. Tasks that should be executed immediately cannot be executed because of a complete crash of the system or interruptions in main functions of the system.
- **Urgent** (Priority 2 – same business day)
The problem results in serious interruptions to normal operations. Important tasks cannot be performed, but the error does not impair essential operations; processing can still continue in a restricted manner. The problem hinders productivity by users. The service request requires timely processing, because a long term malfunction could cause serious interruptions to several users or negatively impact business decisions.
- **Important** (Priority 3 – next business day)
The problem causes interruptions in normal operations. It does not prevent operation of a system, or there could be minor degradation in performance. The error is attributed to malfunctioning or incorrect behavior of the software. The issue will only affect a few users or there is a reasonable way to work around the issue temporarily.
- **Minor** (Priority 4 – three business days)
The problem results in minimal or no interruptions to normal operations (no business impact). The issue consists of “how to” questions, configuration inquiries, enhancement requests, new reports, or documentation questions.

If Simpleview Technical Support estimates that a reported technical issue or business situation requires additional attention, an internal management escalation procedure will be followed. A management escalation process will be enacted when response-time targets are, or will be, exceeded, when a Work Order is necessary, or when you are dissatisfied with the solution provided.

AFTER HOURS AND EMERGENCY CONTACT

Simpleview provides an after-hours line that will alert designated on-call staff members during not business hours based on Arizona/ Mountain time. This is to be used to report Critical issues (see definition above) and client will receive a response back within one hour.

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SIMPLEVIEWINC.COM



RECOMMENDATION MEMO

TO: Lynda Williams, Purchasing Manager
FROM: Evaluation Committee Members
DATE: MAY 8, 2020
RE: San Marcos Convention and Visitor Bureau Website Redesign, RFP #219-365

As a member of the Evaluation Committee for the referenced solicitation, I have completed my evaluations pursuant to Texas Government Code 2254 and Local Government Code 252 for proposals submitted in response to this solicitation. I have performed these evaluations fairly and in strict compliance to the rules and guidelines for which I have attested.

By my signature concurrence below, Simpleview, LLC, located in Tucson, Arizona, is the best value based on the relative important of price, experience, and all other evaluated factors. The Evaluation Committee has completed the interview process with the shortlisted finalists and hereby recommends pursuing fair and reasonable pricing with the selected firm.

CONCURRENCE:

Sarah Smith, Social Media Specialist - City of San Marcos

{Name}

Charlotte wattigny, Innovation Manager - City of San Marcos

{Name}

Kristy Stark

{Name}

DocuSigned by:
 Sarah Smith, Social Media Specialist - City of San Marcos
 68104E7058BD4C6...
 DocuSigned by:
 Charlotte Wattigny, Innovation Manager - City of San Marcos
 78A77A22E03C4C4...
 DocuSigned by:
 Kristy Stark
 A82DACC79BD9433...

Rebecca Ybarra-Ramirez was originally on the evaluation team that provided the initial round of scores which led to the interview round. Unfortunately, she was injured and unable to participate fully in the interview round and provide scores for the three short-listed firms; therefore, the interview round does not contain scores from Ms. Ybarra-Ramirez. However, she concurs with the selection made by the remaining evaluation team members through the evaluation/scoring process.

Rebecca Ybarra, Director of Destination Services

{Name}

DocuSigned by:
 Rebecca Ybarra
 124205AECF6440A...
 {Name}



Legislation Text

File #: Res. 2020-125R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-125R, approving a Change in Service to the agreement with Knight Security Systems, LLC for the provision of professional high technology services, maintenance, and equipment related to security at the San Marcos Police Department, Trace Fire Station #6 and Rattler Electric Substation in the estimated amount of \$268,684. through the Texas Comptroller of Public account's Department of Information Resources ("DIR") program (contract DIR-TSO-3430) bringing the total contract price to \$623,063.37; authorizing the City Manager or his designee to execute the appropriate purchasing documents on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Information Technology Department - Mike Sturm, Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$268,684.33 for FY 2020

Account Number: G608-General-ITequip 50036067-70200, Software Maintenance 21006322-52395

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Well maintained public facilities that meet needs of our community
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The existing contract 218-058 with Knight Security Systems LLC is being amended to include work directly related to the Police Department renovations and additions bond funded project and Trace Fire Station 6 bond funded project and Rattler Electric substation. Knight Security Systems will provide and install access control system upgrades, including a new controller and licenses, access-controlled door access and cameras to the customer's existing Video Management system. Servers will also be provided to manage the added hardware. System installation includes hardware, system licenses, and configuration unless otherwise stated. Security system installation for the Rattler Substation will be performed under the general contractor therefore this change in service only includes the annual maintenance cost.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of a Change in Service to the contract with Knight Security Systems, Austin Texas for the estimated amount of \$268,684.33.

RESOLUTION NO. 2020-125R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CHANGE IN SERVICE TO THE AGREEMENT WITH KNIGHT SECURITY SYSTEMS, LLC FOR THE PROVISION OF PROFESSIONAL HIGH TECHNOLOGY SERVICES, MAINTENANCE AND EQUIPMENT RELATED TO SECURITY AT THE SAN MARCOS POLICE DEPARTMENT, TRACE FIRE STATION #6, AND RATTLER SUBSTATION IN THE ESTIMATED AMOUNT OF \$268,684.33 THROUGH THE TEXAS COMPTROLER OF PUBLIC ACCOUNT'S DEPARTMENT OF INFORMATION RESOURCES ("DIR") PROGRAM (CONTRACT DIR-TSO-3430) BRINGING THE TOTAL CONTRACT PRICE TO \$623,063.37; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE PURCHASING DOCUMENTS ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. A Change in Service to the Agreement with Knight Security Systems LLC for the provision of professional high technology services, maintenance and equipment related to security at the San Marcos Police Department, Trace Fire Station #6 and Rattler Substation in the estimated amount of \$268,684.33 through the Texas Comptroller of Public Account's Department of Informational Resources ("DIR") Program (Contract DIR-TSO-3430) bringing the total contract price to \$623,063.37 is approved.

PART 2. The City Manager or his designee is authorized to execute all necessary documents to effectuate this Change in Service on behalf of the City.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT B
AUTHORIZATION OF CHANGE IN SERVICE

CONTRACT NUMBER / CONTRACT NAME:	218-058 Security System Software and Maintenance (Knight Security)	
CITY REPRESENTATIVE:	Denise Pfeil, Information Technology	
CONTRACTOR:	Knight Security System LLC	
CONTRACT EFFECTIVE DATE:	November 11, 2017	
THIS AUTHORIZATION DATE:	June 16, 2020	AUTHORIZATION NO.: 24

DESCRIPTION OF WORK TO BE ADDED TO OR DELETED FROM SCOPE OF SERVICES:

The existing contract with Knight Security Systems LLC, through DIR-TSO-3430, is amended to include work directly related to the following City of San Marcos locations. For the San Marcos Police Station renovations and Trace Fire Station No. 2, work includes access control system upgrades, including a new controller and licenses, access-controlled door access and cameras to the customer's existing Video Management System. Servers will also be provided to manage the added hardware. System installation includes hardware, system licenses, and configuration unless otherwise stated. Security system installation for the Rattler Substation will be performed under the general contractor therefore this change in service only includes the annual maintenance cost.

- San Marcos Police Department renovations: For the estimated amount of \$216,680.33
- Trace Fire Station No. 2: For the estimated amount of \$50,000
- Rattler Substation: For the annual maintenance amount of \$2,004

This proposal will follow the guidelines stated in DIR contract number DIR-TSO-3430 Standard Terms and Conditions.

Parties agree to be bound by the Standard Terms and Conditions found: www.sanmarcostx.gov/termsandconditions

Original Contract Amount:	\$ 34,616.17
Previous Increases/Decreases in Contact Amount:	\$ 389,038.30 (RECONCILED 06.15.20)
This Increase/Decrease in Contract Amount:	\$ 268,684.33
Revised Contract Amount:	\$ 657,722.63

CONTRACTOR:

Signature

Date

Kevin Garlick / Sales Rep
Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Bert Lumbreras, City Manager
Print Name / Title

City Department Use Only Below This Line (PM, etc.)

Account Number(s):	Amount	Date
# G608 general itequip 50036067-70200	\$	06/16/2020



Legislation Text

File #: Res. 2020-126R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-126R, approving an agreement with Moore Iacofano Goltsman, Inc. for services related to the City's Comprehensive Plan project in the estimated amount of \$673,418; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Planning and Development Services Department - Shannon Mattingly, Director (By Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$673,418

Account Number: Various

Funds Available: \$673,418

Account Name: Various

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Downtown Vitality

Multi Modal Transportation

Workforce Housing

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.

- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Vision San Marcos - A River Runs Through Us

Background Information:

The City of San Marcos received eight (8) proposals in response to RFP 220-137 for Comprehensive Plan. A City-staffed evaluation team reviewed all proposals and conducted interviews with three (3) short-listed firms based on scoring and ranking. Moore Iacofano Goltsman, Inc., DBA MIG, Inc., was selected as the most highly qualified firm based on demonstrated competence, qualifications, and value for the City.

The anticipated timeline for completion of this project is approximately eighteen (18) months.

Please see the attached memo for further information.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

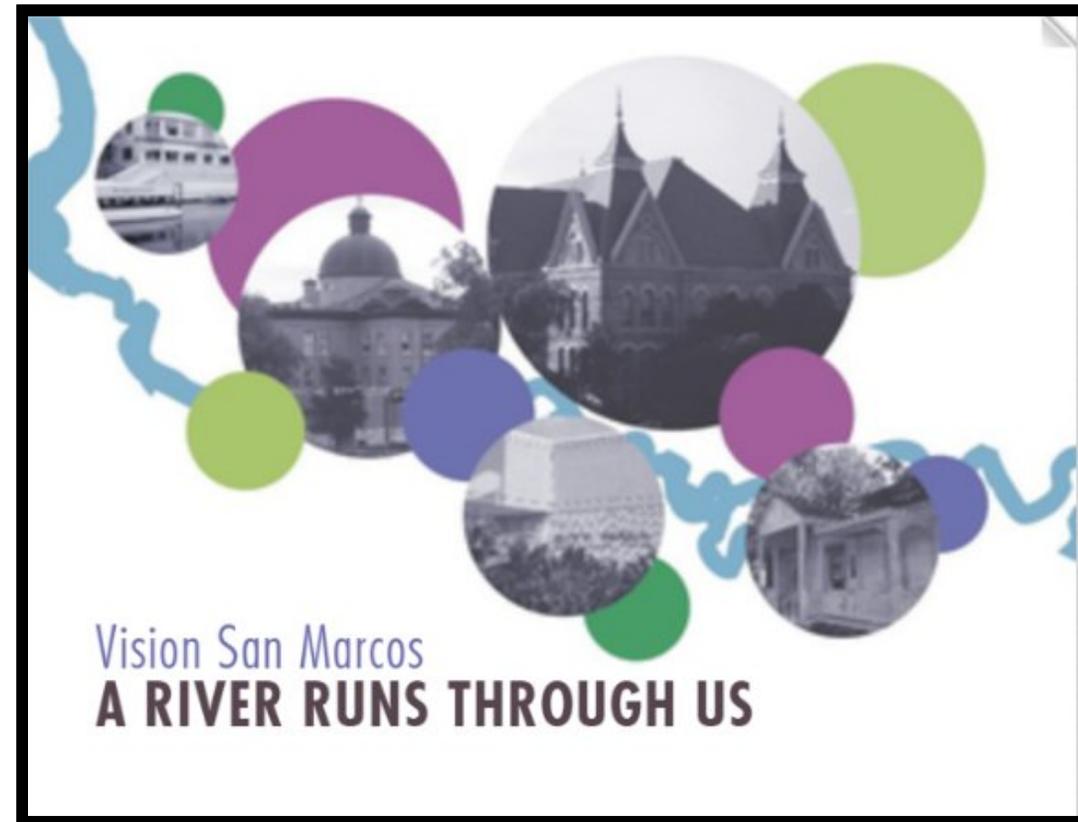
Approve a resolution to award a contract to MIG, Inc., for the Comprehensive Plan project in the not-to-exceed amount of \$673,418, which will include the base plan cost of approximately \$341,480 (includes 10 planning elements, downtown master plan, and full fiscal impact assessment), while reserving the remaining balance for the critical area plans portion of the project.

Res. 2020-126R – Comprehensive Plan

Consider approval of Resolution 2020-126R, approving an agreement with Moore Iacofano Goltsman, Inc. for services related to the City's Comprehensive Plan project in the estimated amount of \$673,418; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Background:

- Prior work sessions (December 17, 2019 and January 21, 2020)
- Proceed with Comprehensive Plan project prior to other initiatives, except Architectural Design Standards
- Comprehensive Plan project will lay the foundation for the vision and goals for the community
- Critical Area Plans (Small Area Plans) will be concurrent with this project
- Release of request for proposals and selection committee's recommendation



Selection of Firm

- **Recommendation to proceed with Moore Iacofano Goltsman, Inc. (MIG)**
- **Reasons include:**
 - Their experience on similar projects,
 - Forming a team of subject matter experts,
 - Having knowledge of the area,
 - Being able to put forth a creative process that is aimed at increasing public participation (even in a time with social distancing), and
 - Cost.

Project Process and Approach



Project Funding

Source	Amount
General Fund	\$76,154
Electric/Water/Wastewater/Drainage Funds	\$327,263
General Fund (Downtown Master Plan)	\$100,000
Water/Wastewater (Downtown Master Plan)	\$100,000
HOT (Downtown Master Plan)	\$100,000
Funds Needed for Architectural Standards Project	(\$30,000)
Total Funds Available for this Project	\$673,418

- All funding has already been appropriated in prior budgets

Project Cost

- **Base Plan**

- **\$314,140, or \$341,480 with optional items**
- Includes 10 planning elements: (*Land Use; Economic Development; Housing; Community Design and Character; Arts and Culture; Parks, Public Spaces, and Facilities; Transportation; Environmental and Resource Protection; Health, Safety, and Wellness; and Intergovernmental Coordination*)
- Includes Downtown Master Plan
- *Optional – Three City Council Workshops, add \$2,340*
- *Optional – Full fiscal impact analysis, add \$25,000*

- **Critical Area Plans**

- **Average cost of \$29,000 per plan**

Project Cost Detail

Rates for the following tasks:	Amount
Project Management	\$34,260
Public Participation Plan	\$67,375
Vision and Goal Setting	\$4,230
Guiding Principles	\$3,210
Planning Elements (\$7,863 per element)	\$78,630
Critical Area Plans (per plan)	\$57,730
Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages	\$13,720
Presentations and Communications	\$14,680
Other (explain) Draft and Final Plan Report and Technical Supplement	\$37,500
Other (explain) 3% Administrative Fee for Direct Expenses and Subconsultants	\$2,805
Optional – Three City Council Workshops	\$2,340
Optional – Full fiscal impact analysis	\$25,000
Complete Project Cost	\$341,480

Critical Area Plans and Costs

Type of Critical Area Plan	Associated Costs
Downtown Plan	\$57,000
Center Plans	\$32,000
Neighborhood Plans	\$29,000
Corridor Plans	\$25,000
Additional Opportunities	Associated Costs
Greenfield Development	\$15,000
Infill/Development Parcel	\$12,000
Intersection/Streetscape	\$7,000

Recommendation

Project Budget	\$673,418
Base Plan Cost with Optional Items	(\$341,480)
Total Funds Available for Critical Area Plans	\$331,938

- At an average cost of \$29,000 for each Critical Area Plan, the current budget would support about 11 additional Critical Area Plans.
- Location of the critical area plans to be approved by the City Council at a later date.

Approve a resolution to award a contract to MIG, Inc., for the Comprehensive Plan project in the not-to-exceed amount of \$673,418, which will include the base plan cost of \$341,480 (includes 10 planning elements, downtown master plan, and full fiscal assessment), while reserving the remaining balance for the critical area plans portion of the project.

RESOLUTION NO. 2020-126R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT WITH MOORE IACOFANO GOLTSMAN, INC. FOR SERVICES RELATED TO THE CITY OF SAN MARCOS COMPREHENSIVE PLAN PROJECT IN THE ESTIMATED AMOUNT OF \$673,418; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Agreement with Moore Iacofano Goltsman, Inc. for services related to the City of San Marcos Comprehensive Plan project in the estimated amount of \$673,418 is approved.

PART 2. The City Manager or his designee is authorized to execute the Agreement on behalf of the City.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

06.5.2020

Memo

To
City Council

From
Michael Ostrowski

CC
Bert Lumbreras
Joe Pantalione
Shannon Mattingly
Amanda Hernandez
Andrea Villalobos

Subject
Comprehensive Plan

Attachments

- Request for Proposals
- MIG Proposal
- MIG Presentation

In late 2019 and early 2020, the City Council had two work sessions ([December 17, 2019](#) and [January 21, 2020](#)) relating to the comprehensive plan project. During the work sessions staff presented their recommendation on proceeding with the comprehensive plan project before moving forward with other initiatives, such as amendments to the San Marcos Development Code that relate to significant policy changes.

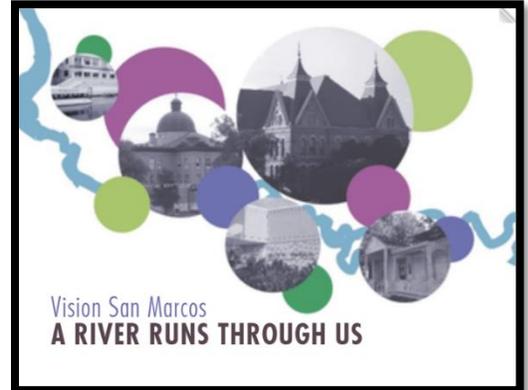
The reason for this, is because the comprehensive plan will lay the foundation for the vision and goals for the community. It will be imperative that the vision and goals be known before proceeding with other significant planning and development related initiatives so that they align. Failure to proceed with the comprehensive planning project at this time could result in delaying other planning and development initiatives or moving forward with actions and projects that may not achieve the desired vision of the community.

It was also discussed that the small area planning process (also known as critical area planning) would be completed during the comprehensive plan project, and not be a totally separate project following it, as was proposed previously. This would ensure their completion, as well as make sure they were developed with the most current vision and goals.

Following these meetings, the City released a request for proposals (see attached) for the comprehensive plan project. The selection committee then reviewed the proposals, interviewed the short-listed firms, and has made a recommendation of the most qualified firm, MIG. Their proposal and follow up presentation are attached.

Selection of Firm

As indicated, the selection committee has recommended that MIG was the most qualified firm to proceed with for this project. They were selected for a variety of reasons, including their experience on similar projects, forming a team of subject matter experts, having knowledge of the area, being able to put forth a creative process that is aimed at increasing public participation (even in a time with social distancing), as well as cost. MIG has an office in San Antonio and



City of San Marcos – Planning and Development Services

512.393.8230
mostrowski@sanmarcostx.gov

630 East Hopkins Street
San Marcos, TX 78666

sanmarcostx.gov



has recently worked on San Antonio’s comprehensive plan project, which consisted of a somewhat similar approach with the critical area plans. Furthermore, MIG has done recent work for New Braunfels.

Project Process and Approach

MIG’s process follows the desired process as indicated in the request for proposals that the City Council approved. Their process is outlined in their proposal and presentation, as well as below.



Ultimately, there will be several points in the process to gather input, feedback, and direction from a variety of stakeholders. These will be further highlighted in the public participation plan, which is a required deliverable of the project.

Project Funding and Cost

The project will involve a complete rewrite of the comprehensive plan, as the City has experienced significant changes from 2013 when the previous comprehensive plan was completed. Since then, the population of the city has increased significantly, the city has

experienced two historical flooding events, as well as the COVID-19 pandemic, just to name a few. Therefore, since this project will require a significant amount more effort than just a typical update, it will be reflective in what the project will cost. Overall, through various sources, the City has \$673,418 allocated for this project as well as the downtown master plan project. Please note, all this funding has already been appropriated in prior budgets. Since this project will also include a downtown master plan, the intent is to also use the funding appropriated for that project as well. Below is a listing of sources of funding:

Source	Amount
General Fund	\$76,154
Electric/Water/Wastewater/Drainage Funds	\$327,264
General Fund (Downtown Master Plan)	\$100,000
Water/Wastewater (Downtown Master Plan)	\$100,000
HOT (Downtown Master Plan)	\$100,000
Funds Needed for Architectural Standards Project	(\$30,000)
Total Funds Available for this Project	\$673,418

In terms of cost for the project, the cost is broken down into two separate components, a base plan cost and a per plan cost (planning elements and critical area plans). The base plan cost is \$341,480 and includes all the desired components as indicated in the request for proposals, including 10 planning elements, the Downtown Master Plan, and a full fiscal impact assessment. The proposed planning elements include: Land Use; Economic Development; Housing; Community Design and Character; Arts and Culture; Parks, Public Spaces, and Facilities; Transportation; Environmental and Resource Protection; Health, Safety, and Wellness; and Intergovernmental Coordination. If the City wishes to have additional planning elements, they would be at a rate of \$7,863 per element.

Rates for the following tasks:	Amount
Project Management	\$34,260
Public Participation Plan	\$67,375
Vision and Goal Setting	\$4,230
Guiding Principles	\$3,210
Planning Elements (\$7,863 per element)	\$78,630
Critical Area Plans (per plan)	\$57,730
Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages	\$13,720
Presentations and Communications	\$14,680
Other (explain) Draft and Final Plan Report and Technical Supplement	\$37,500
Other (explain) 3% Administrative Fee for Direct Expenses and Subconsultants	\$2,805
<i>Optional – Three City Council Workshops</i>	\$2,340
<i>Optional – Full Fiscal Impact Analysis</i>	\$25,000
Complete Project Cost	\$341,480

In terms of the critical area plans, MIG has provided the costs as a per plan cost, as it is unknown how many plans will be needed until certain phases of the project are completed. The cost per plan will be different depending on what type of critical area plan is chosen. The components of each type of plan are included within the proposal and presentation, but an example of a neighborhood plan that was completed with MIG's assistance as a consultant can be found at: <https://www.fcgov.com/planning/otnp/index.php>.

The costs for each critical area plan type as well as some additional opportunities are indicated below.

Type of Critical Area Plan	Associated Costs
Downtown Plan	\$57,000
Center Plans	\$32,000
Neighborhood Plans	\$29,000
Corridor Plans	\$25,000
Additional Opportunities	Associated Costs
Greenfield Development	\$15,000
Infill/Development Parcel	\$12,000
Intersection/Streetscape	\$7,000

Since we will likely only do one downtown master plan, the average of the other three plans (center, neighborhood, and corridor) is about \$29,000 per plan. With a budget of \$673,418 and a base plan cost of \$341,480, it leaves us with about \$331,938 remaining for the project. With an average cost of \$29,000 for each critical area plan, it would allow the City to have about 11 critical area plans created in addition to the downtown master plan. With that being the case, staff would recommend authorizing a total project cost of the budgeted amount of \$673,418, of which \$341,480 will be spent on the base plan cost, which includes 10 planning elements, the Downtown Master Plan, and a full fiscal impact assessment. The remaining funds would then be used for the critical area plans or additional opportunities as identified in their proposal, with the understanding that the location of the critical area plans would be approved by the City Council at a later date.

Please feel free to contact me if you have any questions.



PROPOSAL SUBMITTAL LOG

Comprehensive Plan Update

#220-137

April 9, 2020 – 2:00 p.m., Local Time

PROPONENT NAME	
WSB and Associates Inc	Austin, TX
DTJ Design, Inc	Boulder, CO
Halff Associates, Inc	Austin, TX
Stantec	San Antonio, TX
Dover Kohl and Partners	Coral Gables, FL
Freese and Nichols Inc	San Marcos, TX
Morre Iacofano Goltsman Inc	San Antonio, TX
Jacobs Engineering	Dallas, TX

Recorded by:

Witnessed by:



RECOMMENDATION MEMO

TO: Lynda Williams, Purchasing Manager
FROM: Evaluation Committee Members
DATE: MAY 28, 2020
RE: Comprehensive Plan Update, #220-137

As a member of the Evaluation Committee for the referenced solicitation, I have completed my evaluations pursuant to Texas Government Code 2254 and Local Government Code 252, for proposals submitted in response to this solicitation. I have performed these evaluations fairly and in strict compliance to the rules and guidelines for which I have attested.

By my signature concurrence below, Moore Iacofano Goltsman, Inc., DBA MIG, Inc., located in San Antonio, Texas, is the most highly qualified firm based on demonstrated competence and qualifications and best value based on the relative important of price, experience, and all other evaluated factors. The Evaluation Committee has completed the interview process with the shortlisted finalists and hereby recommends pursuing fair and reasonable pricing with the selected firm.

CONCURRENCE:

Michael Ostrowski

{Name}
Shannon Mattingly, Director of Planning and Development Services - City of San Marcos

{Name}
Tom Taggart

{Name}
Amanda Hernandez

{Name}
Richard Reynosa

{Name}

DocuSigned by:
Michael Ostrowski
 {Signature} by 588150E101B1454...
 Shannon Mattingly, Director of Planning and Development Services - City of San Marcos
 {Signature} by E294299477E74B3...
Tom Taggart
 {Signature} by D0DC917BD82244C...
Amanda Hernandez
 {Signature} by 568251967B945C...
Richard Reynosa
 {Signature} by 04355235F78E446...



City of San Marcos

Request for Proposals
#220-137
for
COMPREHENSIVE PLAN UPDATE

Issued: Monday, March 9, 2020

ISSUED BY:
City of San Marcos
Purchasing and Contracting Division
630 East Hopkins Street
Building 4
San Marcos, Texas 78666

RESPONSES DUE:
Thursday, April 9, 2020
Prior to 2:00 PM, Local Time

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I. REQUESTS FOR PROPOSALS

The City of San Marcos (“the City”) is requesting proposals from qualified firms for the purpose of providing an update to its current comprehensive plan, in accordance with the terms and Scope of Work specified herein.

II. SCOPE OF SERVICES AND RESPONSIBILITIES

1) Purpose/Intent:

The purpose of this project is to provide an update to the City of San Marcos Comprehensive Plan “*Vision San Marcos*” that is highly graphic and relatively jargon-free. The plan should be easily interpreted by the general public, with an addendum housing all of the technical data to be used by City staff. With oversight from City staff, along with guidance from the Planning and Zoning Commission and the City Council, and possibly a comprehensive plan committee, the successful consultant(s) will assist in the planning process and develop project deliverables as outlined within this RFP.

The intent of the scope of services is to serve as a framework, which consultants can use to develop a more detailed scope of services based on their professional expertise and knowledge. The following scope of services serves as a general framework and must be incorporated into the consultant(s) proposed scope of work; however, the proposed scope of work is not limited to these services. The final scope of services will be developed in collaboration with the selected consultant(s) and the City prior to contract approval.

The consultant(s) shall have a prior understanding of the historic background of the development of San Marcos, as well as a firm understanding of the context, trends, and related information that have shaped the community. The consultant(s) shall analyze the assumed effects of external forces (physical, social, economic, and political) and trends on the future of the local community; issues and forecasts of local and regional growth shall be included.

2) Project Management:

It is intended that a team of City staff will lead the overall project to ensure that the project objectives are met. However, the consultant(s) shall support staff in all aspects of the project. Staff will provide continuous updates to the City Council and/or other governing boards on the development of the plan. Additionally, City staff will assist in facilitating interactions with appropriate City staff members, Planning and Zoning Commission members, City Council members, committee members, and other key stakeholders.

3) Public Participation Plan:

The consultant(s) shall be responsible for developing a comprehensive participation program that encompasses the public and stakeholders, and incorporates local knowledge and experience. Key to the development and success of the plan, the consultant(s) must facilitate participation and interaction of residents, property owners, business owners and leaders, churches and key community organizations, university officials, students, elected officials, utility providers, City staff, and other key stakeholders.

At a minimum the public participation plan should utilize traditional media, social media, virtual open houses, online polling, and should take advantage of the many groups who meet regularly through a speaker’s bureau. It will also be beneficial that the consultant(s) coordinate with other public outreach efforts being undertaken. The participatory process must also be creatively designed to seek out and involve residents

and other stakeholders that are unlikely to participate in a standard workshop style community engagement process, including the Spanish and other non-English speaking community. Additionally, the process must ensure that participation is reflective of both the current and future citizenry. The overall goal of the participatory process is to increase the ownership of the final product.

Please note, the City Council may wish to designate a committee(s) to act as community liaisons and provide oversight of the plan and process.

4) Vision and Goal Setting:

The consultant(s) will work with the City and project stakeholders in developing a broadly supported and achievable vision or alternative vision(s) of the long-term future design and character of the community, along with related goals that help accomplish the same. Vision and goal setting shall be a component of the plan that is officially approved by the City early on in the process. The vision and goal setting shall also include the identification and approval of the guiding principles. If alternative visions are created, the consultant(s) shall include the cost/benefit implications of each alternative.

5) Guiding Principles:

As part of this process, the consultant(s) will work with the City and project stakeholders in developing supported guiding principles that will guide the formation of related goals, objectives, and actions.

6) Planning Elements:

At minimum, the plan shall include planning elements that cover: land use (including a Preferred Scenario Map and fiscal impact analysis, see below); environment and resource protection; economic development; housing; parks, public spaces, and facilities; transportation; and intergovernmental cooperation. The consultant(s) is(are) encouraged to include other applicable elements that are beneficial to the process. As part of the land use planning element, a Preferred Scenario Map (future land use map) and fiscal impact analysis that clearly describes the costs associated with the anticipated growth shall be developed.

As part of the development of the planning elements, emphasis shall be placed on recently approved plans that relate to such planning elements, such as the Parks and Open Space Master Plan, Housing Needs Assessment, Historic Resources Survey, Transportation Master Plan, etc. In addition, other ongoing planning efforts, such as the Workforce Housing Action Plan, Downtown Architectural Design Standards, CAMPO Platinum Study, etc., shall be reviewed for possible incorporation into the planning process.

7) Critical Area Plans (Small Area Plans):

As part of the comprehensive planning process, the consultant(s), through a highly participative process, shall also identify critical areas within the community that will need a further planning focus due to the nature of their importance in the community and/or their relationship with other areas within the community. The consultant(s) will need to identify and prepare plans for these areas. At minimum, each plan shall include an identified area, the study of the character of that area, and then recommendations for the future of each area. These plans may have an emphasis on keeping the stability of the area, or an emphasis on change. This will depend on the area and the vision and goals for the community.

The types of critical area plans shall include at minimum:

- Neighborhood Plans - These plans are designed to look at existing neighborhoods and create a plan for their continued existence and preservation, and/or their emergence within the community. Special attention shall be placed on how to avoid adverse impacts from new development on existing residential neighborhoods.
- Center Plans - These plans are areas of significance or of great potential within the community. These plans will provide a special focus on center areas to ensure that they are complete, in that, they may provide a node or nodes of activity, a mix of opportunities for living, working, and recreating/entertaining.
- Downtown Plan - This plan is intended to be an overall master plan for Downtown San Marcos. While it can also serve as a center plan, an enhanced focus shall be placed on the downtown to ensure its proper redevelopment and preservation. New or expanded historic districts may be identified as part of this portion of the planning process.
- Corridor Plans - These plans are intended to look at corridors and what role they will play in the overall community. Corridors may provide a linkage between neighborhood plans and/or center plans. While many of the corridors may be transportation related, others may include natural corridors, such as the rivers.

As part of the critical area plans, it will be vital that the consultant(s) gain consensus from the City and stakeholders on what each of these plans are, and their intent.

8) Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages:

The consultant(s) shall develop a list of strategies and implementation measures to accomplish the short, mid, and long-term goals and objectives of the plan. The consultant(s) will be innovative and proactive in their approach to implementation, in order to ensure the highest chance for success. As part of this strategy, the consultant(s) shall develop comprehensive decision-making packages. Comprehensive decision-making packages are a set or group of actions, that while done together, provide a greater degree of success than when actions are done individually. The implementation strategy shall also include a strategy for review and maintenance of the goals, objectives, and actions, as well as the overall comprehensive plan.

9) Presentations and Communications:

The consultant(s) and City staff will present the final plan and implementation strategy to the Planning and Zoning Commission and City Council along with other applicable committees as defined in the final scope of work. Additionally, the consultant(s) will work with staff to communicate with project stakeholders and various committee(s) throughout the process, and to present intermediate deliverables and related information.

10) Deliverables:

The following is a list of the minimum deliverables for the project:

- A project management plan with milestones and timelines for the completion of various aspects of the project.
- A participation plan that includes objectives, activities, methods, roles, and timeframes.
- A coordinated implementation plan that includes roles, timeframes, and monetary solutions.
- A highly graphic and interactive complete comprehensive plan that can be easily disseminated and

understood by the public, with addendum housing all of the technical data to be used by City staff for future planning efforts.

III. EVALUATION CRITERIA

The City will evaluate and rank each Response based on the following factors. The City reserves the right to request additional information or clarifications from all firms and to allow corrections of errors or omissions.

- **Process Creativity – 25 points maximum**
- **Project Schedule – 25 points maximum**
- **Pricing – 25 points maximum**
- **Experience and Qualifications – 20 points maximum**
- **References – 5 points maximum**

Optional Interviews: The shortlisted firms may be requested to participate in an interview and provide a presentation that is worth up to an additional twenty-five (25) points. Any additional points earned will be added to the points the firm received in the first round of the evaluation.

Final Decision: In responding to this RFP, the firms understand that the decision of the selection committee is final. All proposals will be reviewed and ranked according to the criteria above, and proponents may be selected for interviews or oral presentations as may be necessary. The City makes no commitment to any proponent to this RFP beyond consideration of the Proposals.

IV. REQUIREMENTS FOR PROPOSAL

The following items are required to be submitted with the response. In order to expedite the evaluation of proposals, interested firms will organize their proposals in the sequence provided below. These instructions are designed to ensure the submission of information essential to the understanding and comprehensive evaluation of the proposal.

1) Executive Summary:

Provide an Executive Summary of the major features of the proposal, including any conclusions, assumptions, and general recommendations the Firm desires to make. In addition, provide the following information:

- The name of the project manager (or lead) who will work on the contract and relevant project experience.
- Verification that the proposed team individuals are currently employed by the firm.
- Confirmation that the general liability insurance, workers' compensation, and professional liability insurance will be provided within ten (10) calendar days of the Contract Award.
- Brief statement providing assurances that the Firm will be cognizant of, comply with, and enforce all applicable Federal, State, and local laws, regulations, and ordinances, and a description of your firm's methodology for handling errors and omissions in the materials developed as part of this Project.

2) Information Questionnaire:

Submit Vendor Information Questionnaire (Attachment "A") with the response.

3) Price Proposal:

Submit pricing proposal on attached Price Proposal Form (Attachment "B").

4) Relevant Experience Information:

- Identification of the firm/team responding to the RFP and a brief description of each firm/team member should be provided including a brief summary of their experience. Location of the headquarters office for the lead firm should be indicated, as well as the location of each lead firm/team member office where work will be performed for the project. Provide current and future other projects that the firm/team will be working on during the timeframe for this project.
- Provide information on experience and confirmation that key personnel are registered or licensed to practice in Texas.
- Year established (including former firm names and year established, if applicable). State the size of the firm and the number and nature of the professional staff to be assigned to the project.

5) Reference List of Projects of Similar Scope, Size, and Complexity:

- A reference list of clients with contact names, telephone numbers, and email addresses. Projects listed should encompass a minimum of five (5) years of experience.

6) Proposed Project Schedule and Approach:

- Provide a detailed description of your proposed services and a detailed project schedule for implementation.

V. SUBMISSION OF RESPONSE

Interested and qualified firms or teams are invited to submit one (1) original and five (5) copies of their Proposals, and one (1) USB flash drive containing the Proposal in a single file PDF document. Submissions must be written entirely on 8 ½" X 11" paper and may be spiral, binder clip, or staple bound. Please do not submit three (3) ring binders. Submissions must be submitted in a manner that does not carry any benefit, keepsake, or value for members of the evaluation committee.

To the extent permitted by law, all documents pertaining to this RFP will be kept confidential until a contract is awarded. Any information deemed confidential by the submitted firm must be clearly marked as such. No information about any Proposal will be released to the public until the process is complete. The City is under no obligation to return Proposals.

It is the sole responsibility of the firm to ensure that its Proposal reaches the City's Purchasing Department. Deliver all Proposals, unless otherwise specified, to the address on the label no later than the submittal deadline. The firm is cautioned that it is responsible for delivery to the Office of the Purchasing Manager. Therefore, if your Proposal is delivered by an express mail carrier or by any other means, it is your responsibility to ensure delivery to the address below. The City is not responsible for deliveries made to any place other than the Office of the Purchasing Manager.

mailed or delivered to:

**Office of the Purchasing Manager
630 East Hopkins Street
Building 4
San Marcos, Texas 78666**

The City will not accept Proposals after the 2:00 PM submittal deadline. The outermost sealed envelope/container will be labeled as such:

SEALED RFP RESPONSE • DO NOT OPEN	
SEALED PROPOSAL NO.: 220-137	
PROPOSAL TITLE:	Comprehensive Plan Update
DUE DATE/TIME:	April 9, 2020, no later than 2:00 PM, Local Time
SUBMITTED BY:	_____
	(Name and City/State of Firm)

VI. AWARD OF CONTRACT

Negotiations: After evaluation and ranking based on the evaluation criteria, the City may then enter into negotiations with the top ranked firm as to the terms of the agreement, and all aspects of the project to reach an agreement.

Inability to Reach an Agreement: In the event the negotiations between the top ranked firm and the City cannot be completed as a result of an inability to reach agreement the City may formally end negotiations with that firm and attempt to negotiate a contract with the next ranked firm until a contract is entered.

Contract Award: The selection of a firm and the execution of a contract, while anticipated, are not guaranteed by the City. The City reserves the right to determine which Proposal is in the City's best interest and to award the contract on that basis, to reject any and all Proposals, and waive any irregularities of any Proposal.

City Council Approval: The City Council will consider the final contract for approval in the event the final contract amount is anticipated to exceed \$49,999.99.

Final Contract:

1. The selected firm will assume responsibility for all services offered in its Proposal, whether or not such services are provided by a subconsultant or joint venture arrangement. The successful firm will be considered the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract.
2. The successful firm will be required to enter into a written contract with the City, Attachment "C", which includes the City's "Standard Terms and Conditions" found at www.sanmarcostx.gov/termsandconditions.

Where conflicts exist between the provisions of Attachment “C” and the provisions of this RFP, the provisions imposing greater responsibility on the successful firm will control.

3. This RFP and the successful firm’s proposal, or any part thereof, may be incorporated into and made a part of the final contract. The City reserves the right to negotiate the terms and conditions of the contract with the successful firm.

4. Be advised that exceptions to any portion of the RFP may jeopardize acceptance of your Proposal. If exceptions are taken to the City’s Agreement, this will be clearly indicated and a full explanation given for each exception. It is required that the Proposal enumerate the specific clauses that the firm wishes to amend or delete and suggest alternative wording in the Proposal. In view of the length of time involved in obtaining the approval of legal counsel, firms are cautioned not to state that the firm’s Proposal is subject to the firm’s standard terms and conditions or that the final terms and conditions are subject to negotiation after award. This may result in the Proposal being deemed non-responsive, in which no further consideration or evaluation will be made.

VII. SPECIAL PROVISIONS

Selected Response: The City reserves the right to include the selected response or any part or parts of the selected response in the final contract.

Reimbursement: The City makes no commitment to any respondent of this RFP beyond consideration of the written Proposal. The City will not reimburse firms for the costs incurred in response to this solicitation.

Collusion: By submission of a response, the firm certifies, and in the case of a joint submission each party certifies as to its own organization, that in connection with any cost proposal submitted by the firm, the prices which are quoted are not the product, direct or indirect, of any collusion with any other firm, and have not been knowingly disclosed by the firm directly or indirectly to any other firm prior to submission to the City.

Addenda: Any changes resulting from the questions submitted affecting the scope of work, or which may require an extension to the solicitation due date will be reduced to writing in the form of an addendum to this solicitation. Addenda may only be viewed at www.sanmarcostx.gov/eprocurement. It is the firm’s responsibility to check the above site to determine if the City has issued any addenda. Addenda will be issued no later than five (5) business days prior to the solicitation due date.

Lobbying: Firms are prohibited from directly or indirectly communicating with City Council members regarding their qualifications or any other matter related to the eventual award of a contract for the services requested in this RFP. Firms are prohibited from contacting City staff or evaluation committee members regarding their qualifications or the award of a contract, unless in response to an inquiry from a staff or committee member through the Purchasing Manager. **Any violation will result in immediate disqualification of the Firm from the selection process.**

City of San Marcos Artwork: Use of the City seal or the City brand on Proposals is **not** permitted on non-City-generated work product.

Taxpayer Identification Form: Prior to the execution of a contract for these services, the selected Firm will complete a Request for Taxpayer Identification Number and Certification Form (IRS Form W-9). The City will

not make payment against the contract until it has received the properly completed form.

The selected firm will invoice the City for services rendered accompanied by the City's required documentation. The City's representative and the appropriate staff in the City's Finance Department must approve payments.

"Green" Procurement: It is the City's objective to be proactive with regard to the environment. The City encourages "Value Purchasing" of environmentally friendly products. Firms are encouraged to clearly identify any green solution in their proposals or a firm may propose a separate alternative "Green" solution, in a separate envelope marked "Green Solution". The Green solution alternative proposal will meet the minimum performance, and delivery standards.

Protests: A protest to the City's consideration of any proposal must be submitted in writing and received by the Purchasing Manager no later than five (5) calendar days after the proposal due date. A written reply to the protest will be sent to the protesting firm by the City's Purchasing Manager. The protest must contain:

1. Identification of the statute or procedure that is alleged to have been violated;
2. A precise statement of the relevant facts;
3. Identification of the issues to be resolved; and
4. Aggrieved party's argument and supporting documentation.

Smoking Prohibition: Pursuant to San Marcos Ordinance No. 2013-57, as amended, all City of San Marcos owned and rented/leased properties are smoke free properties. All contractors, vendors, subcontractors, and their employees are prohibited from smoking while on City property. This prohibition includes the enclosed areas of public places and workplaces and within ten (10) feet of doors and windows of City-owned or rented buildings, all city parks and the grounds outside of any city building. This prohibition includes e-cigarettes and other inhaled vapor devices. The City may terminate the contract for noncompliance with this ordinance.

Certificate of Interested Parties: A contract greater than \$50,000 requires the vendor to electronically create a Certificate of Interested Parties Form 1295 through the Texas Ethics Commission ("TEC") website (https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm) and submit a signed copy of the form to the City prior to the award of the contract. A contract, including a City-issued purchase order, will not be enforceable or legally binding until the City receives and acknowledges receipt of the properly completed Form 1295 from the vendor.

Prohibition on Contracts with Companies Boycotting Israel: Pursuant to Chapter 2270 and 808, *Texas Government Code*, Contractor certifies that is not ineligible to receive the award of or payments under the Agreement and acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate. Failure to meet or maintain the requirements under this provision will be considered a material breach. Submit House Bill 89 Verification Form (Attachment "D") with proposal.

2252 Compliance: Section 2252 of the *Texas Government Code* restricts the City from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. Contractor hereby certifies that is not ineligible to receive the award of or payments under this Agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Intergovernmental Purchases: The City reserves the right to extend all of the terms, conditions, specifications, and unit or other prices of any contract resulting from this proposal to any and all public

entities, subdivisions, school districts, community colleges, colleges, and universities. This is conditioned upon mutual agreement of all parties pursuant to special requirements which may be deleted from the original contract. The Proponent will notify any governmental entity that wishes to use any contract resulting from this proposal that it must contact the City Purchasing Manager for approval of its utilization of the City's contract.

The City assumes no authority, liability or obligation, on behalf of any other governmental entity that may use any contract resulting from this proposal. All purchases and payment transactions will be made directly between the successful Proponent and the requesting entity. Any exceptions to this requirement must be specifically noted in the proposal response.

Inquiries and Other Information: All questions and other communication from firms will be permissible until 5:00 P.M., March 25, 2020. All responses to this Request for Proposals, as well as any questions, clarifications, or requests for general information are to be directed to the following Point of Contact in writing:

Veronica Bradshaw, CPPB, CTCM
Procurement Program Administrator
Purchasing and Contracting Division
City of San Marcos
Email: vbradshaw@sanmarcostx.gov

VIII. ANTICIPATED SCHEDULE

The following is the *proposed* schedule for the selection process:

- **March 9, 2020** – Advertise, mail, or email Request for Qualifications
- **March 25, 2020** – Deadline for submission of questions
- **April 9, 2020** – Deadline for Receipt of Statement of Qualifications to be delivered to Office of the Purchasing Manager, 630 East Hopkins Street, Building 4, San Marcos, Texas 78666
- **Week of April 13, 2020** – Selection Committee first Evaluation Meeting
- **Week of April 27, 2020** – Selection Committee selects its recommendation for the top-ranked firm and contract negotiations begin
- **May 4 or 18, 2020** – Council Agenda Item Due
- **June 2 or 16, 2020** – Selection Committee's recommendation presented to City Council for consideration and contract award



ATTACHMENT "A"

VENDOR INFORMATION QUESTIONNAIRE

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	
Primary/Principal Office Address:	
Telephone Number:	
Email Address:	
DUNS Number (if applicable):	

Form of Ownership (check one):

- Corporation State Incorporated/Registered _____ / Date Incorporated/Registered _____
- LLC
- Joint Venture
- Partnership: If Partnership, select one of the following: () Limited or () General
- Individual

Company has been in business since: _____

List of Partners, Principals, Corporate Officers or Owners:

Name	Title

List of Corporate Directors:

Name	Title

1. Have you had any contracts terminated for default or other performance reasons? Yes No

If yes, explain: _____

2. Has your company been convicted of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, has the conviction occurred within three (3) years immediately preceding either the date of submission of a

bid/proposal, or the date of award of the contract?

If yes, explain: _____

3. Is your company involved in pending investigation or criminal prosecution of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, explain: _____

4. Does your company have pending claims, investigations, or civil litigation involving allegations of fraud, misrepresentation, or conversion? Yes No

If yes, explain: _____

5. Does your company have previous final judgments against the City for breach of contract, fraud misrepresentation or conversion? Yes No

If yes, explain: _____

6. Has your company failed to timely pay/remit sales tax, property tax, or utility payments to the City of San Marcos? Yes No

If yes, explain: _____

7. Has your company refused to execute a contract following an award by the San Marcos City Council?

Yes No

If yes, explain: _____

8. Has your company violated the anti-lobbying provisions in a current or previous City of San Marcos procurement process by making contact with a member of the San Marcos City Council prior to the award of a contract?

Yes No

If yes, explain: _____

9. Has your company furnished unauthorized substitutions of materials not meeting contract specifications in a current or previous contract with the City of San Marcos? Yes No

If yes, explain: _____

I, _____, as _____
Name of Individual Title & Authority

of _____, declare under oath
Company Name

that the above Statements, including any supplemental responses attached hereto, are true and correct, and that the representations made herein are accurate to the best of my knowledge and are based upon a diligent search of records. I further acknowledge that any failure to conduct a diligent search or to make a full and complete disclosure may result in cancellation of my contract by the City of San Marcos, and possibly debarment.

Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL



ATTACHMENT “B”

PRICE PROPOSAL FORM

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	
Contact Person:	
Primary/Principal Office Address:	
Telephone Number:	
Email Address:	

Rates for the following tasks:		
	Project Management	\$
	Public Participation Plan	\$
	Vision and Goal Setting	\$
	Guiding Principles	\$
	Planning Elements (per element)	\$
	Critical Area Plans (per plan)	\$
	Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages	\$
	Presentations and Communications	\$
	Other (explain)	\$
Complete Project Cost		\$

I, _____, as _____
Name of Individual Title & Authority

of _____, proposes to complete the
Company Name

Project for the prices listed in this Price Proposal Form for scope of work and services described in the RFP documents.

 Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL



**THE CITY OF SAN MARCOS
SERVICES CONTRACT
{PROJECT NAME}
{SOLICITATION NUMBER}**

This **Agreement** (this “**Agreement**”) is entered into by and between THE CITY OF SAN MARCOS, a municipality in the State of Texas (“**CITY**”), and {Vendor Legal Name}., whose address is {vendor address} (“**CONTRACTOR**”), and is effective for all purposes as of the date of the last signature to this Agreement (“**Effective Date**”).

City and Contractor agree as follows:

1. **Services.** Contractor will perform the Services (“**Services**” or “**Project**”) and provide deliverables (“**Deliverables**”) set forth in **Exhibit A**, attached and incorporated for all purposes, to the satisfaction of City.
- 2.

Note: The portions below in brackets “{ }” may be modified as needed, OR it deleted entirely. If the highlighted information is deleted, remove Exhibit B. Delete this box.

3. **Term.** The term (“**Term**”) of this Agreement will commence on the Effective Date, {and will continue for one (1) year term, unless sooner terminated as provided herein. The contract may be extended for (number) (#) additional one (1) year periods, provided all terms and conditions remain in full force and effect except for the contract period being extended or any price redetermination. This option, if exercised, is to be executed in the form of an Authorization of Change in Services, to be issued no sooner than ninety days (90) prior to expiration of this contract, nor later than the final day of the contract period. This option to extend requires the mutual agreement of both parties. Refusal by either party to exercise this option to extend will cause the contract to expire on the original or mutually agreed upon date. The total period of the contract, including all extensions as a result of exercising this option, will not exceed a maximum combined period of (number) (#) years.}
4. **Compensation.** Contractor’s fees for the Services are set forth in **Exhibit A**, attached and incorporated for all purposes for {an amount not to exceed (spelled dollar amount) (\$###,###.##) for the full (number) (#) year term of the Agreement}.
5. **Invoice.** City will pay to Contractor compensation for performance of the Services within thirty (30) days after receipt of an appropriate invoice (“**Invoice**”) and City’s approval of Services. Payment will be made in accordance with the Texas Prompt Payment Act, currently codified in Chapter 2251, *Texas Government Code*. Payment for delivery of Services, and rendered will not be unreasonably withheld or delayed. If City disapproves any amount submitted for payment by Contractor, City will give Contractor specific reasons for disapproval in writing within a reasonable time. Upon resolution of any disputed charges, Contractor will re-invoice such remaining charges to City.

WARRANTIES, TERMS, AND REPRESENTATIONS

6. **Compliance with Laws and Policy.** Contractor warrants and agrees that Contractor will perform the Services and conduct all operations in conformity with all applicable federal, state, and local laws, rules, regulations, and ordinances. For any Service performed on premises owned or controlled by City, Contractor warrants and agrees that Contractor will perform the Services in compliance with all City’s Rules and “**Standard Terms and Conditions**,” when not in conflict with the terms of this Agreement, found at www.sanmarcostx.gov/termsandconditions, including but not limited to, prohibitions related to tobacco use, alcohol, and other drugs.
 - 6.1 Contractor will obtain, at its own cost, any and all approvals, licenses, filings, registrations and permits required by federal, state or local laws, regulations or ordinances, required for the performance of the Services.
7. **Performance.** Contractor represents that Contractor has the personnel, experience, and knowledge necessary to qualify Contractor for the particular duties to be performed under this Agreement. Contractor warrants that all services performed under this Agreement will be performed consistent with generally prevailing professional or industry standards.
8. **Authority.** Contractor represents and agrees that this Agreement reflects Contractor’s full and correct name and that Contractor is entering into this Agreement in an individual capacity/with authorization on behalf of the named entity.

- 9. Conflict of Interest.** Contractor represents, and agrees that Contractor presently has no interest and will not acquire any interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of the Services hereunder. Contractor further warrants that no relationship or affiliation exists between Contractor and City that could be construed as a conflict of interest with regard to this Agreement.
- 10. Deliverables and use of Documents.** All drawings, specifications, plans, computations, data, photographs, records, models, statements, reports, and other deliverables or materials prepared or produced by Contractor in connection with the Services (collectively, "**Service Deliverables**"), whether or not accepted or rejected by City, are the property of City and for its exclusive use and re-use at any time without further compensation and without any restrictions. Contractor will not sell, disclose, or obtain any other compensation for the Service Deliverables. Contractor will not use Service Deliverables in any manner for any other purpose without the express written consent of City.
- 11. Assignment.** Contractor's interest in this Agreement (including Contractor's duties and obligations under this Agreement, and the fees due to Contractor under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, without the express written consent of City. The benefits and burdens of this Agreement are assignable by City.
- 12. Order of Precedence.** This Agreement includes by reference, the provisions of the solicitation documents, Contractor's response to the solicitation, the exhibits or attachments to this Agreement. In case of any conflict among the provisions of this Agreement, the following descending order of precedence will be observed:
- 12.1 This Agreement and Standard Terms and Conditions;
 - 12.2 Exhibit A;
 - 12.3 Solicitation Documents
 - 12.4 Contractor's Response to Solicitation
 - 12.5 Other exhibits and attachments to this Agreement

In the event of any conflict between the Agreement and the provisions of any exhibits or attachments to this Agreement, this Agreement will govern and control.

- 13. Insurance and Liability:** During the period of the resulting contract, the Contractor will maintain, at its expense, insurance with limits not less than those prescribed below. Insurance underwriters will be acceptable to the City. With respect to required insurance, the Contractor will:
- 13.1 Name the **City of San Marcos, Purchasing and Contracting Division, 630 East Hopkins Street, San Marcos, Texas 78666** as an additional insured.
 - 13.2 Provide the City with a thirty (30) days' written notice to the Certificate Holder prior to cancellation or material change of any insurance referred to in the certificate.
 - 13.3 Failure of Certificate Holder to demand a certificate or other evidence of full compliance with these insurance requirements or failure of Certificate Holder to identify a deficiency from evidence that is provided will not be construed as a waiver of Insured's obligation to maintain such insurance.
 - 13.4 Provide the City of San Marcos Purchasing and Contracting Division, 630 East Hopkins Street, San Marcos, Texas 78666, a Certificate of Insurance evidencing required coverage before execution of contract.
 - 13.5 Submit a Certificate of Insurance reflecting coverage as follows:

Automobile Liability:	
Bodily Injury (Each person)	\$1,000,000.00
Bodily Injury (Each accident)	\$1,000,000.00
Property Damage.....	\$1,000,000.00
General Liability (Including Contractual Liability):	
Bodily Injury.....	\$1,000,000.00
Property Damage.....	\$1,000,000.00
Workers' Compensation.....	Statutory

<i>Professional Liability is dependent upon the service. Delete if not applicable.</i>	
Professional Liability.....	\$1,000,000.00

- 14. Additional Services/Change or Delay in Services.** The City may direct the Contractor to perform services outside of the scope of the Services. The Contractor will submit a written estimate of fees to the City and obtain the City's authorization before initiating any additional services. Each material change (deletion or addition) in the services to be provided by Contractor must be authorized by the City on the Authorization of Change in Services, **Exhibit B** to this

Agreement. Compensation for additional services will be in addition to that specified for the Services. The approval of the City Council is necessary for all additional services the compensation for which exceeds \$50,000. No charge will be made by the Contractor for any hindrance or delay from any cause whatever during the progress of any portion of its work that can reasonably be contemplated by the scope of work, but the City may grant an extension of time for the completion of the work, provided it has satisfied that such delays or hindrances were due to extraordinary causes or to the acts of omission or commission by the City. Any such extension of time will be provided utilizing the City's Authorization of Change in Services form.

- 15. **Force Majeure.** Neither City nor Contractor will be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence.
- 16. **Termination.** City may terminate this Agreement in accordance with the Standard Terms and Conditions. Upon such termination, City will pay Contractor, at the rate set out in Exhibit A, for Services satisfactorily performed through the date of termination. Notwithstanding any provision in this Agreement to the contrary, City will not be required to pay or reimburse Contractor for any Services performed or for expenses incurred by Contractor after the date of the termination notice that could have been avoided or mitigated by Contractor.
- 17. **Notice.** Any notices required under this Agreement will be made in writing, postage prepaid to the following addresses, and will be deemed given up hand delivery, verified delivery by telecopy (followed by copy sent by United States Mail), or three days after deposit in the United States Mail:

CITY:
The City of San Marcos
Attn: City Manager's Office
630 East Hopkins Street
San Marcos, TX 78666

CITY:
The City of San Marcos
Attn: Purchasing Manager's Office
630 East Hopkins Street
San Marcos, TX 78666

CONTRACTOR:

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the Effective Date written above:

CONTRACTOR:

Signature

Date

Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Print Name

Title

EXHIBIT "A"
SCOPE OF WORK

DRAFT

EXHIBIT "B"
AUTHORIZATION OF CHANGE IN SERVICE

AGREEMENT/ SERVICES NAME:	{Contract #}	{Contract Name}	
CITY REPRESENTATIVE:			
CONTRACTOR:			
CONTRACT EFFECTIVE DATE:			
THIS AUTHORIZATION DATE:		AUTHORIZATION NO.:	

DESCRIPTION OF WORK TO BE ADDED TO OR DELETED FROM SCOPE OF SERVICES:

Original Contract Amount:	NTE	\$
Previous Increases/Decreases in Contact Amount:	NTE	\$
This Increase/Decrease in Contract Amount:	NTE	\$
Revised Contract Amount:	NTE	\$

CONTRACTOR:

Signature

Date

Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Print Name

Title

City Department Use Only Below This Line (PM, etc.).

Account Number(s):	Date:	Amount
#		
#		
#		

ATTACHMENT "D"

HOUSE BILL 89 VERIFICATION

(This affidavit must be completed and submitted with bid/proposal.)

Pursuant to Sections 2270.001, 2270.002, 808.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" has the meaning assigned by Section 808.001, except that the term does not include a sole proprietorship.
3. Section only applies to a contract that is between a governmental entity and a company with 10 or more full-time employees; and has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the governmental entity.

As the undersigned legal representative of _____,
(Business Name)

after being duly sworn by the undersigned notary, do hereby depose and verify under oath that the company named-above, under the provisions of Subtitle F, Title 10, Government Code Chapter 2270:

- a. Does not boycott Israel currently; and
- b. Will not boycott Israel during the term of the contract City of San Marcos, Texas.

(Business Representative Signature)

(Date)

(Title)

STATE OF _____ §

COUNTY OF _____ §

On this day, BEFORE ME, _____ personally appeared and personally-known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual executed the instrument for purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 20_____.

[SEAL]

NOTARY PUBLIC in and for the State of _____



FINANCE DEPARTMENT – PURCHASING AND CONTRACTING DIVISION

ADDENDUM #1

April 1, 2020

This addendum will be considered a part of the Comprehensive Plan Update, RFP 220-137. Where provisions of this addendum differ from those of the original Contract Documents, this addendum will govern.

A. The City of San Marcos is committed to doing our part in halting the spread of the COVID-19 virus. Effective March 20, 2020, the City of San Marcos has closed its facilities to the public.

All sealed bids/proposals will be received in the Office of the Purchasing Manager, 630 East Hopkins Street, Building 4, San Marcos, Texas 78766 prior to the due date and time stipulated in the solicitation documents by U.S. postal service or by special mail carrier delivery service only. It is the responsibility of the bidder/proposer to ensure timely delivery of the bid or proposal.

Through video-conferencing, the Purchasing office will receive, open, and read aloud bids and proposals as required. Instructions are provided on the City's eProcurement site for anyone interested in viewing the bid/proposal opening.

B. Questions and Answers:

1. If we were to be awarded for the Comprehensive Plan Update, would we be excluded from consideration for the potential Downtown Plan, Centers Plan, or Corridor Plans that may follow?

Answer: These plans are to be included as part of the Comprehensive Plan Update project.

2. What is the budget for the project?

Answer: The City has not set a specific budget for the project. The City understands the budget will be driven by several factors, including the amount of public participation/meetings and the number of critical areas to be completed. **In order to provide the City with a clearer picture of each firm's proposal as it relates to price, prices for individual components/phases of the project are recommended to be provided.**

3. Since the City adopted a transportation master plan in 2018, can it be assumed that the consulting firm would be building on this plan for the area studies and not redoing or updating the 2018 plan?

Answer: The Comprehensive Plan can build off of existing plans. While this project is not an update to the Transportation Master Plan, the two plans, as well as others, should be consistent with one another. If they are not, specific reasons should be cited. Furthermore, some of the recommendations in regard to the goals, objectives, and strategies relating to transportation should be verified and updated through this process.

4. Given the ever-evolving situation with COVID-19, will San Marcos be changing the due date for the RFP response?

Answer: No, not at this time.

5. Regarding section IV. Requirements for Proposal, 5) Reference List..., p.7: Can you clarify, "a minimum of five (5) years of experience"? Does this mean you want to see projects that have been completed for at least five years?

Answer: Correct. We would like to see a reference list of projects for a minimum of five (5) years.

6. Does the City of San Marcos have a budget in mind for the project or already have an established budget for the project?

Answer: See response to Question #2 above.

7. Will there be a registration or sign-in form for all firms interested in submitting proposals? Such as similar to the forms that would be provided at pre-submittal meetings and the like.

Answer: Vendors who enter their contact information upon downloading the RFP documents will be added automatically to a Planholders List. This information can be posted upon request. Upon proposal acknowledgment immediately following the deadline for submission of proposals, the City will also post a proposal submittal log of all proposals received prior to the deadline. Additionally, the City has posted instructions for viewing a live video feed of the public proposal acknowledgment process as our offices are currently closed to the public to ensure safety for all in light of the COVID-19 situation.

8. Does the City of San Marcos anticipate any changes to normal procedures such as the RFP submittal process and more?

Answer: The submission process will not change with the exception that in-person submissions will not be accepted. All submissions must be sent via U.S. Postal Services or courier service as stated in Section A above. Additionally, the City has posted instructions for viewing a live video feed of the public proposal acknowledgment process as our offices are currently closed to the public to ensure safety for all in light of the COVID-19 situation.

9. Does the requirement in Section IV.4 of the RFP that respondents “Provide current and future other projects that the firm/team will be working on during the [project] timeframe...” apply solely to designated project management staff? Regarding future projects, is it sufficient to provide statements attesting to standard or targeted project workloads for designated project managers?

Answer: A listing of all current and known future projects that the firm is working on, along with the associated team members involved in those projects shall be provided. Please feel free to provide additional clarification related to staff capacity for current and future projects.

10. Is the anticipated schedule listed in Request for Proposals #220-137 for Comprehensive Plan Update still on track? Or, do you anticipate the deadline for questions and/or proposal due date to be extended to a later date as well?

Answer: The project is still on schedule.

11. What changes have you experienced in visitor traffic during the last 2 to 5; and 5 to 10 years?

Answer: This is part of the Purpose/Intent of the Request for Proposals – “The consultant(s) shall have a prior understanding of the historic background of the development of San Marcos, as well as a firm understanding of the context, trends, and related information that have shaped the community. The consultant(s) shall analyze the assumed effects of external forces (physical, social, economic, and political) and trends on the future of the local community; issues and forecasts of local and regional growth shall be included.”

12. How will the recent shift in the economy impact the focus of this initiative?

Answer: The project is still on schedule.

13. Who do you feel are the City’s biggest competitors from a market perspective?

Answer: See response to Question #12 above.

14. What changes have impacted the way you should approach this updated land use assessment?

Answer: See response to Question #12 above.

15. What other studies have been done that would be a good reference for this project?

Answer: As indicated in the Request for Proposals – “As part of the development of the planning elements, emphasis should be placed on recently approved plans that relate to such planning elements, such as the Parks and Open Space Master Plan, Housing Needs Assessment, Historic Resources Survey, Transportation Master Plan, etc. In addition, other ongoing planning efforts, such as the Workforce Housing Action Plan, Downtown Architectural Design Standards, CAMPO Platinum Study, etc., shall be reviewed for possible incorporation into the planning process.”

16. How much do you anticipate will the project be an update or a total departure from the existing Comprehensive Plan?

Answer: Given the amount of changes that we have seen over the past 7-8 years, especially with population, this process will likely go beyond just a simple update, and may ultimately lead to more of a rewrite. However, there may be actions from the current plan that we wish to still accomplish, or goals and objectives that are still relevant. Also, the amount of change from the current plan to the new plan will depend on the community’s vision(s). If that vision(s) is/are different, it may necessitate more of a rewrite.

17. Are there specific areas, neighborhoods, or corridors that you have identified that need to be looked at?

Answer: While not all inclusive, please see prior planning documents listed within the Request for Proposals, as well as the current comprehensive plan. These documents can provide clarity of potential areas.

18. It is our understanding that the project will be led by staff and the consultant will support the staff; how do you envision this for the project?

Answer: Please see the response to Question #29 below.

19. Who will lead the project on the City side and serve as the City Project Manager?

Answer: At this time, the Assistant Director of Planning and Development Services will be the City’s lead on the project.

20. Do you anticipate the involvement of a steering committee for this project?

Answer: Please see the Request for Proposals – “With oversight from City staff, along with guidance from the Planning and Zoning Commission and the City Council, **and possibly a comprehensive plan committee**, the successful consultant(s) will assist in the planning process and develop project deliverables as outlined within this RFP.

21. May we please provide a project schedule on an 11x17 sheet of paper?

Answer: Yes.

22. For Section 5, the RFP reads, “A reference list of clients with contact names, telephone numbers, and email addresses. Projects listed should encompass a minimum of five (5) years of experience.” Please clarify what is meant by the second sentence. Does this mean to only provide projects that have been completed within the past five years?

Answer: It means a minimum of five (5) years.

23. Due to government shut downs and certain office buildings being closed due to COVID-19, would the City consider accepting electronic copies of the proposal responses?

Answer: Please see Section A above.

24. If not, would the City at least remove the need for signed originals and instead accept electronic signatures? It may be tough to get the signed originals to an office building that is[n’t] open so that those originals can be incorporated with our printed product.

Answer: Authenticated electronic signatures on proposal documents are acceptable. Such authentication applications include, but are not limited to, DocuSign and Adobe.

25. Is the City intending to engage the consultant(s) for turn-key planning services – planning analysis; plan writing and graphics, public engagement and meeting preparation and facilitation; presentations to committees/boards/public officials by the consultant(s) – or is the City foreseeing this as a staff augmentation role where City staff and the consultant(s) collaborate on the previously listed tasks and sharing effort in their preparation?

Answer: See the response to Question #29 below.

26. The broad nature of services in the proposal request, coupled with the price proposal request and desire for creative approaches, is likely to result in inconsistent methods of preparing the price proposal form that would limit the accuracy of comparison between respondents.

- a. Is the City willing to eliminate the cost proposal element in order to focus the selection on qualifications and approach, perhaps considering a substitute criterion based upon local knowledge, responsiveness and experience as a means to identify consultant(s) best fit to the community?

Answer: No. The cost element will remain. Please see the response to Question #2 above.

- b. Is the City willing to consider publishing an available budget for the consultant(s) to respond rather than requiring the price proposal form? For example, one could request the respondents' scopes be tailored to the budget, and then to separately identify any additional scope or best practices the respondent recommends for consideration that may exceed the budgeted scope.

Answer: Please see the response to Question #2 above.

27. The level of effort for the four types of critical area plans, and any other critical area plan types identified by the consultant(s), will be variable based on the type of plan and geographic area/complexity, and thus cannot be easily represented on the price proposal form as a single price. Likewise, the level of effort may vary based on whether these critical plan areas are prepared concurrently with the Comprehensive Plan to gain public involvement efficiencies, or as separate endeavors. Can the City provide additional clarity as to the expectations of price representation given these characteristics?

Answer: The critical area plans are to be completed as part of the Comprehensive Plan Update. Please see the response to Question #2 above.

28. The level of effort for each plan element varies and presents a challenge to represent on the price proposal form as a single price. Can the City provide additional clarity as to the expectations of price representation given these characteristics?

Answer:

29. The RFP states the "City staff will lead the overall project..." Could you clarify what that means? Beyond the described roles of project oversight and facilitating interaction between the consultant and public officials, can you describe other roles where the City might be extensively involved? For example, would City

staff also assume some degree of responsibility for research, report preparation, or public outreach? Or does this apply to overall leadership and the public face of the planning process?

Answer: Please see the response to Question #27 above.

30. Has the City identified a preferred budget range for this project?

Answer: Please see the response to Question #2 above.

31. Does the City have a preferred timeframe within which the plan should be completed?

Answer: Eighteen (18) months.

32. The City has identified a minimum list of components to be included in each critical area plan. The scope of each critical area plan could vary greatly however due to size, unique issues or conditions, and the potential scale of recommended initiatives or enhancements. Can you provide any additional guidance on the maximum preferred scope/scale of each critical area plan? Can a scope range and matching fee range be provided?

Answer: As noted in the Request for Proposals – “At minimum, each plan shall include an identified area, the study of the character of that area, and then recommendations for the future of each area. These plans may have an emphasis on keeping the stability of the area, or an emphasis on change. This will depend on the area and the vision and goals for the community.” At this time, a maximum scope cannot be provided, as it will be dependent upon the district. In terms of price range, please see the response to Question #2 above.

33. How many critical area plans should be included as part of the comprehensive planning effort?

Answer: This will depend on research and initial findings. Additional areas may be recommended as a future option.

34. How will the City evaluate the pricing criteria? Although Attachment B (Price Proposal Form) provides some uniformity by which to compare applicants' price proposals, there are many possible approaches to addressing the City's scope of work. Is it the City's intention [to] score pricing based on a direct numerical comparison of each proposed task, or will evaluators have the discretion to consider the varying scales or unique approaches of each task as presented within each applicants' proposal, even if the potential cost is higher?

Answer: Per Section III, Pricing is worth a maximum of twenty-five (25) points. The Price Proposal Form, Attachment B, includes a lump sum cost field for each task and a total cost for the sum of all of those lump sum task costs.

35. If any alternatives in the RFP delivery method due to COVID-19 and social distancing practices are acceptable (e.g., email submittal), will the City notify respondents as soon as possible?

Answer: See the response to Question #23 above.

36. Is it possible to answer questions as they come in, so as to provide respondents more time to adjust to the direction provided by your answers?

Answer: Answers are provided in the form of an addendum, which will be posted to the City's E-Procurement site at www.sanmarcostx.gov/eprocurement.

Sincerely,

Veronica Bradshaw

Veronica Bradshaw, CPPB, CTCM
Procurement Program Administrator



PROPOSAL #220-137 | APRIL 9, 2020



Comprehensive Plan Update



317 LEXINGTON AVE., #2 | SAN ANTONIO, TX 78215
(800) 790-8444 | WWW.MIGCOM.COM

In association with: TJKM Transportation Consultants and Economic & Planning Systems



317 Lexington Ave., #2
San Antonio, TX 78215
(800) 790-8444
www.migcom.com

CALIFORNIA

BERKELEY, FULLERTON,
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PORTLAND

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SAN ANTONIO

WASHINGTON

SEATTLE

April 8, 2020

Veronica Bradshaw
City of San Marcos
Purchasing and Contracting Division
630 East Hopkins Street Building 4 San Marcos, Texas 78666

RE: City of San Marcos Comprehensive Plan Update

Dear Ms. Bradshaw and Members of the Selection Committee:

At MIG, Inc., we take great pride in leading comprehensive planning, downtown planning, and other small area planning projects for municipalities of all sizes from vision through implementation. We are **impassioned about building and strengthening community** by creating attractive, customized and user-friendly plans and designs position Texas communities for success and connect our residents to shopping, recreation, employment and regional destinations.

MIG's multidisciplinary team is excited to work with the City of San Marcos. The vision for the City and the direction for targeted small areas must go beyond providing a colored land use map and multi-modal concepts. We see this project as part of a **constellation of economic development, identity and placemaking opportunities that can unite varied neighborhoods and districts** across San Marcos.

The MIG Team understands that this project must build on previous planning efforts and studies while setting a viable path forward that makes the case for physical redevelopment and **innovative investment and implementation**. We have carefully assembled a team comprised of thought leaders, strategists and experts in multiple disciplines who pair local knowledge with national and international expertise.

MIG, Inc. is uniquely suited to help lead this charge. MIG possesses the distinct skills and approaches required to make this next stage of planning for San Marcos a huge success. Specifically, MIG brings the following important discriminators to this project:

- » **Unmatched Comprehensive and Downtown Planning and Design Experience.** MIG brings deep, direct experience in comprehensive planning, downtown master planning, corridor planning, strategic planning and urban design for all scales of cities throughout Texas and North America. We understand the interconnections between historic cores, employment hubs, shopping and tourism destinations, hospitality amenities, cultural assets, parking, transit facilities, open space, housing development and the many other elements that characterize neighborhoods and districts.
- » **Holistic Approach.** Although we are planners and designers, we know that citywide and downtown planning cannot rely solely on land use and design solutions. Instead, MIG understands that the best communities are created by an intricate and nuanced mix of physical, economic, social and environmental factors, supported by sound organizational frameworks, collaborative partnerships and strategic action planning. As true strategists, we weave this approach throughout all of our planning endeavors.

- » **Foundation of Public Engagement.** MIG knows that real, authentic and innovative community participation is critical to the success and implementation of a new plan for San Marcos. We are nationally renowned process design and facilitation experts, tailoring an array of “high touch” to “high tech” tools to the specific needs and desires of each particular audience
- » **Dedicated, Energetic Team.** Simply put, we live for this work. Comprehensive planning, downtown planning and small area plans are what drive us – the places where all things meaningful and intrinsic to a city come together. We are passionate at the opportunity to work with you and your partners to shape the private sector development opportunities and public policy and investments that will continue the ongoing and inclusive revitalization of San Marcos and the surrounding area.

The MIG Team also includes two partner firms. EPS will provide market and demographic analysis and research, as well as housing and economic strategy and insights into fiscal impacts. MIG and EPS have collaborated on numerous projects throughout Texas and around the country. TJKM will provide transportation analysis and design. TJKM and MIG are also frequent teaming partners.

We are thrilled to have the opportunity to leverage our team’s extensive local and national experience and enthusiasm to advance this pivotal work for the City of San Marcos. We look forward to meeting with you to discuss our proposal and qualifications. I, Jay Renkens, will personally serve as the Principal-in-Charge and overall project lead. I will be our primary point of contact during the procurement phase of this project. Please feel free to reach me at jayr@migcom.com, (303) 440-9200 or (503) 449-7395.

Sincerely,



Jay Renkens, AICP
Principal-in-Charge



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- 02 Information Questionnaire
- 03 Price Proposal
- 04 Relevant Experience
- 05 References
- 06 Project Schedule and Approach



Executive Summary

MIG, Inc. will be the primary consultant leading the consultant team for the Comprehensive Plan Update effort. The main office of MIG (location of our corporate officers and business office operations) is Berkeley, California. All work performed in completion of a contract awarded as a result of this solicitation will be performed by staff located in our San Antonio, Texas and Denver, Colorado offices. MIG, Inc. has been doing business in Texas for over ten years and overall for 38 years, operating under the same name and majority ownership.

MIG is recommending a robust Comprehensive Plan Update that leverages existing plans and studies and advances those recommendations in a coordinated and cohesive fashion. Our team will also supplement the required plan elements with several components that are important to the community and critical to setting the proper course for the future of San Marcos. The 10 plan elements will include:

1. Land Use
2. Community Design and Character
3. Environment and Resource Protection
4. Economic Development
5. Housing
6. Parks, Public Spaces and Facilities
7. Transportation
8. Health, Safety and Wellness
9. Arts and Culture
10. Intergovernmental Coordination

With the project likely kicking off amid the COVID-19 crisis and a variety of direction to social distance and stay at home, the MIG Team can leverage our extensive experience with high tech and virtual outreach to engage stakeholders in a time when they are paying extra attention to their local surroundings. It is expected that the project Kick-Off and the initial CPC meetings will be conducted virtually. MIG will combine zoom with a dynamic set of virtual tools and strategies to ensure these foundational sessions are inviting and engaging. MIG's approach to broad and inclusive public participation will also include modified versions of more traditional outreach methods.

MIG will lead the overall effort under the guidance of Jay Renkens, AICP, and Andy Rutz, CNU. Jay will serve as the Principal-in-Charge and overall project lead for the project. Jay has extensive experience in Texas dating back over ten years and nearly 20 years of citywide and district planning experience. A large portion of Jay's portfolio includes Comprehensive Plans, Downtown Plans and Subarea Plans. The majority of his projects include visioning and goal setting, analysis, community engagement, and focus area planning and design.

Andy Rutz specializes in Comprehensive Plans and Downtown planning and design. He has served as Project Manager in support of Jay and multidisciplinary teams on over a dozen projects throughout Texas and Colorado. He served as the project manager for Comprehensive Plan efforts and related studies in San Antonio, Indianapolis, Fort Collins and Thornton, Colorado. He recently managed downtown planning efforts in San Antonio, Denver, and Alamosa, Colorado. His architectural and urban design training informs his planning approach and contributes to his heavy focus on implementation and action strategies.

MIG will lead the land use analysis, community design and character element, environment and resource protection, park, public space and facilities, health, safety and wellness, arts and culture, and community and stakeholder outreach, graphic design and visualization and website development. MIG has recently completed Comprehensive Plans in university towns like Norman, Oklahoma; Fort Collins, Colorado; and Spokane, Washington. We have completed downtown plans for Texas communities of a variety of scales including Arlington, Dallas and San Antonio. And we recently completed or are in the process of completing some of the most innovative comprehensive plans in the county, including those for Denver, Charlotte and San Antonio.

MIG is also a leader in integrating planning and design into interactive and engaging community outreach efforts. MIG has led the development of Meeting-in-a-Box and other innovative tools for Fort Collins, Denver, Colorado Springs, San Antonio, Charlotte and Norman, Oklahoma. Several of these efforts included interactive project websites and the planning, design and implementation of virtual engagement tools and multi-lingual outreach.

EPS will lead demographic analysis, real estate economics and municipal fiscal assessment, as well as the housing and economic development elements. EPS led Fiscal Sustainability Studies as part of MIG Teams for San Antonio, Texas; Norman, Oklahoma; Charlotte, North Carolina; and Denver, Northglenn, Thornton and Fort Collins, Colorado. EPS regularly teams with MIG in the support and development of Comprehensive Plans and Downtown Plans with a focus on market analysis, fiscal impacts, demographic shifts and trends, real estate economics, and implementation. MIG and EPS will also collaborate on the Areas of Change Analysis.

TJKM will lead transportation. TJKM has supported MIG on the development of countless subarea plans and citywide plans around the country. They are leaders in balancing modes of transportation, linking transportation with land use and development visions, and integrating emerging trends and technology.

We verify that all individuals identified within this proposal are currently employed by MIG, Inc, Economic and Planning Systems (EPS) and TJKM. Further, we verify that the individuals identified herein are available for the assignment should our team be fortunate enough to be selected to work with the City of San Marcos.

We would also like to confirm that the desired general liability insurance, workers' compensation, and professional liability insurance will be provided within ten (10) calendar days of the Contract Award.

Finally, we would like to confirm that MIG and its partners will be cognizant of, comply with, and enforce all applicable Federal, State, and local laws, regulations, and ordinances, related specifically to planning and otherwise. To limit the inclusion of errors and omissions in the materials developed as part of this effort, MIG employs a robust quality assurance and quality control protocol for review and verification of all deliverables. Should errors and omissions be included in final deliverables, the firm is committed to correcting errors (that are not the result of changing or new data acquired after the work product/s is finalized) and filling gaps as identified between the products described in the scope of work and the final deliverable (unless mutually agreed upon to be modified or replaced in writing or email by the client's project manager or representative).



ATTACHMENT "A"

VENDOR INFORMATION QUESTIONNAIRE

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	Moore Iacofano Goltsman, Inc. (MIG, Inc.)
Primary/Principal Office Address:	800 Hearst Avenue, Berkeley, CA 94710 (Headquarters)
Telephone Number:	(510) 845-7549 (HQ) / (800) 790-8444 (San Antonio)
Email Address:	jayr@migcom.com
DUNS Number (if applicable):	154641435

Form of Ownership (check one):

- Corporation State Incorporated/Registered _____ / Date Incorporated/Registered _____
- LLC
- Joint Venture
- Partnership: If Partnership, select one of the following: () Limited or () General
- Individual

Company has been in business since: _____

List of Partners, Principals, Corporate Officers or Owners:

Name	Title
Please see attached page following this form.	

List of Corporate Directors:

Name	Title
Please see attached page following this form.	

1. Have you had any contracts terminated for default or other performance reasons? Yes No

If yes, explain: _____

2. Has your company been convicted of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, has the conviction occurred within three (3) years immediately preceding either the date of submission of a

bid/proposal, or the date of award of the contract?

If yes, explain: _____

3. Is your company involved in pending investigation or criminal prosecution of a criminal offense involving fraud, theft, bribery, kickbacks, or unlawful gifts to a public official? Yes No

If yes, explain: _____

4. Does your company have pending claims, investigations, or civil litigation involving allegations of fraud, misrepresentation, or conversion? Yes No

If yes, explain: _____

5. Does your company have previous final judgments against the City for breach of contract, fraud misrepresentation or conversion? Yes No

If yes, explain: _____

6. Has your company failed to timely pay/remit sales tax, property tax, or utility payments to the City of San Marcos? Yes No

If yes, explain: _____

7. Has your company refused to execute a contract following an award by the San Marcos City Council?

Yes No

If yes, explain: _____

8. Has your company violated the anti-lobbying provisions in a current or previous City of San Marcos procurement process by making contact with a member of the San Marcos City Council prior to the award of a contract?

Yes No

If yes, explain: _____

9. Has your company furnished unauthorized substitutions of materials not meeting contract specifications in a current or previous contract with the City of San Marcos? Yes No

If yes, explain: _____

I, Jay Renkens, AICP, as Principal
Name of Individual Title & Authority

of MIG, Inc., declare under oath
Company Name

that the above Statements, including any supplemental responses attached hereto, are true and correct, and that the representations made herein are accurate to the best of my knowledge and are based upon a diligent search of records. I further acknowledge that any failure to conduct a diligent search or to make a full and complete disclosure may result in cancellation of my contract by the City of San Marcos, and possibly debarment.


Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL

MIG Officers

- » Daniel S. Iacofano, President, Chief Executive Officer and Chief Financial
- » Carolyn M. Verheyen, Vice President, Secretary & Chief Operating Officer
- » Christopher Beynon, Treasurer and Chief Development Officer

MIG Principals

- » Daniel S. Iacofano
- » Carolyn M. Verheyen
- » Chris Beynon
- » Mukul Malhotra
- » Joan Chaplick
- » Timothy Gilbert
- » Deanna Chow-Trotter
- » Jay Renkens
- » Steve Lang
- » Calvin Abe
- » Linda Daley
- » Evan Mather
- » Gary Lai
- » Laura Stetson
- » Esmeralda Garcia
- » Lauren Schmitt
- » Matt Straite
- » Melissa Erikson
- » Heather Buczek
- » Pam Steele
- » Marlee Ehrenfeld
- » Rick Barrett
- » Paula Hartman
- » Tom Von Schrader
- » Dave Rodgers
- » Mark Davies
- » Kathy Gwilym
- » Brice Maryman
- » Dennis Meyer
- » Johanna Schorr
- » Jacob Dumler

MIG Directors and Associate Directors

- » Dan Amsden
- » David Banks
- » Ann Berchtold
- » Brian Boecking
- » Russell Brady
- » Amy Bridge
- » Lisa Brownfield
- » Steve Burke
- » Jon Campbell
- » Ed Canalin
- » Tim Carroll
- » Steve Cheadle
- » Allison CraigSundine
- » Mark Davies
- » Kim Donahue
- » Chris Dugan
- » Jacob Dumler
- » Alex Dupey
- » Roxanne Evanoff
- » Ellie Fiore
- » Kathy Gwilym
- » Jennifer Isacoff
- » Aaron Ishaek
- » Kate Joncas
- » Jamillah Jordan
- » Steve Kokotas
- » Richard Larson
- » Jose de Jesus Leal
- » Laurie Matthews
- » Deirdre McCollister
- » Cindy Mendoza
- » Chase Mullen
- » Andy Pendoley
- » Ray Pendro
- » Taylor Peterson
- » Bob Prasse
- » Serena Sidmore
- » Adele Torreano
- » Michelle Wilson
- » Rick Zimmer



ATTACHMENT "B"

PRICE PROPOSAL FORM

If this document is not submitted with the bid/proposal, it may be considered non-responsive.

Name of Company:	MIG, Inc.
Contact Person:	Jay Renkens, AICP
Primary/Principal Office Address:	317 Lexington Ave., #2, San Antonio, TX 78215
Telephone Number:	(303) 440-9200
Email Address:	jayr@migcom.com

Rates for the following tasks:		
	Project Management	\$ 34,260
	Public Participation Plan	\$ 67,375
	Vision and Goal Setting	\$ 4,230
	Guiding Principles	\$ 3,210
	Planning Elements (per element)	\$ 7,863 x 10
	Critical Area Plans (per plan)	\$ 57,730 x 1
	Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages	\$ 13,720
	Presentations and Communications	\$ 14,680
	Other (explain) Draft and Final Plan Report and Technical Supplement	\$ 37,500
	Other (explain) 3% Administrative Fee for Direct Expenses and Subconsultants	\$ 2,700
	Other (explain)	\$
	Other (explain)	\$
	Other (explain)	\$
Complete Project Cost		\$ 314,140

I, Jay Renkens, AICP, as Principal
Name of Individual Title & Authority

of MIG, Inc., proposes to complete the
Company Name

Project for the prices listed in this Price Proposal Form for scope of work and services described in the RFP documents.



 Signature

THIS FORM MUST BE SUBMITTED WITH YOUR BID/PROPOSAL

Relevant Experience

About MIG, Inc.

MIG, Inc., improves, adapts, and creates organizations, environments, and tools for human development. We are a community of designers, planners, engineers, scientists, and storytellers who engage people in creative problem solving and collective action. We believe that the physical and social environment around us have a profound impact on our lives, and this belief shapes the principles that guide our work:

- » The world needs an ecological perspective.
- » Great projects work for everybody.
- » Elegant design inspires new thinking.
- » All work should be context driven.
- » Accessibility is always a given.
- » Communities can plan their own futures.

MIG is at the forefront of innovation. We are leading local, regional, and national planning and design initiatives to ensure accessibility and equity; engage, educate, and empower people through participatory processes; facilitate strategy development for social change; create playful and inclusive communities; reimagine streets and repurpose infrastructure; revitalize cities and restore ecosystems; and promote environmental stewardship by recognizing that the health of the natural and built world is mutually dependent.

For nearly four decades, MIG has served public and private clients of every size and jurisdiction—from cities, counties and special districts to regulatory agencies and developers—as a full-service planning and design firm.



Our multidisciplinary staff has the background and experience to prepare plans and design documents for a wide variety of projects, including site-specific infrastructure, residential, institutional, mixed-use and transit-oriented developments; downtowns and streetscapes; and broader policy initiatives like specific, comprehensive and regional plans, as well as parks and open space plans.

MIG offers a unique combination of community planning, urban design and public engagement expertise that brings community interests together to frame land use, transportation, and urban design issues. From vision and concept development to final planning and construction documents, MIG has a successful track record in the planning and design of environments that contribute to community livability and enable residents to lead healthy, active lifestyles. As national thought leaders, we are positioned to present best practices and innovations that cut across disciplines. Our staff provide a base of knowledge that bridges technical expertise and values, facilitating consensus among all parties to ensure a successfully implemented project. Our approach is based on a thorough understanding of existing conditions and guiding regulations; efficiency and accuracy in information gathering and analysis; and creativity and innovation in communications, problem-solving and implementation.

FIRM INFORMATION

Headquarters: 800 Hearst Avenue, Berkeley, CA 94710

Offices where Work will be Performed:

- » 317 Lexington Avenue, Ste. 2, San Antonio, TX 78215
- » 518 17th Street, Suite 630, Denver, CO 80202

Year Established: 1982

Size of the Firm: 260+ employees

Our Subconsultants

TJKM TRANSPORTATION CONSULTANTS

TJKM Transportation Consultants, (TJKM) founded in 1974, is a traffic engineering and transportation planning firm that provides professional services throughout Texas, California, and Florida. TJKM currently has a staff of 40 employees with offices in Austin, TX; Pleasanton, San Jose, Sacramento, Santa Rosa, and Fresno, CA; and Tampa, FL.



Their projects range in size from short-term engagements developing meaningful traffic solutions for a wide range of transportation issues to long-term planning for new developments, communities, and transportation systems. For over 45 years, more than 3,500 satisfied clients have entrusted TJKM with their critical work, serving a full-range of clients, including municipalities, congestion management agencies, metropolitan planning organizations, transportation agencies, private developers, other consulting firms, and attorneys. TJKM's primary service categories include transportation planning, traffic operations, traffic engineering design (including PS&E), corridor studies, intelligent transportation systems (ITS), traffic safety, and multimodal studies.

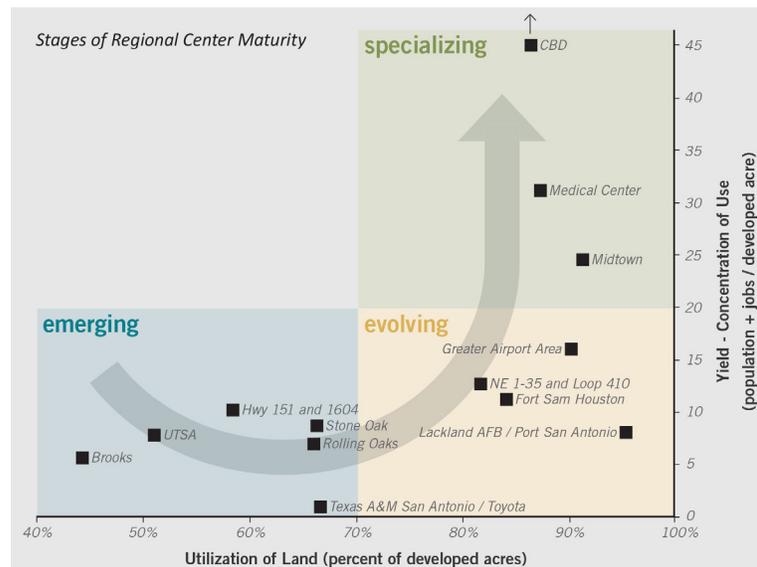
TJKM’s project managers, engineers, and planners have “hands on” experience and understand the latest requirements, technologies, trends, and standards. Their experience with local agency processes keeps projects moving faster; and know-how from thousands of engagements helps TJKM complete projects on time and within budget. TJKM provides expert consultation for the review, development, implementation, application and calibration of transportation planning modeling systems. From data requirement specification to system modeling and system implementation, TJKM’s modeling department has the capabilities to complete projects of varying complexities successfully. They currently provide on-call modeling services to the Solano Transportation Authority and Caltrans.

ECONOMIC & PLANNING SYSTEMS, INC.

Economic & Planning Systems, Inc. (EPS) is a land economics consulting firm experienced in the full spectrum of services related to real estate development, the financing of public infrastructure and government services, land use and conservation planning, and government organization.

EPS was founded on the principle that real estate development and land use-related public policy should be built on realistic assessment of market forces and economic trends, feasible implementation measures, and recognition of public policy objectives, including provisions for required public facilities and services.

Since 1983 EPS has provided consulting services to hundreds of public- and private-sector clients in Colorado and throughout the United States. EPS is located in Denver, Colorado, and Oakland, Sacramento, and Los Angeles, California. EPS clients include cities, counties, special districts, education and other non-profit institutions, multi-jurisdictional authorities, property owners, developers, financial institutions, and land use attorneys.



The professional staff of 48 includes specialists in public finance, real estate development, land use and transportation planning, government organization, and computer applications. The firm excels in preparing concise analyses that disclose risks and impacts, support decision making, and provide solutions to real estate development and land use-related problems.

EPS is a certified Small Business Enterprise (SBE) by the South Central Texas Regional Certification Agency.

Team Introduction

MIG has carefully selected a highly-experienced team of professionals who offer the full range of expertise likely required for the City of San Marcos Comprehensive Plan Update. The MIG Team presented here has a reputation for moving communities from vision to implementation by using fun and effective stakeholder involvement. The project management team of Jay Renkens and Andy Rutz will oversee the overall contract, providing significant planning and design direction to the team and reporting to the City's Project Manager.

As Principal-in-Charge, **Jay Renkens, AICP**, will provide guidance and expertise gained through an impressive portfolio of urban design and planning projects, as well as built neighborhoods, streets and public spaces. Jay is a Principal and Firmwide Director of Planning and Design Services at MIG and brings extensive urban design, comprehensive planning and downtown design experience in cities across the country.

Andy Rutz, CNU-A, will be Project Manager, serving as the day-to-day primary contact for the City of San Marcos and the MIG Team. Andy will serve as the designated contact person for assignments, billing and general contract administration. Andy brings over a decade of experience on a wide range of transit-oriented development, master planning, architectural design, and streetscape design projects.

Mukul Malhotra will advise the team in his role as Consulting Principal. Mukul will lend his deep expertise in urban design to the development of design and planning and public realm improvements.

Rishi Dhody, Urban Designer/Senior Project Associate, will provide design and graphic support to the team, conceptualizing design ideas and developing a variety of diagrams and visualizations for the project area.

Krystin Ramirez will serve as Project Associate. Krystin is a creative and highly detailed and process-oriented urban planner with experience in land use, comprehensive planning, community development and engagement, and zoning.

In addition to these MIG staff, MIG Team members **Andrew Knudtsen, Matt Prosser, and Rachel Shindman** of EPS bring expertise in finance, creative funding strategies, market and financial feasibility evaluations, and economic and market benefits. **Colin Burgett, Aldo Fritz, Cory Peterson, and Dhawal Kataria** of TJKM bring in depth knowledge of transportation, parking, and land use.



AREAS OF EXPERTISE

- » Comprehensive and Strategic Planning
- » Downtown and Corridor Revitalization
- » Urban Design and Planning
- » Transit-Oriented Development
- » Streetscapes and Corridors
- » Public Engagement

EDUCATION

- » MURP, Portland State University
- » MS, Psychology of Health and Exercise, Purdue University
- » BS, Health Promotion and Wellness, University of Wisconsin, Stevens Point

REGISTRATIONS/CERTIFICATIONS

- » AICP Certified Planner

PROFESSIONAL AFFILIATIONS

- » American Planning Association (APA)
- » American Certified Institute of Planners (AICP)
- » Downtown Denver Partnership
- » Urban Land Institute
- » International Downtown Association

Jay Renkens, AICP

PRINCIPAL-IN-CHARGE

Jay Renkens is a planning and design leader with national experience in comprehensive plans, downtowns, transit-oriented development, streetscapes, land use, and placemaking. While researching health and motivational theory, he was struck by the significant influence that the environment has on people’s choices and behavior, and he has sought to shape environments for the better ever since. Although his original studies are behind him, they still form the lens that Jay uses in taking a holistic approach to optimizing social, economic, and physical wellness for the greatest number of people. He strives to integrate equity into planning and design and to address the unintended consequences of gentrification such as displacement and the losses of culture and authenticity. Jay can distill concepts and articulate complex ideas in written, verbal, and visual communications that provide a common foundation for decision-making. He has successfully led projects from high-level vision to implementation by facilitating client, community, and stakeholder collaboration, consensus, and engagement. Jay’s management, design, and planning skills have contributed to transformational change in communities throughout the country from Boston to San Antonio, Portland to Charlotte, and Spokane to Denver.

SELECTED PROJECT EXPERIENCE

- » San Antonio Comprehensive Plan and Area Plans, San Antonio, TX
- » PlanNorman Comprehensive Plan Update, Norman, OK
- » Downtown Regional Center SubArea Plan, San Antonio, TX
- » Alamosa Downtown Design Plan, Alamosa, CO
- » City Plan Update, Fort Collins, CO
- » Charlotte Future 2040 Comprehensive Plan, Charlotte, NC
- » Comprehensive Plan Update, Thornton, CO
- » Spokane Downtown Master Plan Update, Spokane, WA
- » Blueprint Denver Update, Denver, CO
- » Dallas TOD Plan, Dallas, TX
- » Charlotte Center City 2020 Vision Plan, Charlotte, NC
- » National Western Center Campus Placemaking Study, Denver, CO
- » Denver Downtown Area Plan, Denver, CO
- » Downtown Area Plan Midpoint Review and Priorities, Denver, CO
- » North Tryon Vision and Implementation Plan, Charlotte, NC
- » Addison Parks & Recreation Master Plan, Addison, TX
- » Downtown Lone Tree SubArea Master Plan, Lone Tree, CO
- » Colorado Springs Downtown Master Plan, Colorado Springs, CO

AREAS OF EXPERTISE

- » Project Management
- » Comprehensive and Strategic Planning
- » Downtown and Small Area Planning
- » Urban Design

EDUCATION

- » MADU, University of Notre Dame
- » BArch, University of Notre Dame

PROFESSIONAL AFFILIATIONS

- » Congress for the New Urbanism (CNU)
- » Downtown Denver Partnership

Andrew Rutz, CNU-A

PROJECT MANAGER

Andy Rutz is a highly experienced urban designer who is passionate about bringing tangible, physical change and improvement to communities around the country. From master planning and architectural design to transit-oriented development and streetscapes, Andy has applied his knowledge and expertise to help realize the ideas and hopes of people for their public spaces. He transitioned from architecture to urban design when he recognized its broad scale impact on the public realm. As a project manager, Andy ensures that client needs are met while maintaining team morale, which is an unnoticed, but critical element in producing good work with an innovative twist. He fosters an open exchange of ideas and will work tirelessly to achieve successful outcomes. Andy is adept at assimilating multiple points of view and assists clients and communities in finding common ground and solutions with the broadest appeal.

SELECTED PROJECT EXPERIENCE

- | | |
|--|---|
| <ul style="list-style-type: none"> » San Antonio Area Plans, San Antonio, TX » Alamosa Downtown Design Plan, Alamosa, CO » Blueprint Denver Update, Denver, CO » Downtown Regional Center Plan, San Antonio, TX » Indianapolis Regional Centers Studies, Indianapolis, IN » Downtown Area Plan Midpoint Reflection and Priorities, Denver, CO » Helena Transportation Master Plan Update, Helena, MT » UTSA Regional Center Plan, San Antonio, TX » Texas A&M San Antonio Regional Center Plan, San Antonio, TX » New Castle County Growing Better Places Game and Workshop, New Castle County, DE | <ul style="list-style-type: none"> » Upper Downtown Master Plan, Denver, CO » Arapahoe Square Design Standards and Guidelines, Denver, CO* » I-25 & Broadway Urban Design Standards and Guidelines, Denver, CO* » I-25 & Broadway Station Area Plan, Denver, CO* » Brighton Boulevard Design, Denver, CO* » Cherry Creek North Area Plan, Denver, CO* » Kapolei Lofts, Kapolei, HI* » Janie’s Garden Housing, Sarasota, FL* |
|--|---|

**Experience prior to joining MIG*

AREAS OF EXPERTISE

- » Urban Planning and Design
- » Downtown Revitalization
- » Complete Streets
- » Land Use Planning
- » Campus Plans
- » Transit-Oriented Development
- » Community Development

EDUCATION

- » MUD, University of California, Berkeley
- » Diploma in Architecture, Sushant School of Art and Architecture, Gurgaon, India

PROFESSIONAL AFFILIATIONS

- » America Walks, Board of Directors

Mukul Malhotra

CONSULTING PRINCIPAL

Mukul Malhotra is an award-winning urban designer and nationally-recognized expert and innovator in complete streets. Originally an architect, Mukul gravitated toward urban design because it yields greater impact beyond just the physical environment – urban design sets the stage for public life affecting how people live, work, play, and move around. He is committed to not only advancing the communities he works in around the country, but to moving the dial up a notch on the profession itself. As one of the creators of MIG’s re:Streets Initiative, he leads a multidisciplinary collaboration on exploring what America’s roadways would be like if they were designed for living instead of just driving. Mukul leads projects from the germination of a vision through the cultivation of consensus into final design execution. His projects have addressed issues related to urban development and revitalization, streetscape design and planning, pedestrian- and transit-oriented design, and preservation of neighborhood and city character. An avid walking advocate, he also serves as the President of the Board of Directors at America Walks and Walking College Mentor. From downtowns and historic districts to new communities and university campuses, Mukul’s creativity and interdisciplinary approach have given shape and form to countless places and spaces from California to Massachusetts and Texas to Idaho.

SELECTED PROJECT EXPERIENCE

- » Broadway Corridor Street Design, San Antonio, TX
- » Downtown Dallas Plan, Dallas, TX
- » San Antonio Downtown Hemisfair Complete Streets, San Antonio, TX
- » San Antonio Tomorrow Comprehensive Plan and Sub-Area Plans, San Antonio, TX
- » Spokane Downtown Master Plan Update, Spokane, WA
- » Denver Transit-Oriented Development, Denver, CO
- » Dallas Complete Streets, Dallas, TX
- » Charlotte Center City 2020 Vision Plan, Charlotte, NC
- » Blueprint Denver Update, Denver, CO
- » Downtown Complete Streets, Mobile, AL
- » North Tryon Vision and Implementation Plan, Charlotte, NC
- » Richmond General Plan Update, Richmond, CA
- » San Pablo Avenue Specific Plan, El Cerrito and Richmond, CA
- » re:Streets Conference and Traveling Workshops, Various Cities, United States
- » Development Framework for the Ankeny/Burnside District, Portland, OR

AREAS OF EXPERTISE

- » Comprehensive Planning
- » Urban Design
- » Land Use Planning
- » Complete Streets and Streetscapes
- » Sustainable Design

EDUCATION

- » MUD, University of California, Berkeley
- » BArch, Dr. D.Y. Patil College of Engineering and Technology

Rishi Dhody

SENIOR PROJECT ASSOCIATE / URBAN DESIGNER

Rishi Dhody supports MIG’s urban design and planning practice through innovation and implementation of community-oriented planning and urban design projects. Rishi provides graphic, design, writing, and ideation support on a large range of projects, from downtown plans to streetscape designs across the country.

Rishi has worked on a wide variety of comprehensive and urban design plans with a focus on creating distinctive place types for different neighborhoods and districts. At MIG, he helps create innovative urban design and land use plans, design guidelines and standards, municipal and form based codes and transformative Complete Street designs. His streetscape design experience ranges from local neighborhood streets to multimodal state highways and arterial roads. He is passionate about creating sustainable streetscapes and resilient neighborhoods.

A multidisciplinary designer, Rishi collaboratively works with diverse teams including planners, architects, landscape architects and engineers. He is also experienced in facilitating a variety of community engagement forums, including design charrettes, community workshops and open houses.

SELECTED PROJECT EXPERIENCE

- » San Antonio Tomorrow Comprehensive Plan, San Antonio, TX
- » 14th Street Promenade, San Diego, CA
- » Bascom Complete Streets, San Jose, CA
- » Downtown Complete Street Streetscape and Urban Design Plan, Mobile, AL
- » Fairfield Downtown Specific Plan, Fairfield, CA
- » Hemisfair Complete Streets, San Antonio, TX
- » Los Angeles Great Streets, Los Angeles, CA
- » Milpitas Midtown Specific Plan, Milpitas, CA
- » Urban Village Urban Design Plan, San Jose, CA
- » Walnut Residences, Fremont, CA

AREAS OF EXPERTISE

- » Comprehensive and Strategic Planning
- » Land Use Planning
- » Urban Planning and Design
- » Community Development
- » Stakeholder and Public Engagement

EDUCATION

- » BA, Geography, University of Texas at Austin
- » MSURP, University of Texas at San Antonio

PROFESSIONAL AFFILIATIONS

- » American Planning Institute (APA)
- » Urban Land Institute
- » San Antonio Region Chapter of Women's Transportation Seminar (WTS)
- » Southwest Texas APA
- » San Antonio Young Professionals
- » Congress for New Urbanism Central Texas Chapter (CNU-CTX)

Krystin Ramirez

PROJECT ASSOCIATE

Krystin Ramirez is an urban planner that is creative and highly detailed and process oriented. Her experience in land use, comprehensive planning, community development and engagement, and zoning has given her the opportunity to manage both small and large scale projects. Each of these projects has incorporated community, stakeholder, and agency coordination. Collectively, these pragmatic and innovate skills provide her the flexibility to contribute to a wide array of project conditions, graphic languages, and creative solutions.

SELECTED PROJECT EXPERIENCE

- » SA Tomorrow Comprehensive Plan, San Antonio, TX
- » SA Tomorrow Land Use Category Definitions, San Antonio, TX
- » A Vision Plan for Castroville, Texas, Castroville, TX
- » City of Castle Hills' Code of Ordinances Zoning Section Update, Castle Hills, TX
- » Code of Ordinances Update, City of Hill Country Village, TX
- » Code of Ordinances Update, City of Leon Valley, TX
- » Downtown Streetscape Design Manual, San Antonio, TX
- » Medical Center Regional Center SubArea Plan, San Antonio, TX
- » Midtown Regional SubArea Plan, San Antonio, TX
- » Mission Historic Design Manual, San Antonio, TX
- » River Improvement Overlay Ordinance Update, San Antonio, TX
- » Shops at Rivercenter Master Signage Plan Update, San Antonio, TX
- » Short Term Rental Ordinance Update, San Antonio, TX
- » South San Antonio Limited Purpose Annexation, San Antonio, TX
- » Unified Development Code 2015 Update, San Antonio, TX
- » US 281 North Commercial Corridor Annexation, San Antonio, TX

Colin Burgett

MANAGING TRANSPORTATION PLANNER | TJKM

Colin Burgett has over two decades of professional experience with expertise in multimodal transportation and integrated transportation/land use planning. He specializes in strategic planning for large-scale projects, including citywide transportation plans, large area plans, campus plans, bicycle and pedestrian master plans, EIR transportation studies, bus rapid transit (BRT) corridor studies, and transit station area plans. He has extensive experience with projects that emphasize corridor revitalization, transit-oriented development, and complete streets planning.

Colin manages projects that place a strong emphasis on facilitating the interactions between transportation systems, land use patterns and urban design components.

EDUCATION

- » MCRP, California Polytechnic State University, San Luis Obispo, CA
- » BS, Political Science, University of Oregon, Eugene, OR

SELECTED PROJECT EXPERIENCE

- » Seaside 2040 General Plan Mobility Element, Seaside, CA
- » Comprehensive Pedestrian & Bicycle Master Plan, Belmont, CA
- » Active Transportation Plan, Scotts Valley, CA
- » Hollister Avenue Complete Streets Study, Goleta, CA
- » Bicycle Master Plan, Oakland, CA
- » Bicycle & Pedestrian Master Plan, San Leandro, CA
- » Envision Pittsburg General Plan Update, Pittsburg, CA

Aldo Fritz, AICP

SENIOR TRANSPORTATION PLANNER | TJKM

Aldo Fritz has 15 years of professional experience in urban development and revitalization while providing guidance in the implementation and enhancement of strategic development plans. He has provided support and leadership on a regional, neighborhood, and downtown scale. Aldo has worked with various jurisdictions in the Texas and Florida regions and is very familiar with their different standards and requirements. This knowledge often leads to successful interactions between firms and other interworking agencies. For many projects, Aldo has provided in-depth land use analysis, management of public outreach initiatives, GIS support, land sale coordination, and project management.

REGISTRATIONS/CERTIFICATIONS

- » AICP Certified Planner

EDUCATION

- » Masters in Real Estate, University of Texas at Arlington
- » MURP, Florida Atlantic University
- » BA, Communications, Florida Atlantic University

SELECTED PROJECT EXPERIENCE

- » Bexar Street Redevelopment, Dallas, TX
- » Wilton Manors Main Street Redevelopment, Wilton Manors, FL
- » Cigarette Hill/Alameda Heights Neighborhood Revitalization, Dallas, TX
- » Broward County Governmental Center Downtown Campus, Fort Lauderdale, FL
- » Fort Lauderdale Multi-Facility Master Plan Study, Fort Lauderdale, FL
- » North Carolina Downtown Multi-Modal Transportation Center Plan and Development Strategy, NC

Cory Peterson

TRANSPORTATION PLANNER | TJKM

Cory Peterson serves as a Transportation Planner for TJKM in the Austin, Texas area. He has four years of experience in transportation planning and GIS work, specializing in bicycle and pedestrian planning, countywide long range transportation plans and studies, and managing grant fund programs. Mr. Peterson comes to TJKM from the public sector, where he served nearly two years as a Planning Assistant for the Solano Transportation Authority in the San Francisco Bay Area. Prior to that, he held two GIS internships while in college; one in the private sector and the other with the California Department of Transportation.

EDUCATION

- » BA, Geography & Metropolitan Planning, California State University, Sacramento, CA

SELECTED PROJECT EXPERIENCE

- » Solano-Napa On-Call Travel Demand Modeling Services, Solano Transportation Authority, CA
- » Solano 2040 Comprehensive Transportation Plan Update, Solano Transportation Authority, CA
- » 2019 Solano County CMP Update, Solano Transportation Authority, CA
- » Dixon Green Bike Lanes Project, Dixon, CA
- » Bay Trail/Vine Trail Gap Closure Project, Vallejo, CA
- » Solano Active Transportation Plan, Solano Transportation Authority, CA
- » SR25 Pedestrian Safety Symposiums, Solano Transportation Authority, CA

Dhawal Kataria

ASSISTANT TRANSPORTATION PLANNER | TJKM

Dhawal Kataria graduated from the University of Texas at Arlington with a Master's Degree in City and Regional Planning. He has experience working in the field of transportation and land use planning from both the public and private sectors. Previously, he has also been involved in community development and land use planning for the City of Cedar Hill, TX.

As a metropolitan planner, Dhawal worked on diverse transportation projects including transportation safety, long-range transportation plan, travel demand modeling and transportation funding for the Rockford MPO, IL. Currently, he is involved in various Traffic Impact Studies, Circulation Elements (General Plan) Update, Speed Studies and Complete Streets projects at TJKM.

EDUCATION

- » Bachelor of Planning, School of Planning and Architecture, Vijayawada, India
- » Master of City and Regional Planning, University of Texas at Arlington

SELECTED PROJECT EXPERIENCE

- » Envision Pittsburg General Plan Update, Pittsburg, CA
- » Oakley General Plan Update, Oakley, CA
- » North Bayshore Circulation Feasibility Study, City of Mountain View, CA
- » Moffett Park Interchange and Circulation Study, City of Sunnyvale, CA
- » Rancho Murieta Community Development, Sacramento County, CA
- » Citywide Multimodal Improvement Study, Hayward, CA
- » Active Transportation Plan, Scotts Valley, CA

Andrew Knudtsen, CCIM

LEAD PLANNER AND ECONOMIST | EPS

Andrew Knudtsen is a planner and economist with 20 years of experience in the areas of comprehensive planning, real estate market and feasibility evaluation, public financing strategies, and public-private partnerships. Andrew has advised many cities and towns on policy issues affecting land use, redevelopment potentials, market demand, and fiscal issues. His work enables public sector agencies to ground their policy decisions on solid technical analysis, accounting for market, economic, and fiscal trends.

EDUCATION

- » Bachelors of Environmental Design, University of Colorado

PROFESSIONAL AFFILIATIONS

- » CCIM – Certified Commercial Investment Manager
- » Member of the Explorers Committee
- » American Institute of Certified Planners
- » State of Colorado Governor’s Blue Ribbon Affordable Housing Panel

SELECTED PROJECT EXPERIENCE

- » City of San Antonio Comprehensive Plan, San Antonio, TX
- » Comprehensive Plan Initial Studies, San Antonio, TX
- » Housing Demand Forecast, Oklahoma City, OK
- » Civic Center Master Plan, Northglenn, CO
- » Fiscal Sustainability Model, Northglenn, CO
- » Comprehensive Plan, Adams County, CO
- » Comprehensive Plan and Employment Projections, Cheyenne, WY

Matt Prosser

ECONOMIST | EPS

Matt Prosser has a broad base of experience and education in planning, urban design, and real estate with over 13 years of consulting experience. He has worked on several comprehensive plans, subarea plans and downtown revitalization studies. He also has background knowledge of land use and entitlement planning, real estate development and finance, and Geographic Information Systems (GIS).

EDUCATION

- » MURP, University of Colorado at Denver
- » Bachelor of Environmental Design, University of Colorado at Boulder

PROFESSIONAL AFFILIATIONS

- » American Planning Association
- » Urban Land Institute

SELECTED PROJECT EXPERIENCE

- » SA Tomorrow Comprehensive Plan, San Antonio, TX
- » Comprehensive Plan Initial Studies, San Antonio, TX
- » Downtown Market Study, Waco, TX
- » CityPlan, Fort Collins, CO
- » Blueprint Denver, Denver, CO
- » Town of Superior Comprehensive Plan, CO
- » planOKC Retail Plan, Oklahoma City, OK
- » Rapid City Comprehensive Plan, SD

Rachel Shindman, AICP

SENIOR ASSOCIATE | EPS

Rachel Shindman, AICP, brings several years of experience in many of EPS's practice areas. Her specializations include real estate economics, fiscal and economic impact analysis, and economic development and revitalization. She has a strong skill set for addressing urban economic and policy issues, and her experience in public, private, and non-profit organizations enables her to work successfully with a diverse set of clients.

EDUCATION

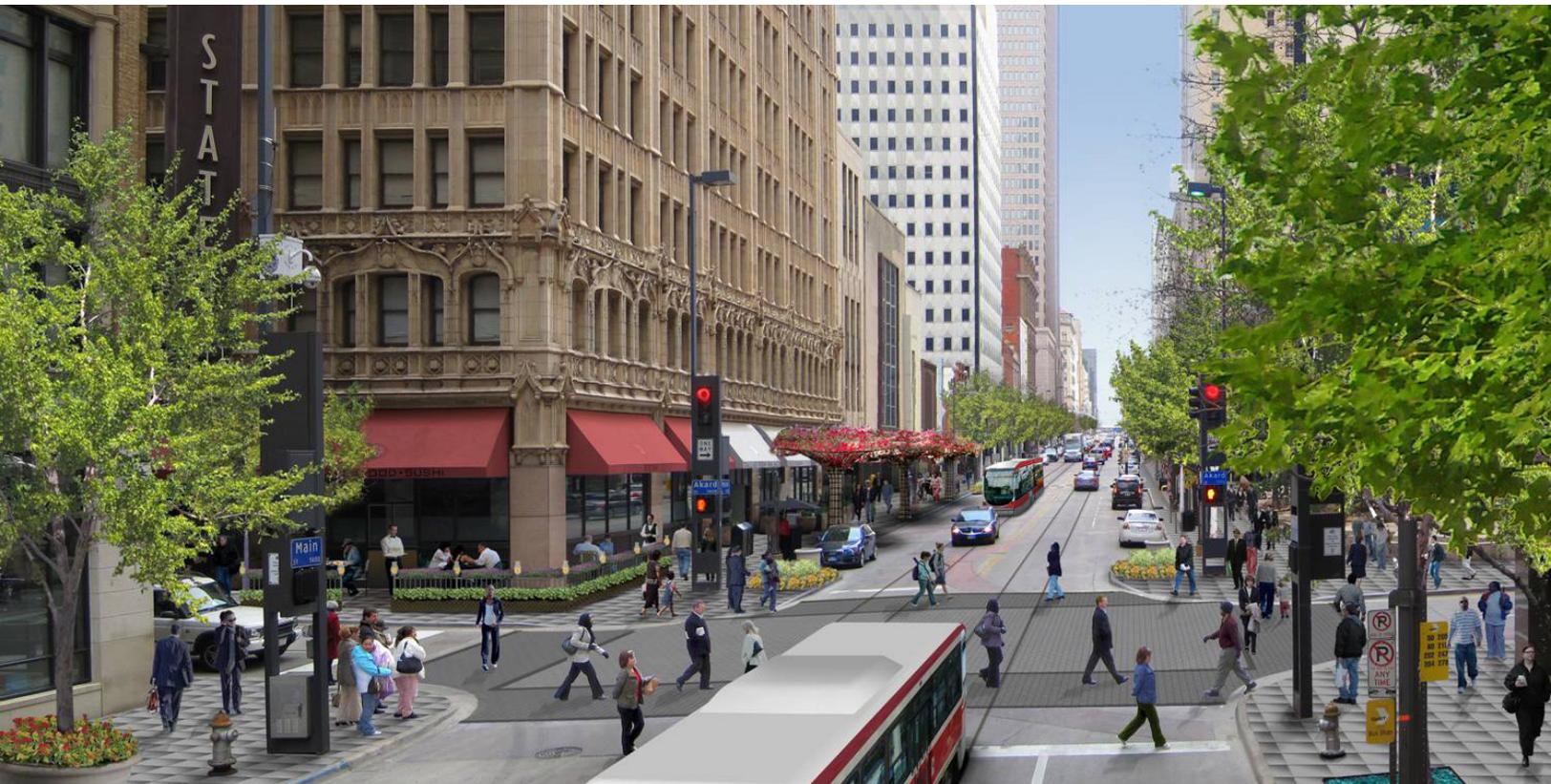
- » MRP, Cornell University
- » BA; BEd, Queen's University
- » Certificate in GIS, Queen's University

PROFESSIONAL AFFILIATIONS

- » American Institute of Certified Planners
- » American Planning Association
- » Urban Land Institute

SELECTED PROJECT EXPERIENCE

- » SA Tomorrow Area Plans, San Antonio, TX
- » Comprehensive Plan, San Antonio, TX
- » Comprehensive Plan, Norman, OK
- » Comprehensive Plan Update, Las Cruces, NM
- » Far Northeast Neighborhood Planning Initiative, Denver, CO
- » Housing Needs Assessment, Chaffee County, CO

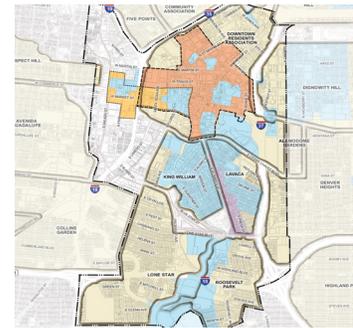


Project Experience

The following matrix illustrates the breadth of MIG’s experience in the relevant aspects of your comprehensive plan update. The following pages include selected recent projects.

MIG SELECT PROJECTS

	Comprehensive Planning	Town-Gown Planning	Neighborhood Planning	District/Center Planning	Downtown Planning	Corridor Planning	Stakeholder Engagement	Virtual Engagement	Virtual Engagement
SA Tomorrow Area Plans Phases 1 and 2, San Antonio, TX		●	●	●	●	●	●		●
San Antonio Comprehensive Plan, TX	●		●	●		●	●	●	●
Charlotte Future 2040 Comprehensive Plan, NC	●		●	●	●	●	●	●	●
Arlington Downtown Master Plan, TX		●		●	●		●		●
Fort Worth Strategic Action Plan, TX			●		●		●		●
Dallas Downtown 360°, TX				●	●		●		●
Denver Downtown Area Plan, CO		●		●	●		●		●
Alamosa Downtown Design Plan, CO					●	●	●		●
North Tryon Vision and Implementation Plan, Charlotte, NC		●		●	●		●	●	●
Dallas Main Street District Retail Activation Strategy, TX				●	●	●	●		●
Spokane Downtown Development Plan, WA		●	●	●	●		●		●
Pendleton Downtown Master Plan, OR					●	●	●		●
Hemisfair Downtown Public Realm and Complete Streets, Various Projects, San Antonio, TX			●	●	●		●		●
Charlotte Center City 2020 Vision Plan, NC			●	●	●		●		●
Plan Norman Comprehensive Plan, Norman, OK	●	●	●	●		●	●	●	●
Spokane Comprehensive Plan Update, WA	●		●				●		●
Envision Coeur d’Alene, ID	●		●			●	●	●	●
Downtown KC 2030 Strategic Plan, Kansas City, MO				●	●		●	●	●
Colorado Springs Imagine Downtown, CO		●	●		●	●	●		●
Estacada Downtown Plan, OR					●	●	●		●
Greensboro Downtown Vision 2030 Strategic Action Plan, NC			●		●		●		●
Ocala Downtown and Midtown Master Plan, FL			●	●	●	●	●		●



San Antonio Comprehensive Plan

SAN ANTONIO, TEXAS

The 2040 Comprehensive Plan is a consolidated and internally-consistent series of documents that will guide future City planning decisions and ensure that they reflect the character, needs, values and desires of the San Antonio community and result in a more vibrant, healthy, inclusive and sustainable city. In addition to creating this plan, MIG assisted the city with coordinating a number of concurrent planning projects including the Sustainability Plan, the Strategic Multimodal Transportation Plan, and a central website for a “one-stop shop” for these interlinked plans.

Project Element Working Groups were established to focus on areas of study, which enabled each topic to be thoroughly explore the issues, goals, and strategies for each part of the comprehensive plan. A major foundational element of the approach established in the plan was the identification and classification of Regional Centers. Regional Centers were classified as existing or emerging and then further defined by the aspirational mix of uses envisioned within each. The Implementation section of the plan provided guidance for planning each center and how to prioritize future efforts based upon the adopted typology.

MIG is now working with the City to develop Regional Center plans.

PROJECT DETAILS

Client:

City of San Antonio

Dates:

2014 - 2016



PlanNorman Comprehensive Plan

NORMAN, OKLAHOMA

With a growing population of 120,000, Norman is part of the dynamic Oklahoma City Metropolitan Area, which has over one million residents. As the third largest city in Oklahoma and the largest city within Cleveland County, it is home to the University of Oklahoma, has a healthy employment rate, strong neighborhoods, quality schools, and beautiful natural spaces. Over the next 40 years Norman is projected to grow by over 20,000 households. To help plan for this growth and its effects on the area, the City of Norman engaged MIG to update its Comprehensive Plan.

The Comprehensive Plan will help guide future growth and development, craft a community vision, define supportive goals and policies, and provide an implementation framework. The final document will serve as both a physical plan and policy guide for Norman.

Critical to any successful comprehensive plan is public input and engagement. To accomplish this, MIG worked with the City to create a public engagement strategy that provides education and participation opportunities for Norman’s residents, businesses and stakeholders. To date, outreach efforts have included community workshops, public outreach events, a community visioning survey, and a project website with regular E-Newsletter updates.

PROJECT DETAILS

Client:

City of Norman

Dates:

2016 - 2018

Website:

http://www.plannorman.com/wp-content/uploads/2018/01/PlanNorman-Public-Draft-Plan_resized.pdf



Arlington Downtown Master Plan

ARLINGTON, TEXAS

The 2018 City of Arlington Downtown Master Plan establishes a strategic framework and specific action items to guide the next generation of development of Downtown Arlington, Texas. This Plan builds on the substantial public and private investment in Downtown in the last several years and a growing sense of momentum and excitement. MIG, supported by Economic and Planning Systems (EPS) led this 12-month process to develop a visionary yet action-oriented Master Plan for “The American Dream City.”

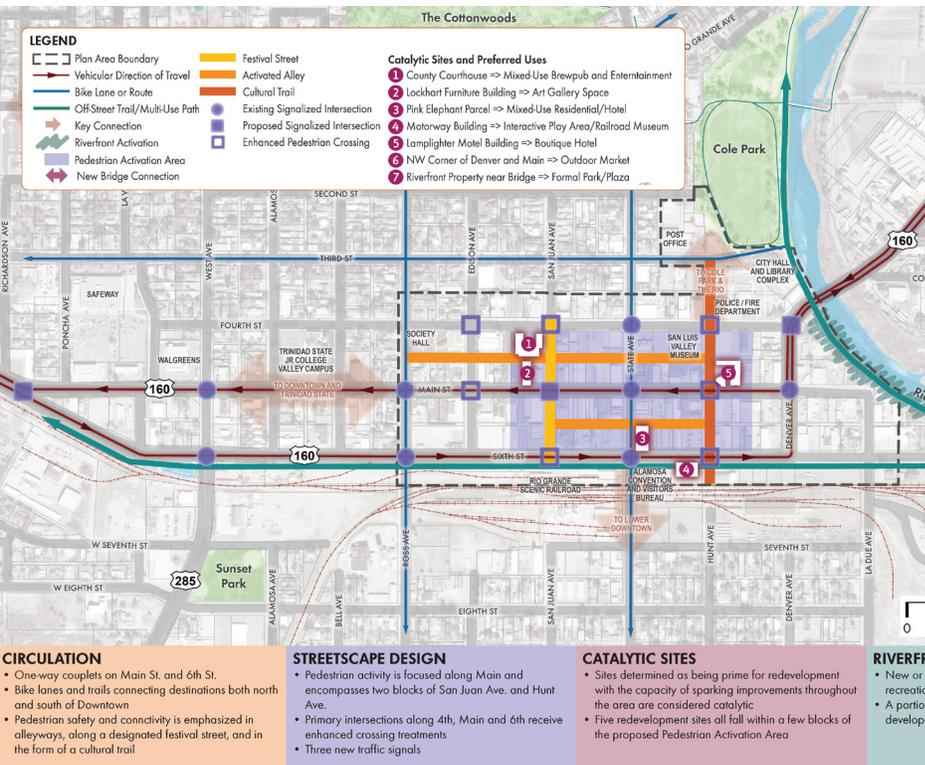
The Plan, adopted in November 2018, established several goals for Downtown Arlington. Each goal is supported by several strategies, including physical and placemaking improvements. The team proposed specific strategies and detailed illustrations for Downtown activity centers and opportunity sites. A detailed implementation plan will guide the work of the City and its Downtown partners for the next fifteen years.

The City and MIG leveraged a broad base of stakeholder input to inform the Plan. By leading a series of outreach activities with Downtown residents, businesses, developers, landowners, neighborhood associations, faith- and community-based organizations, and arts and cultural groups, the team was able to heed calls for a wide range of new public amenities, including increased culinary and retail options, more office and housing choices, green spaces, and cultural events.

PROJECT DETAILS

Client:
City of Arlington

Dates:
2018



Alamosa Downtown Design Plan

ALAMOSA, COLORADO

The City of Alamosa is the county seat of south-central Colorado’s Alamosa County and is home to almost 10,000 residents. A regional hub for education, retail, service, and medical facilities, Alamosa also serves as a gateway to the Great Sand Dunes National Park and Preserve. In 2017, the City of Alamosa completed a Comprehensive Plan update, and out of that process, a key recommendation was to explore a more detailed design effort for the historic core of the downtown.

MIG led the Downtown Design Plan for Alamosa – facilitating the public engagement process, providing technical and design expertise, and preparing the final implementation plan. The process kicked off in May 2018 and lasted approximately 12 months. MIG led the branding, mapping, urban design and retail activation components of this process – working with the Colorado Department of Transportation (CDOT) to explore devolving Main Street from State Highway 160 in order to return it to a two-way thoroughfare that would be controlled by the City of Alamosa.

At the conclusion of the project, the expectation is that the Downtown Design Plan will provide a framework to reinvigorate the Main Street of Alamosa’s downtown and enable the implementation of safe pedestrian crossings, a new Festival Street and Cultural Trail, improved bicycle facilities and a sequence of dynamic public spaces tailored for the community.

PROJECT DETAILS

Client:

City of Alamosa

Project Dates:

2018 - 2019



Fort Collins Old Town Neighborhoods Plan

FORT COLLINS, COLORADO

MIG managed and led a multidisciplinary team in the development of updates to the Old Town Neighborhoods Plan. Working hand-in-hand with community members and key stakeholders, the team developed a set of four vision elements. The vision elements guided the overall plan framework and specific recommendations include connectivity, diversity, livability and sustainability.

For example, the sustainability vision element includes concepts and recommendations for low impact development, neighborhood greenways, integrated stormwater management, and a variety of other sustainability practices that can be implemented at the site and at neighborhood scales. MIG designed illustrative graphics and visualizations to communicate specific recommendations and the overall planning and design intent. MIG and City staff collaborated to develop an implementation strategy that includes specific actions, responsibilities, costs and phasing.

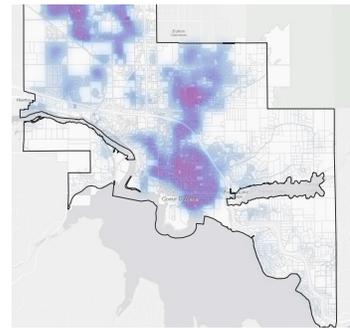
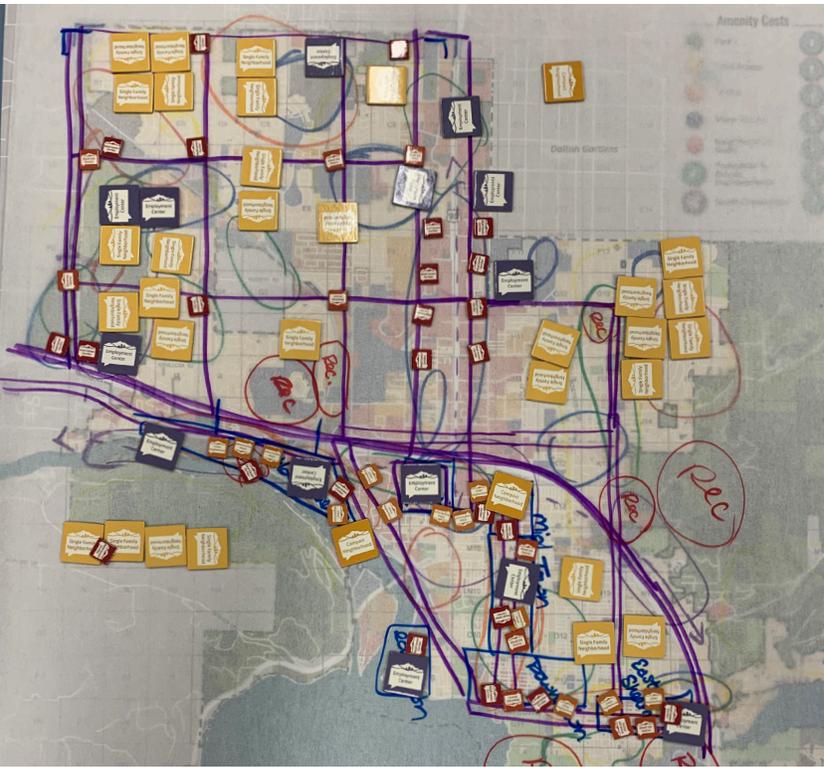
PROJECT DETAILS

Client:

City of Fort Collins

Project Dates:

2015 - 2016



Envision Coeur d'Alene

COEUR D'ALENE, IDAHO

MIG is the leading a team to assist the City of Coeur d'Alene and Envision CDA 2030, a non-profit project partner, to create a unified plan that identifies a community vision for this rapidly growing community. This unique project is consolidating the policy guidance of the City's comprehensive plan with the strategic actions that CDA 2030 and its community partners facilitate throughout the community. MIG led initial conversations with non-profits to gather input on how best to reach community members and interest group. MIG has also facilitated large focus groups around specific community-identified issues such as health and wellness, growth and development, and the environment. Many of these events have occurred during the COVID-19 outbreak, requiring innovative online approaches to develop the policy and land use scenario framework.

MIG is also developing and testing various land use growth scenarios. Community members played a board game developed by MIG specifically for this project to assign growth and pay for it with a budget. MIG is now using Urban Footprint to identify how that growth is allocated and what changes must occur to meet regional targets. The outcomes will identify how the comprehensive plan can best accommodate significant projected growth while still maintaining single-family neighborhoods. Outputs will also be used to test impacts to transportation infrastructure and opportunities to improve bicycle and pedestrian infrastructure throughout the city.

PROJECT DETAILS

Client:

Coeur d'Alene

Project Dates:

2019 - 2020 (estimated)

TJKM Project Experience

SEASIDE 2040 GENERAL PLAN

SEASIDE, CALIFORNIA

TJKM developed a comprehensive update to Seaside’s Circulation Element incorporating complete streets components, multimodal performance metrics, revisions to citywide bikeway network, identification of pedestrian priority focus areas, and related land use and mobility projects. The Circulation Element update included a greater emphasis on multimodal transportation, including bicycle, motor vehicle, pedestrian and transit circulation. Recommended changes to street standards. Key components included:

- » Updated goals and policies for vehicles, transit, bicycle and pedestrian facilities and freight
- » Complete Streets goals, policies, performance measures, and improvements
- » Comprehensive revisions to the City’s planned bikeway network
- » Identification of pedestrian priority improvements
- » Performance measures for assessing the transportation impacts of future development, consistent with SB 743

TJKM’s tasks also included travel demand modeling and preparation of the General Plan Environmental Impact Report transportation analysis.



PITTSBURG GENERAL PLAN

PITTSBURG, CALIFORNIA

TJKM was retained to develop an updated Circulation Element for the City of Pittsburg as part of a comprehensive General Plan Update. TJKM is developing the complete streets components and updated street classifications to incorporate multimodal components. Opportunities for enhancing multimodal mobility will be identified based on the Existing Conditions review, review of current plans, policies and planned improvements, and public input. Travel demand forecasting will be conducted utilizing the CCTA model. TJKM will update the Circulation Element to provide a greater emphasis on multimodal transportation, including bicycle, motor vehicle, pedestrian, and transit circulation.

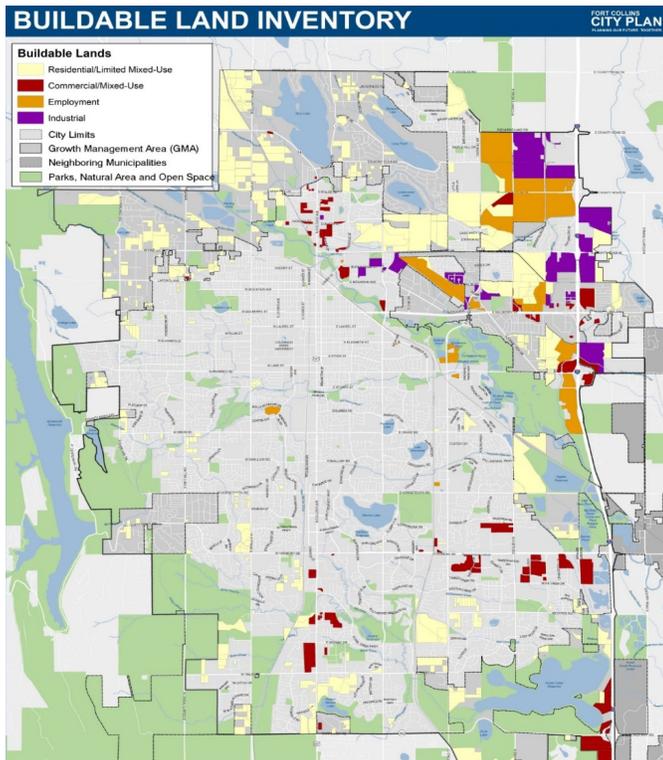


EPS Project Experience

CITYPLAN UPDATE 2019

FORT COLLINS, COLORADO

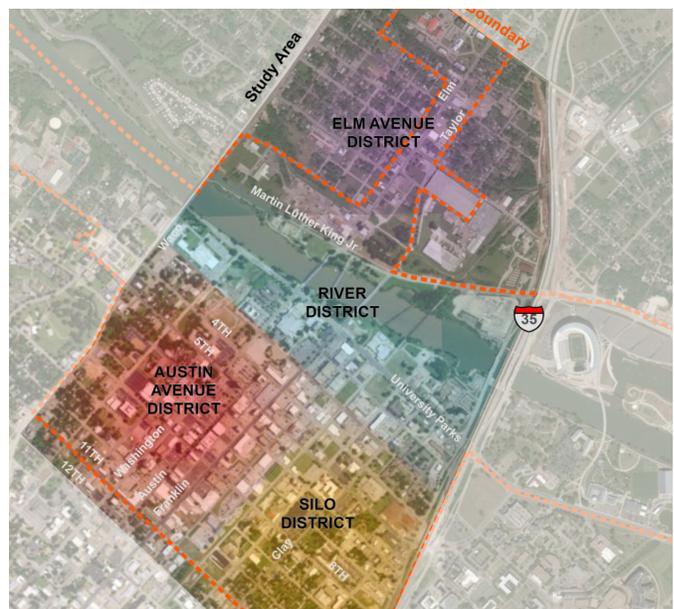
EPS was retained as part of a multi-disciplinary team that included MIG to update the City of Fort Collins' comprehensive land use and transportation plan, known as CityPlan. A major component of the update to CityPlan was the development of a revised future land use plan map. The City has not done a major update to its future land use map in 20 years. To inform the update to the plan map, an employment land and housing land demand studies were desired. EPS provided the City a comprehensive analysis of future housing and employment demand to guide the land use plan and policies. EPS also did an assessment of the suitability of employment lands to identify areas that may need changes in land use designations. Lastly, EPS developed a strategic action plan to implement the plan policies.



DOWNTOWN MARKET STUDY AND TIF INVESTMENT STRATEGY

WACO, TEXAS

The City of Waco and TIF Board sought the development of a strategic plan to maximize return on investments made in Downtown over the remainder of the TIF District life. EPS was hired to complete a Market Study and TIF Investment Strategy. EPS assessed market conditions and opportunities within the TIF District boundary that includes the downtown core as well as the larger Brazos River front zone and the edge of the TIF District bordering the Baylor University campus. The market study included development potentials over a 10-year period for a full range of downtown uses by property classification including retail, entertainment, office, residential, and lodging. The intent of the market study was to compile a well-grounded assessment of development opportunities and potentials to inform the TIF Investment Strategy. EPS developed a prioritized list of projects and investments the TIF Board and the City of Waco should implement to address market gaps and attract additional private investment.



References

We invite you to contact the current and prior MIG Team clients identified below regarding our ability to think creatively and provide quality services and products.

MIG References

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MICHAEL RODRIGUEZ, CHIEF OF STAFF

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Project: SA Tomorrow Comprehensive Plan

KOURTNY GARRETT, CEO

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Project: 360° Plan Dallas

TJKM Reference

RICK RIEDL, DISTRICT ENGINEER

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Project: Seaside 2040 General Plan

EPS Reference

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Project: CityPlan Update 2019

Project Schedule and Approach

Understanding

The City of San Marcos is located along IH-35 corridor between Austin and San Antonio, one of the fastest growing regions in the United States. Since the adoption of the Vision San Marcos Comprehensive Plan in 2013, the City was also recognized as the fastest growing city in the nation.

The highway system is a key component that encourages rapid growth in the City. The presence of IH-35 through the City is a great asset to the City as it perfectly situates San Marcos to receive associated economic development benefits from surrounding major metropolitan areas. Although there is an abundance of benefits associated with being oriented along a busy highway system, there are many unintended consequences as well. The interstate geographically divides the City in eastern and western halves and creates an overall connectivity challenge for the community. The nature of highway-oriented development also creates a distinct juxtaposition with the more historic and walkable parts of San Marcos.

The western half of San Marcos contains the original Downtown core of the City, the traditional activity and population center of the community. Despite the rapid growth in other parts of San Marcos, the Downtown area remains a major activity center relying on its many assets, including a walkable street and block pattern; small storefronts; adjacency to Texas State University, the fifth largest university in the state of Texas; proximity to six well-preserved historic districts; and proximity to the San Marcos Springs, the origin of the San Marcos River.

Due to the location of San Marcos at the heart of the Texas Innovation Corridor and presence of Texas State University, the City is expected to continue growing at a relatively rapid rate. In comparison the western half of the City, the eastern portion of San Marcos has more growth capacity to accommodate future development. The Vision San Marcos Comprehensive Plan identified 16 development zones within the City. Eleven of those 16 development zones are located entirely in the eastern half of the City or have most of their zone area in the eastern half; these include the Midtown, River Ridge, Whisper South, Whisper North, Airport, Triangle, Medical District, Employment South, East Village, Trace, and Las Colinas development zones.

Based on the community interest reflected in San Marcos Vision, it is a priority to eventually have a transit plan that encourages connectivity between development zones and establishes gateway corridors. The major gateway corridors ripe for redevelopment have already been identified and recognized by the Capital Area Metropolitan Planning Organization (CAMPO), TxDOT, and the City's Engineering & Capital Improvements Department. These gateway corridors include the Guadalupe Street Corridor, Hopkins Street Corridor, and creating a north/south connector corridor in the eastern half of the City. Portions of these corridors are already under construction, including the Guadalupe Street corridor from University Drive to Grove Street and Hopkins Street corridor from Bishop Street to Moore Street, and with the first phase of reconstruction be completed in 2020.

Redevelopment plans for the areas along these important gateway corridors will be crucial to addressing the connectivity issue within the City and will help achieve the community's previous vision to create a multimodal transportation network to link land uses, improve accessibility and mobility, minimize congestion and reduce pollution.

Approach

The charge is clear. This project must leverage previous planning efforts and investments to continue strengthening a community that is attractive, active, inclusive, safe and vibrant. The planning and design effort must further strengthen relationships with community partners and residents, ensuring that their needs and desires are heard and addressed. The Comprehensive Plan and associated critical/small area plans must provide a clearly articulated vision and certainty for residents, as well as developers and investors to ensure the community is pointed in a common direction with shared goals. And, perhaps most importantly, the project must catalyze real, tangible change by identifying a coordinated set of action items and strategies for jump-starting the next stage of development and redevelopment in San Marcos.

This effort must result in more than just more planning and design of the community. Our team's approach reflects our excitement for working collaboratively with the various project partners and stakeholders to identify a set of critical paths to achieve the community's vision. Each step in the process will include in-person and virtual project team and consultant team coordination and work sessions, focus groups, Comprehensive Plan Committee (CPC) work sessions, and opportunities for existing and future residents, employees, business and property owners to help inform the planning and design of their own community. MIG has a long track record of developing plans and designs with stakeholder buy-in and a strong sense of ownership.



MIG was founded nearly 40 years ago as a pioneer of public engagement with a core group of practitioners who helped shape many of the current techniques used nationwide for public outreach and engagement efforts in planning. The MIG Team has been continuously innovating on how to best engage all voices in planning and design processes. Our high-tech tools have evolved to become a robust companion to more traditional high touch outreach. With the project likely kicking off amid the COVID-19 crisis and a variety of direction to social distance and stay at home, the MIG Team can leverage our extensive experience with high tech and virtual outreach to engage stakeholders in a time when they are paying extra attention to their local surroundings. It is expected that the project Kick-Off and the initial CPC meetings will be conducted virtually. MIG will combine zoom with a dynamic set of virtual tools and strategies to ensure these foundational sessions are inviting and engaging.

MIG's approach to broad public participation will also include more traditional or modified versions of the following: one or more multi-day planning and design charrettes; multiple types of surveys, polls and questionnaires; "pop-up" intercept events, virtual open houses; a website and social media outreach; facilitated focus group discussions and stakeholder interviews; community-wide workshops; graphic recording; small group exercises and polling exercises.

We will engage formal and informal stakeholders and decision makers in facilitated virtual and in-person “work sessions” to build buy-in and ownership throughout the process. It is critical to leverage the input of the resident and business community to ensure a successful and implementable plan.

The MIG approach will be guided by the need to refine a vision with specific goals, recommendations and strategic action steps. The final product of this process will integrate strategic priorities for planning and design; connectivity and mobility; economic vitality; infrastructure; branding and placemaking; and key partnerships. Plan elements will acknowledge the past while allowing new ideas to emerge and creative solutions to be developed. A constant eye will be towards the final product of the current effort to ensure that the process results in strong recommendations and a very clear set of action items and implementation strategies.



Our team is extremely excited about the opportunities to help stitch together the various places, destinations and developments that are already independently successful across San Marcos into a more cohesive whole. Connecting and healing the community will require an inclusive process that looks at physical projects, as well as innovative policies and programs to achieve the community goals and abide by the Plan’s guiding principles.

The Comprehensive Plan effort will provide necessary emphasis on future land use and transportation as the driving framework, but will also focus on the interstitial spaces between private developments and how they will link the neighborhoods, districts and destinations with great streets, exciting public spaces, public art and community culture. The MIG Team includes some of the best minds in the planning and design of cities and downtowns; neighborhood planning; transportation planning; streetscape design; parks and open space planning; environmental sustainability and resiliency; and placemaking. The members of the team were selected specifically for their expertise in these important disciplines and their experience contributing to great places that attract visitors, businesses and residents.

Finally, MIG believes that there are specific considerations that the San Marcos Comprehensive Plan and small area plans must incorporate, including:

- » Build on the existing foundation of plans, frameworks and regulations for the City, Downtown and other individual institutions and property owners;
- » Understand and clearly outline the issues, concerns and ideas of stakeholders from the project’s onset, including major constraints, potential pitfalls, as well as political and financial realities and opportunities;
- » Understand that the community can and should have variation and differences – each individual neighborhood and district cannot be all things to all people the entire community together can provide a diversity of choices and opportunities for all residents;

- » Incorporate solutions to ensure that development of the public and private realms is congruent, synergistic and fosters good urban form and viable long-term transportation and parking solutions while not adversely impacting surrounding areas; and
- » Committed and strategic principal and partner-level involvement and dedicated and organized project management; clearly articulated process design; focused and facilitated internal and external meetings; and creation of products that are visionary, technically sound, clear, understandable, highly graphic, and aesthetically pleasing.

Scope of Work

TASK 1. PROJECT MANAGEMENT

Task 1 includes kicking off the Comprehensive Plan effort, finalizing the scope, budget and schedule through contract negotiations, and ongoing project management tasks. Subtasks that will continue throughout the life of the project include monthly invoicing, progress reports and schedule updates, as well as regularly scheduled bi-weekly coordination calls and more impromptu phone calls and emails to handle day-to-day coordination.

1.1 Kick-Off Meeting

The Kick-Off Meeting for the project will focus on finalizing the scope, budget and schedule for planning effort, including the Comprehensive Plan and assumed Critical Area/Small Area Plans. Another emphasis will be determining the Comprehensive Plan Committee (CPC) membership. The session will also be used to do an initial storyboard of the final deliverable to ensure consistent expectations for content. While premature for the final deliverable, the storyboarding effort will help to refine the scope and deliverables for early work tasks.

1.2 Final Scope, Budget and Schedule

The MIG Team will work with the client team before and after the Kick-Off Meeting to refine the preliminary scope of work, schedule and budget. A final scope of work and budget will be included as exhibits to the Prime Services Agreement.

1.3 Monthly Invoicing, Progress Reports and Schedule Updates

MIG will prepare monthly invoices and progress reports for review and approval by the City. The invoices will include a summary of all staff time and direct expenses including those for MIG and its subconsultants. The monthly progress reports will identify tasks completed during the previous month and identify upcoming tasks, events and deliverables for the upcoming month. Progress reports will be formatted as simple memorandum and attached to monthly invoices. Adjustments to the overall project schedule will occur at least quarterly and not more frequently than every month as a part of the progress reports.

1.4 Ongoing Project Management and Coordination

This subtask includes bi-weekly coordination calls through the majority of the project schedule. In addition to regularly scheduled meetings and calls, it is anticipated that MIG and its subconsultants will participate in ongoing project coordination and communication with the City, between team members and with various stakeholders.

TASK 2. PUBLIC PARTICIPATION PLAN AND IMPLEMENTATION

2.1 Public Participation Plan

The MIG Team will develop and present a draft Public Participation Plan that will identify target audiences as well as more difficult-to-reach constituencies in order to encourage and promote broad, meaningful input, and sustained participation. Community members must be assured that their involvement counts and that their voices will be listened to and that their opinions will be reflected throughout the various stages of this project. A key aspect of outreach and communications for this effort will be engaging existing residents, businesses and employees throughout the City.

Communications and messaging will be a crucial component of the plan, particularly because many of these target audiences will have also participated in other recent and not-so-recent projects and discussions. Based on input received from City Staff and the CPC (via an initial survey of participants), the MIG Team will provide key messaging points to summarize the intent of the effort and provide guidance for how the public might engage moving forward.

2.2 Stakeholder Interviews and Focus Groups

The MIG Team will conduct a series of stakeholder interviews and focus groups throughout the planning process as a means of engaging key stakeholders, organizations and interest groups as the need and opportunity presents itself. MIG will begin outreach to the focus groups in the first month or two of the planning process and then follow up with these and other stakeholders as deemed appropriate and necessary throughout the remainder of the effort. The MIG Team will conduct a number of focus groups commensurate with the budget allocated to the task. It is assumed that this task will include approximately eight to 12 stakeholder interviews and focus groups throughout the process.

2.3 Project Branding and Website

MIG will develop a project brand, logo and supporting package of colors and fonts for use throughout the planning effort. The Project branding will be encapsulated in a style guide and then applied to a project website for use throughout the planning effort. The project website will include a project overview, schedule, document library, polling, and other interactive features to inform and engage the community.

2.4 Social Media Engagement Strategies

The MIG Team will coordinate with the City on joint marketing and communications strategies to develop media, key themes and messages to support the overall strategy for social media for the Comprehensive Plan and individual small plan areas. MIG will provide recommendations on messaging and scheduling. City staff will be responsible for implementing social media outreach on existing City social media accounts.

2.5 Online Polling and Surveys

MIG will develop a series of online polls and surveys for use throughout the project that can be accessed via the project website or directly using hyperlinks embedded in emails or printed on collateral materials. During the planning process, MIG will deploy up to two web-based survey instruments and up to five two to five questions polls.

2.6 Virtual Open Houses

MIG will conduct up to three virtual open houses using telephone and internet options in English and Spanish. The Virtual Open Houses will adopt the same meeting objectives as the Community Workshops described below, but use a variety of web-based and telephone tools to gather input. The virtual open houses will be conducted live and recorded for more convenient access based on participant's individual schedules.

2.7 Speaker's Bureau and Ambassador Toolkit

MIG will design and develop two Outreach Toolkits to be used by City staff and ambassadors to meet with a variety of community groups, associations and individual residents to collect community input in a variety of settings, such as regular meetings of community organizations or at a gathering of interested neighbors. Each toolkit will include a discussion guide and PowerPoint presentation for a 10-minute presentation as appropriate. MIG will develop a toolkit that corresponds with two key periods of plan development.

Toolkit 1 will be developed for the beginning of the projects to generate interest in the planning process. Toolkit 2 will be developed midway through the project in order to get feedback as the draft Plan develops. It will generally correspond with the timing of Workshop #2. MIG will conduct one training session for City staff and volunteers on how to use the Outreach Toolkits. City staff will be responsible for summarizing the results of these efforts for the MIG Team.

2.8 Comprehensive Plan Committee Meetings

The Consultant Team will prepare meeting materials and generate presentation content for approximately eight CPC meetings. MIG will prepare agendas, presentations, meeting materials and meeting summaries. Topics covered during meeting windows include: preliminary plan vision and goals; guiding principles; base concept development and strategies; element policies and priority actions; implementation strategies; critical area concepts and recommendations; etc.

2.9 Community Workshops

The MIG Team and City staff will host three community meetings during the planning process with a hybrid format of interactive workshop and open house. MIG will plan, facilitate and summarize the community meetings. Translation services will be provided. City staff will be expected to secure a location and promote the meetings. The primary purpose of each meeting will be as follows.

- » Community Meeting #1 will focus on the vision, values, and goals for each plan area.
- » Community Meeting #2 will present initial plan concepts and strategies to the community.
- » Community Meeting #3 will be primarily an open house format to present the final plan and recommendations.



TASK 3. VISION AND GOAL SETTING

The initial engagement series will be related to soliciting the community's vision and to goal setting. Building on the results of the first engagement series and a City Council visioning session, an initial outline of the vision framework will be developed for discussion with City staff. The vision framework may provide opportunities to streamline/ enhance the overall structure of the Plan and this may be explored at a high level as part of this task. The plan Elements will be refined and finalized in this task.

The vision framework will be developed for broader review. It is anticipated that the Vision Framework document will summarize the community's vision and goals and be four pages in length and formatted in a highly graphic manner for reproduction and use throughout the remainder of the project.



TASK 4. GUIDING PRINCIPLES

While the vision and goals will provide overall targets for the community, there is also an opportunity to craft contextually-specific guiding principles from which the City staff and MIG Team can ensure meaningful concept development. The guiding principles will be specific to San Marcos and nest under the vision and goals. The MIG Team, based on their understanding of the background documents, input received from City Staff, and input received from stakeholders in prior tasks, will draft a set of guiding principles from which subsequent land use concept and other element strategies and recommendations will be measured against.

TASK 5. PLANNING ELEMENTS

Task 5 contains the bulk of plan development with a focus on each of the required and recommended plan elements. These include land use; community design and character; environment and resource protection; economic development; housing; parks, public spaces and facilities; transportation; health, safety and wellness; arts and culture; and intergovernmental coordination. A short summary of the analysis and approach to each element is articulated below.

5.1 Land Use

5.1.1 Areas of Stability and Change Analysis

The MIG Team, led by EPS, will perform an analysis of the potential for parcels within the subarea to change. Change will be defined in a variety of ways including: economic value, desired land uses, and building/ community character to reflect different change opportunities related to areas within the City. A variety of measures will be used to assess the City based on the desired change and to identify areas and parcels that are considered to have an opportunity for positive and negative change. The definition of change and the metrics used will be tied to the vision and goals of the plan but will generally fall into three categories.

- » **Economic Opportunity:** To evaluate the economic feasibility for change, the following measures/ attributes will be analyzed including; building use and vacancy rates, and land to building/improvement value will be measured. EPS will perform a “soft parcel” analysis to identify potential catalyst and redevelopment sites, both on vacant and underutilized parcels and buildings.
- » **Land Use Opportunity:** To evaluate the feasibility of parcels and areas shifting to land uses that are desired in the subarea but not currently present, the following measures/attributes will be analyzed including; parcel size, parcel utilization (Floor-Area-Ratio), visibility, transportation access, infrastructure availability, and others.

- » **Community Character:** To evaluate the contribution to community character, quantitative and qualitative measures of will be used including; building types and attributes, building age, height, density, price and rental rates, presence of infrastructure and community amenities, and others.

The product of the analysis will be a map identifying Areas of Change and Areas of Stability within the City. The map will be used by the MIG Team to help identify the Critical Areas in the City that need more in-depth analysis and planning.

5.1.2 Preliminary Land Use Scenarios

The MIG Team will develop up to three land use concepts that support new and expanded land uses and redevelopment for San Marcos. MIG will analyze the potential for each concept to accommodate projected growth; impact development, market conditions, and transportation mode choices; and achieve the community's vision and goals.

The initial scenario evaluation will help to educate the community about trade-offs associated with different development patterns and implications of optimizing various aspects of the vision and goals.

5.1.3 Preferred Land Use Scenario

Based on input from the community, CPC, Council and City staff, the MIG Team will develop a Preferred Scenario, plan diagrams and additional graphics illustrating the built environment under preferred conditions. The preferred future land use map will be the guiding framework for all subsequent plan elements.

5.1.4 Fiscal Impact Assessment

EPS will provide a planning level assessment of impacts of scenarios on revenue generation and service provision from the scenarios. EPS will identify issues and opportunities related to both revenue generation and service provision based on the scenarios.

The analysis will be based on a review of the City's existing budget structure and through interviews with key department staff. The budget does not allow for detailed quantification of costs and revenues. However, from our knowledge of Texas municipal finance, combined with a review of the City's budget, and interviews with department heads, will enable us to characterize relative impacts of the scenarios.

- » **Optional Task:** Fiscal Impact Analysis – EPS will develop a fiscal impact model to be used to analyze the fiscal impact of the scenarios. The fiscal model will measure city-wide baseline/ current fiscal conditions and the estimated cost per new housing unit and new non-residential square foot for on-going revenue and expenditure items. The baseline fiscal model and conditions analysis will include a framework, basic model and short technical memorandum summarizing the methodology and baseline findings. EPS will build on the baseline fiscal conditions analysis to test growth scenarios and the impact of growth by geographical area/context. This in-depth analysis will allow EPS to measure the impact of growth and test different policy approaches and quantify the fiscal cost (or surplus) of each.

5.2 Community Design and Character

MIG will work with the community to catalog and summarize existing community design and character by neighborhood and district throughout the City of San Marcos. Throughout development of the Land Use element of the plan, the MIG Team will highlight the potential impacts on various growth scenarios on community design and character. Recommendations and strategies will be developed to protect, enhance and re-define community design and character by the same neighborhood and district geographies utilized in the initial assessment.

5.3 Environment and Resource Protection

Based upon existing inventories of environmental assets, resources and sensitive lands, the MIG Team will develop a set of recommendations and strategies for the Environment and Resource Protection element of the Comprehensive Plan. The element will include recommendations and strategies for sustainability and resiliency built around land conservation and development best management practices. High level direction will also be identified and articulated for the energy conservation and green building practices.

5.4 Economic Development

EPS will lead the economic development related components of the Comprehensive Plan. An economic and demographic framework will be developed to provide the baseline data used to assess economic development opportunities and issues related to the Comprehensive plan. Using the economic framework, EPS will perform additional analysis related to the major issues and opportunities impacting economic vitality in San Marcos. EPS believes additional analysis will be completed to address ways to 1) leverage economic opportunities related to City's major assets including Texas State University, 2) identify ways to generate economic activity and job creation in as a result of the interaction between the University and its research activities and the private sector, and 3) create strategies for diversification of the City's economy.

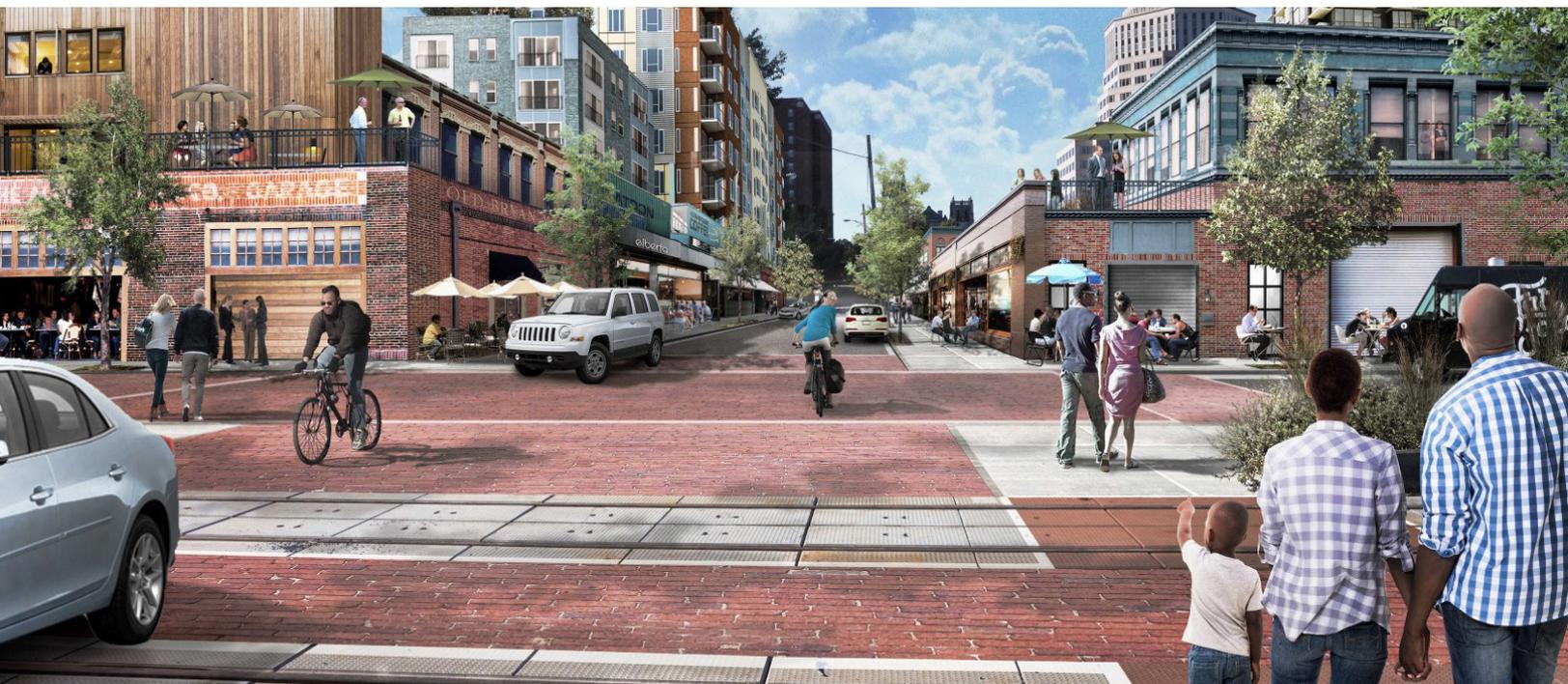
EPS is well versed in many of the issues and opportunities facing San Marcos. EPS recently completed Comprehensive Plans in comparable University Towns including working with the City of Reno, NV (home to the University of Nevada-Reno) updating their Master Plan and Downtown Strategic Plan and the City of Norman, OK (home to the University of Oklahoma).

A major point of emphasis for these plans has been to work with the universities to revitalize the downtown areas by connecting the campuses to the city's urban core. EPS also recently completed a downtown strategy for the City of Waco, TX (home to Baylor University) to help develop a plan for the use of tax increment funds to spur private investment and redevelopment. EPS has also worked extensively in other communities with major research universities including several projects in Boulder, CO (University of Colorado) and Fort Collins, CO (Colorado State University).

5.5 Housing

The central Texas region has been experiencing dramatic population growth. This influx of population has generated the need to assess the future demand for housing, specifically by type and affordability in San Marcos over the next 5 to 20 years in order to help facilitate the recruitment and retention of prospective employers and provide housing opportunities for all in San Marcos. The key issues related to housing are 1) expanding housing opportunities, 2) preserving and enhancing the existing housing stock, and 3) making sure the land use plan meets the future housing needs for the community and allowing for new housing types and densities to fit within the existing fabric of the community and neighborhoods.

The MIG Team, led by EPS, will build upon the work completed for the Strategic Housing Action Plan, and other efforts, to assess the future demand for housing in San Marcos and the implications market demand and consumer preferences will have on the City's land use plan. EPS will also use the work completed by the Workforce Housing Task Force to develop plan policies and objectives.



5.6 Parks, Public Spaces and Facilities

MIG will utilize its expertise developed through its national parks and recreation planning practice to develop the parks, public spaces and facilities element of the Comprehensive Plan. MIG will integrate recent parks planning work and layer on a 10-minute walk analysis using the preferred future land use scenario to determine where existing and future residents and businesses are served and not served with various active and passive recreational amenities. Recommendations and strategies will incorporate creative strategies that leverage partnerships and other infrastructure that is not typically considered in parks, public spaces and facilities.

5.7 Transportation

The MIG Team will research and utilize input from the City, community, and key stakeholders to develop a Layered Network Priority Map that builds on recent planning efforts. The map will be developed in either Adobe Illustrator or ArcGIS and will identify priority needs throughout the City related to mobility and access for all modes of transportation.

In response to the priorities documented in the 'Layered Network Priorities Map', the MIG Team will identify improvements and new connections that address these needs, to enhance mobility and access throughout the City. The recommendations could include features such as the identification of bicycle and pedestrian improvements, freight service/parking areas, new connections, or intersection improvements. The MIG Team will produce a technical memorandum listing the recommended improvements applicable to various areas of the City. These recommendations will inform recommendations for streetscape improvements and major thoroughfare cross-sections.

5.8 Health, Safety and Wellness

MIG will develop a set of recommendations and strategies for health, safety and wellness in San Marcos. The strategy will use the current COVID-19 pandemic as a launching off point to consider how all of other elements contribute to or detract from individual and community health and wellness.

MIG will work closely with the City, CPC and community members to define health, safety and wellness in San Marcos and develop a set of projects, policies and programs to maintain or improve conditions for all residents. A major aspect of this element will be to assess existing disparities and promote equity through more inclusive approaches.

5.9 Arts and Culture

MIG will work with the CPC, community members and City staff to develop a set of recommendations and strategies to maintain, protect and promote arts and culture in the community. Physical and programmatic aspects of arts and culture will be considered and encouraged through this critical plan element.

5.10 Intergovernmental Coordination

The City of San Marcos has a number of recently completed or on-going plans that will require coordination between the MIG Team and other involved parties. Many of these efforts also include other regional partners. The MIG Team will work with these agencies to incorporate their efforts into the Comprehensive Plan.

Specially, efforts such as the CAMPO Platinum study, will help guide the scope of efforts for Critical Area Plan to ensure that the efforts build on each other and can leverage each other. Within the Public Participation Plan, specific tactics and phasing for coordination with major efforts and partners will be identified.

TASK 6. CRITICAL AREA PLANS/SMALL AREA PLANS

Task 6 of the Comprehensive Plan effort will focus on developing plans for critical/small areas including Neighborhood Plans; Center Plans; Downtown Plan; and Corridor Plans. These plans will be developed concurrently with the Comprehensive Plan process. MIG will utilize its experience in San Antonio to develop multiple small area plans concurrently and sustain momentum on the larger Comprehensive Plan effort.

6.1 Small Area Identification and Definition

The first subtask will include identifying and defining the small areas for further detailed planning. Using a set of evaluation and prioritization criteria agreed upon by City staff and the CPC, MIG will map and evaluate candidate areas. The Areas of Stability and Areas of Change analysis and mapping will provide a guide for this subtask.



6.2 Small Area Profile

For the small areas identified for detailed planning in the previous task, MIG will perform the following.

6.2.1 Existing Assets and Character

The MIG Team will perform a detailed assessment of existing assets and character for each critical/small area. The assessment will include existing land uses, built form, public spaces, mobility infrastructure, and other services and amenities.

6.2.2 Potential Threats and Opportunities

The MIG will also perform an analysis of potential threats and opportunities based upon guidance in the preferred future land use scenario and recent trends. The potential threats and opportunities analysis will be informed by the Areas of Stability and Areas of Change analysis and mapping.

6.3 Recommendations

The MIG team will synthesize community and stakeholder input into a preferred concept for each critical/small area. This preferred concept will maximize economically viability, community development and strategic opportunities to incorporate desired land use and amenities into the small area. The preferred conceptual land use and transportation diagrams will illustrate building massing and densities, urban design strategies, high-level circulation concepts, parking, and neighborhood connections.

6.4 Graphics and Illustratives

MIG will create a 3D model of the small area to create additional images that help residents understand the experience of place and visual impacts from a more experiential perspective by photo-matching the digital model to existing photograph. The illustrative graphics will be used to foster a greater understanding of the potential positive and negative impacts of the preferred alternative.

6.5 Phasing and Priorities

The MIG Team will develop an implementation strategy for each critical/small area with a focus on phasing and prioritization of overall strategies and specific action items.

TASK 7. IMPLEMENTATION STRATEGY/ACTION STEPS/COMPREHENSIVE DECISION-MAKING PACKAGES

A comprehensive plan is a 20 to 30-year guide for a community that should provide a sound direction for the communities for multiple decades. The implementation plan and strategies are the portions of the plan that are designed to be more flexible and require more routine updating to continue the community on the path the comprehensive plan sets. The MIG Team has an extensive history of creating implementation strategies and structuring future efforts to ensure success.

The Team collaboratively develops strategy organization and planning frameworks with communities to nest future planning efforts into the overall comprehensive plan goals and policies.

7.1 Implementation Strategies and Actions

A series of policy, program, and project recommendations will be developed to achieve community goals and help realize the vision for San Marcos. Policies, programs, and projects will focus on public, private, and partnership opportunities to ensure short-, medium-and long-term implementation measures are identified.

The MIG Team realizes that Comprehensive Plans can result in a long laundry list of community wishes and desires. To combat this type of planning becoming a roadblock to implementation, the MIG Team will ensure community members understand the relationships and trade-offs associated with various improvements and types of development.

Understanding the types of market conditions and/or supportive land uses and development necessary to support various amenities and infrastructure help the wish list associated with the vision and preferred scenario to be realistic and implementable.

7.2 Implementation Matrix – Prioritization, Roles and Responsibilities

The MIG Team will also work with the community and staff to develop a prioritized list of recommendations that are then accompanied with roles and responsibilities, early action items, suggested timelines, critical path considerations, and magnitude of order cost assumptions. The MIG Team will categorize the overarching implementation recommendations with a focus on prioritization and near-term action items. Establishing a prioritization will be the product of a larger conversation with City Staff, taking into account all of the input to date.

EPS will provide an action plan for the community based on the preferred alternative. EPS will frame implementation planning around the relevant community values (defined in the BVCP), and how a given action will enable the community to bring it to greater fruition. EPS will draw on precedent examples from comparably progressive communities across the nation and will include recommended changes at the policy level as well as within land use regulations.

Incentives and mandates will be addressed. The actions will be summarized in a simple matrix that identifies the action, the 'owner' of the action, and milestones at which completion should be expected. The matrix will be broken into tiers, including immediate, mid-term, and long-term, to create clarity for action.

7.3 Comprehensive Decision-Making Packages

MIG will work closely with City staff to develop packages of Comprehensive Decision-Making actions. While many of the actions could likely be deployed individually, the Comprehensive Decision-Making Packages will have a synergistic and collective impact that is ultimately much greater than the results of individual strategies. The packages will also help simplify the communication and decision-making process during this important phase of the planning process.

7.4 Strategy for Plan Review, Maintenance and Updates

The Team will develop a comprehensive implementation strategy to guide actions needed to implement the policies created for the comprehensive plan. The major actions recommended will be prioritized based on the most pressing issues identified during the comprehensive plan process. The implementation strategy will include the guidance in to the planning, policy, and land use tools that should be used to review, maintain and update the plan.

A schedule for key milestones and action completion dates will be proposed as a guide to the City's implementation efforts. Funding tools and strategies will be identified for the major infrastructure improvements recommended in the plan, as well as, any necessary changes to policies or tools that are needed will be recommended to ensure the vision created in the plan is sustainable. The Team will also utilize innovative approaches to both prioritizing plan actions and measure outcomes related to actions. A major component to ensuring successful implementation of the plan is to tie the implementation and measurement of success directly to the plan framework and guiding policies. The implementation actions should fall directly out of the priority goals and objectives from the plan with performance metrics measuring the desired outcomes of the plan.

TASK 8. PRESENTATIONS AND COMMUNICATIONS

Task 8 is focused on developing presentation materials and other collateral materials to distribute around the community in a variety of ways.

8.1 Powerpoint Presentations

MIG will prepare Powerpoint presentations for all meetings that the MIG Team participates in and will also prepare or contribute slides for presentations delivered by City staff related to the Comprehensive Plan and critical/small area plans. Powerpoint presentations will be delivered in native Powerpoint format, as well as in Adobe PDF format.

8.2 YouTube/Vimeo Recordings of Presentations

To facilitate virtual meetings and other online engagement, the MIG Team will record versions of Powerpoint presentations and upload them to YouTube and/or Vimeo for easy viewing when most convenient for residents and employees in San Marcos.

8.3 Quarterly Newsletter/Flyer

MIG will develop a quarterly print-ready newsletter summarizing the planning process, key developments, draft recommendations and upcoming engagement activities. The City will be responsible for printing and distributing the newsletter if such physical distribution is desired. MIG will develop the newsletter in English and Spanish.

8.4 Monthly Email Updates

MIG will also provide monthly content for email updates that can be distributed via the project website and City maintained email lists.

TASK 9. DRAFT AND FINAL COMPREHENSIVE PLAN AND TECHNICAL SUPPLEMENT

Task 9 is focused on developing final deliverables for the Comprehensive Plan effort. The major deliverables will include a Comprehensive Plan document that is user-friendly and accessible, as well as a technical supplement document with detailed analysis and direction for City staff and decision makers.



9.1 Administrative Draft Comprehensive Plan

The MIG Team will compose an Administrative Draft Plan including charts, maps, figures, etc. The Administrative Draft Plan will be in a Word-based text format with associated key graphics as an attached companion. The narrative will make references to clearly identified graphics that will be attached after the conclusion of the narrative.

9.2 Public Review Draft Comprehensive Plan

The MIG Team will revise the plan narrative and associated graphics based upon comments from City staff and key partners on the administrative draft. The revised plan narrative and associated graphics will then be incorporated into a highly graphic and user-friendly desktop published template. MIG will develop the draft plan template using Adobe InDesign. MIG will deliver an electronic copy (PDF) of the Public Review Draft Plan as well as one printed physical copy. The City will be responsible for producing additional copies.

9.3 Final Comprehensive Plan

The MIG Team will incorporate feedback gathered throughout the review and approval process into a Final Comprehensive Plan document. MIG will deliver an electronic copy (PDF) of the Plan as well as one printed physical copy. The City will be responsible for producing additional copies.

9.4 Draft Technical Supplement

The MIG Team will compose an draft technical supplement document including charts, maps, figures, etc. The Administrative technical supplement will be in a Word-based text format with associated key graphics as an attached companion. The narrative will make references to clearly identified graphics that will be attached after the conclusion of the narrative.

9.5 Final Technical Supplement

The MIG Team will revise the technical supplement narrative and associated graphics based upon comments from City staff and key partners on the draft. The revised technical supplement narrative and associated graphics will then be incorporated into a desktop published template. MIG will develop a template for the technical supplement to visually link to the draft plan template using Adobe InDesign. MIG will deliver an electronic copy (PDF) of the Technical Supplement as well as one printed physical copy. The City will be responsible for producing additional copies.

9.6 Final Digital Files

The MIG Team will package and deliver all final digital files to the City of San Marcos staff at the conclusion of the Comprehensive Plan process.

SCOPE AND BUDGET ASSUMPTIONS

The following assumptions were used to develop the scope of work and associated budget:

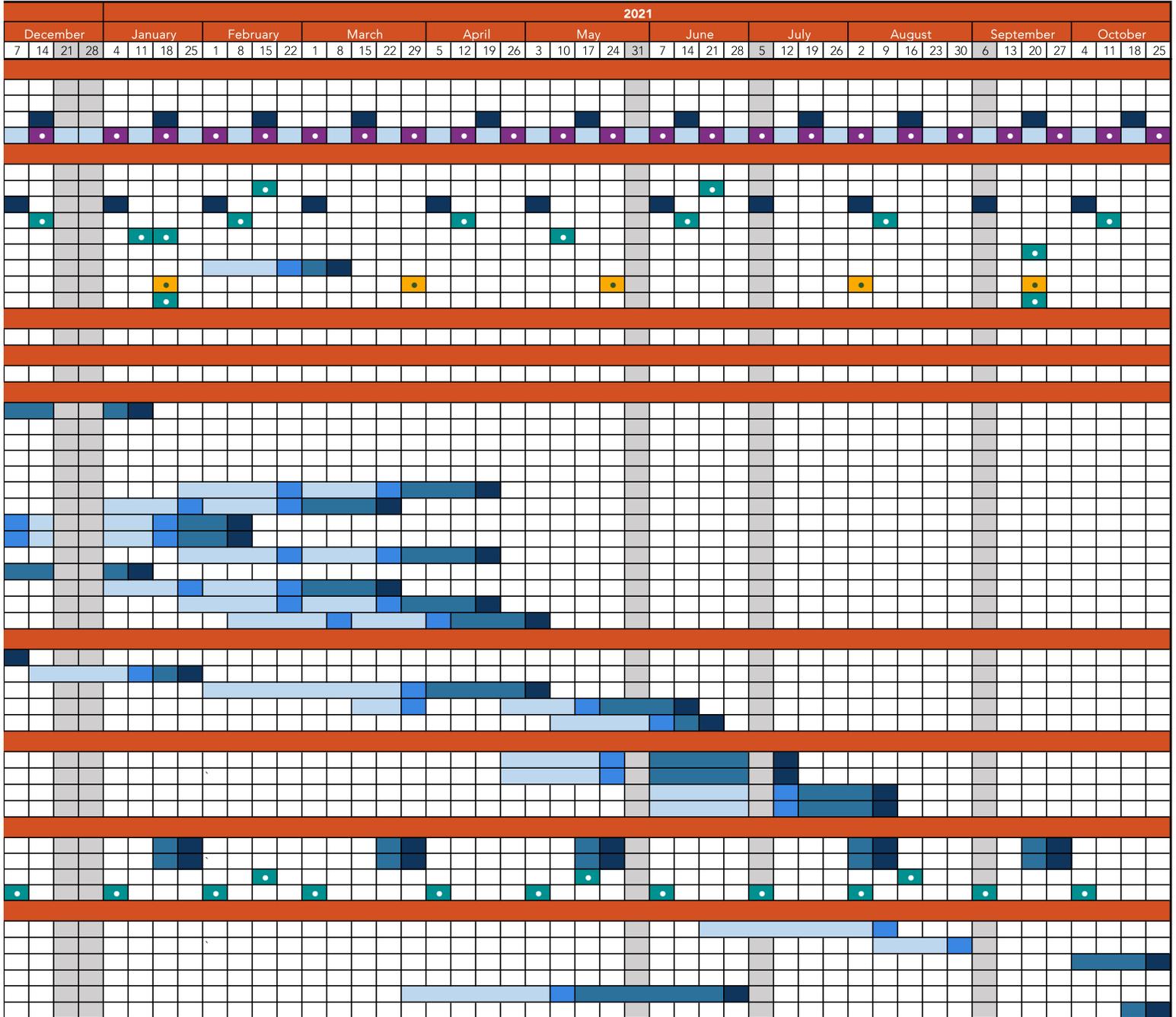
1. For the Comprehensive Plan and Critical/Small Area Plans, the MIG Team will create an administrative draft, a public review draft and a final draft. For all other deliverables, the MIG Team will provide an administrative draft and a final draft.
2. City staff will provide a single, consolidated set of substantive edits for each draft document prepared for this project. All comments between commentators must be resolved by the client before providing the comments to the MIG Team. The consultant team will complete one round of edits based upon substantive client comments on each document. Subsequent edits, such as changes to grammar, punctuation, word choice, etc., will be consolidated to the degree possible.
3. The level of effort for each task is specifically identified in the project budget. During the planning process, MIG will provide a single, digital copy of all products and materials prepared for the update process with the exception of the Final Plan report. For the Final Plan report, the MIG Team will provide the Final Plan in Adobe PDF format, one print copies, and original/editable InDesign files (with text and all graphic links).

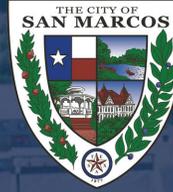
4. The budget assumes that the client will be responsible for all printing, packaging and mailing costs related to the project, including materials for public workshops, the Steering Committee, meeting notices, and any copies of draft or Final Plan for the public. MIG will invoice the client for internal printing and plotting of proofs and internal copies of work products.
5. The scope and budget assume that the main body of the Final Comprehensive Plan will be approximately 40-60 pages in length including maps, figures and graphics. Technical analysis and findings will be summarized in the Technical Supplement under separate cover. MIG's graphic design staff will use InDesign to design and lay out the final documents.
6. The City will provide the consultant with a complete and up-to-date GIS database that includes all of the existing conditions in the City necessary for the planning and design process. Our scope and budget assumes that the information will be up-to-date and any cleanup work will be completed by the client.
7. The MIG Team assumes that all data and information provided by City staff is accurate and reliable. Time spent to revise work based on inaccurate or incomplete information is not included in the scope of work or budget. Any corrections or cleanup work will be completed by the client.
8. City staff will provide MIG with information, data, responses, and review in a timely manner that does not delay the process.
9. The Plan Update process is assumed to take no more than 18 months from contract execution through adoption of the final document. Delays extending the process beyond 22 months caused by the client, outside agencies or others outside of the MIG Team's direct control may require a scope and budget amendment.

Schedule

		2020																												
		May				June					July				August				September				October				November			
		4	11	18	25	1	8	15	22	29	6	13	20	27	3	10	17	24	7	14	21	28	5	12	19	26	2	9	16	23
Task One: Project Management																														
1.1	Kick-Off Meeting																													
1.2	Final Scope, Budget and Schedule																													
1.3	Monthly Invoicing, Progress Reports and Schedule Updates																													
1.4	Ongoing Project Management and Coordination																													
Task Two: Public Participation Plan and Implementation																														
2.1	Public Participation Plan																													
2.2	Stakeholder Interviews and Focus Groups																													
2.3	Project Branding and Website																													
2.4	Social Media Engagement Strategies																													
2.5	Online Polling and Surveys																													
2.6	Virtual Open Houses																													
2.7	Speaker's Bureau and Ambassador Toolkit																													
2.8	Comprehensive Plan Committee Meetings																													
2.9	Community Workshops																													
Task Three: Vision and Goal Setting																														
3	Vision and Goal Setting																													
Task Four: Guiding Principles																														
4	Guiding Principles																													
Task Five: Planning Elements																														
5.1	Land Use																													
5.1.1	Research and Analysis																													
5.1.2	Preliminary Land Use Scenarios																													
5.1.3	Preferred Land Use Scenario																													
5.1.4	Fiscal Impact Analysis																													
5.2	Community Design and Character																													
5.3	Environment and Resource Protection																													
5.4	Economic Development																													
5.5	Housing																													
5.6	Parks, Public Spaces and Facilities																													
5.7	Transportation																													
5.8	Health, Safety and Wellness																													
5.9	Arts and Culture																													
5.10	Intergovernmental Coordination																													
Task Six: Critical Area Plans/Small Area Plans																														
6.1	Small Area Identification and Definition																													
6.2	Small Area Profile																													
6.3	Recommendations																													
6.4	Graphics and Illustratives																													
6.5	Phasing and Priorities																													
Task Seven: Implementation Strategy/Action Steps/Comprehensive Decision-Making Packages																														
7.1	Implementation Strategies and Actions																													
7.2	Implementation Matrix – Prioritization, Roles and Responsibilities																													
7.3	Comprehensive Decision-Making Packages																													
7.4	Strategy for Plan Review, Maintenance and Updates																													
Task Eight: Presentations and Communications																														
8.1	Powerpoint Presentations																													
8.2	YouTube/Vimeo Recordings of Presentations																													
8.3	Quarterly Newsletter/Flyer																													
8.4	Monthly Email Updates																													
Task Nine: Draft and Final Comprehensive Plan and Technical Supplement																														
9.1	Administrative Draft Comprehensive Plan																													
9.2	Public Review Draft Comprehensive Plan																													
9.3	Final Comprehensive Plan																													
9.4	Draft Technical Supplement																													
9.5	Final Technical Supplement																													
9.6	Final Digital Files																													

	Prepping/Drafting		Comprehensive Plan Committee (CPC) Meeting
	Draft Deliverable		Public Participation
	Refining/Editing		Internal Meeting
	Final Deliverable		





Comprehensive Plan Update

INTERVIEW | MAY 22, 2020



Introductions



Introductions –



Jay Renkens, AICP
Principal-In-Charge



Andy Rutz, CNU-A
Project Manager



Krystin Ramirez
Project Associate



Mukul Malhotra
Consulting Principal



Rishi Dhody
Urban Designer

Recent Applicable Plan Experience

San Antonio, TX | Comprehensive Plan & SubArea Plans

Denver, CO | Comprehensive Plan, Blueprint & NPI

Fort Collins, CO | City Plan Update & Old Town
Neighborhoods Plan

Spokane, WA | Comprehensive Plan & Downtown Plan

Norman, OK | PlanNorman Comprehensive Plan

Addison, TX | Parks, Recreation and Open Space
Master Plan & Trails Master Plan

Arlington, TX | Downtown Master Plan

Dallas, TX | 360 Downtown Plan and Update

Charlotte, NC | Charlotte Center City 2020 Vision,
2040 Vision Plan, & Citywide Comprehensive Plan

Introductions – TJKM Transportation Consultants



Aldo Fritz, AICP

Senior Transportation Planner

Colin Burgett

Senior Project Manager

Cory Peterson

Transportation Planner

Dhawal Kataria

Asst. Transportation Planner

Recent Applicable Plan Experience

Downtown Arlington Business Improvement
District Arlington, TX (President/CEO)

Bexar St Neighborhood Redevelopment Plan,
Dallas, TX

Alameda Heights/Cigarette Hill
Neighborhood Action Plan, Dallas, TX

Broward County Comprehensive Plan (EAR)
Broward County, FL

Seaside (CA) 2040 General Plan Mobility
Element

Menlo Park (CA) General Plan & Facebook
Campus Planning

Pittsburg (CA) General Plan Update

Solano County (CA) Comprehensive
Transportation Plan

Introductions – Economic & Planning Systems



Matt Prosser
Project Manager



Andrew Knudtsen
Principal-In-Charge



Rachel Shindman
Primary Analyst

Recent Applicable Plan Experience

Charlotte, NC | Future 2040 Comprehensive Plan

Fort Collins, CO | City Plan

Denver, CO | Blueprint Denver

Waco, TX | Downtown Waco TIF Strategy

Arlington, TX | Downtown Master Plan

Reno, NV | Reimagine Reno Master Plan

Norman, OK | PlanNorman Comprehensive Plan

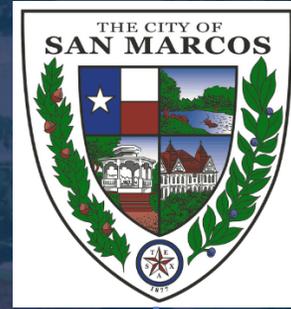
San Antonio, TX | Comprehensive Plan & SubArea Plans

Longmont, CO | Envision Longmont Comprehensive Plan

Oklahoma City, OK | PlanOKC Comprehensive Plan

Rapid City, SD | Comprehensive Plan

Introductions – Org Chart by Expertise



Project Management,
Vision, Goals &
Guiding Principles



In-Person and Virtual
Facilitation &
Engagement



Land Use, Urban
Design, Health &
Environment



Economic
Development &
Housing Analysis

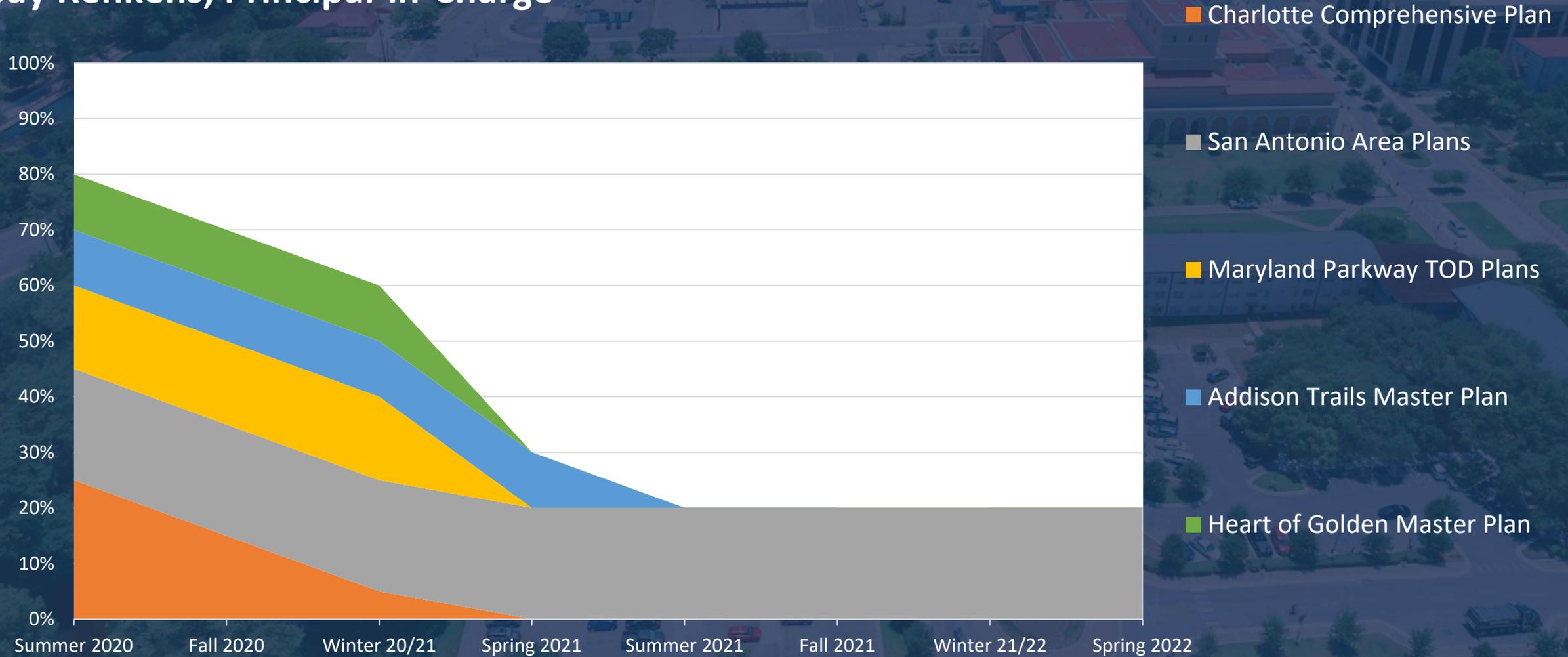


Transportation
Planning &
Engineering



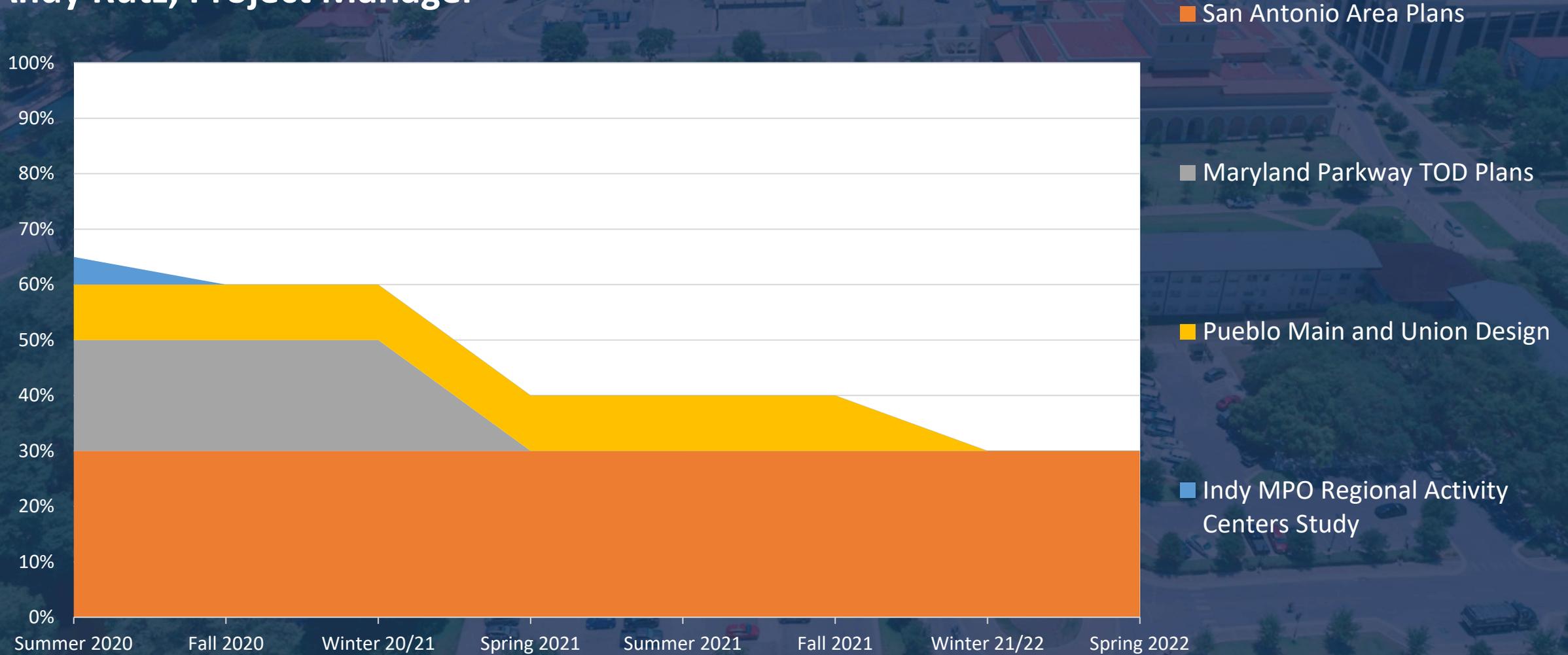
Team Assignments

Jay Renkens, Principal-in-Charge



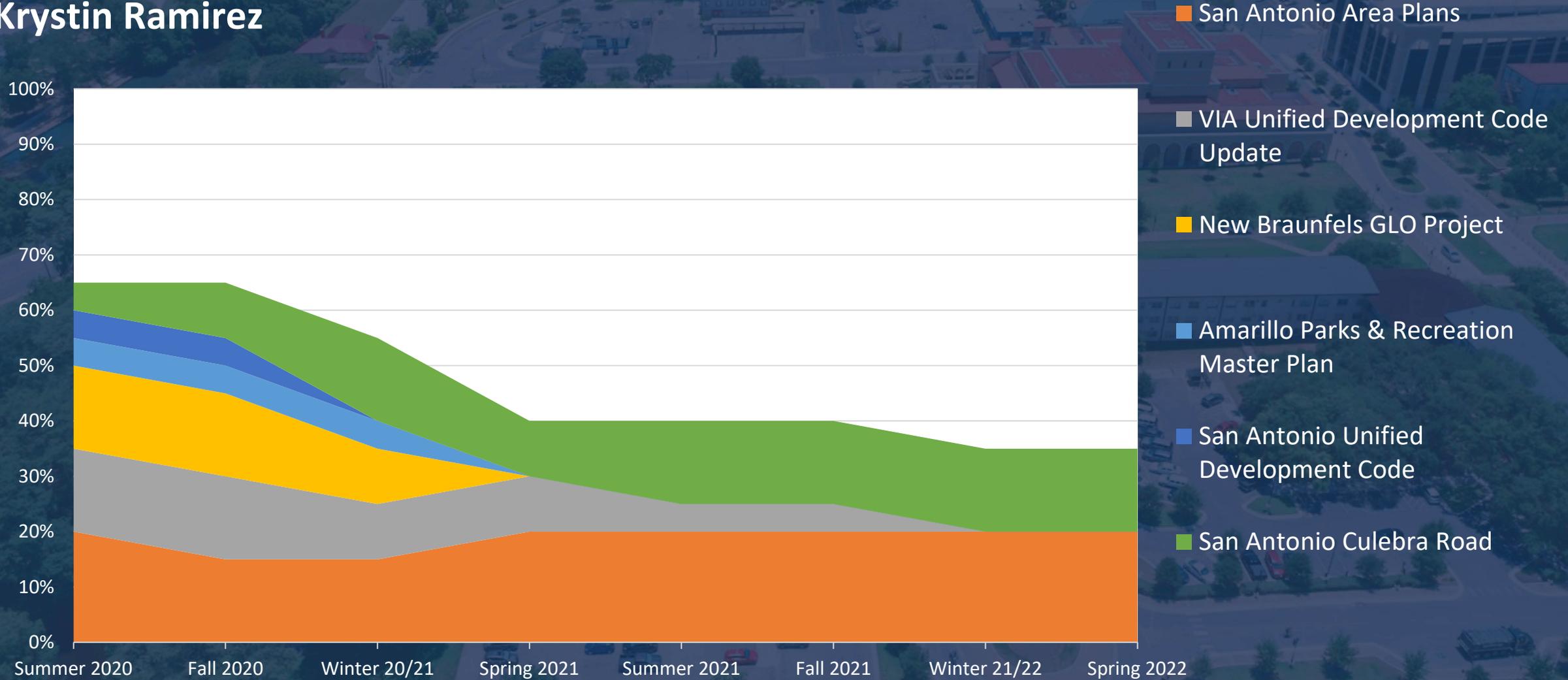
Team Assignments

Andy Rutz, Project Manager



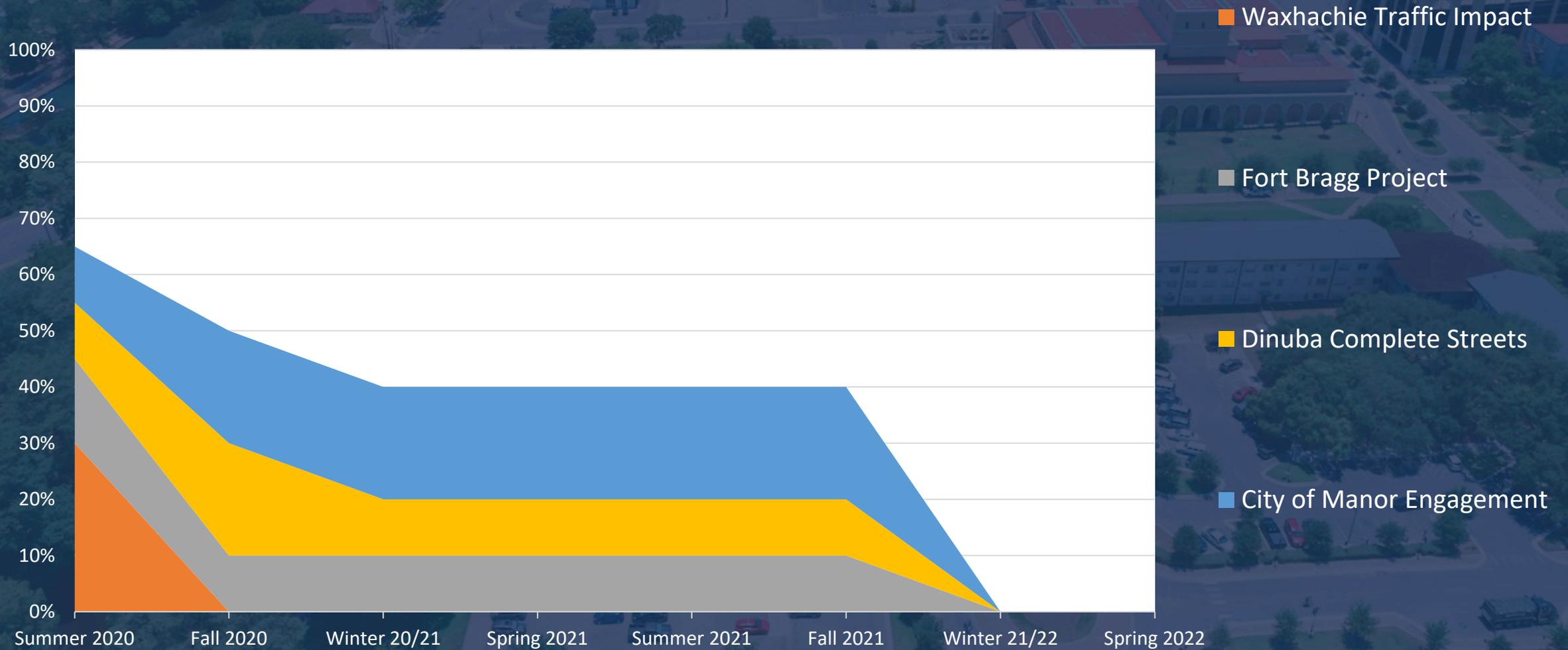
Team Assignments

Krystin Ramirez



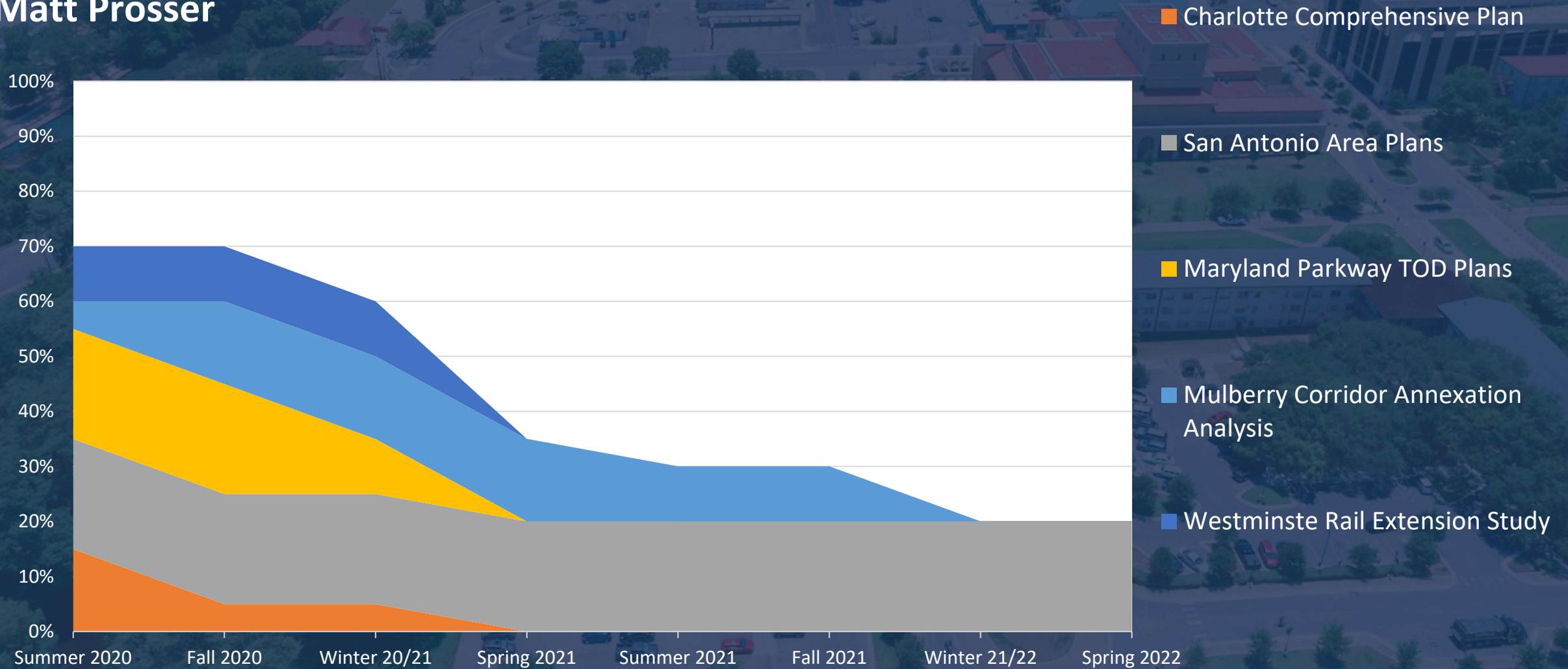
Team Assignments

Aldo Fritz



Team Assignments

Matt Prosser



Team Assignments

- We certify that our team – core and support staff – can devote the necessary amount of time to accomplish this project within the next ~18 months.

Process & Approach



Process & Approach

- Project Management



Process & Approach

- Project Management
- Public Participation Plan and Implementation
- Vision and Goal Setting

COMMUNITY VISION AND VALUES



Process & Approach

- Project Management
- Public Participation Plan and Implementation
- Vision and Goal Setting
- Guiding Principles

COMMUNITY VISION AND VALUES



Guiding Principles

Process & Approach

- Project Management
- Public Participation Plan and Implementation
- Vision and Goal Setting
- Guiding Principles
- Planning Elements

COMMUNITY VISION AND VALUES



Guiding Principles



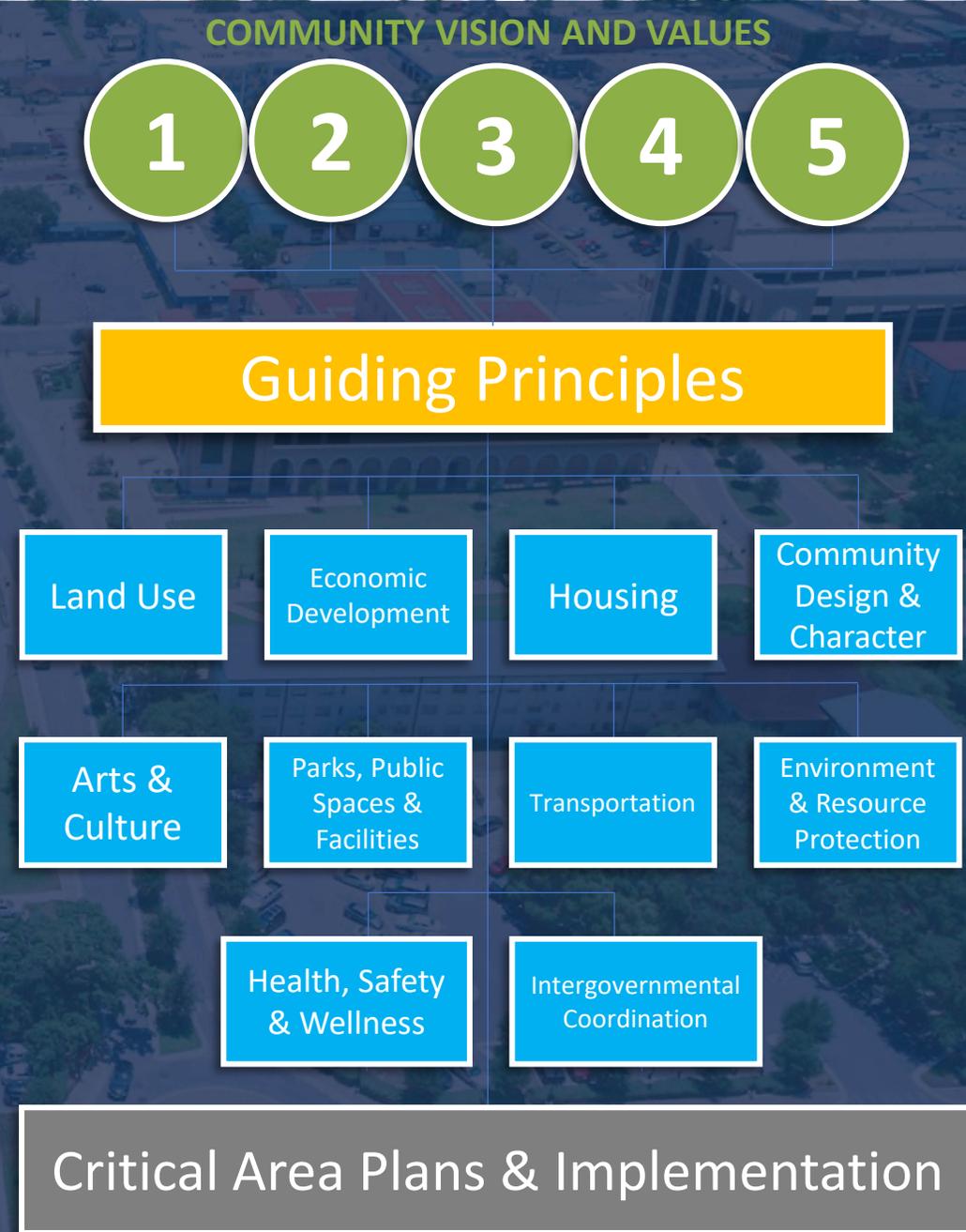
Process & Approach

- Project Management
- Public Participation Plan and Implementation
- Vision and Goal Setting
- **Guiding Principles**
- Planning Elements
- Critical Area Plans
- Implementation Strategy/Action Steps/Comprehensive Decision-Making Packages



Process & Approach

- Project Management
- Public Participation Plan and Implementation
- Vision and Goal Setting
- **Guiding Principles**
- Planning Elements
- Critical Area Plans
- Implementation Strategy/Action Steps/Comprehensive Decision-Making Packages
- Presentations and Communications
- Draft and Final Comprehensive Plan and Technical Supplement



Project Management

- Kick-Off Meeting
- Final Scope, Budget and Schedule
- Monthly Invoicing, Progress Reports and Schedule Updates
- Ongoing Project Management and Coordination



Public Participation Plan and Implementation

Traditional, yet highly interactive, community engagement techniques



Public Participation Plan and Implementation

Traditional, yet highly interactive, community engagement techniques



Public Participation Plan and Implementation

Facilitation Graphics

GROUP DISCUSSION: PLANNING AND DESIGNING
TELL US WHAT YOU NEED! DEBATE EN GRUPO LA PLANIFICACION Y DISEÑO DE LAS VIVIENDAS PARA TRABAJADORES DEL CAMPO

WHAT KIND OF HOUSING TYPE? ¿QUÉ TIPO DE VIVIENDA?

- ▶ **BIG LIVING ROOMS** SALAS GRANDES
- ▶ **2-3 BATHROOMS** 2-3 BAÑOS
- ▶ **2-3 BEDROOMS...** 2-3 HABITACIONES

▶ **DISINFIED FOR FAMILY** UNA CASA DIGNA PARA LA FAMILIA

▶ **NEED BEDROOMS FOR CHILDREN**

▶ **NEED TO KNOW HOW MUCH WE CAN GET...? WHAT IS FAIR**

TRANSPORTACION NECESITAMOS SABER CUANTO PODEMOS OBTENER... LO QUE ES JUSTO

▶ **NEED LARGER HOUSES... ROOMS TOO SMALL... KITCHENS, BEDROOMS...** SE NECESITAN CASAS MÁS GRANDES... LOS CUARDES SON DEMASIADO PEQUEÑOS... COCINAS, HABITACIONES

▶ **PREFER SINGLE FAMILY SEPARATE UNITS...** SE PREFIEREN LAS UNIDADES SEPARADAS PARA FAMILIAS SINGULARES

▶ **IF THERE'S NO LAND... BETTER TO PROVIDE APTS!** SI NO HAY TERRENO, SERÁ MEJOR CONSTRUIR APARTAMENTOS

▶ **2 STORY HOUSING PROVIDES MORE ROOM FOR PLAY AREAS OPEN SPACES** VIVIENDAS DE 2 PISOS... HAS ESPACIO PARA QUE LOS NIÑOS PUEDAN JUGAR

ADDITIONS WANTED

- ▶ **NEED LAUNDRY MACHINES** SE NECESITAN LAVADORAS CERCA DE/ EN LAS VIVIENDAS
- ▶ **SMALLER HOMES** CASITAS PARTICULARES (SIN PAREDES COMUNES)
- ▶ **COMMON WALLS/MORE OPEN SPACE!!** CASITAS CON PAREDES EN COMUN/ MAS ESPACIO ABIEERTO

SMALL HOUSING COMPLEX

PRIVATE PATIO
 PATIO PRIVADO

PARQUE/ESPACIO PARA NIÑOS
 OPEN SPACE!

3 BED 3 HABITACIONES
 2 1/2 BATH 2 1/2 BAÑOS
 LARGE SALA GRANDE
 FRONT PORCH

CHILDREN'S PLAY AREA ZONA DEL RECREO PARA LOS NIÑOS

PARAWORKER HOUSING

OTHER ISSUES/COMMENTS

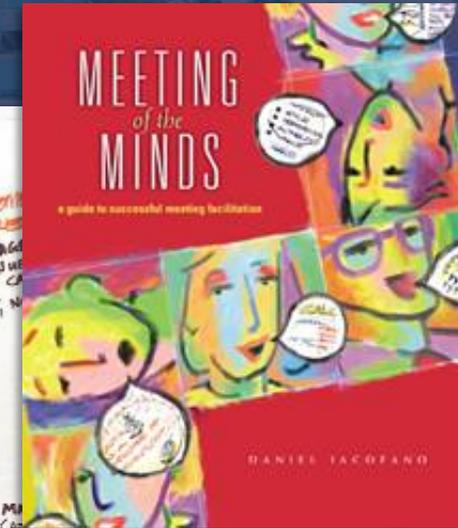
- ▶ **NEED OPPORTUNITY FOR HOMEOWNERSHIP!** SE NECESITA UNA OPORTUNIDAD PARA COMPRAR UNA CASA
- ▶ **NEED SAFE PLACE FOR CHILDREN TO PLAY** SE NECESITAN SITIOS SEGUROS DONDE LOS NIÑOS PUEDAN JUGAR
- ▶ **HOW LONG WILL IT TAKE TO BUILD NEW APTS...? ¿CUANTO TIEMPO PARA CONSTRUIR APARTAMENTOS NUEVOS?**
- ▶ **WHAT ABOUT RELOCATION OF EXISTING RESIDENTS?**
- ▶ **NEED TO TAKE CARE OF RATS IN HOUSING.** SE NECESITA RESOLVER EL PROBLEMA DE LAS RATAS EN LAS VIVIENDAS

DEPENDE EN EL TAMAÑO DE LAS UNIDADES!
DEPENDE EN EL COSTO DE LAS UNIDADES!

OUR OWN HOUSING IS NOT ENOUGH!

NEED SOON!

MORE UNITS EVEN IF APTS IS OK... NEED



Public Participation Plan and Implementation

Virtual Engagement

The screenshot displays a virtual meeting interface with a Mural board titled "Live and Play Place Types". The board is populated with numerous sticky notes, organized into two main categories: "New or Exciting Ideas" (light blue) and "Challenges?" (light green). The "New or Exciting Ideas" notes include:

- living spaces all have street addresses where i can access with a car
- Important to have Parks and Preserves in all areas and one size doesn't fit all
- Greater density will be important for future growth
- More duplexes and tri-plexes amidst single-family homes
- Single family zoning is detrimental to growth
- Additional flavor/mixture in district is good for area as a whole
- Housing diversity enables mixed-income residents in same neighborhood
- walking and biking connectivity to Centers is key
- Centers can improve social access to jobs, education, opportunity.
- Diversity of language and heritage!
- Diversity of language and heritage!
- single-family attached rather than multi-family apartments
- single-family zoning should allow for ADUs
- Zoning for accessory dwellings (tiny house or mother-in-law apartments)
- Developers could contribute more to community benefits
- City is open to new ideas to address this
- Mixed-use could be required in new developments
- live/work development successful in some areas
- Developers choose to use restrictive multi-family residential in single-family neighborhoods
- single-family dwellings (tiny house or mother-in-law apartments)

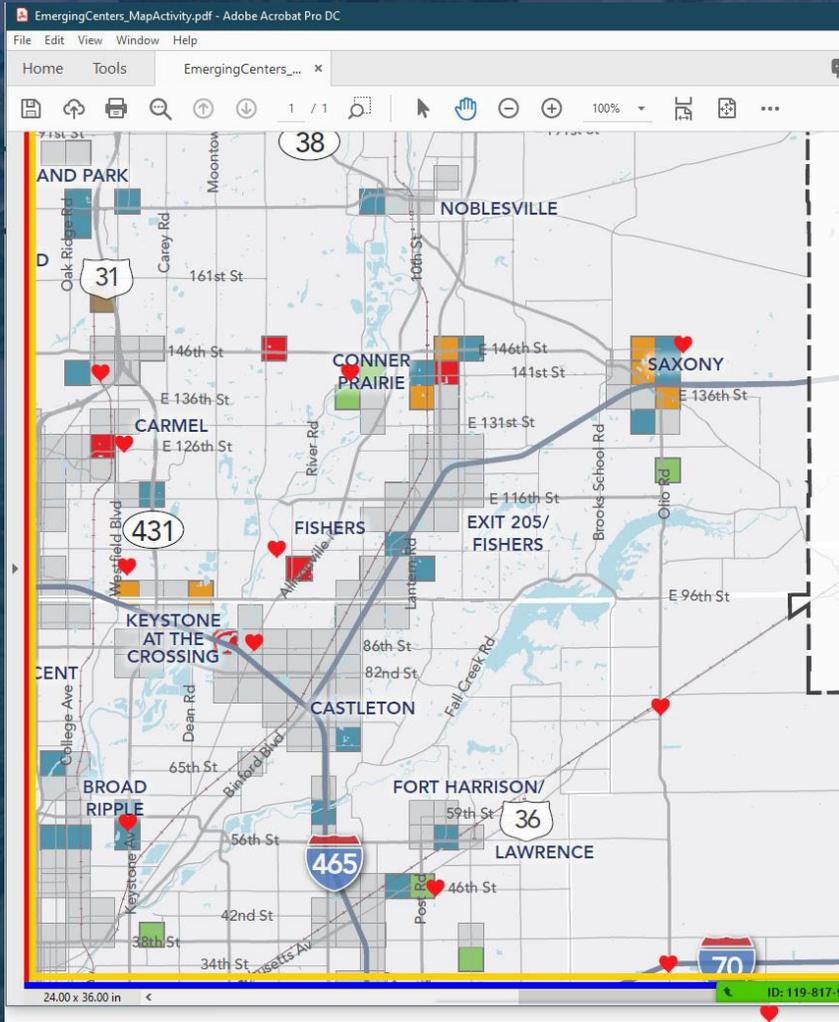
The "Challenges?" notes include:

- Concerns about traffic from multi-family
- Over-development can strain infrastructure
- Concerns about areas becoming overly dense
- Utility and infrastructure capacity related to increased density
- Don't mix density, low density is a valuable resource letting higher density absorb the benefit provided by the lower density units
- Mixing density can be point of contention
- Development does bring new sidewalks
- Development fees do account for new utilities
- Impact fees are restricted in NC
- Housing affordability
- Proximity to employment also impacts affordability
- Amenities also impact land values
- Consider transportation impacts on affordability

The interface also shows a browser window with the URL app.mural.co/t/charlottestrategicadvisorsch1583/m/charlottestrategicadvisorsch1583/1588707314927/e1f1ba28fbc32b0bca9de7d6e21e0bcef088b995, a "SHARE" button, and a "EXPORT" dropdown. On the right side, there is a vertical stack of video thumbnails for participants, and at the bottom, a "Zoom settings" panel is visible.

Public Participation Plan and Implementation

Virtual Engagement



CHARLOTTE STRATEGIC ADVISORS

PLACE TYPES CHAT SESSION · 05/06/2020 #1

CONNECTIVITY

RESILIENCY

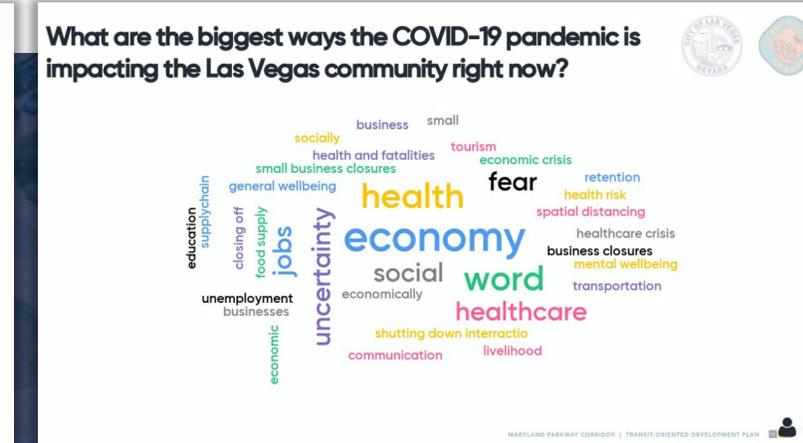
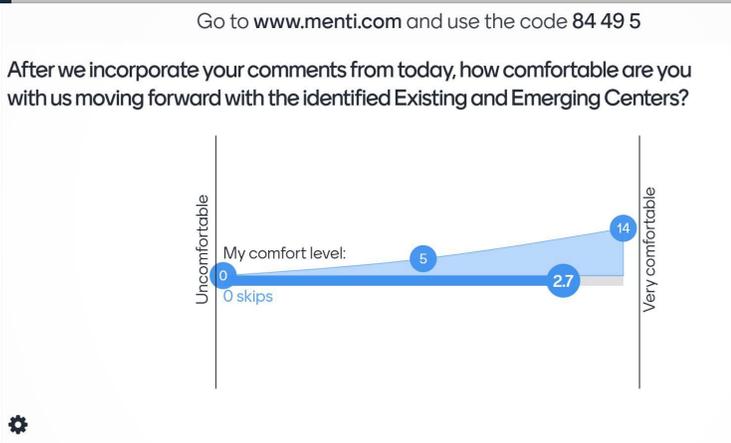
FLEXIBILITY

RELIABILITY

- KEY THEMES: TRANSPORTATION**
 - ADDRESSING THE FULL AGE SPECTRUM
 - SIDEWALKS
 - BUS/TRAIN SERVICE
 - CONNECTIVITY IS ESSENTIAL
 - CONSIDERING IMPACT OF HOMELESSNESS
 - MORE APPROACHABLE BUS SYSTEM
- IMPACT OF COVID-19**
 - MOBILE SERVICES THAT ALLOW FOR CHOICE
 - FLEXIBILITY
 - MASKS
- REGIONAL COORDINATION/PARTNERSHIPS**
 - DEVELOPERS PREFER HEAVIER TRANSIT COMMITMENT
 - INTRAREGIONAL CONNECTIONS FOR TRANSIT
 - PARKING @ TRANSIT LOCATIONS
 - EXPRESS BUS MODEL APPLIED TO TRAINS

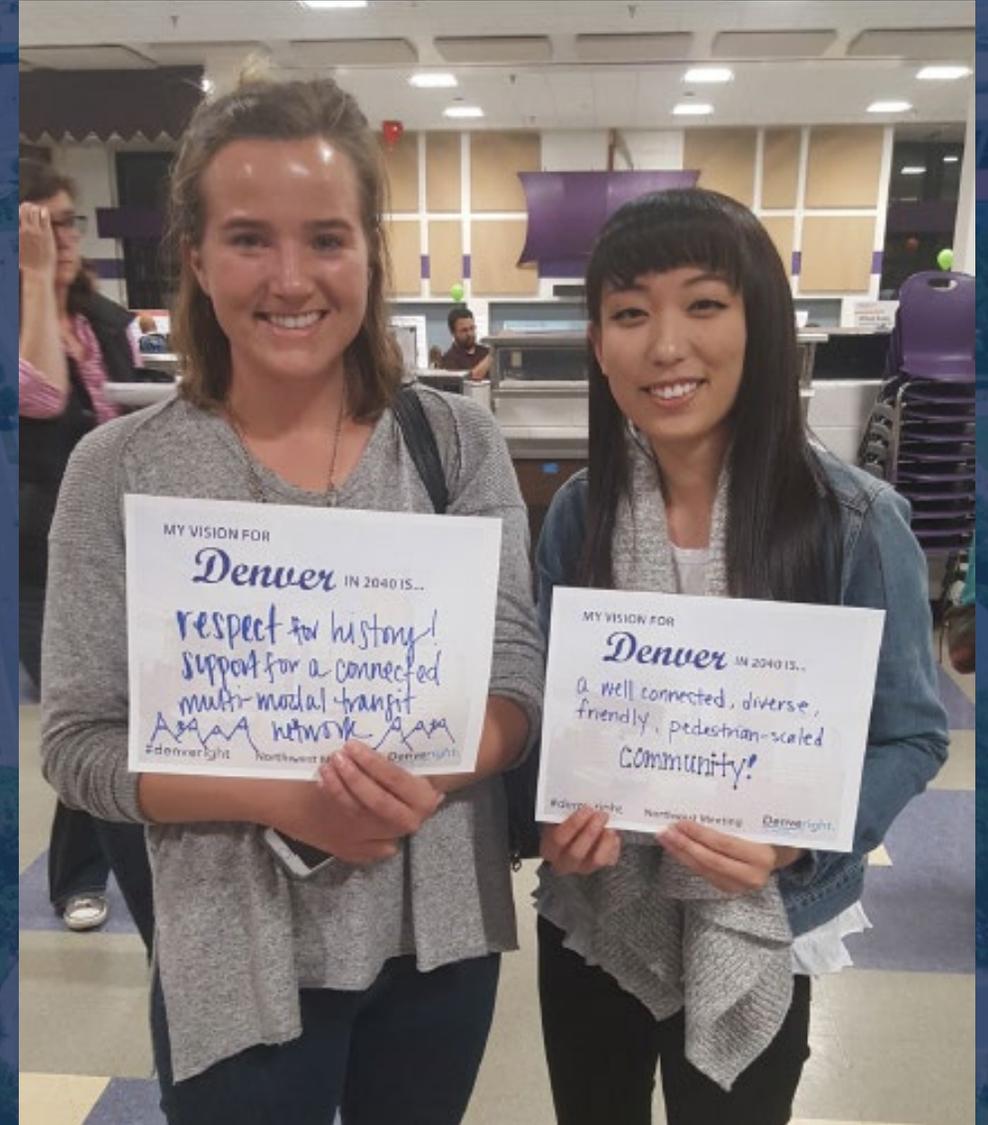
Handwritten notes and diagrams include:

- Safety & Consistency (with wheelchair icon)
- Part of a larger planning conversation
- Medians, Reduced Speed
- Bus Shelters
- Interconnected system (as opposed to radial)
- Include sustainable elements (Solar panels @ bus stops)
- Flexibility of bus over train
- Infrastructure to support new needs/Climate (Power lines UG)
- Partnerships with schools
- 40 year planning outlook
- Numerous possibilities
- Impacts of working from home
- Rapid internet capacity
- Parks integration



Vision and Goal Setting

- Built upon first engagement series & City Council visioning session
- Vision Framework may help inform enhancements to the structure of the Plan
- Refinement and finalization of Plan Elements



Guiding Principles

- Contextually-specific to ensure meaningful concept development
- Derived from background document review, City Staff and stakeholder inputs
- Planning Element strategies and recommendations will be measured against these principles



Planning Elements

- Land Use
- Economic Development
- Housing
- Community Design and Character
- Arts and Culture
- Parks, Public Spaces and Facilities
- Transportation
- Environment and Resource Protection
- Health, Safety and Wellness
- Intergovernmental Coordination

Land Use

- Areas of Stability and Change Analysis
 - Economic Opportunity
 - Land Use Opportunity
 - Community Character
- Land Use Scenarios
- Fiscal Impact Assessment



Scenario Summary

This scenario explores the impact of population and housing growth on Norman if it diversifies its development pattern to focus on small scale corridor revitalization in addition to continued development of agricultural areas east of the urbanized area and in underutilized infill areas in our city. This scenario has the highest proportion of infill development.

For this scenario:

- 33% of future housing growth is projected to occur in undeveloped agricultural areas east of the our urbanized area;
- 33% in larger scale underutilized areas in Norman's core; and
- 34% in smaller scale redevelopments along corridors.

Evaluation Criteria

Criteria	Scenario Ranking (Best to Worst)
Land Consumption	Compact Connected > Mixed Large (Re)development > Continued Trends
Fiscal Impact	Compact Connected > Mixed Large (Re)development > Continued Trends
Housing Market Deviation	Compact Connected > Mixed Large (Re)development > Continued Trends
Parks Access	Compact Connected > Mixed Large (Re)development > Continued Trends
Vehicle Miles Traveled	Compact Connected > Mixed Large (Re)development > Continued Trends
Annual Water Use	Compact Connected > Mixed Large (Re)development > Continued Trends
Pervious / Impervious Surfaces	Compact Connected > Mixed Large (Re)development > Continued Trends
Transit Access	Compact Connected > Mixed Large (Re)development > Continued Trends
Amenities Access	Compact Connected > Mixed Large (Re)development > Continued Trends

Scenario - Compact Connected: Option A - East Development

Economic Development & Housing

- Economic Opportunities
 - Leverage assets
 - University
 - Diversification of economic base
- Housing
 - Future demand
 - Increasing access/opportunity
 - Enhancing existing housing/neighborhoods

SMTX 4 All

"I love living in San Marcos because... It feels like home. San Marcos is like no other city I've ever been to. The people are welcoming, the river brings people together."

SMTX 4 All

"I have friends in San Marcos, but not..."

SMTX 4 All

"My husband and I went to school at TXST and love this town! We have such a heart for the college students and the community at large. We currently serve as missionaries to the university and strive for building relationships with the community!"
-AMANDA & ROBERT

SAN MARCOS

SMTX 4 All
Homes • People • Places • Generations

CITY OF SAN MARCOS

**SAN MARCOS STRATEGIC HOUSING ACTION PLAN:
ADDRESSING THE CONTINUUM OF HOUSING NEED**

September 2019 - DRAFT

Community Design & Character | Arts & Culture

- Catalog and summarize existing design and neighborhood character
- Celebrate historic and cultural assets
- Assess potential impacts to that character within growth scenarios
- Recommendations that promote physical and programmatic aspects of arts and culture

Parks, Public Spaces and Facilities

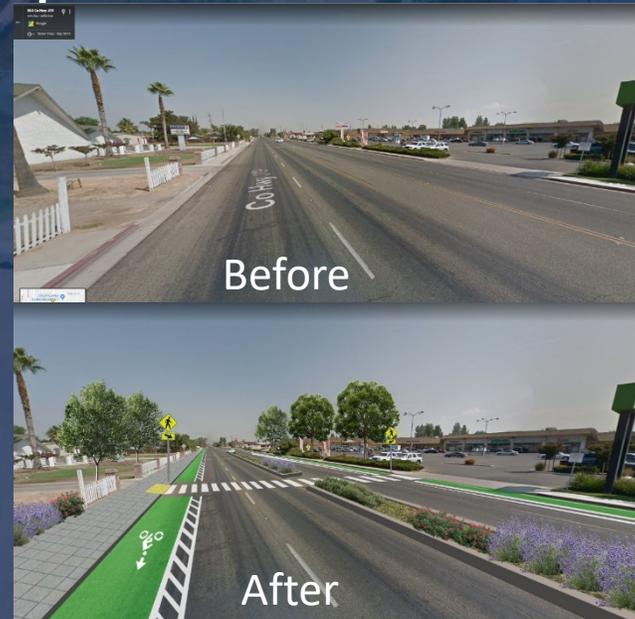
- Integrate recent parks planning
- Layering on a 10-minute walk analysis to determine access to active and passive recreation amenities
- Leverage partnerships and other infrastructure



Figure 1-4: System Highlights

Transportation

- Layered Priority Network Map (Gap Analysis & Alignment Considerations)
 - Based on public and stakeholder input
- Focus on Complete Streets
 - Meet the needs of all transportation users



Environment & Resource Protection | Health, Safety & Wellness

- Recommendations and strategies for sustainability and resiliency build around land conservation and development best management practices
- Use the COVID-19 pandemic as a launching off point to consider how all other Planning Elements contribute or detract from individual and community health and wellness

Intergovernmental Coordination

- Incorporate regional partners and other agencies into the process at the early stages
- Utilize CAMPO Platinum study to help inform Critical Area Plan efforts that build upon each other
- Leverage momentum from recently completed and on-going plans

Critical Area Plans

- Downtown Plan
- Center Plans
- Neighborhood Plans
- Corridor Plans
- **Additional Opportunities**
 - Greenfield Development
 - Infill/Development Parcel
 - Intersection/Streetscape



Critical Area Plans

Plan Hierarchy

The following is the revised approach and hierarchy for San Antonio's Comprehensive Planning component of the CPP. The SA Tomorrow Comprehensive Plan is the guiding document that directs the city's long range development efforts and the other types of plans utilized by the city. The intent of a revised hierarchy is to ensure that planning at all levels in San Antonio is completed in an efficient and effective manner with meaningful participation and buy-in from neighborhoods, property owners, business owners, partner agencies, major institutions and other key stakeholders. The four planning levels are described below:

Level 1: Regional Plans are developed in collaboration with partner agencies to guide regional and multi-jurisdictional services and/or infrastructure investments. Not all plans at the Regional Plan level of the CPP necessarily address a full regional geography, as many regional planning efforts coordinate interjurisdictional strategies, policies and investments with neighboring cities and counties at a smaller geographic scale.

Level 2: Citywide Functional Plans direct specialized components of city planning such as transportation, economic development, housing, natural resources and sustainability.

Level 3: Sub-Area Plans provide detailed strategies regarding land use, transportation, infrastructure and facilities for specific geographies, such as regional centers, corridors and neighborhood groupings, aligning them with higher level plans.

Level 4: Specific Plans are developed for specific geographic areas. Examples of these plans include San Antonio's airport, downtown reinvestment and various neighborhood facilities such as parks and recreation.

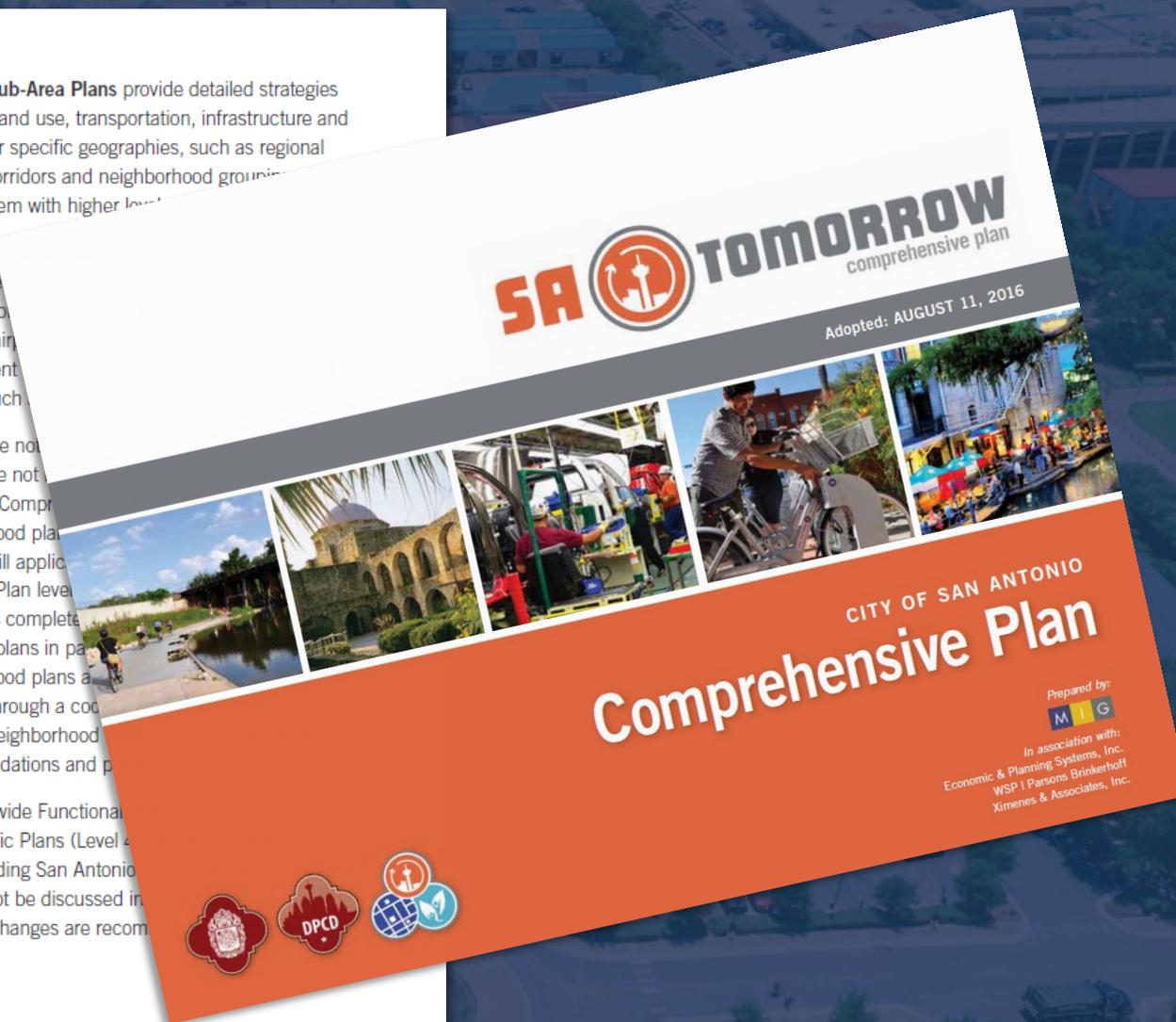
It should be noted that Levels 3 and 4 are not mutually exclusive. The SA Tomorrow Comprehensive Plan and Sub-Area Plan level (Level 4) is complete. Sub-Area plans in partnership with neighborhood plans are developed on a platform through a coordinated and updated neighborhood recommendations and plan.

While Citywide Functional and Specific Plans (Level 4) are being updated, they will not be discussed in this plan. No major changes are recommended.

17.2

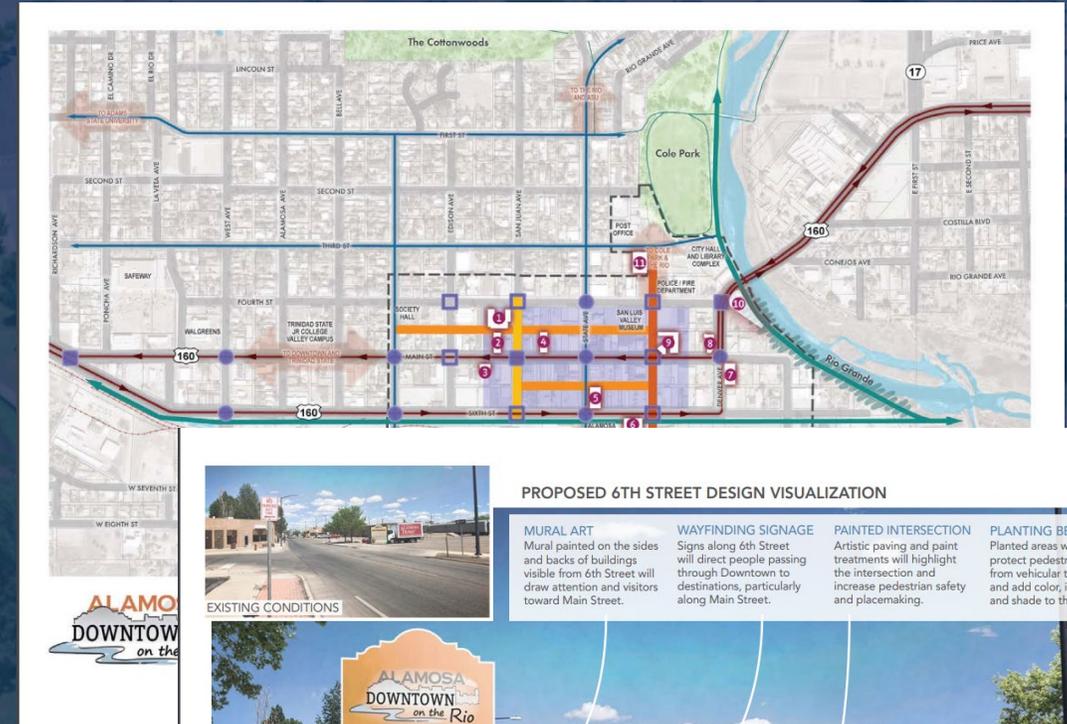
Level	Plan Type	Example Plans ¹
0	Comprehensive	SA Tomorrow Comprehensive Plan
1	Regional	AAMPO Metropolitan Transportation Plan, Annexation Strategy, Military Joint Land Use Plans, Perimeter Plans, VIA Vision 2040
2	Citywide Functional	Multimodal Transportation Plan, Major Thoroughfare Plan, Sustainability Plan, Forefront SA
3	Sub-Area	Regional Center Plans, Corridor Plans, Community Plans
4	Specific	Airport Plans, Station Area Plans, Area Strategic Plans, Redevelopment/Reinvestment Plans, Specific Project Plans

¹ For Levels 1, 2 and 4 this is not an exhaustive list of covered plans just a set of examples. For Level 3, the examples include a complete list of representative plan types.



Critical Area Plans – Downtown Plan

- ~ \$57,000
- Detailed Land Use Plan
- Economic Development Strategy
- Retail Strategy
- Public Realm Conceptual Design
- Mobility & Parking
- Organization & Operations Guidance
- Implementation Strategy



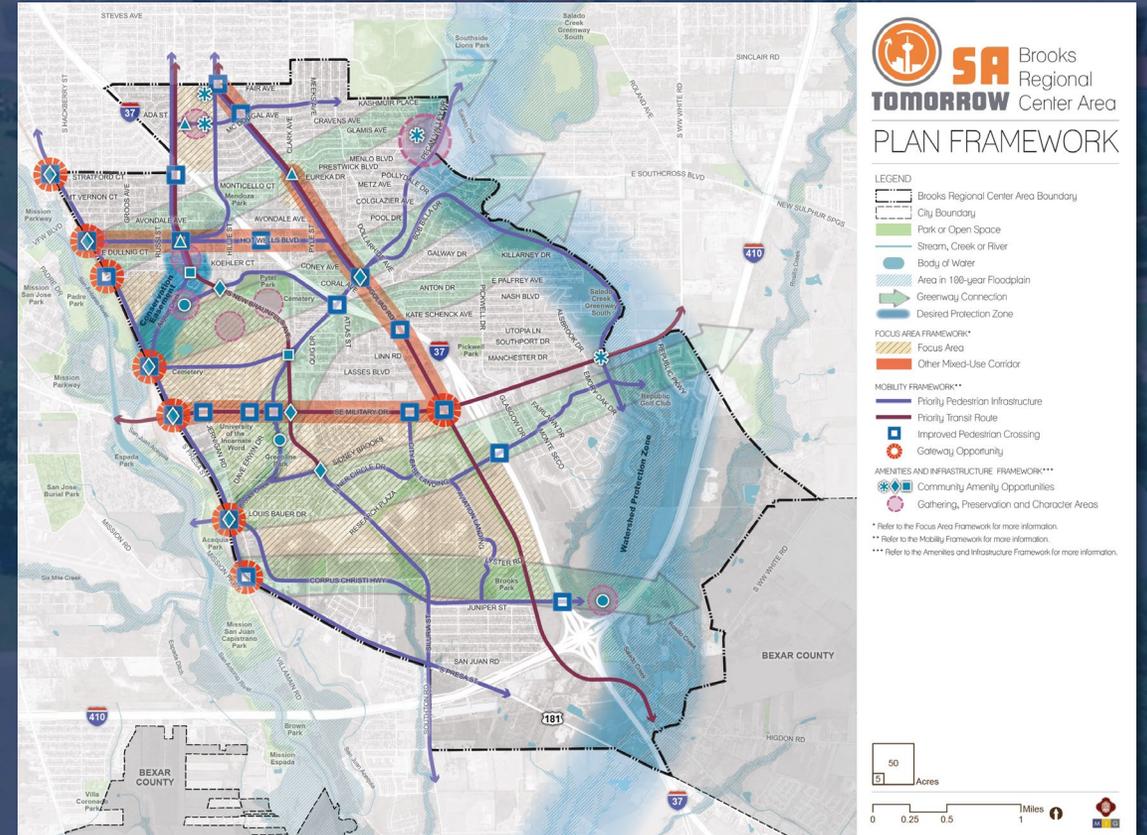
PROPOSED 6TH STREET DESIGN VISUALIZATION

- MURAL ART**
Mural painted on the sides and backs of buildings visible from 6th Street will draw attention and visitors toward Main Street.
- WAYFINDING SIGNAGE**
Signs along 6th Street will direct people passing through Downtown to destinations, particularly along Main Street.
- PAINTED INTERSECTION**
Artistic paving and paint treatments will highlight the intersection and increase pedestrian safety and placemaking.
- PLANTING BEDS**
Planted areas will protect pedestrians from vehicular traffic and add color, interest, and shade to the street.



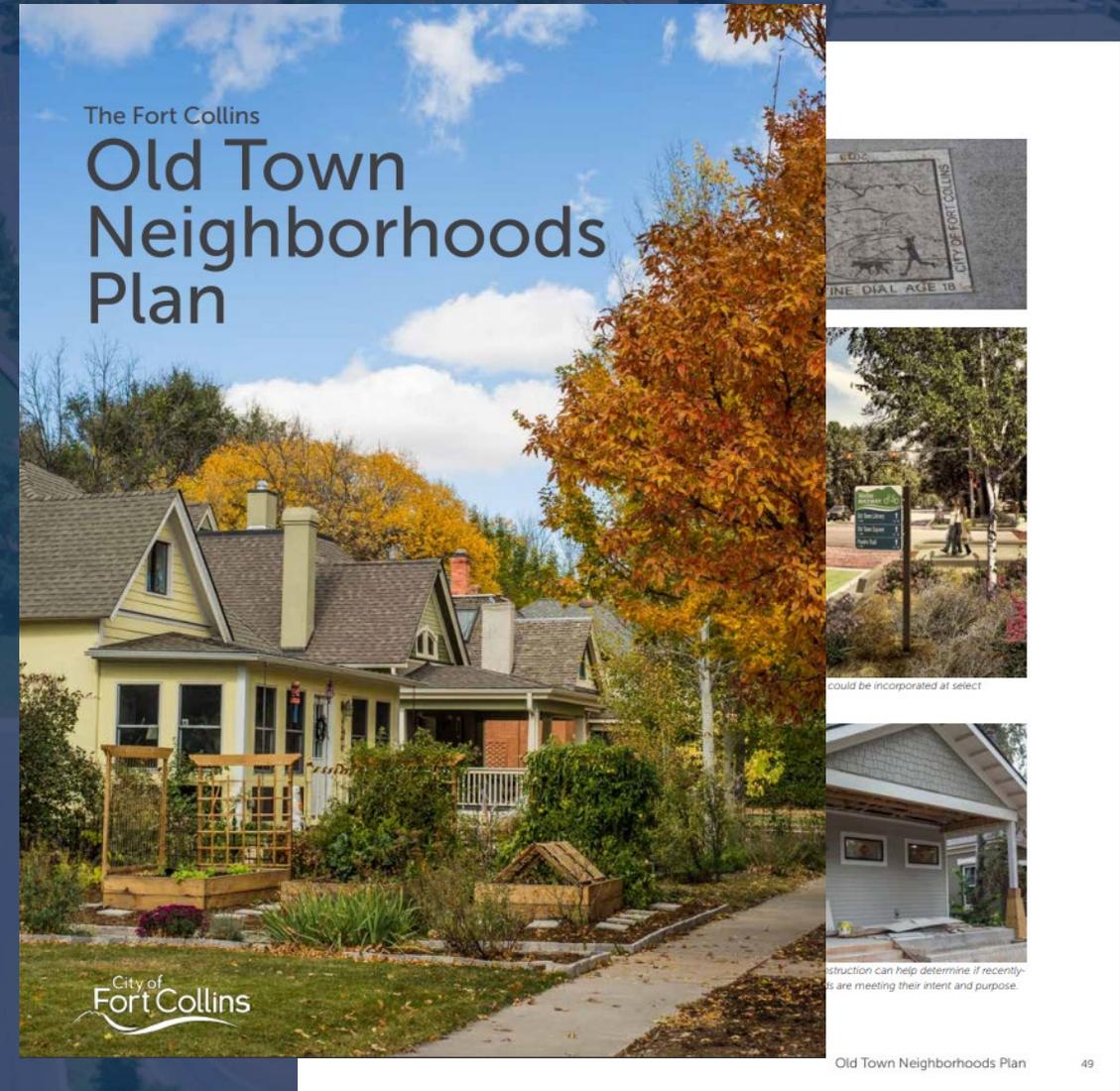
Critical Area Plans – Center Plans

- ~ \$32,000
- Opportunity Site Analysis
- Detailed Land Use Plan
- Conceptual Design
- Public Realm and Infrastructure Plan
- Multi-modal Mobility & Parking
- Implementation Strategy



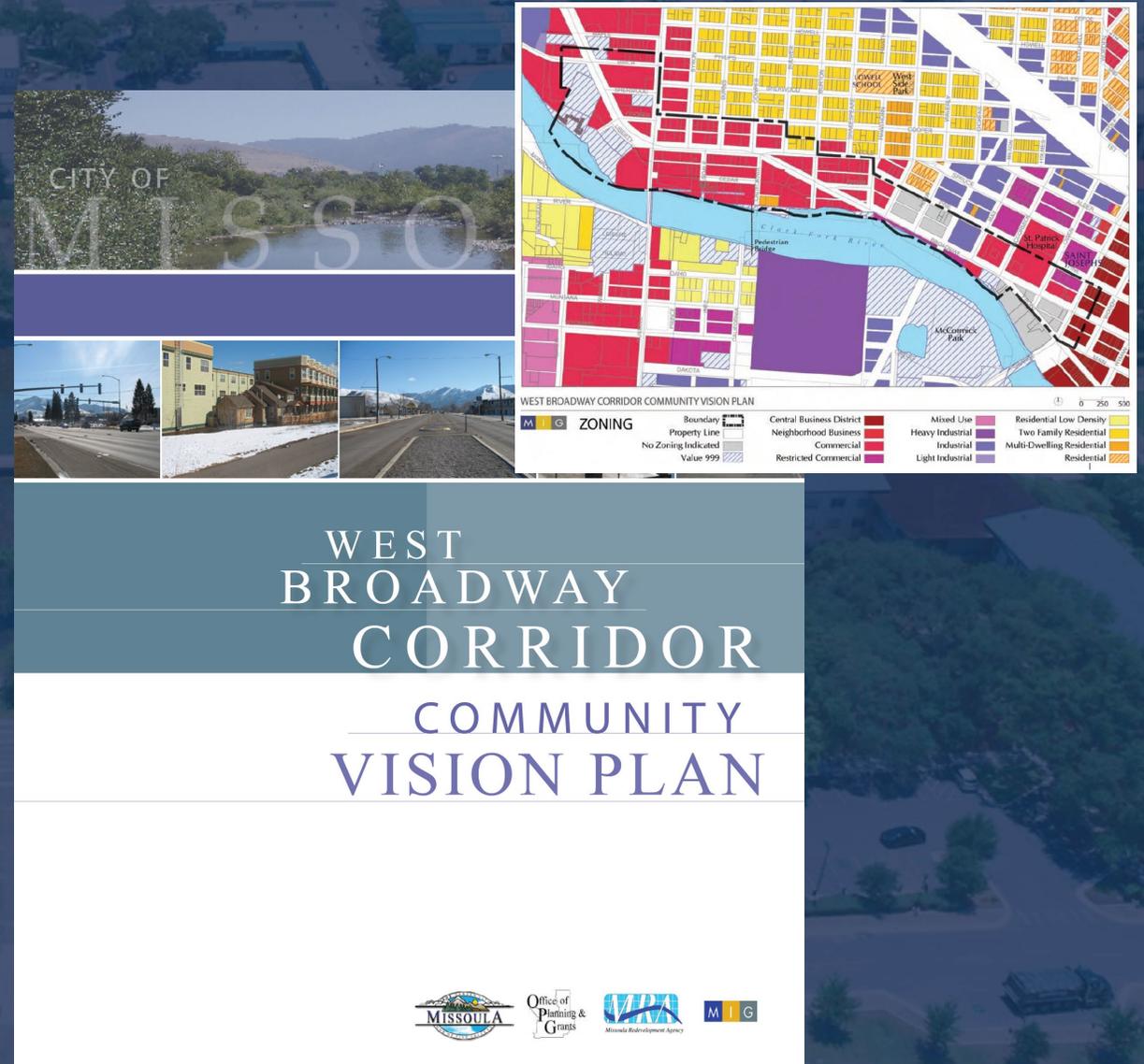
Critical Area Plans – Neighborhood Plans

- ~ \$29,000
- SWOT Analysis
- Neighborhood Character ID
- Compatible Infill/Redevelopment
- Connectivity Strategies
- Amenities Planning
- Implementation Strategy



Critical Area Plans – Corridor Plans

- ~ \$25,000
- Transportation Analysis
- Land Use Assessment & Recommendations
- Streetscape & Access Plan
- Branding & Identity



Critical Area Plans – Additional Opportunities

Greenfield Development

- ~ \$15,000
- Market Opportunity Assessment
- Conceptual Site Planning
- Design Vision and Intent
- Recommended Standards and Guidelines

S. PRESA ST.
SAN ANTONIO RIVER

This is an aerial photograph showing a rural landscape. On the left, the San Antonio River flows through a wooded area. A road, S. Presa St., runs vertically through the center. To the right of the road, there is a large, open field with a pond. In the bottom right corner, a school building complex is visible, featuring a blue swimming pool and a basketball court. The text 'S. PRESA ST.' and 'SAN ANTONIO RIVER' is written in white on the left side of the image, with lines pointing to the respective features. The text 'CORPUS CHRISTI HWY' is written in white at the bottom right.

CORPUS CHRISTI HWY

S. PRESA ST.
SAN ANTONIO RIVER

CORPUS CHRISTI HWY



Critical Area Plans – Additional Opportunities

Infill/Development Parcel

- ~ \$12,000
- Context Analysis
- Market Opportunity Assessment
- Private Development Concept/s
- Public Realm Conceptual Design
- Critical Element ID





Critical Area Plans – Additional Opportunities

Intersection/Streetscape

- ~ \$7,000
- **Transportation, Safety and Access Assessment**
- **Conceptual Design Alternatives**
- **Preferred Concept Design Renderings**
- **Critical Element ID**





Critical Area Plans – Associated Costs

- Downtown Plan - ~\$57,000
- Center Plans - ~\$32,000
- Neighborhood Plans - ~\$29,000
- Corridor Plans - ~\$25,000

- **Additional Opportunities**
 - Greenfield Development - ~\$15,000
 - Infill/Development Parcel - ~\$12,000
 - Intersection/Streetscape - ~\$ 7,000

Budget

Rates for the following tasks:	
Project Management	\$ 34,260
Public Participation Plan	\$ 67,375
Vision and Goal Setting	\$ 4,230
Guiding Principles	\$ 3,210
Planning Elements (per element)	\$ 7,863 x 10
Critical Area Plans (per plan)	\$ 57,730 x 1
Implementation Strategy / Action Steps / Comprehensive Decision-Making Packages	\$ 13,720
Presentations and Communications	\$ 14,680
Other (explain) Draft and Final Plan Report and Technical Supplement	\$ 37,500
Other (explain) 3% Administrative Fee for Direct Expenses and Subconsultants	\$ 2,700
Other (explain)	\$
Other (explain)	\$
Other (explain)	\$
Complete Project Cost	\$ 314,140

Place-Based Comprehensive Plan

- Leverage work recently completed by City and partners
- Keep Goals & Policies “Lean & Mean”
- Utilize specificity of Critical Area Plans to provide stronger, customized direction
- Critical Area Plans will be used as a key component of the implementation strategy



COFFEE POT
TADDOCK'S

BARFISH LOUNGE



Penetration
Calvin Klein

J.Crew

J.CREW

MATERNITY WORKS

Jmami
1999 1999

GYMBOREE
OUTLET

Saks Fifth Avenue

Saks Fifth Avenue









Q & A Session





Comprehensive Plan Update

INTERVIEW | MAY 22, 2020





Legislation Text

File #: Res. 2020-127R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-127R, approving the award of a construction contract to Trimbuilt Construction, Inc. for the Police Department Building Additions and Renovations Project in the amount of \$9,141,358.00; authorizing the City Manager or his designee to execute the agreement on behalf of the City; and declaring an effective date.

Meeting date: June 16, 2020

Department: Police Department - Bob Klett, Interim Chief (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$9,141,358

Account Number: G608

Funds Available: [Click or tap here to enter text.](#)

Account Name: GO Bond-Police Department Renovations

Fiscal Note:

Prior Council Action: Bond project was approved by voters in May 2017.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.

- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City purchased the existing Police Department facility from Wide-Lite in 1991. In May 2017, San Marcos residents approved bonds to fund Police Department addition and renovations for approximately \$5.5 million. The project consists of renovating the existing 911 center, adding security and perimeter fencing, renovating the parking and improving drainage, replacing existing HVAC equipment, and creating new offices with the police department. On January 15, 2019, City Council approved the award of a Professional Services Contract to KGA Architects, LLC for the Architectural and Engineering Services for Police Station Renovations and Addition. During the June 26, 2019 Work Session, City Council received an update on the design team's facility needs assessment. The facility assessment revealed additional critical facility needs for the existing building's mechanical and electrical system. It also revealed additional code required life safety and ADA accessibility scope.

Based on the facility assessment and corresponding construction estimates, the City determined to supplement the project budget with additional CIP funds to provide an adequate facility for present and future Police Department use. On August 20, 2019, City Council approved a Change in Service to KGA Architects, to design and oversee construction on the larger revised project scope estimated at approximately \$8.5M base scope and \$2M of add alternate scope items.

In accordance with Texas Government Code 2269 and City Purchasing Policy, the City solicited Competitive Sealed Proposals, #220-149, for the Police Department building additions and facility renovations. On April 30, 2020, six proposals were received. All proposals were evaluated by a City-staffed evaluation committee including the City's third-party project manager, Jacobs Project Management Company. The evaluation committee selected Trimbuilt Construction, Inc., located in Austin, Texas, as the top-ranked contractor based on criteria published in the solicitation to determine the best value to the City of San Marcos.

Following a period of proposal clarifications and negotiations with the top-ranked contractor, staff recommends the award to Trimbuilt Construction, Inc., as best value based on qualifications, experience, reputation, safety,

and price for the contract award amount of \$9,141,358. The total contract amount breaks down as followed.

\$7,068,186- Final Base Price

\$1,389,886- Add Alternate#3, Full in-kind replacement of the facilities' HVAC system

\$166,733- Add Alternate#4, Replacement of the main electrical switchboard panel, sub-panels, and transformers

\$166,733-Add Alternate#5, 25-yard extension of the shooting range

\$350,000- Owner's Construction Contingency

The total estimated contract award amount is well within the engineer's estimated construction cost. The City anticipates a notice to proceed with the contract early July, 2020.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff recommends awarding a contract to Trimbuilt Construction, Inc., for Police Department Additions and Renovations in the amount of \$9,141,358.

RESOLUTION NO. 2020-313R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING THE AWARD OF A CONSTRUCTION CONTRACT TO TRIMBUILT CONSTRUCTION, INC. FOR THE POLICE DEPARTMENT BUILDING ADDITIONS AND RENOVATIONS PROJECT IN THE AMOUNT OF \$9,141,358.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Agreement with Trimbuilt Construction, Inc. for the Police Department Additions and Renovation Project in the amount of \$9,141,358.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the Agreement on behalf of the City.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk



BID TABULATION

City of San Marcos Police Department Additions & Renovations CSP

#220-149

April 30, 2020 2:00 PM

Bidder Name	Base Proposal
Trimbuilt Construction Austin, TX	6,795,423.00
Morganti Houston, TX	8,530,000.00
Tejas Premier San Antonio, TX	9,148,765.00
Barn Construction Services Fort Worth, TX	7,750,000.00
Sidell Construction New Braunfels, TX	8,572,000.00
Adolfson and Peterson Construction San Antonio, TX	7,960,000.00

This is the official record of bidders and bid prices only. It is not an acknowledgement of responsiveness, responsibility, or of contract award.

Recorded by: 

Witnessed by: 



Legislation Text

File #: Res. 2020-128R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-128R, authorizing the submission of the terms and conditions and certification documents to the State of Texas Division of Emergency Management for funding from the Federal Coronavirus Relief Fund; authorizing the City Manager to submit the required documentation and accept funds from the Coronavirus Relief Fund as authorized expenditures related to COVID-19 relief activities during the period from March 1, 2020 through December 30, 2020; and declaring an effective date.

Meeting date: June 16, 2020

Department: Office of Emergency Management

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City of San Marcos has been allotted \$55 per capita, or \$3,655,630 in CARES Act funding, from the US Department of Treasury based on 2019 census estimates. The City will receive 20% (or \$731,126) of funding upon execution of an agreement with the State of Texas (TDEM).

Allowable costs for this program are:

- (1) costs that are “necessary expenditures incurred due to the public health emergency (COVID 19)”
- (2) costs that were “not accounted for in the budget most recently approved as of the date of enactment of this section (3/27/20)”; and
- (3) costs that must have been “incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.”

All funding must be spent on approved expenses and before 12/30/20. Unspent funding must be returned to the Treasury.

The Council is being asked to accept the US Treasury Apportionment of the CARES Act - Coronavirus Relief Funding for the City of San Marcos.

The Points of Contact for this grant are: Rachel Ingle (512)393-8482, and Andrea Veach (512)393-8183.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AUTHORIZING THE SUBMISSION OF THE TERMS AND CONDITIONS AND CERTIFICATION DOCUMENTS TO THE STATE OF TEXAS DIVISION OF EMERGENCY MANAGEMENT FOR FUNDING FROM THE FEDERAL CORONAVIRUS RELIEF FUND; AUTHORIZING THE CITY MANAGER TO SUBMIT THE REQUIRED DOCUMENTATION AND ACCEPT FUNDS FROM THE CORONAVIRUS RELIEF FUND AS AUTHORIZED EXPENDITURES RELATED TO COVID-19 RELIEF ACTIVITIES DURING THE PERIOD FROM MARCH 1, 2020 THROUGH DECEMBER 30, 2020; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

- 1.** The City of San Marcos desires to receive its allocated payment of federal funds administered through the State of Texas in the Texas Division of Emergency Management through the Federal Coronavirus Relief Fund for COVID-19 related expenses incurred by the City during the period between March 1, 2020 and December 30, 2020.
- 2.** The City of San Marcos has expended funds in response to the COVID-19 pandemic that are eligible for reimbursement under the Federal Coronavirus Relief Fund program.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The City Council approves the submission of the terms and conditions and related documents to accept funds from the Federal Coronavirus Relief Fund to the Office of the Texas Division of Emergency Management.

PART 2. The City Manager or his designee is authorized to submit terms and conditions and related documents on behalf of the City and accept COVID-19 related funds.

PART 3. This resolution shall be in full force and effect from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT B – CARES ACT CORONAVIRUS RELIEF FUND ELIGIBILITY CERTIFICATION

I, _____, am the County Judge, Mayor or City Manager of _____ (“County”/”Municipality”), and I certify that:

1. I have the authority on behalf of County/Municipality to request grant payments from the State of Texas (“State”) for federal funds appropriated pursuant to section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020).
2. I understand that the State will rely on this certification as a material representation in making grant payments to the County/Municipality.
3. I acknowledge that County should keep records sufficient to demonstrate that the expenditure of funds it has received is in accordance with section 601(d) of the Social Security Act.
4. I acknowledge that all records and expenditures are subject to audit by the United States Department of Treasury’s Inspector General, the Texas Division of Emergency Management, and the Texas State Auditor’s Office, or designee.
5. I acknowledge that County has an affirmative obligation to identify and report any duplication of benefits. I understand that the State has an obligation and the authority to deobligate or offset any duplicated benefits.
6. I acknowledge and agree that County/Municipality shall be liable for any costs disallowed pursuant to financial or compliance audits of funds received.
7. I acknowledge that if County has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the United States Department of the Treasury.
8. I acknowledge that the County/Municipality’s proposed uses of the funds provided as grant payments from the State by federal appropriation under section 601 of the Social Security Act will be used only to cover those costs that:
 - a. are necessary expenditures incurred due to the public health emergency and governor’s disaster declaration on March 13, 2020 with respect to the Coronavirus Disease 2019 (COVID-19);
 - b. were not accounted for in the budget most recently approved as of March 27, 2020, for County/Municipality; and
 - c. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In addition to each of the statements above, I acknowledge on submission of this certification that my jurisdiction has incurred eligible expenses between March 1, 2020 and the date noted below.

By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT C - CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned grantee, _____, certifies, to the best of his or her knowledge that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. Sec. 1352 (as amended by the Lobbying Disclosure Act of 119). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The grantee, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, grantee understands and agrees that the provisions of 31 U.S.C. Sec. 3801 *et seq.* apply to his certification and disclosure, if any.

By: _____

Signature: _____

Title: _____

Date: _____

Please initial by each Exhibit, acknowledging you have received them, understand them, and agree to abide by them.

_____ State of Texas Assurances, hereinafter referred to as "Exhibit A"

_____ CARES Act Coronavirus Relief Fund Eligibility Certification, hereinafter referred to as "Exhibit B"

_____ Certification Regarding Lobbying, hereinafter referred to as "Exhibit C"

Please sign below to acknowledged acceptance of the grant and all exhibits in this Grant Agreement, and to abide by all terms and conditions.

By: _____

Signature: _____

Title: _____

Date: _____



CORONAVIRUS RELIEF FUND (CRF) TERMS AND CONDITIONS

TEXAS DIVISION OF EMERGENCY MANAGEMENT

MAY 11, 2020

About This Document

In this document, grantees will find the terms and conditions applicable to payments distributed in the form of grants to local units of governments from the Coronavirus Relief Fund established within section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

These requirements are in addition to those that can be found within the Grant Management System (GMS), to which grantees agreed to when accepting the grant. Other state and federal requirements and conditions may apply to your grant, including but not limited to: 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Chapter 783 of the Texas Government Code; the Uniform Grant Management Standards (UGMS) developed by the Comptroller of Public Accounts; the state Funding Announcement or Solicitation under which the grant application was made; and any applicable documents referenced in the documents listed above.

To the extent the terms and conditions of this grant agreement do not address a particular circumstance or are otherwise unclear or ambiguous, such terms and conditions are to be construed consistent with the general objectives, expectations and purposes of this grant agreement and in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed this grant agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this grant agreement. Any vague, ambiguous or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the grant agreement.

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1 Grant Agreement Requirements and Conditions

1.1 *Applicability of Grant Agreement and Provisions*

The Grant Agreement is subject to the additional terms, conditions, and requirements of other laws, rules, regulations and plans recited herein and is intended to be the full and complete expression of and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior and contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written, are superseded and replaced by this Grant Agreement.

Notwithstanding any expiration or termination of this Grant Agreement, the rights and obligations pertaining to the grant close-out, cooperation and provision of additional information, return of grant funds, audit rights, records retention, public information, and any other provision implying survivability shall remain in effect after the expiration or termination of this Grant Agreement.

1.2 *Legal Authority to Apply*

The grantee certifies that it possesses legal authority to apply for the grant. A resolution, motion or similar action has been or will be duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative, or their designee of the organization to act in connection with the application and to provide such additional information as may be required.

1.3 *Grant Acceptance*

The Notice of Subrecipient Grant Award remains an offer until the fully executed copy of this Grant Agreement is received by the Texas Division of Emergency Management (TDEM).

1.4 *Project Period*

Funding has been authorized for eligible expenditures incurred between March 1, 2020 and December 30, 2020. The specific performance period for this grant is listed on the Notice of Subrecipient Grant Award. All expenditures must be incurred, and all services must be received within the performance period. TDEM will not be obligated to reimburse expenses incurred after the performance period. A cost is incurred when the responsible unit of government has expended funds to cover the cost.

1.5 *General Responsibility*

Per the CARES Act, CRF grant funds may only be used to cover expenses that –

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. were not accounted for in the budget most recently approved as of March 27, 2020 for the state or government; and
3. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

The US Department of Treasury (Treasury) provided additional guidance on the permissible use of grant funds, including nonexclusive examples of eligible expenses in the following categories:

1. Medical expenses,
2. Public health expenses,

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency,
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures,
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, and
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Further explanation of these categories and examples can be found at the following link:

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>

<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>

The subrecipient agrees that a minimum of 75% of its allotment will be spent in the categories of medical expenses, public health expenses and payroll expenses for employees substantially dedicated to mitigating or responding to the public emergency. The remainder of the allotment may be spent in any of the categories provided within the Treasury guidance.

The grantee certifies compliance with these eligible expenses by executing the CARES Act Coronavirus Relief Fund Eligibility Certification Form in Exhibit E, which is attached hereto and incorporated for all purposes.

The grantee is responsible for the integrity of the fiscal and programmatic management of the grant project; accountability for all funds awarded; and compliance with TDEM administrative rules, policies and procedures, and applicable federal and state laws and regulations.

The grantee will maintain an appropriate grant administration system to ensure that all terms, conditions and specifications of the grant are met.

1.6 Amendments and Changes to the Grant Agreement

TDEM and the grantee may agree to make adjustments to the grant. Adjustments include, but are not limited to, modifying the scope of the grant project, adding funds to previously un-awarded cost items or categories changing funds in any awarded cost items or category, deobligating awarded funds or changing grant officials.

The grantee has no right or entitlement to reimbursement with grant funds. TDEM and grantee agree that any act, action or representation by either Party, their agents or employees that purports to waive or alter the terms of the Grant Agreement or increase the maximum liability of TDEM is void unless a written amendment to this Grant Agreement is first executed and documented in GMS. The grantee agrees that nothing in this Grant Agreement will be interpreted to create an obligation or liability of TDEM in excess of the "Maximum Liability of the TDEM" as set forth in the Notice of Subrecipient Grant Award.

Any alterations, additions, or deletions to the terms of this Grant Agreement must be documented in GMS to be binding upon the Parties. Notwithstanding this requirement, it is understood and agreed by Parties hereto, that changes in local, state and federal rules, regulations or laws applicable hereto, may occur during the term of this Grant Agreement and that any such changes shall be automatically incorporated into this Grant Agreement without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

1.7 Jurisdictional Cooperation

A municipality may yield any portion of its allocated funds to the county within which it exists or a county may yield any portion of its allocated funds to a municipality within its footprint for eligible expenses. This may be accomplished in one of the following ways:

1. By a grant amendment, as described in section 1.6, where by funds are deobligated from the original subrecipient and then added to previously un-awarded costs items or categories of the receiving jurisdiction's grant award.
2. A subrecipient may use funds pursuant to this agreement to subcontract with another political subdivision within its jurisdiction for eligible and necessary expenditures incurred due to the public health emergency. The subrecipient is responsible for ensuring subcontractor eligibility and maintaining all required documentation.

1.8 Public Information and Meetings

Notwithstanding any provisions of this Grant Agreement to the contrary, the grantee acknowledges that the State of Texas, TDEM, and this Grant Agreement are subject to the Texas Public Information Act, Texas Government Code Chapter 552 (the "PIA"). The grantee acknowledges that TDEM will comply with the PIA, as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas.

The grantee acknowledges that information created or exchanged in connection with this Grant Agreement, including all reimbursement documentation submitted to TDEM, is subject to the PIA, whether created or produced by the grantee or any third party, and the grantee agrees that information not otherwise excepted from disclosure under the PIA, will be available in a format that is accessible by the public at no additional charge to TDEM or State of Texas. The grantee will cooperate with TDEM in the production of documents or information responsive to a request for information.

1.9 Remedies for Non-Compliance

If TDEM determines that the grantee materially fails to comply with any term of this grant agreement, whether stated in a federal or state statute or regulation, an assurance, in a state plan or application, a notice of award, or any other applicable requirement, TDEM, in its sole discretion may take actions including:

1. Temporarily withholding cash payments pending correction of the deficiency or more severe enforcement action by TDEM;
2. Disallowing or denying use of funds for all or part of the cost of the activity or action not in compliance;
3. Disallowing claims for reimbursement;
4. Wholly or partially suspending or terminating this grant;
5. Requiring return or offset of previous reimbursements;
6. Prohibiting the grantee from applying for or receiving additional funds for other grant programs administered by TDEM until repayment to TDEM is made and any other compliance or audit finding is satisfactorily resolved;
7. Reducing the grant award maximum liability of TDEM;
8. Terminating this Grant Agreement;
9. Imposing a corrective action plan;

10. Withholding further awards; or
11. Taking other remedies or appropriate actions.

The grantee costs resulting from obligations incurred during a suspension or after termination of this grant are not allowable unless TDEM expressly authorizes them in the notice of suspension or termination or subsequently.

TDEM, at its sole discretion, may impose sanctions without first requiring a corrective action plan.

1.10 False Statements by Grantee

By acceptance of this grant agreement, the grantee makes all the statements, representations, warranties, guarantees, certifications and affirmations included in this grant agreement. If applicable, the grantee will comply with the requirements of 31 USC § 3729, which set forth that no grantee of federal payments shall submit a false claim for payment.

If any of the statements, representations, certifications, affirmations, warranties, or guarantees are false or if the grantee signs or executes the grant agreement with a false statement or it is subsequently determined that the grantee has violated any of the statements, representations, warranties, guarantees, certifications or affirmations included in this grant agreement, then TDEM may consider this act a possible default under this grant agreement and may terminate or void this grant agreement for cause and pursue other remedies available to TDEM under this grant agreement and applicable law. False statements or claims made in connection with TDEM grants may result in fines, imprisonment, and debarment from participating in federal grants or contract, and/or other remedy available by law, potentially including the provisions of 38 USC §§ 3801-3812, which details the administrative remedies for false claims and statements made.

1.11 Conflict of Interest Safeguards

The grantee will establish safeguards to prohibit its employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain, whether for themselves or others, particularly those with whom they have family, business, or other ties. The grantee will operate with complete independence and objectivity without actual, potential, or apparent conflict of interest with respect to its performance under this Grant Agreement. The grantee certifies as to its own organization, that to the best of their knowledge and belief, no member of The A&M System or The A&M System Board of Regents, nor any employee, or person, whose salary is payable in whole or in part by a member of The A&M System, has direct or indirect financial interest in the award of this Grant Agreement, or in the services to which this Grant Agreement relates, or in any of the profits, real or potential, thereof.

1.12 Fraud, Waste, and Abuse

The grantee understands that TDEM does not tolerate any type of fraud, waste, or misuse of funds received from TDEM. TDEM's policy is to promote consistent, legal, and ethical organizational behavior, by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, TDEM policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. The grantee understands and agrees that misuse of award funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal and state grants, recoupment of monies provided under an award, and civil and/or criminal penalties.

In the event grantee becomes aware of any allegation or a finding of fraud, waste, or misuse of funds received from TDEM that is made against the grantee, the grantee is required to immediately notify TDEM of said allegation or finding and to continue to inform TDEM of the status of any such on-going investigations. The grantee must also promptly refer to TDEM any credible evidence that a principal,

employee, agent, grantee, contractor, subcontractor, or other person has -- (1) submitted a claim for award funds that violates the False Claims Act; or (2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving award funds. Grantees must also immediately notify TDEM in writing of any misappropriation of funds, fraud, theft, embezzlement, forgery, or any other serious irregularities indicating noncompliance with grant requirements. Grantees must notify the local prosecutor's office of any possible criminal violations. Grantees must immediately notify TDEM in writing if a project or project personnel become involved in any litigation, whether civil or criminal, and the grantee must immediately forward a copy of any demand, notices, subpoenas, lawsuits, or indictments to TDEM.

1.13 Termination of the Agreement

TDEM may, at its sole discretion, terminate this Grant Agreement, without recourse, liability or penalty against TDEM, upon written notice to grantee. In the event grantee fails to perform or comply with an obligation or a term, condition or provision of this Grant Agreement, TDEM may, upon written notice to grantee, terminate this agreement for cause, without further notice or opportunity to cure. Such notification of Termination for Cause will state the effective date of such termination, and if no effective date is specified, the effective date will be the date of the notification.

TDEM and grantee may mutually agree to terminate this Grant Agreement. TDEM in its sole discretion will determine if, as part of the agreed termination, grantee is required to return any or all of the disbursed grant funds.

Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law, or under this Grant Agreement, including those remedies listed at 2 C.F.R. 200.207 and 2 C.F.R. 200.338 – 200.342. Following termination by TDEM, grantee shall continue to be obligated to TDEM for the return of grant funds in accordance with applicable provisions of this Grant Agreement. In the event of termination under this Section, TDEM's obligation to reimburse grantee is limited to allowable costs incurred and paid by the grantee prior to the effective date of termination, and any allowable costs determined by TDEM in its sole discretion to be reasonable and necessary to cost-effectively wind up the grant. Termination of this Grant Agreement for any reason or expiration of this Grant Agreement shall not release the Parties from any liability or obligation set forth in this Grant Agreement that is expressly stated to survive any such termination or expiration.

1.14 Limitation of Liability

TO THE EXTENT ALLOWED BY LAW, THE GRANTEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND AGENCY, AND/OR THEIR OFFICERS, REGENTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF RESPONDENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY RESPONDENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND RESPONDENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. RESPONDENT AND AGENCY AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

The grantee agrees that no provision of this Grant Agreement is in any way intended to constitute a waiver by TDEM as an agency of the State of Texas, its officers, regents, employees, agents, or contractors or the State of Texas of any privileges, rights, defenses, remedies, or immunities from suit and liability that TDEM or the State of Texas may have by operation of law.

1.15 Dispute Resolution

The Parties' representatives will meet as needed to implement the terms of this Grant Agreement and will make a good faith attempt to informally resolve any disputes.

Notwithstanding any other provision of this Grant Agreement to the contrary, unless otherwise requested or approved in writing by TDEM, the grantee shall continue performance and shall not be excused from performance during the period any breach of Grant Agreement claim or dispute is pending.

The dispute resolution process provided in Chapter 2260, Texas Government Code, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by TDEM and grantee to attempt to resolve any claim for breach of contract made by the grantee that cannot be resolved in the ordinary course of business. Grantee shall submit written notice of a claim of breach of contract under this Chapter to the Chief of TDEM, who shall examine the grantee's claim and any counterclaim and negotiate with grantee in an effort to resolve the claim.

The laws of the State of Texas govern this Grant Agreement and all disputes arising out of or relating to this Grant Agreement, without regard to any otherwise applicable conflict of law rules or requirements. Venue for any grantee-initiated action, suit, litigation or other proceeding arising out of or in any way relating to this Grant Agreement shall be commenced exclusively in the Travis County District Court or the United States District Court, Southern District of Texas - Houston Division. Venue for any TDEM-initiated action, suit, litigation or other proceeding arising out of or in any way relating to this Grant Agreement may be commenced in a Texas state district court or a United States District Court selected by TDEM in its sole discretion.

The grantee hereby irrevocably and unconditionally consents to the exclusive jurisdiction of the courts referenced above for the purpose of prosecuting and/or defending such litigation. The grantee hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that the grantee is not personally subject to the jurisdiction of the above-named courts; the suit, action or proceeding is brought in an inconvenient forum; and/or the venue is improper.

1.16 Liability for Taxes

The grantee agrees and acknowledges that grantee is an independent contractor and shall be entirely responsible for the liability and payment of grantee's and grantee's employees' taxes of whatever kind, arising out of the performances in this Grant Agreement. The grantee agrees to comply with all state and federal laws applicable to any such persons, including laws regarding wages, taxes, insurance, and workers' compensation. TDEM and/or the State of Texas shall not be liable to the grantee, its employees, agents, or others for the payment of taxes or the provision of unemployment insurance and/or workers' compensation or any benefit available to a state employee or employee of TDEM.

1.17 Required State Assurances

The grantee must comply with the applicable State Assurances included within the State Uniform Grant Management Standards (UGMS), Section III, Subpart B, __.14, which are attached hereto and incorporated for all purposes as Exhibit A.

1.18 System for Award Management (SAM) Requirements

- A. The grantee agrees to comply with applicable requirements regarding registration with the System for Award Management (SAM) (or with a successor government-wide system officially designated by OMB and, if applicable, the federal funding agency). These requirements include maintaining current registrations and the currency of the information in SAM. The grantee will review and update information at least annually until submission of the final financial report required under the award or

receipt of final payment, whichever is later, as required by 2 CFR Part 25.

- B. The grantee will comply with Executive Orders 12549 and 12689 that requires “a contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM)”, in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority. The grantee certifies it will verify each vendor’s status to ensure the vendor is not debarred, suspended, otherwise excluded or declared ineligible by checking the SAM before doing/renewing business with that vendor.
- C. The grantee certifies that it and its principals are eligible to participate in this Grant Agreement and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and the grantee is in compliance with the State of Texas statutes and rules relating to procurement and that the grantee is not listed in the federal government’s terrorism watch list as described in Executive Order 13224.

1.19 No Obligation by Federal Government

The Parties acknowledge and agree that the federal government is not a party to this Grant Agreement and is not subject to any obligations or liabilities to either Party, third party or subcontractor pertaining to any matter resulting from this Grant Agreement.

1.20 Notice

Notice may be given to the grantee via GMS, email, hand-delivery, or United States Mail. Notices to the grantee will be sent to the name and address supplied by grantee in GMS.

1.21 Force Majeure

Neither the grantee nor TDEM shall be required to perform any obligation under this Grant Agreement or be liable or responsible for any loss or damage resulting from its failure to perform so long as performance is delayed by force majeure or acts of God, including but not limited to strikes, lockouts or labor shortages, embargo, riot, war, revolution, terrorism, rebellion, insurrection, pandemic, flood, natural disaster, or interruption of utilities from external causes. Each Party must inform the other in writing, with proof of receipt, within three (3) business days of the existence of such force majeure, or otherwise waive this right as a defense.

1.22 Debt to State

The grantee certifies, to the extent grantee owes any debt (child support or other obligation) or delinquent taxes to the State of Texas, any payments grantee is owed under this Grant Agreement may be applied by the Comptroller of Public Accounts toward any such debt or delinquent taxes until such debt or delinquent taxes are paid in full.

1.23 Franchise Tax Certification

If grantee is a taxable entity subject to the Texas Franchise Tax (Chapter 171, Texas Tax Code), then grantee certifies that it is not currently delinquent in the payment of any franchise (margin) taxes or that grantee is exempt from the payment of franchise (margin) taxes.

1.24 Severability

If any provisions of this Grant Agreement are rendered or declared illegal for any reason, or shall be invalid or unenforceable, such provision shall be modified or deleted in such manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Grant Agreement, as modified, enforceable, and the remainder of this Grant Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.

1.25 E-Verify

By entering into this Grant Agreement, grantee certifies and ensures that it utilizes and will continue to utilize, for the term of this Grant Agreement, the U.S. Department of Homeland Security's e-Verify system to determine the eligibility of (a) all persons employed during the contract term to perform duties within Texas; and (b) all persons (including subcontractors) assigned by the grantee pursuant to the Grant Agreement.

1.26 Compliance with Federal Law, Regulations, and Executive Orders

Grantee acknowledges that federal financial assistance funds will be used to fund the Grant Agreement. Grantee will comply with all applicable federal law, regulations, executive orders, policies, procedures, and directives.

1.27 Clean Air Act

The following is only applicable if the amount of the contract exceeds \$150,000.

- a. Grantee agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
- b. Grantee agrees to report each violation to TDEM and understands and agrees that TDEM will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- c. Grantee agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by this Grant Agreement.

1.28 Federal Water Pollution Control Act

- a. Grantee agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- b. Grantee agrees to report each violation to TDEM and understands and agrees that TDEM will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
- c. Grantee agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance provided by this Grant Agreement.

1.29 Suspension and Debarment

- a. This Grant Agreement is a covered transaction for purposes of 2 C.F.R. pt 180 and 2 C.F.R. pt. 3000. Grantee certifies that grantee, grantee's principals (defined at 2C.F.R. Sec. 180.995), or its

affiliates (defined at 2 C.F.R. Sec. 180.905) are excluded (defined at 2 C.F.R. Sec. 180.940) or disqualified (defined at 2 C.F.R. Sec. 180.935).

- b. Grantee must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement comply with these regulations in any lower tier covered transaction it enters into.
- c. This certification is a material representation of fact relied upon by TDEM. If it is later determined that grantee did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, in addition to remedies available to TDEM, the Federal Government may pursue available remedies, including but limited to suspension and/or debarment.

1.30 Energy Conservation

If applicable, grantee agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

1.31 Procurement of Recovered Materials

- a. In the performance of this Grant Agreement, grantee shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired –
 - (i) Competitively within a timeframe providing for compliance with the contract performance schedule;
 - (ii) Meeting contract performance requirements; or
 - (iii) At a reasonable price.
- b. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

1.32 Terminated Contracts

The grantee has not had a contract terminated or been denied the renewal of any contract for noncompliance with policies or regulations of any state or federally funded program within the past five (5) years nor is it currently prohibited from contracting with a governmental agency. If the grantee does have such a terminated contract, the grantee shall identify the contract and provide an explanation for the termination. The grantee acknowledges that this Grant Agreement may be terminated and payment withheld or return of grant funds required if this certification is inaccurate or false.

2 Property and Procurement Requirements

2.1 Property Management and Inventory

The grantee must ensure equipment purchased with grant funds is used for the purpose of the grant and as approved by TDEM. The grantee must develop and implement a control system to prevent loss, damage or theft of property and investigate and document any loss, damage or theft of property funded under this Grant.

The grantee must account for any real and personal property acquired with grant funds or received from

the Federal Government in accordance with 2 CFR 200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property. This documentation must be maintained by the grantee, according to the requirements listed herein, and provided to TDEM upon request, if applicable.

When original or replacement equipment acquired under this award by the grantee is no longer needed for the original project or program or for other activities currently or previously supported by the federal awarding agency or TDEM, the grantee must make proper disposition of the equipment pursuant to 2 CFR 200.

The grantee will maintain specified equipment management and inventory procedures for equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place, with a per-unit cost of \$5,000 or greater. The equipment and inventory procedures include:

- A. The grantee must keep an inventory report on file containing equipment purchased with any grant funds during the grant period. The inventory report must agree with the approved grant budget and the final Financial Status Report and shall be available to TDEM at all times upon request.
- B. The grantee must maintain property/inventory records which, at minimum, include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, the cost of the property, the percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- C. The grantee shall permanently identify all such equipment by appropriate tags or labels affixed to the equipment. Exceptions to this requirement are limited to items where placing of the marking is not possible due to the nature of the equipment.

2.2 Consulting Contracts

Pre-approval of costs related to consulting contracts is required and the value of consulting contracts entered into by the grantee may not exceed 5% of the total funds received by the local unit of government.

2.3 Procurement Practices and Policies

The grantee must follow applicable federal and state law, federal procurement standards specified in regulations governing federal awards to non-federal entities, their established policy, and best practices for procuring goods or services with grant funds. Procurement activities must follow the most restrictive of federal, state and local procurement regulations. Contracts must be routinely monitored for delivery of services or goods.

2.4 Contract Provisions Under Federal Awards

All contracts made by a grantee under a federal award must contain the provisions outlined in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Appendix II to Part 200 Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

3 Audit and Records Requirements

3.1 Cooperation with Monitoring, Audits, and Records Requirements

All records and expenditures are subject to, and grantee agrees to comply with, monitoring and/or audits conducted by the United States Department of Treasury's Inspector General (DOTIG), TDEM, and the State

Auditor's Office (SAO) or designee. The grantee shall maintain under GAAP or GASB, adequate records that enable DOTIG, TDEM, and SAO to ensure proper accounting for all costs and performances related to this Grant Agreement.

3.2 Single Audit Requirements

Any grantee expending \$750,000 or more in federal funds in a fiscal year may be subject to Single Audit Requirements in 2 CFR, Part 200, Subpart F – Audit Requirements, at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

The grantees expending more than \$750,000 in state funds in a fiscal year are subject to the requirements in the Texas Single Audit Circular, at <https://comptroller.texas.gov/purchasing/docs/ugms.pdf>. The audit must be completed and the data collection and reporting package described in 2 CFR 200.512 must be submitted to the Federal Audit Clearinghouse (FAC) within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, whichever is earlier.

3.3 Requirement to Address Audit Findings

If any audit, monitoring, investigations, review of awards, or other compliance review reveals any discrepancies, inadequacies, or deficiencies which are necessary to correct in order to maintain compliance with this Grant Agreement, applicable laws, regulations, or the grantee's obligations hereunder, the grantee agrees to propose and submit to TDEM a corrective action plan to correct such discrepancies or inadequacies within thirty (30) calendar days after the grantee's receipt of the findings. The grantee's corrective action plan is subject to the approval of TDEM.

The grantee understands and agrees that the grantee must make every effort to address and resolve all outstanding issues, findings, or actions identified by DOTIG, TDEM, or SAO through the corrective action plan or any other corrective plan. Failure to promptly and adequately address these findings may result in grant funds being withheld, other related requirements being imposed, or other sanctions and penalties. The grantee agrees to complete any corrective action approved by TDEM within the time period specified by TDEM and to the satisfaction of TDEM, at the sole cost of the grantee. The grantee shall provide to TDEM periodic status reports regarding the grantee's resolution of any audit, corrective action plan, or other compliance activity for which the grantee is responsible.

3.4 Records Retention

- A. The grantee shall maintain appropriate audit trails to provide accountability for all expenditures of grant funds, reporting measures, and funds received from TDEM under this Grant Agreement. Audit trails maintained by the grantee will, at a minimum, identify the supporting documentation prepared by the grantee to permit an audit of its accounting systems and payment verification with respect to the expenditure of any funds awarded under this Grant Agreement.
- B. The grantee must maintain fiscal records and supporting documentation for all expenditures resulting from this Grant Agreement pursuant to 2 CFR 200.333 and state law.
 1. The grantee must retain these records and any supporting documentation for a minimum of seven (7) years from the later of the completion of this project's public objective, submission of the final expenditure report, any litigation, dispute, or audit.
 2. Records related to real property and equipment acquired with grant funds shall be retained for seven (7) years after final disposition.
 3. TDEM may direct a grantee to retain documents for longer periods of time or to transfer certain records to TDEM or federal custody when it is determined that the records possess long term

retention value.

4 Prohibited and Regulated Activities and Expenditures

4.1 Prohibited Costs

- A. Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Revenue replacement is not a permissible use of these grant funds. In accordance with Section 3.1 all record and expenditures are subject to review.
- B. Damages covered by insurance.
- C. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
- D. Duplication of benefits including expenses that have been or will be reimbursed under any other federal program.
- E. Reimbursement to donors for donated items or services.
- F. Workforce bonuses other than hazard pay or overtime.
- G. Severance pay.
- H. Legal settlements.

4.2 Political Activities

Grant funds may not be used in connection with the following acts by agencies or individuals employed by grant funds:

- A. Unless specifically authorized to do so by federal law, grant recipients or their grantees or contractors are prohibited from using grant funds directly or indirectly for political purposes, including lobbying or advocating for legislative programs or changes; campaigning for, endorsing, contributing to, or otherwise supporting political candidates or parties; and voter registration or get-out-the-vote campaigns. Generally, organizations or entities which receive federal funds by way of grants, contracts, or cooperative agreements do not lose their rights as organizations to use their own, private, non-federal resources for “political” activities because of or as a consequence of receiving such federal funds. These recipient organizations must thus use private or other non-federal money, receipts, contributions, or dues for their political activities, and may not charge off to or be reimbursed from federal contracts or grants for the costs of such activities.
- B. Grant officials or grant funded employees may not use official authority or influence or permit the use of a program administered by the grantee agency of which the person is an officer or employee to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose.
- C. Grant-funded employees may not coerce, attempt to coerce, command, restrict, attempt to restrict, or prevent the payment, loan, or contribution of anything of value to a person or political organization for a political purpose.
- D. Grant funds may not be used to employ, as a regular full-time or part-time or contract employee, a person who is required by Chapter 305 of the Government Code to register as a lobbyist. Furthermore, grant funds may not be used to pay, on behalf of the agency or an officer or employee of the agency, membership dues to an organization that pays part or all of the salary of

a person who is required by Chapter 305 of the Government Code to register as a lobbyist.

- E. As applicable, the grantee and each contracting tier will comply with 31 USC § 1352, which provides that none of the funds provided under an award may be expended by the grantee to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal action concerning the award or renewal. Grantee shall file the required certification attached hereto and incorporated for all purposes as Exhibit F. Each contracting tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

5 Financial Requirements

5.1 Direct Deposit

A completed direct deposit form from the grantee must be provided to TDEM prior to receiving any payments. The direct deposit form is currently available at <https://grants.tdem.texas.gov/>.

5.2 Payments and Required Documentation

Funding for this Grant Agreement is appropriated under the Coronavirus Aid, Relief, and Economic Security Act, 2020 (Public Law 116-136) enacted on March 27, 2020, as amended, to facilitate protective measures for and recovery from the public health emergency in areas affected by COVID-19, which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). All expenditures under this Grant Agreement must be made in accordance with this Grant Agreement and any other applicable laws, rules or regulations. Further, grantee acknowledges that all funds are subject to recapture and repayment for non-compliance pursuant to Section 5.7 below.

Payment of funds on projects may be initiated by the grantee through a Request for Reimbursement (RFR) in GMS.

Grantee may initiate an Advance of Funds Request (AFR) through GMS for an initial cash advance to cover actual costs incurred or up to 20% of their total allocation, whichever is larger.

Additional advances or reimbursement requests may be requested following full reporting to TDEM of expenses incurred and applied against the initial and/or any subsequent advance payments.

If sufficient progress is not made towards expenditure of advanced funds and/or the grantee fails to meet financial reporting obligations, TDEM may implement sanctions as necessary up to and including grant termination.

All documentation for expenditures paid during the project period must be submitted to TDEM on or before the grant liquidation date.

5.3 Financial Reporting

Financial reports must be submitted to TDEM on a quarterly basis via GMS but can be submitted more often as necessary to draw down funds.

The final financial report must be submitted to TDEM on or before the grant liquidation date or the grant funds may lapse and TDEM will provide them as grants to other eligible jurisdictions.

5.4 Reimbursements

TDEM will be obligated to reimburse the grantee for the expenditure of actual and allowable allocable costs incurred and paid by the grantee pursuant to this Grant Agreement. TDEM is not obligated to pay unauthorized costs or to reimburse expenses that were incurred by the grantee prior to the commencement or after the termination of this Grant Agreement.

5.5 Refunds and Deductions

If TDEM determines that the grantee has been overpaid any grant funds under this Grant Agreement, including payments made inadvertently or payments made but later determined to not be actual and allowable allocable costs, the grantee shall return to TDEM the amount identified by TDEM as an overpayment. The grantee shall refund any overpayment to TDEM within thirty (30) calendar days of the receipt of the notice of the overpayment from TDEM unless an alternate payment plan is specified by TDEM. Refunds may be remitted to: Texas Division of Emergency Management, P.O. Box 15467, Austin, Texas 78761.

5.6 Recapture of Funds

The discretionary right of TDEM to terminate for convenience under Section 1.13 notwithstanding, TDEM shall have the right to terminate the Grant Agreement and to recapture, and be reimbursed for any payments made by TDEM: (i) that are not allowed under applicable laws, rules, and regulations; or (ii) that are otherwise inconsistent with this Grant Agreement, including any unapproved expenditures.

5.7 Liquidation Period

Grant funds will liquidate 90 calendar days following the project period end date or on December 30, 2020, whichever is earlier. Funds not obligated by the end of the grant period and not expended by the liquidation date will revert to TDEM.

5.8 Project Close Out

TDEM will close-out the grant award when it determines that all applicable administrative actions and all required work of the grant have been completed by the grantee.

The grantee must submit all financial, performance, and other reports as required by the terms and conditions of the grant award.

The grantee must promptly refund any balances of unobligated cash that TDEM paid in advance or paid and that are not authorized to be retained by the grantee for use in other projects.

[EXHIBITS AND SIGNATURE PAGE FOLLOWS]

EXHIBIT A - State of Texas Assurances

As the duly authorized representative of Grantee, I certify that Grantee:

1. Shall comply with Texas Government Code, Chapter 573, by ensuring that no officer, employee, or member of the grantee's governing body or of the grantee's contractor shall vote or confirm the employment of any person related within the second degree of affinity or the third degree of consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years, or such other period stipulated by local law, prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
2. Shall insure that all information collected, assembled, or maintained by the grantee relative to a project will be available to the public during normal business hours in compliance with Texas Government Code, Chapter 552, unless otherwise expressly prohibited by law.
3. Shall comply with Texas Government Code, Chapter 551, which requires all regular, special, or called meetings of governmental bodies to be open to the public, except as otherwise provided by law or specifically permitted in the Texas Constitution.
4. Shall comply with Section 231.006, Texas Family Code, which prohibits payments to a person who is in arrears on child support payments.
5. Shall not contract with or issue a license, certificate, or permit to the owner, operator, or administrator of a facility if the grantee is a health, human services, public safety, or law enforcement agency and the license, permit, or certificate has been revoked by another health and human services agency or public safety or law enforcement agency.
6. Shall comply with all rules adopted by the Texas Commission on Law Enforcement pursuant to Chapter 1701, Texas Occupations Code, or shall provide the grantor agency with a certification from the Texas Commission on Law Enforcement that the agency is in the process of achieving compliance with such rules if the grantee is a law enforcement agency regulated by Texas Occupations Code, Chapter 1701.
7. Shall follow all assurances. When incorporated into a grant award or contract, standard assurances contained in the application package become terms or conditions for receipt of grant funds. Administering state agencies and grantees shall maintain an appropriate contract administration system to insure that all terms, conditions, and specifications are met. (See UGMS Section _36 for additional guidance on contract provisions).
8. Shall comply with the Texas Family Code, Section 261.101, which requires reporting of all suspected cases of child abuse to local law enforcement authorities and to the Texas Department of Child Protective and Regulatory Services. Grantee shall also ensure that all program personnel are properly trained and aware of this requirement.
9. Shall comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps and the Americans with Disabilities Act of 1990 including Titles I, II, and III of the Americans with Disability Act which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities, 44 U.S.C. §§ 12101-12213; (d) the Age Discrimination Act of 1974, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to the nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to this Grant.
10. Shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally assisted construction subagreements.
11. Shall comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Shall comply with the provisions of the Hatch Political Activity Act (5 U.S.C. §§7321-29), which limit the political activity of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act and the Intergovernmental Personnel Act of 1970, as applicable.

14. Shall insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the Federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA (EO 11738).
15. Shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition proposed for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.
16. Shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
17. Shall comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
18. Shall assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
19. Shall comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) which requires the minimum standards of care and treatment for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public according to the Guide for Care and Use of Laboratory Animals and Public Health Service Policy and Government Principals Regarding the Care and Use of Animals.
20. Shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residential structures.
21. Shall comply with the Pro-Children Act of 1994 (Public Law 103-277), which prohibits smoking within any portion of any indoor facility used for the provision of services for children.
22. Shall comply with all federal tax laws and are solely responsible for filing all required state and federal tax forms.
23. Shall comply with all applicable requirements of all other federal and state laws, executive orders, regulations, and policies governing this program.
24. And its principals are eligible to participate and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state, or local governmental entity and it is not listed on a state or federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement have Exclusions listed at <https://www.sam.gov/portal/public/SAM/>.
25. Shall adopt and implement applicable provisions of the model HIV/AIDS work place guidelines of the Texas Department of Health as required by the Texas Health and Safety Code, Ann., Sec. 85.001, et seq.
26. Shall comply with the Drug-Free Workplace Rules established by the Texas Worker's Compensation Commission effective April 17, 1991.

EXHIBIT B – CARES ACT CORONAVIRUS RELIEF FUND ELIGIBILITY CERTIFICATION

I, _____, am the County Judge, Mayor or City Manager of _____
("County"/"Municipality"), and I certify that:

1. I have the authority on behalf of County/Municipality to request grant payments from the State of Texas ("State") for federal funds appropriated pursuant to section 601 of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020).
2. I understand that the State will rely on this certification as a material representation in making grant payments to the County/Municipality.
3. I acknowledge that County should keep records sufficient to demonstrate that the expenditure of funds it has received is in accordance with section 601(d) of the Social Security Act.
4. I acknowledge that all records and expenditures are subject to audit by the United States Department of Treasury's Inspector General, the Texas Division of Emergency Management, and the Texas State Auditor's Office, or designee.
5. I acknowledge that County has an affirmative obligation to identify and report any duplication of benefits. I understand that the State has an obligation and the authority to deobligate or offset any duplicated benefits.
6. I acknowledge and agree that County/Municipality shall be liable for any costs disallowed pursuant to financial or compliance audits of funds received.
7. I acknowledge that if County has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the United States Department of the Treasury.
8. I acknowledge that the County/Municipality's proposed uses of the funds provided as grant payments from the State by federal appropriation under section 601 of the Social Security Act will be used only to cover those costs that:
 - a. are necessary expenditures incurred due to the public health emergency and governor's disaster declaration on March 13, 2020 with respect to the Coronavirus Disease 2019 (COVID-19);
 - b. were not accounted for in the budget most recently approved as of March 27, 2020, for County/Municipality; and
 - c. were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

In addition to each of the statements above, I acknowledge on submission of this certification that my jurisdiction has incurred eligible expenses between March 1, 2020 and the date noted below.

By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT C - CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned grantee, _____, certifies, to the best of his or her knowledge that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. Sec. 1352 (as amended by the Lobbying Disclosure Act of 119). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The grantee, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, grantee understands and agrees that the provisions of 31 U.S.C. Sec. 3801 *et seq.* apply to his certification and disclosure, if any.

By: _____

Signature: _____

Title: _____

Date: _____

Please initial by each Exhibit, acknowledging you have received them, understand them, and agree to abide by them.

_____ State of Texas Assurances, hereinafter referred to as "Exhibit A"

_____ CARES Act Coronavirus Relief Fund Eligibility Certification, hereinafter referred to as "Exhibit B"

_____ Certification Regarding Lobbying, hereinafter referred to as "Exhibit C"

Please sign below to acknowledged acceptance of the grant and all exhibits in this Grant Agreement, and to abide by all terms and conditions.

By: _____

Signature: _____

Title: _____

Date: _____

Place	Jan 2019 Population Est.	Relative Population	\$55 Per Capita	20% of Allocation
Haskell County	5,658	1,145	\$62,975	\$12,595
Haskell	3,266	3,266	\$179,630	\$35,926
O'Brien	104	104	\$5,720	\$1,144
Rochester	316	316	\$17,380	\$3,476
Rule	623	623	\$34,265	\$6,853
Stamford	34	34	\$1,870	\$374
Weinert	170	170	\$9,350	\$1,870
	4,513			
Hays County	230,191	87,832	\$4,830,760	\$966,152
Bear Creek	455	455	\$25,025	\$5,005
Buda	18,323	18,323	\$1,007,765	\$201,553
Dripping Springs	3,967	3,967	\$218,185	\$43,637
Hays	263	263	\$14,465	\$2,893
Kyle	46,174	46,174	\$2,539,570	\$507,914
Mountain City	797	797	\$43,835	\$8,767
Niederwald	488	488	\$26,840	\$5,368
San Marcos	66,466	66,466	\$3,655,630	\$731,126
Uhland	612	612	\$33,660	\$6,732
Wimberley	3,127	3,127	\$171,985	\$34,397
Woodcreek	1,687	1,687	\$92,785	\$18,557
	142,359			
Hemphill County	3,819	1,106	\$60,830	\$12,166
Canadian	2,713	2,713	\$149,215	\$29,843
	2,713			
Henderson County	82,737	43,258	\$2,379,190	\$475,838
Athens	13,571	13,571	\$746,405	\$149,281
Berryville	1,058	1,058	\$58,190	\$11,638
Brownsboro	1,259	1,259	\$69,245	\$13,849
Caney City	226	226	\$12,430	\$2,486
Chandler	3,118	3,118	\$171,490	\$34,298
Coffee City	1,465	1,465	\$80,575	\$16,115
Enchanted Oaks	339	339	\$18,645	\$3,729
Eustace	1,011	1,011	\$55,605	\$11,121
Gun Barrel City	6,157	6,157	\$338,635	\$67,727
Log Cabin	784	784	\$43,120	\$8,624
Mabank	884	884	\$48,620	\$9,724
Malakoff	2,442	2,442	\$134,310	\$26,862
Moore Station	205	205	\$11,275	\$2,255
Murchison	611	611	\$33,605	\$6,721
Payne Springs	798	798	\$43,890	\$8,778
Poynor	319	319	\$17,545	\$3,509
Seven Points	1,445	1,445	\$79,475	\$15,895
Star Harbor	492	492	\$27,060	\$5,412
Tool	2,404	2,404	\$132,220	\$26,444
Trinidad	891	891	\$49,005	\$9,801
	39,479			



Legislation Text

File #: Res. 2020-129R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-129R, approving a Change in Service to the agreement with Strategic Government Resources (Contract No. 220-117) relating to the Interim Community Development Block Grant Administrator position in the estimated amount of \$75,000.01 bringing the total contract price to \$125,000.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the Change in Service; and declaring an effective date.

Meeting date: June 16, 2020

Department: Human Resources - Linda Spacek, Human Resources Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$75,000.01

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: None

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The contract with Strategic Government Resources (SGR) for providing an Interim Community Development Block Grant Administrator for the City was executed on December 31, 2019 in the not to exceed amount of \$49,999. It is anticipated that the contract amount will be exceeded by mid-July 2020 for the interim position. This amendment is required to increase the contract amount by \$75,000.01 to allow the work performed by the interim position to continue through the end of the contract or December 31, 2020, or until a regular full-time position is hired, whichever comes first.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City Staff recommends approval of the change in service with SGR in the amount of \$75,000.01 for a total revised contract amount of \$125,000.

RESOLUTION NO. 2020-129R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CHANGE IN SERVICE TO THE AGREEMENT WITH STRATEGIC GOVERNMENT RESOURCES (CONTRACT NO. 220-117) RELATING TO THE INTERIM COMMUNITY DEVELOPMENT BLOCK GRANT ADMINISTRATOR POSITION IN THE ESTIMATED AMOUNT OF \$75,000.01 BRINGING THE TOTAL CONTRACT PRICE TO \$125,000.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE DOCUMENTS TO IMPLEMENT THE CHANGE IN SERVICE; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. A Change in Service to the agreement with Strategic Government Resources (Contract No. 220-117) relating to the Interim Community Development Block Grant Administrator position in the estimated amount of \$75,000.01 bringing the total contract price to \$125,000.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the appropriate documents to implement the change in service.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT "B"

AUTHORIZATION OF CHANGE IN SERVICE

AGREEMENT/ SERVICES NAME:	220-117	Interim Community Development Block Grant Administrator	
CITY REPRESENTATIVE:	Linda Spacek, Director of Human Resources		
CONTRACTOR:	Strategic Government Resources (SGR)		
CONTRACT EFFECTIVE DATE:	December 31, 2019		
THIS AUTHORIZATION DATE:	June 16, 2020	AUTHORIZATION NO.:	1

DESCRIPTION OF WORK TO BE ADDED TO OR DELETED FROM SCOPE OF SERVICES:

The contract amount will be exceeded by mid-July 2020 for the community initiatives program administrator interim position. This amendment is required to increase the contract amount to allow the work performed by the interim position to continue through the end of the contract or December 31, 2020, or until a regular full-time position is hired, whichever comes first.

Original Contract Amount:	NTE	\$ 49,999.99
Previous Increases/Decreases in Contact Amount:	NTE	\$ -
This Increase/Decrease in Contract Amount:	NTE	\$ 75,000.01
Revised Contract Amount:	NTE	\$ 125,000.00

CONTRACTOR: Strategic Government Resources (SGR)

Signature

Date

Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Bert Lumbreras, City Manager
Print Name / Title

City Department Use Only Below This Line (PM, etc.).

Account Number(s):	Date:	Amount
#		
#		



Legislation Text

File #: Res. 2020-130R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-130R, approving a Change in Service to the agreement with Strategic Government Resources (Contract No. 220-186) relating to the Interim Finance Director position in the estimated amount of \$80,000 bringing the total contract price to \$125,000.00; authorizing the City Manager or his designee to execute the appropriate documents to implement the Change in Service; and declaring an effective date.

Meeting date: June 16, 2020

Department: Human Resources - Linda Spacek, Human Resources Director (by Lynda Williams, Purchasing Manager)

Amount & Source of Funding

Funds Required: \$80,000

Account Number: 10001105 52230

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: None

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The contract with Strategic Government Resources (SGR) for providing an Interim Finance Professional was executed on March 31, 2020 for the not to exceed amount of \$45,000. This amendment is required to increase the contract amount in the amount of \$80,000 to allow the work performed by the interim finance director position to continue through the end of October 2020, or until a regular full-time position is hired, whichever comes first.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City Staff recommends approval of the change in service with Strategic Government Resources (SGR) in the amount of \$80,000 for a total contract amount of \$125,000.

RESOLUTION NO. 2020-130R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING A CHANGE IN SERVICE TO THE AGREEMENT WITH STRATEGIC GOVERNMENT RESOURCES (CONTRACT NO. 220-186) RELATING TO THE INTERIM FINANCE DIRECTOR IN THE ESTIMATED AMOUNT OF \$80,000.00 BRINGING THE TOTAL CONTRACT PRICE TO \$125,000.00; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE THE APPROPRIATE DOCUMENTS TO IMPLEMENT THE CHANGE IN SERVICE; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. A Change in Service to the agreement with Strategic Government Resources (Contract No. 220-186) relating to the Interim Finance Director in the estimated amount of \$80,000.00 bringing the total contract price to \$125,000.00 is approved.

PART 2. The City Manager or his designee is authorized to execute the appropriate documents to implement the change in service.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT "B"

AUTHORIZATION OF CHANGE IN SERVICE

AGREEMENT/ SERVICES NAME:	220-186	Interim Finance Professional	
CITY REPRESENTATIVE:	Linda Spacek, Director of Human Resources		
CONTRACTOR:	Strategic Government Resources (SGR)		
CONTRACT EFFECTIVE DATE:	March 31, 2020		
THIS AUTHORIZATION DATE:	June 16, 2020	AUTHORIZATION NO.:	1

DESCRIPTION OF WORK TO BE ADDED TO OR DELETED FROM SCOPE OF SERVICES:

The contract amount will be exceeded prior to the end of the one-year term. This amendment is required to increase the contract amount to allow the work performed by the interim finance director position to continue through late October/early November 2020, or until a regular full-time position is hired, whichever comes first.

Original Contract Amount:	NTE	\$ 45,000.00
Previous Increases/Decreases in Contact Amount:	NTE	\$ -
This Increase/Decrease in Contract Amount:	NTE	\$ 80,000.00
Revised Contract Amount:	NTE	\$ 125,000.00

CONTRACTOR: Strategic Government Resources (SGR)

Signature

Date

Print Full Name / Title (if not in individual capacity)

CITY:

Signature

Date

Bert Lumbreras, City Manager
Print Name / Title

City Department Use Only Below This Line (PM, etc.).

Account Number(s):	Date:	Amount
#		
#		



Legislation Text

File #: Ord. 2020-46, **Version:** 1

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2020-46, amending the project plan and reinvestment zone financing plan for Tax Increment Reinvestment Zone No. 5, also known as the "Downtown TIRZ" to add eligible projects and associated eligible project costs, including the acquisition of property for parking and other public priorities and related operations and maintenance costs up to \$2,000,000.00; approving an amendment to the Tax Increment Participation Interlocal Agreement with Hays County to reduce the City's and the County's contribution rate of the tax increment deposited into the Tax Increment Fund from 70 percent to 25 percent for one year; authorizing the City Manager, or his designee, to execute such amendments on behalf of the City; including procedural provisions; and declaring an effective date; and consider approval of Ordinance 2020-46, on the first of two readings.

Meeting date: June 16, 2020

Department: Finance

Amount & Source of Funding

Funds Required: \$20,456,466

Account Number: [Click or tap here to enter text.](#)

Funds Available: \$20,456,466

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Downtown Vitality

Multi Modal Transportation

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Diverse Local Economic Environment

Environment & Resource Protection - Choose an item.

- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Downtown Master Plan

Background Information:

A tax increment reinvestment zone (“TIRZ”) is a financing tool created by the State Legislature to assist cities and counties in developing or redeveloping unproductive, underdeveloped, or blighted areas. Cities may create a TIRZ where conditions exist that substantially impair an area’s sound growth plan and where development or enhancements financed by the TIRZ significantly enhance the value of all taxable real property in a TIRZ.

Prior to creation of a zone, the statute requires preparation of a preliminary project and financing plan identifying the specific projects and means to finance the projects.

Upon creation, the total appraised value of real property located in a TIRZ is established for the year in which it was created. This is referred to as the base value. The additional value above the base is referred to as the “tax increment.” This increment usually pays for the project improvements, including public infrastructure.

Once the improvements are completed and paid for, each jurisdiction receives their share of the collected tax.

This TIRZ consists of approximately 244 acres in the San Marcos TX downtown core. The history includes, but is not limited to: rewriting the zoning standards enabling a pedestrian-oriented mixed-use environment and updating the Development Code identifying the downtown core as a Character District 5 Downtown.

Under this proposed plan, the City and Hays County will participate equally in the reinvestment zone to generate approximately \$20,456,466 over the life of the Zone. These revenues will be dedicated to parking enhancements, acquisition of land, sidewalks, improved lighting and overall improvements to the downtown area.

The true value of the tax increment tool is to build economic development, increasing the tax base and possible job creation.

The geographic boundaries of the zone are from Texas State University to the North to IH-35 to the South, CM Allen and McKie on the East and several blocks to the West.

The proposed projects include: streetscape improvements, Alley Redevelopment, Chatham Street Flats Alley Paying, Pedestrian Safety and Comfort, Downtown Reconstructions and a one-year pilot of a downtown Shuttle.

The term of the TIRZ #5 is scheduled to terminate on December 31, 2027.

The TIRZ # 5 Board met again on June 6 to discuss the property tax dedication to the TIRZ #5 projects. Due to both the significant property tax assessed valuation and the COVID financial emergency, the TIRZ #5 Board agreed that the 2020 Property tax dedication will be only 25% of both City and County property tax receipts.

Council Committee, Board/Commission Action:

The TIRZ 5 Board met on April 29th and unanimously approved the Project and Financing Plans. On June 5 the Board unanimously agreed that only 25% of 2020 Property tax assessment taxes would be dedicated to the Tax Increment Zone for one year only.

Alternatives:

Click or tap here to enter text.

Recommendation:

Hold the Public Hearing and adopt the Ordinance for the first reading.



TAX INCREMENT REINVESTMENT ZONE – NUMBER 5: DOWNTOWN PUBLIC HEARING

June 16, 2020

April 29, 2020 Board met to change some changes to the project plan.

June 5, 2020 Board met to alter the 2020/2021 financing agreement.

TIRZ #5: THE ZONE CONSISTS OF APPROXIMATELY 244 ACRES IN THE DOWNTOWN CORE.

APRIL 29, 2020 RECOMMENDED CHANGES

- Support Multi-modal transportation and mobility including sidewalks and downtown shuttle services**
- Provide overall enhancement of the downtown area, including:**
 - Lighting
 - Safety and other aesthetic features
- Acquisition of property for parking and other public priorities**
- Payment of other amounts for the required operation and maintenance costs within the Zone**
- Ensured addresses and locations of improvements were appropriately defined**

JUNE 5, 2020 RECOMMENDED CHANGES

- Changed the City and County Property tax Contributions from 2020 Assessments from 70% to 25% for one year**
- The property tax assessments increased from \$268,922,632 to \$409,464,557**
 - 52% growth in assessed value
- At 70% contribution:**
 - City would have put in \$1,311,881 from \$692,450 in 2019
 - County would have contributed \$771,359 from \$387,578 in 2019
- At 25% contribution:**
 - City's contribution will be \$468,529 in 2021 from 2020 AV
 - County's contribution will be \$275,414 in 2021 from 2020
- Recommendation is this will change for only one year**
 - Did this to accommodate the impacts the City, in particular will have due to COVID 19 issues and other revenue shortfalls (short term positive revenue of nearly \$840,000)
 - County will have a one-year benefit of this change of \$495,745 due to this change

- Board unanimously passed the changes in April and in June
- The financial changes for one-year ensures the City can meet the financial requirements of the Project Plan

QUESTIONS AND SUMMARY

ORDINANCE NO. 2020-46

AN ORDINANCE AMENDING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR TAX INCREMENT REINVESTMENT ZONE NO. 5, ALSO KNOWN AS THE “DOWNTOWN TIRZ,” TO ADD ELIGIBLE PROJECTS AND ASSOCIATED ELIGIBLE PROJECT COSTS, INCLUDING THE ACQUISITION OF PROPERTY FOR PARKING AND OTHER PUBLIC PRIORITIES AND RELATED OPERATIONS AND MAINTENANCE COSTS UP TO \$2,000,000.00; APPROVING AN AMENDMENT TO THE TAX INCREMENT PARTICIPATION INTERLOCAL AGREEMENT WITH HAYS COUNTY TO REDUCE THE CITY’S AND THE COUNTY’S CONTRIBUTION RATE OF THE TAX INCREMENT DEPOSITED INTO THE TAX INCREMENT FUND FROM 70 PERCENT TO 25 PERCENT FOR ONE YEAR; AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE SUCH AMENDMENT ON BEHALF OF THE CITY; INCLUDING PROCEDURAL PROVISIONS; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

- 1.** The City Council (the "Council") of the City of San Marcos, Texas (the "City") adopted Ordinance No. 2011-74, which designated the San Marcos, Texas Reinvestment Zone No. 5 (the "Zone") pursuant to Section 311.005(a) of the Tax Increment Finance Act, Texas Tax Code, Chapter 311, as amended (the "Act").
- 2.** The Board of Directors of the Zone (the “Zone Board”) prepared and adopted a Project Plan and Reinvestment Zone Financing Plan (the “Project and Financing Plan”) for the Zone pursuant to Section 311.011 of the Act.
- 3.** The Council adopted Resolution No. 2011-145R on November 14, 2011, which gave effect to the Project and Financing Plan pursuant to Section 311.011(d) of the Act.
- 4.** The City desires to amend the Project and Financing Plan to include additional anticipated projects and cost estimates designed to promote connectivity between the San Marcos River and Downtown San Marcos and encourage residential and commercial development within the Zone and amend the contribution rate from the City and the County (as defined herein), all as set forth and further described in the amended Project and Financing Plan (the "Amended Project and Financing Plan") attached as Exhibit A.
- 5.** On April 29, 2020, the Zone Board adopted the Amended Project and Financing Plan and recommended that the City approve the Amended Project and Financing Plan pursuant to the Resolution attached hereto as Exhibit B.

6. The Zone Board made further revisions to the Amended Project and Financing Plan on June 5, 2020, as set forth in the meeting minutes of the Zone Board attached hereto as Exhibit C.

7. Pursuant to the Act, the City must amend the Project and Financing Plan by ordinance.

8. The City entered into an Interlocal Agreement Between Hays County and the City of San Marcos Related to San Marcos, Texas Tax Increment Reinvestment Zone No. 5 on February 7, 2011 (the "Interlocal Agreement") pursuant to Section 311.013 of the Act to permit Hays County, Texas (the "County") to make payments to the City of a portion of the County's tax increment revenues derived from increases in property values resulting from new development in the Zone, which payment would be used by the City to reimburse the developer for a portion of the project costs under the terms and conditions described in the Interlocal Agreement.

9. Pursuant to Section 311.013 of the Act, the City desires to approve and execute an amendment to the Interlocal Agreement (the "Interlocal Agreement Amendment") to amend the contribution rate of the tax increment attributed to the captured appraised value of the County in the Zone deposited into the Tax Increment Fund and incorporate certain revisions of the Amended Project and Financing Plan, attached hereto as Exhibit D.

10. Notice of a public hearing to be held on June 16, 2020, was duly published in the *San Marcos Daily Record* in its issue dated June 9, 2020, in compliance with Section 311.003(c) of the Act.

11. A public hearing was held on June 16, 2020, at 6:00 p.m. in City Hall, City Council Chambers, 630 E. Hopkins, San Marcos, Texas (the "Hearing") to consider the amendment to the Project and Financing Plan at which time the City provided a reasonable opportunity for protest in accordance with Section 311.003(d) of the Act.

12. The Council hereby finds and determines that the adoption of this Ordinance is in the best interests of the citizens of San Marcos, Texas.

13. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. The City, after conducting the Hearing and having heard such evidence and testimony, hereby finds, based upon the testimony presented, that the Hearing on the proposed Amended Project and Financing Plan has been properly called, held and conducted and that notice of the Hearing has been published at least seven (7) days before the Hearing in the *San Marcos Daily Record*, a newspaper of general circulation in the City.

SECTION 2. The Project and Financing Plan is hereby amended pursuant to Section 311.011 of the Act to include additional anticipated projects and cost estimates designed to promote connectivity between the San Marcos River and Downtown San Marcos and encourage residential and commercial development within the Zone and amend the contribution rate from the City and the County, all as set forth and further described in the Amended Project and Financing Plan attached as Exhibit A.

SECTION 3. The Council hereby approves the Amended Project and Financing Plan for the Zone, which shall take effect on such approval pursuant to Section 311.011 of the Act.

SECTION 4. The Interlocal Agreement Amendment is hereby approved and the City Manager, or his designee, is authorized to execute the Interlocal Agreement Amendment on behalf of the City.

SECTION 5. The officers of the City are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

SECTION 6. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

SECTION 7. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

SECTION 8. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 9. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 10. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 11. This Ordinance will take effect immediately after its passage, approval and adoption on second reading.

PASSED, APPROVED AND ADOPTED on first reading on June 16, 2020.

PASSED, APPROVED AND ADOPTED on second reading and adopted on _____, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael J. Cosentino
City Attorney

EXHIBIT A

[Amended Project and Financing Plan]

EXHIBIT B

[Resolution of the Zone Board Adopting Amended Project and Financing Plan]

EXHIBIT C

[Meeting Minutes of June 5, 2020 Zone Board Meeting]

EXHIBIT D

[Interlocal Agreement Amendment]

**PROJECT PLAN
AND
REINVESTMENT ZONE FINANCING PLAN
FOR CITY OF SAN MARCOS, TEXAS
TAX INCREMENT REINVESTMENT ZONE NO. 5**

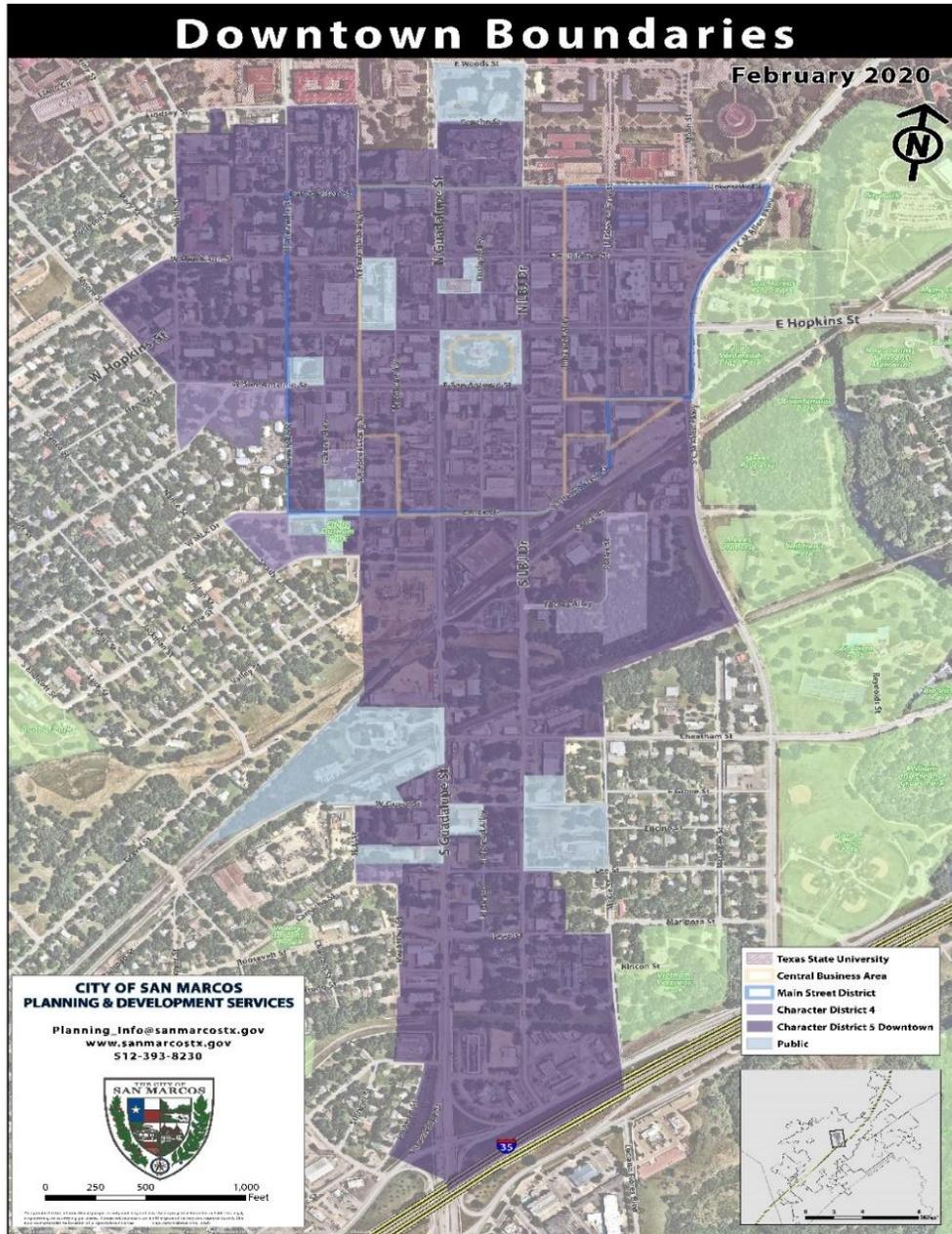


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The TIRZ Concept Generally

A tax increment reinvestment zone (“TIRZ”) is a financing tool created by the State Legislature to assist cities and counties in developing or redeveloping unproductive, underdeveloped or blighted areas.

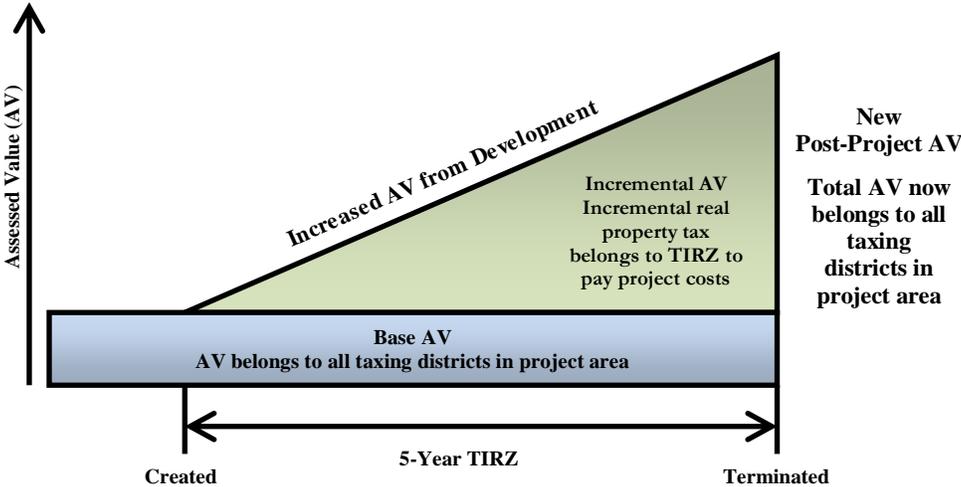
Cities may create a TIRZ where conditions exist that substantially impair an area’s sound growth and where development or enhancements financed by the TIRZ significantly enhance the value of all the taxable real property in a TIRZ and of general benefit to the city or county.

Prior to creation, the statute requires preparation of a preliminary project plan and reinvestment zone financing plan outlining specific projects to address the existing conditions and the method and means to finance those projects.

Upon creation, the total appraised value of real property located in a TIRZ is established for the year in which it was created. This is known as the base value. As new development occurs in a TIRZ, the value of real property increases.

This additional value above the base value is known as the tax increment. Such tax increment is typically set aside to finance improvements within a TIRZ including public infrastructure. Once all projects are complete or after a defined period of time, a TIRZ is dissolved.

During the life of a TIRZ, a city and other participating taxing jurisdictions collect tax revenue on the base value of a TIRZ as well as sales and use tax revenue generated by new development (unless a city or county agrees that sales tax and use revenue are also part of the increment). When a TIRZ is dissolved, a city and other participating taxing jurisdictions collect tax revenue on the tax increment value created by new development as well.



Executive Summary

The proposed City of San Marcos, Texas (the "City") Tax Increment Reinvestment Zone No. 5 ("Zone No. 5") consists of approximately 244 acres in the downtown core. The City has addressed one challenge, zoning standards that are inconsistent and contrary to creating a downtown environment, with the adoption of the San Marcos SmartCode (the "SmartCode") in 2011, putting in place a zoning that is predictable and focused on preserving downtown character while enabling pedestrian-oriented mixed-use development. In 2018, the City updated the Development Code and relabeled the downtown core as Character District 5 Downtown (CD-5D). Some of the other downtown challenges remain: a shortage of Class A office space, parking and pedestrian mobility, lack of sufficient lighting and downtown amenities and aesthetic features, and the condition of the streetscape and sidewalks in parts of downtown.

One of the financial tools identified in the plan to help address these challenges is the creation of a tax increment reinvestment zone. Under this proposed plan, the City and Hays County (the "County") would participate equally in a tax increment reinvestment zone projected to generate approximately \$15,831,450 over the current life of Zone No. 5. It is currently proposed that Zone No. 5 increment revenues will be allocated for parking, including acquisition of land, multi-modal transportation/mobility, sidewalks, safety considerations, improved lighting, and overall enhancement of downtown as allowed by Section 311.010(h) of the Texas Tax Code.

In order to be eligible for Zone No. 5 tax increment revenues, projects must (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone No. 5

The true value of this approach is that it powerfully leverages tax increment revenues for economic development beyond streetscape or maintenance improvements on a given block. The potential increase in tax base can help in supporting possible future job creation through business relocation to the downtown area along with growth of existing businesses which create jobs. This approach also will encourage the engagement of higher education and other potential research partners through the focus on technology and research, ultimately ensuring that the site will be developed to its highest and best use.

Location

As proposed, Zone No. 5 extends from Texas State University to the North, to IH-35 to the South, CM Allen and McKie on the East and several blocks to the West.

All of the land within proposed Zone No. 5 is part of the Charter District-5 Downtown (CD-5D) and currently includes a number of different types of uses including commercial, retail, restaurants, residential and offices within the boundaries.

As provided in the April 1, 2010 economic analysis prepared for the City by Urban Advisors for the current Downtown Master Plan, the City's goal is to encourage a mix of new uses to accommodate additional housing, office space, retail, transportation, safety and parking facilities. Designation of Zone No. 5 assists the City in implementing the Downtown Master Plan and projects brought forth through future master plans.

Project Overview and Project Costs

1. Infrastructure supporting cohesive redevelopment

Zone No. 5 tax increment revenues shall be made available to facilitate investment in infrastructure or other improvements allowed by law that facilitate the following potential projects. This Project and Finance Plan will be amended as may be required by law to accommodate additional uses of the tax increment revenues within Zone No. 5:

- a. Projects that support multi-modal transportation and mobility including sidewalks and downtown shuttle services.
- b. Overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features.
- c. Acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs.

Table 1 - Proposed Project Costs

ITEM	Proposed Activity	ESTIMATED ZONE NO. 5 PROJECT COSTS
1	Multi-modal transportation/mobility including sidewalks and shuttle services	\$1,350,000
2	Overall enhancement of downtown including lighting, safety, and other aesthetic features	\$829,612
3	Acquisition of property for parking and other public priorities and related operations and maintenance costs	\$2,000,000
TOTAL ESTIMATED PROJECT COSTS:		\$ 4,179,612

This Table 1 summarizes the currently anticipated Project Costs to be financed within Zone No. 5.

Project and Finance Plan

The purpose of Zone No. 5 is to (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone. No. 5.

Expenditures associated with the design and construction of Zone No. 5 Projects, as well as other specific project-related costs, will be funded by tax increment revenues derived from increases in property values resulting from the new development in Zone No. 5.

The City may amend this Project and Finance Plan as may be necessary in accordance with law to accommodate the other redevelopment goals and projects outlined under "Project Overview and Project Costs."

TEXAS TAX CODE
SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS
CHAPTER 311. TAX INCREMENT FINANCING ACT
Sec. 311.011. PROJECT AND FINANCING PLANS

- (a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated the zone.
- (b) The project plan must include:
 - (1) a description and map showing existing uses and conditions of real property in the zone and a map showing proposed uses of that property;
 - (2) proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
 - (3) a list of estimated non-project costs; and
 - (4) a statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.
- (c) The reinvestment zone financing plan must include:
 - (1) a detailed list describing the estimated project costs of the zone, including administrative expenses;
 - (2) a statement listing the proposed kind, number, and location of all proposed public works or public improvements to be financed by the zone;
 - (3) a finding that the plan is economically feasible and an economic feasibility study;
 - (4) the estimated amount of bonded indebtedness to be incurred;
 - (5) the estimated time when related costs or monetary obligations are to be incurred;
 - (6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;
 - (7) the current total appraised value of taxable real property in the zone;
 - (8) the estimated captured appraised value of the zone during each year of its existence; and
 - (9) the duration of the zone.

Existing Uses

1. Map showing existing uses and conditions of real property in Zone No. 5

Zone No. 5 consists of approximately 244 acres of commercial, retail, restaurants, residential and office uses within the City's designated Charter District 5 Downtown (CD-5D).

Development and redevelopment of the property within Zone No. 5's boundaries is necessary because the area is undeveloped or underdeveloped and because of obsolete platting, deterioration of structures or site improvements, or other factors, arrests the sound growth of the City's downtown.

The map on this page illustrates the current condition of the land.



PROPOSED PROJECTS

1. Table showing proposed improvements for the TIRZ area.

Improvements proposed for Zone No. 5 are primarily related to: (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone. No. 5.

TABLE 2 – PROPOSED PROJECTS	
Proposed Projects	
Justice Center Streetscape Improvement Project (100 Block E Martin Luther King Street, San Marcos, TX)	
Alley Redevelopment Phase 1	
Cheatham Street Flats Alley Paving	
Pedestrian Safety and Comfort	
Downtown Reconstruction/Capital Area Metropolitan Planning Organization	
Downtown Shuttle (One Year Pilot)	

Changes to Municipal Ordinances

1. Proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;

The City does not expect any changes to zoning ordinances, the master plan, building codes or other ordinances as a result of the designation of Zone No. 5.

Estimated Non-Zone No. 5 Projects

2. A list of estimated Non-Zone No. 5 Projects

The City expects to continue developing projects included in its capital improvement plan ("CIP") that benefit areas within Zone No. 5 from CIP funds.

Method of Relocation

3. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

Designation of Zone No. 5 is not anticipated to cause relocation of any residents.

Finance Plan

List of Estimated Zone No. 5 Project Costs

1. A detailed list describing the estimated Project Costs of Zone No. 5, including administrative expenses

Table 1 itemizes the estimated Zone No. 5 Project Costs. Currently there are no administrative expenses estimated to be incurred over the life of Zone No. 5.

Statement of Proposed Public Works

2. A statement listing the kind, number, and location of all proposed public works or public improvements in Zone No. 5

The improvements that Zone No. 5 is designed to facilitate will be located throughout Zone No. 5. These improvements will assist with the development and redevelopment of Zone No. 5. The Map of Project Boundaries shown on the cover page hereof illustrates the location of the proposed improvements.

Economic Feasibility Study/Information

3. An Economic Feasibility Study/Information

In connection with the proposed development of the property within Zone No. 5 the City has previously commissioned studies outlining the goals and feasibility of the redevelopment of Zone No. 5 CD-5D as set forth in Schedule A. This Finance Plan is economically feasible since all Project Costs are paid only from tax increment revenues as they become available.

Estimated Bonded Indebtedness

4. The estimated bonded indebtedness to be incurred

The City currently anticipates paying Project Costs or reimbursing a developer for qualified Project Costs solely from tax increment revenues on an annual basis. No bond indebtedness will be incurred for Zone No. 5.

Time when Costs/Obligations Incurred

5. The time when costs or monetary obligations are to be incurred

When payment of costs or reimbursements of costs are to be made is a function of the availability of Zone No. 5 tax increment revenues. Schedule B is a projection of tax increment revenues which are available and expected to be available in the future to pay or reimburse Zone No. 5 Project Costs.

Financing, Expected Sources of Revenue

6. A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay Project Costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in Zone No. 5.

Methods of Financing. The Project Costs will be paid directly for site improvements for certain Zone No. 5 Project Costs. Project Costs will be paid solely from tax increment revenues of Zone No. 5 as they are realized by Zone No. 5.

Sources of Tax Increment Revenue. The tax increment revenue necessary to pay the Zone No. 5 Project Costs is expected to come from increased property values in Zone No. 5. Schedule B displays the projected assessed valuations resulting from increases in value. These new tax increment revenues will be used to pay for Zone No. 5 Project Costs.

This Plan is based on a contribution rate (and current tax rates which are subject to change) shown from the City and County.

Taxing Jurisdiction	2019 Tax Rate (1)	% Dedicated
City of San Marcos	\$0.6139/\$100	70%
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The total current appraised value within Zone No. 5 as of July 22, 2019 is \$265,192,298.

Estimated Captured Value

8. Estimated Captured Value of Zone No. 5 in Each Year of Existence

The estimated captured appraised value of Zone No. 5 during each year of its existence is shown on Schedule B - Projected Assessed Valuation.

Duration of Zone

9. Duration of Zone

The duration of Zone No. 5 was through December 31, 2027. Zone No. 5 took effect on the date it was created, being December 14, 2011. The City Council established January 1, 2011 as the base year of Zone No. 5. The term of Zone No. 5 has been extended and is currently scheduled to terminate on December 31, 2027.

**Schedule A
Economic Feasibility Study/Information**

**Schedule B
Projected Assessed Valuations**

Tax Year	Total Valuation	Value Increase from Base Year	Yearly % Increase	70% City Tax	70% County Tax	Total Revenue	Cumulative Revenue
2012 Actual	\$105,083,437	\$899,281	0.86%	\$3,338	\$2,671	\$6,008	\$6,008
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2026 Estimated	\$418,188,970	\$310,999,834	5.0%	\$1,336,460	\$848,812	\$2,185,271	\$15,831,450

Assumptions:

Estimated Years

City Tax Rate \$0.6139

County Tax Rate \$0.3899

REINVESTMENT ZONE NO. 5 RESOLUTION 2020-04

ADOPTING AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR THE SAN MARCOS, TEXAS TAX INCREMENT REINVESTMENT ZONE NO. 5 IN DOWNTOWN SAN MARCOS, RECOMMENDING THAT THE CITY OF SAN MARCOS, TEXAS APPROVE THE AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN; AND OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City Council (the “Council”) of the City of San Marcos, Texas (the “City”) adopted Ordinance No. 2011-150R on December 6, 2011, which designated the San Marcos, Texas Reinvestment Zone No. 5 (the “Zone”) pursuant to Section 3111.005(a) of the Tax Increment Finance Act, Texas Tax Code, Chapter 311, as amended (the “Act”), and

WHEREAS, the Board of Directors of the Zone (the “Zone Board”) prepared and adopted a Project Plan and Reinvestment Zone Financing Plan (the “Project and Financing Plan”) for the Zone in Reinvestment Zone No. 5 Resolution 2020-04 pursuant to Section 311.011 of the Act, and

WHEREAS, the Council adopted Resolution No. 2011-145R on November 14, 2011, which gave effect to the Project and Financing Plan pursuant to Section 311.011(d) of the Act, and

WHEREAS, pursuant to Section 311.011(e) of the Act, the Zone Board at any time may adopt an amendment to the Project and Financing Plan consistent with the requirement and limitation of the Act, which shall take effect upon approval by the Council in accordance with Section 311.011(e) of the Act, and

WHEREAS, the Zone Board desires to amend the Project and Financing Plan to include additional anticipated projects and cost estimates designed to promote connectivity between the San Marcos River and Downtown San Marcos and encourage residential and commercial development within the Zone, all as set forth and further described in the amended Project and Financing Plan (the “Amended Project and Financing Plan”) attached as Exhibit A,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MARCOS, TEXAS REINVESTMENT ZONE NO. 5:

SECTION 1. ADOPTING THE AMENDED PROJECT AND FINANCING PLAN. The Zone Board hereby adopts the Amended Project and Financing Plan for the Zone with modifications to conform to the final business terms as agreed to by the City Manager of the City and directs its submission to the Council for approval.

SECTION 2. RECOMMENDING THE CITY APPROVE THE AMENDED PROJECT AND FINANCING PLAN. The Zone Board recommends that the City approve the Amended

Project and Financing Plan reflecting the additional anticipated projects and cost estimates as set forth and further described in the amended Project and Financing Plan.

SECTION 3. FURTHER PROCEEDINGS. The Zone Board is authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the action authorized hereby and the intent hereof including revising any necessary documents to conform to the terms hereof or State law.

SECTION 4. INCORPORATION OF RECITALS. The Zone Board hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Zone Board hereby incorporates such recitals as part of this Resolution.

SECTION 5. SEVERABILITY. If any provisions of this Resolution or the application thereof to any circumstances shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and the Zone Board hereby declares that this Resolution would have been enacted without such invalid provisions.

PASSED APPROVED THIS 29th DAY OF April, 2020.

By: Jane Hughson
Jane Hughson, Mayor
Chairperson, Board of Directors

EXHIBIT A

Amended Project and Financing Plan

**PROJECT PLAN
AND
REINVESTMENT ZONE FINANCING PLAN
FOR CITY OF SAN MARCOS, TEXAS
TAX INCREMENT REINVESTMENT ZONE No. 5**

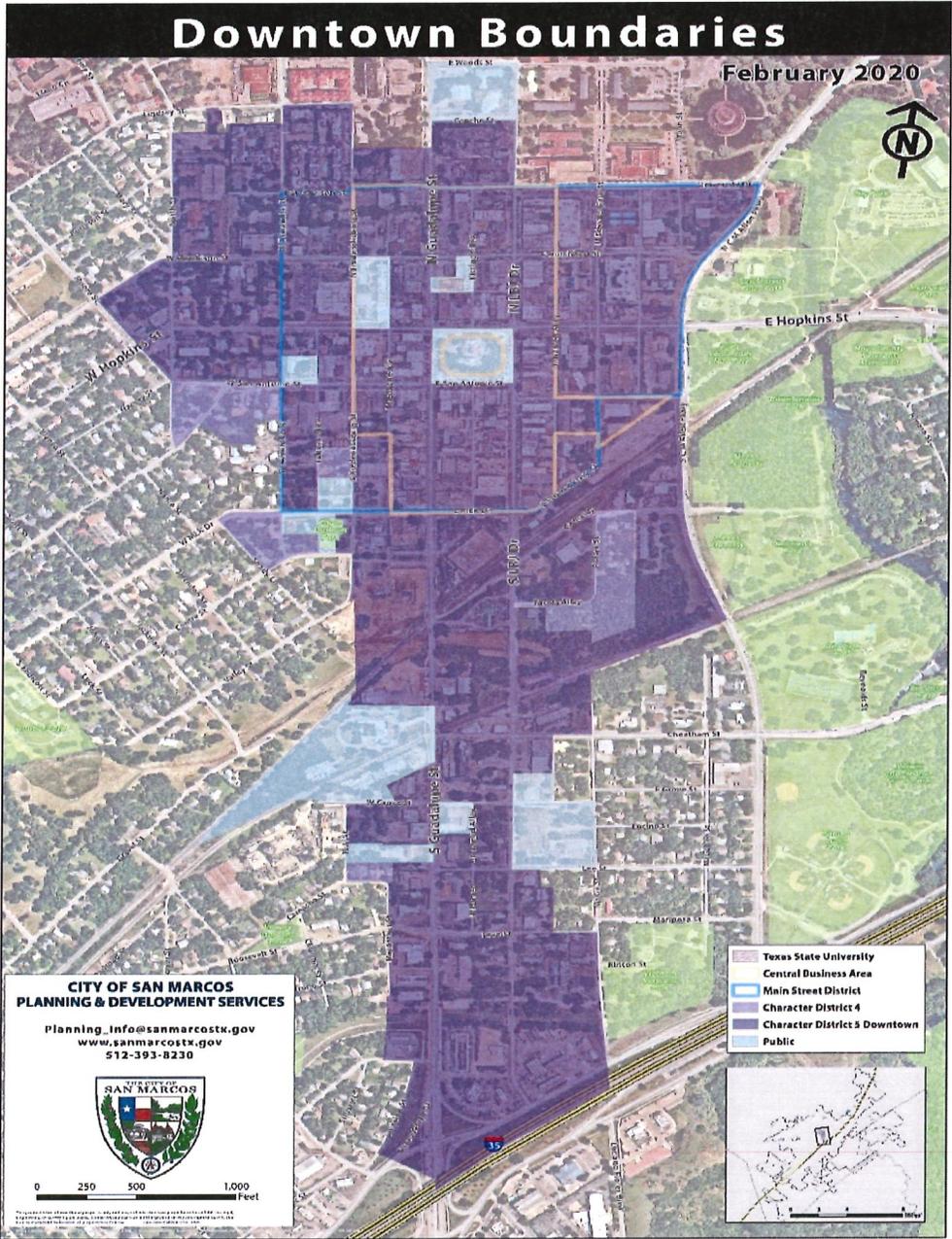


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- Project Overview and Project Costs
 - Table 2
- Project and Finance Plan
- Existing Uses
 - Map Showing Existing Uses and Conditions of Real Property in Zone No. 5
- Proposed Projects
 - Map Showing Proposed Improvements to and Proposed Uses of that Property
- Changes to Municipal Ordinances
- Method of Relocation
- Zone No. 5 Finance Plan
- List of Estimated Zone No. 5 Project Costs
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- Economic Feasibility Study
- Estimated Bonded Indebtedness
- Time when Costs/Obligations Incurred
- Financing, Expected Sources of Revenue
 - Table 3
- Current Appraised Value of Property
- Estimated Captured Value
- Duration of Zone

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The TIRZ Concept Generally

A tax increment reinvestment zone (“TIRZ”) is a financing tool created by the State Legislature to assist cities and counties in developing or redeveloping unproductive, underdeveloped or blighted areas.

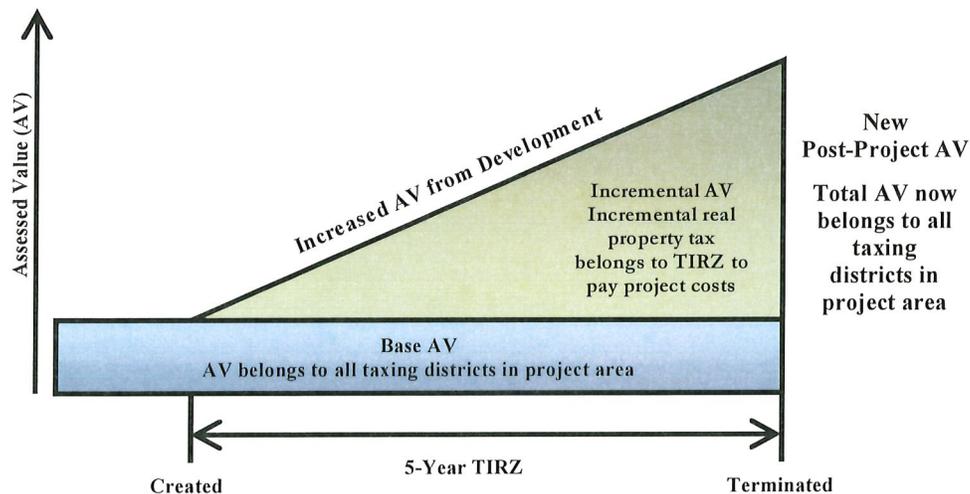
Cities may create a TIRZ where conditions exist that substantially impair an area’s sound growth and where development or enhancements financed by the TIRZ significantly enhance the value of all the taxable real property in a TIRZ and of general benefit to the city or county.

Prior to creation, the statute requires preparation of a preliminary project plan and reinvestment zone financing plan outlining specific projects to address the existing conditions and the method and means to finance those projects.

Upon creation, the total appraised value of real property located in a TIRZ is established for the year in which it was created. This is known as the base value. As new development occurs in a TIRZ, the value of real property increases.

This additional value above the base value is known as the tax increment. Such tax increment is typically set aside to finance improvements within a TIRZ including public infrastructure. Once all projects are complete or after a defined period of time, a TIRZ is dissolved.

During the life of a TIRZ, a city and other participating taxing jurisdictions collect tax revenue on the base value of a TIRZ as well as sales and use tax revenue generated by new development (unless a city or county agrees that sales tax and use revenue are also part of the increment). When a TIRZ is dissolved, a city and other participating taxing jurisdictions collect tax revenue on the tax increment value created by new development as well.



Executive Summary

The proposed City of San Marcos, Texas (the "City") Tax Increment Reinvestment Zone No. 5 ("Zone No. 5") consists of approximately 244 acres in the downtown core. The City has addressed one challenge, zoning standards that are inconsistent and contrary to creating a downtown environment, with the adoption of the San Marcos SmartCode (the "SmartCode") in 2011, putting in place a zoning that is predictable and focused on preserving downtown character while enabling pedestrian-oriented mixed-use development. In 2018, the City updated the Development Code and relabeled the downtown core as Character District 5 Downtown (CD-5D). Some of the other downtown challenges remain: a shortage of Class A office space, parking and pedestrian mobility, lack of sufficient lighting and downtown amenities and aesthetic features, and the condition of the streetscape and sidewalks in parts of downtown.

One of the financial tools identified in the plan to help address these challenges is the creation of a tax increment reinvestment zone. Under this proposed plan, the City and Hays County (the "County") would participate equally in a tax increment reinvestment zone projected to generate approximately \$15,831,450 over the current life of Zone No. 5. It is currently proposed that Zone No. 5 increment revenues will be allocated for parking, including acquisition of land, multi-modal transportation/mobility, sidewalks, safety considerations, improved lighting, and overall enhancement of downtown as allowed by Section 311.010(h) of the Texas Tax Code.

In order to be eligible for Zone No. 5 tax increment revenues, projects must (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone No. 5

The true value of this approach is that it powerfully leverages tax increment revenues for economic development beyond streetscape or maintenance improvements on a given block. The potential increase in tax base can help in supporting possible future job creation through business relocation to the downtown area along with growth of existing businesses which create jobs. This approach also will encourage the engagement of higher education and other potential research partners through the focus on technology and research, ultimately ensuring that the site will be developed to its highest and best use.

Location

As proposed, Zone No. 5 extends from Texas State University to the North, to IH-35 to the South, CM Allen and McKie on the East and several blocks to the West.

All of the land within proposed Zone No. 5 is part of the Charter District-5 Downtown (CD-5D) and currently includes a number of different types of uses including commercial, retail, restaurants, residential and offices within the boundaries.

As provided in the April 1, 2010 economic analysis prepared for the City by Urban Advisors for the current Downtown Master Plan, the City's goal is to encourage a mix of new uses to accommodate additional housing, office space, retail, transportation, safety and parking facilities. Designation of Zone No. 5 assists the City in implementing the Downtown Master Plan and projects brought forth through future master plans.

Project Overview and Project Costs

1. Infrastructure supporting cohesive redevelopment

Zone No. 5 tax increment revenues shall be made available to facilitate investment in infrastructure or other improvements allowed by law that facilitate the following potential projects. This Project and Finance Plan will be amended as may be required by law to accommodate additional uses of the tax increment revenues within Zone No. 5:

- a. Projects that support multi-modal transportation and mobility including sidewalks and downtown shuttle services.
- b. Overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features.
- c. Acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs.

ITEM	Proposed Activity	ESTIMATED ZONE NO. 5 PROJECT COSTS
1	Multi-modal transportation/mobility including sidewalks and shuttle services	\$1,350,000
2	Overall enhancement of downtown including lighting, safety, and other aesthetic features	\$829,612
3	Acquisition of property for parking and other public priorities and related operations and maintenance costs	\$2,000,000
TOTAL ESTIMATED PROJECT COSTS:		\$ 4,179,612

This Table 1 summarizes the currently anticipated Project Costs to be financed within Zone No. 5.

Project and Finance Plan

The purpose of Zone No. 5 is to (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone. No. 5.

Expenditures associated with the design and construction of Zone No. 5 Projects, as well as other specific project-related costs, will be funded by tax increment revenues derived from increases in property values resulting from the new development in Zone No. 5.

The City may amend this Project and Finance Plan as may be necessary in accordance with law to accommodate the other redevelopment goals and projects outlined under "Project Overview and Project Costs."

TEXAS TAX CODE

SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS

CHAPTER 311. TAX INCREMENT FINANCING ACT

Sec. 311.011. PROJECT AND FINANCING PLANS

- (a) The board of directors of a reinvestment zone shall prepare and adopt a project plan and a reinvestment zone financing plan for the zone and submit the plans to the governing body of the municipality or county that designated the zone.
- (b) The project plan must include:
 - (1) a description and map showing existing uses and conditions of real property in the zone and a map showing proposed uses of that property;
 - (2) proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
 - (3) a list of estimated non-project costs; and
 - (4) a statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.
- (c) The reinvestment zone financing plan must include:
 - (1) a detailed list describing the estimated project costs of the zone, including administrative expenses;
 - (2) a statement listing the proposed kind, number, and location of all proposed public works or public improvements to be financed by the zone;
 - (3) a finding that the plan is economically feasible and an economic feasibility study;
 - (4) the estimated amount of bonded indebtedness to be incurred;
 - (5) the estimated time when related costs or monetary obligations are to be incurred;
 - (6) a description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the zone that levies taxes on real property in the zone;
 - (7) the current total appraised value of taxable real property in the zone;
 - (8) the estimated captured appraised value of the zone during each year of its existence; and
 - (9) the duration of the zone.

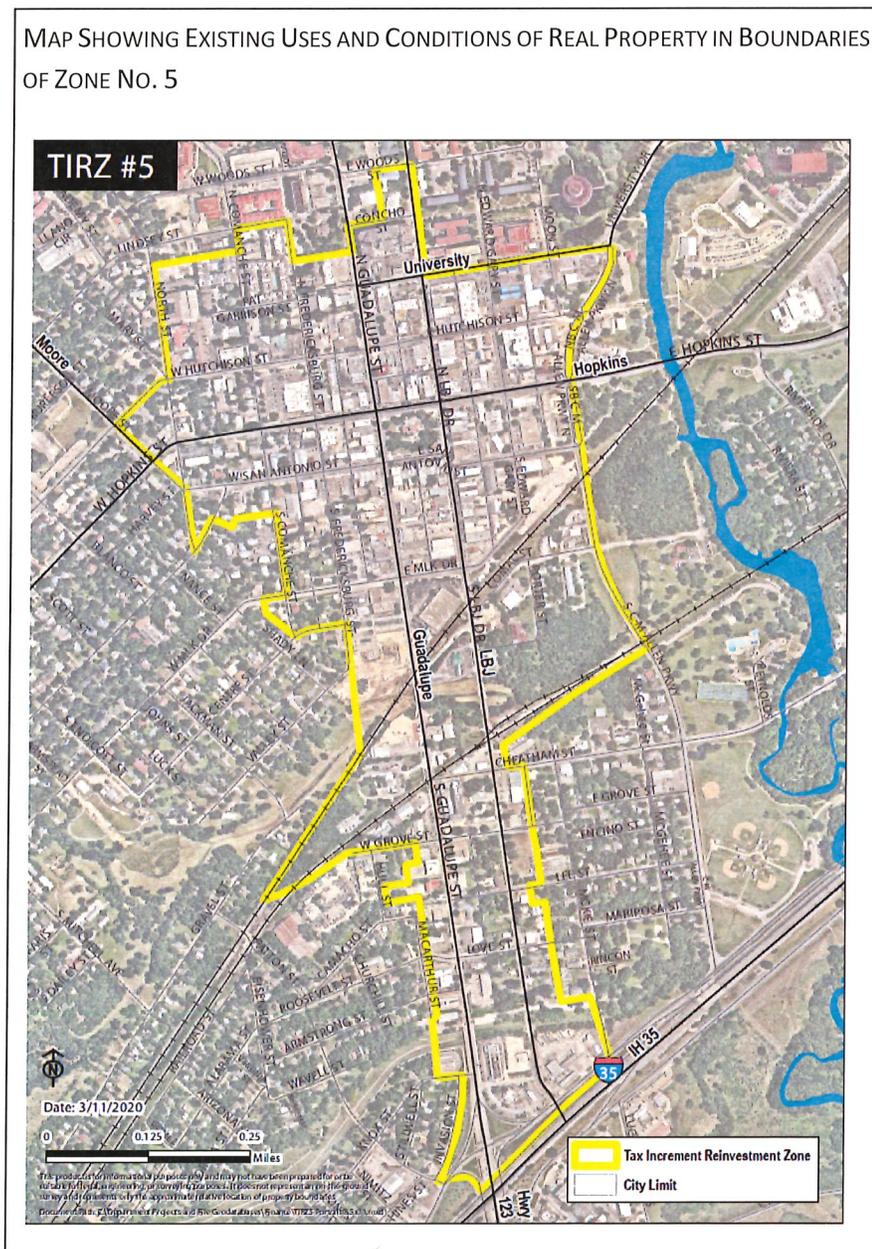
Existing Uses

1. Map showing existing uses and conditions of real property in Zone No. 5

Zone No. 5 consists of approximately 244 acres of commercial, retail, restaurants, residential and office uses within the City's designated Charter District 5 Downtown (CD-5D).

Development and redevelopment of the property within Zone No. 5's boundaries is necessary because the area is undeveloped or underdeveloped and because of obsolete platting, deterioration of structures or site improvements, or other factors, arrests the sound growth of the City's downtown.

The map on this page illustrates the current condition of the land.



PROPOSED PROJECTS

1. Table showing proposed improvements for the TIRZ area.

Improvements proposed for Zone No. 5 are primarily related to: (a) support multi-modal transportation and mobility including sidewalks and downtown shuttle services (b) provide overall enhancement of the downtown area including but not limited to lighting, safety and other aesthetic features and/or (c) include acquisition of property for parking and other public priorities with the amounts allocated to include the required operation and maintenance costs within Zone. No. 5.

Proposed Projects
Justice Center Streetscape Improvement Project (100 Block E Martin Luther King Street, San Marcos, TX)
Alley Redevelopment Phase 1
Cheatham Street Flats Alley Paving
Pedestrian Safety and Comfort
Downtown Reconstruction/Capital Area Metropolitan Planning Organization
Downtown Shuttle (One Year Pilot)

Changes to Municipal Ordinances

1. Proposed changes of zoning ordinances, the master plan of the municipality, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;

The City does not expect any changes to zoning ordinances, the master plan, building codes or other ordinances as a result of the designation of Zone No. 5.

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2. A list of estimated Non-Zone No. 5 Projects

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3. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

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Assumptions:

Estimated Years

City Tax Rate \$0.6139

County Tax Rate \$0.3899



Legislation Text

File #: ID#20-330, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing in regards to proposed projects and programs for the 2020 Community Development Block Grant (CDBG) - Entitlement allocation of \$722,904 and reallocation of \$125,000 in the 2019 CDBG Entitlement allocation.

Meeting date: June 16, 2020

Department: Planning and Development

Amount & Source of Funding

Funds Required: \$847,904

Account Number: [Click or tap here to enter text.](#)

Funds Available: \$847,904

Account Name: 2019 and 2020 CDBG Entitlement Funds

Fiscal Note:

Prior Council Action: On May 19, 2020, City Council approved Resolution 2020-105R, approving a Consolidated Plan for fiscal years 2020-2024 that provides guidance for annual Community Development Block Grant ("CDBG") allocations.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Workforce Housing

City Facilities

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.

Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The City of San Marcos receives Community Development Block Grant (CDBG) funds each year from the U. S. Department of Housing and Urban Development (HUD). The new funding year, Program Year 2020, will begin October 1, 2020 and end September 30, 2021. In order to receive the funding the City must create an Action Plan which details how the funds will be allocated and who will benefit from the funded programs and projects, and establishes performance goals for each project or program.

Staff will provide a brief presentation to review program eligibility regulations and funding restrictions, followed by a review of all applications received and the staff recommendation for funding a slate of projects and programs for the upcoming year. A public hearing will be held to receive comments.

Staff is requesting City Council direction on the recommended slate of projects to be included in the draft 2020 Action Plan to be made available for public comment.

Due to the COVID-19 Pandemic, HUD has provided some additional flexibilities with the grant this year:

1. For 2020 CDBG funds used for COVID-19 pandemic response, up to 100% of the funding can be used for public services.
2. The 2020 Action Plan and final requests for use of this allocation, are due on August 16, 2021 instead of 2020. Therefore, City Council has the option of choosing not to award all the funds at this time.

In addition to the \$722,904 funding for the 2020 CDBG program, staff will be requesting that City Council re-allocate \$125,000 in the 2019 CDBG program, as the Paul Pena Park project will not be implemented this year. Therefore, the total amount available to be awarded is \$847,904.

The mission of the CDBG Program is to promote the development of viable urban communities by providing decent housing, a suitable living environment; and expanded economic opportunities, principally for persons of low and moderate incomes.

Common themes observed in the data review and public outreach conducted for the 2020-2024 Consolidated Plan creation were:

1. Lack of housing affordability compared to income,
2. Need for home maintenance and accessibility in existing stock, and
3. Desire for workforce development to increase income.

All applications are attached. Five applications were received for funding from outside the City organization:

1. Making Centro More Accessible and Energy Efficient through Renovation *by Centro Cultural de San Marcos*
\$388,461

- Open to all - programs, education, meeting space
- Historic San Marcos school building

AC/Heating Update	\$43,000
Doors	\$52,945
Windows	\$73,016
Hallway Corridor Construction	\$22,000
Asbestos Abatement	\$57,000
Flooring for Abated Areas	\$18,000
Solar Installation	\$121,500

2. Advocacy Services for Abused and Neglected Children *by Court Appointed Special Advocates (CASA)*
\$60,000

- Recruit and train volunteer caseworkers to advocate for children removed from their homes
- Advocating for mental health, medical, education, housing, and permanency in safe, stable homes
- Scalable program model depending on need
- Leveraged with other funding to keep CDBG cost low
- 136 children, about two-thirds of the need in San Marcos

3. Housing Counseling *by Habitat for Humanity* \$23,656

- Goal: improve financial capability and confidence and prepare for successful homeownership
- Space provided at City facilities at no charge

- Funding for partial salaries, marketing, class materials
- 100 Participants attend educational workshops and one-on-one counseling

4. Land Acquisition for Home Construction *by Habitat for Humanity* \$151,000

- Other funding pays for new home construction
- Benefits low- to moderate-income families
- New homeowners must attend counseling program
- Lots for 4 homes, built within 24 months

5. Owner Occupied Home Rehabilitation *by Southside Community Center* \$100,000

- Interior and exterior repair and rehabilitation of substandard homes
- Service project for youth groups (unless social distancing continues to be needed)
- Includes lead hazard remediation if applicable
- Rehabilitation for up to 7 owner-occupied homes

Staff also considered several City programs and projects:

6. Substandard Home Demolition *by Community Initiatives and Code Enforcement* \$125,000

- Demolition of substandard or dangerous homes identified by Code Enforcement
- For use when private funding is not available
- Restores confidence and property values in the surrounding area
- City funding reduced due to COVID-19 lower revenues
- Approx. \$15,000 per demolition; 8 structures

7. Priority Home Repair *by Community Initiatives and Code Enforcement* \$45,000

- Repairs on substandard owner-occupied homes to remove code violations, safety hazards, unfit conditions
- For use when private funding is not available
- Removes neighborhood blight
- Provides a safe and suitable living environment

8. Projects for which funding has been postponed - *in the Parks Department* \$150,000

- City funding has been impacted by reduced revenues due to COVID-19 pandemic
- Two projects are:

- i. Paul Pena Park Improvements \$125,000
 - Extension of existing concrete ADA walking path, installation of updated playground and equipment, addition of skating area
 - Neighborhood park serving Hills of Hays neighborhood
- ii. Dunbar Educational Building Study - 801 MLK Drive \$25,000
 - Goal: to determine the dollar amount and work needed to renovate this historic school building
 - Texas Historical Marker received in 1975

9. Homebuyer Assistance *by Community Initiatives* \$84,000

- Down payment and closing cost assistance for low- to moderate-income potential homeowners
- 0% interest, deferred forgivable loan for 5 years
- Income may not exceed 80% of area median income (\$78,100 for family of 4)
- Up to \$7,000 each; 12 homes

10. CDBG Administration \$144,000

- Provide technical assistance to funded programs
- Ensure the appropriate use and documentation of funds
- Monitor and report progress to HUD

All funding possibilities were evaluated based on four general criteria:

- Activity Need and Justification
- Consolidated Plan Priority
- Impact and Cost Effectiveness
- Ability to Implement

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Based on the criteria mentioned above, staff recommends the following programs for funding as the ones that

will provide the most direct and cost-effective impact to our citizens at this time:

<u>Making Centro More Accessible and Energy Efficient through Renovation</u>	Centro Cultural	\$268,000
<u>Advocacy Services for Abused & Neglected Children</u>	CASA	\$60,000
<u>Housing Counseling</u>	<u>Habitat for Humanity</u>	<u>\$23,656</u>
<u>Owner Occupied Home Rehabilitation</u>	<u>Southside Community Center</u>	<u>\$100,000</u>
<u>Substandard Home Demolition</u>	<u>Community Initiatives/ Code Enforcement</u>	<u>\$125,000</u>
<u>Priority Home Demolition</u>	<u>Community Initiatives/ Code Enforcement</u>	<u>\$43,248</u>
<u>Homebuyer Assistance</u>	<u>Community Initiatives</u>	<u>\$84,000</u>
<u>CDBG Administration</u>	<u>Community Initiatives</u>	<u>\$144,000</u>
<u>TOTAL</u>		<u>\$847,904</u>

Staff recommends that Centro Cultural's project be funded at less than the amount in order to provide for equitable distribution to other projects.

The Habitat for Humanity Land Acquisition request is not recommended because although it is certainly a needed program, the City is about to re-market housing programs for disaster recovery and will need lots to serve qualifying applicants. Furthermore, the City still has funding for the same purpose from prior years.

The Parks Department projects, while desirable, do not provide the direct service impact to the highest priority needs identified during the creation of the Consolidated Plan.

All other programs are recommended for funding as requested, with a slight reduction to the Priority Home Repair program to bring the total to match the funds available. Staff recommends reallocating the funding previously reserved for the Paul Pena Park project in the 2019 CDBG Action Plan to Substandard Home Demolition by Community Initiatives and Code Enforcement, and funding the rest of the recommended projects and programs with the 2020 CDBG Action Plan.

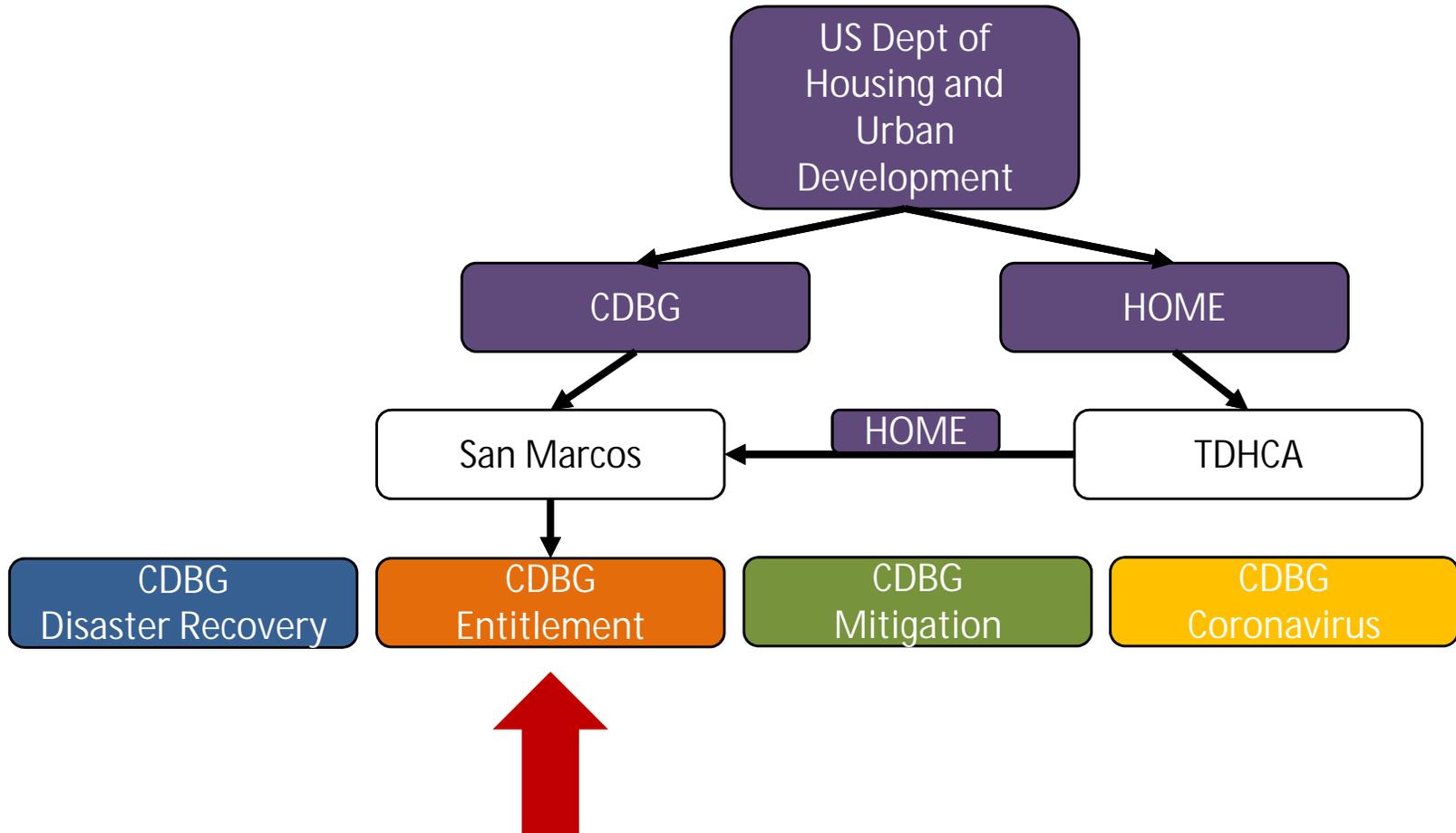
A public comment period will be held July 5-August 4, 2020, after which staff will provide comments received and the final recommendation for the slate of projects and programs, along with the Action Plan to the City Council for a vote on August 4.

CITY COUNCIL MEETING

Tuesday, June 16, 2020

CDBG 2020-2021 Action Plan Workshop

Staff Presentation
Public Hearing



CDBG Mission

The mission of the CDBG Program is to promote the development of viable urban communities by providing decent housing, a suitable living environment; and expanded economic opportunities, principally for persons of low and moderate incomes.

Notes on Requirements
Due to COVID-19 pandemic

HUD Allocation for Program Year 2020-2021:
 $\$722,904 + \$125,000 = \underline{\$847,904}$

70% must benefit low-moderate income people.

All ~~No more than 15%~~ can be used for Public Services.
If used for COVID-19 response

No more than 20% can be used for Administration.

Action Plan Due Date = August 16, ~~2020~~ 2021

Data and Outreach: Common Themes

1. Lack of housing affordability compared to income
2. Need for home maintenance and accessibility in existing stock
3. Desire for workforce development to increase income

Current Priority Needs

- Affordable Housing
(such as rehab, repair, land acquisition)
- Public Services
(such as children, seniors, workforce development)
- Public Facilities
(such as parks)

Some Possible Categories

Affordable Housing

Such as housing rehabilitation or reconstruction, land acquisition, accessibility improvements, homebuyer loans, weatherization, transitional housing

Public Services (no more than \$108,000 unless COVID-19 response)

Such as programs for senior citizens, abuse victims, youth, children, homeless, treatment of drug or alcohol abuse, workforce skills development

Public Facilities

Such as parks, community centers, community gardens

Infrastructure, Transportation

Such as neighborhood sidewalks, hike and bike trails, covered bus shelters

Demolition Activities

Such as spot blight removal or demolition of unsafe structures

Economic Development

Such as business incubator construction or microloans for small businesses

Past 4 Years Action Plan Funding

2018	649,948
2017	562,799
2016	525,164
2015	517,077
TOTAL	\$2,254,988

Past 4 Years Accomplishments

PRIORITY	ACTIVITY	BENEFICIARY
Affordable Housing	Home Rehab	42
	Down Payments	16
	Land for a New Home	1
	Rental Assistance	6
Public Services	Parks & Rec Scholarships	363
	CASA	270
	Women's Shelter Renovation	516
Public Facilities	Park Improvements	3 parks
Demolition	Spot Slum and Blight	1

NEXT STEPS – CDBG 2020 Action Plan

<p>June 16</p>	<p>Public hearing on proposed projects and programs, along with City Council direction on which projects and programs to proceed with and at what funding level</p>
<p>July 5-August 4</p>	<p>Public comment period on draft action plan</p>
<p>August 4</p>	<p>Request City Council approval of action plan and proposed projects and programs</p>

Five non-City applications received:

Applicant	Project Title	Amount Requested
1. Centro Cultural Hispano de San Marcos	Making Centro More Accessible and Energy Efficient through Renovation	\$388,461
2. Court Appointed Special Advocates	Advocacy Services for Abused and Neglected Children	\$60,000
3. Habitat for Humanity	Housing Counseling	\$23,656
4. Habitat for Humanity	Land Acquisition for Home Construction	\$151,000
5. Southside Community Center	Owner-Occupied Home Rehabilitation	\$100,000
TOTAL		\$723,117

City programs and projects considered:

Division	Project Title	Amount Requested
6. Code Enforcement	Substandard Home Demolition	\$125,000
7. Code Enforcement	Priority Repair	\$45,000
8. Parks Department	Paul Pena Park	\$125,000
	Dunbar Education Building Rehab Study	\$25,000
9. Community Initiatives	Homebuyer Assistance	\$84,000
10. Community Initiatives	Program Administration	\$144,000
TOTAL		\$548,000

Threshold Criteria:

- Must meet CDBG National Objective
- Must provide requested documentation

Evaluation Criteria:

- Activity Need and Justification
- Consolidated Plan Priority
- Impact and Cost Effectiveness
- Ability to Implement

1. Making Centro More Accessible and Energy Efficient through Renovation

- Open to all – programs, education, meeting space
- Historic San Marcos school building

AC/Heating Update	\$43,000
Doors	\$52,945
Windows	\$73,016
Hallway Corridor Construction	\$22,000
Asbestos Abatement	\$57,000
Flooring for Abated Areas	\$18,000
Solar Installation	\$121,500

- By: Centro Cultural Hispano de San Marcos
Amount Requested: \$388,461

2. Advocacy Services for Abused and Neglected Children

- Recruit and train volunteer caseworkers to advocate for children removed from their homes
- Advocating for mental health, medical, education, housing, and permanency in safe, stable homes
- Scalable program model depending on need
- Leveraged with other funding to keep CDBG cost low
- 136 children, about two-thirds of the need in San Marcos
- By: Court Appointed Special Advocates

Amount Requested: \$60,000

3. Housing Counseling

- Goal: improve financial capability and confidence and prepare for successful homeownership
- Space provided at City facilities at no charge
- Funding for partial salaries, marketing, and class materials
- 100 Participants attend educational workshops and one-on-one counseling
- By: Habitat for Humanity

Amount Requested: \$23,656

4. Land Acquisition for Home Construction

- Other funding pays for new home construction
- Benefits low- to moderate-income families
- New homeowners must attend counseling program
- Lots for 4 homes, built within 24 months
- By: Habitat for Humanity

Amount Requested: \$151,000

5. Owner-Occupied Home Rehabilitation

- Interior and exterior repair and rehabilitation of substandard homes
- Service project for youth groups (unless social distancing continues to be needed)
- Includes lead hazard remediation if applicable
- Rehabilitation for up to 7 owner-occupied homes
- By: Southside Community Center

Amount Requested: \$100,000

6. Substandard Home Demolition

- Demolition of substandard or dangerous homes identified by Code Enforcement
- For use when private funding is not available
- Restores confidence and property values in the surrounding area
- City funding reduced due to COVID-19 lower revenues
- Approx. \$15,000 per demolition; 8 structures
- By: City of San Marcos Community Initiatives and Code Enforcement

Amount: \$125,000

7. Priority Repair for Code Enforcement

- Repairs on substandard owner-occupied homes to remove code violations, safety hazards, unfit conditions
- For use when private funding is not available
- Removes neighborhood blight
- Provides a safe and suitable living environment
- By: City of San Marcos Community Initiatives and Code Enforcement

Amount: \$45,000

8. Parks Priority Projects

- Paul Pena Park Improvements \$125,000
 - Extension of existing concrete ADA walking path, installation of updated playground and equipment, addition of skating area
 - Neighborhood park serving Hills of Hays
- Dunbar Educational Building Rehab Study \$25,000
 - Goal: to determine the dollar amount and work needed to renovate this historic school building
 - For party reservations and parks programs
- By: City of San Marcos Parks Department

Amount: \$150,000

9. Homebuyer Assistance

- Down payment and closing cost assistance for low- to moderate-income potential homeowners
- 0% interest, deferred forgivable loan for 5 years
- Income may not exceed 80% of area median income (\$78,100 for family of 4)
- Up to \$7,000 each; 12 homes
- By: City of San Marcos Community Initiatives

Amount: \$84,000

10. CDBG Administration

- Provide technical assistance to funded programs
- Ensure the appropriate use and documentation of funds
- Monitor and report progress to HUD
- By: City of San Marcos Community Initiatives

Amount Requested: \$144,000 (20%)

Evaluation

- Prefer programs and projects that provide direct service to people in this time of economic need
- Home maintenance and affordability ranked as high priority by data and public comments

Results

- All proposed programs and projects are eligible
- The City's CDBG housing programs are about to be re-marketed and affordable lots will be needed
- While extremely important, the Parks projects provide the least direct service and connection to highest priority needs
- Staff recommends reducing Centro Cultural's amount and declining to fund Habitat lots and Parks projects

Staff Recommendation

Project Title	Requested	Recommended
Making Centro More Accessible and Energy Efficient through Renovation	\$388,461	\$268,000
Advocacy Services for Abused and Neglected Children	\$60,000	\$60,000
Housing Counseling	\$23,656	\$23,656
Land Acquisition for Home Construction	\$151,000	
Owner-Occupied Home Rehabilitation	\$100,000	\$100,000
Substandard Home Demolition (Reallocate 2019 funds)	\$125,000	\$125,000
Priority Repair	\$45,000	\$43,248
Paul Pena Park	\$125,000	
Dunbar Educational Building Rehab Study	\$25,000	
Homebuyer Assistance	\$84,000	\$84,000
Program Administration	\$144,000	\$144,000
TOTAL	\$1,271,117	\$847,904

City Council Action: Provide staff direction on which projects and programs to proceed with and at what funding level

City of San Marcos
Community Development Block Grant
2020 Project Application



City of San Marcos
Planning and Development Services Department
630 East Hopkins
San Marcos TX 78666

<https://www.sanmarcostx.gov/3065/CDBG-Action-Plans>

For more information: Carol Griffith 512.393.8147 cgriffith@sanmarcostx.gov

SUPPLEMENTAL ITEM CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
DUE DATE: MAY 1, 2020

Submit one copy of the following items:

Required:

- Board of Directors list including position/title on board.
- Contact numbers for Board Chair or President and Treasurer.
- Resolution or Board Minutes showing approval to submit an application and designation of person who will sign documents on behalf of the organization.
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter (for non-profit organizations)
- Organization's Current Budget (2019-2020) and Proposed Budget for next fiscal year
- Most Recent audit or CPA prepared review.
- Description of employees, board members, volunteers who will work with the project
- Non-discrimination Policy Statement

If applicable:

- Service area boundary for area benefit projects
- Fee schedule or structure for the project proposed for funding
- Copy of program application if one is used to select beneficiaries
- Description of how applicant income will be determined if there are direct beneficiaries
- Detailed explanation of any lawsuits, judgments, or bankruptcy proceedings
- Job descriptions for new positions expected to be filled using CDBG funding



San Marcos Consolidated Independent School District

P.O. Box 1087 San Marcos, Texas 78666 | PHONE 512 393 6700 | FAX 512 393 6787

April 3 ,2020

Ricardo Espinoza, Executive Director
Centro Cultural Hispano de San Marcos
211 Lee Street
San Marcos, Texas 78666

Re: Community Development Block Grant

Dear Dr. Espinoza:

San Marcos CISD approves of your general plan in applying for the Community Development Block Grant to improve the facility at Centro. If awarded, we look forward to reviewing the specific project details with you before work begins on the building.

Sincerely,

James Barton
Interim Assistant Superintendent

Centro Cultural Hispano de San Marcos
2020 Board of Directors

Position	TERM ENDS	LAST NAME	FIRST NAME	TITLE	ADDRESS	CITY/TX/ZIP	PHONE	EMAIL
1	12/31/21	Zamora	Mariana	Board Member	[REDACTED]			
2	12/31/21	Costilla	Nicholas	Parliamentarian				
3	12/31/21	Diaz	John	Board Member				
4	12/31/21	Valadez	Dr. Monica	Board Member				
5	12/31/21	Merchant	Rosalba	Secretary				
6	12/31/19	Villalobos	Sonja	Vice President				
7	12/31/19	Arredondo	Frank	Treasurer				
8	12/31/20	Kelsey-Jones	Linda	Board Member				
9	12/31/20	Rosales	Celia	Board Member				
10	12/31/20	Contreras	Frank	Board Member				
11	12/31/20	Rios	Eduardo	President				
	Staff	Espinoza	Dr. Ricardo	Executive Director				
	Staff	Salazar	Gloria	Prog Coordinator				
	Staff	Villalpando	Cathi	Membership Coordin				
	Staff	Hernandez	Monica	Front Office Bookkee				

Centro Cultural Hispano de San Marcos
Board of Director's Meeting
Wednesday, April 8, 2020
Zoom Format

I. Call to Order 5:30

II. Approval of Consent Agenda

A. Approval of Minutes March 11 and March 25

Sonja-motioned

Mariana-2nd

Motion passed

B. Treasurer's Report - details to be discussed at the next executive or financial meeting.

Linda-motioned

Sonja-2nd

Motion passed

III. Programs

Piano teachers offered to do distance piano through Zoom.

One of the art students may be working on ArtSpace virtual program.

Celia-maybe an Amiga or someone can offer a how-to video to sew or make face masks. Linda-

maybe we can post already existing videos. Monica-it's important for our audience to see us

rather than any video to upload. Adam is working with his students through phone contact.

Monica-pilot classes for technology? Ed can assist. He will get with intern Samantha. Start

planning for on-line summer programs. Work on digitizing the virtual tour of Centro. Sonja-

maybe the instructors can do a Facebook Live presentation. Staff to meet Tuesday and we'll have

a call on Wed.

IV. Items for review

A. The Marcos and Fidela Garza/NASAFAMA/ Multimedia Center has been completed. Dr.

Espinoza is working on the Austin Community College/Ballet Folklorico Room #1 space which

is being renovated with mirrors, light paint, and other items.

B. Portables are empty, Dr. Espinoza cleaned them out and requested that the power be switched

off and the buildings were turned over to the District.

C. Refunds from Cinco Event-\$700. We are waiting to hear back from two people for an

additional \$300 that may be needed to be refunded.

D. Directionality to go ahead and send the Press Release-Johanna Hansen

E. Application for Paycheck Protection Plan Program that is 100% forgivable in the amount of

\$25,572.50 was applied for on Saturday, April 4th, 2020. We received a message that it has been

accepted. We are waiting to hear regarding the next steps.

IV. ED Report

- A. Still looking for a cleaning person. We are reaching out to Pablo Zuniga from Embassy Suites regarding individuals that have been furloughed. In the meantime Dr. Espinoza will be doing the regular maintenance and general cleaning.
- B. Grant Application for Community Development Block Grant for \$388,461
- C. Applied for SBA forgivable loan \$25,572.50
- D. We are setting up interns for summer Two (July-August, 2020)

Ed-shared with the Board that a developer/company from San Antonio was meeting with the school district to develop the land and our Centro building. In the plans shared, Centro would have less space than we currently have. Ed is trying to set up a meeting with developers and get more information. We need to get more details and mobilize/possibly enlist community support. Dr. Espinoza recommended that Ed contact the school district leadership to find out more information before we think about mobilizing.

VII. Items for Action

Approve the application process to secure funds from the City of San Marco's Community Development Block Grant Project Application for facility improvement and designate Dr. Ricardo Espinoza to authorize and execute program documents not limited to:

1. Window replacement (all external-facing windows)
2. Door replacement (all external-facing doors)
3. Asbestos mitigation of all of Centro
4. AC/ heating splitters
5. Solar installation for energy savings
6. Roof repairs based on the removal of rooftop units
7. Repair and renovation of classroom space based on the displacement of ArtSpace from loss of use of portables

Linda-motioned

Sonja 2nd

Motion passed

VIII. Announcements-stay safe. Help keep Centro in the forefront.

Adjournment 6:41p.m.

**Centro Cultural Hispano de San Marcos
CCHdSM
Emplome Handbook**



Organizational Chart

Board of Directors		
Ed Rios – President	Frank Contreras	
Sonja Villalobos – Vice President	John Diaz	
Frank Arredondo – Treasurer	Linda Kelsey Jones	
Rosalba Merchant – Secretary	Celia Rosales	
Nico Costilla - Parliamentarian	Dr. Mónica Valadez	
	Mariana Zamora	
Executive Director Dr. Ricardo Espinoza		
Program Coordinator Gloria Salazar	Membership Coordinator Cathi Villalpando	Front Office Bookkeeping Monica Hernandez
Programming Custodian	Programming Custodian	Vendors



Office of the Secretary of State

CERTIFICATE OF FILING
OF

Centro Cultural Hispano de San Marcos
File Number: 800612627

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 02/09/2006

Effective: 02/09/2006



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

ARTICLES OF INCORPORATION
OF
CENTRO CULTURAL HISPANO DE SAN MARCOS

We, the undersigned natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as Incorporates of a Corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE ONE

The name of the Corporation is Centro Cultural Hispano de San Marcos.

ARTICLE TWO

The Corporation is a Non-Profit Corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose for which it is formed is charitable, educational and benevolent to wit;

To preserve, promote and remember the history and culture of Hispanic Americans,

To educate the younger generations about their roots, culture and history,

To instill the importance of preservation and safekeeping of valuable artifacts, cultural and historical.

ARTICLE FIVE

The Corporation will receive and maintain a fund or funds or personal property, or both and subject to the restrictions and limitations hereafter set forth, to use and apply the whole or any part of the income there from and the principal thereof exclusively for the purposes set forth above.

ARTICLE SIX

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Four hereof. No substantial part of the activities of the corporation shall be the carrying on of propoganda, or otherwise attempting to influence legislation; and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on:

- (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or;
- (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

ARTICLE SEVEN

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE EIGHT

The street address of the initial registered office of the corporation is 505 Park Place, San Marcos, Texas 78666. The name of its initial registered agent at such address is Ofelia Vasquez-Philo.

ARTICLE NINE

The corporation will have no members.

ARTICLE TEN

The management of the affairs will be invested in its Board of Directors. The initial Board of Directors will consist five persons. The Board of Directors will never consist of less than three persons. The names and address of the persons who are to serve as the initial directors are:

Director	Address
Lupe G. Costilla	1203 N. Barbara Drive, San Marcos, Texas 78666
Ofelia Vasquez Philo	505 Park Place, San Marcos, Texas 78666
Gloria Salazar	1614 Mockingbird Drive, San Marcos, Texas 78666
Rosina Valle	110 Colleen Court, San Marcos, Texas 78666
Margie Villalpando	1210 Barbara Drive, San Marcos, Texas 78666

ARTICLE ELEVEN

The name and address of the incorporation is Ofelia Vasquez Philo, 505 Park Place, San Marcos, Texas 78666.

In WITNESS WHEREOF, we have hereunto set our hand this 15th day of October, 2005.

Lupe G. Costilla
Lupe G. Costilla

Ofelia Vasquez Philo
Ofelia Vasquez Philo

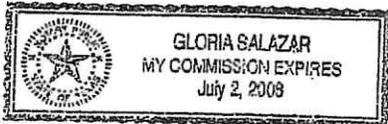
Gloria Salazar
Gloria Salazar

Rosina Valle
Rosina Valle

Margie Villalpando
Margie Villalpando

State of Texas
County of Hays

Before, me the undersigned Notary Public in and for Hays County, Texas, on this day personally appeared Lupe G. Costilla, Ofelia Vasquez Philo, Rosina Valle and Margie Villalpando, who each being duly sworn, severally declared that they are the persons who signed the above and foregoing document as incorporates and that the statement therein contained are true and that they are each residents of the State of Texas and over the age of 21 years.



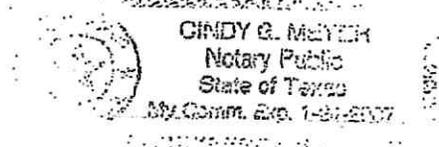
Gloria Salazar
Notary Public in and for the State of Texas

State of Texas
County of Hays

Before, me the undersigned Notary Public in and for Hays County, Texas, on this day personally appeared Gloria Salazar, who being duly sworn, declare that she is the person who signed the above and foregoing document and that the statement therein contained are true and that she is a resident of the State of Texas and over the age of 21 years.

In witness whereof I have hereunto set my hand and seal of office this 7 day of ~~October~~, 2005.

NOVEMBER



Cindy G. Meyer

CENTRO CULTURAL HISPANO DE SAN MARCOS

BY-LAWS

Article I – NAME

The name of the Corporation shall be Centro Cultural Hispano de San Marcos (Hereafter “CENTRO”).

Article II – PURPOSE

Section 1. Nonprofit Purpose.

This corporation is organized exclusively for cultural and educational purposes, including, for such purposes, the collaboration with organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 2. Specific Purpose.

CENTRO will serve as a community beacon for the preservation, development, promotion, and celebration of the Hispanic arts, culture, heritage, and values.

The specific objectives and purpose of CENTRO shall be:

- a. Support and develop educational curriculum
- b. Promote and facilitate programs in visual arts, theater, dance, literature, music, multimedia and the culinary arts
- c. Host or facilitate educational programs and interactive events for the community throughout the year

Article III - LOCATION

The principal office of the Corporation shall be located at 211 Lee Street, San Marcos, Texas 78666.

Article IV - MEMBERSHIP

Section 1. Eligibility for Membership.

Application for voting membership shall be open to any individual that supports the purpose statement in Article II, Section 2. Membership is granted after completion and receipt of a membership application and annual dues (hereafter “ACTIVE MEMBER”).

Section 2. Annual Dues.

The amount required for annual dues shall be \$25 and up based on the selected membership level renewable each year. Annual dues shall be changed by a majority vote of the BOARD OF DIRECTORS at a

regular Board meeting and take effect the first day of the following month after the change was approved by the CENTRO BOARD OF DIRECTORS.

Continued membership is contingent upon being up-to-date on membership dues and accurate member application information.

Section 3. Rights of Members.

Each member shall be eligible to cast ONE vote in the BOARD OF DIRECTORS annual election.

Section 4. Resignation and Termination.

Any member may resign by filing a written resignation with the secretary. Resignation shall not relieve a member of unpaid dues, or other charges previously accrued. A member can have their membership terminated by a majority vote of the CENTRO BOARD OF DIRECTORS.

Section 5. Voting.

All Active Members shall have one vote in the election of Centro's Board of Directors during the Annual meeting. Active Member standing must exist at least 24 hours before the annual BOARD OF DIRECTOR vote is taken at the annual meeting. The Board of Directors election shall be decided by a simple majority of those members present at the annual meeting in which the vote takes place.

Section 6. Non-voting Membership.

The board shall have the authority to establish and define non-voting categories of membership.

Article V – BOARD OF DIRECTORS

Section 1. General Powers.

The affairs of Centro shall be managed by its Board of Directors. The Board of Directors shall have control of and be responsible for the management of the affairs and property of CENTRO.

Section 2. Number, Tenure, Requirements, and Qualifications.

The number of Directors shall be fixed from time-to-time by the Directors but shall consist of no less than NINE (9) nor more than FIFTEEN (15) including the following officers: President, Vice-President, Secretary, Treasurer and Parliamentarian.

- a. The newly elected Board of Directors shall, upon election, enter upon the performance of their duties at a date approved and qualified by the BOARD OF DIRECTORS and shall continue in office until their successor shall be duly elected and qualified. All members of the Board of Directors must be approved by a majority vote of the members present and voting. Any vote on new members of the Board of Directors, shall be held regardless if a quorum of the members is present and is valid for ACTIVE MEMBERS present and voting at the Annual meeting in December.
- b. No two members of the Board of Directors related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity may serve on the Board of Directors at the same time.

- c. Each member of the Board of Directors shall be a member of Centro whose membership dues are current and shall hold office for a three-year term as submitted by the nominations committee.
- d. All terms shall be staggered so that at the time of each annual meeting, the terms of approximately one-third (1/3) of all members of the Board of Directors shall expire.
- e. A Board member who has an absence from three regular meetings in succession, or from three regular meetings during the year without being excused by the Board, will be notified in writing that the Board will consider her/his removal from the Board at its next regular meeting as detailed in Section 7.
- f. Each newly elected member of the Board of Directors from December will be formally seated as a member of the Board with voting power at the January Board of Directors meeting.

Section 3. Regular and Annual Meetings.

An annual meeting of the Board of Directors shall be held at a time and day in the month of December of each calendar year and at a location designated by the Executive Committee of the Board of Directors. The Board of Directors may provide by resolution the time and place, for the holding of regular meetings of the Board.

Section 4. Special Meetings.

Notice of regular meetings shall be sent to all members of the Board of Directors no less than seven (7) days, prior to the meeting date. Special meetings of the Board of Directors may be called by or at the request of the President or any two members of the Board of Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any location, as the place for holding any special meeting of the Board called by them.

Section 5. Notice.

Notice of any special meeting of the Board of Directors shall be given at least two (2) days in advance of the meeting by email, telephone or other electronic methods or by written notice. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

Section 6. Quorum.

The presence, in person of a majority of current members of the Board of Directors shall be necessary at any meeting to constitute a quorum to transact business, but a lesser number shall have power to adjourn to a specified later date without notice. The act of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law.

Section 7. Forfeiture.

Any member of the Board of Directors who fails to fulfill any of his or her requirements as set forth in Section 2 of this Article by September 1st shall automatically forfeit his or her seat on the Board. The Secretary shall notify the Director in writing that his or her seat has been declared vacant, and the Board of Directors may forthwith immediately proceed to fill the vacancy. Members of the Board of Directors who are removed for failure to meet any or all of the requirements of Section 2 of this Article are not entitled to vote at the annual meeting and are not entitled to the procedure outlined in Section 14 of this Article in these by-laws.

Section 8. Vacancies.

Whenever any vacancy occurs in the Board of Directors, it shall be filled without undue delay by a majority vote of the remaining members of the Board of Directors at a regular meeting. Vacancies may be created and filled according to specific methods approved by the Board of Directors.

Section 9. Compensation.

Members of the Board of Directors shall not receive any compensation for their services as Directors.

Section 10. Informal Action by Directors.

Any action required by law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of all of the Directors following notice of the intended action to all members of the Board of Directors.

Section 11. Confidentiality.

Directors shall not discuss or disclose information about Centro or its activities to any person or entity unless such information is already a matter of public knowledge, such person or entity has a need to know, or the disclosure of such information is in furtherance of Centro's purposes, or can reasonably be expected to benefit Centro. Directors shall use discretion and good business judgment in discussing the affairs of Centro with third parties.

Each Director shall execute a confidentiality agreement consistent herewith upon being voted onto and accepting appointment to the Board of Directors

Section 12. Advisory Council.

An Advisory Council may be created whose members shall be elected by the members of the Board of Directors annually but who shall have no duties, voting privileges, nor obligations for attendance at regular meetings of the Board. Advisory Council members may attend said meetings at the invitation of a member of the Board of Directors. Members of the Advisory Council shall possess the desire to serve the community and support the work of Centro by providing expertise and professional knowledge. Members of the Advisory Council shall comply with the confidentiality policy set forth herein and shall sign a confidentiality agreement consistent therewith upon being voted onto and accepting appointment to the Advisory Council.

Section 13. Parliamentary Procedure.

Any question concerning parliamentary procedure at meetings shall be determined by the President by reference to Robert's Rules of Order.

Section 14. Removal.

Any member of the Board of Directors or members of the Advisory Council may be removed with or without cause, at any time, by vote of three-quarters (3/4) of the members of the Board of Directors if in their judgment the best interest of Centro would be served thereby. Each member of the Board of Directors must receive written notice of the proposed removal at least ten (10) days in advance of the proposed action. An officer who has been removed as a member of the Board of Directors shall automatically be removed from office. Members of the Board of Directors who are removed for failure to meet the minimum requirements in Section 2 of this Article in these by-laws automatically forfeit their positions on the Board pursuant to Section 7 of this Article, and are not entitled to the removal procedure outlined in this section of Article V.

Article VI: OFFICERS

The officers of the Centro Board of Directors shall be the President, Vice-President, Secretary, Treasurer and Parliamentarian. All officers must have the status of active member. All officers shall serve at the pleasure of the Board of Directors.

Section 1. President.

The President shall preside at all meetings of the membership. The President shall have the following duties:

- a. The President shall preside at all meetings of the Executive Committee.
- b. The President shall have general and active management of the business of the Board of Directors
- c. The President shall have general superintendence and direction of all other officers of Centro and see that their duties are properly performed.
- d. The President shall submit an annual report of the operations of the program for the fiscal year to the Centro Board of Directors and members at the annual meeting, and from time to time, shall report to the Board all matters that may affect this program.
- e. The President shall submit a monthly report of the operations of the program during the fiscal year to the Centro Board of Directors at the monthly Regular meetings.
- f. The President shall be Ex-officio member of all standing committees and shall have the power and duties usually vested in the office of the President.

Section 2. Vice-President.

The Vice-President shall be vested with all the powers and shall perform all the duties of the President during the absence of the latter. The Vice-President's duties are:

- a. The Vice-President shall have the duty of chairing their perspective committee and other such duties as may, from time to time, be determined by the Board of Directors.

Section 3. Secretary.

The Secretary, or a designee, shall attend all meetings of the Board of Directors and of the Executive Committee, and all meetings of members, and assisted by a staff member, will act as a clerk thereof. The Secretary's duties shall consist of:

- a. The Secretary, or a designee, shall record all votes and minutes of all proceedings to be kept for that purpose. The Secretary in concert with the President shall make the arrangements for all governance meetings of Centro.
- b. The Secretary, or a designee, shall send notices of all meetings to the members of the Board of Directors and shall record attendance for the meetings and track attendance for all Board of Directors at Centro meetings.
- c. The Secretary, or a designee, shall perform all official correspondence from the Board of Directors as may be prescribed by the Board or the President.

Section 4. Treasurer.

The Treasurer's duties shall be:

The Treasurer shall submit for the Centro Board of Directors, approval of all expenditures of funds raised by Centro and proposed capital expenditures (equipment and furniture) by the staff of Centro.

- a. The Treasurer shall present a complete and accurate report of the finances raised by Centro and also future endowment and fund accounts at each regular meeting of the Board of Directors, or at any other time upon request of the Board including an annual report at the Annual Meeting in December.
- b. It shall be the duty of the Treasurer to assist in direct audits of the funds of the program according to funding source guidelines and generally accepted accounting principles.
- c. The Treasurer shall perform such other duties as may be prescribed by the Advisory Board or the President under whose supervision he/she shall be.

Section 5. Parliamentarian.

The Parliamentarian is an expert in rules of order and the proper procedures for the conduct of all Centro governance meetings. The Parliamentarian will assist in the drafting and interpretation of bylaws and rules of order, and the planning and conduct of meetings. The Parliamentarian duties shall be:

- a. The Parliamentarian shall be a resource to the President to assist in the conduct of the meeting.
- b. The Parliamentarian shall be consulted when the President is not certain on how to rule on a question or proceed in the circumstances during a governance meeting.

Section 5. Election of Officers.

The Board of Directors shall elect the offices of the Centro Board at the December Annual Membership Meeting. Those officers elected shall serve a term of one (1) year, commencing at the January meeting following the Annual Membership Meeting.

Section 6. Removal of Officer.

The Board with the concurrence of 3/4 of the Board of Directors may remove any officer and appoint an interim successor for the unexpired term. No officer of the Board of Directors shall be expelled without an opportunity to be heard and notice of such motion of expulsion shall be given to the member in

writing ten (10) days prior to the meeting at which motion shall be presented, setting forth the reasons of the Board for such expulsion.

Section 7. Vacancies.

The Centro Board shall also be responsible for appointments to fill vacancies which occur between annual meetings, including those of officers. Nominations shall be sent in writing to members of the Board at least one (1) week prior to the next meeting at which the appointment will be voted. The persons so elected shall hold membership or office for the unexpired term in respect of which such vacancy occurred.

Article VII: MEETINGS

Section 1. Regular Meetings.

Regular meetings of the Board of Directors shall be held monthly, at a time and place designated by the President.

Section 3. Special Meetings.

Special meetings may be called by the President, the Executive Committee, or a simple majority of the Board of Directors. A petition signed by five percent (5%) of voting members may also call a special meeting.

Section 4. Notice of Meetings.

Notice of each meeting shall be given to each voting member, by email or other electronic means, not less than two (2) days prior to the meeting.

Section 5. Quorum.

A quorum for the Annual Membership Meeting shall consist of at least one percent (1%) of the active membership or a quorum of the Board of Directors.

Section 6. Voting.

All issues to be voted on by the membership shall be decided by a simple majority of those members present at the Annual Membership Meeting in which the vote takes place.

Article VIII: COMMITTEES

Section 1. Committee Formation and Dissolution.

The board may create committees as needed through a motion and simple majority vote. The President shall appoint all committee chairs.

All committees shall serve at the pleasure of the Board of Directors.

Section 2. Executive Committee.

The four officers serve as the members of the Executive Committee. Except for the power to amend the Articles of Incorporation and Bylaws, the Executive Committee shall have all the powers and authority of

the board of directors in the intervals between meetings of the board of directors and is subject to the direction and control of the full board.

Section 3. Finance Committee.

The treasurer is the chair of the Finance Committee, which includes three other board members. The Finance Committee is responsible for developing and reviewing fiscal procedures, fundraising plans, and the annual budget with staff and other board members. The board must approve the budget and all expenditures must be within budget. Any major change in the budget must be approved by the board or the Executive Committee. The fiscal year shall be the calendar year. Annual reports are required to be submitted to the board showing income, expenditures, and pending income. The financial records of the organization are public information and shall be made available to the membership, board members, and the public.

Article IX: BOOKS AND RECORDS

The corporation shall keep complete books and records of account and minutes of the proceedings of the Board of Directors.

Article X: CORPORATE STAFF

Section 1: Executive Director.

The Board of Directors shall hire an Executive Director who shall serve through contract at the will of the Board.

- a. The Executive Director shall have immediate and overall supervision of the operations of Centro, and shall direct the day-to-day business of Centro, maintain the property of Centro, hire, discharge, and determine the salaries and other compensation of all staff members under the Executive Director's supervision, and perform such additional duties as may be directed by the Executive Committee or the Board of Directors.
- b. No officer, Executive Committee member or member of the Board of Directors may individually instruct the Executive Director or any other employee.
- c. The Executive Director shall make such reports at the Regular Board and any Executive Committee meetings as shall be required by the President or the Board. The Executive Director shall be an ad-hoc member of all committees.
- d. The Executive Director may not be related by blood or marriage/domestic partnership within the second degree of consanguinity or affinity to any member of the Board of Directors.
- e. The Executive Director may be hired at any meeting of the Board of Directors by a majority vote and shall serve until removed by the Board of Directors upon an affirmative vote of three-quarters (3/4) of the members present at any meeting of the Board Directors. Such removal may be with or without cause. Nothing herein shall confer any compensation or other rights on any Executive Director, who shall remain an employee terminable by contract and at will, as provided in this Section.

Article XI: AMENDMENTS

Section 1. Articles of Incorporation.

The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least two (2) days in advance of such a meeting if delivered personally or electronically. As required by the Articles, any amendments shall require the affirmative vote of all directors then in office. All other amendments of the Articles shall require the affirmative vote of a simple majority of directors then in office.

Section 2. Bylaws.

The Board of Directors may amend these Bylaws by a two-thirds (2/3) majority vote approval of the current Board of Directors at any regular or special meeting. Written notice setting forth the proposed amendment or summary of the changes to be affected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings to Board of Directors..

Article XII: CONFLICT OF INTEREST AND COMPENSATION

Section 1. Purpose.

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

- a. *Interested Person.* Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. *Financial Interest.* A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 1. ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 2. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
- c. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- d. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Procedures.

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest**
 1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 3. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- d. **Violations of the Conflicts of Interest Policy**
 1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings.

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any

action taken to determine whether a conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation.

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6. Annual Statements.

Each director, officer, corporate staff member and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews.

To ensure Centro operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts.

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article XIII: INDEMNIFICATION

Section 1. General.

To the full extent authorized under the laws of the state of Texas, the corporation shall indemnify any director, officer, employee, or agent, or former member, director, officer, employee, or agent of the corporation, or any person who may have served at the corporation's request as a director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnatee"), against expenses actually and necessarily incurred by such indemnatee in connection with the defense of any action, suit, or proceeding in which that indemnatee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matters as to which that indemnatee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnatee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 2. Expenses.

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnatee to repay such amount if it shall ultimately be determined that such indemnatee is not entitled to be indemnified hereunder.

Section 3. Insurance.

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

Article XIV: DISSOLUTION

Centro Cultural Hispano de San Marcos shall use its funds only to accomplish the purpose and mission specified by these by-laws. No part of said funds shall benefit nor be distributed to the members of Centro Cultural Hispano de San Marcos. On dissolution of the Centro Cultural Hispano de San Marcos any funds remaining shall be distributed to one or more regularly organized and qualified charitable, educational, scientific or philanthropic organizations selected by the Board of Directors as defined in Internal Revenue Code Section 501(c)(3).

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

Received Oct. 06, 2006
DEPARTMENT OF THE TREASURY

Date: SEP 27 2006

CENTRO CULTURAL HISPANO DE SAN
MARCOS
C/O OFELIA VASQUEZ PHILO
505 PARK PL
SAN MARCOS, TX 78666

Employer Identification Number:
59-3835816
DIN:
17053219013036
Contact Person:
DIANE M GENTRY ID# 31361
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
170(b) (1) (A) (vi)
Form 990 Required:
YES
Effective Date of Exemption:
FEBRUARY 9, 2006
Contribution Deductibility:
YES
Advance Ruling Ending Date:
DECEMBER 31, 2010

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c) (3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c) (3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c) (3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

EXEMPTION VERIFICATION LETTER



Texas Comptroller of Public Accounts
Austin, TX 78774

May 01, 2019

CENTRO CULTURAL HISPANO DE SAN MARCOS
PO BOX 1553
SAN MARCOS, TX 78667-1553

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

Franchise tax, as of 02-09-2006

Sales and use tax, as of 02-09-2006

(provide Texas sales and use tax exemption certificate [Form 01-339 \(Back\)](#) to vendor)

The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 32019129660

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a [permit](#) for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication [Exempt Organizations: Sales and Purchases](#) (96-122). [Online registration is available.](#)

For information concerning sales taxpayer permit status, please use the [vendor search](#) we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from [Business and Nonprofit Forms page](#) of the [Secretary of State's website](#). Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the [Foreign or Out-of-State Entities page](#) on the Secretary of State's website.

Our publications and other helpful information are available on our [website](#). If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at 800-252-5555.

FY2020

	As of Oct 31st	Proj. BL 2019	General Revenue	Grant Donor Revenue
Revenue Totals from other page			\$130,104.51	\$142,003.36
Advertising/Promotion	\$ 1,533.82			
Accounting & Audit (Contract)	\$ 2,400.00	\$ 2,400.00	\$2,400.00	
Building Rent	\$ 3,325.00	\$ 6,625.00		\$6,625.00
Building Supplies	\$ 105.58	\$ 250.00	\$250.00	
Building Utilities	\$ 14,004.11	\$ 12,000.00	\$6,000.00	\$6,000.00
Centro Share of Fringe (P/R Taxes)	\$ 5,646.74	\$ 4,000.00	\$4,000.00	
Building - Cleaning/Janitor (Contract)	\$ 6,875.00	\$ 7,500.00	\$2,500.00	\$2,500.00
Fundraising Costs for Calendar Year			\$10,000.00	
Catering Services	\$ 8,525.00			
Communications/Internet	\$ 104.33	\$ 300.00	\$150.00	\$150.00
Entertainment (Contract)	\$ 32,640.40			
Facility Maint./Repair (Contract)	\$ 355.00	\$ 300.00	\$2,500.00	\$2,500.00
Hospitality Refreshments	\$ 550.13			
Insurance - Liability/D&O	\$ 967.31	\$ 2,000.00	\$1,000.00	\$1,000.00
Line of Credit Expense (\$75000.00)@3			\$2,250.00	
PayPal fees	\$ 248.14	\$ 500.00		
Postage & Mailing Services	\$ 516.65	\$ 750.00	\$400.00	\$400.00
Printing/Photocopies	\$ 2,085.10	\$ 2,500.00	\$500.00	\$500.00
Program - Dance Supplies	\$ 314.22	\$ 600.00		\$600.00
Program - Instructors - Art, Dance, Music	\$ 6,725.00	\$ 18,353.00		\$18,353.00
Program - Instructors - Summer Camps	\$ 5,401.00	\$ 2,000.00		\$2,000.00
Program - Piano Supplies/Tuning	\$ 86.14	\$ 250.00		\$250.00
Program - Summer Camp Refreshments	\$ 93.07	\$ 500.00		\$500.00
Program - Summer Camp Supplies	\$ 28.13	\$ 720.00		\$720.00
Program - Tutors	\$ 1,027.50	\$ 500.00		\$500.00
Program Total Supplies		\$ 200.00		\$1,000.00
Software Subscriptions & Costs	\$ 1,368.81			
Staff - Development Coordinator	\$ 10,396.75	\$ 8,775.00	\$4,500.00	\$4,500.00
Staff - Executive Director	\$ 43,076.90	\$ 70,000.00	\$50,000.00	\$20,000.00
Staff- Front Office Bookkeeper			\$6,000.00	
Staff - Museum Curator		\$ 8,775.00	\$0.00	
Staff - Program Coordinator	\$ 20,340.00	\$ 13,500.00	\$6,500.00	\$6,500.00
Supplies - Janitor	\$ 489.16	\$ 500.00	\$250.00	\$250.00
Supplies - Office	\$ 973.06	\$ 1,250.00	\$500.00	\$500.00
TOTAL EXPENSES	\$ 168,668.23	\$ 165,048.00	\$99,700.00	\$75,348.00
Minus revenue generated			\$30,404.51	\$66,655.36
Carry over Funds for 2021				\$97,059.87

2020 Projections of Revenue

General Revenue			
Cash on Hand 10/31/2019	\$	30,104.51 \$	24,503.36 \$
Undesignated			
Amigas		\$8,000.00	
Caballeros		\$2,000.00	
Membership		\$1,000.00	
Donations Business		\$5,000.00	
Facility use		\$3,000.00	
Art sales Mobile Art		\$5,000.00	
Cinco de mayo		\$10,000.00	
Merchandising		\$5,000.00	
Other events not limited to Gala		\$50,000.00	
Program fees		\$1,000.00	
Grant Donated			
Burdine Johnson			\$50,000.00
Tomblin Foundation			\$15,000.00
Youth Mariachi			\$1,500.00
City Museum			\$25,000.00
AUSTIN GRANT			\$12,000.00
Diversity			\$14,000.00
NALAC		\$10,000.00	
Total		\$130,104.51	\$142,003.36
Combined		\$272,107.87	

CENTRO CULTURAL HISPANO DE SAN MARCOS

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2018

CENTRO CULTURAL HISPANO DE SAN MARCOS

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Independent Auditor's Report

To the Board of Directors of
Centro Cultural Hispano de San Marcos

I have audited the accompanying financial statements of Centro Cultural Hispano de San Marcos, (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centro Cultural Hispano de San Marcos as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Linda Jennifer Gonzalez, CPA

San Marcos, Texas
November 8, 2019

CENTRO CULTURAL HISPANO DE SAN MARCOS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

CURRENT ASSETS	
Cash and cash equivalents	\$ 126,480
Prepaid expenses-rent	1,663
TOTAL CURRENT ASSETS	<u>128,143</u>
TOTAL ASSETS	<u><u>\$ 128,143</u></u>
LIABILITIES AND NET ASSETS	
Payroll liabilities	\$ 882
TOTAL CURRENT LIABILITIES	<u>882</u>
NET ASSETS	
Without donor restrictions	108,575
With donor restrictions	18,686
TOTAL NET ASSETS	<u>127,261</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 128,143</u></u>

The accompanying notes are an integral part of these financial statements.

CENTRO CULTURAL HISPANO DE SAN MARCOS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	\$ 48,864	\$ 29,911	\$ 78,775
Fundraising	51,286	-	51,286
Contributions	14,302	-	14,302
Memberships	9,440	-	9,440
Program income	850	-	850
TOTAL SUPPORT AND REVENUE	<u>124,742</u>	<u>29,911</u>	<u>154,653</u>
Donor restricted net assets released from restrictions-satisfied by payment	28,010	(28,010)	-
TOTAL SUPPORT AND REVENUE	<u>152,752</u>	<u>1,901</u>	<u>154,653</u>
EXPENSES			
Program services	92,094	-	92,094
Supporting services			
Management and general	19,742	-	19,742
Fundraising	31,704	-	31,704
TOTAL EXPENSES	<u>143,540</u>	<u>-</u>	<u>143,540</u>
CHANGE IN NET ASSETS	9,212	1,901	11,113
BEGINNING NET ASSETS	99,363	16,785	116,148
ENDING NET ASSETS	<u>\$ 108,575</u>	<u>\$ 18,686</u> ^{mt}	<u>\$ 127,261</u>

The accompanying notes are an integral part of these financial statements.

^{mt} Ending net assets balance represents remaining funds that have donor restrictions on how funds should be spent.

The breakdown of the donor restricted net assets is as follows: City of San Marcos - \$9,455; Tomblin Foundation - \$6,003; and Texas State University - \$3,228. See Note B within the notes to the financial statements.

CENTRO CULTURAL HISPANO DE SAN MARCOS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Personnel expenses	\$ 41,057	\$ -	\$ -	\$ -	\$ 41,057
Fundraising	-	-	31,704	31,704	31,704
Occupancy expenses	9,672	9,671	-	9,671	19,343
Program expenses	18,564	-	-	-	18,564
Instructors	15,184	-	-	-	15,184
Cleaning	3,279	3,279	-	3,279	6,558
General operations	-	4,114	-	4,114	4,114
Professional services	-	2,400	-	2,400	2,400
Printing	1,963	-	-	-	1,963
Equipment	1,035	-	-	-	1,035
Insurance	673	278	-	278	951
Advertising	667	-	-	-	667
	<u>\$ 92,094</u>	<u>\$ 19,742</u>	<u>\$ 31,704</u>	<u>\$ 51,446</u>	<u>\$ 143,540</u>

The accompany notes are an integral part of these financial statements.

CENTRO CULTURAL HISPANO DE SAN MARCOS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 11,113
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Change in prepaids	(1,663)
Change in liabilities	290
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,740</u>
CHANGE IN CASH AND CASH EQUIVALENTS	9,740
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>116,740</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 126,480</u></u>
Supplementary disclosures:	
Interest	\$ -
Income taxes paid	\$ -

The accompanying notes are an integral part of these financial statements.

CENTRO CULTURAL HISPANO DE SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Centro Cultural Hispano de San Marcos is a nonprofit corporation and received its Internal Revenue Code 501(c)(3) status in 2006. The organization's purpose is to promote Hispanic cultural awareness and community relations. Its mission is to serve as a community beacon for the preservation, development, promotion and celebration of the Hispanic arts, culture, heritage and values. Funding sources are from government grants, and contributions from local foundations, corporations and the general public.

Basis of presentation

The financial statements of Centro Cultural Hispano de San Marcos have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the organization to report information regarding its financial position and activities to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Centro Cultural Hispano de San Marcos's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donors' restrictions are temporary in nature; those restrictions will be met by actions of Centro Cultural Hispano de San Marcos or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and cash equivalents

Centro Cultural Hispano de San Marcos's cash consists of cash on deposits within banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investments invested for long-term purposes. As of December 31, 2018, the organization's cash and cash equivalents totaled \$126,480.

CENTRO CULTURAL HISPANO DE SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 Inputs that are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable for the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amount of cash and cash equivalents, prepaids, accounts payables and accrued expenses approximates fair market value due to the short-term maturities of these investments.

Accounting for Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Gifts Received for Specific Beneficiaries

As required by ASC 958-605-25, when acting as an agent, the organization does not recognize gifts as revenues if the gifts are designated for specific beneficiaries unless the donor specifies variance power with the gift.

CENTRO CULTURAL HISPANO DE SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expenses as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes. The tax year is still open to audit for both federal and state purposes.

New Accounting Pronouncement

In 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities-Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification. Centro Cultural Hispano de San Marcos has adjusted the presentation of these statements accordingly.

CENTRO CULTURAL HISPANO DE SAN MARCOS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE B - DONOR RESTRICTED NET ASSETS

As of year end, December 31, 2018, donor restricted net assets consisted of \$18,686:

City of San Marcos (restricted for diversity, Cinco de mayo, and sights and sounds)	\$9,455
Tomblin Foundation (restricted for program activities)	6,003
Texas State University (restricted for NASA/FAMA)	3,228

NOTE C - LEASES

On September 1, 2017, Centro Cultural Hispano de San Marcos entered into an operating lease agreement with San Marcos CISD for the rental of a building on Lee Street, San Marcos, Texas for the purpose of utilizing the property for office and program activities. The lease term commenced on September 1, 2017 and ends August 31, 2042. However, San Marcos CISD reserves the right to limit the least term to a five (5) year term by providing the organization thirty (30) days written notice. Centro Cultural Hispano de San Marcos agrees to pay annual rent of \$6,650 paid in quarterly installments. Either party has the option and discretion to terminate the lease agreement prior to the end of the lease term, so long either party provides a ninety (90) days written notice of its intent to terminate the lease agreement and the organization will be released of all liability for rent at the end of the ninety (90) days notice.

In addition, should San Marcos CISD want to sell the leased property during the term of the lease, Centro Cultural Hispano de San Marcos has the right of first refusal to purchase the leased property. The right shall extend for sixty (60) days after San Marcos CISD contemplates, with written notice to Centro Cultural Hispano de San Marcos, selling the leased property. Before San Marcos CISD can finalize the sale of the leased property; San Marcos CISD shall provide Centro Cultural Hispano de San Marcos ninety (90) days written notice.

NOTE D - SUBSEQUENT EVENTS

In early 2019, the organization hired an executive director. The Executive Director has a one-year contract for \$70,000 starting March 2019 and ending March 2020.



November 8, 2019

To the Board of Directors of
Centro Cultural Hispano de San Marcos

My Responsibility under U.S. Generally Accepted Auditing Standards

My responsibility, as prescribed by the U.S. Professional Standards, is to plan and perform my audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and to express an opinion on the financial statements. An audit, in accordance with U.S. Generally Accepted Auditing Standards, does not provide absolute assurance or guarantee the accuracy of financial statements and is subject to the inherent risk that errors, irregularities or illegal acts, if they exist, have not been detected. Such standards also require that I obtain sufficient understanding of the internal control structure to plan the audit. However, such understanding is required for the purpose of determining my audit procedures and not to express an opinion on the effectiveness of the internal control over financial reporting.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

My Responsibility for Other Information in Documents Containing Financial Statements

Pursuant to U.S. Professional Standards, the auditor's responsibility for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and the auditor is not required to perform procedures to corroborate such other information.

Management Judgments and Accounting Estimates

Accounting estimates, based upon Management's judgments, are an integral part of the financial statements. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from Management's current judgments.

Disagreements with Management

For purposes of this letter, U.S. Professional Standards define a disagreement with Management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter which could be significant to the financial statements or the audit report. I am pleased to report that no such disagreements arose during the course of my audit.

Report Issued on Financial Statement Audit

My report issued on the financial statements was unmodified.

Internal Control Related Matters

I considered the internal control structure in order to gain a basic understanding of the internal control policies and procedures in order to design an effective and efficient audit approach, not for the purpose of providing assurance on the internal control structure.

The organization should implement formal written financial policies and procedures that outline specific oversight procedures over financial transactions and reporting, particular in the areas of bank reconciliations, deposits, and disbursements.

Accounting Principles

Management employed appropriate accounting principles as described in the audited financial statements within Note A, and made all required disclosures in a clear and complete manner within the financial statements, as required following U.S. Generally Accepted Accounting Principles.

With the consideration of the proposed audit adjustments to record prepaid expenses, I noted no transactions that were both significant and unusual, and of which, under U.S. Professional Standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance of consensus.

Management Cooperation

The management and governing board have been most helpful and cooperative.

Management Consultations with Other Accountants

Management has advised it did not consult with other accountants regarding auditing and accounting matters.

Management Representation

Management has provided me with a representation letter which outlines their responsibilities for the financial statements and information provided to me during the audit.

Difficulties Encountered in Performing the Audit

I encountered no unusual difficulties in dealing with Management in performing my audit. I was given full access to accounting records, supporting documents and other information that I requested.

Independence

I am not aware of any relationships between my firm and you that, in my professional judgment, may reasonably be thought to bear on my independence since my last communication.

Other matters

At year end, December 31, 2018, the organization had an increase in its net assets (profit). However, in 2019, the organization hired an executive director which will require additional funds. The organization should search and secure additional revenue/funding sources. The increase in funding will allow the organization to continue its programs and carry on its mission and meet its financial obligations.

This report is intended solely for the information and use of organization's management and its Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda T. Gonzalez", followed by a long horizontal line extending to the right.

Linda T. Gonzalez, CPA

Centro Cultural Hispano de San Marcos
2020 Board of Directors

LAST NAME	FIRST NAME	TITLE	<u>CDBG Role</u>
Costilla	Nicholas	Parliamentarian	sign checks
Merchant	Rosalba	Secretary	sign checks
Villalobos	Sonja	Vice President	sign checks
Arredondo	Frank	Treasurer	sign checks/financial
Rios	Eduardo	President	sign checks
Espinoza	Dr. Ricardo	Executive Director	Oversight/ Directionality
Hernandez	Monica	Front Office Bookkeeping	Bookkeeping

**Centro Cultural Hispano de San Marcos
CCHdSM**

Emplome Handbook

B. Performance Review – Executive Director

The Executive Board will evaluate the Executive Director’s performance every six months at or near the anniversary date of employment. Reflective practice will be used so that the Executive Director can do a self-evaluation regarding the outcomes set up by the Executive Board. This will be done in a form to be approved in advance by the Executive Board and a written record of the evaluation will be maintained in the Executive Director’s personnel file. A written copy of the evaluation will be provided to the Executive Director and she/he will acknowledge receipt of the evaluation and agree or disagree with the findings.

XVII. Employment and Personnel Records

CCHdSM personnel files must contain current information regarding each employee. You should inform the Executive Director immediately whenever there are changes in personal data such as an address, telephone number, marital status, number of dependents, and persons to notify in case of an emergency. You may inspect your personnel file at reasonable times on reasonable notice. You may also obtain copies of any document in your personnel file that you have signed.

XVIII. Discipline

All employees are expected to perform their duties diligently and to conduct themselves professionally, in accordance with these policies, at all times. Failure to observe the expected standards of performance and behavior will result in appropriate disciplinary action, including termination.

XIX. Compliance with State and Federal Laws

A. Discrimination

No employee may be discriminated against based on race, color, age, gender, sexual orientation, religion, disability, national origin, veteran status, or any other trait protected by law. Employees must immediately report discriminatory actions to the Executive Director or the President of the Board of Directors. Any allegations will be investigated as promptly and confidentially as possible.

B. Sexual Harassment

Sexual harassment, including but not limited to unwelcome sexual advances, verbal or physical conduct of a sexual nature or any actions that create a hostile work environment are strictly prohibited. Employees must immediately report such actions to the Executive Director, or the President of the Board of Directors. Any allegation will be investigated as promptly and confidentially as possible.

Approved _____ CCHdSM Board of Directors

**Centro Cultural Hispano de San Marcos
CCHdSM**

Emplome Handbook

C. Harassment Complaint Procedure (for employees)

1. The CCHdSM considers all allegations of harassment to be serious matters. All reported incidents of harassment will be handled in accordance with this policy. All employees must promptly and accurately report any actual, threatened or perceived incidents of harassment to their supervisor and/or the Executive Committee. Any statement received from an employee relating to any allegations of harassment will be treated as confidential to the extent possible and handled in accordance with this policy.
2. Once a complaint has been made, the CCHdSM will interview the Complainant and the alleged harasser. After the interviews of the Complainant and the alleged harasser have been completed, the seriousness of the allegations will be weighed by the CCHdSM, and depending upon the circumstances, the alleged harasser may be suspended, with or without pay, pending completion of the investigation.
3. All witnesses named by the parties will be questioned about the allegations and any other relevant information they may have about the Complainant, the allegations, the alleged harasser, the alleged harasser's defenses, or other relevant information. Each person interviewed will be reminded of their duty to provide information and advised that the interview is confidential and should not be discussed with others.
4. If the investigation supports the Complainant, appropriate disciplinary action, up to and including termination, will be taken. The goal of any disciplinary action taken will be to stop the harassment and avoid its repetition. The discipline may vary depending on the severity of the harassment, the alleged harasser's employment history and any prior complaints of similar harassment. Appropriate disciplinary measures may include suspension, counseling, demotion or discharge.

D. Non-Retaliation Policy

Any person, who brings a claim or complaint of discrimination or harassment, or who assists in the investigation of such claim or complaint, will not be adversely affected in the terms and conditions of employment, or discriminated against or discharged because of the complaint or assistance. Complaints or such retaliation will be promptly investigated and, when warranted, the persons engaging in the retaliatory conduct will be subject to disciplinary action.

**CITY OF SAN MARCOS
2020 CDBG APPLICATION**



NOTE: This form is not to be used for applicants seeking funds to support programs operated by non-profit organizations. A separate application form for "Public Services" is available and should be used for projects of that nature.

Due Date: May 1, 2020

I. APPLICANT CONTACT INFORMATION

Applicant Organization: Centro Cultural Hispano de San Marcos

Contact Name: Dr. Ricardo Espinoza Telephone: 815 503 2250

Mailing Address: PO Box 1553 San Marcos, Texas 78667

Physical Address, if different from mailing address: 211 Lee Street San Marcos, Texas 78666

Contact E-Mail Address: ricoespinoza@gmail.com Web Address: www.sanmarcoscentro.org

Who is authorized to execute program documents? Dr. Ricardo Espinoza

II. APPLICATION SUMMARY INFORMATION

Project Name: Making Centro More Accessible and Energy Efficient through Renovation

Amount of CDBG Funds Requested: \$388,461

Project Location: 211 Lee Street San Marcos, Texas 78666

High Priority Need

Affordable Housing

Public Services [Use the Public Services Application]

Public Facilities

Economic Development

National Objective

Benefit to Low/Mod Income Persons

Slum or Blight Elimination/Prevention

Urgent Need (such as disaster)

Will all CDBG funds for this project be expended by July 15, 2021? Yes No

If "No", what percent is expected to be completed by that date? _____

III. PROJECT DESCRIPTION

SUMMARY

Summarize how CDBG funds are proposed to be used:

Centro has been at 211 Lee Street with great success these past nine years. Centro Cultural Hispano de San Marcos provides a museum, library, walking art gallery, meeting space, ArtSpace activities, dual language instruction, Spanish language instruction, Ballet Folklorico instruction, summer camp programming, and Mariachi instruction to name a few. We are "All-Inclusive and All-Encompassing," regarding all the services we provide and the stake-holders we serve.

It is our intent to make Centro safer, energy efficient, and more accessible to the public by utilizing CDBG funds to renovate this building. Currently, we lease the building from San Marcos Consolidated Independent School District. The District has permitted us to apply for CDBG resources to make the improvements to this 2011 Texas Recognized Historical Landmark building. The key project for this renovation will be the installation of solar capacity thus creating a sustainable environment that benefits all.

The renovations we plan to do will be in phases:

1. AC/Heating update
2. Doors/Windows
3. Asbestos abatement
4. Solar installation
5. Hallway corridor construction
6. Room remodel (New Flooring)

PROJECT SCOPE:

Please check all statements that apply to this project:

- All project design work is complete for this project (plans, specifications, etc.)
- This project will include selection of professional service providers (architect, engineer, etc.)
- This project includes acquisition of real property
- This project includes the rehabilitation of existing buildings
- This project includes new construction
- This project includes demolition of existing structures
- This project includes a public facility (such as a senior center)

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

In the following manner:

- 1. Number of participants in a given year and the increase thereof*
- 2. Reduction in energy costs*
- 3. Survey of individuals and their thoughts on the before and after of the improvement of the facility*
- 4. Community outreach complete with open houses and Centro Nights*

IV. BENEFICIARIES

The CDBG program allows several different methods of documenting that a project benefits low to moderate income persons. *Direct Benefit* projects provide services directly to an individual or family; for example, a housing rehabilitation project is a Direct Benefit project. *Area Benefit* projects benefit a geographic location; for example, a Sidewalk Project.

DIRECT BENEFIT PROJECTS:

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

1. How many unduplicated individuals or households are expected to be served by this project? Over 2,000

Presumed Benefit: Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit a population in which at least 51% of the population is low-to-moderate income. Individual income verification is not required, although residency and other client statistics must be collected. The Presumed Benefit categories are:

a. Elderly persons (62 or older)	e. Battered spouses
b. Homeless persons	f. Abused children
c. Persons living with AIDS	g. Migrant farm workers
d. Illiterate persons (includes non-English speakers)	h. Severely disabled adults (Census Bureau definition)

2. Will all of the program's beneficiaries be in a Presumed Benefit Category? Yes or No

If "yes", list the categories: a, b, c, d, e, f, g, h

3. If the program's beneficiaries cannot be considered "Presumed", how will income eligibility be determined?

Projection of the individual or family's income based on family size; or,

Other. Please provide details of how eligibility will be determined:

AREA BENEFIT PROJECTS:

Some projects, such as a senior center or a park, serve an area rather than individual persons. HUD defines an area benefit project as an activity which is available to benefit all of the residents of an area which is primarily residential. In order to meet the eligibility requirement of benefitting low to moderate persons, the area served must be an area where at least 51% of the residents are low/mod income persons. Most, but not all, San Marcos residential neighborhoods are low/mod.

1. Will this project be available to benefit all persons in the service area? Yes No

2. Are the neighborhoods that will benefit from this project primarily residential? Yes No

If "No", please explain: _____

3. What neighborhoods will benefit from this project? Please list either individual neighborhoods or describe the boundaries that will define the service area:

The entire City of San Marcos

PUBLIC FACILITY PROJECTS

In the CDBG program, Public Facilities are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by non-profit organizations, and operated so as to be open to the general public. Facilities providing shelter for persons having special needs are also considered to be public facilities.

- *Public facility projects cannot include the costs of operating and maintaining public facilities, costs of purchasing construction equipment, the costs of furnishings and other personal items such as uniforms, or new construction of public housing.*
- *Public facilities are intended to benefit all the residents of an area; thus, in most cases it must serve an area having at least 51% low/mod population.*
- *Public facilities owned by a nonprofit must be made available to the general public and must be open for use by the general public during all normal hours of operation.*
- *Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges, such as excessive membership fees, which will have the effect of precluding low/mod income persons from using the facilities, are not permitted.*

1. Who is/will be the owner of the facility? San Marcos CISD

2. Will fees be charged for the use of the facility? Yes or No

If yes, please attach a fee schedule.

3. How will the facility be made available to the general public? Website, open houses, targeted events, daily hours of operation, special events, Press Releases, celebrations, cultural events, and so forth.

V. PROJECT BUDGET

The CDBG program requires that a project be completed and serving beneficiaries within a reasonable time – generally within one year of award date. Thus it is important for any additional funds needed to complete the project to be secured prior to award of CDBG funds or shortly thereafter.

1. Estimated total project cost: \$ 388,461 CDBG Funds requested: \$ 388,461
2. Funds from all other sources that will be available on or before October 1, 2020: \$ 0
3. How will budget shortfalls be addressed? _____

4. Are any additional funds for this project being requested from the City of San Marcos?
 Yes X No. If "yes", please describe type and amount requested: \$ _____
Type of funds requested: _____

FUNDING HISTORY

1. Has your organization received CDBG funding in the past 5 years? Yes X No
2. If yes, how were the funds used? _____

3. Is the project complete? Yes No If no, explain status and expected completion date:

**Centro Cultural Hispano de San Marcos
Community Development Block Grant Application
2020 Project Application**

Expenditures

AC/Heating Update	\$43,000.00
Doors	\$52,945.00
Windows	\$73,016.00
Hallway Corridor Construction	\$22,000.00
New Vinyl Flooring for Abated Areas	\$18,000.00
Asbestos Abatement	\$57,000.00
Solar Installation	\$121,500.00
<u>Total Costs</u>	<u>\$387,461.00</u>

LINE ITEM BUDGET

Please use the following format to present your proposed line item budget. Secured funds are funds on-hand, pledged, or awarded. City Council has waived fees for Construction Permitting and Development Code Processes for CDBG projects. Impact fee charges, when applicable, are not waived. Round budget numbers to the nearest dollar.

CDBG funds cannot be spent or obligated until final environmental clearance for the project has been obtained. HUD has interpreted "obligated" to mean that we cannot execute contracts or take bids as that will "obligate" funds. The environmental review is generally prepared by the City's CDBG staff. **Please include \$1,000 for environmental fees for rehabilitation, new construction, demolition or clearance, and land acquisition projects.** No environmental expenses are required for professional service projects that will not include construction.

Budget Item	Total Budget	CDBG Funding Proposed	Other Funding Source(s)	Secured Funds available at project start	Additional Funds Needed to Complete Project
Project Soft Costs					
Environmental Review Costs	\$1,000	\$1,000			
Professional Services					
Publication Costs					
Project Hard Costs					
Environmental Testing (lead paint, etc.)					
Dumpsters / fencing/ portable toilets, etc.					
Demolition / clearance expenses					
Rehabilitation or new construction costs	\$387,461	\$387,461	0	0	0
Property acquisition					
Other					
Other					
BUDGET TOTAL		\$388,461			

VI. PROJECT IMPLEMENTATION SCHEDULE

The first activity should be environmental review. Projects that do not impact the physical environment generally take about 15 days for environmental review – this would include public services, professional services, homebuyer assistance.

Projects that will potentially have a physical impact on the environment (construction or demolition, for example) generally take 45 to 60 days for environmental review. If the project is located in a FEMA floodplain, add 30 additional days.

Please include reasonable time for procurement activities, including procurement of professional service providers.

Projected Implementation Schedule with Performance Goals			
Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Procurement of Architect</i>	<i>October 2020</i>	<i>December 2020</i>	<i>Contract executed</i>
City Environmental Review	October 2020		Approval to use funds
Phase One: AC/Heating update	October 2020	October 2020	Installation in one week
Phase Two: Door and Window Installation	November 2020	November 2020	Installation to be completed at the end of November
Phase Three: Asbestos Abatement	December of 2020	December of 2020	Mitigation of asbestos mastic found underneath all carpeted areas to be completed at the end of December
Phase Four: Solar Installation	December of 2020	December of 2020	To be completed at the end of December
Phase Five: Hallway corridor construction	January of 2021	January of 2021	The new exterior wall to be constructed will be finished at the end of January
Phase Six: Vinyl Flooring Installation	January of 2021	January of 2021	Areas that had asbestos mitigation will receive vinyl flooring which will be completed at the end of January

VII. ORGANIZATION INFORMATION

REQUIRED ATTACHMENTS

Please attach the following documents with your application, as applicable:

- Organizational Chart
- Articles of Incorporation
- Proof of Tax Exempt status
- Current year budget
- Most recent balance sheet and financial statement
- A listing of key staff and employees who will work directly with the proposed project, their primary job duties, and other pertinent information relating to your proposed project.
- NA If CDBG funds will be used to hire new personnel, please provide a brief job description of the proposed position(s).
- A listing of your board of directors, including position or title on the board. Provide a contact number for the Chair or President and Treasurer. Note: Information provided will be available for public review.
- Board minutes and resolution authorizing application submittal and specifying who will sign documents. *(The organization's governing board must approve the submittal of this funding application and designate a person who is authorized to execute program documents.)*

BACKGROUND INFORMATION

1. Organization Type:
 501(c) Non-Profit Corporation Public Corporation Government Entity
Other: _____
2. Name and title of Board of Directors Chair or President: Ed Rios, Board of Directors President
3. How many years has your organization been in business? Nine Years
4. Organization's Taxpayer Identification Number (EIN): 59-3835816
5. Organization's Dun and Bradstreet DUNS Number: 102570782
6. Is organization currently registered in the federal System for Award Management (SAM)? Yes No

FINANCIAL INFORMATION

1. What is the date of your fiscal year end? December 31st, 2020
2. Does your organization have a purchasing policy? Under Review Yes No
3. Has your organization currently or within the past five years had any litigation that is pending or has been resolved?
 Yes No
If "Yes", please attach a summary of the litigation and its status; including any outstanding judgments.
4. Has your organization filed a petition for bankruptcy or has a petition for bankruptcy been filed against your organization?
 Yes No
If "Yes", please attach an explanation that includes the current status.

5. During the last fiscal year did your organization spend \$750,000 or more in Federal financial assistance?
 Yes No
6. What level of financial review does your organization obtain from an independent source? Select from the following options:
- | | |
|---|---|
| <input checked="" type="checkbox"/> Single Audit | <input type="checkbox"/> Audited Financial Statement |
| <input type="checkbox"/> Reviewed Financial Statement | <input type="checkbox"/> Compiled Financial Statement |
| <input type="checkbox"/> No independent review | <input type="checkbox"/> Other (describe): |
7. What period was covered by your most recent financial review? Fiscal Year 2018

PERSONNEL AND POLICIES

1. Name and title of your chief administrator Dr. Ricardo Espinoza, Executive Director
 Number of years in this position? One Year
2. Total number of current employees at all locations One fulltime and three part-time total (Four)
3. Total number of current employees who will be involved in this project Two (Executive Director and Bookkeeper)
4. Total number of new employees expected to be hired for the project None
5. Does your organization have a personnel policy manual? Under Review Yes No
 Does it include a procedure for filing grievances? Under Review Yes No
 Does it include a non-discrimination clause? Under Review Yes No
6. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?
 Yes No
7. Separation of duties for financial transactions regarding this project (respond with job title):
- Who will approve payment of incurred expenses? Board of Directors/Executive Director
 - Who will actually prepare the payment check? Bookkeeper
 - Who will sign checks paying project expenses? Two Board of Director Officers of five
 - Who posts the transaction to your financial records? Bookkeeper
 - Who reconciles monthly bank statements? Bookkeeper/Treasurer/Executive Director

INSURANCE, BONDING, AND WORKER'S COMPENSATION

- Does your organization have liability insurance coverage? Yes No
- If yes, in what amount? \$2,000,000
- Does your organization pay worker's compensation in accordance with Federal and state laws?
 Yes No N/A
- Does your organization have fidelity bond coverage for principal staff members who handle the organization's accounts?
 Yes No
- Will vehicles owned by the organization be used in conjunction with the proposed project?
 Yes No
- If yes, what level of liability insurance is maintained on the vehicles? _____

VIII. CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (*funded applicants*), is the procurement regulation found in the *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations*. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
 - An employee, officer, or agent of the subrecipient;
 - Any member of an employee's, officer's, or agent's immediate family;
 - An employee's, agent's, or officer's partner; or
 - An organization which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis.

CONFLICT OF INTEREST QUESTIONNAIRE

NOTE: For the purpose of this form, a "covered person" includes any person who is an employee, agent, consultant, officer or elected or appointed official of the City of San Marcos, your organization, or any designated public agency.

Name of Organization: Centro Cultural Hispano de San Marcos

1. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?

Yes X No _____ If "No" is checked, please explain how you will comply with this requirement:

2. Are any of your Board Members or employees that are responsible for carrying out this project or members of their immediate families or their business associates also:

a. Employed by the City of San Marcos? Yes _____ No X

b. Members of or closely related to members of the San Marcos City Council? Yes _____ No X

c. Members of or closely related to an employee of the City of San Marcos? Yes _____ No X

d. Current beneficiaries or related to beneficiaries of the project for which funds are requested?

Yes _____ No X

e. Paid providers of goods or services to the program or having other financial interest in the program or related to such individuals? Yes _____ No X

3. For each relationship described above, please answer the following questions: (attach additional page if necessary)

a. Name of employee or official: _____

b. Is this person receiving or likely to receive taxable income from your organization?

Yes _____ No _____

c. Is your organization receiving or likely to receive taxable income from or at the direction of the employee or official AND the taxable income is not from the City of San Marcos?

Yes _____ No _____

d. Is your organization affiliated with a corporation or other business entity in which the employee or official serves as an officer or director, or holds an ownership interest of 10% or more?

Yes _____ No _____

4. Describe any other affiliation or business relationship that might cause a conflict of interest with respect to CDBG funds and activities. None

5. Will any of your organization's employees, officers, board members, or members of their immediate family or business partners have a financial interest in any contract, subcontract, or agreement regarding CDBG funded activities?

Yes _____ No X. If yes, please attach an explanation.

IX. APPLICANT ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to this project or program, by the submission of this application, that the following are true statements:

1. It possesses legal authority to apply for the grant and to finance the proposed request; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations (UAR) and agrees to adhere to the accounting principles and procedures required therein, utilizing adequate internal controls and maintaining necessary source documentation for all costs incurred.
3. If it expends \$750,000 or more of federal funds in a fiscal year, it will comply with the Single Audit Act of 1984.
4. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards, and Executive Order 11990, relating to protection of wetlands. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, and approved December 31, 1976. Section 102(a).
5. It will have sufficient funds available or the ability to obtain the non-federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
6. It will give the City and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
7. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the City that funds have been approved and that the project will be performed to completion with reasonable diligence.
8. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
9. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provides for fair and equitable treatment of persons displaced as a result of federal and federally-assisted programs.
10. It will comply with the provisions of the Hatch Act, which limit the political activity of employees.
11. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act as they apply.
12. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the city/federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
13. It will assist the city/federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.).

14. It will comply with Texas Civil Statutes, Article 5996a, by insuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
15. It will insure that all information collected, assembled or maintained by the applicant relative to this project shall be available to the public during normal business hours in compliance with Texas Civil Statutes, Article 6252-17a, unless otherwise expressly provided by law.
16. It will conduct and administer the program in conformity with the Fair Housing Act (42 USC Section 3901 et. Seq.) and that it will affirmatively further fair housing.
17. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In the event that displacement of residential dwellings will occur in connection with a grant-assisted project, it will follow a residential anti-displacement and relocation assistance plan as specified by the City of San Marcos.
18. It certifies that it is not now, nor has it ever been, on the Federal List of Debarred Contractors.
19. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of LMI, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, applicant certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a).
20. It agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart J and subpart K of these regulations, except that (1) the Agency does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) Agency does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Agency also agrees to comply with all other applicable Federal, State, and local laws, regulations, and policies governing the funds provided. Agency further agrees to utilize funds available to supplement rather than supplant funds otherwise available. Agency shall comply with all applicable Federal laws, regulations, and requirements, which include compliance with the provisions of the HCD Act and all rules, regulations, guidelines, and circulars promulgated by the various Federal departments, agencies, administrations, and commissions relating to the CDBG Program. The applicable laws and regulations include, but are not limited to:
 - 24 CFR Part 570;
 - 24 CFR Parts 84 and 85;
 - The Davis-Bacon Fair Labor Standards Act;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - Copeland "Anti-Kickback" Act of 1934;
 - Sections 104(b) and 109 of the Housing and Community Development Act of 1974;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Equal employment opportunity and minority business enterprise regulations established in 24 CFR part 570.904;
 - Non-discrimination in employment, established by Executive Order 11246 (as amended by Executive Orders 11375 and 12086);
 - Section 504 of the Rehabilitation Act of 1973 Uniform Federal Accessibility Standards;
 - The Architectural Barriers Act of 1968;
 - The Americans with Disabilities Act (ADA) of 1990;
 - The Age Discrimination Act of 1975, as amended;

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CRF Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: _____

Date Signed: _____

4-16-2020

Printed Name: Dr. Ricardo Espinoza Title: Executive Director

Organization Name: Centro Cultural Hispano de San Marcos



Ms. Melissa Neel
Ms. Heather Hulbert
Finance Dept., City of San Marcos
630 E. Hopkins St.
San Marcos, TX 78666

Re: City Grant - Budget Year 2019-20/Quarterly Report January – March 2020

Dear Finance Dept.:

Centro Cultural Hispano de San Marcos is a recipient of the City of San Marcos grant to museums.

The contract agreement requires quarterly reports. Please accept this letter as our report for the period of January through March 2020.

As a part of our report, enclosed please find our financials for the period January - March 2020. Centro funds to match the City's quarterly distribution will come from the income source of the \$40,000 deposit in the month of December 2019. As of January 2020, Centro has been preparing the financials internally, so they may look a little different than before.

Centro has, along with our community, adjusted our operations to comply with the COVID 19 "Stay at Home" order from the National, State, City and County levels. Centro closed for Spring Break and suspended all classes, meetings, presentations and events until further notice. As such, our numbers for this time frame reflect that impact.

During the January to March period, Centro activities and numbers were as follows:

Please note that our Museum, Library and Art Gallery are open to the public Tuesday through Friday from 2 pm to 6 pm and Saturday from 10 am to 2 pm. They are also open during any program or event/activity held at Centro. Visitors may or may not sign in at the time of their visit. We encourage it, but it may not happen. If the event is a "community service" event or sponsored by someone else, attendance may not be available.

Ofelia T. Vasquez Mexican American Culture Museum:

Historical Video & Attendance: Total of all in attendance at any event/class
Historical Artifacts & Exhibits

Exhibits – *Iglesias y Camposantos: Sacred Spaces for Mexican American Catholics in San Marcos, Texas* Attendance: Total of all in attendance at any event/class
(January - March)

Ruben Ruiz Music Exhibit January Attendance: Total of all in attendance at any event/class

Programs:

Ballet Folklorico Class	February – March 10, 1-hour weekly class Attendance:
Piano	February -March 14 th classes, one half-hour class/week, classes five days a week Attendance: 26
Tutoring	February – March 12, tutoring once a week Attendance: varies 2-3
Youth Mariachi	February – March, three different classes meeting for three hours, on Saturdays Attendance: 25
Survival Spanish for Adults	February – March 6, weekly 1- hour class Attendance: 5
Dual Language Enrichment Class with Texas State University & SMCISD	February-March Attendance: 23 Texas State students & 29 SMCISD students
Community Danza Circle	February 27 th – March 12th Attendance: 5

Art Gallery: Attendance to Art Gallery Exhibits: Art Gallery is open to the public and attendances to all Centro events allow the individuals the opportunity to enjoy the current exhibit.

Art Exhibit: International Migration/
Immigration Poster Collection
from UNAM in San Antonio
Attendance: Total of all in attendance at any event/class

Marcos & Fidela Garza Library: Attendance: Children use library weekly during tutoring, and other evening activities/classes. Adults will browse books during the time their children are in programs. We do not request sign in to use library. Books can be checked out and read at home.

Tours:

Dr. Pimentel's TX State Univ. class	February (two tours) Attendance: 23
Dr. David Zarefsky	March Attendance: 4

Presentations: None

Events: None

Community Service: Centro does not take attendance on events presented by other organizations.

Facility Use/Dr. Luz Murrillo's Bilingual class meeting, Texas State University	January - March, meet weekly for 2 hours Attendance: 23 students
Facility Use/Hays County Elections Set-up & Vote Center for election day	March Attendance: not recorded
Facility Use/SMCISD Dr. Monica Valadez	January, February & March Attendance: not recorded
Facility Use/Hays County Dems meeting	January, February & March Attendance: not recorded
Facility Use/A Mermaid Valentine by Jessica Mejia	February Attendance: not recorded
Facility Use/ Increasing Funding for The Arts in San Marcos (Centro lead event)	March
Facility Use/2020 Census training	March (two days)
Facility Use/Hays County Women's Political Caucus presentation	March Attendance: not recorded
Centro Executive Board Meeting	1 mtg in January, February & March
Centro General Board Meeting	1 mtg in January, February & March
Centro Board Retreat	1 mtg in January
Centro Special Called Board Meeting	1 mtg in March

Personal Facility Use by Community Members

Amiga member for Bahai' meeting February

Centro in the Community

Staff participated in MLK Celebration at public library	January
Staff attended the Volunteer Expo Sponsored by Texas State	January
Staff attended the Hays County Historical Commission Meeting	January
Staff attended Cuauhtémoc Monthly Meeting	January
Presented memorial wreath & staff participated in MLK Celebration 2020 Vision at Crossroads Memorial & Dunbar Rec. Ctr.	January

Staff attended in 2020 Census Kickoff Luncheon	February
Parade entry in Madri Gras Parade	February
Staff attended Casino Night Fundraiser for San Marcos Rotary Scholarship Fundraiser Program	February
Staff attended the Calaboose Fundraiser & Gala	February
Centro Presented at Lion's Club Weekly meeting	March
Staff participated in Rodriguez Elementary Reading Day	March
Staff met with El Buen Pastor Minister Regarding their 150 th Celebration	March

Visitors by zip code:

All Visitors signed in by zip code

Attendance: 6 – Austin, 2 – Buda, 4 - Houston, 1 – Kingsbury, 5 – Kyle, 3 – Lockhart, 4- Manor, 6 – New Braunfels, 1 – Pflugerville, 5 – San Antonio, 55 - San Marcos, 1 - Schertz
2
2 – Chicago, 2 – Illinois, 3 - California
0

No zip code listed
National Visitors
International Visitors

Publicity

Centro events and presentations are publicized through social media (Facebook/CCHdSM), our website (www.sanmarcoscentro.org), local newspaper and our email list.

If there are any questions regarding this report, please feel free to contact me at 512-878-0640. We greatly appreciate the support of the City of San Marcos which enables Centro to bring culturally rich experiences to our diverse community.

Sincerely,

Gloria Salazar

Gloria Salazar
Program Coordinator
Centro Cultural Hispano de San Marcos

City of San Marcos
Community Development Block Grant
2020 Public Services Application



City of San Marcos

Planning and Development Services Department

630 East Hopkins

San Marcos TX 78666

<https://www.sanmarcostx.gov/3065/CDBG-Action-Plans>

For more information: Carol Griffith 512.393.8147 cgriffith@sanmarcostx.gov

APPLICANT INSTRUCTIONS

Persons with limited English proficiency may request assistance by contacting the City at 512-393-8250. (Las personas con habilidad limitada de Inglés puede solicitar la asistencia poniéndose en contacto con la Ciudad en 512-393-8250.)

Thank you for your interest in the City of San Marcos' Community Development Block Grant (CDBG) Program. The City will receive \$722,904 for program year 2020 which begins October 1, 2020.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov.

APPLICATION INFORMATION

2020 Application Period: March 30 through May 1, 2020

APPLICATION SUBMISSION DEADLINE IS MAY 1, 2020 AT 5:00 P.M.

Submit one signed application electronically to: Carol Griffith, cgriffith@sanmarcostx.gov

Please call to verify your application has been received: Carol Griffith 512-393-8147

PROJECT ELIGIBILITY

Organizations may propose more than one program or project in separate applications.

High Priority Needs

Proposed projects must address one of the High Priority Needs. The following are currently established as High Priority Needs for the City of San Marcos, as stated in the draft 2020-2024 Consolidated Plan:

- Affordable Housing
- Public Services (Total for projects funded may be limited to 15% of the annual CDBG allocation.)
- Public Facilities

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need. Applications will also be accepted for the following category in case this change is made:

- Economic Development

Not everything in these categories can be funded through CDBG. Please refer to the Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities for descriptions of projects that can be funded through CDBG. It can be found at the following link: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

In addition, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by the Department of Housing and Urban Development (HUD) to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities.

National Objectives

All funded projects must also meet one of the three CDBG program National Objectives:

- Benefit low to moderate income individuals or families
- Eliminate slum or blight
- Urgent Need (such as disaster recovery)

POSSIBLE USE OF FUNDS TO SUPPORT COVID-19 RESPONSE

If you would like to propose a program to assist with COVID-19 response, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by HUD to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities. Grantees may use CDBG funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). Please refer to HUD's Quick Guide for a complete listing of activities that can be funded through the CDBG annual entitlement allocation.

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need; therefore, applications will be accepted in the following categories:

- Affordable Housing
- Public Services
- Public Facilities
- Economic Development

Organizations may propose more than one program or project in separate applications.

For the City of San Marcos, the following programs listed in the Quick Guide may be of particular benefit:

1. Provision of assistance to private, for-profit entities when appropriate to carry out an economic development project, such as:
 - Preventing job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low to moderate income persons.
 - Providing technical assistance, grants, loans and other financial assistance to establish, stabilize and expand microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine.
2. Provision of new or quantifiably increased public services, such as the following.
 - Delivering meals on wheels to quarantined individuals or individuals who need to maintain social distancing due to medical vulnerabilities.
 - Providing equipment, supplies and materials necessary to carry out a public service.

APPLICATIONS ARE PUBLIC RECORDS

Once an application is submitted to the City, it becomes a public record and as such is open for public review. All or part of the application may be posted on the City's webpage and included in City Council packet materials. Please keep this in mind when submitting personal information for your staff, board, or clients.

APPLICATION CALENDAR AND CITIZEN PARTICIPATION

The City of San Marcos values the input of its citizens and offers the following opportunities to participate in the preparation of the annual Action Plan. Scheduled dates and venues are subject to change. Workshops will be held virtually due to the current status of the COVID-19 pandemic.

Please check the website <https://www.sanmarcostx.gov/3065/CDBG-Action-Plans> for the latest information and for instructions on joining a virtual meeting.

- Applicant Workshop - **April 2, 2020 at 9:00 a.m. (virtually)**
- Stakeholder's Workshop - **April 2, 2020 at 6:00 p.m. (virtually)**
- Public Hearing for Review of Applications Citizen Comments – **June 16, 2020 at the City Council meeting**
- City Council 2020 Funding Allocations– **August 4, 2020 at the City Council meeting**

FUNDING AWARDS

Submitting a complete application does not guarantee that your request will be funded. The CDBG grant can fund only the actual, allowable, and reasonable costs of a proposed project, and requests for funding generally exceed the amount of funding available. Funding allocations are decided by the City Council, subject to HUD approval.

AVAILABILITY OF FUNDS

Funds awarded for the 2020 program year become available after October 1, 2020. The organization's Subrecipient Agreement with the City must be fully executed prior to the expenditure or commitment of program funds. The appropriate level of environmental review must be completed by CDBG staff before any funds are expended or obligated. Environmental reviews typically take 45 to 60 days to complete for small construction projects and about 15 days for projects that are not likely to have a physical impact on the environment. **No reimbursement will be possible for goods purchased or contracts executed prior to meeting these requirements.**

ORGANIZATION ELIGIBILITY REQUIREMENTS

- Organizations applying for Public Services funding must be a public or private non-profit agency, a public housing authority, a City of San Marcos department, or other government entity.
- Non-profit agencies must be established, operating agencies as evidenced through documentation required in the application. Exhibits to show tax exempt status are required.
- Faith based agencies are eligible to apply on the same basis as other non-profit organizations. However, CDBG funds cannot be used to support worship, proselytizing, or religious instruction. Religious activities must be offered separately, in time or location, from the CDBG supported activity. Participation in the religious activity must be voluntary for the beneficiaries of the CDBG-funded project. Projects operated by faith-based agencies must be available to all community members and not restricted to the organization's membership or congregation.

NON-DISCRIMINATION AND ACCESSIBILITY

Each agency receiving CDBG funds must

- Provide assurance that it will conduct its business in compliance with the non-discrimination requirements of the County, State, and Federal governments as applicable.
- Have Equal Opportunity in Employment policies.
- Agree to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063 as amended by Executive Order 12259, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

FINANCIAL CAPACITY AND AUDITING REQUIREMENTS

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the federal Office of Management & Budget (OMB) requires that any organization that expends \$750,000 or more in federal financial assistance in a fiscal year must secure an annual audited financial statement.

The City has established the following financial statement requirements for organizations assisted with CDBG program funds, based on the total assets of the applicant. The term “total assets” is defined to mean the total amount of liquid assets that is documented to be available to the Subrecipient at the time the funding is approved.

- A. CPA preparation of financial records is not required if the Subrecipient has total assets of \$15,000 or less in value;
- B. A compiled financial statement is required if Subrecipient has total assets greater than \$15,000 and less than or equal to \$100,000 in value.
- C. A reviewed financial statement is required if Subrecipient has total assets greater than \$100,000 and less than or equal to \$200,000 in value.
- D. An audited financial statement is required if Subrecipient has total assets of more than \$200,000 in value. (In an “Audited” statement a CPA provides an in-depth study of the records, organizes them into a statement, and issues an opinion to their validity.)

Organizations receiving CDBG funds must submit the required financial statement which has been prepared by a Certified Public Accountant to the City within nine months from the organization’s fiscal year end and not more than 30 days after the organization’s receipt of the statement.

INSURANCE AND BONDING

Agencies receiving CDBG funding must provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of the funded project. At the time of contract signing, funded agencies must provide evidence of insurance including, but not limited to, multi-peril property and liability, worker’s compensation, automobile liability, and other coverage as deemed necessary by the City. In addition, upon funding the City of San Marcos, Officers, Employees and agents must be added as additional insured to the policy.

PROJECT IMPLEMENTATION SCHEDULE AND PERFORMANCE MEASUREMENT GOALS

Performance measurement is an effective management technique that enables those who receive grant funds (Subrecipients) and the City to analyze the benefits of their investments. It is a mechanism that tracks the progression of projects and evaluates their overall effectiveness and success in meeting project goals. **One of the most important overall goals in planning a CDBG project is the completion of the project in a timely manner.**

The City is monitored by HUD to ensure that the CDBG grant program has benefited low-to-moderate-income families; one success measurement that the City must meet is the expenditure of its program funds in a timely manner. The City must take into account the project schedules for each project that is proposed to ensure that the overall CDBG program will comply with its federally mandated timeliness ratio. Thus, it is critical that each applicant accurately forecasts the time that will be involved in completing each step of a proposed project.

Please use the format included in this application to outline the expected Implementation Schedule for your project. This document will be incorporated into the Subrecipient Agreement for funded projects. The City will monitor the performance of Subrecipients against the goals and performance standards established by this document. Substandard performance as determined by the City will constitute noncompliance with the Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient with a reasonable period of time after notification by the City, contract suspension or termination processes may be initiated.

NOTES FOR ORGANIZATIONS RECEIVING FEDERAL FUNDS

Subrecipient Registration Requirements:

- Organizations receiving CDBG funding (Subrecipients) must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number. If you do not have a DUNS number, go to <http://fedgov.dnb.com/webform> to register.
- Funded applicants must also have an active registration with System of Award Management (SAM). To register with SAM, go to www.sam.gov to register. You must have a DUNS number prior to registering with SAM. Subrecipients must provide proof of SAM registration prior to the execution of a Subrecipient Agreement. This is required when federal funds are being utilized. Any contractors/service providers hired for the CDBG programs must also have an active registration with SAM prior to start or expenditure of funds.

INCOME LIMITS

Income limits are established by HUD on an annual basis for the purpose of establishing CDBG grant eligibility. The limits are based on household size. Income is calculated for every adult 18 and older residing in the household. HUD considers 80% and below to be low income. San Marcos CDBG Area Median Income (AMI) Limits are based on the Median Family Income for the Austin/Round Rock Metropolitan Statistical Area (MSA). The current Median Family Income for the Austin-Round Rock MSA is \$95,900, which became effective June 1, 2019. The 2020 limits are expected to be released by HUD in the next few months.

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

APPLICATION REVIEW FOR PUBLIC SERVICES FUNDING

All applications for Public Services funding will be reviewed by the Human Services Advisory Board (HSAB). The Board will make a funding recommendation that will be considered by the City Council during their application review. Applicants may not request both CDBG and Human Services funding for the same project. You will complete [this](#) application form to request CDBG funding and will turn in one copy of the form, with all required supporting documentation, to the CDBG staff at the address shown below.

CDBG staff members will review your application for completeness and eligibility; after an application passes this review, it will be forwarded to the HSAB board for their consideration. The HSAB may schedule a time for each CDBG applicant to make a brief (3-minute) presentation in support of their funding request. Members of the HSAB board may schedule a site visit prior to the presentation date.

The HSAB board will make a funding recommendation that will be presented to the City Council.

Note: It is the City’s policy to fund programs from only ONE city funding source. For example, if you apply for CDBG funds for a program, you cannot apply for Human Services funding for the same program.

PUBLIC SERVICES PROGRAM OR ACTIVITY ELIGIBILITY

SPECIAL PROGRAM REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

The applicant must demonstrate that the program or service for which funding is requested is one of the following:

- a. A new service or program; or
- b. A service/program that has shown a quantifiable increase during the current or previous year; or,
- c. A service/program that is projected to show a quantifiable increase if the CDBG funding is received; or
- d. A service/program that is currently receiving CDBG funds and that this application is a request for continuation of funding at the same or lower level.

CDBG funds cannot be used as a substitute for funding provided during the past 12 months by the City of San Marcos.

ELIGIBLE PUBLIC SERVICE ACTIVITIES (24 CFR 570.201(E))

“Public Services” are non-construction social service activities in the community that benefit low- to moderate-income citizens. At least 51% of all program clients must be City of San Marcos residents and have a total family income that does not exceed 80% of the area median income as established by HUD for San Marcos.

CDBG regulations allow the use of grant funds for a wide range of public service activities including, but not limited to:

- After school / child care
- Education programs
- Health services
- Recreation services
- Crime prevention, public safety
- Senior citizens services
- Homeless persons services
- Job Training
- Substance abuse programs

ELIGIBLE EXPENSES

Eligible expenses include but are not limited to labor, supplies, and materials as well as operation and maintenance of the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service and costs incurred for telephone services, postage, and computer use or access. Time sheets will be required to document salary costs. Travel and training expenses may be authorized by the City on a case-by-case basis.

INELIGIBLE EXPENSES

CDBG funds may not be used to pay for food or meals for staff, fund raising, entertainment, alcoholic beverages, deposits on equipment, incentives to clients (such as gift cards or raffle prizes), or late fees or penalties. Costs of organized fund raising are not allowable. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not an integral, structural fixture is generally ineligible.

CLIENT INCOME VERIFICATION OPTIONS:

To be eligible for CDBG assistance, a public service project must serve low-to-moderate income persons. Income limits are updated annually, usually in the spring. The City will post the new limits on its website when they become available and distribute the new limits to all Subrecipient organizations.

The type of income verification needed is determined by the project and the clients served; HUD allows each project to select one of three definitions of “income” to be used in calculating a potential client’s eligibility to be considered low/mod. The project must use the same definition for all applicants. The primary difference in the definitions is the treatment of assets. City staff will work closely with all agencies that are selected for funding to determine which income definition should be used.

Documentation of the benefit to low and moderate income level persons is required of every project funded.

1. Limited Clientele: The public service activities must be offered to a particular group of low and moderate income residents in the entire community. Agencies will collect income data and demographic data for each recipient in the program as either Client Based or Presumed Benefit.

- a. **Client Based:** Activities will be offered to all residents of a particular group of low-and-moderate income San Marcos residents. Income verification and residency are required along with other client statistics.
- b. **Presumed Benefit:** Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit a population in which at least 51% of the population is low-to-moderate income. Individual income verification is not required, although residency and other client statistics must be collected. The Presumed Benefit categories are:

a. Elderly persons (62 or older)	e. Battered spouses
b. Homeless persons	f. Abused children
c. Persons living with AIDS	g. Migrant farm workers
d. Illiterate persons (includes non-English speakers)	h. Severely disabled adults (Census Bureau definition)

Persons are classified as having a severe disability if they (a) used a wheel-chair or had used another special aid for six months or longer; (b) are unable to perform one or more “functional activities” or need assistance with an ADL or IADL; (c) are prevented from working at a job or doing housework; or (d) have a selected condition included autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

For purposes of this definition, the term “functional activities” includes seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs, and walking. An ADL is an “activity of daily living” which includes getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting. An IADL is an “instrumental activity of daily living” and includes going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone.

2. Nature and Location: Activities must be of such nature and in such location that it may reasonably be concluded that the activity’s clientele will primarily be low/mod income persons. For example, a day care center that is designed to serve residents of a public housing complex would qualify under this category. Individual income verification would not be required, although residency and other client statistics would be required. HUD must approve this method of income verification.

3. Area Benefit: An activity which is available to benefit all of the residents of a defined area which is primarily residential and where at least 51% of the residents are L/M income persons. This rarely applies to public service projects.

SUPPLEMENTAL ITEM CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
DUE DATE: MAY 1, 2020

Submit one copy of the following items:

Required:

- Board of Directors list including position/title on board.
- Contact numbers for Board Chair or President and Treasurer.
- Resolution or Board Minutes showing approval to submit an application and designation of person who will sign documents on behalf of the organization.
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter (for non-profit organizations)
- Organization's Current Budget (2019-2020) and Proposed Budget for next fiscal year
- Most Recent audit or CPA prepared review.
- Description of employees, board members, volunteers who will work with the project
- Non-discrimination Policy Statement

If applicable:

- Fee schedule or structure for the project proposed for funding
- Copy of program application if one is used to select beneficiaries
- Analysis of program or service expansion if this is not a new service.
- Description of how beneficiaries will be selected (if not by application form)
- Description of how applicant income will be determined if there are direct beneficiaries
- Detailed explanation of any lawsuits, judgments, or bankruptcy proceedings
- Job description for new positions expected to be filled using CDBG funding

CITY OF SAN MARCOS
2019 CDBG PUBLIC SERVICES APPLICATION



Due Date: May 1, 2020

I. APPLICANT CONTACT INFORMATION

Applicant Organization: _____

Contact Name: _____ Telephone: _____

Mailing Address: _____

Physical Address, if different from mailing address: _____

Contact E-Mail Address: _____ Web Address: _____

Who is authorized to execute program documents? _____

II. APPLICATION SUMMARY INFORMATION

Project Name: _____

Amount of CDBG Funds Requested: _____

Project Location: _____

Will all CDBG funds for this project be expended by July 15, 2021? Yes No

If "No", what percent is expected to be completed by that date? _____

III. PROJECT DESCRIPTION

PROGRAM SUMMARY

Briefly summarize the program for which CDBG funding has been requested.

USE OF FUNDS

How will the funds be used?

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

TYPE OF PUBLIC SERVICE (choose all that apply)

- | | |
|---|---|
| <input type="checkbox"/> 05A Senior Services | <input type="checkbox"/> 05B Handicapped Services |
| <input type="checkbox"/> 05C Legal Services | <input type="checkbox"/> 05D Youth Services |
| <input type="checkbox"/> 05E Transportation Services | <input type="checkbox"/> 05F Substance Abuse Services |
| <input type="checkbox"/> 05G Battered and Abused Spouses Services | <input type="checkbox"/> 05H Employment Training |
| <input type="checkbox"/> 05I Crime Awareness | <input type="checkbox"/> 05J Fair Housing Activities |
| <input type="checkbox"/> 05K Tenant/Landlord Counseling | <input type="checkbox"/> 05L Child Care Services |
| <input type="checkbox"/> 05M Health Services | <input type="checkbox"/> 05N Abused and Neglected Children Services |
| <input type="checkbox"/> 05O Mental Health Services | <input type="checkbox"/> 05P Screening for Lead Paint/Lead Hazards |
| <input type="checkbox"/> 05Q Subsistence Payments | <input type="checkbox"/> 05R Homeownership Assistance (Not Direct) |
| <input type="checkbox"/> Other: _____ | |

PROGRAM INFORMATION

1. Program eligibility (please select one):
 - a. This is a new program.
 - b. This is an existing program that: (select one of the following)
 - Has previously received CDBG funding and the amount requested for this year is the same or less than previous funding; or
 - will expand to serve more beneficiaries or to provide more services if the CDBG funding as requested is approved. *Please attach an analysis that details how the program or service will be expanded, how many new beneficiaries will be served by the expansion, and how this number was determined.*
2. Programs receiving funding from the City at this time (during the current program year):
 - a. How much CDBG funding was awarded? _____
 - b. Is this program receiving any other City of San Marcos sources? _____
 - c. If yes, how much was received and from what source? _____
3. Is there a fee to clients to participate in the program? Yes No
If yes, please provide fee structure.
4. Describe the days and hours of operation of the program: _____

IV. PROGRAM BENEFICIARIES

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

A. PRESUMED BENEFIT: See definition above of “Presumed Benefit”.

1. Will all of the program’s beneficiaries in a Presumed Benefit Category? Yes or No

If “yes”, list the categories: _____

2. How many persons in each presumed category are proposed to be assisted if funding is received?

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

3. If this program was carried out the previous full program year (10/1 – 9/30), how many persons were served in each presumed category:

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

B. BENEFICIARIES WHO ARE NOT CONSIDERED “PRESUMED”

1. How many persons are proposed to be assisted if funding is received? _____

If this program was carried out the previous program year (10/1 – 9/30), how many persons were served?

2. What percentage of persons proposed to be assisted are expected to be low/mod? _____

3. What percentage of persons proposed to be assisted are expected to be San Marcos residents? _____

4. How do you propose to document the income of the beneficiaries? (check all that apply)

Evidence that the child is approved for free or reduced lunch

Evidence that the family lives in housing sponsored by the Housing Authority

Evidence that the family is WIC approved

Income documentation using one of the 3 HUD approved methods

Self-certification, with income verification required of 20% of certifications

Other, describe: _____

VI. LINE ITEM BUDGET

Please use the following format to present your proposed line item budget. Secured funds are funds on-hand, pledged, or awarded. Following the Line Item Budget, please complete the Supplemental Budget Form – Use of Other Resources. Funds and costs, as outlined on the Sources and Uses of Funds form, may **not** be spent or incurred prior to a contract award date (usually October 1st) from the CDBG Program. Supporting documentation may be attached as an Appendix.

Expense Category	Total Program Budget	CDBG Portion	Other Funding Source	Other Funds Amount
Personnel Services				
Salaries				
Fringe Benefits				
Supplies				
Office Supplies				
Program Supplies				
Client Materials				
Operating				
Training				
Insurance				
Utilities/Rent/Mortgage				
Other (please specify)				
Total				

Please provide an explanation for any unusual budget expenditures listed in the line item budget above.

VII. PROJECTED IMPLEMENTATION SCHEDULE WITH PERFORMANCE GOALS

Projected Start Date:

Projected Completion Date:

Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Hiring New Staff Member</i>	<i>October 2019</i>	<i>December 2019</i>	<i>Employment process complete</i>

VIII. ORGANIZATION INFORMATION

REQUIRED ATTACHMENTS

Organizational Chart

Articles of Incorporation

Proof of Tax Exempt status

Board Minutes and Resolution authorizing application submittal and specifying who will sign documents. *(The organization's governing board must approve the submittal of this funding application and designate a person who is authorized to execute program documents.)*

A listing of key staff and employees who will work directly with the proposed program, their primary job duties, and other pertinent information relating to your proposed project.

If CDBG funds will be used to hire new personnel, please provide a brief job description of the proposed position(s).

BACKGROUND INFORMATION

1. Organization Type:

501(c) Non-Profit Corporation Public Corporation Government Entity

Other: _____

2. Name and title of Board of Directors chair or president: _____

3. How many years has your organization been in business? _____

4. Organization's Taxpayer Identification Number (EIN): _____

5. Organization's Dun and Bradstreet DUNS Number: _____

6. Is organization currently registered in the federal System for Award Management (SAM)? Yes No

FINANCIAL INFORMATION

1. What is the date of your fiscal year end? _____

2. Does your organization have a purchasing policy? Yes No

3. Has your organization currently or within the past five years had any litigation that is pending or has been resolved?
 Yes No

If "Yes", please attach a summary of the litigation and its status; including any outstanding judgments.

4. Has your organization filed a petition for bankruptcy or has a petition for bankruptcy been filed against your organization? Yes No

If "Yes", please attach an explanation that includes the current status.

5. During the last fiscal year did your organization spend \$750,000 or more in Federal financial assistance?

Yes No

6. What level of financial review does your organization obtain from an independent source? Select from the following options:

Single Audit

Audited Financial Statement

Reviewed Financial Statement

Compiled Financial Statement

No independent review

Other (describe):

7. What period was covered by your most recent financial review? _____
8. Has your organization received City of San Marcos funding in the past two years? Yes No
If yes, please attach a short summary of the purpose and amount of City funding.

PERSONNEL AND POLICIES

1. Name and Title of your chief administrator _____
 Number of years in this position? _____
2. Total number of current employees at all locations _____
3. Total number of current employees who will be involved in this project _____
4. Total number of new employees expected to be hired for the project _____
5. Does your organization have a personnel policy manual? Yes No
 Does it include a procedure for filing grievances? Yes No
 Does it include a non-discrimination clause? Yes No
6. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?
 Yes No
7. Separation of duties for financial transactions regarding this project (respond with job title):
 - a. Who will approve payment of incurred expenses? _____
 - b. Who will actually prepare the payment check? _____
 - c. Who will sign checks paying project expenses? _____
 - d. Who posts the transaction to your financial records? _____
 - e. Who reconciles monthly bank statements? _____

ACCESSIBILITY OF PROGRAMS AND SERVICES

1. Are all facilities to be served by the program ADA Accessible? Yes No
2. Do you have a Section 504 (ADA) Self-Evaluation on file? Yes No
3. How will you provide services to persons with Limited English proficiency? _____

INSURANCE, BONDING, AND WORKER'S COMPENSATION

1. Does your organization have liability insurance coverage? Yes No
2. If yes, in what amount? _____
3. Does your organization pay worker's compensation in accordance with Federal and state laws?
 Yes No N/A
4. Does your organization have fidelity bond coverage for principal staff members who handle the organization's accounts? Yes No
5. Will vehicles owned by the organization be used in conjunction with the proposed project?
 Yes No
6. If yes, what level of liability insurance is maintained on the vehicles? _____

IX. CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (*funded applicants*), is the procurement regulation found in the *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations*. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
 - An employee, officer, or agent of the subrecipient;
 - Any member of an employee's, officer's, or agent's immediate family;
 - An employee's, agent's, or officer's partner; or
 - An organization which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis.

CONFLICT OF INTEREST QUESTIONNAIRE

NOTE: For the purpose of this form, a “covered person” includes any person who is an employee, agent, consultant, officer or elected or appointed official of the City of San Marcos, your organization, or any designated public agency.

Name of Organization: _____

1. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?

Yes _____ No _____ If “No” is checked, please explain how you will comply with this requirement:

2. Are any of your Board Members or employees that are responsible for carrying out this project or members of their immediate families or their business associates also:

a. Employed by the City of San Marcos? Yes _____ No _____

b. Members of or closely related to members of the San Marcos City Council? Yes _____ No _____

c. Members of or closely related to an employee of the City of San Marcos? Yes _____ No _____

d. Current beneficiaries or related to beneficiaries of the project for which funds are requested?

Yes _____ No _____

e. Paid providers of goods or services to the program or having other financial interest in the program or related to such individuals? Yes _____ No _____

3. For **each** relationship described above, please answer the following questions: (attach additional page if necessary)

a. Name of employee or official: _____

b. Is this person receiving or likely to receive taxable income from your organization?

Yes _____ No _____

c. Is your organization receiving or likely to receive taxable income from or at the direction of the employee or official AND the taxable income is not from the City of San Marcos?

Yes _____ No _____

d. Is your organization affiliated with a corporation or other business entity in which the employee or official serves as an officer or director, or holds an ownership interest of 10% or more?

Yes _____ No _____

4. Describe any other affiliation or business relationship that might cause a conflict of interest with respect to CDBG funds and activities. _____

5. Will any of your organization’s employees, officers, board members, or members of their immediate family or business partners have a financial interest in any contract, subcontract, or agreement regarding CDBG funded activities?

Yes _____ No _____. *If yes, please attach an explanation.*

X. APPLICANT ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to this project or program, by the submission of this application, that the following are true statements:

1. It possesses legal authority to apply for the grant and to finance the proposed request; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations (UAR) and agrees to adhere to the accounting principles and procedures required therein, utilizing adequate internal controls and maintaining necessary source documentation for all costs incurred.
3. If it expends \$750,000 or more of federal funds in a fiscal year, it will comply with the Single Audit Act of 1984.
4. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards, and Executive Order 11990, relating to protection of wetlands. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, and approved December 31, 1976. Section 102(a).
5. It will have sufficient funds available or the ability to obtain the non-federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
6. It will give the City and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
7. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the City that funds have been approved and that the project will be performed to completion with reasonable diligence.
8. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
9. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provides for fair and equitable treatment of persons displaced as a result of federal and federally-assisted programs.
10. It will comply with the provisions of the Hatch Act, which limit the political activity of employees.
11. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act as they apply.
12. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the city/federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
13. It will assist the city/federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.).

14. It will comply with Texas Civil Statutes, Article 5996a, by insuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
15. It will insure that all information collected, assembled or maintained by the applicant relative to this project shall be available to the public during normal business hours in compliance with Texas Civil Statutes, Article 6252-17a, unless otherwise expressly provided by law.
16. It will conduct and administer the program in conformity with the Fair Housing Act (42 USC Section 3901 et. Seq.) and that it will affirmatively further fair housing.
17. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In the event that displacement of residential dwellings will occur in connection with a grant-assisted project, it will follow a residential anti-displacement and relocation assistance plan as specified by the City of San Marcos.
18. It certifies that it is not now, nor has it ever been, on the Federal List of Debarred Contractors.
19. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of LMI, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, applicant certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a).
20. It agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart J and subpart K of these regulations, except that (1) the Agency does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) Agency does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Agency also agrees to comply with all other applicable Federal, State, and local laws, regulations, and policies governing the funds provided. Agency further agrees to utilize funds available to supplement rather than supplant funds otherwise available. Agency shall comply with all applicable Federal laws, regulations, and requirements, which include compliance with the provisions of the HCD Act and all rules, regulations, guidelines, and circulars promulgated by the various Federal departments, agencies, administrations, and commissions relating to the CDBG Program. The applicable laws and regulations include, but are not limited to:
 - 24 CFR Part 570;
 - 24 CFR Parts 84 and 85;
 - The Davis-Bacon Fair Labor Standards Act;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - Copeland "Anti-Kickback" Act of 1934;
 - Sections 104(b) and 109 of the Housing and Community Development Act of 1974;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Equal employment opportunity and minority business enterprise regulations established in 24 CFR part 570.904;
 - Non-discrimination in employment, established by Executive Order 11246 (as amended by Executive Orders 11375 and 12086);
 - Section 504 of the Rehabilitation Act of 1973 Uniform Federal Accessibility Standards;
 - The Architectural Barriers Act of 1968;
 - The Americans with Disabilities Act (ADA) of 1990;
 - The Age Discrimination Act of 1975, as amended;

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CFR Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: _____ Date Signed: _____

Printed Name: _____ Title: _____

Organization Name: _____



CASA OF CENTRAL TEXAS, INC.

A Powerful Voice in A Child's Life
www.casacertex.org

New Braunfels
830.626.2272
FAX: 830.626.3636
1619 E. Common, Suite 301
New Braunfels, Texas 78130

San Marcos
512.392.3578
FAX: 512.392.3702
PO Box 1267
San Marcos, Texas 78667

Serving Caldwell, Comal, Guadalupe & Hays Counties



May 1, 2020

City of San Marcos
Attn: Carol Griffith
Community Initiatives Program Administrator
San Marcos, TX 78666

by email: cgriffith@sanmarcostx.gov

Dear Ms. Griffith:

CASA of Central Texas thanks you for the opportunity to submit a PY2020 Public Services Application to the City of San Marcos for Community Development Block Grant funding. With your support, many abused and neglected children will have advocates to help them find safe and permanent homes.

Per the application instructions, please find enclosed one copy of the following:

- Application PY2020
- Board of Directors list, including contact info
- Board Resolution, signed
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter
- Organization Budget, current & proposed FY
- COSM Budget, proposed FY
- Financial Audit, FYE 6/30/19
- Project Employees
- Non-discrimination Policy Statement
- Supplemental Answers Attachment

Thank you again. If you have questions or require additional information, please contact me at (512) 392-3578 x100. I look forward to hearing from you soon.

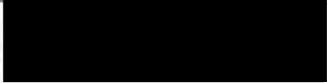
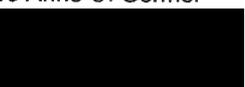
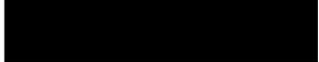
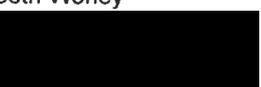
Kindly,

Norma C Blackwell

Norma Castilla-Blackwell
Executive Director

NB:ts
Enc.

CASA of Central Texas, Inc. - Board of Directors 2019-2020 (updated 6/2019)

NAME ADDRESS	POSITION/ ELECTED	PROFESSIONAL AFFILIATION	
Susan K. Russell  (Caucasian Female)	Past President Elected: 7/1/13	Huisache Grill General Manager	
David Pfeifer  (Caucasian Male)	Vice-President Elected: 2/25/2014	Integrays Energy Services Energy Executive	
Frank Pereira  (Caucasian Male)	Treasurer Board Member Elected 1/16/2017	Broadway Bank	
Angela "AJ" Panebianco  (Caucasian Female)	Board Member Elected 6/24/2019	Marketing Specialist at "The Pour Haus" and the "Downtown Social"	
Carol Gaultney  (Caucasian Female)	Board Member Elected: 1/14/2019	Retired	
Jo Anne C. Germer  (Caucasian Female)	President Elected: 7/1/2013	Farming Manager/Farming Operation	
Becky Lake  (Caucasian Female)	Secretary Elected: 3/27/2012	Retired	
Seth Worley  (Caucasian Male)	Board Member Elected 1/16/2017	Missions Champion- Cypress Creek Church	
Jeffrey Hargis  (Caucasian Male)	Board Member Elected 3/25/2019	Engineer-Texas Reliability Entity, Inc.	

Whitney Vaughn  (Caucasian Female)	Board Member Elected 6/24/2019	Sr. HR Manager for Bimbo Bakeries USA	
Hollis W. Burklund  (Caucasian Male)	Board Member Elected 3/02/2020	Attorney	
Charles "Keith" Kebodeaux  (Caucasian Male)	Board Member Elected 3/02/2020	Kebodeaux, Hargroder & Associates LLP	

CASA of Central Texas, Inc.

Governing Board Resolution

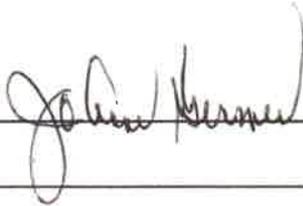
WHEREAS, the Executive Committee of the Board of Directors of CASA of Central Texas, Inc. finds it in the best interest of the residents of Caldwell, Comal, Guadalupe and Hays Counties, that CASA of Central Texas, Inc. be operated for 2020-2021; and

WHEREAS, the Executive Committee of the Board of Directors of CASA of Central Texas, Inc. agrees that in the event of loss or misuse of the City of San Marcos CDBG funds, the Executive Committee of the Board of Directors of CASA of Central Texas, Inc. assures that the funds will be returned to the City of San Marcos in full; and

WHEREAS, the Executive Committee of the Board of Directors of CASA of Central Texas, Inc. designates Norma Blackwell, Executive Director, as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

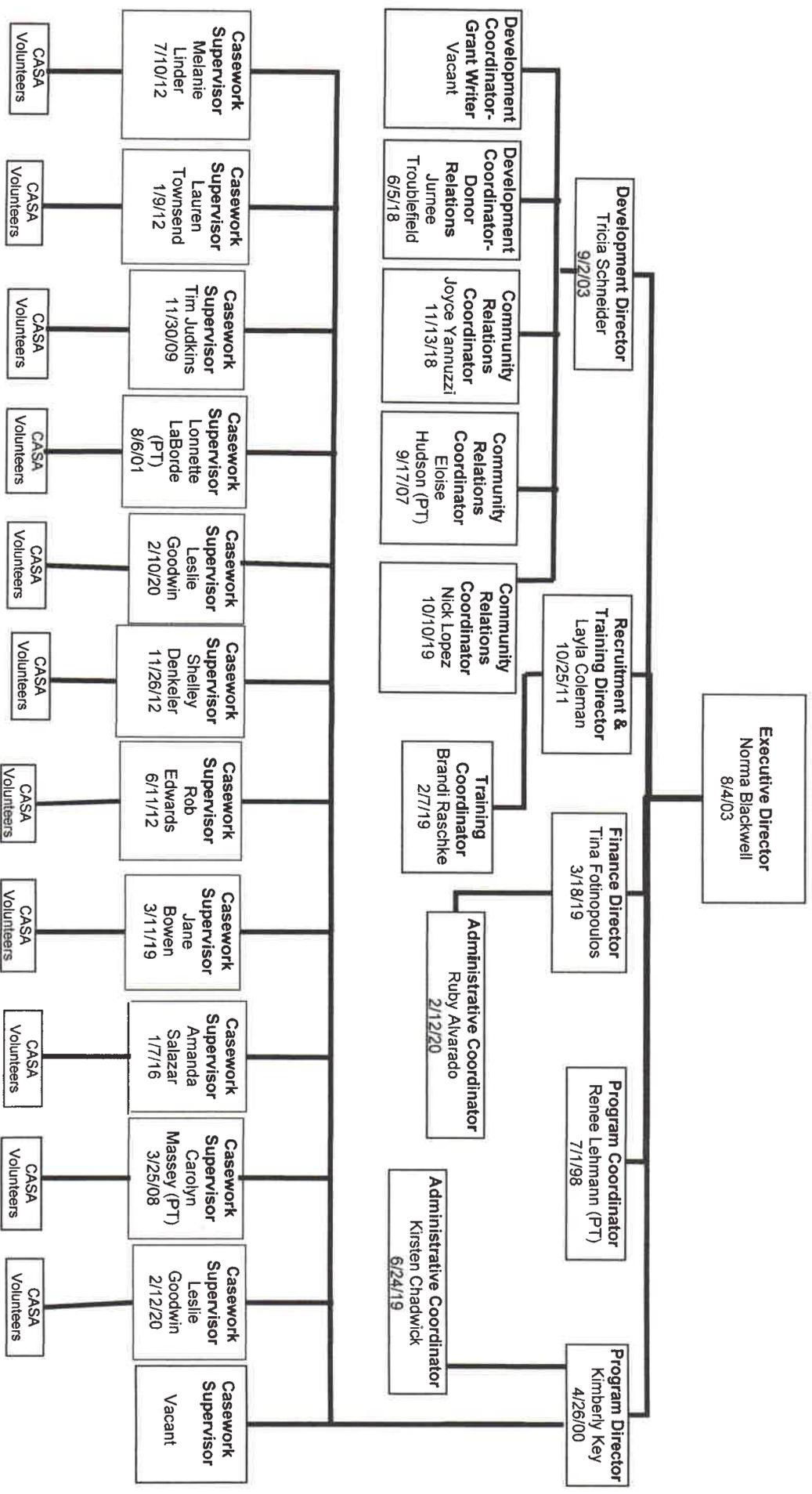
NOW THEREFORE, BE IT RESOLVED that the Executive Committee of the Board of Directors of CASA of Central Texas, Inc. authorizes submission of the grant application from CASA of Central Texas, Inc. to the City of San Marcos for CDBG Public Services Funding.

Signed by:



Passed and approved this 8th day of April 2020.

CASA of Central Texas, Inc. Staff Organizational Chart (Projected)





Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

CASA OF CENTRAL TEXAS, INC.
Filing Number: 74608001

Nonprofit Periodic Report
Articles Of Amendment
Change Of Registered Agent/Office
Change Of Registered Agent/Office
Change Of Registered Agent/Office

April 18, 1994
April 29, 1994
September 01, 1994
November 25, 1996
May 27, 1999

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on October 29, 2007.



A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State



0 1 8 2 1 0 1 3 7 7

FILED
In the Office of the
Secretary of State of Texas

The State of Texas

APR 18 1994

Secretary of State

Corporations Section

SECRETARY OF STATE

CHARTER NO. 00746080-01
ARTICLE 9.01, T.N.P.C.A. REPORT
FILING FEE \$5.00

PURSUANT TO THE PROVISIONS OF ARTICLE 9.01 OF THE TEXAS NON-PROFIT CORPORATION ACT, THE UNDERSIGNED CORPORATION HEREBY FILES ITS REPORT SETTING FORTH:

1. THE NAME OF THE CORPORATION IS:

COMAL COUNTY CHILD ADVOCACY INC.

2. IT IS INCORPORATED UNDER THE LAWS OF: TEXAS

3. THE STREET ADDRESS OF THE REGISTERED OFFICE OF THE CORPORATION IN THE STATE OF TEXAS IS: 805 ENCINO NEW BRAUNFELS, TX
(MAKE ANY CHANGES HERE)

4. ITS REGISTERED AGENT AT SUCH ADDRESS IS: BILL M. REIMER
(MAKE ANY CHANGES HERE)

5. IF A FOREIGN CORPORATION, THE STREET ADDRESS OF ITS PRINCIPAL OFFICE THE STATE OR COUNTRY UNDER THE LAWS OF WHICH IT IS INCORPORATED IS:

6. THE NAMES AND RESPECTIVE ADDRESSES OF ITS DIRECTORS (OR TRUSTEES, ETC.) AND OFFICERS ARE: (NAME AT LEAST 3)

NAME	TITLE	ADDRESS
<u>Pennie Koopman</u>	<u>President</u>	<u>2314 Brittany Grace New Braunfels, TX 78130</u>
<u>John Haas</u>	<u>Vice Pres./Treasurer</u>	<u>1007 Orchid New Braunfels, TX 78130</u>
<u>Bob Stewart</u>	<u>Secretary</u>	<u>502 Riverside New Braunfels, TX 78130</u>
-----	-----	-----

7. THE FOREGOING INFORMATION IS GIVEN AS OF THE DATE OF THE EXECUTION OF THIS REPORT:

DATED April 14, 19 94

Comal County Child Advocacy, Inc

(NAME OF CORPORATION)

RECEIVED
SECRETARY OF STATE

BY Pennie L. Koopman
(SIGNATURE)

APR 18 1994

ITS President
(TITLE OF OFFICER SIGNING)

NOTE: ALL ITEMS MUST BE COMPLETED. MAKE CHANGES TO ITEMS 3 AND 4 AS NECESSARY. RETURN TO SECRETARY OF STATE, CORPORATIONS SECTION, P.O. BOX 13697, AUSTIN, TEXAS 78711-3697 WITH A \$5.00 FEE.

FILED
In the Office of the
Secretary of State of Texas

ARTICLES OF AMENDMENT TO
ARTICLES OF INCORPORATION OF
COMAL COUNTY CHILD ADVOCACY, INC.

APR 29 1994

Corporations Section

Pursuant to the provisions of Article 1396-4.03 of the Texas Nonprofit Corporation Act, the Board of Directors adopt the following Articles of Amendment to the Articles of Incorporation of Comal County Child Advocacy, Inc.

ARTICLE ONE

The following amendments to the Articles of Incorporation was adopted by the Board of Directors of the Corporation on April 21st, 1994.

ARTICLE TWO

This Amendment alters Article One of the original Articles of Incorporation to read as follows:

The name of the corporation is CASA OF CENTRAL TEXAS, INC.

ARTICLE THREE

This Amendment alters Article Four of the original Articles of Incorporation to read as follows:

4. The purpose or purposes for which the corporation is organized are: To represent the best interests of physically and sexually abused children in Central Texas in criminal and civil proceedings. To be an independent voice in children's rights. To aid with case preparation; to provide assistance to other child oriented agencies; monitor cases; present and monitor legislation, heighten awareness of the public, judiciary and bar as to child abuse and recruit volunteers.

COPY

ARTICLE FOUR

The foregoing Amendments were adopted by a vote of a majority of the Board of Directors in office, there being no members having voting rights in respect thereof.

DATED: April 21, 1994

SCHEM COUNTY CHILD ADVOCACY, INC.

BY: Pennie R Koopman
PENNIE KOOPMAN
Its President

STATEMENT OF CHANGE OF REGISTERED OFFICE
OR REGISTERED AGENT OR BOTH BY
A CORPORATION

The Office of the
Secretary of State of Texas

SEP 01 1994

Corporations Section

1. The name of the corporation is CASA of Central Texas, Inc.
The corporation's charter number is 00746080

2. The address of the registered office as PRESENTLY shown in the records of the Texas secretary of state is: (Please provide street address, city, state and zip code. The address must be in Texas).

805 Encino, New Braunfels, Texas 78130

3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)

P78 E. Mill, Room 211 New Braunfels, Texas 78131-1832

OR B. The registered office address will not change.

4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Bill Reimer

5. A. The name of the NEW registered agent is Jackie Vann

OR B. The registered agent will not change.

6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

7. The changes shown above were authorized by:

(Profit corporations may select A or B)
(Non-Profit corporations may select A, B, or C)

- A. The board of directors; OR
- B. An officer of the corporation so authorized by the board of directors; OR
- C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act.

Jackie Vann
An Authorized Officer

Please submit this form in duplicate with the appropriate filing fee.
PROFIT corporations: \$15.00; NON-PROFIT corporations: \$5.00



Secretary of State
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697

FILED
In the Office of the
Secretary of State of Texas
NOV 25 1996

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION,
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP**

- 1. The name of the entity is CASA of Central Texas, Inc
The entity's charter/certificate of authority/file number is 746080-1
- 2. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is: 178 E. Mill, New Braunfels TX 78130
- 3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
101 Unland Road, Suite 106, San Marcos TX 78666
- OR B. The registered office address will not change.

4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Jackie Vann

5. A. The name of the NEW registered agent is Cindy Stauffer
OR B. The registered agent will not change.

6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F

- A. The board of directors; OR
- B. An officer of the corporation so authorized by the board of directors; OR
- C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act.
- D. Its members
- E. Its managers
- F. The limited partnership

Cindy Stauffer
(Authorized Officer of Corporation)
(Authorized Member or Manager of LLC)
(General Partner of Limited Partnership)

Office of the
Secretary of State
Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697

FILED
In the Office of the
Secretary of State of Texas
MAY 27 1999
Corporations Section

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION,
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP**

1. The name of the entity is CASA of Central Texas, Inc.
The entity's charter/certificate of authority/file number is 00746080
2. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is: 100 Main Plaza, Rm. 112, New Braunfels, TX 78130
3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
101 Uhland Road, Suite 102, San Marcos, TX 78666
- OR B. The registered office address will not change.
4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Bill M. Reimer
5. A. The name of the NEW registered agent is Judy G. Carr
- OR B. The registered agent will not change.
6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.
7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F
 - A. The board of directors;
 - B. An officer of the corporation so authorized by the board of directors;
 - C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act;
 - D. Its members;
 - E. Its managers; or
 - F. The limited partnership.


(Authorized Officer of Corporation)
(Authorized Member or Manager of LLC)
(General Partner of Limited Partnership)

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Jose A. Esparza
Deputy Secretary of State

Office of the Secretary of State

June 27, 2019

CASA OF CENTRAL TEXAS, INC.
1619 East Common St, Suite 301
New Braunfels, TX 78130 USA

RE: CASA OF CENTRAL TEXAS, INC.
File Number: 74608001

It has been our pleasure to file the Change of Registered Agent/Office for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

Come visit us on the internet at <http://www.sos.state.tx.us/>

Phone: (512) 463-5555
Prepared by: Linda Galaviz

Fax: (512) 463-5709
TID: 10323

Dial: 7-1-1 for Relay Services
Document: 897818290002



Office of the Secretary of State

**CERTIFICATE OF FILING
OF**

CASA OF CENTRAL TEXAS, INC.
File Number: 74608001

The undersigned, as Deputy Secretary of State of Texas, hereby certifies that the statement of change of registered agent/office for the above named entity has been received in this office and has been found to conform to law.

ACCORDINGLY the undersigned, as Deputy Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Filing.

Dated: 06/26/2019

Effective: 06/26/2019



A handwritten signature in black ink, appearing to be "J. Esparza".

Jose A. Esparza
Deputy Secretary of State

**Form 401
(Revised 05/11)**

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



**Statement of Change of
Registered Office/Agent**

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas
JUN 26 2019
Corporations Section

Entity Information

1. The name of the entity is:

CASA of Central Texas, Inc.

State the name of the entity as currently shown in the records of the secretary of state.

2. The file number issued to the filing entity by the secretary of state is: 0074608001

3. The name of the registered agent as currently shown on the records of the secretary of state is:

David Junkin

Registered Agent Name

The address of the registered office as currently shown on the records of the secretary of state is:

15401 RR 12, Suite 105

Street Address

Wimberly

City

TX 78676

State Zip Code

Change to Registered Agent/Registered Office

4. The certificate of formation or registration is modified to change the registered agent and/or office of the filing entity as follows:

Registered Agent Change

(Complete either A or B, but not both. Also complete C if the address has changed.)

A. The new registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The new registered agent is an individual resident of the state whose name is:

David

First Name

M.I.

Pfeifer

Last Name

Suffix

Registered Office Change

C. The business address of the registered agent and the registered office address is changed to:

234 Campbell Drive

Street Address (No P.O. Box)

Canyon Lake

City

TX 78133

State Zip Code

The street address of the registered office as stated in this instrument is the same as the registered agent's business address.

Statement of Approval

The change specified in this statement has been authorized by the entity in the manner required by the BOC or in the manner required by the law governing the filing entity, as applicable.

Effectiveness of Filing (Select either A, B, or C.)

- A. This document becomes effective when the document is filed by the secretary of state.
- B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

--

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute the filing instrument.

Date: 06/19/2019

Norma C. Blackwell
Signature of authorized person

Norma Blackwell
Printed or typed name of authorized person (see instructions)



Acceptance of Appointment
and
Consent to Serve as Registered Agent
§5.201(b) Business Organizations Code

The following form may be used when the person designated as registered agent in a registered agent filing is an individual.

Acceptance of Appointment and Consent to Serve as Registered Agent

I acknowledge, accept and consent to my designation or appointment as registered agent in Texas for
CASA of Central Texas, Inc.

Name of represented entity

I am a resident of the state and understand that it will be my responsibility to receive any process, notice, or demand that is served on me as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if I resign.

X:  David Pfeifer 06/19/2019
Signature of registered agent *Printed name of registered agent* *Date (mm/dd/yyyy)*

The following form may be used when the person designated as registered agent in a registered agent filing is an organization.

Acceptance of Appointment and Consent to Serve as Registered Agent

I am authorized to act on behalf of Norma Casa of Central Texas
Name of organization designated as registered agent

The organization is registered or otherwise authorized to do business in Texas. The organization acknowledges, accepts and consents to its appointment or designation as registered agent in Texas for:
Norma C Blacwell
Name of represented entity

The organization takes responsibility to receive any process, notice, or demand that is served on the organization as the registered agent of the represented entity; to forward such to the represented entity; and to immediately notify the represented entity and submit a statement of resignation to the Secretary of State if the organization resigns.

X:  Norma C Blacwell 6/19/19
Signature of person authorized to act on behalf of organization *Printed name of authorized person* *Date (mm/dd/yyyy)*

**BY-LAWS
OF
CASA of CENTRAL TEXAS, Inc.**

Article I - - Name

1.01 Name

The name of the corporation shall be CASA of Central Texas, Inc. CASA is an acronym for Court Appointed Special Advocates. The corporation shall be referred to as CASA or the Corporation in these Bylaws.

Article II - - Purpose

2.01 Purpose

CASA is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. CASA shall promote, assist, support, develop and continue the CASA program in Caldwell, Comal, Guadalupe and Hays Counties. The CASA program provides court-appointed volunteers to investigate and make recommendations concerning assigned cases dealing with abused and neglected children.

2.02 Mission Statement

CASA of Central Texas, Inc. advocates for abused and neglected children in the court system by recruiting, training and supporting community volunteers.

2.03 Vision Statement

We believe that every child has a right to a safe, permanent home.

Article III - - Office and Registered Agent

3.01 Office

The Corporation may have its offices at such place or places within the State of Texas, as the Board of Directors may determine.

3.02 Registered Office and Registered Agent

CASA shall have and continuously maintain in the State of Texas a registered office and registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, the same as the principal office of CASA in the State of Texas, and the address of the registered office may be changed by the Board of Directors.

Article IV - - Members

The Corporation shall not have a general membership. The Board of Directors shall be a self-perpetuating body with the successors elected by the Board.

Article V - - Board of Directors

5.01 General Powers

The affairs of CASA shall be managed by its Board of Directors.

5.02 Number

The number of voting Directors shall be not less than nine (9) nor more than twenty-one (21).

5.03 Accountability for Organizational Integrity

The Board of Directors retains responsibility for overall accountability for policy development, long-range planning, marketing, fundraising, oversight of finances, and risk management.

5.04 Composition

The intent of the Corporation shall be to maintain a composition of the Board of Directors with at least one (1) representative from each of Caldwell, Comal, Guadalupe and Hays Counties. The preferred composition of the Board of Directors includes five (5) representatives from each county served, in addition to the President of the Board.

5.05 Qualifications

The Board will adopt criteria for Directors. Each Director must be at least twenty-one (21) years of age and possess such skills as legal, fiscal, personnel, management, and marketing; connected to the communities served by CASA; committed to devoting time as a leader, officer, and/or committee member; not be related or married to any employee of CASA or Director; and not be employed by CASA.

5.06 Election

The successors to those Directors whose terms of office expire each year shall be elected by the Board of Directors. The election and reelection of Directors shall be by recommendation and motion to the Board by the Board Development Committee at the June meeting, and shall be decided by a vote of the majority of the Directors at the June meeting, and shall assume their positions at the July meeting.

5.07 The Wing Society Board

The Board of Directors may invite members of the community to serve as members of the Wing Society Board. A member of the Board of Directors shall serve as a member of the Wing Society. Members of the Wing Society Board may attend and speak at all meetings of the Board of Directors, but shall serve without the right to vote on any action of the agency and shall not be required in order to establish a quorum. Members of the Advisory Board shall be elected annually by the Wing Society Board and shall serve for a term of one (1) year.

5.08 Term of Office

The terms of office of Directors shall be three (3) calendar years, staggered with one-third (1/3) of the Directors being elected each year. A person nominated by the Board Development Committee and elected by the Board to fill a vacancy of an unexpired term of a Director will complete the unexpired term. A person nominated by and approved by the Board to fill a vacancy, other than a vacancy with an unexpired term, shall be considered as having completed one year of the three (3) year term as of June 30th of the year of election. All terms begin on July 1 and end on June 30 of each calendar year. A director may serve unlimited successive three (3) year terms if duly nominated by the Board Development Committee and elected by the majority of all of the Directors. Written requests for renewals will be delivered to the Chairman of the Board Development Committee in May and if approved by the Board Development Committee, presented to the Board for election in June.

5.09 Board Member Responsibility

The Board of Directors shall have the control and general management of the affairs and business of this Corporation.

1. Each Board member is required to attend nine (9) out of eleven (11) regularly scheduled meetings per fiscal year (July 1 through June 30). A Director who misses three (3) out of eleven (11) meetings shall be automatically removed, but may be reinstated by the Board upon a recommendation from the Board Development Committee. Illness of a Board member or serious illness/death of an immediate family member are considered excused absences. Participating in events or meetings related to CASA business is also an excused absence.
2. Each Board member is expected to participate in the fundraising efforts of CASA.
3. Each Board member will submit to background checks before assuming a position on the CASA Board, including the following: (a) Social security number verification, (b) Texas criminal record check obtained from the Texas Crime Information Center maintained by the Texas Dept. of Public Safety, (c) National

criminal record check obtained from the National Crime Information Center (NCIC) maintained by the FBI, (d) Texas Public Sex Offender Registry check maintained by the Texas Dept. of Public Safety, (e) National Sex Offender Registry check maintained by the U.S. Dept. of Justice, and (f) The Child Abuse and Neglect Central Registry maintained by the Texas Dept. of Family and Protective Services.

4. Each Board member will attend ongoing Board training and educational seminars.

5.10 Relationships with Staff and Volunteer Advocates

Board members should consult with the Executive Director for any assistance needed.

1. Complaints or community concerns should be directed to the Executive Director.
2. Board Directors should annually attend two (2) swearing in ceremonies and receptions for new Volunteer Advocates, participate in two (2) volunteer and staff appreciation activities, and attend one (1) diversity training (which can be through Volunteer Training).

5.11 Policy Development

Board members should annually review the Mission Statement of CASA, the Policies and Procedures, Articles of Incorporation and Bylaws.

5.12 Long-Range Planning

It is the responsibility of the Board members to be familiar with the current Strategic Plan. Program goals need to be reviewed and refined as necessary. Human and financial resources need to be acquired by the Board members.

5.13 Resource Development

The Board of Directors will ensure that adequate financial resources are available to provide and maintain program services. Each Director will approve and support the fundraising plan established by the Fund Development Committee as well as participate in fundraising activities. Each Board member will make an annual financial contribution and the Board will collectively achieve 100% participation.

5.14 Marketing

The Board of Directors will be knowledgeable about the functions of the CASA program respecting the confidentiality of program services. Directors will approve and support the marketing plan determined by the Fund Development Committee.

5.15 Oversight of Finances

The Board of Directors will review and approve the annual budget as determined by the Executive Director and the Finance Committee. Directors will monitor expenditures, review the annual audit, Financial Policy and Procedures, and annually review all insurance policies, fixed assets and inventory. The Board of Directors will review the financial statements monthly.

5.16 Vacancies

Vacancies on the Board of Directors occurring between Annual Meetings may be filled for the unexpired portion of the term by majority vote of the Board of Directors, even if there is only one member remaining on the Board.

5.17 Removal of Directors

Any one or more of the Directors may be removed, either with or without cause, by a majority vote of the Board of Directors, with the Director to be removed not voting.

Article VI - - Meetings

6.01 Regular Meetings

The Board of Directors shall meet monthly July through June unless otherwise designated by the President, and will be held as determined by the Board. Except as otherwise provided by statute, the Articles of Incorporation of CASA or these Bylaws, any and all business may be transacted at any regular meeting, and neither the purpose of, nor the business to be transacted at any regular meeting need be specified in any notice or waiver of notice of such meeting. Evaluation of the Executive Director will take place during closed session of the April meeting with prior submission of the evaluation materials at the March meeting of the Board of Directors by a committee appointed by the President.

When Board action is needed before the next regularly scheduled meeting, the Board President may authorize the Executive Director and his/her designee to contact each Board member to conduct a vote on a particular matter by email or otherwise. Such votes should not become the regular method of action for the Board and generally should be conducted only on matters determined to be urgent, non-controversial and not in need of much discussion among the Board. At the next meeting of the Board immediately following such vote, the Board shall re-affirm the vote and have the action recorded in the minutes of the organization.

6.02 Special Meetings

Special meetings of the Board of Directors may be called by or at the request of the President or by the written request of one-half (1/2) of the Directors. The person or persons authorized to call special meetings of the Board of Directors shall fix the time and place of any special meeting of the Board of Directors called by them in the notice of the meeting. Written notice stating the place, date, and time of each special meeting will be given to each Director, not less than three (3) days before the date of such meeting. Except as otherwise expressly provided by statute, the Articles of Incorporation of CASA or these Bylaws, any and all business may be transacted at any special meeting and must be specified in the notice or waiver of notice of such meeting.

6.03 Alternative Forms of Meetings

Subject to the notice provisions of these Bylaws, the Board may hold an annual, regular or special meeting by means of conference telephone or similar communications equipment or another suitable electronic communications system (such as videoconference) that permits each person participating in the meeting to communicate with all other persons participating in the meeting. Participation in any such meeting shall constitute presence in person at such meeting and waiver of notice of such meeting, except when a person participates in such meeting for the express purpose of objecting to the transaction of any business on the ground that such meeting is not lawfully called or convened. Any committee provided for in these Bylaws or established by the Board may also hold its meetings by means of such conference telephone or similar communications equipment.

6.04 Place of Meetings

Meetings of the Board will be held at such places, within or without the State of Texas, as may from time to time be determined by the Board and communicated to all Directors, or as may be specified in the respective notices or waivers of notice of such meetings.

6.05 Notice of Meetings

Notice of all annual, regular or special meeting of the Board of Directors shall be given at least ten (10) days previously thereto by written notice delivered, either personally or by mail or email to each Director at the address as shown by the records CASA. If mailed, the notice shall be deemed delivered to the Director when deposited with postage prepaid in the United States mail so addressed. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the

notice or waiver of notice of such meeting unless specifically required by law or these Bylaws.

6.06 Annual Meetings

An annual meeting of the Board will be held in the month of June of each year upon at least ten (10) days written notice to each Director of a date and at such place as determined by the Board. Such annual meetings will include the installation of Directors and Officers, and the transaction of such other business as may be brought before such meetings.

6.07 Quorum

One-half (1/2) plus one (1) of the Directors shall constitute a quorum of the transaction of business at any meeting of the Board of Directors, except as otherwise expressly provided by statute, the Articles of Incorporation of CASA or these Bylaws; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

6.08 Manner of Acting

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number of Directors is required by law or by these Bylaws.

6.09 Expectation of Directors

1. Each Director is expected to serve on at least one (1) committee.
2. Each Director is expected to participate in the fundraising efforts of CASA with the exception of Masters and District Judges.
3. Each Director is expected to contribute financially to CASA.
4. Each Director is expected to attend all meetings of the Board. Any Director missing three (3) of eleven (11) regularly scheduled meetings in a fiscal year due to excused or unexcused absence shall be considered as having resigned and will be removed from the Board, but may be reinstated by the Board. The Board Development Committee may recommend removal of the Director to the Board for non-participation.
5. Each Director is expected to attend a Volunteer Training class or Voices tour, and must attend Board Orientation, to obtain sufficient knowledge of CASA's programs within one (1) year of being elected as a Director.
6. Each Director is expected to attend such programs as Strategic Planning and retreats designed to continue the education, orientation, and development of Directors.
7. Each Director is expected to review and execute CASA's Confidentiality Agreement and Conflicts of Interest Policy annually.

6.10 Voting

At all meetings of the Board of Directors, each Director is to have one vote. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains; however, no action may be taken without the vote of a majority of the number of Directors required for a quorum. If a quorum is never present at any time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting once without further notice.

6.11 Proxy Voting

A Director may not vote by proxy.

6.12 Compensation of Directors

Directors shall not receive compensation, but may be reimbursed for reasonable expenses properly incurred by them on behalf of CASA if approved by the Board.

Article VII - - Officers

7.01 Officers

The Officers of CASA shall be a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other Officers that may be elected in accordance with the provisions of this Article. The Board of Directors may elect at least one volunteer from each county to server on the Board or appoint such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Anyone that holds an office and runs for another office should resign their current position.

7.02 Election and Term of Office

No two offices shall be held by the same person. The officers of CASA shall be chosen from the Board of Directors and shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have been qualified. No person may serve for more than two (2) full consecutive years in any one office of CASA, with the exception of the President who may serve three (3) full consecutive years. To be eligible to serve as President, it is highly desirable that a Director shall have served as a Director for one (1) year and as an Officer or the Chairperson of a Committee identified in Article VII for at least one (1) year.

7.03 Removal

Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of CASA would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

7.04 Vacancies

A vacancy in any office, because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term at any meeting of the Board of Directors.

7.05 President

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and meetings of the Corporation. He or she shall preside, when present, at all meetings of the Board of Directors and serve as an ex officio member of all committees of the Board.

The President shall sign all contracts and agreements in the name of the Corporation, subject to the advice, consent and approval of the Board of Directors.

The President shall be the chairman of the Executive Committee, a member of the Finance Committee, and an ex officio member of all other committees. The President shall have the power and authority to appoint ad hoc committees and chairmen as needed with the approval of the Executive Committee.

7.06 Vice-President

During the absence or inability of the President to render and perform the President's duties or exercise the President's powers as set forth in these Bylaws or in the acts under which this Corporation is organized, the same shall be performed and exercised by the Vice-President.

The Vice-President shall be a member of the Executive and Finance Committees, and shall be an ex officio member of all other committees.

7.07 Secretary

The Secretary shall see that the minutes of the meetings of the Board of Directors and the Executive Committee are kept, shall see that the books and reports are properly made and filed and shall perform such other functions as from time to time may be directed by the President.

The Secretary shall be a member of the Executive Committee.

7.08 Treasurer

The Treasurer may sign, make and enforce in the name of the Corporation all checks, drafts and order for the payment of money under the direction of the President or the Board of Directors, or as may be delegated to the Executive Director.

The Treasurer shall exhibit at all reasonable times the books and accounts of the Corporation to any Director.

The Treasurer shall provide statements of the conditions of the finances of the Corporation at each regular meeting of the Board of Directors and at such other times as may be required of the Treasurer.

The Treasurer shall oversee the acquisition of a Bond, which meets federal, state and local tax requirements, securing an audit as needed and securing insurance for the Corporation as required by the Board of Directors.

The Treasurer shall be the chairperson of the Finance Committee and shall be a member of the Executive Committee.

Article VIII - - Executive Director

8.01 Executive Director

The Executive Director shall be the Chief Administrative Officer of CASA and shall be responsible to the Board of Directors for the management of CASA. The Executive Director may be assisted by such additional staff as provided for by the Board of Directors. The Board of Directors shall have authority to employ, evaluate, and discharge an Executive Director upon such terms and conditions as the Board may determine.

The Executive Director shall have the authority to make expenditures within the approved budget.

The Executive Director shall serve as a non-voting member of the Board of Directors.

The Board shall evaluate the performance of the Executive Director in writing annually, and compare written performance criteria and objectives between evaluations.

Article IX - - Committees

9.01 Executive Committee

The Executive Committee shall be composed of the President, the immediate Past President, the Vice-President(s), the Secretary, the

Parliamentarian and the Treasurer. The President shall serve as Chairperson of the Executive Committee. Between meetings of the Board, the Executive Committee shall have all the power and authority of the Board of Directors except that it shall not have the authority to: (a) select members of any standing committee, (b) fill any vacancy in any office, (c) approve the annual budget, or (d) employ or discharge the Executive Director. The Executive Committee shall report its actions to the Board of Directors at the next meeting of the Board of Directors.

9.02 Board Development Committee

The Board Development Committee shall be composed of a minimum of three (3) Directors. This committee shall set up criteria for Directors, maintain a roster of potential Directors, explain to nominees their duties and responsibilities as Directors, and provide nominees with a copy of these Bylaws:

1. The Chairperson of the Board Development Committee shall request suggestions from the Directors for nominations for Officers and Directors.
2. The report of the Board Development Committee shall be presented to the Board of Directors at its annual meeting. Provided the consent of the nominee has been obtained in advance, nominations in addition to those submitted by the Board Development Committee may be made from the floor by any Director.
3. The Board Development Committee may be requested by the Executive Committee to nominate persons to fill any vacancies on the Board of Directors or in offices of the Board of Directors.

9.03 Finance Committee

The Finance Committee shall be composed of the Treasurer and additional Directors. The Treasurer shall serve as Chairperson of the Finance Committee:

1. The Finance Committee shall prepare the annual budget for presentation to the Board of Directors, and present an audit report annually to the Board of Directors after the close of the fiscal year.
2. The Finance Committee is responsible for the study and review of all matters involving the finances, appropriations, and expenditures of the funds of CASA, including, but not limited to, review of the budgets and financial reports of CASA.

9.04 Policy/Personnel Committee

The Policy/Personnel Committee shall be composed of three (3) or more Directors. The President shall appoint the Chairperson of this committee. The Policy/Personnel Committee shall recommend personnel policies to the Board of Directors and assist the Executive Director in developing and maintaining sound programs of personnel administration. This committee shall study and recommend to the Board policies concerning programs,

operations and procedures, which will be reviewed and approved by the Board.

9.05 Fundraising Committee

The Fundraising Committee shall have responsibility for the financial support of CASA and shall plan and assist in implementing fundraising programs. This committee is comprised of the entire Board of Directors. It shall be chaired by one or more Directors. Additional membership of this committee may include non-members of the Board of Directors.

9.06 Fund Development Committee

The Fund Development Committee shall have responsibility to ensure that adequate financial resources are available to provide and maintain program service. The Committee will be responsible for the fundraising plan and the marketing plan. It shall be chaired by one or more Directors. Additional membership of this committee may include non-members of the Board of Directors.

9.07 Other Committees

Other committees not having and exercising the authority of the Board of Directors in the management of CASA may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of such committee shall be Directors, who may be appointed by the President.

9.08 Term of Office

Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member is removed from such committee, or unless such member shall cease to qualify as a member.

9.09 Removal

Any member of any committee may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interest of CASA shall be served by such removal.

9.10 Vacancies

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

9.11 Quorum

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall

constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Article X - - Financial Accountability

No Officer, Director or agent of the Corporation, either singly or jointly with others, shall have the power to make any bill payable, note, check or other negotiable instrument, or endorse the same in the name of the Corporation, or contract or cause to be contracted any debt or liability in the name of or on behalf of the Corporation, except as herein expressly described and provided.

10.01 Contracts

The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the corporation. Such authority may be general or confined to specific instances.

10.02 Checks and Drafts

All checks, drafts, or orders for the payment of money, notes or other evidences or indebtedness issued in the name of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution by the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and counter-signed by the President or a Vice President of the Corporation.

All applications for grants must have Executive Committee or Board of Directors approval prior to submission to the funding source.

Article XI - - Indemnification Clause

11.01 Indemnification of Officers and Directors

The Officers, Directors, agents and employees of the Corporation shall be indemnified to the maximum extent authorized by law.

Article XII - - Conflict of Interest

12.01 If any matter should come before the Board or any committee thereof in such a way as to give rise to a conflict of interest, the affected member shall make known the potential conflict and withdraw from the meeting for so long as the matter shall continue under discussion, except to answer any questions that might be asked of him or her. Should the matter be brought to a vote, the affected member shall not vote on it. In the event that, when advisable, (s)he fails to withdraw voluntarily, the chairperson

shall require that (s)he remove himself/herself from the room during the discussion and vote on the matter. Each member of the Board will annually sign the conflict of interest policy.

In appropriate instances, the President of the Board of Directors or the Executive Director may seek the advice of an independent professional on a conflict issue.

12.02 Board Member as Legal Counsel

Although legal counsel may be provided to CASA under voluntary auspices on a pro bono basis and a lawyer who offers legal counsel may sit on the CASA Board, the role of such legal counsel will be clearly defined in a fee agreement letter from the lawyer in order to keep the two functions separate.

12.03 Board Member as Staff

Prior to applying for an employment position with CASA, a Board member must resign from the Board.

Article XIII - - General Provisions

13.01 Amendments

The Board of Directors shall have the power to alter, amend, or repeal these Bylaws at any regular or special meeting of the Board of Directors by a vote of two-thirds (2/3) of the members present, provided that written notice of the proposed change is given at least ten (10) days prior to such meeting. These Bylaws shall be reviewed each year by the Executive Committee, and a report of the committee shall be included at each end of the fiscal year Board meeting.

Construction and Terms

If there is any conflict between the provisions of these Bylaws and the Articles of Incorporation of this Corporation, the provisions of the Articles of Incorporation shall govern. Should any of the provisions or portions of these Bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these Bylaws shall be unaffected by such holding. All references in these Bylaws to the Articles of Incorporation shall be to the Articles of Incorporation of this Corporation filed with the Secretary of this State and used to establish the legal existence of this Corporation. All references in these Bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

13.02 Waiver of Notice

Whenever, under the provisions of any law, the Articles of Incorporation or amendments thereto, or these Bylaws, any notice is required to be given to any Director or committee member, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein shall be equivalent to the giving of such notice.

13.03 Conference Telephone Meetings

Meetings of any committee may be held by means of conference telephone or similar communications equipment so long as all persons participating in the meeting can hear each other. Participants in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objection to the transaction of any business on the ground that the meeting is not lawfully called or convened.

13.04 Fiscal Year

The fiscal year shall be July 1 through June 30 in each year.

13.05 Nondiscriminatory Practices

The Corporation, its Directors, Officers and employees shall not discriminate against any individual or group of individuals on the basis of age, gender, sexual orientation, race, ethnicity, nationality, disability or religion.

Article XIV- - Restrictions and Requirements

14.01 The Corporation shall not pay dividends or other corporate income to its Directors or Officers or otherwise accrue distributable profits or permit the realization of private gain. The Corporation shall not have the power to engage in any activities, except to an insubstantial degree, that are not in furtherance of the purposes set forth above.

14.02 The Corporation shall have no power to take any action that would be inconsistent with the requirements for tax exempt organizations under Section 501(c)(3) of the Internal Revenue Code and related regulations, rulings and procedures. Regardless of any other provision to these Articles of Incorporation or state law, the Corporation shall have no power to:

1. Engage in activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Internal Revenue Code and related regulations, rulings, and procedures, except to an insubstantial degree.

2. Serve a private interest other than one that is clearly incidental to an overriding public interest.
3. Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise, except as provided by the Internal Revenue Code and related regulations, rulings, and procedures.
4. Participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. The prohibited activities include the publishing or distributing of statement and any other direct or indirect campaign activities.
5. Have objectives that characterize it as an "action organization" as defined by the Internal Revenue Code and related regulations, rulings and procedures.
6. Permit any part of the net earnings of the Corporation to inure to the benefit of any member of the Corporation or any private individual.
7. Carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt purposes.

14.03 Dissolution

On dissolution, the Corporation's assets shall be distributed to an organization dedicated to public benefit purposes exempt from taxes under Internal Revenue Code Section 501(c)(3), to be used to accomplish the general purposes for which the Corporation was organized.

Article XV – Dissolution

Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation remaining after payment of all debts and liabilities shall be distributed exclusively to the State of Texas or an organization exempt from taxes under Internal Revenue Code Section 501(c)(3).

1619 E. Common Street, New Braunfels, Texas 78130

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on November 8, 2001.

Highlighted sections were amended and approved by the Board on February 17, 2004.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on November 20, 2007.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on May 30, 2011.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on June 25, 2013.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on February 24, 2015.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on June 23, 2015.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on April 19, 2016.

The above Bylaws were amended and approved by the Board of Directors of CASA of Central Texas, Inc. on October 15, 2018.

RESOLUTION

On the 15th day of October, 2018, at a meeting of the Board of Directors of CASA of Central Texas, Inc., held in the City of New Braunfels, Comal County, Texas, with a quorum of the Directors present, the following business was conducted:

WHEREAS the Board of Directors of CASA of Central Texas, Inc. retains certain responsibilities which should be included in these Bylaws;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CASA of Central Texas, Inc. approves the following changes to these Bylaws:

- **The addition of paragraph 12.03, “Board Member as Staff”**
- **The addition of the last sentence in paragraph 8.01**
- **Addition to the last sentence of paragraph 9.04.**

Voted, passed and approved on October 15, 2018.

**JoAnne Germer
President – Board of Directors
Board of Directors**

**Rosemary Hopkins
Secretary**

INTERNAL REVENUE SERVICE
District Director

DEPARTMENT OF THE TREASURY
1100 Commerce St., Dallas, TX 75242

CASA OF CENTRAL TEXAS, INC.
PO BOX 311832
NEW BRAUNFELS, TEXAS 78131

Person to Contact:
BARBARA MITCHELL
Telephone Number:
(214) 767-6023
Refer Reply to:
EO:CSU:4940DAL
Date:
AUGUST 4, 1994

Dear Sir or Madam:

Our records show that CASA OF CENTRAL TEXAS is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted OCTOBER 1986 and remains in full force and effect. Contributions to your organization are deductible in the manner and to the extent provided by section 170 of the Code.

We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are an organization described in section 170(b)(1)(A)(vi).

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely,

Barbara Mitchell
EO Technical Assistor

TAX ID # 74-2403373

CASA of Central Texas, Inc.

INCOME BUDGET	2019-20
VOCA	317,825.02
VOCA Non-Urban	90,000.00
CDBG-New Braunfels	13,333.00
header	50,000.00
OVAG	42,000.00
Texas CASA - CVC	194,755.00
Texas CASA - CVC Growth	39,468.00
Texas CASA Title 4	5,000.00
Comal County	1,000.00
Guadalupe County	7,500.00
Hays County	35,000.00
County Jury Fees	16,886.33
Caldwell	
Comal	
Guadalupe	
Hays	
City of Buda	3,475.00
City of Lockhart	4,052.05
City of San Marcos H.S.	17,500.00
United Way - Greater Austin	2,000.00
Texas SECC - State Employee Charitable Campaign	4,000.00
CFC - Combined Federal Campaign	
United Way - Comal County	35,000.00
United Way - Guadalupe County	5,000.00
United Way - Hays County	8,500.00
United Way - SA Area	4,000.00
Board Member Contributions	25,000.00
Memorials & Honors	2,000.00
Children's Special Needs	1,500.00
Individual - Big Give S.A.	7,500.00
Individual - Amplify Austin	7,500.00
Individual - Holiday Appeal	10,000.00
Individual - Giving Tuesday	500.00
Individual - Private Donations	60,000.00
Church Contributions	5,000.00
Downtown Rotary NB	5,000.00
NB Rotary	5,000.00
Rotary Club of Seguin	1,500.00
San Marcos Lions Club	10,000.00
Civic - Other	5,500.00
Grande Communications	1,000.00
Corporate - Other	15,000.00
Anderson Charitable Foundation	15,000.00
Baptist Health Foundation	60,000.00
Burdine Johnson Foundation	30,000.00

Comal Cops for Kids	-
GVTC Foundations	5,000.00
In-N-Out Burger - Comal	5,000.00
In-N-Out Burger - Hays	5,000.00
Kronkosky Charitable Foundation	100,000.00
Lola Wright Foundation	15,000.00
McKenna Foundation	40,000.00
Najim Family Foundation	45,000.00
Christus Santa Rosa Foundation	25,000.00
San Antonio Area Foundation	25,000.00
St. Lukes Health Ministries	8,000.00
Texas Bar Foundation	8,000.00
Tomblin Family Foundation	10,000.00
Topfer Family Foundation	5,000.00
Valero Foundation	15,000.00
Event-Gala	75,000.00
Event-Golf Tournament	49,556.92
Event - 3rd Party	10,000.00
Unknown	43,455.32
TOTAL INCOME	1,652,306.64

EXPENSE BUDGET	2019-20
Salaries	1,145,243.00
Insurance Benefits	
Health	42,000.00
Life	3,000.00
Payroll Taxes	87,611.09
Pension	57,262.15
Unemployment Taxes	1,076.40
Workers Comp Insurance	3,200.00
Conferences/Education	12,000.00
Travel	37,214.00
Contract Service - Background	15,000.00
Equipment/Computer/Software	43,000.00
Equipment Rental	14,000.00
Credit Card & Other Fees	5,500.00
Office - General	10,000.00
Office Supplies	10,000.00
Training Expenses	15,000.00
Special Needs for Children	3,000.00
Advocate Recognition	15,000.00
Audit	6,500.00
Advertising/Recruiting	8,000.00
Fundraising	45,000.00
Legal & Professional Fees	2,000.00

CASA of Central Texas, Inc.

Insurance Benefits	
Directors & Officers	3,200.00
Liability & Fidelity	9,500.00
Membership & Subscriptions	10,000.00
Postage	5,000.00
Printing/Promotions	3,500.00
Telephone/Internet	15,000.00
Utilities	9,500.00
Building Maintenance	15,000.00
Endowment Fees	1,000.00
Reserve	-
TOTAL EXPENSES	1,652,306.64

CASA of Central Texas, Inc.

INCOME BUDGET 2020-2021	Projected Budget
VOCA	365,498.77
VOCA Non-Urban	103,500.00
CDBG-New Braunfels	15,332.95
CDBG-San Marcos	57,500.00
OVAG	48,300.00
Texas CASA - CVC	223,968.25
Texas CASA - CVC Growth	45,388.20
Texas CASA Title 4	5,750.00
Comal County	1,150.00
Guadalupe County	8,625.00
Hays County	40,250.00
County Jury Fees	19,419.28
Caldwell	-
Comal	-
Guadalupe	-
Hays	-
City of Buda	3,996.25
City of Lockhart	4,659.86
City of San Marcos H.S.	20,125.00
United Way - Greater Austin	2,300.00
Texas SECC - State Employee Charitable Campaign	4,600.00
CFC - Combined Federal Campaign	-
United Way - Comal County	40,250.00
United Way - Guadalupe County	5,750.00
United Way - Hays County	9,775.00
United Way - SA Area	4,600.00
Board Member Contributions	28,750.00
Memorials & Honors	2,300.00
Children's Special Needs	1,725.00
Individual - Big Give S.A.	8,625.00
Individual - Amplify Austin	8,625.00
Individual - Holiday Appeal	11,500.00
Individual - Giving Tuesday	575.00
Individual - Private Donations	69,000.00
Church Contributions	5,750.00
Downtown Rotary NB	5,750.00
NB Rotary	5,750.00
Rotary Club of Seguin	1,725.00
San Marcos Lions Club	11,500.00
Civic - Other	6,325.00
Grande Communications	1,150.00
Corporate - Other	17,250.00
Anderson Charitable Foundation	17,250.00
Baptist Health Foundation	69,000.00
Burdine Johnson Foundation	34,500.00

CASA of Central Texas, Inc.

Comal Cops for Kids	-
GVTC Foundations	5,750.00
In-N-Out Burger - Comal	5,750.00
In-N-Out Burger - Hays	5,750.00
Kronkosky Charitable Foundation	115,000.00
Lola Wright Foundation	17,250.00
McKenna Foundation	46,000.00
Najim Family Foundation	51,750.00
Christus Santa Rosa Foundation	28,750.00
San Antonio Area Foundation	28,750.00
St. Lukes Health Ministries	9,200.00
Texas Bar Foundation	9,200.00
Tomblin Family Foundation	11,500.00
Topfer Family Foundation	5,750.00
Valero Foundation	17,250.00
Event-Gala	86,250.00
Event-Golf Tournament	56,990.46
Event - 3rd Party	11,500.00
Unknown	49,973.62
TOTAL INCOME	1,900,152.64

EXPENSE BUDGET 2020-2021	Projected Budget
Salaries	1,317,029.45
Insurance Benefits	-
Health	48,300.00
Life	3,450.00
Payroll Taxes	100,752.75
Pension	65,851.47
Unemployment Taxes	1,237.86
Workers Comp Insurance	3,680.00
Conferences/Education	13,800.00
Travel	42,796.10
Contract Service - Background	17,250.00
Equipment/Computer/Software	49,450.00
Equipment Rental	16,100.00
Credit Card & Other Fees	6,325.00
Office - General	11,500.00
Office Supplies	11,500.00
Training Expenses	17,250.00
Special Needs for Children	3,450.00
Advocate Recognition	17,250.00
Audit	7,475.00
Advertising/Recruiting	9,200.00
Fundraising	51,750.00
Legal & Professional Fees	2,300.00

CASA of Central Texas, Inc.

Insurance Benefits	-
Directors & Officers	3,680.00
Liability & Fidelity	10,925.00
Membership & Subscriptions	11,500.00
Postage	5,750.00
Printing/Promotions	4,025.00
Telephone/Internet	17,250.00
Utilities	10,925.00
Building Maintenance	17,250.00
Endowment Fees	1,150.00
Reserve	
TOTAL EXPENSE	1,900,152.64

Project Budget for SM-CDBG FY2020-21	
Program Director	10,000.00
Recruitment & Training Director	8,000.00
Development Coordinator	5,000.00
CS# 4 -City of SM	5,000.00
CS# 5 - City of SM	5,000.00
CS# 6 - City of SM	5,000.00
CS# 7 - City of SM	5,000.00
CS# 9 - City of SM	5,000.00
Payroll Taxes	3,672.00
Utilities	3,328.00
Telephone & Internet	5,000.00
Total Program Budget	60,000.00

CASA OF CENTRAL TEXAS, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2019

CASA OF CENTRAL TEXAS, INC.

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Independent Auditor's Report

To the Board of Directors of
CASA of Central Texas, Inc.

I have audited the accompanying financial statements of CASA of Central Texas, Inc. (not-for-profit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA of Central Texas, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Linda J. Gandy, CPA

San Marcos, Texas
December 6, 2019

CASA OF CENTRAL TEXAS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

Assets	
Current assets	
Cash and cash equivalents	\$ 1,066,278
Receivables	660,852
Total current assets	<u>1,727,130</u>
Property and equipment	
Building and land	737,078
Construction in progress	280,794
Furniture and equipment	132,797
Accumulated depreciation	<u>(331,222)</u>
Total property and equipment	<u>819,447</u>
Other assets	1,620
Total assets	<u><u>\$ 2,548,197</u></u>
Liabilities and net assets	
Current liabilities	
Payroll liabilities	<u>\$ 100</u>
Total current liabilities	<u>100</u>
Net assets	
Without Donor restrictions	1,643,505
With Donor restrictions	<u>904,592</u>
Total net assets	<u>2,548,097</u>
Total liabilities and net assets	<u><u>\$ 2,548,197</u></u>

The accompanying notes are an integral part of these financial statements.

CASA OF CENTRAL TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Grants	\$ 160,385	\$ 525,330	\$ 685,715
Contributions	519,533	15,000	534,533
Capital campaign	-	182,810	182,810
In-kind donations	364,180	-	364,180
Fundraising	200,019	-	200,019
Other income	14,597	-	14,597
Unrealized gain/(loss)	-	1,546	1,546
Interest income	1,138	1,585	2,723
Total support and revenue	<u>1,259,852</u>	<u>726,271</u>	<u>1,986,123</u>
Satisfaction of donor restrictions	1,157,102	(1,157,102)	-
Total support and revenue	<u>2,416,954</u>	<u>(430,831)</u>	<u>1,986,123</u>
Expenses			
Program services	1,319,847	-	1,319,847
Supporting services			
Management and general	166,351	-	166,351
Fundraising	99,168	-	99,168
Total expenses	<u>1,585,366</u>	<u>-</u>	<u>1,585,366</u>
Change in net assets	831,588	(430,831)	400,757
Net assets at beginning of year	811,917	1,335,423	2,147,340
Net assets at end of year	<u>\$ 1,643,505</u>	<u>\$ 904,592</u>	<u>\$ 2,548,097</u>

The accompanying notes are an integral part of these financial statements.

CASA OF CENTRAL TEXAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	CASA of Central Texas	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Payroll expenses	\$ 800,312	\$ 94,154	\$ 47,077	\$ 141,231	\$ 941,543
Health insurance	56,801	6,683	3,341	10,024	66,825
Pension	32,088	3,775	1,888	5,663	37,751
In-kind expenses	264,068	-	-	-	264,068
Capital campaign	323	-	-	-	323
Travel	36,772	-	-	-	36,772
Depreciation expense	12,675	12,675	-	12,675	25,350
Fundraising	-	-	46,862	46,862	46,862
Equipment	34,150	-	-	-	34,150
Conferences/meetings	1,516	-	-	-	1,516
Communications	14,131	-	-	-	14,131
Building maintenance	6,858	6,858	-	6,858	13,716
Insurance	-	12,917	-	12,917	12,917
Advocate recognition	10,570	-	-	-	10,570
Office expenses	-	15,635	-	15,635	15,635
Legal and professional	20,948	-	-	-	20,948
Advertising and recruiting	5,834	-	-	-	5,834
Memberships	8,563	-	-	-	8,563
Contract services	10,764	-	-	-	10,764
Training	2,467	-	-	-	2,467
Utilities	-	6,014	-	6,014	6,014
Children special needs	1,007	-	-	-	1,007
Fees	-	4,780	-	4,780	4,780
Postage	-	2,860	-	2,860	2,860
	<u>\$ 1,319,847</u>	<u>\$ 166,351</u>	<u>\$ 99,168</u>	<u>\$ 265,519</u>	<u>\$ 1,585,366</u>

The accompanying notes are an integral part of these financial statements.

CASA OF CENTRAL TEXAS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash flows from operating activities	
Change in net assets	\$ 400,757
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	25,350
Change in prepaids	250
Change in receivables	29,891
Change in liabilities	<u>(13,694)</u>
Net cash provided by operating activities	<u>442,554</u>
Cash flow from investing activities	
Investment in capital assets	<u>(290,196)</u>
Net cash (used) by investing activities	<u>(290,196)</u>
Net change in cash and cash equivalents	152,358
Cash and cash equivalents, beginning of year	<u>913,920</u>
Cash and cash equivalents, end of year	<u>\$ 1,066,278</u>

Supplementary information	
Interest paid	\$ -
Income taxes paid	\$ -

The accompanying notes are an integral part of these financial statements.

CASA OF CENTRAL TEXAS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CASA of Central Texas, Inc. (CASA), a member of the National Court Appointed Special Advocate Association and Texas CASA, is a nonprofit corporation whose mission is to advocate for abused and neglected children in the court system by recruiting, training, and supporting community volunteers. CASA is funded by federal/state grants, fundraisers, community donations and volunteer hours from trained advocates.

In prior years, the financial statement presentation included CASA Wing Society. CASA Wing Society, established in fiscal year 2009, was an affiliate nonprofit of CASA of Central Texas, Inc. and operated under the CASA's nonprofit tax identification number. However, in August 2018, Wing Society was dissolved and the remaining funds were transferred into CASA of Central Texas, Inc.'s general operating account to be used for advocate appreciation costs.

Basis of presentation

The financial statements of CASA of Central Texas, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the organization to report information regarding its financial position and activities to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of CASA of Central Texas, Inc.'s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donors' restrictions are temporary in nature; those restrictions will be met by actions of CASA of Central Texas, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and cash equivalents

For purposes of the statements of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. As of June 30, 2019, the organization's cash and cash equivalents totaled \$1,066,278. Cash and cash equivalents balances exceeded federally insured amounts by \$595,065 as of June 30, 2019.

CASA OF CENTRAL TEXAS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 Inputs that are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable for the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amount of cash and cash equivalents, prepaids, accounts payables and accrued expenses approximates fair market value due to the short-term maturities of these investments.

Accounting for Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

CASA OF CENTRAL TEXAS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Gifts Received for Specific Beneficiaries

As required by ASC 958-605-25, when acting as an agent, the organization does not recognize gifts as revenues if the gifts are designated for specific beneficiaries unless the donor specifies variance power with the gift.

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expenses as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes. The tax year is still open to audit for both federal and state purposes.

CASA OF CENTRAL TEXAS, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

New Accounting Pronouncement

In 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities-Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification. CASA of Central Texas, Inc. has adjusted the presentation of these statements accordingly.

NOTE B - GRANT RECEIVABLES

Grant receivables consisted of the following at June 30, 2019:

UW of Comal Co.	\$ 35,000
CVC	20,622
OVAG	7,544
Other	12,670
	<u>\$ 75,836</u>

NOTE C - PLEDGE RECEIVABLES

Pledge receivables are unconditional promises to give that are recognized as contribution when the promise is received. Pledge receivables are recorded at fair value at the date of promise. As of June 30, 2019, pledge receivables were \$585,017. Management has not recorded allowances for un-collectibles based on historical collections that pledges will be collected.

NOTE D - IN KIND DONATIONS

Community volunteer advocates donate time and mileage in their work as court appointed advocates. For the year ended June 30, 2019, recorded value of in-kind donations included the following:

Volunteer hours	\$ 170,133
Mileage	10,517
Donations (goods and services)	61,218
Capital campaign- construction costs	100,112
Rent and utilities	22,200
	<u>\$ 364,180</u>

CASA OF CENTRAL TEXAS, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2019

NOTE E - PENSION PLAN

CASA of Central Texas participates in a pension plan that is available to all employees after their initial 90-day training period. CASA contributes 5% of gross wages each pay period to the plan and employees can contribute through payroll deductions. CASA's contributions for the year ended June 30, 2019 totaled \$37,751.

NOTE F - DONOR RESTRICTED NET ASSETS

Donor restricted net assets consisted of \$904,592 as of June 30, 2019:

Capital campaign funds	\$845,065
NBACF Endowment fund	\$ 59,527

NOTE G – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the organization's financial assets as of the financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions.

	2019
Cash and cash equivalents	\$ 1,066,278
Grants receivable	660,852
Total financial assets	1,727,130
Donor restrictions	904,592
Financial assets available to meet cash needs for expenditures within one year	\$ 822,538

The organization's primary sources of cash flows during the year are related to contributions and grant awards from various individuals, foundations and agencies. These revenue sources provide a consistent inflow of cash throughout the year.

NOTE H - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 6, 2019, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required. CASA of Central Texas, Inc. is not aware of any material subsequent events.

CASA OF CENTRAL TEXAS, INC.
SCHEDULE OF CVC/OAG FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Grantor/ Program Title</u>	<u>Program or Award Amount</u>	<u>Accrued or [Deferred] Revenue at 7/1/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued or [Deferred] Revenue at 6/30/2019</u>
CVC					
2017-2018					
CVC-17-58	228,313	38,828	74,664	35,836	-
CVC-2019-70					
	<u>243,644</u>	<u>-</u>	<u>186,254</u>	<u>206,876</u>	<u>20,622</u>
Totals		<u>\$ 38,828</u>	<u>\$ 260,918</u>	<u>\$ 242,712</u>	<u>\$ 20,622</u>

CASA OF CENTRAL TEXAS, INC.
SCHEDULE OF VOCA FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

<u>Grantor/ Program Title</u>	<u>Program or Award Amount</u>	<u>Accrued or [Deferred] Revenue at 7/1/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued or [Deferred] Revenue at 6/30/2019</u>
VOCA					
2017/2018 Programs 13548-18	214,540	32,986	62,796	29,810	-
2018/2019 Programs 13548-18	<u>223,972</u>	<u>-</u>	<u>135,223</u>	<u>135,223</u>	<u>-</u>
Totals		<u>\$ 32,986</u>	<u>\$ 198,019</u>	<u>\$ 165,033</u>	<u>\$ -</u>

CASA OF CENTRAL TEXAS, INC.
 SCHEDULE OF OVAG FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

Grantor/ Program Title	Program or Award Amount	Accrued or [Deferred] Revenue at 7/1/2018	Receipts	Disbursements	Accrued or [Deferred] Revenue at 6/30/2019
OVAG					
2017/2018 Programs	42,000	7,165	13,260	6,095	-
OVAG 1768159					
2018/2019 Programs					
OVAG 1986140	<u>42,000</u>	<u>-</u>	<u>31,827</u>	<u>39,371</u>	<u>7,544</u>
Totals		<u>\$ 7,165</u>	<u>\$ 45,087</u>	<u>\$ 45,466</u>	<u>\$ 7,544</u>

CASA OF CENTRAL TEXAS, INC.
 SCHEDULE OF COSM-CDBG FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

<u>Grantor/ Program Title</u>	<u>Program or Award Amount</u>	<u>Accrued or [Deferred] Revenue at 7/1/2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued or [Deferred] Revenue at 6/30/2019</u>
City of San Marcos-CDBG 2018/2019	15,000	-	15,000	15,000	-

DESCRIPTION OF CASA OF CENTRAL TEXAS, INC. CDBG STAFF

Kimberly Key, Program Director, has worked for CASA of Central Texas since April 2000 covering cases in Caldwell, Comal, Guadalupe and Hays Counties. Formerly, she worked for the DePelchin Children's Center, a residential treatment center, did internships in brain injury and pediatrics, and worked as an occupational therapist. She earned a Master degree in Occupational Therapy and a Bachelor of Arts in Psychology. She has 24 years of experience in the field.

Robert Edwards, Case Supervisor, was hired by CASA of Central Texas in June 2012 as a Casework Supervisor of volunteers serving children in Comal and Hays Counties. He earned a Bachelor of Science degree in Sociology. Prior to joining CASA of Central Texas, he worked as a Program Director for a youth sports league and as a youth counselor and case manager. He has 14 years of experience in the field.

Tim Judkins, Case Supervisor, was hired by CASA of Central Texas in November 2009 and oversees the Transitioning Youth program in all four of our counties. Tim was previously a church pastor and has a Master degree in Christian Education and a Bachelor degree in New Testament and Christian Education. He has 11 years of experience in this field.

Layla Coleman, Recruitment & Training Director, was hired by CASA of Central Texas in October 2011 as a Casework Supervisor of volunteers serving children in Hays County. She was promoted to her present position in July 2017. She earned a Bachelor of Arts degree in Anthropology and a Master degree in Anthropology, and worked as an educator while in school. She has 9 years of experience in the field.

Shelley Denkeler, Case Supervisor, was hired by CASA of Central Texas in November 2012 and shares her time between Comal and Guadalupe Counties. She previously worked for the TDFPS as a CPS Caseworker and she has a Bachelor of Arts in Business Management. She has worked in this field for 12 years.

Amanda Salazar, Case Supervisor, was hired by CASA of Central Texas in January 2016 and covers cases in Comal and Hays Counties. She has a Bachelor of Arts in Psychology. She has 10 years of experience in the child welfare field.

Jurnee Troublefield, Development Coordinator-Donor Relations, was hired in June of 2018. She holds a Bachelor's Degree in International Studies with a focus in Business.

CASA of Central Texas, Inc.

By-Laws, Article XII I- General Provisions

13.05 Nondiscriminatory Practices

The Corporation, its Directors, Officers and employees shall not discriminate against any individual or group of individuals on the basis of age, gender, sexual orientation, race, ethnicity, nationality, disability or religion.

CASA of Central Texas, Inc.
 Supplementary Answers to
 City of San Marcos
 CDBG Application PY2020

Program Information / Program Eligibility

Answer to Question #1b, p. 12

Following similarly with the PY2019 funding request, the current proposal will support partial salary and fringe for eight (8) positions to continue expansion of services to more children from San Marcos. The \$10,000 increase in funds requested this year will be allocated to utilities at the new Training & Support Center at 2725 Hunter Road in San Marcos, opening Summer 2020.

Program Year (Oct 1 - Sep 30)	CDBG Funding	Funding per Child for One Year of Service	Goal: Number of abused and neglected children served by CASA	Actual: Number of abused and neglected children served by CASA
2020	\$60,000 (proposed)	\$441	136	
2019	\$50,000	\$435	125	97 (Quarter 2 10/1/19 - 3/31/20)
2018	\$29,810	\$441	102	109
2017	\$29,810	\$368	81	105
2016	\$29,810	\$335	89	94
2015	\$29,810	\$392	76	94
2014	\$25,000	\$500	50	81
2013	\$25,000	\$658	38	64
2012	\$25,000	\$833	30	57
2011				42
2010				50
2009				35

VI. Line Item Budget / Supplemental Budget Form - Use of Other Resources, p. 14

Texas CASA (CVC)	105,400.35
Office of the Attorney General (OVAG)	18,900.00
Texas CASA (VOCA)	183,521.26
City of New Braunfels (CDBG)	6,000.00
City of San Marcos	7,875.00
Hays County	15,750.00
City of Buda	1,563.75
United Way Comal County	15,750.00
United Way Hays & Caldwell Counties	3,825.00
Anderson Foundation	6,750.00
McKenna Foundation	18,000.00
Texas Bar Foundation	3,600.00
Valero Foundation	6,750.00
Fundraising Events	

(based on FY2019-20 Budget)

VIII. Organizational Information / Financial Information

Answer to Question #8, p. 17:

PY19-20

COSM-CDBG Public Services, \$29,810: Advocacy Services for Abused Children

COSM-Human Services, \$17,500: Advocacy Services for Older Youth/PMC

PY18-19

COSM-CDBG Public Services, \$29,810: Advocacy Services for Abused Children

COSM-Human Services, \$15,000: Advocacy Services for Older Youth/PMC

Line Item Budget , Page 14

Line Item Budget , Page 14	Total Program	CDBG	Other Funds	Other Sources
Program Director	68,565.00	10,000.00		
Recruitment & Training Director	51,280.00	8,000.00		
Development Coordinator	35,368.00	5,000.00		
CS# 4 - City of SM	44,000.00	5,000.00		
CS# 5 - City of SM	49,900.00	5,000.00		
CS# 6 - City of SM	35,368.00	5,000.00		
CS# 7 - City of SM	45,000.00	5,000.00		
CS# 9- City of SM	42,900.00	5,000.00		
Salary Expense	372,381.00	48,000.00	324,381.00	
Payroll Taxes	28,487.15	3,672.00	24,815.15	
Total Payroll Expense	400,868.15	51,672.00	349,196.15	
Internet & Telephone	15,000.00	5,000.00	10,000.00	
Utilities	9,500.00	3,328.00	6,172.00	
Total Program Expenses	24,500.00	8,328.00	16,172.00	
TOTAL	425,368.15	60,000.00	365,368.15	

Other Funding Sources for Line Item Budget (p. 14) (based on FY2019-20 Budget)

Hays Co. 45%

Texas CASA (CVC)	105,400.35
Office of the Attorney General (OVAG)	18,900.00
Texas CASA (VOCA)	183,521.26
City of New Braunfels CDBG	6,000.00
City of San Marcos	7,875.00
Hays County	15,750.00
City of Buda	1,563.75
United Way Comal County	15,750.00
United Way Hays County	3,825.00
Anderson Foundation	6,750.00
McKenna Foundation	18,000.00
Texas Bar Foundation	3,600.00
Valero Foundation	6,750.00
	393,685.36

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CFR Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: Norma C Blackwell Date Signed: 4/30/2020
 Printed Name: Norma Castilla-Blackwell Title: Executive Director
 Organization Name: CASA of Central Texas, Inc.

City of San Marcos
Community Development Block Grant
2020 Public Services Application



City of San Marcos

Planning and Development Services Department

630 East Hopkins

San Marcos TX 78666

<https://www.sanmarcostx.gov/3065/CDBG-Action-Plans>

For more information: Carol Griffith 512.393.8147 cgriffith@sanmarcostx.gov

APPLICANT INSTRUCTIONS

Persons with limited English proficiency may request assistance by contacting the City at 512-393-8250. (Las personas con habilidad limitada de Inglés puede solicitar la asistencia poniéndose en contacto con la Ciudad en 512-393-8250.)

Thank you for your interest in the City of San Marcos' Community Development Block Grant (CDBG) Program. The City will receive \$722,904 for program year 2020 which begins October 1, 2020.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov.

APPLICATION INFORMATION

2020 Application Period: March 30 through May 1, 2020

APPLICATION SUBMISSION DEADLINE IS MAY 1, 2020 AT 5:00 P.M.

Submit one signed application electronically to: Carol Griffith, cgriffith@sanmarcostx.gov

Please call to verify your application has been received: Carol Griffith 512-393-8147

PROJECT ELIGIBILITY

Organizations may propose more than one program or project in separate applications.

High Priority Needs

Proposed projects must address one of the High Priority Needs. The following are currently established as High Priority Needs for the City of San Marcos, as stated in the draft 2020-2024 Consolidated Plan:

- Affordable Housing
- Public Services (Total for projects funded may be limited to 15% of the annual CDBG allocation.)
- Public Facilities

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need. Applications will also be accepted for the following category in case this change is made:

- Economic Development

Not everything in these categories can be funded through CDBG. Please refer to the Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities for descriptions of projects that can be funded through CDBG. It can be found at the following link: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

In addition, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by the Department of Housing and Urban Development (HUD) to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities.

National Objectives

All funded projects must also meet one of the three CDBG program National Objectives:

- Benefit low to moderate income individuals or families
- Eliminate slum or blight
- Urgent Need (such as disaster recovery)

POSSIBLE USE OF FUNDS TO SUPPORT COVID-19 RESPONSE

If you would like to propose a program to assist with COVID-19 response, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by HUD to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities. Grantees may use CDBG funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). Please refer to HUD's Quick Guide for a complete listing of activities that can be funded through the CDBG annual entitlement allocation.

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need; therefore, applications will be accepted in the following categories:

- Affordable Housing
- Public Services
- Public Facilities
- Economic Development

Organizations may propose more than one program or project in separate applications.

For the City of San Marcos, the following programs listed in the Quick Guide may be of particular benefit:

1. Provision of assistance to private, for-profit entities when appropriate to carry out an economic development project, such as:
 - Preventing job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low to moderate income persons.
 - Providing technical assistance, grants, loans and other financial assistance to establish, stabilize and expand microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine.
2. Provision of new or quantifiably increased public services, such as the following.
 - Delivering meals on wheels to quarantined individuals or individuals who need to maintain social distancing due to medical vulnerabilities.
 - Providing equipment, supplies and materials necessary to carry out a public service.

APPLICATIONS ARE PUBLIC RECORDS

Once an application is submitted to the City, it becomes a public record and as such is open for public review. All or part of the application may be posted on the City's webpage and included in City Council packet materials. Please keep this in mind when submitting personal information for your staff, board, or clients.

APPLICATION CALENDAR AND CITIZEN PARTICIPATION

The City of San Marcos values the input of its citizens and offers the following opportunities to participate in the preparation of the annual Action Plan. Scheduled dates and venues are subject to change. Workshops will be held virtually due to the current status of the COVID-19 pandemic.

Please check the website <https://www.sanmarcostx.gov/3065/CDBG-Action-Plans> for the latest information and for instructions on joining a virtual meeting.

- Applicant Workshop - **April 2, 2020 at 9:00 a.m. (virtually)**
- Stakeholder's Workshop - **April 2, 2020 at 6:00 p.m. (virtually)**
- Public Hearing for Review of Applications Citizen Comments – **June 16, 2020 at the City Council meeting**
- City Council 2020 Funding Allocations– **August 4, 2020 at the City Council meeting**

FUNDING AWARDS

Submitting a complete application does not guarantee that your request will be funded. The CDBG grant can fund only the actual, allowable, and reasonable costs of a proposed project, and requests for funding generally exceed the amount of funding available. Funding allocations are decided by the City Council, subject to HUD approval.

AVAILABILITY OF FUNDS

Funds awarded for the 2020 program year become available after October 1, 2020. The organization's Subrecipient Agreement with the City must be fully executed prior to the expenditure or commitment of program funds. The appropriate level of environmental review must be completed by CDBG staff before any funds are expended or obligated. Environmental reviews typically take 45 to 60 days to complete for small construction projects and about 15 days for projects that are not likely to have a physical impact on the environment. **No reimbursement will be possible for goods purchased or contracts executed prior to meeting these requirements.**

ORGANIZATION ELIGIBILITY REQUIREMENTS

- Organizations applying for Public Services funding must be a public or private non-profit agency, a public housing authority, a City of San Marcos department, or other government entity.
- Non-profit agencies must be established, operating agencies as evidenced through documentation required in the application. Exhibits to show tax exempt status are required.
- Faith based agencies are eligible to apply on the same basis as other non-profit organizations. However, CDBG funds cannot be used to support worship, proselytizing, or religious instruction. Religious activities must be offered separately, in time or location, from the CDBG supported activity. Participation in the religious activity must be voluntary for the beneficiaries of the CDBG-funded project. Projects operated by faith-based agencies must be available to all community members and not restricted to the organization's membership or congregation.

NON-DISCRIMINATION AND ACCESSIBILITY

Each agency receiving CDBG funds must

- Provide assurance that it will conduct its business in compliance with the non-discrimination requirements of the County, State, and Federal governments as applicable.
- Have Equal Opportunity in Employment policies.
- Agree to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063 as amended by Executive Order 12259, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

FINANCIAL CAPACITY AND AUDITING REQUIREMENTS

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the federal Office of Management & Budget (OMB) requires that any organization that expends \$750,000 or more in federal financial assistance in a fiscal year must secure an annual audited financial statement.

The City has established the following financial statement requirements for organizations assisted with CDBG program funds, based on the total assets of the applicant. The term “total assets” is defined to mean the total amount of liquid assets that is documented to be available to the Subrecipient at the time the funding is approved.

- A. CPA preparation of financial records is not required if the Subrecipient has total assets of \$15,000 or less in value;
- B. A compiled financial statement is required if Subrecipient has total assets greater than \$15,000 and less than or equal to \$100,000 in value.
- C. A reviewed financial statement is required if Subrecipient has total assets greater than \$100,000 and less than or equal to \$200,000 in value.
- D. An audited financial statement is required if Subrecipient has total assets of more than \$200,000 in value. (In an “Audited” statement a CPA provides an in-depth study of the records, organizes them into a statement, and issues an opinion to their validity.)

Organizations receiving CDBG funds must submit the required financial statement which has been prepared by a Certified Public Accountant to the City within nine months from the organization’s fiscal year end and not more than 30 days after the organization’s receipt of the statement.

INSURANCE AND BONDING

Agencies receiving CDBG funding must provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of the funded project. At the time of contract signing, funded agencies must provide evidence of insurance including, but not limited to, multi-peril property and liability, worker’s compensation, automobile liability, and other coverage as deemed necessary by the City. In addition, upon funding the City of San Marcos, Officers, Employees and agents must be added as additional insured to the policy.

PROJECT IMPLEMENTATION SCHEDULE AND PERFORMANCE MEASUREMENT GOALS

Performance measurement is an effective management technique that enables those who receive grant funds (Subrecipients) and the City to analyze the benefits of their investments. It is a mechanism that tracks the progression of projects and evaluates their overall effectiveness and success in meeting project goals. **One of the most important overall goals in planning a CDBG project is the completion of the project in a timely manner.**

The City is monitored by HUD to ensure that the CDBG grant program has benefited low-to-moderate-income families; one success measurement that the City must meet is the expenditure of its program funds in a timely manner. The City must take into account the project schedules for each project that is proposed to ensure that the overall CDBG program will comply with its federally mandated timeliness ratio. Thus, it is critical that each applicant accurately forecasts the time that will be involved in completing each step of a proposed project.

Please use the format included in this application to outline the expected Implementation Schedule for your project. This document will be incorporated into the Subrecipient Agreement for funded projects. The City will monitor the performance of Subrecipients against the goals and performance standards established by this document. Substandard performance as determined by the City will constitute noncompliance with the Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient with a reasonable period of time after notification by the City, contract suspension or termination processes may be initiated.

NOTES FOR ORGANIZATIONS RECEIVING FEDERAL FUNDS

Subrecipient Registration Requirements:

- Organizations receiving CDBG funding (Subrecipients) must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number. If you do not have a DUNS number, go to <http://fedgov.dnb.com/webform> to register.
- Funded applicants must also have an active registration with System of Award Management (SAM). To register with SAM, go to www.sam.gov to register. You must have a DUNS number prior to registering with SAM. Subrecipients must provide proof of SAM registration prior to the execution of a Subrecipient Agreement. This is required when federal funds are being utilized. Any contractors/service providers hired for the CDBG programs must also have an active registration with SAM prior to start or expenditure of funds.

INCOME LIMITS

Income limits are established by HUD on an annual basis for the purpose of establishing CDBG grant eligibility. The limits are based on household size. Income is calculated for every adult 18 and older residing in the household. HUD considers 80% and below to be low income. San Marcos CDBG Area Median Income (AMI) Limits are based on the Median Family Income for the Austin/Round Rock Metropolitan Statistical Area (MSA). The current Median Family Income for the Austin-Round Rock MSA is \$95,900, which became effective June 1, 2019. The 2020 limits are expected to be released by HUD in the next few months.

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

APPLICATION REVIEW FOR PUBLIC SERVICES FUNDING

All applications for Public Services funding will be reviewed by the Human Services Advisory Board (HSAB). The Board will make a funding recommendation that will be considered by the City Council during their application review. Applicants may not request both CDBG and Human Services funding for the same project. You will complete [this](#) application form to request CDBG funding and will turn in one copy of the form, with all required supporting documentation, to the CDBG staff at the address shown below.

CDBG staff members will review your application for completeness and eligibility; after an application passes this review, it will be forwarded to the HSAB board for their consideration. The HSAB may schedule a time for each CDBG applicant to make a brief (3-minute) presentation in support of their funding request. Members of the HSAB board may schedule a site visit prior to the presentation date.

The HSAB board will make a funding recommendation that will be presented to the City Council.

Note: It is the City's policy to fund programs from only ONE city funding source. For example, if you apply for CDBG funds for a program, you cannot apply for Human Services funding for the same program.

PUBLIC SERVICES PROGRAM OR ACTIVITY ELIGIBILITY

SPECIAL PROGRAM REQUIREMENTS FOR PUBLIC SERVICE PROJECTS

The applicant must demonstrate that the program or service for which funding is requested is one of the following:

- a. A new service or program; or
- b. A service/program that has shown a quantifiable increase during the current or previous year; or,
- c. A service/program that is projected to show a quantifiable increase if the CDBG funding is received; or
- d. A service/program that is currently receiving CDBG funds and that this application is a request for continuation of funding at the same or lower level.

CDBG funds cannot be used as a substitute for funding provided during the past 12 months by the City of San Marcos.

ELIGIBLE PUBLIC SERVICE ACTIVITIES (24 CFR 570.201(E))

“Public Services” are non-construction social service activities in the community that benefit low- to moderate-income citizens. At least 51% of all program clients must be City of San Marcos residents and have a total family income that does not exceed 80% of the area median income as established by HUD for San Marcos.

CDBG regulations allow the use of grant funds for a wide range of public service activities including, but not limited to:

- After school / child care
- Education programs
- Health services
- Recreation services
- Crime prevention, public safety
- Senior citizens services
- Homeless persons services
- Job Training
- Substance abuse programs

ELIGIBLE EXPENSES

Eligible expenses include but are not limited to labor, supplies, and materials as well as operation and maintenance of the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service and costs incurred for telephone services, postage, and computer use or access. Time sheets will be required to document salary costs. Travel and training expenses may be authorized by the City on a case-by-case basis.

INELIGIBLE EXPENSES

CDBG funds may not be used to pay for food or meals for staff, fund raising, entertainment, alcoholic beverages, deposits on equipment, incentives to clients (such as gift cards or raffle prizes), or late fees or penalties. Costs of organized fund raising are not allowable. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not an integral, structural fixture is generally ineligible.

CLIENT INCOME VERIFICATION OPTIONS:

To be eligible for CDBG assistance, a public service project must serve low-to-moderate income persons. Income limits are updated annually, usually in the spring. The City will post the new limits on its website when they become available and distribute the new limits to all Subrecipient organizations.

The type of income verification needed is determined by the project and the clients served; HUD allows each project to select one of three definitions of “income” to be used in calculating a potential client’s eligibility to be considered low/mod. The project must use the same definition for all applicants. The primary difference in the definitions is the treatment of assets. City staff will work closely with all agencies that are selected for funding to determine which income definition should be used.

Documentation of the benefit to low and moderate income level persons is required of every project funded.

1. Limited Clientele: The public service activities must be offered to a particular group of low and moderate income residents in the entire community. Agencies will collect income data and demographic data for each recipient in the program as either Client Based or Presumed Benefit.

- a. **Client Based:** Activities will be offered to all residents of a particular group of low-and-moderate income San Marcos residents. Income verification and residency are required along with other client statistics.
- b. **Presumed Benefit:** Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit a population in which at least 51% of the population is low-to-moderate income. Individual income verification is not required, although residency and other client statistics must be collected. The Presumed Benefit categories are:

a. Elderly persons (62 or older)	e. Battered spouses
b. Homeless persons	f. Abused children
c. Persons living with AIDS	g. Migrant farm workers
d. Illiterate persons (includes non-English speakers)	h. Severely disabled adults (Census Bureau definition)

Persons are classified as having a severe disability if they (a) used a wheel-chair or had used another special aid for six months or longer; (b) are unable to perform one or more “functional activities” or need assistance with an ADL or IADL; (c) are prevented from working at a job or doing housework; or (d) have a selected condition included autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation. Also, persons who are under 65 years of age and who are covered by Medicare or who receive SSI are considered to have a severe disability.

For purposes of this definition, the term “functional activities” includes seeing, hearing, having one’s speech understood, lifting and carrying, walking up a flight of stairs, and walking. An ADL is an “activity of daily living” which includes getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting. An IADL is an “instrumental activity of daily living” and includes going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone.

2. Nature and Location: Activities must be of such nature and in such location that it may reasonably be concluded that the activity’s clientele will primarily be low/mod income persons. For example, a day care center that is designed to serve residents of a public housing complex would qualify under this category. Individual income verification would not be required, although residency and other client statistics would be required. HUD must approve this method of income verification.

3. Area Benefit: An activity which is available to benefit all of the residents of a defined area which is primarily residential and where at least 51% of the residents are L/M income persons. This rarely applies to public service projects.

SUPPLEMENTAL ITEM CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
DUE DATE: MAY 1, 2020

Submit one copy of the following items:

Required:

- Board of Directors list including position/title on board.
- Contact numbers for Board Chair or President and Treasurer.
- Resolution or Board Minutes showing approval to submit an application and designation of person who will sign documents on behalf of the organization.
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter (for non-profit organizations)
- Organization's Current Budget (2019-2020) and Proposed Budget for next fiscal year
- Most Recent audit or CPA prepared review.
- Description of employees, board members, volunteers who will work with the project
- Non-discrimination Policy Statement

If applicable:

- Fee schedule or structure for the project proposed for funding
- Copy of program application if one is used to select beneficiaries
- Analysis of program or service expansion if this is not a new service.
- Description of how beneficiaries will be selected (if not by application form)
- Description of how applicant income will be determined if there are direct beneficiaries
- Detailed explanation of any lawsuits, judgments, or bankruptcy proceedings
- Job description for new positions expected to be filled using CDBG funding

CITY OF SAN MARCOS
2019 CDBG PUBLIC SERVICES APPLICATION



Due Date: May 1, 2020

I. APPLICANT CONTACT INFORMATION

Applicant Organization: Austin Habitat for Humanity, Inc.

Contact Name: Kate Reznick Telephone: 512-472-8788 x117

Mailing Address: 500 West Ben White Boulevard, Austin, TX 78704-7030

Physical Address, if different from mailing address: Same as Above

Contact E-Mail Address: kreznick@ahfh.org Web Address: www.austinhabitat.org

Who is authorized to execute program documents? Phyllis Snodgrass, CEO and Lori Steiner, CFO

II. APPLICATION SUMMARY INFORMATION

Project Name: Housing Counseling Program

Amount of CDBG Funds Requested: \$23,656.00

Project Location: San Marcos, TX -- Locations TBD

Will all CDBG funds for this project be expended by July 15, 2021? Yes No

If "No", what percent is expected to be completed by that date? 50%

III. PROJECT DESCRIPTION

PROGRAM SUMMARY

Briefly summarize the program for which CDBG funding has been requested.

Austin Habitat for Humanity empowers low-to-moderate income community members, including those in San Marcos, to improve financial capability and confidence and prepare for successful homeownership. Our Housing Counseling program was introduced in 2010 and has positively impacted more than 12,000 members of our local communities, including all potential Habitat homeowners who have joined the program in the past ten years. Both the program and our two Spanish-bilingual housing counselors are approved by HUD, and our counselors continually seek training and recertification to ensure that they are providing the highest-quality service to our communities.

The program has two major components. The first is a series of group workshops, including an initial orientation, introduction to Habitat, classes on construction and maintenance for future homeowners, and the Realizing the American Dream course from NeighborWorks America, an intensive workshop focused on the real costs of home purchase and homeownership. The workshops are taught by our housing counseling team and subject-matter experts on areas including real estate and insurance. The program also features one-on-one counseling, designed to help each family determine their barriers to success (for example, high debt, poor credit or limited budgeting skills) and create and execute plans to overcome these barriers. The workshops and counseling are required for all Habitat partner families as part of their "sweat equity" investment before buying a home with us, and are also offered to members of the public. Other than a small fee for credit reports, waived as needed, all services are without cost to the participant.

USE OF FUNDS

How will the funds be used?

If awarded CDBG funding by the City of San Marcos for 2020, Austin Habitat for Humanity will continue to support the costs of providing the Housing Counseling program in San Marcos. Specifically, expenses to be supported will include the portion of the salary, fringe benefits and payroll taxes for the housing counselor(s) who will provide services in San Marcos; a portion of the salary, fringe benefits and payroll taxes for the program director (Chief Program Officer) and a communications staff member who will provide outreach; a portion of the costs of training for the counselor(s); a portion of the costs of curricular materials for course participants; support for program-specific outreach; and the cost of any sign-language or foreign-language interpreters needed. It is our understanding that the City of San Marcos will be able to offer space for workshops and counseling sessions at no cost to Austin Habitat.

Because of a time change to our 2019 grant, we are requesting funding to support our Housing Counseling initiative from January 1, 2021 to December 31, 2021. We are continuing to provide services under our 2019 grant through the end of 2020.

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

To determine whether this program is successful in the eyes of our participants, Austin Habitat for Humanity uses a short survey after workshops and financial counseling sessions to determine respondents' changes in knowledge and confidence after the session. Our satisfaction rate, and the percentage of respondents who rate themselves more knowledgeable and confident after a workshop, are approximately 98%.

For housing counseling participants who are in the process of qualifying to become Habitat partner families and buy their own homes, we have an ongoing process. Homeowners complete surveys at program entry, home closing, and for several years. The financial literacy-based data includes ability to fund children's education, staying on a budget, and ability to cover monthly expenses. In addition, because we are the mortgage-holder for most of our homeowners, we are able to determine the delinquency rate on most Austin Habitat homes. Our most recent delinquency rate was lower than 2%, comparing favorably with Habitat rates and national rates for LMI purchasers.

TYPE OF PUBLIC SERVICE (choose all that apply)

- | | |
|--|---|
| <input type="checkbox"/> 05A Senior Services | <input type="checkbox"/> 05B Handicapped Services |
| <input type="checkbox"/> 05C Legal Services | <input type="checkbox"/> 05D Youth Services |
| <input type="checkbox"/> 05E Transportation Services | <input type="checkbox"/> 05F Substance Abuse Services |
| <input type="checkbox"/> 05G Battered and Abused Spouses Services | <input type="checkbox"/> 05H Employment Training |
| <input type="checkbox"/> 05I Crime Awareness | <input type="checkbox"/> 05J Fair Housing Activities |
| <input type="checkbox"/> 05K Tenant/Landlord Counseling | <input type="checkbox"/> 05L Child Care Services |
| <input type="checkbox"/> 05M Health Services | <input type="checkbox"/> 05N Abused and Neglected Children Services |
| <input type="checkbox"/> 05O Mental Health Services | <input type="checkbox"/> 05P Screening for Lead Paint/Lead Hazards |
| <input type="checkbox"/> 05Q Subsistence Payments | <input checked="" type="checkbox"/> 05R Homeownership Assistance (Not Direct) |
| <input checked="" type="checkbox"/> Other: <u>Financial and Housing Education and Counseling</u> | |
-

PROGRAM INFORMATION

1. Program eligibility (please select one):
 - a. This is a new program.
 - b. This is an existing program that: (select one of the following)
 - Has previously received CDBG funding and the amount requested for this year is the same or less than previous funding; or
 - will expand to serve more beneficiaries or to provide more services if the CDBG funding as requested is approved. *Please attach an analysis that details how the program or service will be expanded, how many new beneficiaries will be served by the expansion, and how this number was determined.*
 2. Programs receiving funding from the City at this time (during the current program year):
 - a. How much CDBG funding was awarded? \$23,656
 - b. Is this program receiving any other City of San Marcos sources? No
 - c. If yes, how much was received and from what source? N/A
 3. Is there a fee to clients to participate in the program? Yes No \$30 person/\$60 couple fee for credit scores, can be waived.
If yes, please provide fee structure.
 4. Describe the days and hours of operation of the program: The program operates 9-5 on weekdays, and workshops are offered one Saturday a month.
-

IV. PROGRAM BENEFICIARIES

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

A. PRESUMED BENEFIT: See definition above of “Presumed Benefit”.

1. Will all of the program’s beneficiaries in a Presumed Benefit Category? ___ Yes or X No

If “yes”, list the categories: _____

2. How many persons in each presumed category are proposed to be assisted if funding is received?

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

3. If this program was carried out the previous full program year (10/1 – 9/30), how many persons were served in each presumed category:

Abused Children	Elderly Persons	Battered Spouses	Homeless Persons	Severely Disabled Adults	Illiterate Adults	Persons living with AIDS

B. BENEFICIARIES WHO ARE NOT CONSIDERED “PRESUMED”

1. How many persons are proposed to be assisted if funding is received? 100

If this program was carried out the previous program year (10/1 – 9/30), how many persons were served?

The program has recently launched, and we will provide an update after the COVID-19 restrictions are lifted.

2. What percentage of persons proposed to be assisted are expected to be low/mod? 100

3. What percentage of persons proposed to be assisted are expected to be San Marcos residents? 100

4. How do you propose to document the income of the beneficiaries? (check all that apply)

___ Evidence that the child is approved for free or reduced lunch

___ Evidence that the family lives in housing sponsored by the Housing Authority

___ Evidence that the family is WIC approved

X Income documentation using one of the 3 HUD approved methods

___ Self-certification, with income verification required of 20% of certifications

___ Other, describe: _____

VI. LINE ITEM BUDGET

Please use the following format to present your proposed line item budget. Secured funds are funds on-hand, pledged, or awarded. Following the Line Item Budget, please complete the Supplemental Budget Form – Use of Other Resources. Funds and costs, as outlined on the Sources and Uses of Funds form, may **not** be spent or incurred prior to a contract award date (usually October 1st) from the CDBG Program. Supporting documentation may be attached as an Appendix.

Expense Category	Total Program Budget	CDBG Portion	Other Funding Source	Other Funds Amount
Personnel Services	109,376	12,9494	HUD, Foundations, AHFH Revenue	96,427
Salaries	87,501	10,360		77,141
Fringe Benefits	21,875	2,589		19286
Supplies	6750	1600	HUD, Foundations, AHFH Revenue	5150
Office Supplies	250	100		150
Program Supplies	1500	500		1000
Client Materials	5000	1000		4000
Operating	5000	1500	HUD, Foundations, AHFH Revenue	3500
Training	5000	1500		3500
Insurance				
Utilities/Rent/Mortgage				
Other (please specify)	8057	5557	HUD, Foundations, AHFH Revenue	2500
Travel	557	557		0
Outreach	7500	5000		2500
Indirect 10%	12,918	2,050		10,868
Total	142,101	23,656		118,445

Please provide an explanation for any unusual budget expenditures listed in the line item budget above.

VII. PROJECTED IMPLEMENTATION SCHEDULE WITH PERFORMANCE GOALS

Projected Start Date:

01/01/2021

Projected Completion Date:

12/31/2021

Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Hiring New Staff Member</i>	<i>October 2019</i>	<i>December 2019</i>	<i>Employment process complete</i>
Secure Space for Workshops	January 2021	February 2021	Appropriate space secured
Outreach-Media, Nonprofit Partners	January 2021	December 2021	Ongoing outreach efforts to bring in 100 clients
Provision of Workshops	February 2021	December 2021	4 Workshops Provided
Provision of Counseling Sessions	February 2021	December 2021	100 Counseling Sessions Provided

7. What period was covered by your most recent financial review? 01/01/2018-12/31/2018
8. Has your organization received City of San Marcos funding in the past two years? Yes No
If yes, please attach a short summary of the purpose and amount of City funding.

PERSONNEL AND POLICIES

1. Name and Title of your chief administrator Phyllis Snodgrass
 Number of years in this position? 5
2. Total number of current employees at all locations 70
3. Total number of current employees who will be involved in this project 4
4. Total number of new employees expected to be hired for the project 0
5. Does your organization have a personnel policy manual? Yes No
 Does it include a procedure for filing grievances? Yes No
 Does it include a non-discrimination clause? Yes No
6. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?
 Yes No
7. Separation of duties for financial transactions regarding this project (respond with job title):
- Who will approve payment of incurred expenses? Chief Program Officer
 - Who will actually prepare the payment check? Accounting Team
 - Who will sign checks paying project expenses? CEO or CFO
 - Who posts the transaction to your financial records? Accounting Team
 - Who reconciles monthly bank statements? Accounting Team

ACCESSIBILITY OF PROGRAMS AND SERVICES

1. Are all facilities to be served by the program ADA Accessible? Yes No
2. Do you have a Section 504 (ADA) Self-Evaluation on file? Yes No
3. How will you provide services to persons with Limited English proficiency? Our counseling staff is bilingual - Spanish. For other languages (including sign language) we provide interpreters at our expense.

INSURANCE, BONDING, AND WORKER'S COMPENSATION

1. Does your organization have liability insurance coverage? Yes No
2. If yes, in what amount? Up to \$5,000,000 depending on occurrence
3. Does your organization pay worker's compensation in accordance with Federal and state laws?
 Yes No N/A
4. Does your organization have fidelity bond coverage for principal staff members who handle the organization's accounts? Yes No
5. Will vehicles owned by the organization be used in conjunction with the proposed project?
 Yes No
6. If yes, what level of liability insurance is maintained on the vehicles? N/A

IX. CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (*funded applicants*), is the procurement regulation found in the *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations*. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
 - An employee, officer, or agent of the subrecipient;
 - Any member of an employee's, officer's, or agent's immediate family;
 - An employee's, agent's, or officer's partner; or
 - An organization which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis.

CONFLICT OF INTEREST QUESTIONNAIRE

NOTE: For the purpose of this form, a "covered person" includes any person who is an employee, agent, consultant, officer or elected or appointed official of the City of San Marcos, your organization, or any designated public agency.

Name of Organization: Austin Habitat for Humanity

1. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?

Yes No If "No" is checked, please explain how you will comply with this requirement:

2. Are any of your Board Members or employees that are responsible for carrying out this project or members of their immediate families or their business associates also:

a. Employed by the City of San Marcos? Yes No

b. Members of or closely related to members of the San Marcos City Council? Yes No

c. Members of or closely related to an employee of the City of San Marcos? Yes No

d. Current beneficiaries or related to beneficiaries of the project for which funds are requested?

Yes No

e. Paid providers of goods or services to the program or having other financial interest in the program or related to such individuals? Yes No

3. For each relationship described above, please answer the following questions: (attach additional page if necessary)

a. Name of employee or official: N/A

b. Is this person receiving or likely to receive taxable income from your organization?

Yes No

c. Is your organization receiving or likely to receive taxable income from or at the direction of the employee or official AND the taxable income is not from the City of San Marcos?

Yes No

d. Is your organization affiliated with a corporation or other business entity in which the employee or official serves as an officer or director, or holds an ownership interest of 10% or more?

Yes No

4. Describe any other affiliation or business relationship that might cause a conflict of interest with respect to CDBG funds and activities. N/A

5. Will any of your organization's employees, officers, board members, or members of their immediate family or business partners have a financial interest in any contract, subcontract, or agreement regarding CDBG funded activities?

Yes No . If yes, please attach an explanation.

X. APPLICANT ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to this project or program, by the submission of this application, that the following are true statements:

1. It possesses legal authority to apply for the grant and to finance the proposed request; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations (UAR) and agrees to adhere to the accounting principles and procedures required therein, utilizing adequate internal controls and maintaining necessary source documentation for all costs incurred.
3. If it expends \$750,000 or more of federal funds in a fiscal year, it will comply with the Single Audit Act of 1984.
4. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards, and Executive Order 11990, relating to protection of wetlands. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, and approved December 31, 1976. Section 102(a).
5. It will have sufficient funds available or the ability to obtain the non-federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
6. It will give the City and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
7. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the City that funds have been approved and that the project will be performed to completion with reasonable diligence.
8. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
9. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provides for fair and equitable treatment of persons displaced as a result of federal and federally-assisted programs.
10. It will comply with the provisions of the Hatch Act, which limit the political activity of employees.
11. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act as they apply.
12. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the city/federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
13. It will assist the city/federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.).

14. It will comply with Texas Civil Statutes, Article 5996a, by insuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
15. It will insure that all information collected, assembled or maintained by the applicant relative to this project shall be available to the public during normal business hours in compliance with Texas Civil Statutes, Article 6252-17a, unless otherwise expressly provided by law.
16. It will conduct and administer the program in conformity with the Fair Housing Act (42 USC Section 3901 et. Seq.) and that it will affirmatively further fair housing.
17. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In the event that displacement of residential dwellings will occur in connection with a grant-assisted project, it will follow a residential anti-displacement and relocation assistance plan as specified by the City of San Marcos.
18. It certifies that it is not now, nor has it ever been, on the Federal List of Debarred Contractors.
19. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of LMI, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, applicant certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a).
20. It agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart J and subpart K of these regulations, except that (1) the Agency does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) Agency does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Agency also agrees to comply with all other applicable Federal, State, and local laws, regulations, and policies governing the funds provided. Agency further agrees to utilize funds available to supplement rather than supplant funds otherwise available. Agency shall comply with all applicable Federal laws, regulations, and requirements, which include compliance with the provisions of the HCD Act and all rules, regulations, guidelines, and circulars promulgated by the various Federal departments, agencies, administrations, and commissions relating to the CDBG Program. The applicable laws and regulations include, but are not limited to:
 - 24 CFR Part 570;
 - 24 CFR Parts 84 and 85;
 - The Davis-Bacon Fair Labor Standards Act;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - Copeland "Anti-Kickback" Act of 1934;
 - Sections 104(b) and 109 of the Housing and Community Development Act of 1974;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Equal employment opportunity and minority business enterprise regulations established in 24 CFR part 570.904;
 - Non-discrimination in employment, established by Executive Order 11246 (as amended by Executive Orders 11375 and 12086);
 - Section 504 of the Rehabilitation Act of 1973 Uniform Federal Accessibility Standards;
 - The Architectural Barriers Act of 1968;
 - The Americans with Disabilities Act (ADA) of 1990;
 - The Age Discrimination Act of 1975, as amended;

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CFR Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: Phyllis Snodgrass  Digitally signed by Phyllis Snodgrass
DN: cn=Phyllis Snodgrass, o=Austin Habitat for Humanity, ou,
email=psnodgrass@ahh.org, cn=US
Date: 2020.04.21 10:35:28 -0500 Date Signed: April 16, 2020

Printed Name: Phyllis Snodgrass Title: Chief Executive Officer

Organization Name: Austin Habitat for Humanity, Inc.



Proposal to the City of San Marcos: Past CDBG Support Description

Austin Habitat for Humanity was awarded \$23,656 by the City of San Marcos through the Community Development Block Grant (CDBG) subgrant for 2019. Due to several delays starting the project, including staff turnover and the COVID-19 pandemic, the City and Austin Habitat teams are currently working together to launch the project and the grant period has been extended through December 31, 2020. We are working together to locate appropriate City-owned space to provide workshops and counseling sessions after the shelter-in-place restrictions are lifted and plan to serve up to 75 households during this grant period. We are requesting continued support for the period of January 1, 2021-December 31, 2021 under the upcoming grant cycle to provide continuous assistance to low-to-moderate income families in San Marcos and expect to serve 100 households during this time.

Austin Habitat for Humanity - Board of Directors 2020

Name	Board Position	Employer	Position Title	City	Zip	Contact (Chair/Treasurer)
Ayer, Mason	Board Member	Kerbey Lane Café	CEO	Austin	78704	
Barnes, Robert (Bob)	Board Member	International Bank of Commerce (IBC)	President & CEO	Austin	78701	
Bland, Joe	Board Member	Joe Bland Construction	Owner	Austin	78757	
Boatwright, Yvette	Development Officer	Realty Austin	Owner	Austin	78746	
Boyd, Gaylon	Board Member			Austin	78735	
Cunningham, Kevin	Board Member	Sailpoint	Chief Strategy Officer & Co-Founder	Austin	78726	
Doucet, John	Chair, Land Dev't Committee	Doucet & Assoc.	Executive VP	Austin	78735	
Engen, Chris	Chair, ReStore Expansion	Engen Contractors Inc. (ECI)	President & CEO	Austin	78758	
Forrest, Hugh	Board Member	SXSW Interactive	Director	Austin	78703	
Golden, Michael, Esq.	Legal Officer	Boulette Golden & Marin	Partner	Austin	78756	
Graham, Larry	Board Member	Texas Gas Service	Community Relations Manager	Austin	78704	
Hartzell, Jay	Board Member	UT McCombs School of Business	Dean	Austin	78731	
Hutchinson, Phil	Board Member	McCoy Corporation	Real Estate Manager	San Marcos	78666	
Ladage, Heather	Immediate Past Chair	Austin Business Journal	Publisher	Austin	78701	
Leaman, Dana	Board Member	New American Funding	Marketing Manager	Austin	78731	
Meade, Nikelle	Board Member	Husch Blackwell	Partner	Austin	78701	
Mitchell, Terry	Board Member	Momark Development	President	Austin	78763	
Neff, John	Treasurer	UBS	Sr. Vice President	Austin	78731	512-330-8010
O'Neil, David	Board Member	Wells Fargo	Regional Bank President	Bryan	77802	
Page, Curtis	Board Member	Higginbotham	Managing Director	Austin	78746	

Rhodes-Patterson, Cynthea	Board Member	The Home Depot	Corporate Human Resource Manager	Austin	78753	
Sabolcik, Ross	Secretary	Silicon Labs	VP & General Mgr. of Power Products	Austin	78701	
Salinas-Davis, Valerie	Chair, Marketing Committee			Buda	78610	
Serra, Jeff	Board Member Emeritus	Vida Capital	President & CEO	Austin	78746	
Smith, Larry	Board Chair	Tokyo Electron	President, Tokyo Electron US Holdings	Austin	78741	512-656-0885
Srinivasan, Anand	Board Member	Michael & Susan Dell Foundation	Chief Business Officer	Austin	78730	
Taylor, Shelli	Board Member	United PF Partners	President & COO	Austin	78735	
Thomas, Sherine	Board Member	Travis County Attorney's Office	Director of Litigation	Austin	78767	
Tracy, Joe	Chair, Real Estate Committee	Capital Project Management	Principal	Austin	78739	

CERTIFICATE OF CORPORATE RESOLUTION

We, Larry Smith, Chair, and Ross Sabolcik, Secretary, of Austin Habitat for Humanity, Inc. a corporation, hereby certify that:

1. Austin Habitat for Humanity, Inc. is organized and existing under the laws of the State of Texas;
2. All franchise and other taxes required to maintain its corporate existence have been paid and no taxes are delinquent;
3. No proceedings are pending for the forfeiture of its certificate of incorporation or for its dissolution, voluntarily or involuntarily;
4. It is in good standing with the State of Texas;
5. There are no provisions in the articles of incorporation or bylaws of this corporation limiting the power of its Board of Directors to pass the resolution set forth below;
6. The Secretary is the keeper of the records and minutes of the corporation and on April 1, 2020, a regular meeting of the Board of Directors was held, which was properly called and held in accordance with the law and with the corporation's bylaws;
7. A quorum of the Board of Directors have consented to the action proposed; and
8. As a result of this affirmative vote, the following resolution was adopted:

BE IT RESOLVED that the Austin Habitat for Humanity Board of Directors authorizes the Chief Executive Officer or whomever that person deems appropriate at their sole discretion to have the authority to apply for grant funding from the City of San Marcos, including funds from Federal, State and Local sources; and

It is further RESOLVED that the Board of Directors authorizes the Chief Executive Officer to execute any agreements or other documents regarding City of San Marcos funding, including Federal, State and Local Sources.

We certify that the above resolution has not been altered, amended, rescinded or repealed and is now in full force and effect. We also certify that Larry Smith is the Chair of the corporation and Ross Sabolcik is the Secretary.

Signed on 4/1/2020, 2020 by the Chair and Secretary of the Corporation.


Chair

Secretary

State of Texas

CERTIFICATE OF CORPORATE RESOLUTION

We, Larry Smith, Chair, and Ross Sabolcik, Secretary, of Austin Habitat for Humanity, Inc. a corporation, hereby certify that:

1. Austin Habitat for Humanity, Inc. is organized and existing under the laws of the State of Texas;
2. All franchise and other taxes required to maintain its corporate existence have been paid and no taxes are delinquent;
3. No proceedings are pending for the forfeiture of its certificate of incorporation or for its dissolution, voluntarily or involuntarily;
4. It is in good standing with the State of Texas;
5. There are no provisions in the articles of incorporation or bylaws of this corporation limiting the power of its Board of Directors to pass the resolution set forth below;
6. The Secretary is the keeper of the records and minutes of the corporation and on April 1, 2020, a regular meeting of the Board of Directors was held, which was properly called and held in accordance with the law and with the corporation's bylaws;
7. A quorum of the Board of Directors have consented to the action proposed; and
8. As a result of this affirmative vote, the following resolution was adopted:

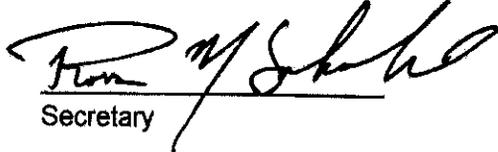
BE IT RESOLVED that the Austin Habitat for Humanity Board of Directors authorizes the Chief Executive Officer or whomever that person deems appropriate at their sole discretion to have the authority to apply for grant funding from the City of San Marcos, including funds from Federal, State and Local sources; and

It is further RESOLVED that the Board of Directors authorizes the Chief Executive Officer to execute any agreements or other documents regarding City of San Marcos funding, including Federal, State and Local Sources.

We certify that the above resolution has not been altered, amended, rescinded or repealed and is now in full force and effect. We also certify that Larry Smith is the Chair of the corporation and Ross Sabolcik is the Secretary.

Signed on 4/1/20, 2020 by the Chair and Secretary of the Corporation.

Chair



Secretary

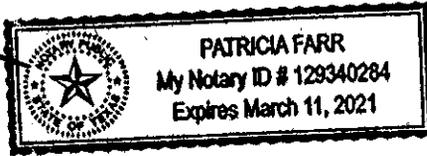
State of Texas

County of Travis

This Instrument was acknowledged before me on 4/1/20, 2020 by
Larry Smith, Chair of Austin Habitat for Humanity Inc., a corporation, on behalf of said
corporation and by Ross Sabolik, Secretary, on behalf of said corporation.



Notary Public State of Texas





Austin Habitat for Humanity/HomeBase Texas

Phyllis Snodgrass
CEO

Greg Anderson Dir. Community Affairs

William Stockton VP, Retail Ops

Andy Alarcon Real Estate Director

Wayne Gerami VP, Chief Program Officer

Robert Watts Dir. Regional Ops

Mary Campana VP, Chief Development Officer

Billy Whipple SVP, Construction

Sarah Joiner VP, Engagement

Lori Steiner CFO

Justin Carter
San Marcos Store Manager

Elena McDonald
SM Assist. Store Manager

ReStore Staff
7

Britney Blann
Operations Analyst

Vacant
Merchandise Stocker

Josh Nemec
Ebay Coordinator

Becky Koonce
Ebay Coordinator

Carlos Garcia
Austin Store Manager

Terrell Harper
Austin Assistant Store Manager

ReStore Staff
15

Vacant
Head of Maintenance

Link Williams
Director Procurement

Bertie Flores
Housing Counselor

Silvio Cruz
Lending Supervisor

Christy Baker
Loan Processor

Yussef Habib
HomeBase Lending Supervisor

Ralph Langston
Program Coordinator

Jessica Benitez
HomeBase Program Coordinator

Brad Robbins
Donation Coordinator

Driving Staff
6

Vacant
Communications Manager

Erika Alam
Graphic Designer

Vacant
Special Events Coordinator

Jamie Hatton
ReStore Marketing Manager

Becca Halbert
Deputy Director of Corporate & Annual Giving

Katie Donnellon
Development Coordinator

Andrew Donilon
Individual Giving Manager

Kate Reznick
Grants Manager

Vacant
Warehouse Manager

Claire Walpole
Staff Architect

John Poyner
Home Repair Project Manager

Amanda Martinez
Home Repair Program Manager

Austin Evers
Construction Director

Vacant
Volunteer Engagement Manager

Celeste Lighthearth
Volunteer Coordinator

AmeriCorps

Brandon Gardner
Site Manager

Garrett Robinson
Site Superintendent

Pete Street
Site Manger

Leasa Whiteaker
Accounting Manger

Tedde LaFleur
Accounting Specialist

Jackie Childress
Staff Accountant

Patti Farr
Office Manager

Maribel Infante (PT)
Receptionist

Nanci Currier
HR Generalist

Non-Profit



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF

AUSTIN HABITAT FOR HUMANITY, INC.
CHARTER NO. 736514

The undersigned, as Secretary of State of the State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated JAN 23, 1985



Secretary of State

ceb

FILED
In the Office of the
Secretary of State of Texas

JAN 23 1985

ARTICLES OF INCORPORATION

OF

Clerk B
Corporations Section

AUSTIN HABITAT FOR HUMANITY, INC.

ARTICLE ONE

The name of the corporation is Austin Habitat For Humanity, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose or purposes for which the corporation is organized are as follows:

(a) To implement the gospel of Jesus Christ throughout the United States and around the world by working with economically disadvantaged people to help them create a better human habitat in which to live and work.

(b) To cooperate with other charitable organizations, through grants and otherwise, which are working to develop a better habitat for economically disadvantaged people.

(c) To communicate the gospel of Jesus Christ by means of the spoken word, and by distribution of Bibles and other Christian literature.

(d) To receive, maintain and accept, as assets of the corporation, any property, whether real, personal or mixed, by way of gift, bequest, devise or purchase, from any person, firm, trust or corporation, to be held, administered and disposed of in accordance with and pursuant to the provisions of this Charter of Incorporation; but no gift, bequest, devise or purchase of any such property shall be received or made and accepted if it is conditioned or limited in such manner as shall require the disposition of income or principal to any organization other than a "charitable organization" or for any purpose other than "charitable purposes" within the respective meanings of such quoted terms as defined in Articles VIII and

IX, or which would jeopardize the Federal Income Tax exemption of this corporation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as now in force or acts in amendment thereof of substitution therefor.

(e) To engage in such other and further activities which may be lawfully engaged in by the Corporation as a non-profit corporation under the Texas Non-Profit Corporation Act and as a §501(c)(3) exempt organization under the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE FIVE

The street address of the initial registered office is 700 Lavaca, 13th Floor, Austin, Texas 78701 and the name of its initial registered agent at such address is D. Michael Dodd.

ARTICLE SIX

The number of directors constituting the initial Board of Directors of the corporation is nine (9) and the names and address of the persons who are to serve as the initial directors are:

1. Richard T. Pruiksma
1606 E. 20th Street
Austin, Texas 78722
2. Margaret Ann Holcomb
1606 E. 20th Street
Austin, Texas 78722
3. Claire Williams
4912 Strass
Austin, Texas 78731
4. Mindy Gholston
4310-A Bellvue Avenue
Austin, Texas 78756
5. Sandy Owen
1504 Ridgemont
Austin, Texas 78723
6. Bill McDonald
610 E. 45th Street
Austin, Texas 78751
7. Julie Mahon
3209 China Grove
Austin, Texas 78745

8. Mary Dodd
1200 Barton Hills Drive
Apt. #337
Austin, Texas 78704
9. D. Michael Dodd
1200 Barton Hills Drive
Apt. #337
Austin, Texas 78704

ARTICLE SEVEN

The corporation shall have no members.

ARTICLE EIGHT

The initial bylaws of the corporation shall be adopted by its Board of Directors and the power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the Board of Directors.

ARTICLE NINE

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operating exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction upon suitable proceedings brought for the purpose exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE TEN

The corporation may take and hold any donations, grants, devises or bequests which may be made in the support of its purposes. All funds of the corporation, whether from donation or otherwise, in excess of the expenditures necessary for the proper administration of such funds, shall be used exclusively for carrying on and promoting the charitable, religious, educational and other non-profitable purposes for which the corporation is formed as herein set forth.

The corporation shall make distributions at such time and in such manner as not to subject it to tax under Section 4942 of the Internal Revenue Code of 1954; the corporation shall not engage in any act of self-dealing which would be subject to tax under Section 4941 of the Code; the corporation shall not retain any excess business holdings which would subject it to tax under Section 4943 of the Code; the corporation shall not make any investments which would subject it to tax under Section 4944 of the Code; and the corporation shall not make any taxable expenditures which would subject it to tax under Section 4945 of the Code.

ARTICLE ELEVEN

The corporation is a non-profit corporation organized solely for the purposes specified in Article Four, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer or employee of the corporation, or any individual having a personal or private interest in the activities of the corporation, nor shall any such director, officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the corporation except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes.

ARTICLE TWELVE

Anything to the contrary herein notwithstanding, the corporation and the directors shall not engage, participate or intervene in any activity or transaction which would cause the corporation to lose its status as an exempt organization under the provisions of the Internal Revenue code of 1954 or corresponding provisions hereafter in effect; and the use, directly or indirectly, of any part of the corporation's assets in any such activity or transaction is hereby expressly prohibited. Furthermore, no loans shall be made by the corporation to the directors or officers.

ARTICLE THIRTEEN

The name and street address of each incorporator is:

Richard T. Pruiksma
1606 E. 20th Street
Austin, Texas 78722

Margaret Ann Holcomb
1606 E. 20th Street
Austin, Texas 78722

Claire Williams
4912 Strass
Austin, Texas 78731

IN WITNESS WHEREOF, we have hereunto set our hands this
21st day of January, 1985.

Richard T. Pruiksma

Margaret Ann Holcomb

Claire Williams

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 21st
day of January, 1985 by Richard T. Pruiksma.

Newlyn Lippert

[SEAL]

My Commission Expires: 8/5/85

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 21st
day of January, 1985 by Margaret Ann Holcomb.

Newlyn Lippert

[SEAL]

My Commission Expires: 8/5/85

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 22nd day of January, 1985 by Claire Williams.

Nevelyn Lippert

[SEAL]

My Commission Expires: 8/5/85

BYLAWS OF AUSTIN HABITAT FOR HUMANITY, INC.

Restated and Amended: **July 16, 2016**

Amended :

December 8, 2017

May 30, 2018

November 28, 2018

August 10, 2019

**BYLAWS
OF
AUSTIN HABITAT FOR HUMANITY, INC.**

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**ARTICLE I
NAME, FORM OF ORGANIZATION AND PURPOSES**

Section 1.1 Name

The name of the corporation is Austin Habitat for Humanity, Inc. ("Austin Habitat for Humanity" or the "Corporation").

Section 1.2 Nonprofit and tax exempt status

The Corporation is organized as a nonprofit corporation under the Texas Nonprofit Corporation Law and as a tax exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

Section 1.3 No members

The Corporation shall have no members.

Section 1.4 Purposes

Austin Habitat for Humanity works in partnership with God and people from all walks of life, to put our faith in action by building affordable quality houses with families in need in order to eliminate poverty housing one family at a time. Austin Habitat for Humanity will be at the forefront of the greater Austin area's efforts to eliminate poverty housing by building community by:

- (a) Building simple, decent, affordable homes in a way that optimizes volunteers, partner families, and commercial resources;
- (b) Empowering families to break the cycle of poverty housing through education and skill development, so that they may become successful homeowners;
- (c) Building a spirit of volunteerism by providing volunteer experiences and encouraging philanthropy to support the mission and spirit of Austin Habitat for Humanity; and
- (d) Maximizing the Restore and similar innovations and initiatives to provide affordable restoration materials, foster ecology-friendly deconstruction and recycling, and generate vital funding for the future growth of Austin Habitat for Humanity.

Section 1.5 Geographic service area

The geographic service area of Austin Habitat for Humanity's activities includes the City of Austin, Texas and surrounding areas, including the counties of Travis, Blanco, Caldwell, Bastrop and the portion of Williamson County that falls within the city limits of Austin, and the remainder of Hays County, including San Marcos, Texas with the exception of the Wimberley Independent School District.

Section 1.6 Affiliation with Habitat for Humanity International

The Organization, being a particular affiliate of Habitat for Humanity International ("HFHI"), recognizes that it is a party to the U.S. Affiliation Agreement (as amended from time to time) and commits to work in partnership with Habitat for Humanity International to accomplish the Habitat ministry of building homes, communities, and hope.

**ARTICLE II
OFFICES**

Section 2.1 Principal Office

The principal office of the Corporation shall be located in Austin, Texas at the address designated in

the most recent annual report filed with the Texas Secretary of State. The Corporation shall maintain at its principal office a copy of the corporate records specified in Section 7.4.

Section 2.2 Registered office and agent

The registered office of the Corporation is required by law to be maintained in the State of Texas and may, but need not, be identical with the principal office. The Corporation shall maintain a registered agent whose office is identical with the registered office. The Corporation may change its registered office or registered agent from time to time in the manner required by law.

Section 2.3 Other offices

The Corporation shall have offices at such other places within the State of Texas as the Board of Directors may determine from time to time, or as the affairs of the Corporation may require.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 General powers and authority of the Board

All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of, the Board of Directors.

Section 3.2 Number, term, and qualifications of directors

The authorized number of voting directors of the Corporation shall be not less than five (5) nor more than thirty-six (36), as the Board of Directors shall determine from time to time. The Board of Directors may include a person who is currently an Austin Habitat for Humanity homeowner. The Board of Directors shall consist of three classes of approximately equal size, with the term of each class beginning always on January 1st and ending in consecutive years. One class, on a rotational basis, shall be elected each year. Each director shall serve for a term of three (3) years and until his or her successor is elected or until such director's earlier death, resignation, incapacity to serve, or removal. Notwithstanding the preceding, to achieve the required consecutive-year terms, the initial directors shall be elected for initial terms of one, two or three years as the case may be to satisfy the class size requirements. Directors elected after the initial terms shall be elected for a term of three years. A duly elected director shall not be eligible for re-election to the Board of Directors for more than two consecutive three-year terms, or for a partial term of more than two (2) years and one full three (3) year term. Notwithstanding the foregoing, if a duly elected director serves as a voting member of the Board of Directors for a period of no longer than six (6) months in duration before his or her first year of his or her first term, such service for up to six (6) months will not be counted for purposes of calculating the number of years served in any term by the director.

Section 3.3 Number, term and qualifications of directors emeritus

The Board of Directors may elect no more than four (4) former board members as directors emeritus who shall serve in an ex-officio, non-voting capacity for one or more terms of one year. Directors emeritus may be elected for a single one-year term or successive one-year terms.

Section 3.4 Election of directors

Except as provided in Section 3.7 below relating to vacancies, directors and directors emeritus shall be elected by the Board of Directors at the annual meeting of the Board of Directors. The Governance and Nominating Committee shall present a slate of nominees as directors and directors emeritus. A good faith effort by the Governance and Nominating Committee shall be made to include appropriately qualified nominees from throughout the Austin Habitat for Humanity geographic service area. Nominations may also be made by directors and directors emeritus from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected. If any director then holding office so demands, the election of directors and directors emeritus shall be by secret

ballot.

Section 3.5 Resignation of directors

A director or director emeritus may resign by delivering written notice to the Board of Directors, Chair or Secretary of the Corporation. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

Section 3.6 Removal of directors

A director or director emeritus may be removed without cause by the vote of two-thirds (2/3) of the directors then in office. In addition, a director or director emeritus may be removed for cause, including but not limited to any director's or director's emeritus absence from more than 50% of the regular meetings of the Board of Directors, by affirmative vote of a majority of the directors then in office.

Section 3.7 Vacancies

If a vacancy occurs on the Board of Directors, the Board of Directors may fill the vacancy, provided that if the directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy only by the affirmative vote of a majority of all the directors remaining in office or, if only one director is in office at the time, of the sole remaining director. Absent any express condition to the contrary at the time of election, a director elected to fill a vacancy shall hold office until the end of the unexpired term that such director is filling, or, if earlier, until such director's death, resignation, removal or disqualification. However, if the Board so provides at the time the vacancy is filled, the Board of Directors may elect a director to fill a vacancy until the next annual meeting of the Board of Directors or until such director's successor is elected.

Section 3.8 Succession of the Chair and Chair-Elect

The Chair shall serve a one-year term, and the Chair-Elect shall automatically succeed to the office of Chair at the expiration of the one-year term of the Chair. If circumstances warrant that a director serve a second successive year-long term as Chair and if the majority of the members of each of the Governance and Nominating Committee, the Executive Committee and the Board of Directors affirmatively vote to re-elect a sitting Chair for another year-long term, then the then sitting Chair may serve as second successive term as Chair.

So that a director who has served as Chair may consecutively serve as Immediate Past Chair, as a voting member of the Executive Committee and as a voting member of the Board of Directors, if such director serves as Chair in the final year of his/her first term, then that director shall automatically be elected to a second, consecutive three-year term and if such director serves as Chair in the final year of his/her second term, then the second term shall be extended by one year.

Section 3.9 No compensation

The Board of Directors shall not permit compensation of directors for their services as such, but by resolution of the Board of Directors may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation.

ARTICLE IV MEETINGS OF DIRECTORS

Section 4.1 Place of meetings

All meetings of the Board of Directors shall be held in Austin, Texas, or at such place as the Board of Directors may determine with proper notice,

Section 4.2 Annual Meeting

The Annual Meeting of the Board of Directors, for the purpose of electing directors and certain officers, reviewing a budget for the next fiscal year, and transacting other business, shall occur on or before December 31st of each calendar year, or otherwise at such time designated by the Board of Directors in the annual calendar of board meetings.

Section 4.3 Regular meetings

Each year, in addition to the Annual Meeting, no fewer than three regular meetings of the Board of Directors shall be held at a time and place specified by the Chair, or at such other time as the Board of Directors may determine.

Section 4.4 Special meetings

Special meetings of the Board of Directors may be called by or at the request of the Chair or twenty percent (20%) of the directors then in office. Such meetings must be held in Austin, Texas and may be held in person or electronically. If any vote on any matter is taken by means of electronic mail or other similar electronic communication, then a quorum will be established when a majority of the directors in office present have voted or abstained on such matter.

Section 4.5 Notice of meetings

Regular meetings of the Board of Directors may be held without notice if the date, time and place of the meeting previously have been fixed by the Board; otherwise, regular meetings must be preceded by at least two (2) days' notice to each director of date, time and place, but not the purpose, of the meeting. Special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be given by any usual means of communication and may be oral or written. However, any Board action to remove a director shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to Section 4.6 below. Oral notice is effective when communicated, if communicated in a comprehensible manner.

Notice by facsimile transmission, by mail, whether electronic or by postal carrier, or by telephone, if in a comprehensible form, is effective at the earliest of the: (a) when received, (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or, (c) thirty (30) days after its deposit in the United State; mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's postal or electronic mail address shown in the Corporation's current list of directors.

Section 4.6 Waiver of notice

A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum and voting

A majority of the directors in office present, excluding vacancies, shall constitute a quorum of the Board of Directors. Voting on any matter may be conducted by mail, by facsimile transmission, by electronic transmission, or by any combination of those methods. To be considered a timely vote and counted, votes must be received by the Chair or Secretary within five (5) business days of either any meeting where the vote was taken to be counted or any call for a vote.

Section 4.8 Manner of acting

If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the vote of a greater number of directors is required by law or these bylaws. A director may vote in person or by proxy executed in writing by such director to the Chair to be voted in the same manner as the majority voting. No proxy shall be valid after thirty (30) days from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law.

Section 4.9 Presumption of assent

A director of the Corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:

(a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or, (b) such director's dissent or abstention from the action taken is entered in the minutes of the meeting; or, (c) such director delivers written notice of dissent or abstention to the presiding Officer of the meeting before adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 4.10 Meeting via communications equipment

The Board of Directors may permit any or all directors to participate in an annual, regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. Consent to meeting via communications equipment shall be presumed given by a director unless a director objects in writing to the Chair no later than three business days before any annual, regular or special meeting.

Section 4.11 Actions by unanimous consent

Any action required or permitted by law or these bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the duly elected and qualified directors of the Corporation. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed

under this section thus has the effect of a meeting vote and may be described as such in any document.

Section 4.12 Director conflict of interest transactions

A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect interest. For purposes of this section a director has an indirect interest in a transaction if: (a) another entity in which a director has a material interest or in which the director is a general partner is a party to the transaction, or (b) another entity of which the director is a director, Officer, or trustee is party to the transaction. A conflict of interest transaction is not voidable on the basis of imposing liability on the director if the transaction was fair at the time it was entered into or is approved in advance as hereinafter provided. A transaction in which a director has a conflict of interest may be approved in advance by the vote of the Board of Directors or a committee of the Board if: (a) the material facts of the transaction and the directors' interest are disclosed or known to the Board or committee of the Board and (b) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the Corporation. For the purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the directors on the Board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single director. If a majority of the directors on the Board who have neither direct nor indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section. The presence of or a vote cast by a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise approved as hereinabove provided.

ARTICLE V OFFICERS

Section 5.1 Description and number

The Officers of the Corporation shall consist of a Chair, Chair-Elect, Secretary, Treasurer, Development Officer, and, as are elected by the Board of Directors from time to time, up to two (2) additional Officers. No person may hold simultaneously more one Officer position.

Section 5.2 Appointment and election of Officers

Except as provided in this Section 5.2 relating to vacancies, the Chair-Elect shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors. Each year at the Annual Meeting, the Governance and Nominating Committee shall present a nominee for the office of Chair-Elect. Nominations may also be made by directors from the floor. If any director then holding office so demands, the election of the Chair-Elect shall be by secret ballot. The person who receives a plurality of the votes cast shall be deemed to have been elected. Without any further voting or approval by the Board of Directors, the Chair-Elect, who will have been duly elected to the office of Chair-Elect by the Board of Directors at the previous Annual Meeting, shall automatically succeed to the office of Chair at the expiration of the term of the Chair.

After consulting with the Governance and Nominating Committee and before December 31" of each calendar year, subject to approval by the Board of Directors, the then Chair-Elect shall appoint all Officers other than the Chair and Chair-Elect. If any director then holding office so demands, the election of Officers shall be by secret ballot.

All nominees for an Officer position must be members of the Board of Directors and whose remaining terms would accommodate a one-year term as Officer. Each Officer shall hold office for a

period of one

(1) year, or until such Officer's death, resignation, or removal, or until such Officer's successor is elected. Except as provided in Section 3.8 of these bylaws, no person may be elected to serve for more than one

(1) consecutive term in the office of Chair or in the office of Chair-Elect, No person may be elected to serve for more than four (4) successive terms in the office of Secretary or in the office of Treasurer. The Board of Directors may elect other Officers at such time or times as the need may arise, in the manner prescribed for other Officers in this Section 5.2.

A vacancy occurring in an Officer position of the Corporation may be filled at any time by the Board of Directors. The term of an Officer elected to fill a vacancy shall expire at the end of the unexpired term that such Officer is filling.

Section 5.3 Resignation and removal of Officers

An Officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future effective date and the Board of Directors accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date. The Board of Directors, by majority vote, may remove any Officer at any time with or without cause.

Section 5.4 Contract rights of Officers

The election of an Officer does not itself create contract rights. An Officer's removal does not affect the Officer's contract rights, if any, with the Corporation,

Section 5.5 Chair

The Chair of the Board of Directors shall preside at all meetings of the Board of Directors and of the Executive Committee and perform other duties as may be prescribed from time to time by the Board.

Section 5.6 Chair-Elect

The Chair-Elect of the Board of Directors, in the absence of the Chair or in the event of death, inability or refusal to act of the Chair, shall preside at all meetings of the Board of Directors and the Executive Committee and shall exercise the powers and authority and perform the duties of the Chair in the absence of the Chair. Unless the Board of Directors appoints another Officer to chair the Governance and Nominating Committee, the Chair-Elect shall chair the Governance and Nominating Committee.

Section 5.7 Secretary

The Secretary shall: (a) cause to be prepared minutes of all meetings of the Board of Directors and the Executive Committee; (b) authenticate records of the Corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; (e) sign such instruments as may require signature; (f) cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and (g) in general, perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chair or the Board of Directors.

Section 5.8 Treasurer

The Treasurer shall, in cooperation with the Chief Executive Officer, oversee the receipt and

disbursement of all funds deposited in the name of Austin Habitat for Humanity and shall present reports of receipts and disbursements to the Board of Directors and to the Executive Committee on a regular basis as determined by the Chair. Furthermore, the Treasurer, acting upon the request of the Board of Directors, shall oversee an independent audit of the financial statements of the Corporation. The Treasurer shall chair the Audit and Finance Committee.

Section 5.9 Development Officer

The Development Officer shall, in cooperation with the Chief Executive Officer, oversee the fundraising conducted on behalf of Austin Habitat for Humanity. The Development Officer shall chair the Development Committee.

Section 5.10 Other Officers

Each Officer, except Officers holding an Office specified above in this Article V, shall have such powers and duties as may be assigned to such Officer by the Board of Directors or the Chair and shall chair such committees or task forces as designated by the Chair.

Section 5.11 No compensation

Officers of the Corporation described in the foregoing sections shall not be compensated for their services as such.

Section 5.12 Executive Officers of the Corporation

Executive Officers of the Corporation are employees of the Corporation, are not Officers as outlined in Section 5.I and are not directors of the Board of Directors. The Chief Executive Officer is an Executive Officer of the Corporation.

Section 5.13 Chief Executive Officer

The Chief Executive Officer shall be the chief executive Officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these bylaws. By affirmative vote of a majority of the directors then in office, the Board of Directors shall approve the hiring and termination of the Chief Executive Officer and any compensation and benefits at the time of hiring of the Chief Executive Officer.

Duties of the Chief Executive Officer shall include: (a) hiring, supervising and firing employees, (b) coordinating the activities of the Operating Committees; (c) representing the Corporation in the community; (d) overseeing the building projects of the Corporation; (e) supervising the administrative functions of the Corporation; and, (f) in general, performing such other duties incident to the office of Chief Executive Officer and other such duties as may be assigned from time to time by the Board of Directors. The Chief Executive Officer may not serve on the Board of Directors or any Board committee, except in a non-voting, *ex-officio* capacity.

The Chief Executive Officer may sign any deed, lease, mortgage, bond, contract, or other instrument with an individual monetary value not to exceed fifty thousand dollars (or such other amount as may be approved and resolved by the Board of Directors) which lawfully may be executed on behalf of the Corporation, except where signing and execution thereof expressly shall be delegated by the Board of Directors to some other Officer or agent of the Corporation, or where required by law or these bylaws to be otherwise signed and executed. The Secretary and the Treasurer are authorized to jointly sign any deed, lease, mortgage, bond, contract, or other instrument with an individual monetary value not to exceed fifty thousand dollars (or such other amount as may be approved and resolved by the Board of Directors) which lawfully may be executed on behalf of the Corporation, except where signing and

execution thereof expressly shall be delegated by the Board of Directors to some other Officer or agent of the Corporation, or where required by law or these bylaws to be otherwise signed and executed.

ARTICLE VI COMMITTEES

Section 6.1 Board committees in general

Unless specified below, committees of the Board shall be composed solely of individuals currently serving as duly elected directors of the Corporation and directors emeritus. Except for the Executive Committee and the Standing Board Committees described in Sections 6.2 and 6.3 of these bylaws, all committees created by the Board of Directors may be dissolved by the Board of Directors at any time. Except as otherwise provided in these bylaws, the Chair shall appoint the members of the committees. The provisions of Article IV of these bylaws, which govern meetings of the Board of Directors, shall apply to committees of the Board and their members as well, except that no committee of the Board shall be required to have an annual meeting or scheduled regular meetings and no vote will require a quorum of committee members. To the extent specified or authorized by the Board of Directors or in these bylaws, each committee of the Board may exercise the authority of the Board. A committee of the Board may not however: (a) authorize distributions; (b) approve or recommend dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets; (c) elect, appoint or remove directors or fill vacancies on the Board or on any committee of the Board or, (d) adopt, amend or repeal the Certificate of Formation or any bylaws.

Section 6.2 Executive Committee

The Executive Committee, which is a committee of the Board, shall consist of the Officers of the Corporation, the Immediate Past Chair and up to three (3) additional directors appointed by the Chair, to serve in such capacity one year terms from January 1st to December 31st, provided that the appointment of additional directors must be approved by a majority of all the directors in office when such action is taken. The Chair of the Board of Directors shall serve as the chair of the Executive Committee and shall preside at all of its meetings. The Executive Committee (i) shall provide leadership on issues related to policy development and strategic planning, (ii) shall conduct searches for Chief Executive Officer, and may prepare recommendations to the Board on a variety of issues. In addition, the Executive Committee shall have the authority to act on behalf of and instead of the Board of Directors, including but not limited to the termination of the Chief Executive Officer, when necessary between regular or special meetings of the Board, or when so empowered by the Board and subject to the limitations imposed by the Board, the Certificate of Formation, these bylaws, and the law. The Executive Committee shall report its actions to the Board at the next Board meeting for ratification. Notwithstanding the foregoing, if the Executive Committee terminates the employment of the Chief Executive Officer, 1) such termination will have immediate effect and the terminated Chief Executive Officer shall no longer be an Executive Officer of the Corporation, and 2) the Executive Committee will report the termination of the CEO to the Board of Directors within ten (10) business days for ratification by affirmative vote of a majority of the directors then in office. The Executive Committee does not have the authority to approve a dissolution, merger, or sale of all of the Corporation's assets; appoint or remove directors; or amend the bylaws or Certificate of Formation.

Section 6.3 Standing Board Committees

Unless otherwise specified in this Section 6.3, each Standing Board Committee herein listed shall consist of no fewer than three (3) members to serve in such capacity one year terms from January 1st to December 31st. A vacancy on any of these committees may be filled at any time. Members of

additional Board committees may be appointed to successive terms.

(a) Governance and Nominating Committee

The Governance and Nominating Committee shall (i) prepare priorities for board composition, (ii) identify and recruit prospective directors of the Corporation, (iii) present at the Annual Meeting a slate of nominees for election as directors and directors emeritus, (iv) present at the Annual Meeting a slate of nominees for election as Officers of the Corporation, (v) review developments in corporate governance practices and, if deemed appropriate, make recommendations to the Board of Directors, and (vi) advise the Board of Directors regarding the execution of governance according to the then current bylaws, resolutions and policies, This committee shall oversee all issues of governance and parliamentary procedure and shall encourage orderly succession planning for Officer roles. The current Chief Executive Officer shall not be a member of this committee. The Governance and Nominating Committee shall be comprised of the Chair, the Chair-Elect and the Immediate Past Chair, the previous Immediate Past Chair, if available, and up to three (3) additional members of the Board of Directors whose term expires after January 1 of the next calendar year. Unless the Board of Directors appoints another Officer to chair the Governance and Nominating Committee, the Chair-Elect shall serve as chair of the Governance and Nominating Committee.

(b) Audit and Finance Committee

The Audit and Finance Committee shall: (i) oversee the implementation and administration of policies and procedures for handling and accounting for the finances of the Corporation;

(ii) review and approve management's annual revenue and expense budget in advance of submission to the full Board of Directors; (iii) oversee the preparation by management of accurate, timely and meaningful financial statements and ensure such financial statements are presented to the Board of Directors, (iv) recommend to the Board of Directors an independent auditor and oversee an independent audit of the financial statements, as directed by the Board of Directors and (v) safeguard the Corporation's assets, (vi) ensure compliance with federal and state laws and other requirements related to the financial and grant-related affairs of the Corporation, (vii) report to the Board of Directors any financial irregularities or risks, and (viii) when necessary, make recommendations to the Board of Directors regarding adjustments to the budget or financial policies and procedures. The Treasurer shall serve as the chair the Audit and Finance Committee. The Chair or the Board of Directors may appoint members of the Finance Committee who are neither directors nor directors emeritus.

(c) Compensation Committee

The Compensation Committee shall consist of the Chair, the Chair-Elect and the Immediate Past Chair. The Compensation Committee (i) shall review annually the CEO's performance,

(ii) shall approve, at any time after the compensation and benefits approved by the Board of Directors at hiring, the salary and other compensation of the Chief Executive Officer, and

(iii) shall have such other duties as may be assigned to it from time to time by the Board of Directors. The Chair or a member of Executive Committee appointed by the

Chair shall serve as the chair of the Compensation Committee.

(d) **Development Committee**

The Development Committee (i) shall oversee the fundraising activities by the Board of Directors and the management of Austin Habitat for Humanity, (ii) shall periodically report to the Board of Directors on such activities. The Chair or the Board of Directors may appoint members of the Development Committee who are neither directors nor directors emeritus. The Development Officer shall serve as the chair the Development Committee.

Section 6.4 Ad Hoc Board Committees

In addition to the Executive Committee and the Standing Board Committees established in Sections 6.2 and 6.3 of these bylaws, the Board of Directors may create one or more Ad Hoc Board Committee and delegate to such Ad Hoc Board Committee functions that are not the responsibility of a Standing Board Committee. The Chair or the Board of Directors may appoint members of Ad Hoc Committees who are 1) directors, 2) directors emeritus, and 3) individuals who are neither directors nor directors emeritus. Ad Hoc Board Committees may not exercise the authority of the Board.

Section 6.5 Operating committees

The Chief Executive Officer, the Chair or the Board of Directors may create one or more Operating Committees to report to the Chief Executive Officer on operating matters. Members of an Operating Committee may include both directors in good standing and individuals who are not directors of the Corporation. Operating Board Committees may not exercise the authority of the Board.

**ARTICLE VII
GENERAL PROVISIONS**

Section 7.1 Corporate seal

The corporate seal shall be in such form as the Board of Directors may from time to time determine.

Section 7.2 Fiscal year

The fiscal year of the Corporation shall begin on January 1st and end on December 31st of each year.

Section 7.3 Financial reports

The books of the Corporation shall be closed as of the end of each fiscal year and month and financial statements (and annual report) shall be prepared and submitted to the Board of Directors. In the discretion of the Board of Directors and subject to the requirements of all relevant state laws and regulations in effect, the Corporation may engage an independent certified public accountant to audit or review the annual financial statements.

Section 7.4 Corporate minutes and records

The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the executive committee and any other committees of the Board of Directors. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The Corporation shall keep a copy of the following records at its principal office:
(a) its Certificate of Formation, formerly known as the Articles of Incorporation and all amendments

to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current directors and Officers; and, (d) records, books and annual reports of the Corporation's financial activity for at least the last three years after the close of the fiscal year and, (e) its most recent annual report, if any, delivered to the secretary of state required by the Texas Nonprofit Corporation Law Chapter 4.

The minutes and records described above shall be made available for inspection by current directors of the Corporation during normal business hours. In addition to the extent required by applicable law, the Corporation shall make available for inspection during regular business hours, by an individual, copies of: (i) any application filed with any letter or other document issued by the Internal Revenue Service with respect to the tax exempt status of the Corporation and, (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the Corporation is required to file such returns); provided that the names and addresses of contributors to the Corporation may be kept confidential.

Section 7.5 Investments

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment and approval by majority vote of the Board of Directors without being restricted to the class of investments which a director is or may hereafter be permitted by law to make or any similar restriction; provided that no action shall be taken by or on behalf of the Corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 7.6 Disbursements

Except for disbursements made in accordance with the annual budget approved by the Board of Directors, no disbursement of funds greater than fifty thousand dollars per occurrence shall be made or divided unless approved, authorized and directed by the Board of Directors or Executive Committee. The total of such non budgeted expenditures shall not exceed \$150,000 annually. All non-budgeted expenditures exceeding these limits must be approved, authorized and directed by the Board of Directors or Executive Committee. Disbursements made in accordance with the annual budget approved by the Board of Directors shall be made only by the Chief Executive Officer or the Treasurer. The Executive Committee shall approve appropriate resolutions authorizing bank transactions, signatories and related matters.

Section 7.7 Prohibited activities

The Corporation is organized as a nonprofit Corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, as amended. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Certificate of Formation or Section 1.4. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the Corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by (i) a Corporation exempt from federal

income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of the future tax code; (ii) a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue code, as amended, or any corresponding section of any future tax code; or (iii) a Corporation organized and existing under the Texas Nonprofit Corporation Law.

Section 7.8 No loans to or guaranties for directors

The Corporation may not lend money to or guarantee the obligation of a director or Officer of the Corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan. If director had an active loan from the Corporation at the time he or she became a director, the Corporation may not refinance such loan during the director's term as a member of the Board of Directors.

Section 7.9 Indemnification and insurance

The Corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he or she is or was a director of the Corporation, against reasonable expenses actually incurred by the director in connection with his or her status as a director. In addition, if an individual is made a party to a proceeding because the individual is or was a director, Officer, employee or agent of the Corporation, the Board of Directors may, to the extent permitted by law, authorize the Corporation to advance expenses to such individual and/or indemnify such individual against liability incurred in the proceeding. The Corporation shall purchase Director's & Officer's, Employment Practices (including 3'd Party) and Fiduciary Liability insurances with a minimum liability limit for each coverage of one million dollars (\$1,000,000.00).

**ARTICLE VIII
DISSOLUTION & WINDING UP**

Section 8.1 Winding Up

In the event that dissolution and/or winding up of Austin Habitat for Humanity is necessary, the Board shall oversee such process and ensure compliance with all relevant provisions of the State of Texas and other applicable state and federal laws.

Section 8.2 Assets

Upon dissolution of Austin Habitat for Humanity, the assets of Austin Habitat for Humanity are permanently committed to a tax-exempt organization for purposes set forth in its Certificate of Formation and bylaws. In the event of dissolution, the assets, after payments of debt, will be, as determined by the Board of Directors, given, transferred, donated, or assigned to (i) Habitat for Humanity International, Inc., a Georgia Nonprofit Corporation and a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; or (ii) any other organization(s) which itself has tax-exempt status under the Section 501(c)(3) of the Internal Revenue Code and whose mission is similar to the mission of Austin Habitat for Humanity.

**ARTICLE IX
AMENDMENTS TO BYLAWS**

Section 9.1 Amendments

The Board of Directors shall have the power to alter, amend or repeal the bylaws or adopt new bylaws by a two-thirds (2/3) majority of the entire Board of Directors, provided that the bylaws at no time shall incorporate any provisions inconsistent with law or the Certificate of Formation or which would in any way jeopardize its standing as a non-profit corporation either under the laws of the State of Texas or under the provisions of the Internal Revenue Code, as amended. No amendment shall be voted on or passed until the same has first been presented at a previous meeting of the Board of Directors and after notice of said proposed amendment, with a copy thereof, has been mailed to each Director not less than ten (10) days prior to such meeting.

Adopted by the Board of Directors of <u>AHHH</u> on the 17th <u>17th</u> day of <u>August</u> , 20 <u>16</u>
Signed <u><i>Sherine Thomas</i></u> (print or type in full name of Board Secretary) <u>SHERINE THOMAS</u>

ATLANTA GA 39901-0001

In reply refer to: 0752639100
Mar. 10, 2016 LTR 4168C 0
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BODC: TE

AUSTIN HABITAT FOR HUMANITY INC
% PHYLLIS SNODGRASS
500 W BEN WHITE BLVD
AUSTIN TX 78704



029909

Employer ID Number: 74-2373217
Form 990 required: YES

Dear Taxpayer:

We issued you a determination letter in August 1985, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

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AUSTIN HABITAT FOR HUMANITY INC
% PHYLLIS SNODGRASS
500 W BEN WHITE BLVD
AUSTIN TX 78704

Sincerely yours,

A handwritten signature in black ink, appearing to read "Teri M. Johnson". The signature is fluid and cursive, with a large initial "T" and "J".

Teri M. Johnson
Operations Manager, AM Ops. 3



2020 Consolidated Corporate Budget	
REVENUES	
Contributions	\$2,852,031
Special Events	\$500,000
Affordable Housing Income	\$70,000
Inventory Adjustment inc/(dec)	-\$63,000
Net Investment Income	\$6,600
Sales - Donated	\$3,535,294
Sales - Purchased	\$2,319,658
Sales Discounts and Refunds	-\$213,188
Credit Card Fees	-\$145,298
Cost of Goods Sold	-\$1,043,822
Management Fee	\$270,588
Rental Income	\$0
Other Income	\$83,768
Total Revenue	\$8,172,631
OPERATING EXPENSES	
Personnel	\$5,797,399
Staff Recruiting	\$2,502
Professional Fees	\$145,529
Management Fee	\$270,588
Occupancy Expenses	\$965,322
Warranty Work	\$25,572
Tools & Equipment	\$13,040
Communications & Fundraising	\$484,590
Other Expense	\$786,811
Depreciation & Amortization	\$280,231
Interest Expense	\$167,357
Tithe to HFHI	\$125,000
Total Operating Expenses	\$9,063,941
Income from operations	-\$891,310
HOME SALES	
Sales of Homes	\$4,435,000
CHDO Contributions	\$1,003,380
In-Kind Contributions	\$113,598
In-Kind Labor	\$1,201,750
Cost of Homes Sold	-\$4,470,801
Cost of Homes Sold - Land	-\$806,000
Discount on Mortgages	-\$833,250
Mortgage Discount Amortization	\$409,542
Net Income on sale of homes	\$1,053,219
Net Organization Income	\$161,909

Please note that because Austin Habitat for Humanity's Fiscal Year is the Calendar Year, our 2021 budget is not yet available.

Austin Habitat for Humanity, Inc.

(A Nonprofit Corporation)

Report of Independent Auditor and
Consolidated Financial Statements with
Supplemental Information

December 31, 2018 and 2017



AUSTIN HABITAT FOR HUMANITY, INC.

Index to Consolidated Financial Statements

December 31, 2018 and 2017

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Report of Independent Auditor

To the Board of Directors of
Austin Habitat for Humanity, Inc.:

We have audited the accompanying consolidated financial statements of Austin Habitat for Humanity and its subsidiaries (the “Organization”) which comprise the consolidated statements of financial position as of December 31, 2018 and 2017 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Austin Habitat for Humanity, Inc. as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating schedules of financial position information and consolidating schedule of activities information on pages 23 and 24 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

July 31, 2019
Austin, Texas

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statements of Financial Position

As of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current assets		
Cash and cash equivalents	\$ 2,198,363	\$ 1,382,287
Investments, at fair value	15,454	400,080
Accounts receivable	379,407	173,000
Pledges receivable, net	141,554	116,718
Mortgages receivable, current portion, net	846,812	816,838
ReStore inventory	808,029	619,453
Home construction in progress	949,103	484,299
Prepaid expenses and other current assets	372,423	248,190
Total current assets	<u>5,711,145</u>	<u>4,240,865</u>
Land held for development	4,680,252	3,500,621
Restricted cash	17,670	45,229
Pledges receivable, long-term portion, net	489,951	380,817
Other long-term assets	192,637	193,628
Mortgages receivable, long-term portion, net	8,870,330	8,453,826
Notes receivable - 2nd liens, net	882,205	815,277
Investments, at cost - NMTC	1,520,548	2,491,147
Property and equipment, net	9,505,694	9,592,553
TOTAL ASSETS	<u>\$ 31,870,432</u>	<u>\$ 29,713,963</u>
LIABILITIES AND NET ASSETS:		
Current liabilities		
Accounts payable	\$ 370,556	\$ 456,738
Accrued expense	807,931	539,353
Deferred revenue	2,703,768	1,027,101
Capital lease obligation, current portion	34,262	33,251
Notes payable - TDHCA, current portion	98,316	87,149
Long-term debt, current portion	162,998	156,985
Total current liabilities	<u>4,177,831</u>	<u>2,300,577</u>
Capital lease obligation, long-term portion	225,171	256,670
Notes payable - TDHCA, long-term portion	1,243,580	1,175,498
Long-term debt, net of debt issuance costs	6,528,714	8,014,758
Total liabilities	<u>12,175,296</u>	<u>11,747,503</u>
Net assets		
Without donor restrictions	18,028,116	16,851,094
With donor restrictions	1,667,020	1,115,366
Total net assets	<u>19,695,136</u>	<u>17,966,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,870,432</u>	<u>\$ 29,713,963</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statement of Activities

Year Ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUES:			
Contributions and other income:			
Contributions	\$ 1,187,410	\$ 1,055,942	\$ 2,243,352
In-kind contributions	134,025	-	134,025
Home building sponsorship revenues	1,000,151	-	1,000,151
Investment income	43,095	-	43,095
Other income	956,130	-	956,130
Net assets released from restrictions	504,288	(504,288)	-
Total contributions and other	<u>3,825,099</u>	<u>551,654</u>	<u>4,376,753</u>
ReStore revenues:			
ReStore sales	4,428,805	-	4,428,805
In-kind donation of inventory	2,389,472	-	2,389,472
Cost of goods sold	(3,380,503)	-	(3,380,503)
Sales discounts and refunds	(150,498)	-	(150,498)
Total ReStore revenues, net	<u>3,287,276</u>	<u>-</u>	<u>3,287,276</u>
Low-cost housing revenues:			
Home sales	1,794,011	-	1,794,011
In-kind contributions of labor and construction materials	812,442	-	812,442
Mortgage discount and amortization	(12,707)	-	(12,707)
Other housing revenues	6,085	-	6,085
Cost of homes sold	(1,969,012)	-	(1,969,012)
Total Low-cost housing revenues	<u>630,819</u>	<u>-</u>	<u>630,819</u>
Total revenues	<u>7,743,194</u>	<u>551,654</u>	<u>8,294,848</u>
EXPENSES:			
Low-cost housing program	2,174,380	-	2,174,380
ReStore program	2,607,801	-	2,607,801
Fundraising	922,328	-	922,328
Management and general	861,663	-	861,663
Total expenses	<u>6,566,172</u>	<u>-</u>	<u>6,566,172</u>
CHANGE IN NET ASSETS	1,177,022	551,654	1,728,676
NET ASSETS, BEGINNING OF YEAR	16,851,094	1,115,366	17,966,460
NET ASSETS, END OF YEAR	<u>\$ 18,028,116</u>	<u>\$ 1,667,020</u>	<u>\$ 19,695,136</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statement of Activities

Year Ended December 31, 2017

	Without donor restrictions	With donor restrictions	Total
REVENUES:			
Contributions and other income:			
Contributions	\$ 1,510,797	\$ 617,206	\$ 2,128,003
In-kind contributions	188,197	-	188,197
Home building sponsorship revenues	1,002,224	-	1,002,224
Investment income	46,839	-	46,839
Other income	287,287	-	287,287
Net assets released from restrictions	114,532	(114,532)	-
Total contributions and other	3,149,876	502,674	3,652,550
ReStore revenues:			
ReStore sales	3,871,588	-	3,871,588
In-kind donation of inventory	1,910,324	-	1,910,324
Cost of goods sold	(2,806,608)	-	(2,806,608)
Sales discounts and refunds	(106,082)	-	(106,082)
Total ReStore revenues, net	2,869,222	-	2,869,222
Low-cost housing revenues:			
Home sales	1,714,500	-	1,714,500
In-kind contributions of labor and construction materials	786,123	-	786,123
Mortgage discount and amortization	353,429	-	353,429
Other housing revenues	42,580	-	42,580
Cost of homes sold	(2,318,340)	-	(2,318,340)
Total Low-cost housing revenues	578,292	-	578,292
Total revenues	6,597,390	502,674	7,100,064
EXPENSES:			
Low-cost housing program	2,143,444	-	2,143,444
ReStore program	2,034,006	-	2,034,006
Fundraising	1,084,041	-	1,084,041
Management and general	558,182	-	558,182
Total expenses	5,819,673	-	5,819,673
CHANGE IN NET ASSETS	777,717	502,674	1,280,391
NET ASSETS, BEGINNING OF YEAR	16,073,377	612,692	16,686,069
NET ASSETS, END OF YEAR	\$ 16,851,094	\$ 1,115,366	\$ 17,966,460

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2018

	<u>Low-cost housing</u>	<u>ReStore</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries and related	\$ 1,337,910	\$ 1,683,034	\$ 507,551	\$ 601,846	\$ 4,130,341
Advertisements	12,127	104,120	209,545	1,517	327,309
Office expenses	50,522	176,621	19,030	28,280	274,453
Information technology	14,798	17,550	8,974	8,707	50,029
Occupancy	104,319	117,565	5,816	7,516	235,216
Travel	11,421	22,547	4,052	11,014	49,034
Conference, conventions, and meetings	4,598	6,891	4,190	5,578	21,257
Interest expense	63,113	171,339	8,862	31,311	274,625
Tithe to HFHI	68,996	-	-	-	68,996
Depreciation	-	189,347	12,038	50,230	251,615
Insurance	49,262	67,580	4,378	4,220	125,440
Warranty work	3,006	-	-	-	3,006
Tools and equipment	17,222	4,032	-	-	21,254
Professional services	62,969	24,972	16,732	65,880	170,553
NMTC transaction fees	27,558	-	-	-	27,558
Dues and subscriptions	12,384	7,858	9,793	24,558	54,593
Home repair program	332,791	-	6,058	3,359	342,208
Other expense	1,384	14,345	105,309	17,647	138,685
Total functional expenses	<u>\$ 2,174,380</u>	<u>\$ 2,607,801</u>	<u>\$ 922,328</u>	<u>\$ 861,663</u>	<u>\$ 6,566,172</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2017

	<u>Low-cost housing</u>	<u>ReStore</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries and related	\$ 1,269,564	\$ 1,337,992	\$ 568,027	\$ 440,301	\$ 3,615,884
Advertisements	14,358	38,178	349,334	120	401,990
Office expenses	44,148	128,237	20,662	18,304	211,351
Information technology	22,377	7,458	8,888	9,866	48,589
Occupancy	101,923	39,776	8,337	4,200	154,236
Travel	17,256	14,139	8,867	1,191	41,453
Conference, conventions, and meetings	4,728	5,458	7,221	5,194	22,601
Interest expense	53,683	174,349	18,207	23,100	269,339
Tithe to HFHI	53,000	-	-	-	53,000
Depreciation	34,592	179,966	16,929	20,462	251,949
Insurance	33,838	72,882	4,196	2,268	113,184
Warranty work	4,490	-	-	-	4,490
Tools and equipment	9,272	1,913	-	-	11,185
Professional services	40,651	7,626	21,178	23,202	92,657
NMTC transaction fees	26,430	-	-	-	26,430
Dues and subscriptions	13,148	12,957	11,738	7,125	44,968
Home repair program	389,037	70	25,642	-	414,749
Other expense	10,949	13,005	14,815	2,849	41,618
Total functional expenses	<u>\$ 2,143,444</u>	<u>\$ 2,034,006</u>	<u>\$ 1,084,041</u>	<u>\$ 558,182</u>	<u>\$ 5,819,673</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018		2017
Cash flows from operating activities:			
Change in net assets	\$ 1,728,676	\$	1,280,391
Adjustments to reconcile change in net assets to net cash provided by operations:			
Noncash interest expense	9,610		17,921
Depreciation	251,615		251,949
Unrealized gain on investments	-		(6,074)
Gain on extinguishment of debt	(322,727)		-
Loss on disposal of property and equipment	-		40,383
(Increase) decrease in operating assets:			
Accounts receivable	(206,407)		16,261
Pledges receivable	(133,970)		(327,410)
Mortgages receivable	(446,478)		(202,802)
ReStore Inventory	(188,576)		(89,715)
Home construction in Progress	(464,804)		67,170
Prepaid expenses and other	(124,233)		37,230
Land held for development	(1,179,631)		(252,345)
Notes receivable, 2nd liens	(66,928)		(386,686)
Other long-term assets	991		50,163
Increase (decrease) in operating liabilities:			
Accounts Payable	(86,182)		286,034
Accrued expenses	268,578		(30,187)
Deferred revenue	1,676,667		8,552
Notes payable - TDHCA	79,249		16,935
Net cash provided by operating activities	795,450		777,770
Cash flows from investing activities:			
Restricted cash	27,559		26,430
Sales (purchases) of investments	384,626		(2,215)
Purchases of property and equipment	(192,395)		(74,866)
Net cash provided by (used in) investing activities	219,790		(50,651)
Cash flows from financing activities:			
Payments on long-term debt	(168,676)		(129,898)
Payments on capital lease obligation	(30,488)		(34,995)
Net cash used in financing activities	(199,164)		(164,893)
Net increase in cash and cash equivalents	816,076		562,226
Cash and cash equivalents at beginning of year	1,382,287		820,061
Cash and cash equivalents at end of year	\$ 2,198,363	\$	1,382,287
Supplemental disclosure of cash flow information:			
Interest paid	\$ 228,663	\$	241,808
Income taxes paid	\$ -	\$	-

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 1 - ORGANIZATION

Austin Habitat for Humanity, Inc. (“AHFH”) is a nonprofit, affordable housing developer dedicated to the elimination of substandard housing in and around Austin, Texas. It is affiliated with Habitat for Humanity International, Inc. (“HFHI”) based in Americus, Georgia. AHFH was incorporated in 1985 under the laws of the State of Texas. While adhering to the policies and procedures prescribed by HFHI, AHFH exists as a separate corporation with its own Board of Directors. Local policies, strategies, operations, and fundraising are the responsibility of each affiliate.

Austin Neighborhood Alliance for Habitat, Inc., (the “Alliance”) is a wholly owned non-profit corporation formed to support AHFH. The Alliance receives federal financial assistance to acquire land and develop infrastructure for homes.

HomeBase Texas (“HomeBase”) is a wholly owned non-profit corporation that provides affordable homeownership opportunities to homeowners by partnering with outside developers, builders, and agencies.

The Alliance and HomeBase financial statements are consolidated into the financial statements of AHFH because AHFH has control over and an economic interest in the Alliance and HomeBase. AHFH and its affiliates, the Alliance and HomeBase, are collectively referred to as the Organization.

Low-Cost Housing Program

To be considered for home ownership, families must be low-income families who demonstrate a need for better housing, an ability to make mortgage payments, and a willingness to work in partnership with AHFH. The partnership consists, in part, of each family completing 300 hours of “sweat equity” and meeting monthly mortgage payments. AHFH acquires the land, finds and qualifies the families, raises the funding, finds and supervises construction volunteers, builds the houses, and funds the mortgages. Houses are sold resulting in either a no interest or zero profit on the mortgage. By policy of HFHI, AHFH may accept government support for land, infrastructure improvements and construction.

ReStore Program

AHFH also operates two ReStores in Austin and San Marcos. The ReStore program provides access to quality building materials, new and used, household goods, clothing, etc., to the general public to help them create a better human habitat in which to live and work. The ReStore receives donated materials, purchases items, and sells them.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Classification of Net Assets – In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be used for any purpose or designated for specific purposes by the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations, which limit their use by the Organization to a specific purpose and/or the passage of time.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the fair value of investments, allowances for uncollectable receivables, useful lives of property and equipment, functional expense allocation, and the valuation of in-kind services and materials.

Advertising Costs – Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2018 and 2017 were \$327,309 and \$401,990, respectively.

Fair Value Measurements – The Organization measures and discloses fair value measurements in accordance with the authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

Level 1 - Inputs based on quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 - Unobservable inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

Cash and Cash Equivalents – The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash – As a condition of the loan agreements with HFHI-SA NMTC VI, LLC and CCM Community Development XXVII, LLC and through its investment in two New Market Tax Credit (“NMTC”) programs (Note 5), AHFH has established separate bank accounts for receiving and disbursing certain amounts related to the NMTC transactions. Total restricted cash was \$17,670 and \$45,229 as of December 31, 2018 and 2017, respectively.

Investments, at fair value – Investments in mutual funds are carried at fair market value based on quoted market prices. Any changes in market value are reported in the consolidated statements of activities as increases or decreases to investment income.

Investments, at cost - NMTC – In November 2011, AHFH invested, along with eleven other Habitat affiliates, in a joint venture named HFHI-SA Leverage IX, LLC with 4.82% ownership to take advantage of NMTC financing. In July 2012, AHFH participated in a second NMTC transaction along with eleven other Habitat affiliates. As a result of this transaction, AHFH acquired a 9.09% ownership in a joint venture named CCML Leverage II, LLC. Since AHFH has no ability to influence the operating or financial policies of HFHI-SA Leverage IX, LLC and CCML Leverage II, LLC, the cost method is used to account for these investments. Under that method, AHFH records income only to the extent of distributions received. The Organization has capitalized, as, certain structuring and guarantee fees and closing costs for the loans to finance these investments and construction costs. These fees are being amortized to interest expense over seven to sixteen years and are reflected as costs of the investments.

Accounts Receivable – Accounts receivable is recorded at the amount the Organization expects to collect on outstanding balances. The Organization has not recorded an allowance for uncollectible accounts receivables at December 31, 2018 or 2017 as management believes all balances to be collectible.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Pledges Receivable – Pledges receivable is recorded at the amount the Organization expects to receive from donors. Promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Although the Organization has not experienced material uncollectible amounts in the past, an allowance for uncollectible pledges receivable has been established. The allowance at December 31, 2018 and 2017, was \$70,167 and \$58,282, respectively. The Organization did not apply a net present value discount on the pledges receivable balance as of December 31, 2018 and 2017 as management considered the amount to be insignificant.

Notes Receivable, 2nd Liens – Notes receivable is a deferred repayable second lien with the first payment due after 30 years, amortizing over five years thereafter. The second lien is attached to a home sale to qualified applicants under the HomeBase Texas program. The first lien is provided for by a traditional third-party lender. The second lien is due and payable between 30-35 years to allow for the first lien to have been paid off and provides a subsidy that allows the home sale to meet the affordability requirements of the HomeBase Texas program. These notes are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The Organization has not recorded an allowance for uncollectible notes receivable at December 31, 2018 or 2017 as management believes all balances to be collectible.

Home Sales and Mortgages Receivable – Home sales represent the sale to qualified families of houses built in Austin, Texas, or the Greater Austin Area, by the Organization. Homes are sold at affordable prices and the sales are financed by the Organization utilizing non-interest bearing 15 to 35-year mortgages due in monthly installments from the families. The mortgages are secured by the underlying real estate and are carried at the unpaid principal balances. On certain older loans, a “soft” (0% interest, deferred, forgivable after 30 years) second mortgage was used to secure the difference between the affordable mortgage amount and the market value. This practice ended in 2016 with the addition of a deed restriction that effectively locked this equity into the property, making it inaccessible to the homeowner at resale.

Mortgages receivable is discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities when mortgage payments are collected.

The Organization monitors the mortgages on a monthly basis and considers all mortgages to be collectible, thus no allowance for loan losses has been recorded. The Organization maintains a partner relationship with the mortgagees (“partner families”). However, the Organization will consider foreclosure proceedings on any delinquent accounts if the partner family ceases to have the ability to pay and make payments on the mortgage or no longer has a willingness to partner with the Organization. At December 31, 2018 and 2017, the Organization had no investment in foreclosed loans.

ReStore Inventory – ReStore inventory consists of donated building materials, household items and clothing as well as purchased building materials available for sale. Donated inventory is recorded as in-kind contributions at fair value when received based on estimated sales value. Purchased inventory is stated at the lower of cost or market determined by the first-in first-out method.

Home Construction in Progress – Home construction in progress represents home construction and land costs incurred on incomplete homes in progress and completed homes not yet conveyed to the recipient family. Once sold and conveyed, the home costs are expensed to cost of homes sold in the accompanying consolidated statements of activities.

Land Held for Development – Land held for development includes the costs of purchasing and developing land. These costs are capitalized to this account until the lot is build ready. Once construction of a home on a lot is completed, the cost of the associated lot is expensed in cost of homes sold on the accompanying consolidated statement of activities.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Property and Equipment – Property and equipment consists of land, buildings, and equipment. Property and equipment additions are recorded at cost if purchased or estimated fair value if donated less accumulated depreciation. The Organization capitalizes all additions over \$1,000 and expenses maintenance and repairs that do not improve or extend the useful lives of the respective assets. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Estimated useful lives are three to five years for computer equipment; five years for building improvements, software and vehicles; three to seven years for tools and construction equipment; and twenty to forty years for completed houses and buildings. Property and equipment under capital lease is amortized over the shorter of the lease term or the expected useful life of the asset.

Long-lived assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. Management believes there has been no impairment of such assets as of December 31, 2018 and 2017.

Debt Issuance Costs – Debt issuance costs associated with long-term debt are recorded as a reduction of the related debt balance and amortized to interest expense over the term of the related arrangement.

Notes Payable – TDHCA – The Texas Department of Housing and Community Affairs Department (“TDHCA”) administers the Owner-Builder Loan Program, also known as the Texas Bootstrap Loan Program (“Bootstrap Program”). The Bootstrap Program is a self-help housing construction program that provides the owners and builders of very low-income families an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through “sweat equity.” Owner builder’s household income may not exceed 60% of Area Median Family Income. The Bootstrap Program notes payable are discounted based upon prevailing market interest rates at the inception of the mortgage. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities as the mortgage payments are made.

Contribution Revenue – All contributions, including home building sponsorship revenues and non-cash contributions, are recorded at their fair value and are considered to be available for operations of the Organization unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets are reclassified to net assets without donor restrictions. This is reported in the accompanying consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

ReStore Sales Revenue – The Organization operates two thrift retail stores. The stores provide access to quality building materials, new and used household goods, clothing, furnishings, and other construction materials and is open to the general public. The store receives donated materials and purchases items for resale. Sales are recognized on a daily basis as they occur.

Government Grant Revenue – The Organization receives funding from governmental financial assistance programs that supplement its traditional funding sources. The awards provide for reimbursement of qualifying costs incurred, as defined in the underlying award agreements. The Organization recognizes revenue from these awards as services are rendered and expenses are incurred.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Home Building Sponsorship Revenues – The Organization sells sponsorship opportunities to local businesses and organizations to underwrite the costs of constructing a house. In addition to recognition as an Austin Habitat for Humanity partner, typically the sponsorship includes the option for the entity to volunteer on the build site. Sponsorship revenues are recognized in the year that the house is constructed.

In-Kind Contributions of Labor – A substantial number of volunteers have made significant contributions of their time to the Organization’s program and supporting services. Donated services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Under those criteria, volunteer time and professional services donated to construct homes is recognized as contribution revenue and capitalized as home construction in progress. When homes are transferred to recipient families, home construction in progress is recorded as a component of cost of homes sold within the accompanying consolidated statements of activities.

Functional Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain expenses are allocated between functional categories based on management’s estimates. Expenses relating to more than one function are allocated to low-cost housing program, ReStore program, fundraising, and management and general based on employee time and effort estimates. Allocations to low-cost housing and ReStore programs are for activities that result in services being distributed to beneficiaries, donors, or others that fulfill the mission of the Organization. Allocations to management and general expenses include accounting, general management and oversight, audit, budgeting, human resources, legal and admin support of the board of directors. Allocations for fundraising are primarily for fundraising activities for operations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Foundation.

Federal Income Taxes – AHFH, the Alliance, and HomeBase are all non-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except with respect to any unrelated business income. AHFH, the Alliance and HomeBase did not incur any tax liabilities for unrelated business income during the years ended December 31, 2018 or 2017. The Board assesses uncertainties in income taxes in its consolidated financial statements and uses a threshold of more-likely-than-not for recognition and derecognition of tax positions taken. There is no provision or liability for federal income taxes in the accompanying consolidated financial statements related to the Organization. AHFH, the Alliance, and HomeBase file Form 990 tax returns in the U.S. federal jurisdiction and are subject to routine examinations of its returns. However, there are no examinations currently in progress. The Board’s management believes it is no longer subject to income tax examinations for years prior to 2015.

Recent Accounting Pronouncements – In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue Recognition* (Topic 606). The update is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU is effective for annual and interim periods beginning after December 15, 2018. Early adoption is permitted. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-09. The Organization is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This ASU removes the current guidance regarding classification of equity securities into different categories (i.e., trading or available-for-sale) and requires that equity investments generally be measured at fair value with changes in fair value recognized in net income. For non-public companies, the ASU is effective for years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2016-01 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public companies, the ASU is effective for years beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements.

In April 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents would be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For private companies, the ASU is effective for years beginning after December 15, 2018. The Organization has elected to not early adopt this ASU as of December 31, 2018.

In August 2016, the FASB issued ASU 2016-14, *Presentation of financial statements of Not-for-Profit Entities, as an update to ASC 958, Not-for-Profit Entities*. This update makes several improvements to current reporting requirements that address complexities in the use of the currently required three classes of net assets and enhance required disclosures related to donor restrictions of net assets. The updated guidance will be effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The new guidance should be applied on a retrospective basis. The updated guidance will result in a change in the classes of net assets reported on the face of the statement of financial position from three classes (unrestricted, temporarily restricted and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions). The Organization adopted this update as of January 1, 2018. No other material impact is expected.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2018-08 on its consolidated financial statements.

Reclassification – Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets as a result of reclassifications.

Management's Review – The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization's consolidated financial statements are available for issuance. For the consolidated financial statements as of and for the year ending December 31, 2018, this date was July 31, 2019.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 3 – LIQUIDITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$	2,198,363
Investments, at fair value		15,454
Accounts receivable, net		379,407
	\$	<u>2,593,224</u>

None of the above financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Receivable balances are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash, money markets, mutual funds, and accounts receivable, on hand to meet five months of normal operating expenses, which are, on average, approximately \$2.5 million. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including cash, money markets, and mutual funds.

Total net assets without donor restrictions as of December 31, 2018 were approximately \$17.9 million. This is sufficient capital to fund the anticipated growth of the Organization over the next twelve months as well as any unanticipated contingencies or losses. Additionally, the Organization has approximately \$2,000,000 of undrawn credit available if there is an unforeseen need for cash.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and its receivables.

The Organization places its cash and cash equivalents with a limited number of high-quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents.

Investments do not represent a significant concentration of credit risk due to the diversification of the Organization’s portfolio among instruments and issues. However, investment securities, including money market funds, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

The Organization does not maintain collateral for its receivables except for mortgages and notes receivable and does not believe significant risk exists at December 31, 2018 or 2017. Credit risk for mortgages and notes receivable is concentrated because substantially all of the balances are due from individuals located in the same geographic region. Management considered the collateral pledged from mortgages and notes receivable to be adequate at December 31, 2018 and 2017.

NOTE 5 – INVESTMENTS

Investments at fair value

Marketable investments are stated at fair value using quoted prices in active markets and consisted of mutual funds at December 31, 2018 and 2017. The inputs used to determine the fair value of mutual funds were considered Level 1.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Investments at cost

AHFH participated in NMTC programs in November 2011 and in July 2012. The programs, administered by the U.S. Department of the Treasury, provide funds from outside investors to eligible organizations for investment in qualified low-income community investments. Outside investors receive new markets tax credits to be applied against their federal tax liability. Program compliance requirements included creation of promissory notes and investments in qualified community development entities (“CDE or sub-CDE”). Tax credit recapture is required if compliance requirements are not met over a seven-year period after each transaction settlement date.

In November 2011, AHFH invested \$1,000,044 in HFHI-SA Leverage IX, LLC and secured a 16-year loan in the amount of \$1,320,965 payable to the sub-CDE named HFHI-SA NMTC VI, LLC (see Note 5). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 15, 2018 at 0.75%. Commencing November 15, 2018, semi-annual principal payments are due through maturity date of July 13, 2026. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.98% of the interest payments will be refunded to the Organization on a semi-annual basis.

In November 2018, HFHI-SA Investment Fund VI, LLC (the “Fund”), the effective owner of HFHI-SA NMTC VI, LLC (holder of the promissory note due from AHFH), exercised a put option. Under the terms of the put option agreement, HFHI-SA Leverage IX, LLC purchased the ownership interest of the Fund. Exercise of the option effectively allowed AHFH to extinguish its outstanding debt owed to the Fund. The result of the extinguishment of the debt offset by the sale of AHFH’s investment in the Fund was a gain of \$322,727 in 2018 and is included in other income in the consolidated statement of activities and changes in net assets.

In July 2012, AHFH invested \$1,431,009 in CCML Leverage II, LLC and secured a 16-year loan in the amount of \$1,880,000 payable to the sub-CDE named CCM Community Development XXVII, LLC (see Note 5). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 10, 2019 at 0.76%. Commencing November 10, 2019, semi-annual principal payments are due through maturity date of July 26, 2027. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.99% of the interest payments will be refunded to the Organization on a semi-annual basis.

In August 2019, CCM CD 27 Investment Fund, LLC (the “Fund”), the effective owner of CCM Community Development XXVII, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, CCML Leverage II, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

The investments in these joint ventures are reported at cost using the cost method. For the years ended December 31, 2018 and 2017, AHFH received \$14,310 and \$24,266 in distributions, respectively. These distributions are reported as investment income in the consolidated statements of activities. During the years ended December 31, 2018 and 2017, the total interest expense associated with the amortization of the related debt issuance costs were \$36,351 and \$17,921, respectively. At December 31, 2018 and 2017, the balance in these joint ventures was \$1,520,548 and \$2,491,147, respectively.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 6 – RELATED PARTY TRANSACTIONS AND AFFILIATIONS

Contributions from members of the Board of Directors for the years ended December 31, 2018 and 2017 were \$218,626 and \$231,732, respectively. Pledges receivable from Board of Directors and employees of AHFH for the years ended December 31, 2018 and 2017 were \$606,368 and \$405,400, respectively. Expenses paid by the Organization for services provided by board of director related businesses for the years ended December 31, 2018 and 2017 were \$1,773,616 and \$350,042, respectively.

The Organization operates within a covenant agreement with HFHI. The Organization tithes to support HFHI’s international homebuilding work. Tithes to HFHI totaled \$68,996 and \$53,000 for the years ended December 31, 2018 and 2017, respectively.

The United States Department of Housing and Urban Development (“HUD”) has awarded grants to HFHI under the Self-Help Home Ownership Program (“SHOP”) for land acquisition and infrastructure improvements for houses. Grant funds are passed through by HFHI directly to participating U.S. affiliates in the form of a 75% grant and 25% loan. Notes payable to HFHI under SHOP arrangements totaled \$6,748 and \$11,224 at December 31, 2018 and 2017, respectively, and are included in notes payable in the consolidated statements of financial position.

NOTE 7 – MORTGAGES AND NOTES RECEIVABLE

Mortgages receivable consisted of the following at December 31:

	2018	2017
Gross mortgages receivable	\$ 15,290,444	\$ 14,731,866
Financing discount based on imputed interest at rates ranging from 4% to 8%	(5,573,302)	(5,461,202)
Mortgages receivable, net of unamortized discount	9,717,142	9,270,664
Current portion of mortgages receivable	(846,812)	(816,838)
	\$ 8,870,330	\$ 8,453,826

Mortgages receivable were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected at December 31, 2018 are as follows:

2019	\$	846,812
2020		819,856
2021		816,409
2022		800,375
2023		782,189
Thereafter		11,224,803
Total	\$	15,290,444

Notes receivable on 2nd liens consisted of the following at December 31:

	2018	2017
Gross notes receivable for 2 nd lien	\$ 3,115,257	\$ 3,110,446
Financing discount based on imputed interest at rates ranging from 4% to 8%	(2,233,052)	(2,295,169)
Notes receivable on 2 nd liens, net of unamortized discount	\$ 882,205	\$ 815,277

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 8 – RESTORE INVENTORY

ReStore inventory consisted of the following at December 31:

	2018	2017
Donated Goods	\$ 195,729	\$ 155,000
Purchased Materials	612,300	464,453
	<u>\$ 808,029</u>	<u>\$ 619,453</u>

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2018	2017
Land	\$ 3,090,000	\$ 3,090,000
Building and improvements	6,843,975	6,763,658
Equipment	499,042	414,603
Trucks	267,929	267,929
Total	<u>10,700,946</u>	<u>10,536,190</u>
Accumulated depreciation	<u>(1,195,252)</u>	<u>(943,637)</u>
Property and equipment, net	<u>\$ 9,505,694</u>	<u>\$ 9,592,553</u>

Property and equipment financed under capital lease obligations totaled \$259,433 and \$289,921, net of accumulated amortization of \$100,264 and \$69,776, as of December 31, 2018 and 2017, respectively. Total depreciation and amortization expense associated with property and equipment was \$251,615 and \$251,949 for the years ended December 31, 2018 and 2017, respectively.

NOTE 10 – PLEDGES RECEIVABLE

The Organization received pledges to cover the costs of the capital campaign. Pledges are stated at their realizable value, net of a discount on long-term pledges, and an allowance for uncollectible pledges.

Net pledges receivable consists of the following at December 31, 2018 and 2017:

	2018	2017
Capital campaign pledges	\$ 701,672	\$ 555,817
Less: allowance for doubtful collections	<u>(70,167)</u>	<u>(58,282)</u>
Pledges receivable, net	<u>\$ 631,505</u>	<u>\$ 497,535</u>

Net pledges receivable maturity dates at December 31, 2018 and 2017:

	2018	2017
Less than one year	\$ 141,554	\$ 175,000
One to five years	<u>560,118</u>	<u>380,817</u>
Total	<u>\$ 701,672</u>	<u>\$ 555,817</u>

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 11 – LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	2018	2017
Notes payable to HFHI under SHOP grants	\$ 6,748	\$ 11,224
Promissory note to HFHI-SA NMTC VI, LLC	-	1,320,965
Promissory note to CCM Community Development XXVII, LLC	1,880,000	1,880,000
Promissory note to banking institution	4,859,773	5,023,973
Total debt	6,746,521	8,236,162
Unamortized debt issuance costs	(54,809)	(64,419)
Total debt, net of unamortized debt issuance costs	6,691,712	8,171,743
Current portion of debt	(162,998)	(156,985)
Long-term debt, net of current portion and debt issuance costs	\$ 6,528,714	\$ 8,014,758

The notes payable to Habitat for Humanity International (“HFHI”) is a non-interest bearing and unsecured loan under the Self-Help Home Ownership Program (“SHOP”) for land acquisition and infrastructure improvements for houses.

The promissory note to HFHI-SA NMTC VI, LLC, is a semi-annual interest note with payments due until November 15, 2018 at 0.75% followed by semi-annual principal payments due through the maturity date of July 13, 2026. This note is secured by substantially all of the assets acquired by AHFH from the NMTC project loan proceeds. During 2018, this note was extinguished along with the Organization’s investment in the NMTC.

The promissory note to CCM Community Development XXVII, LLC, is a semi-annual interest note with payments until November 10, 2019 at 0.76% followed by semi-annual principal payments due through the maturity date of July 26, 2027. This note is secured by substantially all of the assets acquired by AHFH from the NMTC project loan proceeds.

On May 1, 2014, the Organization entered into a loan agreement for \$5,500,000 with Wells Fargo Bank for the purpose of financing the acquisition of the land and building which was used to start the Austin ReStore. The promissory note is a fixed interest rate note (3.82% at December 31, 2018 and 2017) with escalating monthly payments due through the maturity date of June 1, 2039. This note is secured by the Austin ReStore’s land and building.

Future maturities of long-term debt at December 31, 2018 are as follows:

2019	\$	162,998
2020		280,714
2021		400,916
2022		409,419
2023		418,202
Thereafter		5,074,272
Total	\$	6,746,521

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

The credit facility (Note 12), notes payable and other long-term debt agreements contain certain financial covenants, including requirements for liquidity, earnings, and fixed charge coverage. The agreements also contain additional conditions limiting indebtedness, capital expenditures, and various other covenants as defined in the agreements. Failure to comply with the covenants could result in the debt being called by the lenders. As of December 31, 2018, and through the date of this report, the Organization was in compliance with such covenants.

NOTE 12 – CREDIT FACILITY AND LETTERS OF CREDIT

The Organization maintains a twelve-month revolving credit facility with a bank, renewable annually, that charges interest at a variable rate (5.5% at December 31, 2018). During the year ended December 31, 2017, the Organization amended the facility to extend the maturity date to April 2019. As amended, the maximum principal amount available under the line of credit is \$2,000,000. The credit facility was further amended on March 18, 2019 to extend the maturity date to April 15, 2021. No amounts have been drawn against this facility at December 31, 2018.

During the normal course of business, the Organization entered into letters of credit with financial institutions totaling \$462,730 at December 31, 2018 and 2017, pursuant to subdivision construction agreements with the City of Austin. The letters of credit expired in April 15, 2018 and the amount of \$462,730 was renewed through April 15, 2019. The letters specify that drafts may be drawn by the City of Austin Watershed Protection and Development Review Department. There have been no amounts drawn under these letters of credit.

NOTE 13 – NOTES PAYABLE – TDHCA

Notes payable to TDHCA consisted of the following at December 31:

	2018	2017
Gross notes payable - TDHCA	\$ 2,121,018	\$ 2,042,260
Financing discount based on imputed interest at rates ranging from 4% to 8%	(779,122)	(779,613)
Mortgages receivable, net of unamortized discount	1,341,896	1,262,647
Current portion of mortgages receivable	(98,316)	(87,149)
	\$ 1,243,580	\$ 1,175,498

Notes payable to TDHCA were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected from mortgagees and remitted to TDHCA at December 31, 2018 are as follows:

2019	\$ 98,316
2020	98,316
2021	98,316
2022	98,316
2023	98,316
Thereafter	1,629,438
Total	\$ 2,121,018

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	2018	2017
Capital campaign	\$ 1,236,479	\$ 1,109,606
Special Events	323,701	-
UT Campus Chapter	3,706	5,760
OWANA	103,134	-
	<u>\$ 1,667,020</u>	<u>\$ 1,115,366</u>

Net assets released from restrictions consisted of the following at December 31:

	2018	2017
Capital campaign	\$ (460,719)	\$ (22,792)
Special Events	(30,350)	-
UT Campus Chapter	(13,219)	-
Caldwell Chapter	-	(91,740)
Net assets released from restrictions	<u>\$ (504,288)</u>	<u>\$ (114,532)</u>

NOTE 15 – RETIREMENT PLAN

The Organization sponsors a 401(k) plan that covers substantially all employees. The Organization's contributions to the plan for the years ended December 31, 2018 and 2017 were \$115,196 and \$112,926, respectively.

NOTE 16 – LEASE COMMITMENTS

The Organization leases office space, a construction warehouse, telephone equipment, and a copier under various non-cancellable operating leases. Rent expense under these leases totaled \$130,928 and \$72,252, respectively, for the years ended December 31, 2018 and 2017, which are reflected as occupancy and office expenses in the accompanying statements of functional expenses. In October 2018, AHFH entered into a new operating lease for the San Marcos ReStore location which opened to the public on December 13, 2018.

Future minimum payments under operating leases consisted of the following as of December 31, 2018:

2019	\$ 270,556
2020	246,604
2021	198,120
2022	203,880
2023	203,880
Thereafter	988,110
Total	<u>\$ 2,111,150</u>

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

The Organization also has a non-cancelable capital lease agreement for solar panels. Future minimum payments under the capital lease consisted of the following as of December 31, 2018:

2019	\$	41,575
2020		41,575
2021		41,575
2022		41,575
2023		41,575
Thereafter		79,723
Total minimum lease payments		287,598
Less: amount representing interest		(28,165)
Total capital lease obligations		259,433
Less: current portion of capital lease		(34,262)
Long term portion of capital lease obligation	\$	225,171

NOTE 17 – CONTINGENCIES

The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. The Organization is also funded by grants and contracts that are subject to review and audit by the grantor agencies. These contracts have certain compliance requirements and, should audits by the government or grantor agencies disclose any areas of substantial noncompliance, the Organization may be required to refund any disallowed costs.

NOTE 18 – FEDERAL INCOME TAXES

The Organization is subject to federal income taxes on unrelated business income, which consists of ReStore sales of purchased materials. As of December 31, 2018, and 2017, the Organization has incurred cumulative net operating losses of approximately \$2,478,000 and \$1,929,000, respectively, for federal income tax purposes. These net operating losses may be used to offset future taxable unrelated business income. If not utilized, approximately \$2,182,000 of these losses will expire in the years 2027 through 2036. The remaining \$296,000 will be carried forward indefinitely. A full valuation allowance has been recorded as utilization is uncertain. The net change in the total valuation allowance for the years ended December 31, 2018 and 2017 was approximately \$115,000 and \$5,000, respectively.

AUSTIN HABITAT FOR HUMANITY, INC.
Supplemental Consolidating Schedule of Financial Position Information
As of December 31, 2018

	<u>Austin Habitat for Humanity</u>	<u>Austin Neighborhood Alliance for Habitat, Inc.</u>	<u>HomeBase Texas</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:					
Current assets					
Cash and cash equivalents	\$ 1,667,672	\$ -	\$ 530,691	\$ -	\$ 2,198,363
Investments, at fair value	15,454	-	-	-	15,454
Accounts receivable	252,914	-	126,493	-	379,407
Pledges receivable, net	141,554	-	-	-	141,554
Mortgages receivable, current portion, net	846,812	-	-	-	846,812
Intercompany receivable	833,139	5,131,316	-	(5,964,455)	-
ReStore inventory	808,029	-	-	-	808,029
Home construction in progress	949,103	-	-	-	949,103
Prepaid expenses and other current assets	372,423	-	-	-	372,423
Total current assets	<u>5,887,100</u>	<u>5,131,316</u>	<u>657,184</u>	<u>(5,964,455)</u>	<u>5,711,145</u>
Land held for development	4,680,252	-	-	-	4,680,252
Restricted cash	17,670	-	-	-	17,670
Pledges receivable, long-term portion, net	489,951	-	-	-	489,951
Other long-term assets	295	-	192,342	-	192,637
Mortgages receivable, long-term portion, net	8,870,330	-	-	-	8,870,330
Notes receivable - 2nd liens, net	-	-	882,205	-	882,205
Investments, at cost - NMTC	1,520,548	-	-	-	1,520,548
Property and equipment, net	9,505,694	-	-	-	9,505,694
TOTAL ASSETS	<u>\$ 30,971,840</u>	<u>\$ 5,131,316</u>	<u>\$ 1,731,731</u>	<u>\$ (5,964,455)</u>	<u>\$ 31,870,432</u>
LIABILITIES AND NET ASSETS:					
Current liabilities					
Accounts payable	\$ 344,203	\$ -	\$ 26,353	\$ -	\$ 370,556
Accrued expense	507,879	-	300,052	-	807,931
Intercompany payable	5,902,405	-	62,050	(5,964,455)	-
Deferred revenue	2,703,768	-	-	-	2,703,768
Capital lease obligation, current portion	34,262	-	-	-	34,262
Notes payable - TDHCA, current portion	98,316	-	-	-	98,316
Long-term debt, current portion	162,998	-	-	-	162,998
Total current liabilities	<u>9,753,831</u>	<u>-</u>	<u>388,455</u>	<u>(5,964,455)</u>	<u>4,177,831</u>
Capital lease obligation, long-term portion	225,171	-	-	-	225,171
Notes payable - TDHCA, long-term portion	1,243,580	-	-	-	1,243,580
Long-term debt, net of debt issuance costs	6,528,714	-	-	-	6,528,714
Total liabilities	<u>17,751,296</u>	<u>-</u>	<u>388,455</u>	<u>(5,964,455)</u>	<u>12,175,296</u>
Net assets					
Without donor restrictions	11,553,524	5,131,316	1,343,276	-	18,028,116
With donor restrictions	1,667,020	-	-	-	1,667,020
Total net assets	<u>13,220,544</u>	<u>5,131,316</u>	<u>1,343,276</u>	<u>-</u>	<u>19,695,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,971,840</u>	<u>\$ 5,131,316</u>	<u>\$ 1,731,731</u>	<u>\$ (5,964,455)</u>	<u>\$ 31,870,432</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Supplemental Consolidating Schedule of Activities Information
Year Ended December 31, 2018

	<u>Austin Habitat for Humanity</u>	<u>Austin Neighborhood Alliance for Habitat, Inc.</u>	<u>HomeBase Texas</u>	<u>Eliminations</u>	<u>Total</u>
REVENUES:					
Contributions and other income:					
Contributions	\$ 2,238,102	\$ -	\$ 5,250	\$ -	\$ 2,243,352
In-kind contributions	134,025	-	-	-	134,025
Home building sponsorship revenues	1,000,151	-	-	-	1,000,151
Investment income	31,095	-	12,000	-	43,095
Other income	1,608,699	-	(381,981)	(270,588)	956,130
Total contributions and other income	<u>5,012,072</u>	<u>-</u>	<u>(364,731)</u>	<u>(270,588)</u>	<u>4,376,753</u>
ReStore revenues:					
ReStore sales	4,428,805	-	-	-	4,428,805
In-kind donation of inventory	2,389,472	-	-	-	2,389,472
Cost of goods sold	(3,380,503)	-	-	-	(3,380,503)
Sales discounts and refunds	(150,498)	-	-	-	(150,498)
Total ReStore revenues, net	<u>3,287,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,287,276</u>
Low-cost housing revenues:					
Home sales	1,794,011	-	-	-	1,794,011
In-kind contributions of labor and construction materials	812,442	-	-	-	812,442
Mortgage discount and amortization	(74,825)	-	62,118	-	(12,707)
Other housing revenues	-	-	6,085	-	6,085
Cost of homes sold	(1,969,012)	-	-	-	(1,969,012)
Total Low-cost housing revenues	<u>562,616</u>	<u>-</u>	<u>68,203</u>	<u>-</u>	<u>630,819</u>
Total revenues	<u>8,861,964</u>	<u>-</u>	<u>(296,528)</u>	<u>(270,588)</u>	<u>8,294,848</u>
EXPENSES:					
Low-cost housing program	2,174,380	-	-	-	2,174,380
ReStore program	2,607,801	-	-	-	2,607,801
Fundraising	922,328	-	-	-	922,328
Management and general	861,663	-	270,588	(270,588)	861,663
Total expenses	<u>6,566,172</u>	<u>-</u>	<u>270,588</u>	<u>(270,588)</u>	<u>6,566,172</u>
CHANGE IN NET ASSETS	2,295,792	-	(567,116)	-	1,728,676
NET ASSETS, BEGINNING OF YEAR	10,924,752	5,131,316	1,910,392	-	17,966,460
NET ASSETS, END OF YEAR	<u>\$ 13,220,544</u>	<u>\$ 5,131,316</u>	<u>\$ 1,343,276</u>	<u>\$ -</u>	<u>\$ 19,695,136</u>

See accompanying notes and report of independent auditor.



Proposal to the City of San Marcos: Key Organization/Program Staff

Phyllis Snodgrass, Chief Executive Officer: Phyllis became CEO of Austin Habitat for Humanity in 2015 after more than 20 years as a successful executive with several local Chambers of Commerce. She has won numerous awards for her leadership including the 2019 Best CEO Award from the Austin Business Journal.

Lori Steiner, Chief Financial Officer: Lori is both an MBA and a CPA and brings more than 20 years of finance experience to Austin Habitat, ensuring that the organization continues to maintain strong financial controls and remains poised for major growth over several years.

Mary Campana, Vice President of Development: Mary has more than 20 years of experience and is an expert in fund development and communication for nonprofits. She and her team are responsible for financially supporting Austin Habitat through sponsorships, foundation and government grants, individual donations, and special events.

Wayne Gerami, Vice President of Client Services: Wayne has been with Austin Habitat for 10+ years in positions of increasing responsibility. He now oversees all client-related Affordable Homeownership and Housing Counseling programming and supervises the Housing Counselors.

Bertie Flores-Samilpa, Housing Counselor: Bertie has 20+ years of experience providing housing counseling, servicing home loans, working with families to avoid foreclosure and other negative consequences of financial difficulty. She has been with Austin Habitat for five years and is also our lead instructor for our bilingual housing education workshops.

Jessica Benitez, Housing Counselor: Jessica has been with Austin Habitat for Humanity for 4+ years and has been providing housing counseling for the past 18 months after becoming a HUD-certified housing counselor in 2018. She works with clients to improve credit and prepare them for homeownership.

Communications Manager: This position is currently being filled. The Communications Manager is the leader of our community outreach program, working with our program teams and graphic designer to create outreach materials, engage traditional and social media, and promote Habitat's brand and positive community impact.

Equal Opportunity Employment

AUSTIN HABITAT FOR HUMANITY provides equal opportunity to all qualified employees and applicants for employment without regard to race, color, religion, gender, national origin, age, sexual orientation, disability, genetic information, marital status, military status, the seeking of workers' compensation benefits or any other category protected by federal, state and local laws. This policy applies to all terms and conditions of employment, including but not limited to recruitment, hiring, promotion, transfer, disciplinary action, termination, layoff, return from layoff, training, leaves of absence, benefits, and compensation. All such employment decisions will be made without unlawful discrimination.

Zero Tolerance: Discrimination and Harassment

AUSTIN HABITAT FOR HUMANITY strives to maintain an environment free from discrimination and harassment, where employees treat each other with respect, dignity and courtesy. This policy applies to all terms and conditions of employment, including but not limited to, recruiting, testing, hiring, placement, promoting, demoting, transferring, laying off, terminating, paying, granting benefits and training. This policy applies to all qualified employees and applicants for employment without regard to race, color, religion, sex, national origin, age, sexual orientation, disability, genetic information, marital status, military status, the seeking of workers' compensation benefits, or any other category protected by federal, state and local laws. Prohibited discrimination and harassment based on sex includes pregnancy discrimination, care giver discrimination and gender stereotyping.

**AUSTIN HABITAT FOR HUMANITY
CLIENT SERVICES POLICY**

5.2 Legal issues

There are a number of laws regulating how Habitat affiliates conduct their family selection process.

FEDERAL FAIR HOUSING ACT (FHA)

The FHA applies to any individual or corporation, whether for profit or otherwise, that leases or sells a home. The act makes it illegal to refuse to sell or rent a house to anyone on account of their race, color, religion, sex, handicap, national origin or familial status. This act also requires that an affiliate advertise its program to as many people as possible, provide information in the languages appropriate for its community, and include the Equal Housing Opportunity Logo or slogan or statement on all advertising.

AMERICANS WITH DISABILITIES ACT (ADA)

The ADA prohibits discrimination based on physical disability. (The FHA also lists mental impairment.) The ADA requires that public accommodations be accessible to all. This includes the areas in the affiliate's facilities that are open to the public and any other facility where official gatherings for the affiliate are held. The act also requires that the affiliate make reasonable accommodations for participation in the program – especially related to sweat equity.

ADA/504 Compliance:

In accordance with the Americans with Disabilities Act (ADA) and the Rehabilitation Act of 1973, Section 504, no qualified person will be denied access to, participation in, or the benefits of, any program or activity operated by AHFH because of a disability. AHFH will not discriminate against qualified individuals with disabilities in practices and activities, including, but not limited to, the following: Client Services application procedures, orientations, family selection, training, program compliance; e.g., sweat equity hours, etc. AHFH will not discriminate against a qualified individual because of disability.

All reasonable accommodations will be made to ensure individuals with disabilities may have equal access to all AHFH programs and services. For example, for a hearing-impaired individual, AHFH will provide a sign language interpreter at its own cost.

EQUAL CREDIT OPPORTUNITY ACT (ECOA)

The ECOA applies to any person extending credit to another individual. The act makes it unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a

credit transaction, on the basis of race, color, religion, national origin, sex or marital status, age (provided the applicant is old enough to enter into a contract), source of income (such as public assistance), or because the applicant has in good faith exercised any right under the federal consumer credit laws.

A provision of the law called the Special Purpose Credit Programs (SPCP) exemption allows a non-profit that benefits a class of economically disadvantaged persons to require that they share one or more common characteristics as long as the organization does not adopt this program to avoid the provisions of the law.

This act also includes a number of requirements that affect selection procedures. These requirements include:

- Collection of demographic information (race, sex, age, marital status) on a form separate from the application
- Notification of receipt of application within 30 days
- Final decision on the application within 30 days of receipt of all documents
- Notification of denial that includes a statement of the action taken, the name and address of the affiliate and either a specific reason or a disclosure of the applicant's right to request (within 60 days) a statement of specific reason – to be provided within 30 days. The notification must also contain the ECOA Notice
- Record retention of all applications for a period of 25 months from the date of the decision

FAIR CREDIT REPORTING ACT *(As amended by the Consumer Credit Reporting Reform Act of 1966 and the Intelligence Reauthorization Act)*

The Fair Credit Reporting Act places certain requirements on the users of consumer credit reports, which, if violated, can result in civil penalties being imposed against the offender. AHFH and specifically the FSC is an authorized user of consumer credit reports for the purpose of considering credit extension to applicants. It is vital that the FSC comply with the Fair Credit Reporting Act and, to assure this, members are made aware of its content as it pertains to the committee's work.

Section 168 1b (a)(3)(A) provides the authorization for the FSC to call for credit reports. This section provides that any consumer reporting agency may furnish a consumer report to, among others, a person which it has reason to believe "intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of the consumer..."

Section 1681m places the following requirements on users of consumer reports:

- If adverse action (applicant non-acceptance) is taken with respect to a consumer (applicant) based in whole or in part on any information contained in a consumer report, the person(s) taking such actions shall:
 1. Provide oral, written, or electronic notice of the adverse action to the consumer.
 2. Provide the consumer (applicant) orally, in writing, or electronically the following:

- a) The name, address, and telephone number of the consumer reporting agency (including a toll-free number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) that furnished the report to the person.
 - b) A statement that the consumer reporting did not make the decision to take the adverse action and is unable to provide the consumer (applicant) the specific reasons why the adverse action was taken.
 - c) Notice of consumer (applicant) right to obtain a free copy of a consumer report with notice of the 60 day period available for obtaining the free copy.
 - d) Notice of consumer (applicant) right to dispute with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency.
- If adverse action is taken based on information obtained from a third party other than the consumer reporting agency, the person(s) taking such action will:
1. Within a reasonable period of time, upon the consumer's written request for the reasons for such adverse action received within 60 days after learning of such adverse action, disclose the nature of the information to the consumer.
 2. Clearly and accurately disclose to the consumer (applicant) his or her right to make such written request at the time such adverse actions is communicated to the consumer.

AHFH makes every attempt to market its programs in a manner that is consistent with all laws and regulations enumerated above. AHFH provides assistance and makes accommodations for those with vision or hearing impairment.



Austin Habitat for Humanity
Tel: 512.472.8788 Fax: 512.367.5794
500 W Ben White, Austin, TX 78704
www.austinhabitat.org

HOME BUYER READINESS ASSESSMENT

Please Print Clearly

INSTRUCTIONS

1. Set up a Homebuyer Readiness appointment to evaluate your financial situation and preparedness for owning a home
2. Fill out this packet
3. Collect ***copies*** of the required documents
4. Turn in a ***completed packet, copies of the required supporting documentation, and a check or money order*** at the scheduled appointment. If you do not have all of these, you will need to reschedule.
5. During the appointment, the counselor will check your income and credit report to verify that you meet the minimum requirements. If you fall within the financial guidelines, you will set up an appointment to apply for the Habitat program. If you do not meet the guidelines, you will need to wait and apply when you have fixed credit issues and meet the income guidelines.

Please note that this initial assessment is only a financial assessment. You will also need to meet legal requirements and show ability to pay, need, and willingness to partner, to be accepted into the program.

HOME BUYER READINESS APPOINTMENT

Date and Time: _____

Counselor: Bertie Flores (512. 472.8788 ext. 122) Jessica Benitez (512.472.8788 ext.248)

LIST OF REQUIRED DOCUMENTS

- _____ Money order for \$30 for single credit reports and \$60.00 for joint
- _____ Documentation of ALL sources of income
- _____ Tax returns and W-2 or 1099- most recent 2 years
- _____ Paycheck stubs – most 30day paystubs
- _____ Income- If self-employed- Please include Profit and Loss And/OR 6 months most recent bank statements
- _____ Child support– 12 month print out from the Attorney General’s office
- _____ SSI/SS for dependents – most recent awards letter
- _____ Mortgage Statement *Please include HOA statement*
- _____ Signed 4506T (I will provide to you)

**** Please provide documentation for all adults over the age of 18 who will live in the house.***





Austin Habitat Housing Counseling
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500 W. Ben White, Austin, TX 78704
www.austinhabitat.org

HOME BUYER READINESS INTAKE FORM (This is NOT an application) Please Print Clearly

Orientation Date & Time: _____

Any and all information provided will be submitted to The Department of Housing and Urban Development (HUD) for compliance and research purposes.

CLIENT INFORMATION

"Applicants" and "co-applicants" would be responsible for making payments, and the loan would be in their names. The "applicant" should be the primary income earner.

Name: _____ **SSN:** _____ **DOB:** _____ **Status:** App Co-App Other

Name: _____ **SSN:** _____ **DOB:** _____ **Status:** App Co-App Other

CURRENT HOUSING AND CONTACT INFORMATION

Home: (____) _____ - _____ **Work:** (____) _____ - _____

Mobile/Cell: (____) _____ - _____ **Email:** _____

Address: _____
Street

City _____ State _____ Zip Code _____

Current Housing Arrangement (please select one):

Renting Homeowner with mortgage Living with friend/ family (not paying)
 Section 8/ Public Housing Homeowner with mortgage paid off Homeless

How long have you lived at current residence? _____ **How many people intent to live in the AHFH house?:** _____

Total monthly rent: \$ _____ Does the rent include utilities: Yes No If no, what are the monthly utilities (e.g. gas, electric, and water)?: \$ _____

Household Type (please select the most accurate)?

Single Adult Married without Children 2 or more unrelated adults
 Single Adult with Children Married with Children Other

Do you currently own a home or have you owned a home in the past three years? Yes No

Have you ever been involved in the foreclosure process?? Yes No If yes,, what was the date of your first notice of foreclosure? ___/___/___ ?:
___/___/___

HOUSEHOLD FINANCES

Sources of income (check all that apply)

Employment Alimony/Child Support Social Security Pension Income
 Self-employment Income Public Assistance Dependent SSI Income Disability Income
 Rental Income Other source of income

How long are these sources of income expected to continue: _____ **Total monthly household income:** \$ _____

How much do you currently have saved specifically for buying a home (down payment, closing costs)? \$ _____ : \$ _____

Have you declared bankruptcy in the past 7 years? Yes No If yes,, when? ___/___/___ : ___/___/___





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DEMOGRAPHICS

APPLICANT

Name: _____

Primary Language Spoken _____

Limited English Proficiency: Yes _____ No _____

Ethnicity (select one)
____ Hispanic or Latino ____ Not Hispanic or Latino

Race (select all that apply):
____ Alaskan Native ____ Asian
____ American Indian ____ White
____ Native Hawaiian/Other Pacific Islander
____ Black or African American
____ Other

Country of Origin: _____

Immigrant Status (please select all that apply):
____ U.S. Citizen ____ Permanent U.S. Resident
____ Foreign Born ____ Temporary U.S. Resident

Marital Status (please select one):
____ Single ____ Married
____ Divorced ____ Separated
____ Widowed

Gender: ____ Male ____ Female
Disabled: ____ Yes ____ No
Veteran: ____ Yes ____ No
Active Military: ____ Yes ____ No

Education (please select one):
____ Below High School Diploma
____ High School/ GED
____ Some College
____ Vocational Degree
____ Bachelor's Degree
____ Master's Degree or Above

CO-APPLICANT

Name: _____

Primary Language Spoken _____

Limited English Proficiency: Yes _____ No _____

Ethnicity (select one)
____ Hispanic or Latino ____ Not Hispanic or Latino

Race (select all that apply):
____ Alaskan Native ____ Asian
____ American Indian ____ White
____ Native Hawaiian/Other Pacific Islander
____ Black or African American
____ Other

Country of Origin: _____

Immigrant Status (please select all that apply):
____ U.S. Citizen ____ Permanent U.S. Resident
____ Foreign Born ____ Temporary U.S. Resident

Marital Status (please select one):
____ Single ____ Married
____ Divorced ____ Separated
____ Widowed

Gender: ____ Male ____ Female
Disabled: ____ Yes ____ No
Veteran: ____ Yes ____ No
Active Military: ____ Yes ____ No

Education (please select one):
____ Below High School Diploma
____ High School/ GED
____ Some College
____ Vocational Degree
____ Bachelor's Degree
____ Master's Degree or Above

REFERRAL SOURCE

Referred to by (please circle all that apply):

- | | | | | |
|---------------------|---------|------------|-------|-------------------|
| Print Advertisement | Bank | Government | TV | Realtor Newspaper |
| Staff/Board member | Walk-In | Friend | Radio | Article |

If you were referred by a bank or another source, which one?





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CHILDREN AND DEPENDANTS

Please Print Clearly

Please provide the following for all the children or dependants that will be living in the AHFH home:

Dependant 1

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 2

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 3

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 4

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 5

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	



EMPLOYMENT HISTORY

Please provide information for all jobs held within the last 2 years by all people 18 and above who plan to live in the AHFH house. For gross income, please provide the amount paid per pay period and indicate how often you are paid (for example: every two weeks, monthly, hourly, etc.).

CUSTOMER 1

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Previous / Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper

CUSTOMER 2

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper

CUSTOMER 3

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper





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RELEASE OF INFORMATION

I/We, _____ and _____ I hereby authorize the release of any personal and financial information requested by Austin Habitat for Humanity for housing counseling purposes including:

- Employment and Income Records
- Credit Reports and applications for credit
- Sex Offender Registration check

I/We understand that when a credit report is requested, my name will be run through the OFAC Terrorist Watch List, in compliance with the USA Patriot Act.

I/We accept that any and all information I/we have chosen to provide in this document will be submitted to The Department of Housing and Urban Development (HUD) for compliance and research purposes.

I/We authorize the release of basic information such as names, phone numbers, addresses, and email addresses to other non-profit community partners of Austin Habitat for Humanity for the purpose of providing cost free services to help me improve my finances or standard of living.

A photographic copy of this authorization may be deemed the equivalent of the original and may be used as a duplicate original. I/We understand that the information obtained from these reports will be shared internally at Habitat only with those parties involved in making a decision about my/our application.

Applicant's Signature

Date

Co-applicant's Signature

Date

I hereby certify and acknowledge that I have received a copy of the below mentioned disclosures, as well as discussion regarding various mortgage options and loan types.

1. For your protection: Get a Home Inspection
2. Ten Important Questions to Ask Your Home Inspector





Austin Habitat Housing Counseling
TEL 512.472.8788 FAX 512.367.5794
500 W. Ben White, Austin, TX 78704
www.austinhabitat.org

Homebuyer Readiness Self-Test

1.) Please determine your family's HOUSEHOLD MONTHLY INCOME (before any payroll deductions):

My HOUSEHOLD MONTHLY INCOME _____

2.) Now, determine your FAMILY SIZE, which is the number of people planning to live in the home.

My FAMILY SIZE _____

3.) Based on that number, does your HOUSEHOLD YEARLY INCOME fall within AHFH guidelines? (Do you make above the 'minimum', but below the 'maximum'?)

Income Limits	1	2	3	4	5	6	7	8
Minimum	\$2208	\$2520	\$2837	\$3154	\$3404	\$3658	\$3908	\$4162
Maximum	\$4404	\$5033	\$5662	\$6291	\$6795	\$7300	\$7804	\$8308

If your family's income is meeting the income requirement, you **MAY** be eligible for the program. Now, check next to the boxes that are TRUE for you.

- You have NOT changed jobs or been unemployed within the last 2 YEARS? (Change of job only applies when you have a different title or are in a different field)
- You DO NOT have a PENDING DIVORCE, and are NOT applying with someone *other* than your spouse (if married)?
- You and your co-applicant are U.S. Citizens or Permanent Residents?
- Your student loans are in good standing?
- You have NOT filed a bankruptcy within the last 2 years?
- You have NOT had a car repossessed with in the last 2 years?
- You have NOT been through a foreclosure within the last 3 years?

If you checked ALL the boxes above, AND it seems that your income is meeting the AHFH

requirements, you MAY be eligible for our program. If you believe that you may be eligible, and would like to move on to apply, please contact our Housing Counselor, Bertie Flores- Samilpa at 512-472-8788 X 122 OR Jessica Benitez at X 248 to set up a one-on-one counseling appointment to review your situation and see if the program is right for you.



AustinHabitat for Humanity
 TEL 512.472.8788 FAX 512.367.5794
 500 W. Ben White Austin, TX 78704
www.austinhabitat.org

BUDGETING

Please list the approximate value of the following as accurately as possible for all future residents 18 and above:

LIQUID FUNDS/ SAVINGS/ INVESTMENTS

	Customer 1	Customer 2	Customer 3
Checking account	_____	_____	_____
Savings Account	_____	_____	_____
Cash	_____	_____	_____
CDs	_____	_____	_____
Securities (stocks, bonds, etc.)	_____	_____	_____
Retirement Account	_____	_____	_____
Other Liquid Funds	_____	_____	_____

MONTHLY EXPENSES

Rent or Mortgage	_____	_____	_____
Electric/Water/Sewage	_____	_____	_____
Natural Gas	_____	_____	_____
Cable/Satellite TV	_____	_____	_____
Internet	_____	_____	_____
Home Phone	_____	_____	_____
Cell Phone	_____	_____	_____
Food/Groceries	_____	_____	_____
Eating out	_____	_____	_____
Personal Hygiene/Toiletries	_____	_____	_____
Clothing	_____	_____	_____
Child care	_____	_____	_____
School lunches	_____	_____	_____
Car insurance	_____	_____	_____
Gasoline	_____	_____	_____
Car maintenance/repairs	_____	_____	_____
Medical insurance	_____	_____	_____
Medications/doctor's visits	_____	_____	_____
Life insurance	_____	_____	_____
Charitable donations/tithing	_____	_____	_____
Other: _____	_____	_____	_____



Austin Habitat for Humanity
TEL 512.472.8788 FAX 512.367.5794
500 W. Ben White, Austin, TX 78704
www.austinhabitat.org

Disclosure Statement

The following is a disclosure notice. This notice is meant to inform you of the various roles that Austin Habitat for Humanity functions as a home builder, lender, property owner and housing counselor. In addition to the housing counseling program, AHFH develops land, builds houses and sells houses. AHFH is also a mortgage lender, and performs those activities related to mortgage loans including servicing and collections.

As a participant of the Austin Habitat for Humanity Housing Counseling Program, you are under no obligation to use the loan product originated for you by your counselor nor is your participation contingent upon using a particular loan product. You are under no obligation to purchase a home built by Austin Habitat for Humanity in order to receive housing counseling services.

There is a \$30 fee for credit report orders with Corelogic Credco. This fee is intended to cover the cost of a tri-merge credit report with credit scores. AHFH employees will receive no additional compensation for home sales. AHFH Housing Counseling services include:

- Pre-purchase Counseling and HomeBuyer Education One-on-one homeownership and credit counseling and group classes meant to education and inform clients and the general public of the home purchase process.
- Foreclosure Intervention and Default Counseling One-on-one counseling and group classes intended to assist homeowners facing foreclosure or simply in default.
- Post-Purchase Counseling and Education - One-on-one counseling and education program can assist you to maintain and retain your property.

AHFH HomeBuyer Education clients are under no obligation to receive any other services offered by the agency nor its partners. AHFH will provide a list of alternative services, programs, and products for clients upon request.

Signature Date

Signature Date

Printed Name

Printed Name



Ten Important Questions to Ask Your Home Inspector

1. What does your inspection cover?

The inspector should ensure that their inspection and inspection report will meet all applicable requirements in your state if applicable and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these items ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them upfront.

2. How long have you been practicing in the home inspection profession and how many inspections have you completed?

The inspector should be able to provide his or her history in the profession and perhaps even a few names as referrals. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

3. Are you specifically experienced in residential inspection?

Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection. If the inspection is for a commercial property, then this should be asked about as well.

4. Do you offer to do repairs or improvements based on the inspection?

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

5. How long will the inspection take?

The average on-site inspection time for a single inspector is two to three hours for a typical single-family house; anything significantly less may not be enough time to perform a thorough inspection. Additional inspectors may be brought in for very large properties and buildings.

6. How much will it cost?

Costs vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300-\$500, but consider the value of the home inspection in terms of the investment being made. Cost does not necessarily reflect quality. HUD Does not regulate home inspection fees.

7. What type of inspection report do you provide and how long will it take to receive the report?

Ask to see samples and determine whether or not you can understand the inspector's reporting style and if the time parameters fulfill your needs. Most inspectors provide their full report within 24 hours of the inspection.

8. Will I be able to attend the inspection?

This is a valuable educational opportunity, and an inspector's refusal to allow this should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

9. Do you maintain membership in a professional home inspector association?

There are many state and national associations for home inspectors. Request to see their membership ID, and perform whatever due diligence you deem appropriate.

10. Do you participate in continuing education programs to keep your expertise up to date?

One can never know it all, and the inspector's commitment to continuing education is a good measure of his or her professionalism and service to the consumer. This is especially important in cases where the home is much older or includes unique elements requiring additional or updated training.



Proposal to the City of San Marcos: Litigation

Austin Habitat for Humanity is involved in two cases, both of which are covered by our insurance. We are working with carrier-appointed attorneys on both actions.

City of San Marcos
Community Development Block Grant
2020 Project Application



City of San Marcos
Planning and Development Services Department
630 East Hopkins
San Marcos TX 78666

<https://www.sanmarcostx.gov/3065/CDBG-Action-Plans>

For more information: Carol Griffith 512.393.8147 cgriffith@sanmarcostx.gov

APPLICANT INSTRUCTIONS

Persons with limited English proficiency may request assistance by contacting the City at 512-393-8250. (Las personas con habilidad limitada de Inglés puede solicitar la asistencia poniéndose en contacto con la Ciudad en 512-393-8250.)

Thank you for your interest in the City of San Marcos' Community Development Block Grant (CDBG) Program. The City will receive \$722,904 for program year 2020 which begins October 1, 2020.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov.

APPLICATION INFORMATION

2020 Application Period: March 30 through May 1, 2020.

APPLICATION SUBMISSION DEADLINE: MAY 1, 2020 AT 5:00 PM

Submit one signed application electronically to: Carol Griffith, cgriffith@sanmarcostx.gov

Please call to verify your application has been received: Carol Griffith, 512-393-8147

PROJECT ELIGIBILITY

Organizations may propose more than one program or project in separate applications.

High Priority Needs

Proposed projects must address one of the High Priority Needs. The following are currently established as High Priority Needs for the City of San Marcos, as stated in the draft 2020-2024 Consolidated Plan:

- Affordable Housing
- Public Services (Total for projects funded may be limited to 15% of the annual CDBG allocation.)
- Public Facilities

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need. Applications will also be accepted for the following category in case this change is made:

- Economic Development

Not everything in these categories can be funded through CDBG. Please refer to the Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities for descriptions of projects that can be funded through CDBG. It can be found at the following link: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

In addition, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by the Department of Housing and Urban Development (HUD) to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities.

National Objectives

All funded projects must also meet one of the three CDBG program National Objectives:

- Benefit low to moderate income individuals or families
- Eliminate slum or blight
- Urgent Need (such as disaster recovery)

POSSIBLE USE OF FUNDS TO SUPPORT COVID-19 RESPONSE

If you would like to propose a program to assist with COVID-19 response, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by HUD to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities. Grantees may use CDBG funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). Please refer to HUD's Quick Guide for a complete listing of activities that can be funded through the CDBG annual entitlement allocation.

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need; therefore, applications will be accepted in the following categories:

- Affordable Housing
- Public Services
- Public Facilities
- Economic Development

Organizations may propose more than one program or project in separate applications.

For the City of San Marcos, the following programs listed in the Quick Guide may be of particular benefit:

1. Provision of assistance to private, for-profit entities when appropriate to carry out an economic development project, such as:
 - Preventing job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low to moderate income persons.
 - Providing technical assistance, grants, loans and other financial assistance to establish, stabilize and expand microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine.
2. Provision of new or quantifiably increased public services, such as the following.
 - Delivering meals on wheels to quarantined individuals or individuals who need to maintain social distancing due to medical vulnerabilities.
 - Providing equipment, supplies and materials necessary to carry out a public service.

APPLICATIONS ARE PUBLIC RECORDS

Once an application is submitted to the City, it becomes a public record and as such is open for public review. All or part of the application may be posted on the City's webpage and included in City Council packet materials. Please keep this in mind when submitting personal information for your staff, board, or clients.

APPLICATION CALENDAR AND CITIZEN PARTICIPATION

The City of San Marcos values the input of its citizens and offers the following opportunities to participate in the preparation of the annual Action Plan. Scheduled dates and venues are subject to change. Workshops will be held virtually due to the current status of the COVID-19 pandemic.

Please check the website <https://www.sanmarcostx.gov/3065/CDBG-Action-Plans> for the latest information and for instructions on joining a virtual meeting.

- Applicant Workshop - **April 2, 2020 at 9:00 a.m. (virtually)**
- Stakeholder's Workshop - **April 2, 2020 at 6:00 p.m. (virtually)**
- Public Hearing for Review of Applications Citizen Comments – **June 16, 2020 at the City Council meeting**
- City Council 2020 Funding Allocations– **August 4, 2020 at the City Council meeting**

FUNDING AWARDS

Submitting a complete application does not guarantee that your request will be funded. The CDBG grant can fund only the actual, allowable, and reasonable costs of a proposed project, and requests for funding generally exceed the amount of funding available. Funding allocations are decided by the City Council, subject to HUD approval.

AVAILABILITY OF FUNDS

Funds awarded for the 2020 program year become available after October 1, 2020. The organization's Subrecipient Agreement with the City must be fully executed prior to the expenditure or commitment of program funds. The appropriate level of environmental review must be completed by CDBG staff before any funds are expended or obligated. Environmental reviews typically take 45 to 60 days to complete for small construction projects and about 15 days for projects that are not likely to have a physical impact on the environment. **No reimbursement will be possible for goods purchased or contracts executed prior to meeting these requirements.**

ORGANIZATION ELIGIBILITY REQUIREMENTS

- Organizations applying for Public Services funding must be a public or private non-profit agency, a public housing authority, a City of San Marcos department, or other government entity.
- Non-profit agencies must be established, operating agencies as evidenced through documentation required in the application. Exhibits to show tax exempt status are required.
- Faith based agencies are eligible to apply on the same basis as other non-profit organizations. However, CDBG funds cannot be used to support worship, proselytizing, or religious instruction. Religious activities must be offered separately, in time or location, from the CDBG supported activity. Participation in the religious activity must be voluntary for the beneficiaries of the CDBG-funded project. Projects operated by faith-based agencies must be available to all community members and not restricted to the organization's membership or congregation.

NON-DISCRIMINATION AND ACCESSIBILITY

Each agency receiving CDBG funds must:

- Provide assurance that it will conduct its business in compliance with the non-discrimination requirements of the County, State, and Federal governments as applicable.
- Have Equal Opportunity in Employment policies.
- Agree to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063 as amended by Executive Order 12259, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

FINANCIAL CAPACITY AND AUDITING REQUIREMENTS

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the federal Office of Management & Budget (OMB) requires that any organization that expends \$750,000 or more in federal financial assistance in a fiscal year must secure an annual audited financial statement.

The City has established the following financial statement requirements for organizations assisted with CDBG program funds, based on the total assets of the applicant. The term "total assets" is defined to mean the total amount of liquid assets that is documented to be available to the Subrecipient at the time the funding is approved.

- A. CPA preparation of financial records is not required if the Subrecipient has total assets of \$15,000 or less in value;
- B. A compiled financial statement is required if Subrecipient has total assets greater than \$15,000 and less than or equal to \$100,000 in value.

- C. A reviewed financial statement is required if Subrecipient has total assets greater than \$100,000 and less than or equal to \$200,000 in value.
- D. An audited financial statement is required if Subrecipient has total assets of more than \$200,000 in value. (In an “Audited” statement a CPA provides an in-depth study of the records, organizes them into a statement, and issues an opinion to their validity.)

Organizations receiving CDBG funds must submit the required financial statement which has been prepared by a Certified Public Accountant to the City within nine months from the organization’s fiscal year end and not more than 30 days after the organization’s receipt of the statement.

INSURANCE AND BONDING

Agencies receiving CDBG funding must provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of the funded project. At the time of contract signing, funded agencies must provide evidence of insurance including, but not limited to, multi-peril property and liability, worker’s compensation, automobile liability, and other coverage as deemed necessary by the City. In addition, upon funding the City of San Marcos, Officers, Employees and agents must be added as additional insured to the policy.

PROJECT IMPLEMENTATION SCHEDULE AND PERFORMANCE MEASUREMENT GOALS

Performance measurement is an effective management technique that enables those who receive grant funds (Subrecipients) and the City to analyze the benefits of their investments. It is a mechanism that tracks the progression of projects and evaluates their overall effectiveness and success in meeting project goals. **One of the most important overall goals in planning a CDBG project is the completion of the project in a timely manner.**

The City is monitored by HUD to ensure that the CDBG grant program has benefited low-to-moderate-income families; one success measurement that the City must meet is the expenditure of its program funds in a timely manner. The City must take into account the project schedules for each project that is proposed to ensure that the overall CDBG program will comply with its federally mandated timeliness ratio. Thus, it is critical that each applicant accurately forecasts the time that will be involved in completing each step of a proposed project.

Please use the format included in this application to outline the expected Implementation Schedule for your project. This document will be incorporated into the Subrecipient Agreement for funded projects. The City will monitor the performance of Subrecipients against the goals and performance standards established by this document. Substandard performance as determined by the City will constitute noncompliance with the Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient with a reasonable period of time after notification by the City, contract suspension or termination processes may be initiated.

NOTES FOR ORGANIZATIONS RECEIVING FEDERAL FUNDS

Subrecipient Registration Requirements:

- Organizations receiving CDBG funding (Subrecipients) must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number. If you do not have a DUNS number, go to <http://fedgov.dnb.com/webform> to register.
- Funded applicants must also have an active registration with System of Award Management (SAM). To register with SAM, go to www.sam.gov to register. **You must have a DUNS number prior to registering with SAM.** Subrecipients must provide proof of SAM registration prior to the execution of a Subrecipient Agreement. This is required when federal funds are being utilized.

INCOME LIMITS

Income limits are established by HUD on an annual basis for the purpose of establishing CDBG grant eligibility. The limits are based on household size. Income is calculated for every adult 18 and older residing in the household. HUD considers 80% and below to be low income. San Marcos CDBG Area Median Income (AMI) Limits are based on the Median Family Income for the Austin/Round Rock Metropolitan Statistical Area (MSA). The current Median Family Income for the Austin-Round Rock MSA is \$95,900, which became effective June 1, 2019. The 2020 limits are expected to be released by HUD in the next few months.

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

SUPPLEMENTAL ITEM CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
DUE DATE: MAY 1, 2020

Submit one copy of the following items:

Required:

- Board of Directors list including position/title on board.
- Contact numbers for Board Chair or President and Treasurer.
- Resolution or Board Minutes showing approval to submit an application and designation of person who will sign documents on behalf of the organization.
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter (for non-profit organizations)
- Organization's Current Budget (2019-2020) and Proposed Budget for next fiscal year
- Most Recent audit or CPA prepared review.
- Description of employees, board members, volunteers who will work with the project
- Non-discrimination Policy Statement

If applicable:

- Service area boundary for area benefit projects
- Fee schedule or structure for the project proposed for funding
- Copy of program application if one is used to select beneficiaries
- Description of how applicant income will be determined if there are direct beneficiaries
- Detailed explanation of any lawsuits, judgments, or bankruptcy proceedings
- Job descriptions for new positions expected to be filled using CDBG funding

CITY OF SAN MARCOS
2020 CDBG APPLICATION



NOTE: This form is not to be used for applicants seeking funds to support programs operated by non-profit organizations. A separate application form for "Public Services" is available and should be used for projects of that nature.

Due Date: May 1, 2020

I. APPLICANT CONTACT INFORMATION

Applicant Organization: Austin Habitat for Humanity, Inc.
Contact Name: Kate Reznick Telephone: 512-472-8788 x 117
Mailing Address: 500 West Ben White Boulevard, Austin, TX 78704-7030
Physical Address, if different from mailing address: Same as Above
Contact E-Mail Address: kreznick@ahfh.org Web Address: www.austinhabitat.org
Who is authorized to execute program documents? Phyllis Snodgrass, CEO and Lori Steiner, CFO

II. APPLICATION SUMMARY INFORMATION

Project Name: Affordable Homeownership Program -- San Marcos Land Acquisition
Amount of CDBG Funds Requested: \$151,000
Project Location: Northwest San Marcos

High Priority Need

Affordable Housing

Public Services [Use the Public Services Application]

Public Facilities

Economic Development

National Objective

Benefit to Low/Mod Income Persons

Slum or Blight Elimination/Prevention

Urgent Need (such as disaster)

Will all CDBG funds for this project be expended by July 15, 2021? Yes No

If "No", what percent is expected to be completed by that date? _____

III. PROJECT DESCRIPTION

SUMMARY

Summarize how CDBG funds are proposed to be used:

Austin Habitat for Humanity seeks funding to acquire land upon which to build affordable homes in San Marcos. Austin Habitat's team has 35 years of experience acquiring and developing land to build and sell affordable homes for hardworking low-to-moderate income families, including homes in San Marcos. We are currently evaluating a four-lot parcel within the City of San Marcos that we believe could be developed into affordable homes, likely to house 15-20 individuals who would otherwise be unable to afford a safe, stable home of their own in the soaring local housing market.

If awarded, all CDBG funding would be used to support the purchase of these plots of land for affordable home development. Our experienced Director of Real Estate, who is the former Chief Planner for the City of San Marcos and has facilitated the acquisition of seven San Marcos lots since Austin Habitat merged with San Marcos Habitat in 2018, is currently working to determine the best way to purchase four lots in alignment with the CDBG timeline.

All lots will be developed by Austin Habitat into affordable homes for LMI members of the community who qualify for our program. We have an in-house architect and construction team who will design and construct the home with the assistance of skilled tradespeople and teams of volunteers, including homebuyer families completing their qualification requirements. Our team expects to begin initial construction on these lots within six months and completion of the four homes within 24 months. Austin Habitat is not seeking CDBG funding for construction, which will be funded through corporate sponsorships, volunteer in-kind and Austin Habitat in-kind. 

PROJECT SCOPE:

Please check all statements that apply to this project:

- All project design work is complete for this project (plans, specifications, etc.)
- This project will include selection of professional service providers (architect, engineer, etc.)
- This project includes acquisition of real property
- This project includes the rehabilitation of existing buildings
- This project includes new construction
- This project includes demolition of existing structures
- This project includes a public facility (such as a senior center)

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

The short-term successful outcome of this project is the acquisition of the lots, as evidenced by closing documents showing the transfer of this property from the seller to Austin Habitat for Humanity.

The long-term successful outcome of this project is the completion of four affordable homes and the purchase of these homes by qualified, hardworking LMI families in San Marcos. Austin Habitat generally builds two homes annually in San Marcos, supported by our volunteers and in-house construction team. Successful home construction is evidenced by positive inspection reports and the issuance of a Certificate of Occupancy for the property; successful home purchase is measured when the family completes qualification, closes on their home and moves into the property.

IV. BENEFICIARIES

The CDBG program allows several different methods of documenting that a project benefits low to moderate income persons. *Direct Benefit* projects provide services directly to an individual or family; for example, a housing rehabilitation project is a Direct Benefit project. *Area Benefit* projects benefit a geographic location; for example, a Sidewalk Project.

DIRECT BENEFIT PROJECTS:

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

1. How many unduplicated individuals or households are expected to be served by this project? 15-20

Presumed Benefit: Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit a population in which at least 51% of the population is low-to-moderate income. Individual income verification is not required, although residency and other client statistics must be collected. The Presumed Benefit categories are:

a. Elderly persons (62 or older)	e. Battered spouses
b. Homeless persons	f. Abused children
c. Persons living with AIDS	g. Migrant farm workers
d. Illiterate persons (includes non-English speakers)	h. Severely disabled adults (Census Bureau definition)

2. Will all of the program's beneficiaries be in a Presumed Benefit Category? Yes or No

If "yes", list the categories: _____

3. If the program's beneficiaries cannot be considered "Presumed", how will income eligibility be determined?

Projection of the individual or family's income based on family size; or,

Other. Please provide details of how eligibility will be determined:

Austin Habitat for Humanity has a detailed intake process to ensure that all partner families qualify

as low-to-moderate income including collection of pay stubs, tax records and other documents.

AREA BENEFIT PROJECTS:

Some projects, such as a senior center or a park, serve an area rather than individual persons. HUD defines an area benefit project as an activity which is available to benefit all of the residents of an area which is primarily residential. In order to meet the eligibility requirement of benefitting low to moderate persons, the area served must be an area where at least 51% of the residents are low/mod income persons. Most, but not all, San Marcos residential neighborhoods are low/mod.

1. Will this project be available to benefit all persons in the service area? Yes No

2. Are the neighborhoods that will benefit from this project primarily residential? Yes No

If "No", please explain: _____

3. What neighborhoods will benefit from this project? Please list either individual neighborhoods or describe the boundaries that will define the service area:

PUBLIC FACILITY PROJECTS

In the CDBG program, Public Facilities are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by non-profit organizations, and operated so as to be open to the general public. Facilities providing shelter for persons having special needs are also considered to be public facilities.

- *Public facility projects cannot include the costs of operating and maintaining public facilities, costs of purchasing construction equipment, the costs of furnishings and other personal items such as uniforms, or new construction of public housing.*
- *Public facilities are intended to benefit all the residents of an area; thus, in most cases it must serve an area having at least 51% low/mod population.*
- *Public facilities owned by a nonprofit must be made available to the general public and must be open for use by the general public during all normal hours of operation.*
- *Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges, such as excessive membership fees, which will have the effect of precluding low/mod income persons from using the facilities, are not permitted.*

1. Who is/will be the owner of the facility? _____
2. Will fees be charged for the use of the facility? _____ Yes or _____ No
If yes, please attach a fee schedule.
3. How will the facility be made available to the general public? _____

LINE ITEM BUDGET

Please use the following format to present your proposed line item budget - you are welcome to copy this format into excel instead of filling out this form. Secured funds are funds on-hand, pledged, or awarded. City Council has waived fees for Construction Permitting and Development Code Processes for CDBG projects. Impact fee charges, when applicable, are not waived. Round budget numbers to the nearest dollar.

CDBG funds cannot be spent or obligated until final environmental clearance for the project has been obtained. HUD has interpreted "obligated" to mean that we cannot execute contracts or take bids as that will "obligate" funds. The environmental review is generally prepared by the City's CDBG staff. **Please include \$1,000 for environmental fees for rehabilitation, new construction, demolition or clearance, and land acquisition projects.** No environmental expenses are required for professional service projects that will not include construction.

Budget Item	Total Budget	CDBG Funding Proposed	Other Funding Source(s)	Secured Funds available at project start	Additional Funds Needed to Complete Project
Project Soft Costs					
Environmental Review Costs	1,000	1,000			
Professional Services	12,000		AHFH In-Kind	12,000	
Publication Costs					
Tree, Topographical, Lot Survey	1,700		AHFH In-Kind	1,700	
Form Check Survey	1,200		AHFH In-Kind	1,200	
Geotech	1,200		AHFH In-Kind	1,200	
Project Hard Costs					
Environmental Testing (lead paint, etc.)					
Dumpsters / fencing/ portable toilets, etc.					
Demolition / clearance expenses					
Rehabilitation or new construction costs	400,000		Sponsor/ReStore		400,000
Property acquisition	150,000	150,000			
BUDGET TOTAL	567,100	151,000		16,100	400,000

VI. PROJECT IMPLEMENTATION SCHEDULE

The first activity should be environmental review. Projects that do not impact the physical environment generally take about 15 days for environmental review – this would include public services, professional services, homebuyer assistance.

Projects that will potentially have a physical impact on the environment (construction or demolition, for example) generally take 45 to 60 days for environmental review. If the project is located in a FEMA floodplain, add 30 additional days.

Please include reasonable time for procurement activities, including procurement of professional service providers.

Projected Implementation Schedule with Performance Goals			
Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Procurement of Architect</i>	<i>October 2020</i>	<i>December 2020</i>	<i>Contract executed</i>
City Environmental Review	October 2020	December 2020	Approval to use funds
Acquisition of Land	December 2020	March 2021	Agreement of Sale
Infrastructure/Pre-Development Begins	April 2021	August 2021	Lots ready to build homes
Construction 1st & 2nd Homes (Fall 2021)	September 2021	December 2021	Issuance of Certificates of Occupancy
Construction 3rd & 4th Homes (Spring 2022)	January 2022	May 2022	Issuance of Certificates of Occupancy

VII. ORGANIZATION INFORMATION

REQUIRED ATTACHMENTS

Please attach the following documents with your application, as applicable:

- Organizational Chart
- Articles of Incorporation
- Proof of Tax Exempt status
- Current year budget
- Most recent balance sheet and financial statement
- A listing of key staff and employees who will work directly with the proposed project, their primary job duties, and other pertinent information relating to your proposed project.

If CDBG funds will be used to hire new personnel, please provide a brief job description of the proposed position(s).

A listing of your board of directors, including position or title on the board. Provide a contact number for the Chair or President and Treasurer. Note: Information provided will be available for public review.

Board minutes and resolution authorizing application submittal and specifying who will sign documents. *(The organization's governing board must approve the submittal of this funding application and designate a person who is authorized to execute program documents.)*

BACKGROUND INFORMATION

1. Organization Type:

501(c) Non-Profit Corporation Public Corporation Government Entity

Other: _____

2. Name and title of Board of Directors Chair or President: Larry Smith, Board Chair

3. How many years has your organization been in business? 35

4. Organization's Taxpayer Identification Number (EIN): 74-2373217

5. Organization's Dun and Bradstreet DUNS Number: 603218900

6. Is organization currently registered in the federal System for Award Management (SAM)? Yes No

FINANCIAL INFORMATION

1. What is the date of your fiscal year end? December 31, 2020

2. Does your organization have a purchasing policy? Yes No

3. Has your organization currently or within the past five years had any litigation that is pending or has been resolved?
 Yes No

If "Yes", please attach a summary of the litigation and its status; including any outstanding judgments.

4. Has your organization filed a petition for bankruptcy or has a petition for bankruptcy been filed against your organization?
 Yes No

If "Yes", please attach an explanation that includes the current status.

5. During the last fiscal year did your organization spend \$750,000 or more in Federal financial assistance?
 Yes No
6. What level of financial review does your organization obtain from an independent source? Select from the following options:
 Single Audit Audited Financial Statement
 Reviewed Financial Statement Compiled Financial Statement
 No independent review Other (describe):
7. What period was covered by your most recent financial review? 01/01/2018-12/31/2018

PERSONNEL AND POLICIES

1. Name and title of your chief administrator Phyllis Snodgrass, Chief Executive Officer
 Number of years in this position? 5
2. Total number of current employees at all locations 70
3. Total number of current employees who will be involved in this project 5
4. Total number of new employees expected to be hired for the project 0
5. Does your organization have a personnel policy manual? Yes No
 Does it include a procedure for filing grievances? Yes No
 Does it include a non-discrimination clause? Yes No
6. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?
 Yes No
7. Separation of duties for financial transactions regarding this project (respond with job title):
- Who will approve payment of incurred expenses? Chief Executive Officer
 - Who will actually prepare the payment check? Accounting Team
 - Who will sign checks paying project expenses? Chief Executive Officer or Chief Financial Officer
 - Who posts the transaction to your financial records? Accounting Team
 - Who reconciles monthly bank statements? Accounting Team

INSURANCE, BONDING, AND WORKER'S COMPENSATION

1. Does your organization have liability insurance coverage? Yes No
2. If yes, in what amount? Up to \$5,000,000 depending on occurrence
3. Does your organization pay worker's compensation in accordance with Federal and state laws?
 Yes No N/A
4. Does your organization have fidelity bond coverage for principal staff members who handle the organization's accounts? Yes No
5. Will vehicles owned by the organization be used in conjunction with the proposed project?
 Yes No
6. If yes, what level of liability insurance is maintained on the vehicles? \$1,000,000

VIII. CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (*funded applicants*), is the procurement regulation found in the *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations*. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
 - An employee, officer, or agent of the subrecipient;
 - Any member of an employee's, officer's, or agent's immediate family;
 - An employee's, agent's, or officer's partner; or
 - An organization which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis.

IX. APPLICANT ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to this project or program, by the submission of this application, that the following are true statements:

1. It possesses legal authority to apply for the grant and to finance the proposed request; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations (UAR) and agrees to adhere to the accounting principles and procedures required therein, utilizing adequate internal controls and maintaining necessary source documentation for all costs incurred.
3. If it expends \$750,000 or more of federal funds in a fiscal year, it will comply with the Single Audit Act of 1984.
4. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards, and Executive Order 11990, relating to protection of wetlands. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, and approved December 31, 1976. Section 102(a).
5. It will have sufficient funds available or the ability to obtain the non-federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
6. It will give the City and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
7. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the City that funds have been approved and that the project will be performed to completion with reasonable diligence.
8. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
9. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provides for fair and equitable treatment of persons displaced as a result of federal and federally-assisted programs.
10. It will comply with the provisions of the Hatch Act, which limit the political activity of employees.
11. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act as they apply.
12. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the city/federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
13. It will assist the city/federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.).

14. It will comply with Texas Civil Statutes, Article 5996a, by insuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
15. It will insure that all information collected, assembled or maintained by the applicant relative to this project shall be available to the public during normal business hours in compliance with Texas Civil Statutes, Article 6252-17a, unless otherwise expressly provided by law.
16. It will conduct and administer the program in conformity with the Fair Housing Act (42 USC Section 3901 et. Seq.) and that it will affirmatively further fair housing.
17. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In the event that displacement of residential dwellings will occur in connection with a grant-assisted project, it will follow a residential anti-displacement and relocation assistance plan as specified by the City of San Marcos.
18. It certifies that it is not now, nor has it ever been, on the Federal List of Debarred Contractors.
19. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of LMI, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, applicant certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a).
20. It agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart J and subpart K of these regulations, except that (1) the Agency does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) Agency does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Agency also agrees to comply with all other applicable Federal, State, and local laws, regulations, and policies governing the funds provided. Agency further agrees to utilize funds available to supplement rather than supplant funds otherwise available. Agency shall comply with all applicable Federal laws, regulations, and requirements, which include compliance with the provisions of the HCD Act and all rules, regulations, guidelines, and circulars promulgated by the various Federal departments, agencies, administrations, and commissions relating to the CDBG Program. The applicable laws and regulations include, but are not limited to:
 - 24 CFR Part 570;
 - 24 CFR Parts 84 and 85;
 - The Davis-Bacon Fair Labor Standards Act;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - Copeland "Anti-Kickback" Act of 1934;
 - Sections 104(b) and 109 of the Housing and Community Development Act of 1974;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Equal employment opportunity and minority business enterprise regulations established in 24 CFR part 570.904;
 - Non-discrimination in employment, established by Executive Order 11246 (as amended by Executive Orders 11375 and 12086);
 - Section 504 of the Rehabilitation Act of 1973 Uniform Federal Accessibility Standards;
 - The Architectural Barriers Act of 1968;
 - The Americans with Disabilities Act (ADA) of 1990;
 - The Age Discrimination Act of 1975, as amended;

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CFR Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: Phyllis Snodgrass Digitally signed by Phyllis Snodgrass
DN: cn=Phyllis Snodgrass, o=Austin Habitat for Humanity, ou,
email=psnodgrass@ahhfh.org, c=US
Date: 2020.04.23 14:58:42 -05'00' Date Signed: 04/23/2020

Printed Name: Phyllis Snodgrass Title: Chief Executive Officer

Organization Name: Austin Habitat for Humanity, Inc.

Austin Habitat for Humanity - Board of Directors 2020

Name	Board Position	Employer	Position Title	City	Zip	Contact (Chair/Treasurer)
Ayer, Mason	Board Member	Kerbey Lane Café	CEO	Austin	78704	
Barnes, Robert (Bob)	Board Member	International Bank of Commerce (IBC)	President & CEO	Austin	78701	
Bland, Joe	Board Member	Joe Bland Construction	Owner	Austin	78757	
Boatwright, Yvette	Development Officer	Realty Austin	Owner	Austin	78746	
Boyd, Gaylon	Board Member			Austin	78735	
Cunningham, Kevin	Board Member	Sailpoint	Chief Strategy Officer & Co-Founder	Austin	78726	
Doucet, John	Chair, Land Dev't Committee	Doucet & Assoc.	Executive VP	Austin	78735	
Engen, Chris	Chair, ReStore Expansion	Engen Contractors Inc. (ECI)	President & CEO	Austin	78758	
Forrest, Hugh	Board Member	SXSW Interactive	Director	Austin	78703	
Golden, Michael, Esq.	Legal Officer	Boulette Golden & Marin	Partner	Austin	78756	
Graham, Larry	Board Member	Texas Gas Service	Community Relations Manager	Austin	78704	
Hartzell, Jay	Board Member	UT McCombs School of Business	Dean	Austin	78731	
Hutchinson, Phil	Board Member	McCoy Corporation	Real Estate Manager	San Marcos	78666	
Ladage, Heather	Immediate Past Chair	Austin Business Journal	Publisher	Austin	78701	
Leaman, Dana	Board Member	New American Funding	Marketing Manager	Austin	78731	
Meade, Nikelle	Board Member	Husch Blackwell	Partner	Austin	78701	
Mitchell, Terry	Board Member	Momark Development	President	Austin	78763	
Neff, John	Treasurer	UBS	Sr. Vice President	Austin	78731	512-330-8010
O'Neil, David	Board Member	Wells Fargo	Regional Bank President	Bryan	77802	
Page, Curtis	Board Member	Higginbotham	Managing Director	Austin	78746	

Rhodes-Patterson, Cynthea	Board Member	The Home Depot	Corporate Human Resource Manager	Austin	78753	
Sabolcik, Ross	Secretary	Silicon Labs	VP & General Mgr. of Power Products	Austin	78701	
Salinas-Davis, Valerie	Chair, Marketing Committee			Buda	78610	
Serra, Jeff	Board Member Emeritus	Vida Capital	President & CEO	Austin	78746	
Smith, Larry	Board Chair	Tokyo Electron	President, Tokyo Electron US Holdings	Austin	78741	512-656-0885
Srinivasan, Anand	Board Member	Michael & Susan Dell Foundation	Chief Business Officer	Austin	78730	
Taylor, Shelli	Board Member	United PF Partners	President & COO	Austin	78735	
Thomas, Sherine	Board Member	Travis County Attorney's Office	Director of Litigation	Austin	78767	
Tracy, Joe	Chair, Real Estate Committee	Capital Project Management	Principal	Austin	78739	

CERTIFICATE OF CORPORATE RESOLUTION

We, Larry Smith, Chair, and Ross Sabolcik, Secretary, of Austin Habitat for Humanity, Inc. a corporation, hereby certify that:

1. Austin Habitat for Humanity, Inc. is organized and existing under the laws of the State of Texas;
2. All franchise and other taxes required to maintain its corporate existence have been paid and no taxes are delinquent;
3. No proceedings are pending for the forfeiture of its certificate of incorporation or for its dissolution, voluntarily or involuntarily;
4. It is in good standing with the State of Texas;
5. There are no provisions in the articles of incorporation or bylaws of this corporation limiting the power of its Board of Directors to pass the resolution set forth below;
6. The Secretary is the keeper of the records and minutes of the corporation and on April 1, 2020, a regular meeting of the Board of Directors was held, which was properly called and held in accordance with the law and with the corporation's bylaws;
7. A quorum of the Board of Directors have consented to the action proposed; and
8. As a result of this affirmative vote, the following resolution was adopted:

BE IT RESOLVED that the Austin Habitat for Humanity Board of Directors authorizes the Chief Executive Officer or whomever that person deems appropriate at their sole discretion to have the authority to apply for grant funding from the City of San Marcos, including funds from Federal, State and Local sources; and

It is further RESOLVED that the Board of Directors authorizes the Chief Executive Officer to execute any agreements or other documents regarding City of San Marcos funding, including Federal, State and Local Sources.

We certify that the above resolution has not been altered, amended, rescinded or repealed and is now in full force and effect. We also certify that Larry Smith is the Chair of the corporation and Ross Sabolcik is the Secretary.

Signed on 4/1/2020, 2020 by the Chair and Secretary of the Corporation.


Chair

Secretary

State of Texas

CERTIFICATE OF CORPORATE RESOLUTION

We, Larry Smith, Chair, and Ross Sabolcik, Secretary, of Austin Habitat for Humanity, Inc. a corporation, hereby certify that:

1. Austin Habitat for Humanity, Inc. is organized and existing under the laws of the State of Texas;
2. All franchise and other taxes required to maintain its corporate existence have been paid and no taxes are delinquent;
3. No proceedings are pending for the forfeiture of its certificate of incorporation or for its dissolution, voluntarily or involuntarily;
4. It is in good standing with the State of Texas;
5. There are no provisions in the articles of incorporation or bylaws of this corporation limiting the power of its Board of Directors to pass the resolution set forth below;
6. The Secretary is the keeper of the records and minutes of the corporation and on April 1, 2020, a regular meeting of the Board of Directors was held, which was properly called and held in accordance with the law and with the corporation's bylaws;
7. A quorum of the Board of Directors have consented to the action proposed; and
8. As a result of this affirmative vote, the following resolution was adopted:

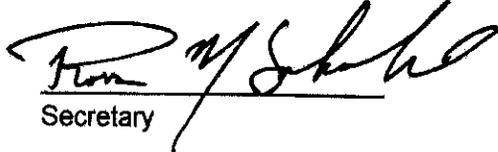
BE IT RESOLVED that the Austin Habitat for Humanity Board of Directors authorizes the Chief Executive Officer or whomever that person deems appropriate at their sole discretion to have the authority to apply for grant funding from the City of San Marcos, including funds from Federal, State and Local sources; and

It is further RESOLVED that the Board of Directors authorizes the Chief Executive Officer to execute any agreements or other documents regarding City of San Marcos funding, including Federal, State and Local Sources.

We certify that the above resolution has not been altered, amended, rescinded or repealed and is now in full force and effect. We also certify that Larry Smith is the Chair of the corporation and Ross Sabolcik is the Secretary.

Signed on 4/1/20, 2020 by the Chair and Secretary of the Corporation.

Chair



Secretary

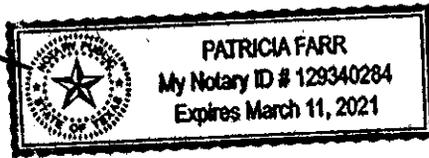
State of Texas

County of Travis

This Instrument was acknowledged before me on 4/1/20, 2020 by
Larry Smith, Chair of Austin Habitat for Humanity Inc., a corporation, on behalf of said
corporation and by Ross Sabolik, Secretary, on behalf of said corporation.



Notary Public State of Texas





Austin Habitat for Humanity/HomeBase Texas

Phyllis Snodgrass
CEO

Greg Anderson Dir. Community Affairs

William Stockton VP, Retail Ops

Andy Alarcon Real Estate Director

Wayne Gerami VP, Chief Program Officer

Robert Watts Dir. Regional Ops

Mary Campana VP, Chief Development Officer

Billy Whipple SVP, Construction

Sarah Joiner VP, Engagement

Lori Steiner CFO

Justin Carter
San Marcos Store Manager

Elena McDonald
SM Assist. Store Manager

ReStore Staff
7

Britney Blann
Operations Analyst

Vacant
Merchandise Stocker

Josh Nemec
Ebay Coordinator

Becky Koonce
Ebay Coordinator

Carlos Garcia
Austin Store Manager

Terrell Harper
Austin Assistant Store Manager

ReStore Staff
15

Vacant
Head of Maintenance

Link Williams
Director Procurement

Bertie Flores
Housing Counselor

Silvio Cruz
Lending Supervisor

Christy Baker
Loan Processor

Yussef Habib
HomeBase Lending Supervisor

Ralph Langston
Program Coordinator

Jessica Benitez
HomeBase Program Coordinator

Brad Robbins
Donation Coordinator

Driving Staff
6

Vacant
Communications Manager

Erika Alam
Graphic Designer

Vacant
Special Events Coordinator

Jamie Hatton
ReStore Marketing Manager

Becca Halbert
Deputy Director of Corporate & Annual Giving

Katie Donnellon
Development Coordinator

Andrew Donilon
Individual Giving Manager

Kate Reznick
Grants Manager

Vacant
Warehouse Manager

Claire Walpole
Staff Architect

John Poyner
Home Repair Project Manager

Amanda Martinez
Home Repair Program Manager

Austin Evers
Construction Director

Brandon Gardner
Site Manager

Garrett Robinson
Site Superintendent

Pete Street
Site Manger

Vacant
Volunteer Engagement Manager

Celeste Lighthart
Volunteer Coordinator

AmeriCorps

Leasa Whiteaker
Accounting Manger

Tedde LaFleur
Accounting Specialist

Jackie Childress
Staff Accountant

Patti Farr
Office Manager

Maribel Infante (PT)
Receptionist

Nanci Currier
HR Generalist

Non-Profit



The State of Texas

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF

AUSTIN HABITAT FOR HUMANITY, INC.
CHARTER NO. 736514

The undersigned, as Secretary of State of the State of Texas, hereby certifies that Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation and attaches hereto a copy of the Articles of Incorporation.

Dated JAN 23, 1985



Secretary of State

ceb

FILED
In the Office of the
Secretary of State of Texas

JAN 23 1985

ARTICLES OF INCORPORATION

OF

Clerk B
Corporations Section

AUSTIN HABITAT FOR HUMANITY, INC.

ARTICLE ONE

The name of the corporation is Austin Habitat For Humanity, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The purpose or purposes for which the corporation is organized are as follows:

(a) To implement the gospel of Jesus Christ throughout the United States and around the world by working with economically disadvantaged people to help them create a better human habitat in which to live and work.

(b) To cooperate with other charitable organizations, through grants and otherwise, which are working to develop a better habitat for economically disadvantaged people.

(c) To communicate the gospel of Jesus Christ by means of the spoken word, and by distribution of Bibles and other Christian literature.

(d) To receive, maintain and accept, as assets of the corporation, any property, whether real, personal or mixed, by way of gift, bequest, devise or purchase, from any person, firm, trust or corporation, to be held, administered and disposed of in accordance with and pursuant to the provisions of this Charter of Incorporation; but no gift, bequest, devise or purchase of any such property shall be received or made and accepted if it is conditioned or limited in such manner as shall require the disposition of income or principal to any organization other than a "charitable organization" or for any purpose other than "charitable purposes" within the respective meanings of such quoted terms as defined in Articles VIII and

IX, or which would jeopardize the Federal Income Tax exemption of this corporation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as now in force or acts in amendment thereof of substitution therefor.

(e) To engage in such other and further activities which may be lawfully engaged in by the Corporation as a non-profit corporation under the Texas Non-Profit Corporation Act and as a §501(c)(3) exempt organization under the Internal Revenue Code of 1954 or the corresponding provisions of any future United States Internal Revenue law.

ARTICLE FIVE

The street address of the initial registered office is 700 Lavaca, 13th Floor, Austin, Texas 78701 and the name of its initial registered agent at such address is D. Michael Dodd.

ARTICLE SIX

The number of directors constituting the initial Board of Directors of the corporation is nine (9) and the names and address of the persons who are to serve as the initial directors are:

1. Richard T. Pruiksma
1606 E. 20th Street
Austin, Texas 78722
2. Margaret Ann Holcomb
1606 E. 20th Street
Austin, Texas 78722
3. Claire Williams
4912 Strass
Austin, Texas 78731
4. Mindy Gholston
4310-A Bellvue Avenue
Austin, Texas 78756
5. Sandy Owen
1504 Ridgemont
Austin, Texas 78723
6. Bill McDonald
610 E. 45th Street
Austin, Texas 78751
7. Julie Mahon
3209 China Grove
Austin, Texas 78745

8. Mary Dodd
1200 Barton Hills Drive
Apt. #337
Austin, Texas 78704
9. D. Michael Dodd
1200 Barton Hills Drive
Apt. #337
Austin, Texas 78704

ARTICLE SEVEN

The corporation shall have no members.

ARTICLE EIGHT

The initial bylaws of the corporation shall be adopted by its Board of Directors and the power to alter, amend or repeal the bylaws or to adopt new bylaws shall be vested in the Board of Directors.

ARTICLE NINE

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operating exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954, or the corresponding provisions of any future United States Internal Revenue law, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction upon suitable proceedings brought for the purpose exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE TEN

The corporation may take and hold any donations, grants, devises or bequests which may be made in the support of its purposes. All funds of the corporation, whether from donation or otherwise, in excess of the expenditures necessary for the proper administration of such funds, shall be used exclusively for carrying on and promoting the charitable, religious, educational and other non-profitable purposes for which the corporation is formed as herein set forth.

The corporation shall make distributions at such time and in such manner as not to subject it to tax under Section 4942 of the Internal Revenue Code of 1954; the corporation shall not engage in any act of self-dealing which would be subject to tax under Section 4941 of the Code; the corporation shall not retain any excess business holdings which would subject it to tax under Section 4943 of the Code; the corporation shall not make any investments which would subject it to tax under Section 4944 of the Code; and the corporation shall not make any taxable expenditures which would subject it to tax under Section 4945 of the Code.

ARTICLE ELEVEN

The corporation is a non-profit corporation organized solely for the purposes specified in Article Four, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer or employee of the corporation, or any individual having a personal or private interest in the activities of the corporation, nor shall any such director, officer, employee or individual receive or be lawfully entitled to receive any profit from the operations of the corporation except a reasonable allowance for salaries or other compensation for personal services actually rendered in carrying out one or more of its stated purposes.

ARTICLE TWELVE

Anything to the contrary herein notwithstanding, the corporation and the directors shall not engage, participate or intervene in any activity or transaction which would cause the corporation to lose its status as an exempt organization under the provisions of the Internal Revenue code of 1954 or corresponding provisions hereafter in effect; and the use, directly or indirectly, of any part of the corporation's assets in any such activity or transaction is hereby expressly prohibited. Furthermore, no loans shall be made by the corporation to the directors or officers.

ARTICLE THIRTEEN

The name and street address of each incorporator is:

Richard T. Pruiksma
1606 E. 20th Street
Austin, Texas 78722

Margaret Ann Holcomb
1606 E. 20th Street
Austin, Texas 78722

Claire Williams
4912 Strass
Austin, Texas 78731

IN WITNESS WHEREOF, we have hereunto set our hands this
21st day of January, 1985.

Richard T. Pruiksma

Margaret Ann Holcomb

Claire Williams

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 21st
day of January, 1985 by Richard T. Pruiksma.

Newlyn Lippert

[SEAL]

My Commission Expires: 8/5/85

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 21st
day of January, 1985 by Margaret Ann Holcomb.

Newlyn Lippert

[SEAL]

My Commission Expires: 8/5/85

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was sworn before me on the 22nd day of January, 1985 by Claire Williams.

Nevelyn Lippert

[SEAL]

My Commission Expires: 8/5/85

BYLAWS OF AUSTIN HABITAT FOR HUMANITY, INC.

Restated and Amended: **July 16, 2016**

Amended :

December 8, 2017

May 30, 2018

November 28, 2018

August 10, 2019

**BYLAWS
OF
AUSTIN HABITAT FOR HUMANITY, INC.**

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**ARTICLE I
NAME, FORM OF ORGANIZATION AND PURPOSES**

Section 1.1 Name

The name of the corporation is Austin Habitat for Humanity, Inc. ("Austin Habitat for Humanity" or the "Corporation").

Section 1.2 Nonprofit and tax exempt status

The Corporation is organized as a nonprofit corporation under the Texas Nonprofit Corporation Law and as a tax exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

Section 1.3 No members

The Corporation shall have no members.

Section 1.4 Purposes

Austin Habitat for Humanity works in partnership with God and people from all walks of life, to put our faith in action by building affordable quality houses with families in need in order to eliminate poverty housing one family at a time. Austin Habitat for Humanity will be at the forefront of the greater Austin area's efforts to eliminate poverty housing by building community by:

- (a) Building simple, decent, affordable homes in a way that optimizes volunteers, partner families, and commercial resources;
- (b) Empowering families to break the cycle of poverty housing through education and skill development, so that they may become successful homeowners;
- (c) Building a spirit of volunteerism by providing volunteer experiences and encouraging philanthropy to support the mission and spirit of Austin Habitat for Humanity; and
- (d) Maximizing the Restore and similar innovations and initiatives to provide affordable restoration materials, foster ecology-friendly deconstruction and recycling, and generate vital funding for the future growth of Austin Habitat for Humanity.

Section 1.5 Geographic service area

The geographic service area of Austin Habitat for Humanity's activities includes the City of Austin, Texas and surrounding areas, including the counties of Travis, Blanco, Caldwell, Bastrop and the portion of Williamson County that falls within the city limits of Austin, and the remainder of Hays County, including San Marcos, Texas with the exception of the Wimberley Independent School District.

Section 1.6 Affiliation with Habitat for Humanity International

The Organization, being a particular affiliate of Habitat for Humanity International ("HFHI"), recognizes that it is a party to the U.S. Affiliation Agreement (as amended from time to time) and commits to work in partnership with Habitat for Humanity International to accomplish the Habitat ministry of building homes, communities, and hope.

**ARTICLE II
OFFICES**

Section 2.1 Principal Office

The principal office of the Corporation shall be located in Austin, Texas at the address designated in

the most recent annual report filed with the Texas Secretary of State. The Corporation shall maintain at its principal office a copy of the corporate records specified in Section 7.4.

Section 2.2 Registered office and agent

The registered office of the Corporation is required by law to be maintained in the State of Texas and may, but need not, be identical with the principal office. The Corporation shall maintain a registered agent whose office is identical with the registered office. The Corporation may change its registered office or registered agent from time to time in the manner required by law.

Section 2.3 Other offices

The Corporation shall have offices at such other places within the State of Texas as the Board of Directors may determine from time to time, or as the affairs of the Corporation may require.

ARTICLE III BOARD OF DIRECTORS

Section 3.1 General powers and authority of the Board

All corporate powers shall be exercised by or under the authority of, and the affairs of the Corporation managed under the direction of, the Board of Directors.

Section 3.2 Number, term, and qualifications of directors

The authorized number of voting directors of the Corporation shall be not less than five (5) nor more than thirty-six (36), as the Board of Directors shall determine from time to time. The Board of Directors may include a person who is currently an Austin Habitat for Humanity homeowner. The Board of Directors shall consist of three classes of approximately equal size, with the term of each class beginning always on January 1st and ending in consecutive years. One class, on a rotational basis, shall be elected each year. Each director shall serve for a term of three (3) years and until his or her successor is elected or until such director's earlier death, resignation, incapacity to serve, or removal. Notwithstanding the preceding, to achieve the required consecutive-year terms, the initial directors shall be elected for initial terms of one, two or three years as the case may be to satisfy the class size requirements. Directors elected after the initial terms shall be elected for a term of three years. A duly elected director shall not be eligible for re-election to the Board of Directors for more than two consecutive three-year terms, or for a partial term of more than two (2) years and one full three (3) year term. Notwithstanding the foregoing, if a duly elected director serves as a voting member of the Board of Directors for a period of no longer than six (6) months in duration before his or her first year of his or her first term, such service for up to six (6) months will not be counted for purposes of calculating the number of years served in any term by the director.

Section 3.3 Number, term and qualifications of directors emeritus

The Board of Directors may elect no more than four (4) former board members as directors emeritus who shall serve in an ex-officio, non-voting capacity for one or more terms of one year. Directors emeritus may be elected for a single one-year term or successive one-year terms.

Section 3.4 Election of directors

Except as provided in Section 3.7 below relating to vacancies, directors and directors emeritus shall be elected by the Board of Directors at the annual meeting of the Board of Directors. The Governance and Nominating Committee shall present a slate of nominees as directors and directors emeritus. A good faith effort by the Governance and Nominating Committee shall be made to include appropriately qualified nominees from throughout the Austin Habitat for Humanity geographic service area. Nominations may also be made by directors and directors emeritus from the floor. Those persons who receive a plurality of the votes cast shall be deemed to have been elected. If any director then holding office so demands, the election of directors and directors emeritus shall be by secret

ballot.

Section 3.5 Resignation of directors

A director or director emeritus may resign by delivering written notice to the Board of Directors, Chair or Secretary of the Corporation. A resignation is effective when the notice is received unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

Section 3.6 Removal of directors

A director or director emeritus may be removed without cause by the vote of two-thirds (2/3) of the directors then in office. In addition, a director or director emeritus may be removed for cause, including but not limited to any director's or director's emeritus absence from more than 50% of the regular meetings of the Board of Directors, by affirmative vote of a majority of the directors then in office.

Section 3.7 Vacancies

If a vacancy occurs on the Board of Directors, the Board of Directors may fill the vacancy, provided that if the directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy only by the affirmative vote of a majority of all the directors remaining in office or, if only one director is in office at the time, of the sole remaining director. Absent any express condition to the contrary at the time of election, a director elected to fill a vacancy shall hold office until the end of the unexpired term that such director is filling, or, if earlier, until such director's death, resignation, removal or disqualification. However, if the Board so provides at the time the vacancy is filled, the Board of Directors may elect a director to fill a vacancy until the next annual meeting of the Board of Directors or until such director's successor is elected.

Section 3.8 Succession of the Chair and Chair-Elect

The Chair shall serve a one-year term, and the Chair-Elect shall automatically succeed to the office of Chair at the expiration of the one-year term of the Chair. If circumstances warrant that a director serve a second successive year-long term as Chair and if the majority of the members of each of the Governance and Nominating Committee, the Executive Committee and the Board of Directors affirmatively vote to re-elect a sitting Chair for another year-long term, then the then sitting Chair may serve as second successive term as Chair.

So that a director who has served as Chair may consecutively serve as Immediate Past Chair, as a voting member of the Executive Committee and as a voting member of the Board of Directors, if such director serves as Chair in the final year of his/her first term, then that director shall automatically be elected to a second, consecutive three-year term and if such director serves as Chair in the final year of his/her second term, then the second term shall be extended by one year.

Section 3.9 No compensation

The Board of Directors shall not permit compensation of directors for their services as such, but by resolution of the Board of Directors may be reimbursed for any actual expenses incurred in the performance of their duties for the Corporation.

ARTICLE IV MEETINGS OF DIRECTORS

Section 4.1 Place of meetings

All meetings of the Board of Directors shall be held in Austin, Texas, or at such place as the Board of Directors may determine with proper notice,

Section 4.2 Annual Meeting

The Annual Meeting of the Board of Directors, for the purpose of electing directors and certain officers, reviewing a budget for the next fiscal year, and transacting other business, shall occur on or before December 31st of each calendar year, or otherwise at such time designated by the Board of Directors in the annual calendar of board meetings.

Section 4.3 Regular meetings

Each year, in addition to the Annual Meeting, no fewer than three regular meetings of the Board of Directors shall be held at a time and place specified by the Chair, or at such other time as the Board of Directors may determine.

Section 4.4 Special meetings

Special meetings of the Board of Directors may be called by or at the request of the Chair or twenty percent (20%) of the directors then in office. Such meetings must be held in Austin, Texas and may be held in person or electronically. If any vote on any matter is taken by means of electronic mail or other similar electronic communication, then a quorum will be established when a majority of the directors in office present have voted or abstained on such matter.

Section 4.5 Notice of meetings

Regular meetings of the Board of Directors may be held without notice if the date, time and place of the meeting previously have been fixed by the Board; otherwise, regular meetings must be preceded by at least two (2) days' notice to each director of date, time and place, but not the purpose, of the meeting. Special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each director of the date, time, place and purpose of the meeting. Notice required by the foregoing provisions may be given by any usual means of communication and may be oral or written. However, any Board action to remove a director shall not be valid unless each director is given at least seven (7) days' written notice that the matter will be voted upon at a directors' meeting or unless notice is waived pursuant to Section 4.6 below. Oral notice is effective when communicated, if communicated in a comprehensible manner.

Notice by facsimile transmission, by mail, whether electronic or by postal carrier, or by telephone, if in a comprehensible form, is effective at the earliest of the: (a) when received, (b) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or, (c) thirty (30) days after its deposit in the United State; mail, as evidenced by the postmark, if mailed correctly addressed and with other than first class, registered or certified postage affixed. Written notice is correctly addressed to a director if addressed to the director's postal or electronic mail address shown in the Corporation's current list of directors.

Section 4.6 Waiver of notice

A director may at any time waive any notice required by law or these bylaws. Except as hereinafter provided in this section, the waiver must be in writing, signed by the director entitled to the notice, and filed with the minutes or the corporate records. A director's attendance at or participation in a meeting waives any required notice of the meeting unless the director upon arriving at the meeting or prior to the vote on a matter not noticed in conformity with law or these bylaws objects to lack of notice and does not thereafter vote for or assent to the objected to action.

Section 4.7 Quorum and voting

A majority of the directors in office present, excluding vacancies, shall constitute a quorum of the Board of Directors. Voting on any matter may be conducted by mail, by facsimile transmission, by electronic transmission, or by any combination of those methods. To be considered a timely vote and counted, votes must be received by the Chair or Secretary within five (5) business days of either any meeting where the vote was taken to be counted or any call for a vote.

Section 4.8 Manner of acting

If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors, unless the vote of a greater number of directors is required by law or these bylaws. A director may vote in person or by proxy executed in writing by such director to the Chair to be voted in the same manner as the majority voting. No proxy shall be valid after thirty (30) days from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law.

Section 4.9 Presumption of assent

A director of the Corporation who is present at a meeting of the Board of Directors or a committee of the Board of Directors when corporate action is taken is deemed to have assented to the action taken unless:

(a) such director objects at the beginning of the meeting (or promptly upon arrival) to holding it or transacting business at the meeting; or, (b) such director's dissent or abstention from the action taken is entered in the minutes of the meeting; or, (c) such director delivers written notice of dissent or abstention to the presiding Officer of the meeting before adjournment or to the Corporation immediately after adjournment of the meeting. The right of dissent or abstention is not available to a director who votes in favor of the action taken.

Section 4.10 Meeting via communications equipment

The Board of Directors may permit any or all directors to participate in an annual, regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. Consent to meeting via communications equipment shall be presumed given by a director unless a director objects in writing to the Chair no later than three business days before any annual, regular or special meeting.

Section 4.11 Actions by unanimous consent

Any action required or permitted by law or these bylaws to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by all of the duly elected and qualified directors of the Corporation. The action must be evidenced by one or more written consents describing the action taken, signed by each director and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed

under this section thus has the effect of a meeting vote and may be described as such in any document.

Section 4.12 Director conflict of interest transactions

A conflict of interest transaction is a transaction with the Corporation in which a director of the Corporation has a direct or indirect interest. For purposes of this section a director has an indirect interest in a transaction if: (a) another entity in which a director has a material interest or in which the director is a general partner is a party to the transaction, or (b) another entity of which the director is a director, Officer, or trustee is party to the transaction. A conflict of interest transaction is not voidable on the basis of imposing liability on the director if the transaction was fair at the time it was entered into or is approved in advance as hereinafter provided. A transaction in which a director has a conflict of interest may be approved in advance by the vote of the Board of Directors or a committee of the Board if: (a) the material facts of the transaction and the directors' interest are disclosed or known to the Board or committee of the Board and (b) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the Corporation. For the purposes of this section, a conflict of interest transaction is approved if it receives the affirmative vote of a majority of the directors on the Board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be approved under this section by a single director. If a majority of the directors on the Board who have neither direct nor indirect interest in the transaction vote to approve the transaction, a quorum is present for the purpose of taking action under this section. The presence of or a vote cast by a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under this section if the transaction is otherwise approved as hereinabove provided.

ARTICLE V OFFICERS

Section 5.1 Description and number

The Officers of the Corporation shall consist of a Chair, Chair-Elect, Secretary, Treasurer, Development Officer, and, as are elected by the Board of Directors from time to time, up to two (2) additional Officers. No person may hold simultaneously more one Officer position.

Section 5.2 Appointment and election of Officers

Except as provided in this Section 5.2 relating to vacancies, the Chair-Elect shall be elected by the Board of Directors at the Annual Meeting of the Board of Directors. Each year at the Annual Meeting, the Governance and Nominating Committee shall present a nominee for the office of Chair-Elect. Nominations may also be made by directors from the floor. If any director then holding office so demands, the election of the Chair-Elect shall be by secret ballot. The person who receives a plurality of the votes cast shall be deemed to have been elected. Without any further voting or approval by the Board of Directors, the Chair-Elect, who will have been duly elected to the office of Chair-Elect by the Board of Directors at the previous Annual Meeting, shall automatically succeed to the office of Chair at the expiration of the term of the Chair.

After consulting with the Governance and Nominating Committee and before December 31" of each calendar year, subject to approval by the Board of Directors, the then Chair-Elect shall appoint all Officers other than the Chair and Chair-Elect. If any director then holding office so demands, the election of Officers shall be by secret ballot.

All nominees for an Officer position must be members of the Board of Directors and whose remaining terms would accommodate a one-year term as Officer. Each Officer shall hold office for a

period of one

(1) year, or until such Officer's death, resignation, or removal, or until such Officer's successor is elected. Except as provided in Section 3.8 of these bylaws, no person may be elected to serve for more than one

(1) consecutive term in the office of Chair or in the office of Chair-Elect, No person may be elected to serve for more than four (4) successive terms in the office of Secretary or in the office of Treasurer. The Board of Directors may elect other Officers at such time or times as the need may arise, in the manner prescribed for other Officers in this Section 5.2.

A vacancy occurring in an Officer position of the Corporation may be filled at any time by the Board of Directors. The term of an Officer elected to fill a vacancy shall expire at the end of the unexpired term that such Officer is filling.

Section 5.3 Resignation and removal of Officers

An Officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is effective unless the notice specifies a future effective date. If a resignation is made effective at a future effective date and the Board of Directors accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date. The Board of Directors, by majority vote, may remove any Officer at any time with or without cause.

Section 5.4 Contract rights of Officers

The election of an Officer does not itself create contract rights. An Officer's removal does not affect the Officer's contract rights, if any, with the Corporation,

Section 5.5 Chair

The Chair of the Board of Directors shall preside at all meetings of the Board of Directors and of the Executive Committee and perform other duties as may be prescribed from time to time by the Board.

Section 5.6 Chair-Elect

The Chair-Elect of the Board of Directors, in the absence of the Chair or in the event of death, inability or refusal to act of the Chair, shall preside at all meetings of the Board of Directors and the Executive Committee and shall exercise the powers and authority and perform the duties of the Chair in the absence of the Chair. Unless the Board of Directors appoints another Officer to chair the Governance and Nominating Committee, the Chair-Elect shall chair the Governance and Nominating Committee.

Section 5.7 Secretary

The Secretary shall: (a) cause to be prepared minutes of all meetings of the Board of Directors and the Executive Committee; (b) authenticate records of the Corporation when requested to do so; (c) give all notices required by law and by these bylaws; (d) have general charge of the corporate books and records and of the corporate seal, and affix the corporate seal to any lawfully executed instrument requiring it; (e) sign such instruments as may require signature; (t) cause such corporate reports as may be required by state law to be prepared and filed in a timely manner; and (g) in general, perform all duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chair or the Board of Directors.

Section 5.8 Treasurer

The Treasurer shall, in cooperation with the Chief Executive Officer, oversee the receipt and

disbursement of all funds deposited in the name of Austin Habitat for Humanity and shall present reports of receipts and disbursements to the Board of Directors and to the Executive Committee on a regular basis as determined by the Chair. Furthermore, the Treasurer, acting upon the request of the Board of Directors, shall oversee an independent audit of the financial statements of the Corporation. The Treasurer shall chair the Audit and Finance Committee.

Section 5.9 Development Officer

The Development Officer shall, in cooperation with the Chief Executive Officer, oversee the fundraising conducted on behalf of Austin Habitat for Humanity. The Development Officer shall chair the Development Committee.

Section 5.10 Other Officers

Each Officer, except Officers holding an Office specified above in this Article V, shall have such powers and duties as may be assigned to such Officer by the Board of Directors or the Chair and shall chair such committees or task forces as designated by the Chair.

Section 5.11 No compensation

Officers of the Corporation described in the foregoing sections shall not be compensated for their services as such.

Section 5.12 Executive Officers of the Corporation

Executive Officers of the Corporation are employees of the Corporation, are not Officers as outlined in Section 5.I and are not directors of the Board of Directors. The Chief Executive Officer is an Executive Officer of the Corporation.

Section 5.13 Chief Executive Officer

The Chief Executive Officer shall be the chief executive Officer of the Corporation and, subject to the control of the Board of Directors, shall supervise and control the management of the Corporation in accordance with these bylaws. By affirmative vote of a majority of the directors then in office, the Board of Directors shall approve the hiring and termination of the Chief Executive Officer and any compensation and benefits at the time of hiring of the Chief Executive Officer.

Duties of the Chief Executive Officer shall include: (a) hiring, supervising and firing employees, (b) coordinating the activities of the Operating Committees; (c) representing the Corporation in the community; (d) overseeing the building projects of the Corporation; (e) supervising the administrative functions of the Corporation; and, (f) in general, performing such other duties incident to the office of Chief Executive Officer and other such duties as may be assigned from time to time by the Board of Directors. The Chief Executive Officer may not serve on the Board of Directors or any Board committee, except in a non-voting, *ex-officio* capacity.

The Chief Executive Officer may sign any deed, lease, mortgage, bond, contract, or other instrument with an individual monetary value not to exceed fifty thousand dollars (or such other amount as may be approved and resolved by the Board of Directors) which lawfully may be executed on behalf of the Corporation, except where signing and execution thereof expressly shall be delegated by the Board of Directors to some other Officer or agent of the Corporation, or where required by law or these bylaws to be otherwise signed and executed. The Secretary and the Treasurer are authorized to jointly sign any deed, lease, mortgage, bond, contract, or other instrument with an individual monetary value not to exceed fifty thousand dollars (or such other amount as may be approved and resolved by the Board of Directors) which lawfully may be executed on behalf of the Corporation, except where signing and

execution thereof expressly shall be delegated by the Board of Directors to some other Officer or agent of the Corporation, or where required by law or these bylaws to be otherwise signed and executed.

ARTICLE VI COMMITTEES

Section 6.1 Board committees in general

Unless specified below, committees of the Board shall be composed solely of individuals currently serving as duly elected directors of the Corporation and directors emeritus. Except for the Executive Committee and the Standing Board Committees described in Sections 6.2 and 6.3 of these bylaws, all committees created by the Board of Directors may be dissolved by the Board of Directors at any time. Except as otherwise provided in these bylaws, the Chair shall appoint the members of the committees. The provisions of Article IV of these bylaws, which govern meetings of the Board of Directors, shall apply to committees of the Board and their members as well, except that no committee of the Board shall be required to have an annual meeting or scheduled regular meetings and no vote will require a quorum of committee members. To the extent specified or authorized by the Board of Directors or in these bylaws, each committee of the Board may exercise the authority of the Board. A committee of the Board may not however: (a) authorize distributions; (b) approve or recommend dissolution, merger or the sale, pledge or transfer of all or substantially all of the Corporation's assets; (c) elect, appoint or remove directors or fill vacancies on the Board or on any committee of the Board or, (d) adopt, amend or repeal the Certificate of Formation or any bylaws.

Section 6.2 Executive Committee

The Executive Committee, which is a committee of the Board, shall consist of the Officers of the Corporation, the Immediate Past Chair and up to three (3) additional directors appointed by the Chair, to serve in such capacity one year terms from January 1st to December 31st, provided that the appointment of additional directors must be approved by a majority of all the directors in office when such action is taken. The Chair of the Board of Directors shall serve as the chair of the Executive Committee and shall preside at all of its meetings. The Executive Committee (i) shall provide leadership on issues related to policy development and strategic planning, (ii) shall conduct searches for Chief Executive Officer, and may prepare recommendations to the Board on a variety of issues. In addition, the Executive Committee shall have the authority to act on behalf of and instead of the Board of Directors, including but not limited to the termination of the Chief Executive Officer, when necessary between regular or special meetings of the Board, or when so empowered by the Board and subject to the limitations imposed by the Board, the Certificate of Formation, these bylaws, and the law. The Executive Committee shall report its actions to the Board at the next Board meeting for ratification. Notwithstanding the foregoing, if the Executive Committee terminates the employment of the Chief Executive Officer, 1) such termination will have immediate effect and the terminated Chief Executive Officer shall no longer be an Executive Officer of the Corporation, and 2) the Executive Committee will report the termination of the CEO to the Board of Directors within ten (10) business days for ratification by affirmative vote of a majority of the directors then in office. The Executive Committee does not have the authority to approve a dissolution, merger, or sale of all of the Corporation's assets; appoint or remove directors; or amend the bylaws or Certificate of Formation.

Section 6.3 Standing Board Committees

Unless otherwise specified in this Section 6.3, each Standing Board Committee herein listed shall consist of no fewer than three (3) members to serve in such capacity one year terms from January 1st to December 31st. A vacancy on any of these committees may be filled at any time. Members of

additional Board committees may be appointed to successive terms.

(a) Governance and Nominating Committee

The Governance and Nominating Committee shall (i) prepare priorities for board composition, (ii) identify and recruit prospective directors of the Corporation, (iii) present at the Annual Meeting a slate of nominees for election as directors and directors emeritus, (iv) present at the Annual Meeting a slate of nominees for election as Officers of the Corporation, (v) review developments in corporate governance practices and, if deemed appropriate, make recommendations to the Board of Directors, and (vi) advise the Board of Directors regarding the execution of governance according to the then current bylaws, resolutions and policies, This committee shall oversee all issues of governance and parliamentary procedure and shall encourage orderly succession planning for Officer roles. The current Chief Executive Officer shall not be a member of this committee. The Governance and Nominating Committee shall be comprised of the Chair, the Chair-Elect and the Immediate Past Chair, the previous Immediate Past Chair, if available, and up to three (3) additional members of the Board of Directors whose term expires after January 1 of the next calendar year. Unless the Board of Directors appoints another Officer to chair the Governance and Nominating Committee, the Chair-Elect shall serve as chair of the Governance and Nominating Committee.

(b) Audit and Finance Committee

The Audit and Finance Committee shall: (i) oversee the implementation and administration of policies and procedures for handling and accounting for the finances of the Corporation;

(ii) review and approve management's annual revenue and expense budget in advance of submission to the full Board of Directors; (iii) oversee the preparation by management of accurate, timely and meaningful financial statements and ensure such financial statements are presented to the Board of Directors, (iv) recommend to the Board of Directors an independent auditor and oversee an independent audit of the financial statements, as directed by the Board of Directors and (v) safeguard the Corporation's assets, (vi) ensure compliance with federal and state laws and other requirements related to the financial and grant-related affairs of the Corporation, (vii) report to the Board of Directors any financial irregularities or risks, and (viii) when necessary, make recommendations to the Board of Directors regarding adjustments to the budget or financial policies and procedures. The Treasurer shall serve as the chair the Audit and Finance Committee. The Chair or the Board of Directors may appoint members of the Finance Committee who are neither directors nor directors emeritus.

(c) Compensation Committee

The Compensation Committee shall consist of the Chair, the Chair-Elect and the Immediate Past Chair. The Compensation Committee (i) shall review annually the CEO's performance,

(ii) shall approve, at any time after the compensation and benefits approved by the Board of Directors at hiring, the salary and other compensation of the Chief Executive Officer, and

(iii) shall have such other duties as may be assigned to it from time to time by the Board of Directors. The Chair or a member of Executive Committee appointed by the

Chair shall serve as the chair of the Compensation Committee.

(d) **Development Committee**

The Development Committee (i) shall oversee the fundraising activities by the Board of Directors and the management of Austin Habitat for Humanity, (ii) shall periodically report to the Board of Directors on such activities. The Chair or the Board of Directors may appoint members of the Development Committee who are neither directors nor directors emeritus. The Development Officer shall serve as the chair the Development Committee.

Section 6.4 Ad Hoc Board Committees

In addition to the Executive Committee and the Standing Board Committees established in Sections 6.2 and 6.3 of these bylaws, the Board of Directors may create one or more Ad Hoc Board Committee and delegate to such Ad Hoc Board Committee functions that are not the responsibility of a Standing Board Committee. The Chair or the Board of Directors may appoint members of Ad Hoc Committees who are 1) directors, 2) directors emeritus, and 3) individuals who are neither directors nor directors emeritus. Ad Hoc Board Committees may not exercise the authority of the Board.

Section 6.5 Operating committees

The Chief Executive Officer, the Chair or the Board of Directors may create one or more Operating Committees to report to the Chief Executive Officer on operating matters. Members of an Operating Committee may include both directors in good standing and individuals who are not directors of the Corporation. Operating Board Committees may not exercise the authority of the Board.

**ARTICLE VII
GENERAL PROVISIONS**

Section 7.1 Corporate seal

The corporate seal shall be in such form as the Board of Directors may from time to time determine.

Section 7.2 Fiscal year

The fiscal year of the Corporation shall begin on January 1st and end on December 31st of each year.

Section 7.3 Financial reports

The books of the Corporation shall be closed as of the end of each fiscal year and month and financial statements (and annual report) shall be prepared and submitted to the Board of Directors. In the discretion of the Board of Directors and subject to the requirements of all relevant state laws and regulations in effect, the Corporation may engage an independent certified public accountant to audit or review the annual financial statements.

Section 7.4 Corporate minutes and records

The Corporation shall keep as permanent records minutes of all meetings of its Board of Directors, a record of all actions taken by the directors without a meeting, and a record of all actions taken by the executive committee and any other committees of the Board of Directors. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time. The Corporation shall keep a copy of the following records at its principal office: (a) its Certificate of Formation, formerly known as the Articles of Incorporation and all amendments

to them currently in effect; (b) its bylaws or restated bylaws and all amendments to them currently in effect; (c) a list of the names and business or home addresses of its current directors and Officers; and, (d) records, books and annual reports of the Corporation's financial activity for at least the last three years after the close of the fiscal year and, (e) its most recent annual report, if any, delivered to the secretary of state required by the Texas Nonprofit Corporation Law Chapter 4.

The minutes and records described above shall be made available for inspection by current directors of the Corporation during normal business hours. In addition to the extent required by applicable law, the Corporation shall make available for inspection during regular business hours, by an individual, copies of: (i) any application filed with any letter or other document issued by the Internal Revenue Service with respect to the tax exempt status of the Corporation and, (ii) the annual returns filed with the Internal Revenue Service for the three most recent years (to the extent the Corporation is required to file such returns); provided that the names and addresses of contributors to the Corporation may be kept confidential.

Section 7.5 Investments

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment and approval by majority vote of the Board of Directors without being restricted to the class of investments which a director is or may hereafter be permitted by law to make or any similar restriction; provided that no action shall be taken by or on behalf of the Corporation if such action is a forbidden activity or would result in the denial of tax exempt status under Section 501(c)(3) of the Internal Revenue Code, as amended.

Section 7.6 Disbursements

Except for disbursements made in accordance with the annual budget approved by the Board of Directors, no disbursement of funds greater than fifty thousand dollars per occurrence shall be made or divided unless approved, authorized and directed by the Board of Directors or Executive Committee. The total of such non budgeted expenditures shall not exceed \$150,000 annually. All non-budgeted expenditures exceeding these limits must be approved, authorized and directed by the Board of Directors or Executive Committee. Disbursements made in accordance with the annual budget approved by the Board of Directors shall be made only by the Chief Executive Officer or the Treasurer. The Executive Committee shall approve appropriate resolutions authorizing bank transactions, signatories and related matters.

Section 7.7 Prohibited activities

The Corporation is organized as a nonprofit Corporation exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code, as amended. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Certificate of Formation or Section 1.4. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any political campaign on behalf of or in opposition to any candidate for public office. Anything contained in these bylaws to the contrary notwithstanding, the Corporation shall not carry on or otherwise engage in any activities not permitted to be carried on or engaged in by (i) a Corporation exempt from federal

income tax under Section 501(c)(3) of the Internal Revenue Code, as amended, or any corresponding section of the future tax code; (ii) a Corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue code, as amended, or any corresponding section of any future tax code; or (iii) a Corporation organized and existing under the Texas Nonprofit Corporation Law.

Section 7.8 No loans to or guaranties for directors

The Corporation may not lend money to or guarantee the obligation of a director or Officer of the Corporation, but the fact that a loan or guaranty is made in violation of this section does not affect the borrower's liability on the loan. If director had an active loan from the Corporation at the time he or she became a director, the Corporation may not refinance such loan during the director's term as a member of the Board of Directors.

Section 7.9 Indemnification and insurance

The Corporation shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because he or she is or was a director of the Corporation, against reasonable expenses actually incurred by the director in connection with his or her status as a director. In addition, if an individual is made a party to a proceeding because the individual is or was a director, Officer, employee or agent of the Corporation, the Board of Directors may, to the extent permitted by law, authorize the Corporation to advance expenses to such individual and/or indemnify such individual against liability incurred in the proceeding. The Corporation shall purchase Director's & Officer's, Employment Practices (including 3'd Party) and Fiduciary Liability insurances with a minimum liability limit for each coverage of one million dollars (\$1,000,000.00).

**ARTICLE VIII
DISSOLUTION & WINDING UP**

Section 8.1 Winding Up

In the event that dissolution and/or winding up of Austin Habitat for Humanity is necessary, the Board shall oversee such process and ensure compliance with all relevant provisions of the State of Texas and other applicable state and federal laws.

Section 8.2 Assets

Upon dissolution of Austin Habitat for Humanity, the assets of Austin Habitat for Humanity are permanently committed to a tax-exempt organization for purposes set forth in its Certificate of Formation and bylaws. In the event of dissolution, the assets, after payments of debt, will be, as determined by the Board of Directors, given, transferred, donated, or assigned to (i) Habitat for Humanity International, Inc., a Georgia Nonprofit Corporation and a corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; or (ii) any other organization(s) which itself has tax-exempt status under the Section 501(c)(3) of the Internal Revenue Code and whose mission is similar to the mission of Austin Habitat for Humanity.

**ARTICLE IX
AMENDMENTS TO BYLAWS**

Section 9.1 Amendments

The Board of Directors shall have the power to alter, amend or repeal the bylaws or adopt new bylaws by a two-thirds (2/3) majority of the entire Board of Directors, provided that the bylaws at no time shall incorporate any provisions inconsistent with law or the Certificate of Formation or which would in any way jeopardize its standing as a non-profit corporation either under the laws of the State of Texas or under the provisions of the Internal Revenue Code, as amended. No amendment shall be voted on or passed until the same has first been presented at a previous meeting of the Board of Directors and after notice of said proposed amendment, with a copy thereof, has been mailed to each Director not less than ten (10) days prior to such meeting.

Adopted by the Board of Directors of <u>AHHH</u> on the 17th <u>17th</u> day of <u>August</u> , 20 <u>16</u>
Signed <u><i>Sherine Thomas</i></u> (print or type in full name of Board Secretary) <u>SHERINE THOMAS</u>

ATLANTA GA 39901-0001

In reply refer to: 0752639100
Mar. 10, 2016 LTR 4168C 0
74-2373217 000000 00
00017473
BODC: TE

AUSTIN HABITAT FOR HUMANITY INC
% PHYLLIS SNODGRASS
500 W BEN WHITE BLVD
AUSTIN TX 78704



029909

Employer ID Number: 74-2373217
Form 990 required: YES

Dear Taxpayer:

We issued you a determination letter in August 1985, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

0752639100
Mar. 10, 2016 LTR 4168C 0
74-2373217 000000 00
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AUSTIN HABITAT FOR HUMANITY INC
% PHYLLIS SNODGRASS
500 W BEN WHITE BLVD
AUSTIN TX 78704

Sincerely yours,

A handwritten signature in black ink, appearing to read "Teri M. Johnson". The signature is fluid and cursive, with a large initial "T" and "J".

Teri M. Johnson
Operations Manager, AM Ops. 3



2020 Consolidated Corporate Budget	
REVENUES	
Contributions	\$2,852,031
Special Events	\$500,000
Affordable Housing Income	\$70,000
Inventory Adjustment inc/(dec)	-\$63,000
Net Investment Income	\$6,600
Sales - Donated	\$3,535,294
Sales - Purchased	\$2,319,658
Sales Discounts and Refunds	-\$213,188
Credit Card Fees	-\$145,298
Cost of Goods Sold	-\$1,043,822
Management Fee	\$270,588
Rental Income	\$0
Other Income	\$83,768
Total Revenue	\$8,172,631
OPERATING EXPENSES	
Personnel	\$5,797,399
Staff Recruiting	\$2,502
Professional Fees	\$145,529
Management Fee	\$270,588
Occupancy Expenses	\$965,322
Warranty Work	\$25,572
Tools & Equipment	\$13,040
Communications & Fundraising	\$484,590
Other Expense	\$786,811
Depreciation & Amortization	\$280,231
Interest Expense	\$167,357
Tithe to HFHI	\$125,000
Total Operating Expenses	\$9,063,941
Income from operations	-\$891,310
HOME SALES	
Sales of Homes	\$4,435,000
CHDO Contributions	\$1,003,380
In-Kind Contributions	\$113,598
In-Kind Labor	\$1,201,750
Cost of Homes Sold	-\$4,470,801
Cost of Homes Sold - Land	-\$806,000
Discount on Mortgages	-\$833,250
Mortgage Discount Amortization	\$409,542
Net Income on sale of homes	\$1,053,219
Net Organization Income	\$161,909

Please note that because Austin Habitat for Humanity's Fiscal Year is the Calendar Year, our 2021 budget is not yet available.

Austin Habitat for Humanity, Inc.

(A Nonprofit Corporation)

Report of Independent Auditor and
Consolidated Financial Statements with
Supplemental Information

December 31, 2018 and 2017



AUSTIN HABITAT FOR HUMANITY, INC.

Index to Consolidated Financial Statements

December 31, 2018 and 2017

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Report of Independent Auditor

To the Board of Directors of
Austin Habitat for Humanity, Inc.:

We have audited the accompanying consolidated financial statements of Austin Habitat for Humanity and its subsidiaries (the “Organization”) which comprise the consolidated statements of financial position as of December 31, 2018 and 2017 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Austin Habitat for Humanity, Inc. as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating schedules of financial position information and consolidating schedule of activities information on pages 23 and 24 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

July 31, 2019
Austin, Texas

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statements of Financial Position

As of December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS:		
Current assets		
Cash and cash equivalents	\$ 2,198,363	\$ 1,382,287
Investments, at fair value	15,454	400,080
Accounts receivable	379,407	173,000
Pledges receivable, net	141,554	116,718
Mortgages receivable, current portion, net	846,812	816,838
ReStore inventory	808,029	619,453
Home construction in progress	949,103	484,299
Prepaid expenses and other current assets	372,423	248,190
Total current assets	<u>5,711,145</u>	<u>4,240,865</u>
Land held for development	4,680,252	3,500,621
Restricted cash	17,670	45,229
Pledges receivable, long-term portion, net	489,951	380,817
Other long-term assets	192,637	193,628
Mortgages receivable, long-term portion, net	8,870,330	8,453,826
Notes receivable - 2nd liens, net	882,205	815,277
Investments, at cost - NMTC	1,520,548	2,491,147
Property and equipment, net	9,505,694	9,592,553
TOTAL ASSETS	<u>\$ 31,870,432</u>	<u>\$ 29,713,963</u>
LIABILITIES AND NET ASSETS:		
Current liabilities		
Accounts payable	\$ 370,556	\$ 456,738
Accrued expense	807,931	539,353
Deferred revenue	2,703,768	1,027,101
Capital lease obligation, current portion	34,262	33,251
Notes payable - TDHCA, current portion	98,316	87,149
Long-term debt, current portion	162,998	156,985
Total current liabilities	<u>4,177,831</u>	<u>2,300,577</u>
Capital lease obligation, long-term portion	225,171	256,670
Notes payable - TDHCA, long-term portion	1,243,580	1,175,498
Long-term debt, net of debt issuance costs	6,528,714	8,014,758
Total liabilities	<u>12,175,296</u>	<u>11,747,503</u>
Net assets		
Without donor restrictions	18,028,116	16,851,094
With donor restrictions	1,667,020	1,115,366
Total net assets	<u>19,695,136</u>	<u>17,966,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,870,432</u>	<u>\$ 29,713,963</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statement of Activities

Year Ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUES:			
Contributions and other income:			
Contributions	\$ 1,187,410	\$ 1,055,942	\$ 2,243,352
In-kind contributions	134,025	-	134,025
Home building sponsorship revenues	1,000,151	-	1,000,151
Investment income	43,095	-	43,095
Other income	956,130	-	956,130
Net assets released from restrictions	504,288	(504,288)	-
Total contributions and other	<u>3,825,099</u>	<u>551,654</u>	<u>4,376,753</u>
ReStore revenues:			
ReStore sales	4,428,805	-	4,428,805
In-kind donation of inventory	2,389,472	-	2,389,472
Cost of goods sold	(3,380,503)	-	(3,380,503)
Sales discounts and refunds	(150,498)	-	(150,498)
Total ReStore revenues, net	<u>3,287,276</u>	<u>-</u>	<u>3,287,276</u>
Low-cost housing revenues:			
Home sales	1,794,011	-	1,794,011
In-kind contributions of labor and construction materials	812,442	-	812,442
Mortgage discount and amortization	(12,707)	-	(12,707)
Other housing revenues	6,085	-	6,085
Cost of homes sold	(1,969,012)	-	(1,969,012)
Total Low-cost housing revenues	<u>630,819</u>	<u>-</u>	<u>630,819</u>
Total revenues	<u>7,743,194</u>	<u>551,654</u>	<u>8,294,848</u>
EXPENSES:			
Low-cost housing program	2,174,380	-	2,174,380
ReStore program	2,607,801	-	2,607,801
Fundraising	922,328	-	922,328
Management and general	861,663	-	861,663
Total expenses	<u>6,566,172</u>	<u>-</u>	<u>6,566,172</u>
CHANGE IN NET ASSETS	1,177,022	551,654	1,728,676
NET ASSETS, BEGINNING OF YEAR	16,851,094	1,115,366	17,966,460
NET ASSETS, END OF YEAR	<u>\$ 18,028,116</u>	<u>\$ 1,667,020</u>	<u>\$ 19,695,136</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statement of Activities

Year Ended December 31, 2017

	Without donor restrictions	With donor restrictions	Total
REVENUES:			
Contributions and other income:			
Contributions	\$ 1,510,797	\$ 617,206	\$ 2,128,003
In-kind contributions	188,197	-	188,197
Home building sponsorship revenues	1,002,224	-	1,002,224
Investment income	46,839	-	46,839
Other income	287,287	-	287,287
Net assets released from restrictions	114,532	(114,532)	-
Total contributions and other	3,149,876	502,674	3,652,550
ReStore revenues:			
ReStore sales	3,871,588	-	3,871,588
In-kind donation of inventory	1,910,324	-	1,910,324
Cost of goods sold	(2,806,608)	-	(2,806,608)
Sales discounts and refunds	(106,082)	-	(106,082)
Total ReStore revenues, net	2,869,222	-	2,869,222
Low-cost housing revenues:			
Home sales	1,714,500	-	1,714,500
In-kind contributions of labor and construction materials	786,123	-	786,123
Mortgage discount and amortization	353,429	-	353,429
Other housing revenues	42,580	-	42,580
Cost of homes sold	(2,318,340)	-	(2,318,340)
Total Low-cost housing revenues	578,292	-	578,292
Total revenues	6,597,390	502,674	7,100,064
EXPENSES:			
Low-cost housing program	2,143,444	-	2,143,444
ReStore program	2,034,006	-	2,034,006
Fundraising	1,084,041	-	1,084,041
Management and general	558,182	-	558,182
Total expenses	5,819,673	-	5,819,673
CHANGE IN NET ASSETS	777,717	502,674	1,280,391
NET ASSETS, BEGINNING OF YEAR	16,073,377	612,692	16,686,069
NET ASSETS, END OF YEAR	\$ 16,851,094	\$ 1,115,366	\$ 17,966,460

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2018

	<u>Low-cost housing</u>	<u>ReStore</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries and related	\$ 1,337,910	\$ 1,683,034	\$ 507,551	\$ 601,846	\$ 4,130,341
Advertisements	12,127	104,120	209,545	1,517	327,309
Office expenses	50,522	176,621	19,030	28,280	274,453
Information technology	14,798	17,550	8,974	8,707	50,029
Occupancy	104,319	117,565	5,816	7,516	235,216
Travel	11,421	22,547	4,052	11,014	49,034
Conference, conventions, and meetings	4,598	6,891	4,190	5,578	21,257
Interest expense	63,113	171,339	8,862	31,311	274,625
Tithe to HFHI	68,996	-	-	-	68,996
Depreciation	-	189,347	12,038	50,230	251,615
Insurance	49,262	67,580	4,378	4,220	125,440
Warranty work	3,006	-	-	-	3,006
Tools and equipment	17,222	4,032	-	-	21,254
Professional services	62,969	24,972	16,732	65,880	170,553
NMTC transaction fees	27,558	-	-	-	27,558
Dues and subscriptions	12,384	7,858	9,793	24,558	54,593
Home repair program	332,791	-	6,058	3,359	342,208
Other expense	1,384	14,345	105,309	17,647	138,685
Total functional expenses	<u>\$ 2,174,380</u>	<u>\$ 2,607,801</u>	<u>\$ 922,328</u>	<u>\$ 861,663</u>	<u>\$ 6,566,172</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Consolidated Statement of Functional Expenses
Year Ended December 31, 2017

	<u>Low-cost housing</u>	<u>ReStore</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries and related	\$ 1,269,564	\$ 1,337,992	\$ 568,027	\$ 440,301	\$ 3,615,884
Advertisements	14,358	38,178	349,334	120	401,990
Office expenses	44,148	128,237	20,662	18,304	211,351
Information technology	22,377	7,458	8,888	9,866	48,589
Occupancy	101,923	39,776	8,337	4,200	154,236
Travel	17,256	14,139	8,867	1,191	41,453
Conference, conventions, and meetings	4,728	5,458	7,221	5,194	22,601
Interest expense	53,683	174,349	18,207	23,100	269,339
Tithe to HFHI	53,000	-	-	-	53,000
Depreciation	34,592	179,966	16,929	20,462	251,949
Insurance	33,838	72,882	4,196	2,268	113,184
Warranty work	4,490	-	-	-	4,490
Tools and equipment	9,272	1,913	-	-	11,185
Professional services	40,651	7,626	21,178	23,202	92,657
NMTC transaction fees	26,430	-	-	-	26,430
Dues and subscriptions	13,148	12,957	11,738	7,125	44,968
Home repair program	389,037	70	25,642	-	414,749
Other expense	10,949	13,005	14,815	2,849	41,618
Total functional expenses	<u>\$ 2,143,444</u>	<u>\$ 2,034,006</u>	<u>\$ 1,084,041</u>	<u>\$ 558,182</u>	<u>\$ 5,819,673</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.

Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 1,728,676	\$ 1,280,391
Adjustments to reconcile change in net assets to net cash provided by operations:		
Noncash interest expense	9,610	17,921
Depreciation	251,615	251,949
Unrealized gain on investments	-	(6,074)
Gain on extinguishment of debt	(322,727)	-
Loss on disposal of property and equipment	-	40,383
(Increase) decrease in operating assets:		
Accounts receivable	(206,407)	16,261
Pledges receivable	(133,970)	(327,410)
Mortgages receivable	(446,478)	(202,802)
ReStore Inventory	(188,576)	(89,715)
Home construction in Progress	(464,804)	67,170
Prepaid expenses and other	(124,233)	37,230
Land held for development	(1,179,631)	(252,345)
Notes receivable, 2nd liens	(66,928)	(386,686)
Other long-term assets	991	50,163
Increase (decrease) in operating liabilities:		
Accounts Payable	(86,182)	286,034
Accrued expenses	268,578	(30,187)
Deferred revenue	1,676,667	8,552
Notes payable - TDHCA	79,249	16,935
Net cash provided by operating activities	795,450	777,770
Cash flows from investing activities:		
Restricted cash	27,559	26,430
Sales (purchases) of investments	384,626	(2,215)
Purchases of property and equipment	(192,395)	(74,866)
Net cash provided by (used in) investing activities	219,790	(50,651)
Cash flows from financing activities:		
Payments on long-term debt	(168,676)	(129,898)
Payments on capital lease obligation	(30,488)	(34,995)
Net cash used in financing activities	(199,164)	(164,893)
Net increase in cash and cash equivalents	816,076	562,226
Cash and cash equivalents at beginning of year	1,382,287	820,061
Cash and cash equivalents at end of year	\$ 2,198,363	\$ 1,382,287
Supplemental disclosure of cash flow information:		
Interest paid	\$ 228,663	\$ 241,808
Income taxes paid	\$ -	\$ -

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 1 - ORGANIZATION

Austin Habitat for Humanity, Inc. (“AHFH”) is a nonprofit, affordable housing developer dedicated to the elimination of substandard housing in and around Austin, Texas. It is affiliated with Habitat for Humanity International, Inc. (“HFHI”) based in Americus, Georgia. AHFH was incorporated in 1985 under the laws of the State of Texas. While adhering to the policies and procedures prescribed by HFHI, AHFH exists as a separate corporation with its own Board of Directors. Local policies, strategies, operations, and fundraising are the responsibility of each affiliate.

Austin Neighborhood Alliance for Habitat, Inc., (the “Alliance”) is a wholly owned non-profit corporation formed to support AHFH. The Alliance receives federal financial assistance to acquire land and develop infrastructure for homes.

HomeBase Texas (“HomeBase”) is a wholly owned non-profit corporation that provides affordable homeownership opportunities to homeowners by partnering with outside developers, builders, and agencies.

The Alliance and HomeBase financial statements are consolidated into the financial statements of AHFH because AHFH has control over and an economic interest in the Alliance and HomeBase. AHFH and its affiliates, the Alliance and HomeBase, are collectively referred to as the Organization.

Low-Cost Housing Program

To be considered for home ownership, families must be low-income families who demonstrate a need for better housing, an ability to make mortgage payments, and a willingness to work in partnership with AHFH. The partnership consists, in part, of each family completing 300 hours of “sweat equity” and meeting monthly mortgage payments. AHFH acquires the land, finds and qualifies the families, raises the funding, finds and supervises construction volunteers, builds the houses, and funds the mortgages. Houses are sold resulting in either a no interest or zero profit on the mortgage. By policy of HFHI, AHFH may accept government support for land, infrastructure improvements and construction.

ReStore Program

AHFH also operates two ReStores in Austin and San Marcos. The ReStore program provides access to quality building materials, new and used, household goods, clothing, etc., to the general public to help them create a better human habitat in which to live and work. The ReStore receives donated materials, purchases items, and sells them.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

Classification of Net Assets – In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be used for any purpose or designated for specific purposes by the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations, which limit their use by the Organization to a specific purpose and/or the passage of time.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Use of Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the fair value of investments, allowances for uncollectable receivables, useful lives of property and equipment, functional expense allocation, and the valuation of in-kind services and materials.

Advertising Costs – Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2018 and 2017 were \$327,309 and \$401,990, respectively.

Fair Value Measurements – The Organization measures and discloses fair value measurements in accordance with the authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

Level 1 - Inputs based on quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.

Level 3 - Unobservable inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

Cash and Cash Equivalents – The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash – As a condition of the loan agreements with HFHI-SA NMTC VI, LLC and CCM Community Development XXVII, LLC and through its investment in two New Market Tax Credit (“NMTC”) programs (Note 5), AHFH has established separate bank accounts for receiving and disbursing certain amounts related to the NMTC transactions. Total restricted cash was \$17,670 and \$45,229 as of December 31, 2018 and 2017, respectively.

Investments, at fair value – Investments in mutual funds are carried at fair market value based on quoted market prices. Any changes in market value are reported in the consolidated statements of activities as increases or decreases to investment income.

Investments, at cost - NMTC – In November 2011, AHFH invested, along with eleven other Habitat affiliates, in a joint venture named HFHI-SA Leverage IX, LLC with 4.82% ownership to take advantage of NMTC financing. In July 2012, AHFH participated in a second NMTC transaction along with eleven other Habitat affiliates. As a result of this transaction, AHFH acquired a 9.09% ownership in a joint venture named CCML Leverage II, LLC. Since AHFH has no ability to influence the operating or financial policies of HFHI-SA Leverage IX, LLC and CCML Leverage II, LLC, the cost method is used to account for these investments. Under that method, AHFH records income only to the extent of distributions received. The Organization has capitalized, as, certain structuring and guarantee fees and closing costs for the loans to finance these investments and construction costs. These fees are being amortized to interest expense over seven to sixteen years and are reflected as costs of the investments.

Accounts Receivable – Accounts receivable is recorded at the amount the Organization expects to collect on outstanding balances. The Organization has not recorded an allowance for uncollectible accounts receivables at December 31, 2018 or 2017 as management believes all balances to be collectible.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Pledges Receivable – Pledges receivable is recorded at the amount the Organization expects to receive from donors. Promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Although the Organization has not experienced material uncollectible amounts in the past, an allowance for uncollectible pledges receivable has been established. The allowance at December 31, 2018 and 2017, was \$70,167 and \$58,282, respectively. The Organization did not apply a net present value discount on the pledges receivable balance as of December 31, 2018 and 2017 as management considered the amount to be insignificant.

Notes Receivable, 2nd Liens – Notes receivable is a deferred repayable second lien with the first payment due after 30 years, amortizing over five years thereafter. The second lien is attached to a home sale to qualified applicants under the HomeBase Texas program. The first lien is provided for by a traditional third-party lender. The second lien is due and payable between 30-35 years to allow for the first lien to have been paid off and provides a subsidy that allows the home sale to meet the affordability requirements of the HomeBase Texas program. These notes are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The Organization has not recorded an allowance for uncollectible notes receivable at December 31, 2018 or 2017 as management believes all balances to be collectible.

Home Sales and Mortgages Receivable – Home sales represent the sale to qualified families of houses built in Austin, Texas, or the Greater Austin Area, by the Organization. Homes are sold at affordable prices and the sales are financed by the Organization utilizing non-interest bearing 15 to 35-year mortgages due in monthly installments from the families. The mortgages are secured by the underlying real estate and are carried at the unpaid principal balances. On certain older loans, a “soft” (0% interest, deferred, forgivable after 30 years) second mortgage was used to secure the difference between the affordable mortgage amount and the market value. This practice ended in 2016 with the addition of a deed restriction that effectively locked this equity into the property, making it inaccessible to the homeowner at resale.

Mortgages receivable is discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities when mortgage payments are collected.

The Organization monitors the mortgages on a monthly basis and considers all mortgages to be collectible, thus no allowance for loan losses has been recorded. The Organization maintains a partner relationship with the mortgagees (“partner families”). However, the Organization will consider foreclosure proceedings on any delinquent accounts if the partner family ceases to have the ability to pay and make payments on the mortgage or no longer has a willingness to partner with the Organization. At December 31, 2018 and 2017, the Organization had no investment in foreclosed loans.

ReStore Inventory – ReStore inventory consists of donated building materials, household items and clothing as well as purchased building materials available for sale. Donated inventory is recorded as in-kind contributions at fair value when received based on estimated sales value. Purchased inventory is stated at the lower of cost or market determined by the first-in first-out method.

Home Construction in Progress – Home construction in progress represents home construction and land costs incurred on incomplete homes in progress and completed homes not yet conveyed to the recipient family. Once sold and conveyed, the home costs are expensed to cost of homes sold in the accompanying consolidated statements of activities.

Land Held for Development – Land held for development includes the costs of purchasing and developing land. These costs are capitalized to this account until the lot is build ready. Once construction of a home on a lot is completed, the cost of the associated lot is expensed in cost of homes sold on the accompanying consolidated statement of activities.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Property and Equipment – Property and equipment consists of land, buildings, and equipment. Property and equipment additions are recorded at cost if purchased or estimated fair value if donated less accumulated depreciation. The Organization capitalizes all additions over \$1,000 and expenses maintenance and repairs that do not improve or extend the useful lives of the respective assets. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Estimated useful lives are three to five years for computer equipment; five years for building improvements, software and vehicles; three to seven years for tools and construction equipment; and twenty to forty years for completed houses and buildings. Property and equipment under capital lease is amortized over the shorter of the lease term or the expected useful life of the asset.

Long-lived assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. Management believes there has been no impairment of such assets as of December 31, 2018 and 2017.

Debt Issuance Costs – Debt issuance costs associated with long-term debt are recorded as a reduction of the related debt balance and amortized to interest expense over the term of the related arrangement.

Notes Payable – TDHCA – The Texas Department of Housing and Community Affairs Department (“TDHCA”) administers the Owner-Builder Loan Program, also known as the Texas Bootstrap Loan Program (“Bootstrap Program”). The Bootstrap Program is a self-help housing construction program that provides the owners and builders of very low-income families an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through “sweat equity.” Owner builder’s household income may not exceed 60% of Area Median Family Income. The Bootstrap Program notes payable are discounted based upon prevailing market interest rates at the inception of the mortgage. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities as the mortgage payments are made.

Contribution Revenue – All contributions, including home building sponsorship revenues and non-cash contributions, are recorded at their fair value and are considered to be available for operations of the Organization unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related net assets are reclassified to net assets without donor restrictions. This is reported in the accompanying consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

ReStore Sales Revenue – The Organization operates two thrift retail stores. The stores provide access to quality building materials, new and used household goods, clothing, furnishings, and other construction materials and is open to the general public. The store receives donated materials and purchases items for resale. Sales are recognized on a daily basis as they occur.

Government Grant Revenue – The Organization receives funding from governmental financial assistance programs that supplement its traditional funding sources. The awards provide for reimbursement of qualifying costs incurred, as defined in the underlying award agreements. The Organization recognizes revenue from these awards as services are rendered and expenses are incurred.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Home Building Sponsorship Revenues – The Organization sells sponsorship opportunities to local businesses and organizations to underwrite the costs of constructing a house. In addition to recognition as an Austin Habitat for Humanity partner, typically the sponsorship includes the option for the entity to volunteer on the build site. Sponsorship revenues are recognized in the year that the house is constructed.

In-Kind Contributions of Labor – A substantial number of volunteers have made significant contributions of their time to the Organization’s program and supporting services. Donated services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Under those criteria, volunteer time and professional services donated to construct homes is recognized as contribution revenue and capitalized as home construction in progress. When homes are transferred to recipient families, home construction in progress is recorded as a component of cost of homes sold within the accompanying consolidated statements of activities.

Functional Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain expenses are allocated between functional categories based on management’s estimates. Expenses relating to more than one function are allocated to low-cost housing program, ReStore program, fundraising, and management and general based on employee time and effort estimates. Allocations to low-cost housing and ReStore programs are for activities that result in services being distributed to beneficiaries, donors, or others that fulfill the mission of the Organization. Allocations to management and general expenses include accounting, general management and oversight, audit, budgeting, human resources, legal and admin support of the board of directors. Allocations for fundraising are primarily for fundraising activities for operations. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide overall support and direction of the Foundation.

Federal Income Taxes – AHFH, the Alliance, and HomeBase are all non-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except with respect to any unrelated business income. AHFH, the Alliance and HomeBase did not incur any tax liabilities for unrelated business income during the years ended December 31, 2018 or 2017. The Board assesses uncertainties in income taxes in its consolidated financial statements and uses a threshold of more-likely-than-not for recognition and derecognition of tax positions taken. There is no provision or liability for federal income taxes in the accompanying consolidated financial statements related to the Organization. AHFH, the Alliance, and HomeBase file Form 990 tax returns in the U.S. federal jurisdiction and are subject to routine examinations of its returns. However, there are no examinations currently in progress. The Board’s management believes it is no longer subject to income tax examinations for years prior to 2015.

Recent Accounting Pronouncements – In May 2014, the FASB issued Accounting Standards Update (“ASU”) 2014-09, *Revenue Recognition* (Topic 606). The update is a comprehensive new revenue recognition model that requires a company to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. ASU 2014-09 also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. This ASU is effective for annual and interim periods beginning after December 15, 2018. Early adoption is permitted. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU 2014-09. The Organization is currently evaluating the effect that the adoption of this ASU will have on its consolidated financial statements.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. This ASU removes the current guidance regarding classification of equity securities into different categories (i.e., trading or available-for-sale) and requires that equity investments generally be measured at fair value with changes in fair value recognized in net income. For non-public companies, the ASU is effective for years beginning after December 15, 2018. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2016-01 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public companies, the ASU is effective for years beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements.

In April 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents would be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For private companies, the ASU is effective for years beginning after December 15, 2018. The Organization has elected to not early adopt this ASU as of December 31, 2018.

In August 2016, the FASB issued ASU 2016-14, *Presentation of financial statements of Not-for-Profit Entities, as an update to ASC 958, Not-for-Profit Entities*. This update makes several improvements to current reporting requirements that address complexities in the use of the currently required three classes of net assets and enhance required disclosures related to donor restrictions of net assets. The updated guidance will be effective for annual periods beginning after December 15, 2017, and interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted. The new guidance should be applied on a retrospective basis. The updated guidance will result in a change in the classes of net assets reported on the face of the statement of financial position from three classes (unrestricted, temporarily restricted and permanently restricted) to two classes (net assets without donor restrictions and net assets with donor restrictions). The Organization adopted this update as of January 1, 2018. No other material impact is expected.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Organization is currently evaluating the impact of ASU 2018-08 on its consolidated financial statements.

Reclassification – Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets as a result of reclassifications.

Management's Review – The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization's consolidated financial statements are available for issuance. For the consolidated financial statements as of and for the year ending December 31, 2018, this date was July 31, 2019.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 3 – LIQUIDITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$	2,198,363
Investments, at fair value		15,454
Accounts receivable, net		379,407
	\$	<u>2,593,224</u>

None of the above financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Receivable balances are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash, money markets, mutual funds, and accounts receivable, on hand to meet five months of normal operating expenses, which are, on average, approximately \$2.5 million. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments including cash, money markets, and mutual funds.

Total net assets without donor restrictions as of December 31, 2018 were approximately \$17.9 million. This is sufficient capital to fund the anticipated growth of the Organization over the next twelve months as well as any unanticipated contingencies or losses. Additionally, the Organization has approximately \$2,000,000 of undrawn credit available if there is an unforeseen need for cash.

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and its receivables.

The Organization places its cash and cash equivalents with a limited number of high-quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents.

Investments do not represent a significant concentration of credit risk due to the diversification of the Organization’s portfolio among instruments and issues. However, investment securities, including money market funds, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

The Organization does not maintain collateral for its receivables except for mortgages and notes receivable and does not believe significant risk exists at December 31, 2018 or 2017. Credit risk for mortgages and notes receivable is concentrated because substantially all of the balances are due from individuals located in the same geographic region. Management considered the collateral pledged from mortgages and notes receivable to be adequate at December 31, 2018 and 2017.

NOTE 5 – INVESTMENTS

Investments at fair value

Marketable investments are stated at fair value using quoted prices in active markets and consisted of mutual funds at December 31, 2018 and 2017. The inputs used to determine the fair value of mutual funds were considered Level 1.

AUSTIN HABITAT FOR HUMANITY, INC.

Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

Investments at cost

AHFH participated in NMTC programs in November 2011 and in July 2012. The programs, administered by the U.S. Department of the Treasury, provide funds from outside investors to eligible organizations for investment in qualified low-income community investments. Outside investors receive new markets tax credits to be applied against their federal tax liability. Program compliance requirements included creation of promissory notes and investments in qualified community development entities (“CDE or sub-CDE”). Tax credit recapture is required if compliance requirements are not met over a seven-year period after each transaction settlement date.

In November 2011, AHFH invested \$1,000,044 in HFHI-SA Leverage IX, LLC and secured a 16-year loan in the amount of \$1,320,965 payable to the sub-CDE named HFHI-SA NMTC VI, LLC (see Note 5). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 15, 2018 at 0.75%. Commencing November 15, 2018, semi-annual principal payments are due through maturity date of July 13, 2026. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.98% of the interest payments will be refunded to the Organization on a semi-annual basis.

In November 2018, HFHI-SA Investment Fund VI, LLC (the “Fund”), the effective owner of HFHI-SA NMTC VI, LLC (holder of the promissory note due from AHFH), exercised a put option. Under the terms of the put option agreement, HFHI-SA Leverage IX, LLC purchased the ownership interest of the Fund. Exercise of the option effectively allowed AHFH to extinguish its outstanding debt owed to the Fund. The result of the extinguishment of the debt offset by the sale of AHFH’s investment in the Fund was a gain of \$322,727 in 2018 and is included in other income in the consolidated statement of activities and changes in net assets.

In July 2012, AHFH invested \$1,431,009 in CCML Leverage II, LLC and secured a 16-year loan in the amount of \$1,880,000 payable to the sub-CDE named CCM Community Development XXVII, LLC (see Note 5). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 10, 2019 at 0.76%. Commencing November 10, 2019, semi-annual principal payments are due through maturity date of July 26, 2027. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.99% of the interest payments will be refunded to the Organization on a semi-annual basis.

In August 2019, CCM CD 27 Investment Fund, LLC (the “Fund”), the effective owner of CCM Community Development XXVII, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, CCML Leverage II, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

The investments in these joint ventures are reported at cost using the cost method. For the years ended December 31, 2018 and 2017, AHFH received \$14,310 and \$24,266 in distributions, respectively. These distributions are reported as investment income in the consolidated statements of activities. During the years ended December 31, 2018 and 2017, the total interest expense associated with the amortization of the related debt issuance costs were \$36,351 and \$17,921, respectively. At December 31, 2018 and 2017, the balance in these joint ventures was \$1,520,548 and \$2,491,147, respectively.

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 6 – RELATED PARTY TRANSACTIONS AND AFFILIATIONS

Contributions from members of the Board of Directors for the years ended December 31, 2018 and 2017 were \$218,626 and \$231,732, respectively. Pledges receivable from Board of Directors and employees of AHFH for the years ended December 31, 2018 and 2017 were \$606,368 and \$405,400, respectively. Expenses paid by the Organization for services provided by board of director related businesses for the years ended December 31, 2018 and 2017 were \$1,773,616 and \$350,042, respectively.

The Organization operates within a covenant agreement with HFHI. The Organization tithes to support HFHI's international homebuilding work. Tithes to HFHI totaled \$68,996 and \$53,000 for the years ended December 31, 2018 and 2017, respectively.

The United States Department of Housing and Urban Development ("HUD") has awarded grants to HFHI under the Self-Help Home Ownership Program ("SHOP") for land acquisition and infrastructure improvements for houses. Grant funds are passed through by HFHI directly to participating U.S. affiliates in the form of a 75% grant and 25% loan. Notes payable to HFHI under SHOP arrangements totaled \$6,748 and \$11,224 at December 31, 2018 and 2017, respectively, and are included in notes payable in the consolidated statements of financial position.

NOTE 7 – MORTGAGES AND NOTES RECEIVABLE

Mortgages receivable consisted of the following at December 31:

	2018	2017
Gross mortgages receivable	\$ 15,290,444	\$ 14,731,866
Financing discount based on imputed interest at rates ranging from 4% to 8%	(5,573,302)	(5,461,202)
Mortgages receivable, net of unamortized discount	9,717,142	9,270,664
Current portion of mortgages receivable	(846,812)	(816,838)
	\$ 8,870,330	\$ 8,453,826

Mortgages receivable were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected at December 31, 2018 are as follows:

2019	\$	846,812
2020		819,856
2021		816,409
2022		800,375
2023		782,189
Thereafter		11,224,803
Total	\$	15,290,444

Notes receivable on 2nd liens consisted of the following at December 31:

	2018	2017
Gross notes receivable for 2 nd lien	\$ 3,115,257	\$ 3,110,446
Financing discount based on imputed interest at rates ranging from 4% to 8%	(2,233,052)	(2,295,169)
Notes receivable on 2 nd liens, net of unamortized discount	\$ 882,205	\$ 815,277

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 8 – RESTORE INVENTORY

ReStore inventory consisted of the following at December 31:

	2018	2017
Donated Goods	\$ 195,729	\$ 155,000
Purchased Materials	612,300	464,453
	<u>\$ 808,029</u>	<u>\$ 619,453</u>

NOTE 9 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2018	2017
Land	\$ 3,090,000	\$ 3,090,000
Building and improvements	6,843,975	6,763,658
Equipment	499,042	414,603
Trucks	267,929	267,929
Total	<u>10,700,946</u>	<u>10,536,190</u>
Accumulated depreciation	<u>(1,195,252)</u>	<u>(943,637)</u>
Property and equipment, net	<u>\$ 9,505,694</u>	<u>\$ 9,592,553</u>

Property and equipment financed under capital lease obligations totaled \$259,433 and \$289,921, net of accumulated amortization of \$100,264 and \$69,776, as of December 31, 2018 and 2017, respectively. Total depreciation and amortization expense associated with property and equipment was \$251,615 and \$251,949 for the years ended December 31, 2018 and 2017, respectively.

NOTE 10 – PLEDGES RECEIVABLE

The Organization received pledges to cover the costs of the capital campaign. Pledges are stated at their realizable value, net of a discount on long-term pledges, and an allowance for uncollectible pledges.

Net pledges receivable consists of the following at December 31, 2018 and 2017:

	2018	2017
Capital campaign pledges	\$ 701,672	\$ 555,817
Less: allowance for doubtful collections	<u>(70,167)</u>	<u>(58,282)</u>
Pledges receivable, net	<u>\$ 631,505</u>	<u>\$ 497,535</u>

Net pledges receivable maturity dates at December 31, 2018 and 2017:

	2018	2017
Less than one year	\$ 141,554	\$ 175,000
One to five years	<u>560,118</u>	<u>380,817</u>
Total	<u>\$ 701,672</u>	<u>\$ 555,817</u>

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 11 – LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	2018	2017
Notes payable to HFHI under SHOP grants	\$ 6,748	\$ 11,224
Promissory note to HFHI-SA NMTC VI, LLC	-	1,320,965
Promissory note to CCM Community Development XXVII, LLC	1,880,000	1,880,000
Promissory note to banking institution	4,859,773	5,023,973
Total debt	6,746,521	8,236,162
Unamortized debt issuance costs	(54,809)	(64,419)
Total debt, net of unamortized debt issuance costs	6,691,712	8,171,743
Current portion of debt	(162,998)	(156,985)
Long-term debt, net of current portion and debt issuance costs	\$ 6,528,714	\$ 8,014,758

The notes payable to Habitat for Humanity International (“HFHI”) is a non-interest bearing and unsecured loan under the Self-Help Home Ownership Program (“SHOP”) for land acquisition and infrastructure improvements for houses.

The promissory note to HFHI-SA NMTC VI, LLC, is a semi-annual interest note with payments due until November 15, 2018 at 0.75% followed by semi-annual principal payments due through the maturity date of July 13, 2026. This note is secured by substantially all of the assets acquired by AHFH from the NMTC project loan proceeds. During 2018, this note was extinguished along with the Organization’s investment in the NMTC.

The promissory note to CCM Community Development XXVII, LLC, is a semi-annual interest note with payments until November 10, 2019 at 0.76% followed by semi-annual principal payments due through the maturity date of July 26, 2027. This note is secured by substantially all of the assets acquired by AHFH from the NMTC project loan proceeds.

On May 1, 2014, the Organization entered into a loan agreement for \$5,500,000 with Wells Fargo Bank for the purpose of financing the acquisition of the land and building which was used to start the Austin ReStore. The promissory note is a fixed interest rate note (3.82% at December 31, 2018 and 2017) with escalating monthly payments due through the maturity date of June 1, 2039. This note is secured by the Austin ReStore’s land and building.

Future maturities of long-term debt at December 31, 2018 are as follows:

2019	\$	162,998
2020		280,714
2021		400,916
2022		409,419
2023		418,202
Thereafter		5,074,272
Total	\$	6,746,521

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

The credit facility (Note 12), notes payable and other long-term debt agreements contain certain financial covenants, including requirements for liquidity, earnings, and fixed charge coverage. The agreements also contain additional conditions limiting indebtedness, capital expenditures, and various other covenants as defined in the agreements. Failure to comply with the covenants could result in the debt being called by the lenders. As of December 31, 2018, and through the date of this report, the Organization was in compliance with such covenants.

NOTE 12 – CREDIT FACILITY AND LETTERS OF CREDIT

The Organization maintains a twelve-month revolving credit facility with a bank, renewable annually, that charges interest at a variable rate (5.5% at December 31, 2018). During the year ended December 31, 2017, the Organization amended the facility to extend the maturity date to April 2019. As amended, the maximum principal amount available under the line of credit is \$2,000,000. The credit facility was further amended on March 18, 2019 to extend the maturity date to April 15, 2021. No amounts have been drawn against this facility at December 31, 2018.

During the normal course of business, the Organization entered into letters of credit with financial institutions totaling \$462,730 at December 31, 2018 and 2017, pursuant to subdivision construction agreements with the City of Austin. The letters of credit expired in April 15, 2018 and the amount of \$462,730 was renewed through April 15, 2019. The letters specify that drafts may be drawn by the City of Austin Watershed Protection and Development Review Department. There have been no amounts drawn under these letters of credit.

NOTE 13 – NOTES PAYABLE – TDHCA

Notes payable to TDHCA consisted of the following at December 31:

	2018	2017
Gross notes payable - TDHCA	\$ 2,121,018	\$ 2,042,260
Financing discount based on imputed interest at rates ranging from 4% to 8%	(779,122)	(779,613)
Mortgages receivable, net of unamortized discount	1,341,896	1,262,647
Current portion of mortgages receivable	(98,316)	(87,149)
	\$ 1,243,580	\$ 1,175,498

Notes payable to TDHCA were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected from mortgagees and remitted to TDHCA at December 31, 2018 are as follows:

2019	\$	98,316
2020		98,316
2021		98,316
2022		98,316
2023		98,316
Thereafter		1,629,438
Total	\$	2,121,018

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes at December 31:

	2018	2017
Capital campaign	\$ 1,236,479	\$ 1,109,606
Special Events	323,701	-
UT Campus Chapter	3,706	5,760
OWANA	103,134	-
	<u>\$ 1,667,020</u>	<u>\$ 1,115,366</u>

Net assets released from restrictions consisted of the following at December 31:

	2018	2017
Capital campaign	\$ (460,719)	\$ (22,792)
Special Events	(30,350)	-
UT Campus Chapter	(13,219)	-
Caldwell Chapter	-	(91,740)
Net assets released from restrictions	<u>\$ (504,288)</u>	<u>\$ (114,532)</u>

NOTE 15 – RETIREMENT PLAN

The Organization sponsors a 401(k) plan that covers substantially all employees. The Organization's contributions to the plan for the years ended December 31, 2018 and 2017 were \$115,196 and \$112,926, respectively.

NOTE 16 – LEASE COMMITMENTS

The Organization leases office space, a construction warehouse, telephone equipment, and a copier under various non-cancellable operating leases. Rent expense under these leases totaled \$130,928 and \$72,252, respectively, for the years ended December 31, 2018 and 2017, which are reflected as occupancy and office expenses in the accompanying statements of functional expenses. In October 2018, AHFH entered into a new operating lease for the San Marcos ReStore location which opened to the public on December 13, 2018.

Future minimum payments under operating leases consisted of the following as of December 31, 2018:

2019	\$ 270,556
2020	246,604
2021	198,120
2022	203,880
2023	203,880
Thereafter	988,110
Total	<u>\$ 2,111,150</u>

AUSTIN HABITAT FOR HUMANITY, INC.
Notes to the Consolidated Financial Statements (continued)
Years ended December 31, 2018 and 2017

The Organization also has a non-cancelable capital lease agreement for solar panels. Future minimum payments under the capital lease consisted of the following as of December 31, 2018:

2019	\$	41,575
2020		41,575
2021		41,575
2022		41,575
2023		41,575
Thereafter		79,723
Total minimum lease payments		287,598
Less: amount representing interest		(28,165)
Total capital lease obligations		259,433
Less: current portion of capital lease		(34,262)
Long term portion of capital lease obligation	\$	225,171

NOTE 17 – CONTINGENCIES

The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. The Organization is also funded by grants and contracts that are subject to review and audit by the grantor agencies. These contracts have certain compliance requirements and, should audits by the government or grantor agencies disclose any areas of substantial noncompliance, the Organization may be required to refund any disallowed costs.

NOTE 18 – FEDERAL INCOME TAXES

The Organization is subject to federal income taxes on unrelated business income, which consists of ReStore sales of purchased materials. As of December 31, 2018, and 2017, the Organization has incurred cumulative net operating losses of approximately \$2,478,000 and \$1,929,000, respectively, for federal income tax purposes. These net operating losses may be used to offset future taxable unrelated business income. If not utilized, approximately \$2,182,000 of these losses will expire in the years 2027 through 2036. The remaining \$296,000 will be carried forward indefinitely. A full valuation allowance has been recorded as utilization is uncertain. The net change in the total valuation allowance for the years ended December 31, 2018 and 2017 was approximately \$115,000 and \$5,000, respectively.

AUSTIN HABITAT FOR HUMANITY, INC.
Supplemental Consolidating Schedule of Financial Position Information
As of December 31, 2018

	Austin Habitat for Humanity	Austin Neighborhood Alliance for Habitat, Inc.	HomeBase Texas	Eliminations	Total
ASSETS:					
Current assets					
Cash and cash equivalents	\$ 1,667,672	\$ -	\$ 530,691	\$ -	\$ 2,198,363
Investments, at fair value	15,454	-	-	-	15,454
Accounts receivable	252,914	-	126,493	-	379,407
Pledges receivable, net	141,554	-	-	-	141,554
Mortgages receivable, current portion, net	846,812	-	-	-	846,812
Intercompany receivable	833,139	5,131,316	-	(5,964,455)	-
ReStore inventory	808,029	-	-	-	808,029
Home construction in progress	949,103	-	-	-	949,103
Prepaid expenses and other current assets	372,423	-	-	-	372,423
Total current assets	<u>5,887,100</u>	<u>5,131,316</u>	<u>657,184</u>	<u>(5,964,455)</u>	<u>5,711,145</u>
Land held for development	4,680,252	-	-	-	4,680,252
Restricted cash	17,670	-	-	-	17,670
Pledges receivable, long-term portion, net	489,951	-	-	-	489,951
Other long-term assets	295	-	192,342	-	192,637
Mortgages receivable, long-term portion, net	8,870,330	-	-	-	8,870,330
Notes receivable - 2nd liens, net	-	-	882,205	-	882,205
Investments, at cost - NMTC	1,520,548	-	-	-	1,520,548
Property and equipment, net	9,505,694	-	-	-	9,505,694
TOTAL ASSETS	<u>\$ 30,971,840</u>	<u>\$ 5,131,316</u>	<u>\$ 1,731,731</u>	<u>\$ (5,964,455)</u>	<u>\$ 31,870,432</u>
LIABILITIES AND NET ASSETS:					
Current liabilities					
Accounts payable	\$ 344,203	\$ -	\$ 26,353	\$ -	\$ 370,556
Accrued expense	507,879	-	300,052	-	807,931
Intercompany payable	5,902,405	-	62,050	(5,964,455)	-
Deferred revenue	2,703,768	-	-	-	2,703,768
Capital lease obligation, current portion	34,262	-	-	-	34,262
Notes payable - TDHCA, current portion	98,316	-	-	-	98,316
Long-term debt, current portion	162,998	-	-	-	162,998
Total current liabilities	<u>9,753,831</u>	<u>-</u>	<u>388,455</u>	<u>(5,964,455)</u>	<u>4,177,831</u>
Capital lease obligation, long-term portion	225,171	-	-	-	225,171
Notes payable - TDHCA, long-term portion	1,243,580	-	-	-	1,243,580
Long-term debt, net of debt issuance costs	6,528,714	-	-	-	6,528,714
Total liabilities	<u>17,751,296</u>	<u>-</u>	<u>388,455</u>	<u>(5,964,455)</u>	<u>12,175,296</u>
Net assets					
Without donor restrictions	11,553,524	5,131,316	1,343,276	-	18,028,116
With donor restrictions	1,667,020	-	-	-	1,667,020
Total net assets	<u>13,220,544</u>	<u>5,131,316</u>	<u>1,343,276</u>	<u>-</u>	<u>19,695,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,971,840</u>	<u>\$ 5,131,316</u>	<u>\$ 1,731,731</u>	<u>\$ (5,964,455)</u>	<u>\$ 31,870,432</u>

See accompanying notes and report of independent auditor.

AUSTIN HABITAT FOR HUMANITY, INC.
Supplemental Consolidating Schedule of Activities Information
Year Ended December 31, 2018

	<u>Austin Habitat for Humanity</u>	<u>Austin Neighborhood Alliance for Habitat, Inc.</u>	<u>HomeBase Texas</u>	<u>Eliminations</u>	<u>Total</u>
REVENUES:					
Contributions and other income:					
Contributions	\$ 2,238,102	\$ -	\$ 5,250	\$ -	\$ 2,243,352
In-kind contributions	134,025	-	-	-	134,025
Home building sponsorship revenues	1,000,151	-	-	-	1,000,151
Investment income	31,095	-	12,000	-	43,095
Other income	1,608,699	-	(381,981)	(270,588)	956,130
Total contributions and other income	<u>5,012,072</u>	<u>-</u>	<u>(364,731)</u>	<u>(270,588)</u>	<u>4,376,753</u>
ReStore revenues:					
ReStore sales	4,428,805	-	-	-	4,428,805
In-kind donation of inventory	2,389,472	-	-	-	2,389,472
Cost of goods sold	(3,380,503)	-	-	-	(3,380,503)
Sales discounts and refunds	(150,498)	-	-	-	(150,498)
Total ReStore revenues, net	<u>3,287,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,287,276</u>
Low-cost housing revenues:					
Home sales	1,794,011	-	-	-	1,794,011
In-kind contributions of labor and construction materials	812,442	-	-	-	812,442
Mortgage discount and amortization	(74,825)	-	62,118	-	(12,707)
Other housing revenues	-	-	6,085	-	6,085
Cost of homes sold	(1,969,012)	-	-	-	(1,969,012)
Total Low-cost housing revenues	<u>562,616</u>	<u>-</u>	<u>68,203</u>	<u>-</u>	<u>630,819</u>
Total revenues	<u>8,861,964</u>	<u>-</u>	<u>(296,528)</u>	<u>(270,588)</u>	<u>8,294,848</u>
EXPENSES:					
Low-cost housing program	2,174,380	-	-	-	2,174,380
ReStore program	2,607,801	-	-	-	2,607,801
Fundraising	922,328	-	-	-	922,328
Management and general	861,663	-	270,588	(270,588)	861,663
Total expenses	<u>6,566,172</u>	<u>-</u>	<u>270,588</u>	<u>(270,588)</u>	<u>6,566,172</u>
CHANGE IN NET ASSETS	2,295,792	-	(567,116)	-	1,728,676
NET ASSETS, BEGINNING OF YEAR	10,924,752	5,131,316	1,910,392	-	17,966,460
NET ASSETS, END OF YEAR	<u>\$ 13,220,544</u>	<u>\$ 5,131,316</u>	<u>\$ 1,343,276</u>	<u>\$ -</u>	<u>\$ 19,695,136</u>

See accompanying notes and report of independent auditor.



Proposal to the City of San Marcos: Key Organization/Program Staff

Phyllis Snodgrass, Chief Executive Officer: Phyllis became CEO of Austin Habitat for Humanity in 2015 after more than 20 years as a successful executive with several local Chambers of Commerce. She has won numerous awards for her leadership including the 2019 Best CEO Award from the Austin Business Journal.

Lori Steiner, Chief Financial Officer: Lori is both an MBA and a CPA and brings more than 20 years of finance experience to Austin Habitat, ensuring that the organization continues to maintain strong financial controls and remains poised for major growth over several years.

Mary Campana, Chief Development Officer: Mary has more than 20 years of experience and is an expert in fund development and communication for nonprofits. She and her team are responsible for financially supporting Austin Habitat through sponsorships, foundation and government grants, individual donations, and special events.

Andy Alarcón, Director of Real Estate: Andy has degrees in business, architecture and urban planning, and has overseen multiple successful acquisitions of land for Austin Habitat. He served as the Chief Planner for the City of San Marcos from 2004-2008 and has been with Austin Habitat for more than eight years.

William Whipple, Senior Vice President for Construction: Billy began working with Habitat for Humanity as an AmeriCorps service member more than ten years ago and has served multiple Habitat affiliates in positions of increasing responsibility. He oversees all new home construction for Austin Habitat and specializes in increasing efficiency in building in order to more quickly respond to the strong demand for affordable homes in Central Texas.

Austin Habitat For Humanity - All Companies
Balance Sheet
For the Twelve Months Ending Tuesday, December 31, 2019

	December 2019	November 2019	October 2019
ASSETS			
Current Assets			
Cash	\$1,433,561	\$714,758	\$791,680
Capital Campaign	513,867	513,867	513,867
Investments & Money Market	112,353	111,743	111,091
Accounts Receivable	615,099	213,765	348,028
Capital Campaign Pledges	477,885	640,360	543,183
Prepaid Expense and Other	304,317	289,511	182,992
Donated Inventory	248,910	248,910	248,910
Purchased Inventory	588,611	616,029	650,060
Construction in Progress	671,834	662,674	509,765
Notes Receivable - ST Portion	2,220	2,214	2,209
Net Mortgages Receivable - Current Portion	417,479	407,332	407,332
Total Current Assets	5,386,136	4,421,164	4,309,116
Fixed Assets			
Land for Affiliate Use	3,678,393	3,678,393	3,678,393
Property and Equipment	7,584,721	7,586,971	7,557,160
Less: Accumulated Depreciation	(1,451,245)	(1,429,688)	(1,407,840)
Less: Accumulated Amortization	223,824	223,824	223,824
Total Fixed Assets	10,035,694	10,059,500	10,051,537
Other Assets			
Land Held for Development	5,073,384	5,065,539	5,038,802
Mortgage Receivable - LT Portion (net of Unamortized Discount)	10,128,917	10,705,096	10,773,006
Notes Receivable - LT Portion	1,061,937	975,565	975,848
Forgiveable Notes Receivable	145,476	145,476	145,476
Total Other Assets	16,409,714	16,891,676	16,933,132
TOTAL ASSETS	31,831,544	31,372,340	31,293,785
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	274,294	251,816	157,570
Accrued Expenses	156,615	253,078	237,728
Accrued Vacation Pay	320,699	336,636	324,776
Notes Payable (Mortgage Portfolio) ST	44,785	39,640	39,640
Debt / Notes Payable ST		163,739	163,202
Capital Lease Current Portion	35,304	35,216	35,128
Total Current Liabilities	831,697	1,080,125	958,044
Non-Current Liabilities			
Notes Payable (Mortgage Portfolio) LT	1,437,671	1,477,542	1,486,610
Debt / Notes Payable LT	5,313,239	4,507,810	4,521,028
Deferred Revenue	3,130,982	2,941,978	2,912,696
Escrow / Custodial Accounts	292,427	292,427	292,427
Capital Lease Long Term	186,943	192,813	195,788
Total Non-Current Liabilities	10,361,262	9,412,570	9,408,549
TOTAL LIABILITIES	11,192,959	10,492,695	10,366,593
Net Assets			
Unrestricted Assets	19,559,250	19,559,250	19,559,250
Restricted Assets	143,501	143,501	143,501
Current Net Income (Loss)	935,835	1,176,893	1,224,442
Total Net Assets	20,638,585	20,879,644	20,927,192
TOTAL LIABILITIES AND NET ASSETS	31,831,544	31,372,340	31,293,785

Austin Habitat For Humanity - All Companies

Income Statement

For the Twelve Months Ending Tuesday, December 31, 2019

	December 2019			2018			YTD 2019			2018	Full Yr
	December	Budget	Variance	December	YTD	YTD Budget	Variance	YTD	YTD	Budget	
Revenues											
Contributions	553,301	661,000	-107,699	507,830	2,429,542	3,445,000	-1,015,458	2,145,518	2,145,518	3,445,000	
Special Events	-5,000	0	-5,000	3,448	475,058	350,000	125,058	419,978	419,978	350,000	
Affordable Housing Income	0	10,000	-10,000	105	78,367	30,840	47,527	12,915	12,915	30,840	
Gain (Loss) on asset disposal	0	0	0	194,535	0	0	0	456,137	456,137	0	
Inventory Adjustment inc/(dec)	-17,983	-10,750	-7,233	-8,568	-61,973	-63,000	1,027	-25,338	-25,338	-63,000	
Net Investment Income	1,913	515	1,397	2,332	25,514	18,199	7,316	43,095	43,095	18,199	
Shared Appreciation	0	0	0	0	3,460	0	3,460	16,812	16,812	0	
Sales - Donated	237,325	273,156	-35,831	226,296	3,250,770	3,428,619	-177,849	2,438,657	2,438,657	3,428,619	
Sales - Purchased	163,616	216,259	-52,643	138,987	2,052,172	2,879,900	-827,728	1,990,148	1,990,148	2,879,900	
Sales Discounts	-17,191	-10,658	-6,533	-16,175	-296,447	-137,754	-158,693	-151,907	-151,907	-137,754	
Credit Card Fees	-11,567	-8,544	-3,023	-11,528	-111,885	-109,013	-2,872	-75,742	-75,742	-109,013	
Cost of Goods Sold	-3,326,515	-98,667	-3,227,848	-71,919	-4,197,865	-1,312,155	-2,885,710	-945,462	-945,462	-1,312,155	
Management Fee	22,549	22,549	0	22,549	270,588	270,588	0	270,588	270,588	270,588	
Rental Income	0	1,500	-1,500	1,500	12,800	18,000	-5,200	21,950	21,950	18,000	
Other Income	16,828	6,363	10,465	395,933	807,060	75,950	731,110	456,953	456,953	75,950	
In-Kind Donations	3,250,770	0	3,250,770	93,910	3,250,770	0	3,250,770	93,910	93,910	0	
	868,046	1,062,724	-194,678	1,479,234	7,987,929	8,895,173	-907,244	7,168,212	7,168,212	8,895,173	
Expenses											
Personnel	376,143	413,571	-37,428	588,483	4,808,993	5,258,642	-449,649	4,195,618	4,195,618	5,258,642	
Staff Recruiting	169	169	0	169	1,840	2,028	-188	1,488	1,488	2,028	
Professional Fees	31,597	14,035	17,562	22,215	219,975	221,750	-1,775	170,553	170,553	221,750	
Management Fee	22,549	22,549	0	22,549	270,588	270,588	0	270,588	270,588	270,588	
Occupancy Expenses	110,265	67,435	42,829	88,583	871,804	841,457	30,347	627,613	627,613	841,457	
Warranty Work	2,046	4,164	-2,118	289	32,902	26,659	6,243	3,006	3,006	26,659	
Tools & Equipment	756	1,117	-361	402	12,119	13,429	-1,310	21,254	21,254	13,429	
Communications & Fundraising	34,645	21,584	13,060	56,729	276,509	353,402	-76,893	326,700	326,700	353,402	
Other Expense	80,506	50,511	29,995	42,773	556,046	611,773	-55,728	518,670	518,670	611,773	
Depreciation & Amortization	65,604	24,378	41,226	43,115	332,518	295,060	37,459	297,576	297,576	295,060	
Interest Expense	33,183	15,700	17,483	16,168	212,544	208,249	4,295	228,662	228,662	208,249	
NMTC Transaction Fees	28	2,275	-2,247	6,225	12,180	19,210	-7,030	27,558	27,558	19,210	
Tithe to HFHI	6,417	10,083	-3,666	32,879	77,008	77,000	8	68,996	68,996	77,000	
	763,909	647,573	116,336	920,578	7,685,025	8,199,246	-514,222	6,758,281	6,758,281	8,199,246	
Income from operations	104,137	415,151	-311,014	558,655	302,905	695,927	-393,022	409,930	409,930	695,927	
Restricted Contributions											
CHDO Contributions	0	0	0	0	367,493	279,500	87,993	0	0	279,500	
Regional Contributions	0	0	0	250	1,665	0	1,665	700	700	0	
UT Campus Contributions	43	0	43	480	12,359	0	12,359	11,168	11,168	0	
Total Restricted Contributions	43	0	43	730	381,517	279,500	102,017	11,868	11,868	279,500	
Home Sales & Mortgage Discounts											
Sales of Homes	0	435,000	-435,000	0	2,579,019	3,145,000	-565,981	1,794,011	1,794,011	3,145,000	
In-Kind Contributions	0	13,254	-13,254	0	332,955	97,196	235,759	80,843	80,843	97,196	
In-Kind Labor	0	2,100	-2,100	0	821,603	793,496	28,107	812,442	812,442	793,496	
Cost of Homes Sold	0	-465,354	465,354	-62,061	-2,934,747	-3,239,112	304,365	-1,842,111	-1,842,111	-3,239,112	
Cost of Homes Sold - Land	0	-9,900	9,900	0	-555,666	-591,900	36,234	-126,901	-126,901	-591,900	
Discount on Mortgages	-833,743	-1,185,000	351,257	-443,463	-833,743	-1,185,000	351,257	-443,463	-443,463	-1,185,000	
Mortgage Discount Amortization	486,531	409,542	76,989	430,755	486,531	409,542	76,989	430,755	430,755	409,542	
Net Income on sale of homes	-347,212	-800,358	453,146	-74,769	-104,048	-570,778	466,730	705,576	705,576	-570,778	
Net Income	-243,031	-385,207	142,176	484,617	580,374	404,649	175,725	1,127,374	1,127,374	404,649	

Austin Habitat For Humanity - All Companies
Income Statement
For the Twelve Months Ending Tuesday, December 31, 2019

Budget	YTD % to Annual
	70.52%
	135.73%
	254.11%
	0.00%
	98.37%
	140.20%
	0.00%
	94.81%
	71.26%
	215.20%
	102.63%
	319.92%
	100.00%
	71.11%
	1062.62%
	0.00%
	89.80%
	91.45%
	90.73%
	99.20%
	100.00%
	103.61%
	123.42%
	90.24%
	78.24%
	90.89%
	112.70%
	102.06%
	63.40%
	100.01%
	93.73%
	43.53%
	131.48%
	0.00%
	0.00%
	136.50%
	82.00%
	342.56%
	103.54%
	90.60%
	93.88%
	70.36%
	118.80%
	18.23%
	143.43%

Equal Opportunity Employment

AUSTIN HABITAT FOR HUMANITY provides equal opportunity to all qualified employees and applicants for employment without regard to race, color, religion, gender, national origin, age, sexual orientation, disability, genetic information, marital status, military status, the seeking of workers' compensation benefits or any other category protected by federal, state and local laws. This policy applies to all terms and conditions of employment, including but not limited to recruitment, hiring, promotion, transfer, disciplinary action, termination, layoff, return from layoff, training, leaves of absence, benefits, and compensation. All such employment decisions will be made without unlawful discrimination.

Zero Tolerance: Discrimination and Harassment

AUSTIN HABITAT FOR HUMANITY strives to maintain an environment free from discrimination and harassment, where employees treat each other with respect, dignity and courtesy. This policy applies to all terms and conditions of employment, including but not limited to, recruiting, testing, hiring, placement, promoting, demoting, transferring, laying off, terminating, paying, granting benefits and training. This policy applies to all qualified employees and applicants for employment without regard to race, color, religion, sex, national origin, age, sexual orientation, disability, genetic information, marital status, military status, the seeking of workers' compensation benefits, or any other category protected by federal, state and local laws. Prohibited discrimination and harassment based on sex includes pregnancy discrimination, care giver discrimination and gender stereotyping.

**AUSTIN HABITAT FOR HUMANITY
CLIENT SERVICES POLICY**

5.2 Legal issues

There are a number of laws regulating how Habitat affiliates conduct their family selection process.

FEDERAL FAIR HOUSING ACT (FHA)

The FHA applies to any individual or corporation, whether for profit or otherwise, that leases or sells a home. The act makes it illegal to refuse to sell or rent a house to anyone on account of their race, color, religion, sex, handicap, national origin or familial status. This act also requires that an affiliate advertise its program to as many people as possible, provide information in the languages appropriate for its community, and include the Equal Housing Opportunity Logo or slogan or statement on all advertising.

AMERICANS WITH DISABILITIES ACT (ADA)

The ADA prohibits discrimination based on physical disability. (The FHA also lists mental impairment.) The ADA requires that public accommodations be accessible to all. This includes the areas in the affiliate's facilities that are open to the public and any other facility where official gatherings for the affiliate are held. The act also requires that the affiliate make reasonable accommodations for participation in the program – especially related to sweat equity.

ADA/504 Compliance:

In accordance with the Americans with Disabilities Act (ADA) and the Rehabilitation Act of 1973, Section 504, no qualified person will be denied access to, participation in, or the benefits of, any program or activity operated by AHFH because of a disability. AHFH will not discriminate against qualified individuals with disabilities in practices and activities, including, but not limited to, the following: Client Services application procedures, orientations, family selection, training, program compliance; e.g., sweat equity hours, etc. AHFH will not discriminate against a qualified individual because of disability.

All reasonable accommodations will be made to ensure individuals with disabilities may have equal access to all AHFH programs and services. For example, for a hearing-impaired individual, AHFH will provide a sign language interpreter at its own cost.

EQUAL CREDIT OPPORTUNITY ACT (ECOA)

The ECOA applies to any person extending credit to another individual. The act makes it unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a

credit transaction, on the basis of race, color, religion, national origin, sex or marital status, age (provided the applicant is old enough to enter into a contract), source of income (such as public assistance), or because the applicant has in good faith exercised any right under the federal consumer credit laws.

A provision of the law called the Special Purpose Credit Programs (SPCP) exemption allows a non-profit that benefits a class of economically disadvantaged persons to require that they share one or more common characteristics as long as the organization does not adopt this program to avoid the provisions of the law.

This act also includes a number of requirements that affect selection procedures. These requirements include:

- Collection of demographic information (race, sex, age, marital status) on a form separate from the application
- Notification of receipt of application within 30 days
- Final decision on the application within 30 days of receipt of all documents
- Notification of denial that includes a statement of the action taken, the name and address of the affiliate and either a specific reason or a disclosure of the applicant's right to request (within 60 days) a statement of specific reason – to be provided within 30 days. The notification must also contain the ECOA Notice
- Record retention of all applications for a period of 25 months from the date of the decision

FAIR CREDIT REPORTING ACT *(As amended by the Consumer Credit Reporting Reform Act of 1966 and the Intelligence Reauthorization Act)*

The Fair Credit Reporting Act places certain requirements on the users of consumer credit reports, which, if violated, can result in civil penalties being imposed against the offender. AHFH and specifically the FSC is an authorized user of consumer credit reports for the purpose of considering credit extension to applicants. It is vital that the FSC comply with the Fair Credit Reporting Act and, to assure this, members are made aware of its content as it pertains to the committee's work.

Section 168 1b (a)(3)(A) provides the authorization for the FSC to call for credit reports. This section provides that any consumer reporting agency may furnish a consumer report to, among others, a person which it has reason to believe "intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of the consumer..."

Section 1681m places the following requirements on users of consumer reports:

- If adverse action (applicant non-acceptance) is taken with respect to a consumer (applicant) based in whole or in part on any information contained in a consumer report, the person(s) taking such actions shall:
 1. Provide oral, written, or electronic notice of the adverse action to the consumer.
 2. Provide the consumer (applicant) orally, in writing, or electronically the following:

- a) The name, address, and telephone number of the consumer reporting agency (including a toll-free number established by the agency if the agency compiles and maintains files on consumers on a nationwide basis) that furnished the report to the person.
 - b) A statement that the consumer reporting did not make the decision to take the adverse action and is unable to provide the consumer (applicant) the specific reasons why the adverse action was taken.
 - c) Notice of consumer (applicant) right to obtain a free copy of a consumer report with notice of the 60 day period available for obtaining the free copy.
 - d) Notice of consumer (applicant) right to dispute with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency.
- If adverse action is taken based on information obtained from a third party other than the consumer reporting agency, the person(s) taking such action will:
1. Within a reasonable period of time, upon the consumer's written request for the reasons for such adverse action received within 60 days after learning of such adverse action, disclose the nature of the information to the consumer.
 2. Clearly and accurately disclose to the consumer (applicant) his or her right to make such written request at the time such adverse actions is communicated to the consumer.

AHFH makes every attempt to market its programs in a manner that is consistent with all laws and regulations enumerated above. AHFH provides assistance and makes accommodations for those with vision or hearing impairment.



Austin Habitat for Humanity
Tel: 512.472.8788 Fax: 512.367.5794
500 W Ben White, Austin, TX 78704
www.austinhabitat.org

HOME BUYER READINESS ASSESSMENT

Please Print Clearly

INSTRUCTIONS

1. Set up a Homebuyer Readiness appointment to evaluate your financial situation and preparedness for owning a home
2. Fill out this packet
3. Collect ***copies*** of the required documents
4. Turn in a ***completed packet, copies of the required supporting documentation, and a check or money order*** at the scheduled appointment. If you do not have all of these, you will need to reschedule.
5. During the appointment, the counselor will check your income and credit report to verify that you meet the minimum requirements. If you fall within the financial guidelines, you will set up an appointment to apply for the Habitat program. If you do not meet the guidelines, you will need to wait and apply when you have fixed credit issues and meet the income guidelines.

Please note that this initial assessment is only a financial assessment. You will also need to meet legal requirements and show ability to pay, need, and willingness to partner, to be accepted into the program.

HOME BUYER READINESS APPOINTMENT

Date and Time: _____

Counselor: Bertie Flores (512. 472.8788 ext. 122) Jessica Benitez (512.472.8788 ext.248)

LIST OF REQUIRED DOCUMENTS

- _____ Money order for \$30 for single credit reports and \$60.00 for joint
- _____ Documentation of ALL sources of income
- _____ Tax returns and W-2 or 1099- most recent 2 years
- _____ Paycheck stubs – most 30day paystubs
- _____ Income- If self-employed- Please include Profit and Loss And/OR 6 months most recent bank statements
- _____ Child support– 12 month print out from the Attorney General’s office
- _____ SSI/SS for dependents – most recent awards letter
- _____ Mortgage Statement *Please include HOA statement*
- _____ Signed 4506T (I will provide to you)

**** Please provide documentation for all adults over the age of 18 who will live in the house.***





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HOME BUYER READINESS INTAKE FORM (This is NOT an application) Please Print Clearly

Orientation Date & Time: _____

Any and all information provided will be submitted to The Department of Housing and Urban Development (HUD) for compliance and research purposes.

CLIENT INFORMATION

"Applicants" and "co-applicants" would be responsible for making payments, and the loan would be in their names. The "applicant" should be the primary income earner.

Name: _____ **SSN:** _____ **DOB:** _____ **Status:** App Co-App Other

Name: _____ **SSN:** _____ **DOB:** _____ **Status:** App Co-App Other

CURRENT HOUSING AND CONTACT INFORMATION

Home: (____) _____ - _____ **Work:** (____) _____ - _____

Mobile/Cell: (____) _____ - _____ **Email:** _____

Address: _____
Street

City _____ State _____ Zip Code _____

Current Housing Arrangement (please select one):

Renting Homeowner with mortgage Living with friend/ family (not paying)
 Section 8/ Public Housing Homeowner with mortgage paid off Homeless

How long have you lived at current residence? _____ **How many people intent to live in the AHFH house?:** _____

Total monthly rent: \$ _____ Does the rent include utilities: Yes No If no, what are the monthly utilities (e.g. gas, electric, and water)?: \$ _____

Household Type (please select the most accurate)?

Single Adult Married without Children 2 or more unrelated adults
 Single Adult with Children Married with Children Other

Do you currently own a home or have you owned a home in the past three years? Yes No

Have you ever been involved in the foreclosure process?? Yes No If yes,, what was the date of your first notice of foreclosure? ___/___/___ ?:
___/___/___

HOUSEHOLD FINANCES

Sources of income (check all that apply)

Employment Alimony/Child Support Social Security Pension Income
 Self-employment Income Public Assistance Dependent SSI Income Disability Income
 Rental Income Other source of income

How long are these sources of income expected to continue: _____ **Total monthly household income:** \$ _____

How much do you currently have saved specifically for buying a home (down payment, closing costs)? \$ _____ : \$ _____

Have you declared bankruptcy in the past 7 years? Yes No If yes,, when? ___/___/___ : ___/___/___





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DEMOGRAPHICS

APPLICANT

Name: _____

Primary Language Spoken _____

Limited English Proficiency: Yes _____ No _____

Ethnicity (select one)
 Hispanic or Latino Not Hispanic or Latino

Race (select all that apply):
 Alaskan Native Asian
 American Indian White
 Native Hawaiian/Other Pacific Islander
 Black or African American
 Other

Country of Origin: _____

Immigrant Status (please select all that apply):
 U.S. Citizen Permanent U.S. Resident
 Foreign Born Temporary U.S. Resident

Marital Status (please select one):
 Single Married
 Divorced Separated
 Widowed

Gender: Male Female
Disabled: Yes No
Veteran: Yes No
Active Military: Yes No

Education (please select one):
 Below High School Diploma
 High School/ GED
 Some College
 Vocational Degree
 Bachelor's Degree
 Master's Degree or Above

CO-APPLICANT

Name: _____

Primary Language Spoken _____

Limited English Proficiency: Yes _____ No _____

Ethnicity (select one)
 Hispanic or Latino Not Hispanic or Latino

Race (select all that apply):
 Alaskan Native Asian
 American Indian White
 Native Hawaiian/Other Pacific Islander
 Black or African American
 Other

Country of Origin: _____

Immigrant Status (please select all that apply):
 U.S. Citizen Permanent U.S. Resident
 Foreign Born Temporary U.S. Resident

Marital Status (please select one):
 Single Married
 Divorced Separated
 Widowed

Gender: Male Female
Disabled: Yes No
Veteran: Yes No
Active Military: Yes No

Education (please select one):
 Below High School Diploma
 High School/ GED
 Some College
 Vocational Degree
 Bachelor's Degree
 Master's Degree or Above

REFERRAL SOURCE

Referred to by (please circle all that apply):

- | | | | | |
|---------------------|---------|------------|-------|-------------------|
| Print Advertisement | Bank | Government | TV | Realtor Newspaper |
| Staff/Board member | Walk-In | Friend | Radio | Article |

If you were referred by a bank or another source, which one?





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CHILDREN AND DEPENDANTS

Please Print Clearly

Please provide the following for all the children or dependants that will be living in the AHFH home:

Dependant 1

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 2

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 3

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 4

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	

Dependant 5

_____	_____	_____	_____
Name	Relationship to Client	Date of Birth	Occupation
_____	_____	_____	_____
Name of school attending (if student)	Grade (if student)	City or school district (if student)	



EMPLOYMENT HISTORY

Please provide information for all jobs held within the last 2 years by all people 18 and above who plan to live in the AHFH house. For gross income, please provide the amount paid per pay period and indicate how often you are paid (for example: every two weeks, monthly, hourly, etc.).

CUSTOMER 1

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Previous / Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper

CUSTOMER 2

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper

CUSTOMER 3

Current Primary Employer: _____

Position: _____

Gross Income (before taxes):\$ _____ per _____ Hire Date: _____

Previous/ Secondary Employer: _____

Position: _____ Hire Date: _____

Gross Income (before taxes):\$ _____ per _____ End Date: _____

Continue listing other relevant employers on a separate sheet of paper





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RELEASE OF INFORMATION

I/We, _____ and _____ I hereby authorize the release of any personal and financial information requested by Austin Habitat for Humanity for housing counseling purposes including:

- Employment and Income Records
- Credit Reports and applications for credit
- Sex Offender Registration check

I/We understand that when a credit report is requested, my name will be run through the OFAC Terrorist Watch List, in compliance with the USA Patriot Act.

I/We accept that any and all information I/we have chosen to provide in this document will be submitted to The Department of Housing and Urban Development (HUD) for compliance and research purposes.

I/We authorize the release of basic information such as names, phone numbers, addresses, and email addresses to other non-profit community partners of Austin Habitat for Humanity for the purpose of providing cost free services to help me improve my finances or standard of living.

A photographic copy of this authorization may be deemed the equivalent of the original and may be used as a duplicate original. I/We understand that the information obtained from these reports will be shared internally at Habitat only with those parties involved in making a decision about my/our application.

Applicant's Signature

Date

Co-applicant's Signature

Date

I hereby certify and acknowledge that I have received a copy of the below mentioned disclosures, as well as discussion regarding various mortgage options and loan types.

1. For your protection: Get a Home Inspection
2. Ten Important Questions to Ask Your Home Inspector





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Homebuyer Readiness Self-Test

1.) Please determine your family's HOUSEHOLD MONTHLY INCOME (before any payroll deductions):

My HOUSEHOLD MONTHLY INCOME _____

2.) Now, determine your FAMILY SIZE, which is the number of people planning to live in the home.

My FAMILY SIZE _____

3.) Based on that number, does your HOUSEHOLD YEARLY INCOME fall within AHFH guidelines? (Do you make above the 'minimum', but below the 'maximum'?)

Income Limits	1	2	3	4	5	6	7	8
Minimum	\$2208	\$2520	\$2837	\$3154	\$3404	\$3658	\$3908	\$4162
Maximum	\$4404	\$5033	\$5662	\$6291	\$6795	\$7300	\$7804	\$8308

If your family's income is meeting the income requirement, you **MAY** be eligible for the program. Now, check next to the boxes that are TRUE for you.

- You have NOT changed jobs or been unemployed within the last 2 YEARS? (Change of job only applies when you have a different title or are in a different field)
- You DO NOT have a PENDING DIVORCE, and are NOT applying with someone *other* than your spouse (if married)?
- You and your co-applicant are U.S. Citizens or Permanent Residents?
- Your student loans are in good standing?
- You have NOT filed a bankruptcy within the last 2 years?
- You have NOT had a car repossessed with in the last 2 years?
- You have NOT been through a foreclosure within the last 3 years?

If you checked ALL the boxes above, AND it seems that your income is meeting the AHFH

requirements, you MAY be eligible for our program. If you believe that you may be eligible, and would like to move on to apply, please contact our Housing Counselor, Bertie Flores- Samilpa at 512-472-8788 X 122 OR Jessica Benitez at X 248 to set up a one-on-one counseling appointment to review your situation and see if the program is right for you.



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BUDGETING

Please list the approximate value of the following as accurately as possible for all future residents 18 and above:

LIQUID FUNDS/ SAVINGS/ INVESTMENTS

	Customer 1	Customer 2	Customer 3
Checking account	_____	_____	_____
Savings Account	_____	_____	_____
Cash	_____	_____	_____
CDs	_____	_____	_____
Securities (stocks, bonds, etc.)	_____	_____	_____
Retirement Account	_____	_____	_____
Other Liquid Funds	_____	_____	_____

MONTHLY EXPENSES

Rent or Mortgage	_____	_____	_____
Electric/Water/Sewage	_____	_____	_____
Natural Gas	_____	_____	_____
Cable/Satellite TV	_____	_____	_____
Internet	_____	_____	_____
Home Phone	_____	_____	_____
Cell Phone	_____	_____	_____
Food/Groceries	_____	_____	_____
Eating out	_____	_____	_____
Personal Hygiene/Toiletries	_____	_____	_____
Clothing	_____	_____	_____
Child care	_____	_____	_____
School lunches	_____	_____	_____
Car insurance	_____	_____	_____
Gasoline	_____	_____	_____
Car maintenance/repairs	_____	_____	_____
Medical insurance	_____	_____	_____
Medications/doctor's visits	_____	_____	_____
Life insurance	_____	_____	_____
Charitable donations/tithing	_____	_____	_____
Other: _____	_____	_____	_____



Austin Habitat for Humanity
TEL 512.472.8788 FAX 512.367.5794
500 W. Ben White, Austin, TX 78704
www.austinhabitat.org

Disclosure Statement

The following is a disclosure notice. This notice is meant to inform you of the various roles that Austin Habitat for Humanity functions as a home builder, lender, property owner and housing counselor. In addition to the housing counseling program, AHFH develops land, builds houses and sells houses. AHFH is also a mortgage lender, and performs those activities related to mortgage loans including servicing and collections.

As a participant of the Austin Habitat for Humanity Housing Counseling Program, you are under no obligation to use the loan product originated for you by your counselor nor is your participation contingent upon using a particular loan product. You are under no obligation to purchase a home built by Austin Habitat for Humanity in order to receive housing counseling services.

There is a \$30 fee for credit report orders with Corelogic Credco. This fee is intended to cover the cost of a tri-merge credit report with credit scores. AHFH employees will receive no additional compensation for home sales. AHFH Housing Counseling services include:

- Pre-purchase Counseling and HomeBuyer Education One-on-one homeownership and credit counseling and group classes meant to education and inform clients and the general public of the home purchase process.
- Foreclosure Intervention and Default Counseling One-on-one counseling and group classes intended to assist homeowners facing foreclosure or simply in default.
- Post-Purchase Counseling and Education - One-on-one counseling and education program can assist you to maintain and retain your property.

AHFH HomeBuyer Education clients are under no obligation to receive any other services offered by the agency nor its partners. AHFH will provide a list of alternative services, programs, and products for clients upon request.

Signature Date

Signature Date

Printed Name

Printed Name





For Your Protection: Get a Home Inspection

You must make a choice on getting a Home Inspection. It is not done automatically.

You have the right to examine carefully your potential new home with a professional home inspector. But a home inspection is not required by law, and will occur only if you ask for one and make the arrangements. You may schedule the inspection for before or after signing your contract. You may be able to negotiate with the seller to make the contract contingent on the results of the inspection. For this reason, it is usually in your best interest to conduct your home inspection as soon as possible if you want one. In a home inspection, a professional home inspector takes an in-depth, unbiased look at your potential new home to:

- ü Evaluate the physical condition: structure, construction, and mechanical systems;
- ü Identify items that need to be repaired and
- ü Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

The Appraisal is NOT a Home Inspection and does not replace an inspection.

An appraisal estimates the market value of the home to protect the lender. An appraisal does not examine or evaluate the condition of the home to protect the homebuyer. An appraisal only makes sure that that the home meets FHA and/or your lender's minimum property standards. A home inspection provides much more detail.

FHA and Lenders may not Guarantee the Condition of your Potential New Home

If you find problems with your new home after closing, neither FHA nor your lender may give or lend you money for repairs. Additionally, neither FHA nor your lender may buy the home back from you. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

Your Home Inspector may test for Radon, Health/Safety, and Energy Efficiency

EPA, HUD and DOE recommend that houses be tested and inspected for radon, health and safety, and energy efficiency, respectively. Specific tests are available to you. You may ask about tests with your home inspector, in addition to the structural and mechanical systems inspection. For more information: Radon -- call 1-800-SOS-Radon; Health and Safety -- see the HUD Healthy Homes Program at www.HUD.gov; Energy Efficiency -- see the DOE EnergyStar Program at www.energystar.gov.

Selecting a Trained Professional Home Inspector

Seek referrals from friends, neighbors, other buyers, realtors, as well as local listings from licensing authorities and local advertisements. In addition, consult the American Society of Home Inspectors (ASHI) on the web at: www.ashi.org or by telephone at: 1-800-743-2744.

I / We (circle one) have read this document and understand that if I/we wish to get a home inspection, it is best do so as soon as possible. The appraisal is not a home inspection. I/we will make a voluntary choice whether to get a home inspection. A home inspection will be done only if I/we ask for one and schedule it. Your lender may not perform a home inspection and neither FHA nor your lender may guarantee the condition of the home. Health and safety tests can be included in the home inspection if I/we choose.

_____/_____/_____
(Signed) Homebuyer Date

_____/_____/_____
(Signed) Homebuyer Date



Ten Important Questions to Ask Your Home Inspector

1. What does your inspection cover?

The inspector should ensure that their inspection and inspection report will meet all applicable requirements in your state if applicable and will comply with a well-recognized standard of practice and code of ethics. You should be able to request and see a copy of these items ahead of time and ask any questions you may have. If there are any areas you want to make sure are inspected, be sure to identify them upfront.

2. How long have you been practicing in the home inspection profession and how many inspections have you completed?

The inspector should be able to provide his or her history in the profession and perhaps even a few names as referrals. Newer inspectors can be very qualified, and many work with a partner or have access to more experienced inspectors to assist them in the inspection.

3. Are you specifically experienced in residential inspection?

Related experience in construction or engineering is helpful, but is no substitute for training and experience in the unique discipline of home inspection. If the inspection is for a commercial property, then this should be asked about as well.

4. Do you offer to do repairs or improvements based on the inspection?

Some inspector associations and state regulations allow the inspector to perform repair work on problems uncovered in the inspection. Other associations and regulations strictly forbid this as a conflict of interest.

5. How long will the inspection take?

The average on-site inspection time for a single inspector is two to three hours for a typical single-family house; anything significantly less may not be enough time to perform a thorough inspection. Additional inspectors may be brought in for very large properties and buildings.

6. How much will it cost?

Costs vary dramatically, depending on the region, size and age of the house, scope of services and other factors. A typical range might be \$300-\$500, but consider the value of the home inspection in terms of the investment being made. Cost does not necessarily reflect quality. HUD Does not regulate home inspection fees.

7. What type of inspection report do you provide and how long will it take to receive the report?

Ask to see samples and determine whether or not you can understand the inspector's reporting style and if the time parameters fulfill your needs. Most inspectors provide their full report within 24 hours of the inspection.

8. Will I be able to attend the inspection?

This is a valuable educational opportunity, and an inspector's refusal to allow this should raise a red flag. Never pass up this opportunity to see your prospective home through the eyes of an expert.

9. Do you maintain membership in a professional home inspector association?

There are many state and national associations for home inspectors. Request to see their membership ID, and perform whatever due diligence you deem appropriate.

10. Do you participate in continuing education programs to keep your expertise up to date?

One can never know it all, and the inspector's commitment to continuing education is a good measure of his or her professionalism and service to the consumer. This is especially important in cases where the home is much older or includes unique elements requiring additional or updated training.



Proposal to the City of San Marcos: Litigation

Austin Habitat for Humanity is involved in two cases, both of which are covered by our insurance. We are working with carrier-appointed attorneys on both actions.

City of San Marcos
Community Development Block Grant
2020 Project Application



City of San Marcos
Planning and Development Services Department
630 East Hopkins
San Marcos TX 78666

<https://www.sanmarcostx.gov/3065/CDBG-Action-Plans>

For more information: Carol Griffith 512.393.8147 cgriffith@sanmarcostx.gov

APPLICANT INSTRUCTIONS

Persons with limited English proficiency may request assistance by contacting the City at 512-393-8250. (Las personas con habilidad limitada de Inglés puede solicitar la asistencia poniéndose en contacto con la Ciudad en 512-393-8250.)

Thank you for your interest in the City of San Marcos' Community Development Block Grant (CDBG) Program. The City will receive \$722,904 for program year 2020 which begins October 1, 2020.

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its services, programs, or activities. Individuals who require auxiliary aids and services for this meeting should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay Service (TRS) by dialing 7-1-1. Requests can also be faxed to 512-393-8074 or sent by e-mail to ADArequest@sanmarcostx.gov.

APPLICATION INFORMATION

2020 Application Period: March 30 through May 1, 2020.

APPLICATION SUBMISSION DEADLINE: MAY 1, 2020 AT 5:00 PM

Submit one signed application electronically to: Carol Griffith, cgriffith@sanmarcostx.gov

Please call to verify your application has been received: Carol Griffith, 512-393-8147

PROJECT ELIGIBILITY

Organizations may propose more than one program or project in separate applications.

High Priority Needs

Proposed projects must address one of the High Priority Needs. The following are currently established as High Priority Needs for the City of San Marcos, as stated in the draft 2020-2024 Consolidated Plan:

- Affordable Housing
- Public Services (Total for projects funded may be limited to 15% of the annual CDBG allocation.)
- Public Facilities

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need. Applications will also be accepted for the following category in case this change is made:

- Economic Development

Not everything in these categories can be funded through CDBG. Please refer to the Guide to National Objectives and Eligible Activities for CDBG Entitlement Communities for descriptions of projects that can be funded through CDBG. It can be found at the following link: <https://www.hudexchange.info/resource/89/community-development-block-grant-program-cdbg-guide-to-national-objectives-and-eligible-activities-for-entitlement-communities/>

In addition, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by the Department of Housing and Urban Development (HUD) to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities.

National Objectives

All funded projects must also meet one of the three CDBG program National Objectives:

- Benefit low to moderate income individuals or families
- Eliminate slum or blight
- Urgent Need (such as disaster recovery)

POSSIBLE USE OF FUNDS TO SUPPORT COVID-19 RESPONSE

If you would like to propose a program to assist with COVID-19 response, please refer to the [CDBG Quick Guide to Support Infectious Disease Response](#) published by HUD to provide grantees with information on implementing Community Development Block Grant (CDBG) funds in a coordinated effort with local health authorities. Grantees may use CDBG funds for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the coronavirus disease 2019 (COVID-19). Please refer to HUD's Quick Guide for a complete listing of activities that can be funded through the CDBG annual entitlement allocation.

Because of the impact of COVID-19, the City may consider adding Economic Development as a category of High Priority Need; therefore, applications will be accepted in the following categories:

- Affordable Housing
- Public Services
- Public Facilities
- Economic Development

Organizations may propose more than one program or project in separate applications.

For the City of San Marcos, the following programs listed in the Quick Guide may be of particular benefit:

1. Provision of assistance to private, for-profit entities when appropriate to carry out an economic development project, such as:
 - Preventing job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low to moderate income persons.
 - Providing technical assistance, grants, loans and other financial assistance to establish, stabilize and expand microenterprises that provide medical, food delivery, cleaning and other services to support home health and quarantine.
2. Provision of new or quantifiably increased public services, such as the following.
 - Delivering meals on wheels to quarantined individuals or individuals who need to maintain social distancing due to medical vulnerabilities.
 - Providing equipment, supplies and materials necessary to carry out a public service.

APPLICATIONS ARE PUBLIC RECORDS

Once an application is submitted to the City, it becomes a public record and as such is open for public review. All or part of the application may be posted on the City's webpage and included in City Council packet materials. Please keep this in mind when submitting personal information for your staff, board, or clients.

APPLICATION CALENDAR AND CITIZEN PARTICIPATION

The City of San Marcos values the input of its citizens and offers the following opportunities to participate in the preparation of the annual Action Plan. Scheduled dates and venues are subject to change. Workshops will be held virtually due to the current status of the COVID-19 pandemic.

Please check the website <https://www.sanmarcostx.gov/3065/CDBG-Action-Plans> for the latest information and for instructions on joining a virtual meeting.

- Applicant Workshop - **April 2, 2020 at 9:00 a.m. (virtually)**
- Stakeholder's Workshop - **April 2, 2020 at 6:00 p.m. (virtually)**
- Public Hearing for Review of Applications Citizen Comments – **June 16, 2020 at the City Council meeting**
- City Council 2020 Funding Allocations– **August 4, 2020 at the City Council meeting**

FUNDING AWARDS

Submitting a complete application does not guarantee that your request will be funded. The CDBG grant can fund only the actual, allowable, and reasonable costs of a proposed project, and requests for funding generally exceed the amount of funding available. Funding allocations are decided by the City Council, subject to HUD approval.

AVAILABILITY OF FUNDS

Funds awarded for the 2020 program year become available after October 1, 2020. The organization's Subrecipient Agreement with the City must be fully executed prior to the expenditure or commitment of program funds. The appropriate level of environmental review must be completed by CDBG staff before any funds are expended or obligated. Environmental reviews typically take 45 to 60 days to complete for small construction projects and about 15 days for projects that are not likely to have a physical impact on the environment. **No reimbursement will be possible for goods purchased or contracts executed prior to meeting these requirements.**

ORGANIZATION ELIGIBILITY REQUIREMENTS

- Organizations applying for Public Services funding must be a public or private non-profit agency, a public housing authority, a City of San Marcos department, or other government entity.
- Non-profit agencies must be established, operating agencies as evidenced through documentation required in the application. Exhibits to show tax exempt status are required.
- Faith based agencies are eligible to apply on the same basis as other non-profit organizations. However, CDBG funds cannot be used to support worship, proselytizing, or religious instruction. Religious activities must be offered separately, in time or location, from the CDBG supported activity. Participation in the religious activity must be voluntary for the beneficiaries of the CDBG-funded project. Projects operated by faith-based agencies must be available to all community members and not restricted to the organization's membership or congregation.

NON-DISCRIMINATION AND ACCESSIBILITY

Each agency receiving CDBG funds must:

- Provide assurance that it will conduct its business in compliance with the non-discrimination requirements of the County, State, and Federal governments as applicable.
- Have Equal Opportunity in Employment policies.
- Agree to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063 as amended by Executive Order 12259, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

FINANCIAL CAPACITY AND AUDITING REQUIREMENTS

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* issued by the federal Office of Management & Budget (OMB) requires that any organization that expends \$750,000 or more in federal financial assistance in a fiscal year must secure an annual audited financial statement.

The City has established the following financial statement requirements for organizations assisted with CDBG program funds, based on the total assets of the applicant. The term "total assets" is defined to mean the total amount of liquid assets that is documented to be available to the Subrecipient at the time the funding is approved.

- A. CPA preparation of financial records is not required if the Subrecipient has total assets of \$15,000 or less in value;
- B. A compiled financial statement is required if Subrecipient has total assets greater than \$15,000 and less than or equal to \$100,000 in value.

- C. A reviewed financial statement is required if Subrecipient has total assets greater than \$100,000 and less than or equal to \$200,000 in value.
- D. An audited financial statement is required if Subrecipient has total assets of more than \$200,000 in value. (In an “Audited” statement a CPA provides an in-depth study of the records, organizes them into a statement, and issues an opinion to their validity.)

Organizations receiving CDBG funds must submit the required financial statement which has been prepared by a Certified Public Accountant to the City within nine months from the organization’s fiscal year end and not more than 30 days after the organization’s receipt of the statement.

INSURANCE AND BONDING

Agencies receiving CDBG funding must provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of the funded project. At the time of contract signing, funded agencies must provide evidence of insurance including, but not limited to, multi-peril property and liability, worker’s compensation, automobile liability, and other coverage as deemed necessary by the City. In addition, upon funding the City of San Marcos, Officers, Employees and agents must be added as additional insured to the policy.

PROJECT IMPLEMENTATION SCHEDULE AND PERFORMANCE MEASUREMENT GOALS

Performance measurement is an effective management technique that enables those who receive grant funds (Subrecipients) and the City to analyze the benefits of their investments. It is a mechanism that tracks the progression of projects and evaluates their overall effectiveness and success in meeting project goals. **One of the most important overall goals in planning a CDBG project is the completion of the project in a timely manner.**

The City is monitored by HUD to ensure that the CDBG grant program has benefited low-to-moderate-income families; one success measurement that the City must meet is the expenditure of its program funds in a timely manner. The City must take into account the project schedules for each project that is proposed to ensure that the overall CDBG program will comply with its federally mandated timeliness ratio. Thus, it is critical that each applicant accurately forecasts the time that will be involved in completing each step of a proposed project.

Please use the format included in this application to outline the expected Implementation Schedule for your project. This document will be incorporated into the Subrecipient Agreement for funded projects. The City will monitor the performance of Subrecipients against the goals and performance standards established by this document. Substandard performance as determined by the City will constitute noncompliance with the Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient with a reasonable period of time after notification by the City, contract suspension or termination processes may be initiated.

NOTES FOR ORGANIZATIONS RECEIVING FEDERAL FUNDS

Subrecipient Registration Requirements:

- Organizations receiving CDBG funding (Subrecipients) must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number. If you do not have a DUNS number, go to <http://fedgov.dnb.com/webform> to register.
- Funded applicants must also have an active registration with System of Award Management (SAM). To register with SAM, go to www.sam.gov to register. **You must have a DUNS number prior to registering with SAM.** Subrecipients must provide proof of SAM registration prior to the execution of a Subrecipient Agreement. This is required when federal funds are being utilized.

INCOME LIMITS

Income limits are established by HUD on an annual basis for the purpose of establishing CDBG grant eligibility. The limits are based on household size. Income is calculated for every adult 18 and older residing in the household. HUD considers 80% and below to be low income. San Marcos CDBG Area Median Income (AMI) Limits are based on the Median Family Income for the Austin/Round Rock Metropolitan Statistical Area (MSA). The current Median Family Income for the Austin-Round Rock MSA is \$95,900, which became effective June 1, 2019. The 2020 limits are expected to be released by HUD in the next few months.

Family Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	\$52,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

SUPPLEMENTAL ITEM CHECKLIST
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
DUE DATE: MAY 1, 2020

Submit one copy of the following items:

Required:

- Board of Directors list including position/title on board.
- Contact numbers for Board Chair or President and Treasurer.
- Resolution or Board Minutes showing approval to submit an application and designation of person who will sign documents on behalf of the organization.
- Organization Chart
- Articles of Incorporation
- Bylaws
- Tax Exempt Determination Letter (for non-profit organizations)
- Organization's Current Budget (2019-2020) and Proposed Budget for next fiscal year
- Most Recent audit or CPA prepared review.
- Description of employees, board members, volunteers who will work with the project
- Non-discrimination Policy Statement

If applicable:

- Service area boundary for area benefit projects
- Fee schedule or structure for the project proposed for funding
- Copy of program application if one is used to select beneficiaries
- Description of how applicant income will be determined if there are direct beneficiaries
- Detailed explanation of any lawsuits, judgments, or bankruptcy proceedings
- Job descriptions for new positions expected to be filled using CDBG funding

CITY OF SAN MARCOS
2020 CDBG APPLICATION



NOTE: This form is not to be used for applicants seeking funds to support programs operated by non-profit organizations. A separate application form for "Public Services" is available and should be used for projects of that nature.

Due Date: May 1, 2020

I. APPLICANT CONTACT INFORMATION

Applicant Organization: Southside Community Center

Contact Name: Ruben Garza Telephone: 512-392-6694 ext 0

Mailing Address: 518 S. Guadalupe Street, San Marcos, TX 78666

Physical Address, if different from mailing address: _____

Contact E-Mail Address: southside_comm@yahoo.com Web Address: southsidecommunitycenter.org

Who is authorized to execute program documents? Ruben Garza or Andrew Alejos

II. APPLICATION SUMMARY INFORMATION

Project Name: San Marcos River Work Camp

Amount of CDBG Funds Requested: \$100,000

Project Location: 518 S. Guadalupe Street

High Priority Need

Affordable Housing

Public Services [Use the Public Services Application]

Public Facilities

Economic Development

National Objective

Benefit to Low/Mod Income Persons

Slum or Blight Elimination/Prevention

Urgent Need (such as disaster)

Will all CDBG funds for this project be expended by July 15, 2021? Yes No

If "No", what percent is expected to be completed by that date? 75%

III. PROJECT DESCRIPTION

SUMMARY

Summarize how CDBG funds are proposed to be used:

The CDBG funds will be allocated toward the renovation/ rehabilitation of at least seven existing owner occupied substandard homes. Monies will be used for the purpose of lead hazard identification and remediation. Other expenses that are typically included in the renovations of these homes are interior/exterior painting, ramp construction, electrical/plumbing repairs roof repairs/replacements, and interior improvements as needed.

San Marcos has proven to experience high levels of poverty and unemployment rates. Southside Community Center aims to repair the homes for those who cannot afford it. In doing so, we provide a safe and livable dwelling that meets the city's health and safety standards. All families selected through our program must meet the criteria that Hays County, the City of San Marcos, Southside Community Center, and HUD have set in place. The homes that are selected will be considered substandard or dangerous, no standard homes will be selected. Southside Community Center utilizes volunteers from church youth groups to handle majority of the labor for our program. Southside Community Center will hire skilled workers to guide our volunteers on how to properly renovate the selected homes; food and shelter are also provided for our volunteers while they renovate the homes.

PROJECT SCOPE:

Please check all statements that apply to this project:

- All project design work is complete for this project (plans, specifications, etc.)
- This project will include selection of professional service providers (architect, engineer, etc.)
- This project includes acquisition of real property
- This project includes the rehabilitation of existing buildings
- This project includes new construction
- This project includes demolition of existing structures
- This project includes a public facility (such as a senior center)

ACCOMPLISHMENTS

Once the project is completed, how can its success be measured?

All homes renovated through the rehabilitation housing program are able to meet the City of San Marcos health and safety requirements when the project is completed. Health and safety hazards on the property are much improved, if not eliminated entirely. In doing so, we marginally improve the quality of life of those individuals whose homes were renovated. Many of these dwellings are a liability to the homeowners and the surrounding community. For example, many of the homes have faulty electrical wiring, or serious issues with plumbing that have the potential to do harm to neighboring houses. Eliminating these types of risks for impoverished homeowners makes the program successful. In doing so, we raise awareness and understanding in the community in regards to the needs of the low income population in San Marcos.

IV. BENEFICIARIES

The CDBG program allows several different methods of documenting that a project benefits low to moderate income persons. *Direct Benefit* projects provide services directly to an individual or family; for example, a housing rehabilitation project is a Direct Benefit project. *Area Benefit* projects benefit a geographic location; for example, a Sidewalk Project.

DIRECT BENEFIT PROJECTS:

Applicant must be able to document that at least 51% of the beneficiaries have an annual income that is at or below 80% of the Area Median Income and are San Marcos residents.

1. How many unduplicated individuals or households are expected to be served by this project? 7 households

Presumed Benefit: Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit a population in which at least 51% of the population is low-to-moderate income. Individual income verification is not required, although residency and other client statistics must be collected. The Presumed Benefit categories are:

a. Elderly persons (62 or older)	e. Battered spouses
b. Homeless persons	f. Abused children
c. Persons living with AIDS	g. Migrant farm workers
d. Illiterate persons (includes non-English speakers)	h. Severely disabled adults (Census Bureau definition)

2. Will all of the program's beneficiaries be in a Presumed Benefit Category? Yes or No

If "yes", list the categories: _____

3. If the program's beneficiaries cannot be considered "Presumed", how will income eligibility be determined?

Projection of the individual or family's income based on family size; or,

Other. Please provide details of how eligibility will be determined:

AREA BENEFIT PROJECTS:

Some projects, such as a senior center or a park, serve an area rather than individual persons. HUD defines an area benefit project as an activity which is available to benefit all of the residents of an area which is primarily residential. In order to meet the eligibility requirement of benefitting low to moderate persons, the area served must be an area where at least 51% of the residents are low/mod income persons. Most, but not all, San Marcos residential neighborhoods are low/mod.

1. Will this project be available to benefit all persons in the service area? Yes No

2. Are the neighborhoods that will benefit from this project primarily residential? Yes No

If "No", please explain: _____

3. What neighborhoods will benefit from this project? Please list either individual neighborhoods or describe the boundaries that will define the service area:

Low-moderate income residential neighborhoods in San Marcos where 51% of the residents are living on low to moderate incomes.

PUBLIC FACILITY PROJECTS

In the CDBG program, Public Facilities are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by non-profit organizations, and operated so as to be open to the general public. Facilities providing shelter for persons having special needs are also considered to be public facilities.

- *Public facility projects cannot include the costs of operating and maintaining public facilities, costs of purchasing construction equipment, the costs of furnishings and other personal items such as uniforms, or new construction of public housing.*
- *Public facilities are intended to benefit all the residents of an area; thus, in most cases it must serve an area having at least 51% low/mod population.*
- *Public facilities owned by a nonprofit must be made available to the general public and must be open for use by the general public during all normal hours of operation.*
- *Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges, such as excessive membership fees, which will have the effect of precluding low/mod income persons from using the facilities, are not permitted.*

1. Who is/will be the owner of the facility? _____

2. Will fees be charged for the use of the facility? _____ Yes or _____ No

If yes, please attach a fee schedule.

3. How will the facility be made available to the general public? _____

LINE ITEM BUDGET

Please use the following format to present your proposed line item budget - you are welcome to copy this format into excel instead of filling out this form. Secured funds are funds on-hand, pledged, or awarded. City Council has waived fees for Construction Permitting and Development Code Processes for CDBG projects. Impact fee charges, when applicable, are not waived. Round budget numbers to the nearest dollar.

CDBG funds cannot be spent or obligated until final environmental clearance for the project has been obtained. HUD has interpreted "obligated" to mean that we cannot execute contracts or take bids as that will "obligate" funds. The environmental review is generally prepared by the City's CDBG staff. **Please include \$1,000 for environmental fees for rehabilitation, new construction, demolition or clearance, and land acquisition projects.** No environmental expenses are required for professional service projects that will not include construction.

Budget Item	Total Budget	CDBG Funding Proposed	Other Funding Source(s)	Secured Funds available at project start	Additional Funds Needed to Complete Project
Project Soft Costs					
Environmental Review Costs		\$1,000	Hays County	\$8,333.33	
Professional Services			Donations	\$15,000	
Publication Costs	\$2,500				
Volunteer Expenses	\$133,100				
Administration/Management	\$42,000				
Project Hard Costs					
Environmental Testing (lead paint, etc.)	\$15,000	\$15,000			
Dumpsters / fencing/ portable toilets, etc.			CDBG		\$100,000
Demolition / clearance expenses			Volunteer Fees	\$160,000	
Rehabilitation or new construction costs	\$84,000	\$84,000			
Property acquisition					
Insurance	\$1,670				
BUDGET TOTAL	\$278,270	\$100,000		\$183,333.33	\$100,000

VI. PROJECT IMPLEMENTATION SCHEDULE

The first activity should be environmental review. Projects that do not impact the physical environment generally take about 15 days for environmental review – this would include public services, professional services, homebuyer assistance.

Projects that will potentially have a physical impact on the environment (construction or demolition, for example) generally take 45 to 60 days for environmental review. If the project is located in a FEMA floodplain, add 30 additional days.

Please include reasonable time for procurement activities, including procurement of professional service providers.

Projected Implementation Schedule with Performance Goals			
Activity Description	Start Month/Year	End Month/Year	Performance Measurement Goal
<i>Example: Procurement of Architect</i>	<i>October 2020</i>	<i>December 2020</i>	<i>Contract executed</i>
City Environmental Review	October 2020	December 2020	Approval to use funds
Volunteer applications accepted	January 2021	May 2021	Choose volunteers
Accept homeowners app/verify eligibility	January 2021	April 2021	Select homes to renovate
Bidding to select Contractors	April 2021	April 2021	Contracts executed
LBP Analysis	April 2021	April 2021	Lead hazards identified
Pre-construction meeting	May 2021	May 2021	Clearance obtained
LB Hazard mitigated	May 2021	May 2021	Projects ready for renovation
Construction activities	June 2021	August 2021	Projects completed
Final walk-through	August 2021	August 2021	Program closeout

VII. ORGANIZATION INFORMATION

REQUIRED ATTACHMENTS

Please attach the following documents with your application, as applicable:

- Organizational Chart
- Articles of Incorporation
- Proof of Tax Exempt status
- Current year budget
- Most recent balance sheet and financial statement
- A listing of key staff and employees who will work directly with the proposed project, their primary job duties, and other pertinent information relating to your proposed project.
- If CDBG funds will be used to hire new personnel, please provide a brief job description of the proposed position(s).
- A listing of your board of directors, including position or title on the board. Provide a contact number for the Chair or President and Treasurer. Note: Information provided will be available for public review.
- Board minutes and resolution authorizing application submittal and specifying who will sign documents. *(The organization's governing board must approve the submittal of this funding application and designate a person who is authorized to execute program documents.)*

BACKGROUND INFORMATION

1. Organization Type:
 501(c) Non-Profit Corporation Public Corporation Government Entity
Other: _____
2. Name and title of Board of Directors Chair or President: Debbie Ingalsbe
3. How many years has your organization been in business? 1927-present
4. Organization's Taxpayer Identification Number (EIN): 74-1191885
5. Organization's Dun and Bradstreet DUNS Number: 102747672
6. Is organization currently registered in the federal System for Award Management (SAM)? Yes No

FINANCIAL INFORMATION

1. What is the date of your fiscal year end? September
2. Does your organization have a purchasing policy? Yes No
3. Has your organization currently or within the past five years had any litigation that is pending or has been resolved?
 Yes No
If "Yes", please attach a summary of the litigation and its status; including any outstanding judgments.
4. Has your organization filed a petition for bankruptcy or has a petition for bankruptcy been filed against your organization?
 Yes No
If "Yes", please attach an explanation that includes the current status.

5. During the last fiscal year did your organization spend \$750,000 or more in Federal financial assistance?
 Yes No
6. What level of financial review does your organization obtain from an independent source? Select from the following options:
 Single Audit Audited Financial Statement
 Reviewed Financial Statement Compiled Financial Statement
 No independent review Other (describe):
7. What period was covered by your most recent financial review? October - September 2018 and 2017

PERSONNEL AND POLICIES

1. Name and title of your chief administrator Ruben Garza
 Number of years in this position? 33
2. Total number of current employees at all locations 11
3. Total number of current employees who will be involved in this project 4
4. Total number of new employees expected to be hired for the project 1
5. Does your organization have a personnel policy manual? Yes No
 Does it include a procedure for filing grievances? Yes No
 Does it include a non-discrimination clause? Yes No
6. Does your organization maintain a written code or standards of conduct that governs the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds?
 Yes No
7. Separation of duties for financial transactions regarding this project (respond with job title):
- Who will approve payment of incurred expenses? Ruben Garza, Executive Director
 - Who will actually prepare the payment check? Andrew Alejos, Operations Director
 - Who will sign checks paying project expenses? Ruben Garza, Executive Director
 - Who posts the transaction to your financial records? Andrew Alejos, Operations Director
 - Who reconciles monthly bank statements? Deborah Villapando

INSURANCE, BONDING, AND WORKER'S COMPENSATION

1. Does your organization have liability insurance coverage? Yes No
2. If yes, in what amount? \$3,000,000
3. Does your organization pay worker's compensation in accordance with Federal and state laws?
 Yes No N/A
4. Does your organization have fidelity bond coverage for principal staff members who handle the organization's accounts? Yes No
5. Will vehicles owned by the organization be used in conjunction with the proposed project?
 Yes No
6. If yes, what level of liability insurance is maintained on the vehicles? \$300,000

VIII. CONFLICTS OF INTEREST (24 CFR 570.611; 24 CFR 85.36; AND 24 CFR 84.42)

Two sets of conflict of interest provisions apply to activities carried out with CDBG funding. The first set, applicable to the procurement of goods and services by subrecipients (*funded applicants*), is the procurement regulation found in the *Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations*. The second set of provisions is located at 24 CFR 570.611(a)(2).

With respect to procurement activities, the subrecipient must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. At a minimum, these standards must:

1. Require that no employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict would be involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:
 - An employee, officer, or agent of the subrecipient;
 - Any member of an employee's, officer's, or agent's immediate family;
 - An employee's, agent's, or officer's partner; or
 - An organization which employs or is about to employ any of the persons listed in the preceding sections.
2. Require that employees, agents, and officers of the subrecipient neither solicit nor accept gratuities, favors, or anything of value from contractors or parties to sub-agreements. However, subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
3. Provide for disciplinary actions to be applied for any violation of such standards by employees, agents or officers of the subrecipient.

With respect to all other CDBG-assisted activities, the general standard is that no employee, agent, or officer of the subrecipient who exercises decision-making responsibility with respect to CDBG funds and activities is allowed to obtain a financial interest in or benefit from CDBG activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds for the activities. Specific provisions include that:

- The requirement applies to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, a designated public agency, or a subrecipient, and to their immediate family members and business partners.
- The requirement applies to such persons during their tenure and for a period of one year after leaving the grantee or subrecipient organization.
- Upon written request, exceptions may be granted by HUD on a case-by-case basis.

IX. APPLICANT ASSURANCES AND CERTIFICATIONS

The applicant hereby assures and certifies with respect to this project or program, by the submission of this application, that the following are true statements:

1. It possesses legal authority to apply for the grant and to finance the proposed request; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
2. It will comply with the Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards as codified in Title 2, Part 200 of the Code of Federal Regulations (UAR) and agrees to adhere to the accounting principles and procedures required therein, utilizing adequate internal controls and maintaining necessary source documentation for all costs incurred.
3. If it expends \$750,000 or more of federal funds in a fiscal year, it will comply with the Single Audit Act of 1984.
4. It will comply with the provisions of Executive Order 11988, relating to evaluation of flood hazards, and Executive Order 11990, relating to protection of wetlands. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, and approved December 31, 1976. Section 102(a).
5. It will have sufficient funds available or the ability to obtain the non-federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
6. It will give the City and the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.
7. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the City that funds have been approved and that the project will be performed to completion with reasonable diligence.
8. It will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this agreement.
9. It will comply with the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-646), which provides for fair and equitable treatment of persons displaced as a result of federal and federally-assisted programs.
10. It will comply with the provisions of the Hatch Act, which limit the political activity of employees.
11. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act as they apply.
12. It will insure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the project are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify the city/federal grantor agency of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be utilized in the project is under consideration for listing by the EPA.
13. It will assist the city/federal grantor agency in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.).

14. It will comply with Texas Civil Statutes, Article 5996a, by insuring that no officer, employee, or member of the applicant's governing body or of the applicant's contractor shall vote or confirm the employment of any person related within the second degree by affinity or third degree by consanguinity to any member of the governing body or to any other officer or employee authorized to employ or supervise such person. This prohibition shall not prohibit the employment of a person who shall have been continuously employed for a period of two years prior to the election or appointment of the officer, employee, or governing body member related to such person in the prohibited degree.
15. It will insure that all information collected, assembled or maintained by the applicant relative to this project shall be available to the public during normal business hours in compliance with Texas Civil Statutes, Article 6252-17a, unless otherwise expressly provided by law.
16. It will conduct and administer the program in conformity with the Fair Housing Act (42 USC Section 3901 et. Seq.) and that it will affirmatively further fair housing.
17. It will minimize displacement of persons as a result of activities assisted with CDBG funds. In the event that displacement of residential dwellings will occur in connection with a grant-assisted project, it will follow a residential anti-displacement and relocation assistance plan as specified by the City of San Marcos.
18. It certifies that it is not now, nor has it ever been, on the Federal List of Debarred Contractors.
19. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of LMI, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless (a) such funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, applicant certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a).
20. It agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart J and subpart K of these regulations, except that (1) the Agency does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) Agency does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. Agency also agrees to comply with all other applicable Federal, State, and local laws, regulations, and policies governing the funds provided. Agency further agrees to utilize funds available to supplement rather than supplant funds otherwise available. Agency shall comply with all applicable Federal laws, regulations, and requirements, which include compliance with the provisions of the HCD Act and all rules, regulations, guidelines, and circulars promulgated by the various Federal departments, agencies, administrations, and commissions relating to the CDBG Program. The applicable laws and regulations include, but are not limited to:
 - 24 CFR Part 570;
 - 24 CFR Parts 84 and 85;
 - The Davis-Bacon Fair Labor Standards Act;
 - The Contract Work Hours and Safety Standards Act of 1962;
 - Copeland "Anti-Kickback" Act of 1934;
 - Sections 104(b) and 109 of the Housing and Community Development Act of 1974;
 - Section 3 of the Housing and Urban Development Act of 1968;
 - Equal employment opportunity and minority business enterprise regulations established in 24 CFR part 570.904;
 - Non-discrimination in employment, established by Executive Order 11246 (as amended by Executive Orders 11375 and 12086);
 - Section 504 of the Rehabilitation Act of 1973 Uniform Federal Accessibility Standards;
 - The Architectural Barriers Act of 1968;
 - The Americans with Disabilities Act (ADA) of 1990;
 - The Age Discrimination Act of 1975, as amended;

- National Environmental Policy of 1969 (42 USC 4321 et seq.) as amended;
- Lead Based paint regulations established in 24 CFR Parts 35, 570.608, and 24 CFR 982.401;
- Asbestos guidelines established in CPD Notice 90-44;
- HUD Environmental Criteria and Standards (24 CFR Part 51);
- The Energy Policy and Conservation Act (Public Law 94-163) and 24 CFR Part 39
- Flood Disaster Protection Act of 1973;
- Colorado House Bill 06-1023 and 06-1043;
- Procurement Standards (2 CFR 200.322);
- Rights to Inventions Made Under a Contract or Agreement (37 CFR 401.2 (a));
- Energy Efficiency (2 CRF Part 200 Appendix II); and
- Recycling (2 CFR Part 200 Appendix II).

CERTIFICATIONS REGARDING LOBBYING:

21. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
22. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard form – “Disclosure Form to Report Lobbying”, in accordance with its instructions.
23. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
24. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

GENERAL CERTIFICATIONS:

25. The information, exhibits, and schedules contained in this application are true and accurate statements and represent fairly the financial condition of our organization;
26. Our organization is eligible to receive federal funding and has not been placed in a debarred or otherwise ineligible status under the provisions of CFR Part 24;
27. Our organization prohibits discrimination in accordance with Title VI of the Civil Rights Act of 1964; and,
28. Our governing body has duly authorized submission of this document. If funded, we agree to comply with the procedures outlined in the “Playing by the Rules” handbook that will be supplied by the City of San Marcos.

I, the duly authorized representative of the applicant organization, certify that the foregoing statements are true to the best of my knowledge and belief:

CERTIFIED BY:

Signature: Ruben Garza  Digitally signed by Ruben Garza
 Date: 2020.05.01 13:16:24 -05'00' Date Signed: 05.01.2020
 Printed Name: Ruben Garza Title: Executive Director
 Organization Name: Southside Community Center



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF INCORPORATION
OF

SOUTHSIDE COMMUNITY CENTER

The undersigned, as Secretary of State of the State of Texas, hereby certifies that duplicate originals of Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated AUGUST 30, 1972

Bob Fowler
Secretary of State

COPY

ARTICLES OF INCORPORATION OF
SOUTHSIDE COMMUNITY CENTER

We, the undersigned natural persons of the age of 21 years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act do hereby adopt the following articles of incorporation of such corporation.

ARTICLE I.

The name of the corporation is Southside Community Center, City of San Marcos, State of Texas.

ARTICLE II.

The corporation is a non-profit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The purposes for which the corporation is organized are religious, educational, and charitable. No substantial part of the activities of the corporation shall be engaged in carrying on propaganda or otherwise influencing legislation or intervening in a political campaign on behalf of any candidate for public office.

ARTICLE V.

The street address of the initial registered office of the corporation is 318 South Guadalupe street, San Marcos, Texas, and the name of its initial registered agent at such address is Ernest Morgan.

ARTICLE VI.

The governing body of this corporation shall be known as the Board of Directors, which shall be composed initially of 14 members, and the names and addresses of the persons who are to serve as initial directors are:

<u>Name</u>	<u>Address</u>
Ernest Mendoza	521 S. Guadalupe, San Marcos, Texas
Clara Suarez	1230 Porter St., San Marcos, Texas
Mrs. Peggy Byas	630 Center St., San Marcos, Texas
Mrs. Nancy Ellis	Route 1, Box 184, San Marcos, Texas
Onesimo Mendoza	825 Alabama, San Marcos, Texas
Mrs. Josefina Perez	121 W. Grove, San Marcos, Texas
Mrs. Ross Compton	411 Lamar Avenue, San Marcos, Texas
Edward Yeargan	102 Nichol, San Marcos, Texas
Wynette Barton	925 Burlison, San Marcos, Texas
Celestino Mander	1213 W. San Antonio, San Marcos, Texas
Rev. Alphonso Washington	107 Texas Avenue, San Marcos, Texas
Rev. David Chavez	209 Grove, San Marcos, Texas
Rev. Ellis Thomas	Box 2490, San Marcos, Texas
Oscar Hanicke	1004 Sycamore, San Marcos, Texas
Garry Flores	Route 1, Box 338A, San Marcos, Texas
Mrs. Eleanor Crook	227 N. Mitchell, San Marcos, Texas
Mrs. Alice Hurtado	205 Sherwood, San Marcos, Texas
Mrs. C. E. Matthews	Box 596, Eagle Lake, Texas, Ex-Officio
Mrs. John Wilshusen	326 Glenmore, Corpus Christi, Texas, Ex-Officio
Rev. William Harris	4012 Crescent Drive, Austin, Texas, Ex-Officio
Mrs. A. B. C. Dean	1215 W. San Antonio, San Marcos, Texas, Ex-Off.
Rev. Milton Dore	6100 Barkman Drive, Austin, Texas, Ex-Officio

ARTICLE VII.

The name and address of each incorporator is: Rev. Alphonso Washington, 107 Texas Avenue, San Marcos, Texas; Leroy Young, 1439 Highland Drive, San Marcos, Texas; and H. Y. Price, Jr., Kyle, Texas.

ARTICLE VIII.

There shall be no members of the corporation. All business shall be conducted by the Board of Directors, but the Board of Directors shall be named and controlled in accordance with procedures and policies duly promulgated by the National Division, Board of Global Ministries of the United Methodist Church or its successor organization.

ARTICLE IX.

The Board may adopt by-laws not inconsistent with these Articles of Incorporation.

IN WITNESS WHEREOF, we have hereunto set our hands, this 30th day of August, 1972.

Alphonso Washington
Leroy Young

THE STATE OF TEXAS)
COUNTY OF HAYS)

Before me, the undersigned notary public, on the 30th day of August, 1972, personally appeared Alphonso Washington, Leroy Young, and H. Y. Price, Jr., who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

In witness whereof, I have hereunto set my hand and seal of office the day of the year above written.

David L. Lusk
Notary Public in and for
Hays County, Texas

My Commission Expires June 1, 1973.

J 0 2 2 8 8 0 0 2 7 8

In the Office of the
Secretary of State of Texas

DEC 06 1996

Corporations Section

AMENDED
ARTICLES OF INCORPORATION
OF THE
SOUTHSIDE COMMUNITY CENTER, INC.

We, the undersigned acting as a majority of the Trustees of the Corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Amended Articles of Incorporation for such Corporation:

AMENDED
ARTICLE FOUR
PURPOSE AND POWERS

The purposes and powers of the Corporation is formed, and the business and objects to be carried on and promoted by it, are as follows:

PURPOSES:

1) This corporation is organized exclusively for charitable and/or educational purposes, including for such purposes, the making of distributions to organizations which qualify as exempt organizations under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future United States internal revenue law, or to the Secretary of Housing and Urban Development for the time being exclusively for a public purpose, in pursuance of the foregoing purposes, the Corporation shall have the power to provide low income, elderly, persons with disabilities with housing and economic development facilities and services specifically designed to meet their physical, social, and psychological needs, and to promote their health, security, happiness and usefulness in living, the charges for such facilities and services to be predicated upon the provision, maintenance, and operation thereof on a non-profit basis.

2) To educate the public about the needs for, benefits of and opportunities to develop low and moderate income community economic and housing development and to increase the availability of financing and grants for community economic and housing development.

3) To provide or make available the technical skills and knowledge needed to successfully undertake community economic and housing development.

4) To provide loans and investments to community residents, not-for-profit organizations, and businesses undertaking the construction, rehabilitation of residential or commercial property or the operation of a business consistent with the purposes of this Corporation.

5) To acquire, improve, and to sell or operate any real or personal property or interest or rights therein or lien thereon consistent with the purposes of this Corporation; (g) To borrow money and to execute such contracts, agreements, and instruments as may be necessary and to execute such contracts, agreements, and instruments in connection therewith.

6) To establish and operate business enterprises consistent with the purposes of the Corporation.

7) To do all the things necessary and appropriate for carrying out and exercising the foregoing purposes and powers; To conduct any other legal charitable and educational activities.

The corporation is irrevocably dedicated to and operated exclusively for non-profit purposes and no part of the income or assets of this Corporation shall be distributed, no more to the benefit of, any individual.

ARTICLES:

The Corporation formed hereby shall have no capital stock.

2) The Corporation is not organized for pecuniary profit and shall have no power to declare dividends. No part of the net earnings of the Corporation shall inure to the benefit of any member, trustee of the Corporation, officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affected of one or more of its purposes). The balance, if any, of all money received by the Corporation, after payment in full of all operating expenses, debts, obligations of the Corporation of whatever kind and nature as they become due, shall be used to make advance payments on any loans owed by the Corporation or for activities consistent with the purposes of the Corporation. No trustee or officer of the Corporation, or any private individual shall be entitled to share in the distribution of any of the Corporation's assets on dissolution of the Corporation.

3) No substantial part of the activities of the Corporation shall be carrying on of propaganda, or otherwise attempting, to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

4) The Corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, as amended, or corresponding provisions of any subsequent federal tax laws.

5) Notwithstanding any other provisions of these Articles of Incorporation, the Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, or corresponding provisions of any subsequent federal tax laws, and its Regulations as they now exist or as they may hereafter be amended.

6) In the event of the dissolution of this Corporation, or in the event it shall cease to carry out the objectives and purposes herein set forth, The Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, shall dispose of all business, property, and assets of the Corporation, be distributed to a organization operated exclusively for charitable, scientific, literary, or educational purposes, as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or corresponding provision of any future United States Internal Revenue law). In no event shall any of the assets or property, in the event of dissolution hereof, go or be distributed to any individual including but not limited to officers and trustees of the Corporation, either for the reimbursement of any sum subscribed, donated, or contributed by such members, or for any other purposes, provided that nothing herein shall prohibit the Corporation from paying its debts.

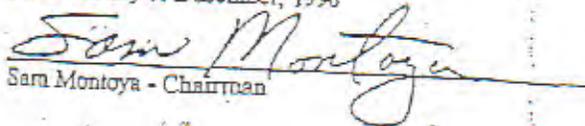
7) Notwithstanding any of the above statements of purposes and powers, this Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this Corporation.

8) This Corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

AMENDED
ARTICLE EIGHT
BOARD OF DIRECTORS

There shall be no members of the corporation. All business shall be conducted by the Board of Directors.

IN WITNESS WHEREOF, We have hereunto set our hand, this 2nd day of December, 1996


Sam Montoya - Chairman

10228800210

STATE OF TEXAS

COUNTY OF HAYS

BEFORE ME, a notary public, on this day personally appeared Sam Montoya, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

GIVEN under my hand and seal of office this _____ day of _____, 1996

Notary Public in and for Hays County, Texas

My Commission Expires _____

BY LAWS
SOUTHSIDE COMMUNITY CENTER, INC.
SAN MARCOS, TEXAS
ADOPTED October 23rd, 2001

ARTICLE I
NAME

The name of this organization shall be Southside Community Center, Inc.

ARTICLE II
PURPOSE

Southside Community Center is an agency of social concern committed to the development of the neighborhoods of San Marcos and Hays County. It operates on the belief that a neighborhood organized around its own interests can do much to enhance personal dignity of the individual and restore the democratic principle of self determination. To achieve this purpose, the Center is engaged in a program of direct services, social action, and various economic developments and in providing safe and affordable housing to low and moderate income people

ARTICLE III
PROPERTY AND SUPPORT

SECTION 1 PROPERTY

- a. Title to the property located at 518 S. Guadalupe, San Marcos, Hays County, Texas 78666, is held in the name of the Women's Division of the General Board of Global Ministries of the United Methodist Church, with headquarters at 475 Riverside Drive, New York, New York 10015, incorporated under the laws of the State of New York.
- b. Title to all other properties owned by Southside Community Center, Inc. are attached as Exhibit "A", made a part hereof and attached hereto, and as may be revised as needed.

SECTION 2 SUPPORT

Contributions for support of the Center located at 518 S. Guadalupe are made by the General Board of Global Ministries of the United Methodist Church. The basic sources of these funds are the Women's Division and World Service.

Other sources of support for Southside Community Center, Inc. are Hays County United Way Fund, churches, private contributions, and special grants from local, State, and Federal funds as approved by the Board of Directors. Income from investments is also a source of funds for the corporation.

ARTICLE IV
BOARD OF DIRECTORS

SECTION I AUTHORITY

The Southside Community Center shall be governed by a Board of Directors which shall exercise all the powers of the Corporation unless herein otherwise indicated. The corporation membership and the membership of the Board of Directors shall be vested the authority for governing Southside Community Center, Inc.

SECTION 2.

RELATIONSHIP

The corporation is a non-profit charitable corporation of the General Board of Global Ministries of the United Methodist Church (GBGM - UMC). The Board of Directors of Southside Community Center, Inc. shall consider the policies and administration of the General Board of Global Ministries in the exercise of its powers. However, the Board of Directors of Southside Community Center, Inc. is an independent board not controlled by any organization within or of the United Methodist Church or any other religious organization.

SECTION 3

MEMBERSHIP

The Board of Directors shall be composed of a minimum of eighteen elected members with vote. In addition there shall be six ex-officio members with vote. The voting members of the Board of Directors may appoint non-voting advisory members.

a. Elected Members

One third (1/3) of the Board of Directors must be elected or appointed from the constituency served; i.e. from the primary geographic neighborhoods, economic level and racial/ethnic groups served. These members must be low income, or represent organizations that primarily serve low income individuals and/or families.

One third (1/3) of the Board of Directors must be members of the United Methodist Church.

One third (1/3) of the Board of Directors must come from the community-at-large; selected for specific professional expertise, organizational connections, and other leadership needed i.e., financial, legal, ecumenical.

b. Ex-officio Members

- (1) The President of the SWTexas Conference United Methodist Women or her representative.
- (2) The President of the Austin District United Methodist Women or her representative
- (3) One representative from the SWTexas Conference Board of Global Ministries.
- (4) One representative from the Austin District Council On Ministries.
- (5) The Austin District Superintendent or his / her representative.
- (6) A member from the General Board of Global Ministries, if living in the area and willing to serve.

c. Advisory Members

Appointed with approval by a majority of the Board of Directors

SECTION 4

TENURE AND ROTATION

- a. One-third of the elected membership shall be elected annually to serve a three-year-term.
- b. Elected members may serve two consecutive terms and are not eligible for Board membership again until they have been off the Board for at least a year.
- c. Term of membership begins at the close of the session when elected to the close of the Annual Meeting at the end of the term to which he/she was elected or until a successor is chosen.
- d. Members filling unexpired terms are subject to the term to which they are elected.

- e. Ex-officio members or their representative shall serve only during their term of office.
- f. A recommendation of the Nominating Committee and a majority vote of the Board of Directors shall fill any vacancies occurring in the Board of Directors. The new Board member will serve the remainder of the unexpired term.
- g. The resignation of any Board member shall be effective upon written notice given by that Board member to the Secretary of the Board.

SECTION 5 INACTIVE MEMBERS

If a member elected by the Board becomes inactive, misses three consecutive meetings without excuse, the Board must provide thirty (30) days written notice to the inactive Board member, and then may declare his or her position on the Board vacant.

SECTION 6 DUTIES OR RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors:

- a. Shall be legally responsible for the business of the corporation, with consideration given to the policies of the GBGM.
- b. Shall maintain the continuity and the identity of the agency in the neighborhood and larger community.
- c. Shall determine, periodically review, and revise the board policies, which guide the work of the corporation.
- d. Shall obtain finances, determine the financial plan or budget, and annually authorize and receive a CPA audit.
- e. Shall maintain corporation standards in line with those set by the GBGM, the National Federation of Settlements and other appropriate standard-setting groups or organizations.
- f. Shall represent the agency in the community and develop informed interest and support.
- g. Shall review the program of services and action in the light of changing needs and priority-setting.
- h. Shall do long-term planning to alleviate as well as to meet neighborhood need
- i. Shall care for property and funds and refer all legal matters concerning property owned by the Women's Division to the GBGM Executive Secretary of Community Centers.
- j. Shall employ the executive director upon the recommendation of the Personnel Committee of the Board, after consultation with the General Board of Global Ministries Executive Secretary of Community Centers.
- k. Shall secure the members of the Board and, upon the recommendation of the Nominating Committee, fill vacancies.
- l. Shall review, if necessary, the by-laws, annually.

SECTION 7 CONFLICT/IDENTITY OF INTEREST

Conflict of Interest. No Board member shall vote on any matter in which, to their knowledge, the Board member, the Board member's immediate family or partner, or an organization in which the Board member is affiliated with in any capacity has a direct or indirect financial interest as defined by the policies of the Board of Directors. However, it shall not be considered a conflict of interest in regards to the contracting of either professional, legal or accounting services with a firm or organization with which a Board member may be affiliated. A Board member shall disclose fully the nature of any potential conflict of interest. Failure to do so shall result in immediate removal from the Board of Directors.

SECTION 8. MEETINGS AND QUORUM.

- a. The policy of the Board of Directors shall be that the Board meet on a monthly basis. However there shall be a minimum of six (6) meetings per year.
- b. Special meetings may be called by the president or upon written request of five members of the Board. Written notice must be mailed, faxed, or e-mailed to all board members. The notification must be conducted so that the Board members are notified a minimum of two days before the meeting.
- c. Time and place of regular meetings shall be determined by the Board.
- d. Prevailing parliamentary law shall be used unless it is not in keeping with these by-laws.
- e. One third (1/3) of the elected members of the Board shall constitute a quorum.

SECTION 9 EXECUTIVE DIRECTOR

The Executive Director shall be responsible for carrying out the program of the corporation under the policies and directives of the Board and shall give staff leadership to all meetings of the Board of Directors. The Executive Director attends all Board meetings, but does not have a vote. The Executive Director or a staff member may be assigned to all of the committees of the Board.

SECTION 10 BOARD MEMBERS

Board members shall not accept employment as staff in the agency or payment for services rendered except as noted in ARTICLE IV Section 7 of these by-laws.

ARTICLE V
THE ANNUAL MEETING

SECTION 1 ANNUAL MEETING

There shall be an Annual Meeting of the Board of Directors in the month of October. The date and place shall be determined by the Board of Directors. Its purpose shall be primarily to elect the Board of Directors, the officers, and the Nominating Committee, to hear reports of the work of the agency for the preceding year and to hear plans for "new directions" for promotion and interpretation purposes.

SECTION 2 MEMBERSHIP

The voting membership shall be that as defined in ARTICLE IV, Section 3

SECTION 3 QUORUM

The quorum shall be that as defined in ARTICLE IV, Section 8 (e)

ARTICLE VI
OFFICERS

Section 1 Officers

The officers shall be elected from the voting membership of the Board and shall serve as officers of the Annual Meeting of the corporation and the Board of Directors. The officers shall be President, Vice-President, Secretary, and Treasurer.

Section 2 Duties

a. President:

The President shall be the chief elected officer of the Corporation, shall preside at all business meetings, and shall be President of and preside at meetings of the Board. The President shall appoint the members of all committees except as otherwise specified in the By-Laws of the Corporation, and shall be an ex-officio member of all committees without vote. He/She may sign with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Corporation; and in general he/she shall perform all duties incident to the office of President and such other duties as shall be prescribed by the Board of Directors from time to time.

b. Vice President

The Vice President shall serve as the President for meetings in the absence of the President or in the event of his/her inability or refusal to act, conducting business as provided by the Articles and By-Laws of the Corporation.

c. Secretary

The secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose and shall submit these minutes for approval by the Board; see that all notices are given in accordance with the By-Laws, be custodian of the Corporation's records, keep a register of the post-office address for each member, and in general perform all the duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the Board of Directors. The Secretary may be under such bond as deemed necessary.

d. Treasurer.

The Treasurer shall have charge and custody and be responsible for all funds and securities of the Corporation- receive and give receipt for money due and payable to the Corporation from any source whatsoever and deposit such monies in the name of the Corporation in such financial institutions or investments as shall be elected in accordance with these By-Laws- and in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer may be under such bond as deemed necessary.

SECTION 3 TERM OF OFFICE

Term of office shall be one year with three consecutive terms being the maximum time of service. The term of office shall begin at the close of the Annual Meeting when elected and shall continue until the close of the next Annual Meeting or until successors are elected.

ARTICLE VII NOMINATIONS AND ELECTIONS

SECTION 1. COMMITTEE COMPOSITION AND TERM OF OFFICE

A Nominating Committee of five members, the majority of whom shall be members of the Board, shall be elected at the Annual Meeting, for a term of one year, with the eligibility for re-election for two additional terms. The quorum of the Nominating Committee shall be at least three.

The Nominating Committee shall analyze the composition of the Board, nominate new members, officers, members of the Nominating Committee, and make nominations for vacancies. Their consideration should include men and women from inside and outside the neighborhoods, professional experience, interest in the church and its outreach, and willingness to serve, and to help effect change.

SECTION 2. SLATE OF NOMINEES

A slate of nominees, willing to serve as Board members, officers, and members of the Nominating Committee, with one designated to be its chair, shall be submitted in writing to the voting members of the corporation with the call to the Annual Meeting.

SECTION 3. OTHER NOMINATIONS

Additional nominations may be made from the floor with the consent of the person being nominated or through submission of a petition signed by five voting members of the Annual Meeting to the president or the secretary with the consent of the person being nominated.

SECTION 4. ELECTION

Election shall be by secret ballot at the Annual Meeting. A majority vote shall elect.

SECTION 5. NOTIFICATION OF NOMINEES

The Nominating Committee is responsible for notifying all nominees after the election. It is also responsible for notifying ex-officio members when they assume one of the offices in the structure of the church which requires representation on this Board.

ARTICLE VIII COMMITTEES

SECTION 1 STATEMENT CONCERNING COMMITTEES

Committees are primarily responsible for the formulation of recommendations and policies to the Board and for carrying out responsibilities assigned to them by the Board. It is in the work of the committees that Board and staff work together as partners in analyzing the problems of the organization. After the formulation of a recommendation, the Board votes. After an affirmative vote, the staff executes or administers.

Committees help in sorting out the issues, in studying the facts involved in the alternative solutions, and in formulating recommendations to be considered by the Board. Policy recommendations shall be circulated to voting members at least a week prior to voting. Voting shall be by secret ballot.

Persons from the neighborhood and wider community should be placed on committees as non-voting members as a means of keeping close touch with the community and of developing potential board members.

SECTION 2. STANDING COMMITTEES

a. Executive Committee:

Shall consist of the officers and two additional members of the Board elected by the Board. This committee shall have power to act between meetings of the Board, to make recommendations to the Board, and to carry special responsibilities assigned to it. Authority remains with the Board of Directors. Any interim action must be ratified by the Board at its next meeting. The President chairs this committee. When the matter to be considered is the concern of one of the committees that chairperson shall attend.

b. Program Committee: (Direct services and social action)

Shall assist and advise the staff in studying neighborhood needs and resources and in planning and carrying out programs of direct services and social action to meet those needs in the most effective way. It shall advise the Board on staff and budget required to carry out this program. It shall make recommendations to the Board on broad policies concerning the services and action of the agency.

1. It is responsible for keeping up to date on the quality and quantity of services being offered.
2. It shall advise the Board on neighborhood or community action required to alleviate conditions and meet needs which can not be met through the resources of the agency.
3. It is in this committee that the social conditions affecting life in the neighborhoods served and/or the total community are studied and appropriate actions recommended. The program committee brings them to the Board for action.

c. Personnel Committee:

Recommends to the Board policies to be followed in staffing the agency. Its duties include:

1. To recommend hiring and, if necessary, dismissal of the executive director, and to evaluate the director periodically, unless this function is assigned to a special committee by the Board.
2. To give consultation to the executive director, when major staff positions are being filled.
3. To develop, review annually and recommend to the Board a code of Personnel Policies governing employment conditions in the agency, including grievance machinery to hear appeals of employees against any violation of Personnel Policies, and a schedule of staff positions with responsibilities, personal and professional qualifications, and salary ranges to be paid for each person selected by the executive director. When these policies are formulated a person elected by the employed staff shall be included on the committee.
4. To establish standards and practices for volunteers (program and administrative).

d. Building and Grounds Committee:

Shall recommend to the Board policies and methods for maintenance of the corporation property, so that it is safe, functional and attractive.

e. Finance Committee:

Shall recommend to the Board policies, which will govern the management of the financial affairs of the corporation and provide adequate funds for carrying out the program of services and action approved by the Board. It shall participate in the formulation of the budget unless this has been delegated to a Budget Committee with representation from the Personnel, Program and Buildings and Grounds Committee. It shall assume the responsibility for fund-raising assigned it by the Board for approval.

f. Public Relations Committee:

Shall be responsible for recommending to the Board ways of adequately interpreting the agency to the service area and community at large and for assuming responsibilities in this area assigned to it by the Board.

g. Nominating Committee:

Duties shall be as defined in ARTICLE VII.

SECTION 3. SPECIAL AD HOC COMMITTEES

Special, or ad hoc, or other standing committees may be appointed as necessary.

SECTION 4. MEMBERSHIP

Each member of the Board should serve on at least one standing committee. Persons, not board members, but who have particular knowledge or skill may be named to committees as regular voting members of the committee.

SECTION 5. METHOD OF APPOINTMENT

Chairs and members of all committees other than the Nominating and Executive Committees shall be appointed by the president in consultation with the executive director.

SECTION 6. ROLE OF PRESIDENT AND EXECUTIVE DIRECTOR

The President is ex-officio on all committees except the Nominating Committee.

The executive director shall give staff leadership to all committee with the exception of the Personnel Committee when matters concerning the employment of the executive director are to be discussed. Sometimes the responsibility to certain committees is delegated by the executive director to other appropriate staff members.

SECTION 7. MEETINGS

Meetings of committees shall be planned by the committee chairman in consultation with the president and the staff member involved.

SECTION 8 QUORUM

A simple majority of members shall constitute a quorum

SECTION 9 MINUTES

Minutes of all committee meetings shall be kept on file at the offices of the corporation.

ARTICLE IX
AMENDMENTS

These by-laws may be amended at any meeting of the Board of Directors provided the members have had written notice of the changes ten days before the meeting. An affirmative vote of fifty percent (50%) plus one of the membership is required to amend the by-laws.

Date of Adoption October 23, 2001

Susan Sidney
Chairperson of the By-Law Committee

Date Oct 23, 2001

William A. Dyal
President of the Board

Date Oct 23, 2001

By-Laws Committee:

- Rosa Aldapa
- Mike Harms
- Betty Hixson
- Debbie Ingalsbe
- Ken Moss
- Jane Moss
- Susan Sidney



Southside Community Center

A Project Related to the Board of Missions of the United Methodist Church

Date: 3/18/2019

Subject: CDBG Board Resolution

Board Resolution,

The board has come to the decision that it is okay for both Andy Alejos and Ruben Garza to sign and submit all the required documents for the CDBG application on behalf of Southside Community Center.

Board President Signature

Date

Executive Director

Date

Description of Employee's, Board Members, & Volunteers Job Duties

Board of Directors:

-The board of directors will assist the Executive Director in the preparation of the camp. They will give him guidance on the proper rules and regulations that should be enforced during the camp. They will also review all financials to ensure that the camp is running efficiently. The board will review the Executive Director's ability to properly run the summer rehabilitation program. Ultimately, the board will determine the overall success of the program.

Executive Director:

-The Executive Director will review the entire camp's staff and performance to ensure that the camp is operating according to plan. He will be in contact with all job site supervisors/contractors, kitchen staff, the youth coordinators, as well as the guidance counselors of the youth groups. The executive director will be responsible for paying all invoices, salaries, and any other necessary camp costs.

Youth Coordinators:

-The Youth Coordinators are responsible for coordinating with all staff members to ensure camp schedule is being executed properly. The youth coordinator will cater to all the needs of volunteers and staff to ensure that all activities are both fun and safe for the youth.

Head Contractor:

-The head contractor is responsible for managing all of the superintendents on-site as well as coordinating with volunteers to ensure that jobsites are a safe working environment. He will track the progress of the homes to make sure all projects are completed by the end of the program.

Job-Site Staff:

-On-site contractors will oversee all construction performed on their assigned jobsites. They will guide the volunteers on how to safely and efficiently perform repairs to the selected homes.

Guidance Counselors:

-Guidance counselors will come with their respective groups and chaperone the youth during all activities. They are responsible for overlooking the safety and well-being of the youth during the camp. Guidance counselors will work in coordination with all staff members of the camp and will express any issues they have during the camp.

Volunteers:

-Volunteers are the muscle behind the summer rehabilitation program. They will be guided by camp staff on the work that will be performed. The volunteers will be assisting in painting, framing, demolition, taping and floating, trash pick-up, landscaping, and all other rehabilitation responsibilities of the home.

Kitchen Staff:

-Kitchen Staff is responsible for the distribution and preparation of all meals for volunteers and staff.

SECTION 2: EMPLOYMENT

201—NATURE OF EMPLOYMENT

This handbook is intended to provide employees with a general understanding of our personnel policies. Employees are encouraged to familiarize themselves with the contents of this handbook, for it will answer many common questions concerning employment with SSCC, Inc.

However, this handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract and is not intended to create contractual obligations of any kind. Neither the employee nor SSCC, Inc. is bound to continue the employment relationship if either chooses, at its will, to end the relationship at any time.

In order to retain necessary flexibility in the administration of policies and procedures, SSCC, Inc. reserves the right to change, revise, or eliminate any of the policies and/or benefits described in this handbook, except for its policy of employment-at-will. The only recognized deviations from the stated policies are those authorized and signed by the Executive Director of SSCC, Inc.

202—EMPLOYEE RELATIONS

SSCC, Inc. believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that SSCC, Inc. amply demonstrates its commitment to employees by responding effectively to employee concerns.

203—EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at SSCC, Inc. will be based on merit, qualifications, and abilities. SSCC, Inc. does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

SSCC, Inc. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

In addition to a commitment to provide equal employment opportunities to all qualified

208--OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with SSCC, Inc. All employees will be judged by the same performance standards and will be subject to SSCC, Inc.'s scheduling demands, regardless of any existing outside work requirements.

If SSCC, Inc. determines that an employee's outside work interferes with performance or the ability to meet the requirements of SSCC, Inc. as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with SSCC, Inc.

Outside employment will present a conflict of interest if it has an adverse impact on SSCC, Inc.

209--NON-DISCLOSURE

The protection of confidential client and financial information is vital to the interests and the success of SSCC, Inc. Confidential client information includes but not limited to; personal information, any assistance or legal aid received. Confidential financial information includes, but not limited to; payroll issues, or any financial compensation.

Employees who improperly use or disclose confidential information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

210--DISABILITY ACCOMMODATION

SSCC, Inc. is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Post-offer medical examinations are required only for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. Medical records will be kept separate and confidential.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

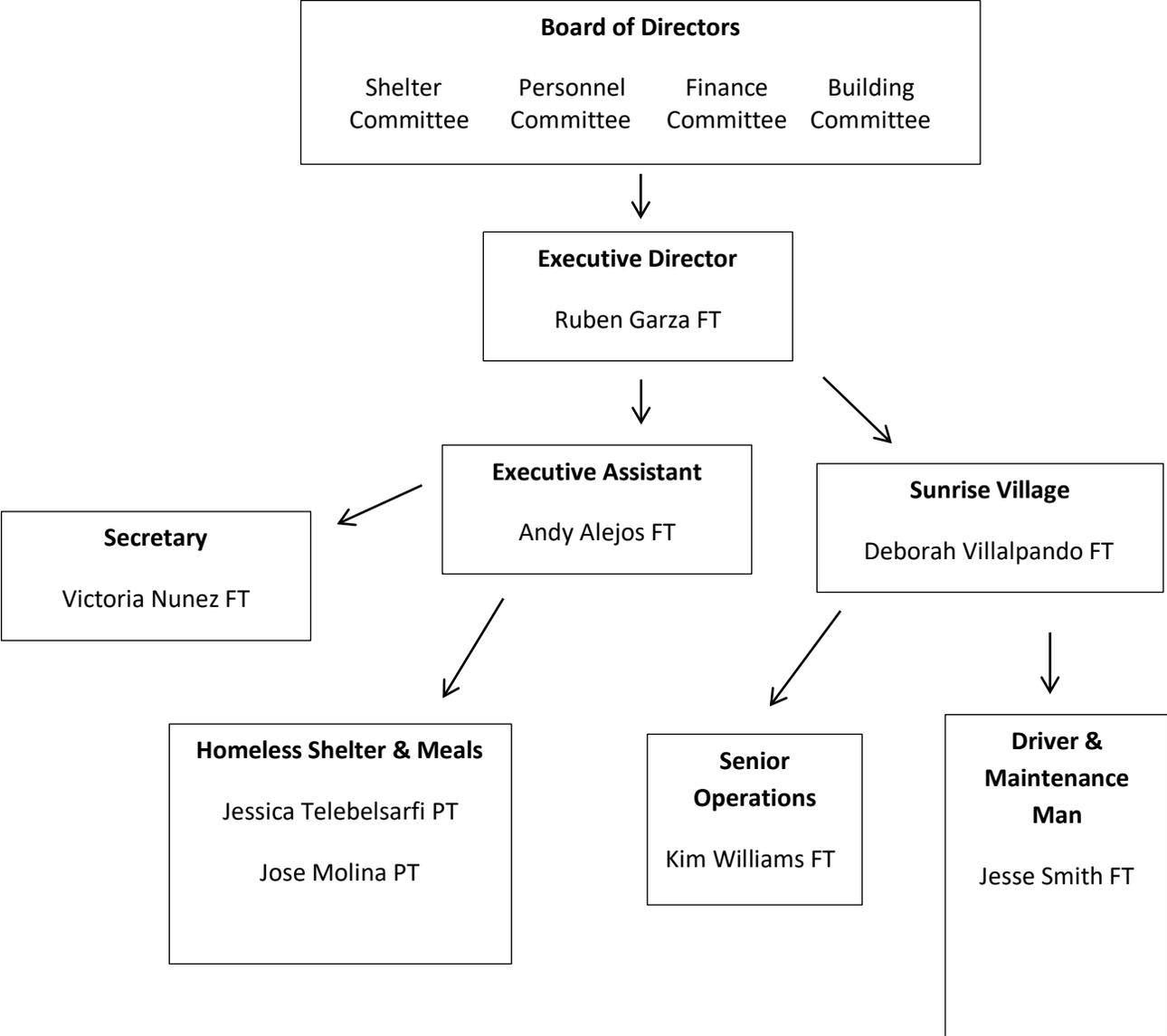
Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, progression lines, and seniority lists. Leave of all types will be available to all employees on an equal basis.

SSCC, Inc. is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. SSCC, Inc. will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. SSCC, Inc. is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Southside Community Center

2020 Organizational Table



BY LAWS
SOUTHSIDE COMMUNITY CENTER, INC.

SAN MARCOS, TEXAS
ADOPTED October 23rd, 2001

ARTICLE I
NAME

The name of this organization shall be Southside Community Center, Inc.

ARTICLE II
PURPOSE

Southside Community Center is an agency of social concern committed to the development of the neighborhoods of San Marcos and Hays County. It operates on the belief that a neighborhood organized around its own interests can do much to enhance personal dignity of the individual and restore the democratic principle of self determination. To achieve this purpose, the Center is engaged in a program of direct services, social action, and various economic developments and in providing safe and affordable housing to low and moderate income people

ARTICLE III
PROPERTY AND SUPPORT

SECTION 1 PROPERTY

- a. Title to the property located at 518 S. Guadalupe, San Marcos, Hays County, Texas 78666, is held in the name of the Women's Division of the General Board of Global Ministries of the United Methodist Church, with headquarters at 475 Riverside Drive, New York, New York 10015, incorporated under the laws of the State of New York.
- b. Title to all other properties owned by Southside Community Center, Inc. are attached as Exhibit "A", made a part hereof and attached hereto, and as may be revised as needed.

SECTION 2 SUPPORT

Contributions for support of the Center located at 518 S. Guadalupe are made by the General Board of Global Ministries of the United Methodist Church. The basic sources of these funds are the Women's Division and World Service.

Other sources of support for Southside Community Center, Inc. are Hays County United Way Fund, churches, private contributions, and special grants from local, State, and Federal funds as approved by the Board of Directors. Income from investments is also a source of funds for the corporation.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1 AUTHORITY

The Southside Community Center shall be governed by a Board of Directors which shall exercise all the powers of the Corporation unless herein otherwise indicated. The corporation membership and the membership of the Board of Directors shall be vested the authority for governing Southside Community Center, Inc.

SECTION 2. RELATIONSHIP

The corporation is a non-profit charitable corporation of the General Board of Global Ministries of the United Methodist Church (GBGM – UMC). The Board of Directors of Southside Community Center, Inc. shall consider the policies and administration of the General Board of Global Ministries in the exercise of its powers. However, the Board of Directors of Southside Community Center, Inc. is an independent board not controlled by any organization within or of the United Methodist Church or any other religious organization.

SECTION 3 MEMBERSHIP

The Board of Directors shall be composed of a minimum of eighteen elected members with vote. In addition there shall be six ex-officio members with vote. The voting members of the Board of Directors may appoint non-voting advisory members.

a. Elected Members

One third (1/3) of the Board of Directors must be elected or appointed from the constituency served: i.e. from the primary geographic neighborhoods, economic level and racial/ethnic groups served. These members must be low income, or represent organizations that primarily serve low income individuals and/or families.

One third (1/3) of the Board of Directors must be members of the United Methodist Church.

One third (1/3) of the Board of Directors must come from the community-at-large; selected for specific professional expertise, organizational connections, and other leadership needed i.e., financial, legal, ecumenical.

b. Ex-officio Members

- (1) The President of the SWTexas Conference United Methodist Women or her representative.
- (2) The President of the Austin District United Methodist Women or her representative
- (3) One representative from the SWTexas Conference Board of Global Ministries.
- (4) One representative from the Austin District Council On Ministries.
- (5) The Austin District Superintendent or his / her representative.
- (6) A member from the General Board of Global Ministries, if living in the area and willing to serve.

c. Advisory Members

Appointed with approval by a majority of the Board of Directors

SECTION 4 TENURE AND ROTATION

- a. One-third of the elected membership shall be elected annually to serve a three-year-term.
- b. Elected members may serve two consecutive terms and are not eligible for Board membership again until they have been off the Board for at least a year.
- c. Term of membership begins at the close of the session when elected to the close of the Annual Meeting at the end of the term to which he/she was elected or until a successor is chosen.
- d. Members filling unexpired terms are subject to the term to which they are elected.

- e. Ex-officio members or their representative shall serve only during their term of office.
- f. A recommendation of the Nominating Committee and a majority vote of the Board of Directors shall fill any vacancies occurring in the Board of Directors. The new Board member will serve the remainder of the unexpired term.
- g. The resignation of any Board member shall be effective upon written notice given by that Board member to the Secretary of the Board.

SECTION 5 INACTIVE MEMBERS

If a member elected by the Board becomes inactive, misses three consecutive meetings without excuse, the Board must provide thirty (30) days written notice to the inactive Board member, and then may declare his or her position on the Board vacant.

SECTION 6 DUTIES OR RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors:

- a. Shall be legally responsible for the business of the corporation, with consideration given to the policies of the GBGM.
- b. Shall maintain the continuity and the identity of the agency in the neighborhood and larger community.
- c. Shall determine, periodically review, and revise the board policies, which guide the work of the corporation.
- d. Shall obtain finances, determine the financial plan or budget, and annually authorize and receive a CPA audit.
- e. Shall maintain corporation standards in line with those set by the GBGM, the National Federation of Settlements and other appropriate standard-setting groups or organizations.
- f. Shall represent the agency in the community and develop informed interest and support.
- g. Shall review the program of services and action in the light of changing needs and priority-setting.
- h. Shall do long-term planning to alleviate as well as to meet neighborhood need
- i. Shall care for property and funds and refer all legal matters concerning property owned by the Women's Division to the GBGM Executive Secretary of Community Centers.
- j. Shall employ the executive director upon the recommendation of the Personnel Committee of the Board, after consultation with the General Board of Global Ministries Executive Secretary of Community Centers.
- k. Shall secure the members of the Board and, upon the recommendation of the Nominating Committee, fill vacancies.
- l. Shall review, if necessary, the by-laws, annually.

SECTION 7 CONFLICT/IDENTITY OF INTEREST

Conflict of Interest. No Board member shall vote on any matter in which, to their knowledge, the Board member, the Board member's immediate family or partner, or an organization in which the Board member is affiliated with in any capacity has a direct or indirect financial interest as defined by the policies of the Board of Directors. However, it shall not be considered a conflict of interest in regards to the contracting of either professional, legal or accounting services with a firm or organization with which a Board member may be affiliated. A Board member shall disclose fully the nature of any potential conflict of interest. Failure to do so shall result in immediate removal from the Board of Directors.

SECTION 8. MEETINGS AND QUORUM,

- a. The policy of the Board of Directors shall be that the Board meet on a monthly basis. However there shall be a minimum of six (6) meetings per year.
- b. Special meetings may be called by the president or upon written request of five members of the Board. Written notice must be mailed, faxed, or e-mailed to all board members. The notification must be conducted so that the Board members are notified a minimum of two days before the meeting.
- c. Time and place of regular meetings shall be determined by the Board.
- d. Prevailing parliamentary law shall be used unless it is not in keeping with these by-laws.
- e. One third (1/3) of the elected members of the Board shall constitute a quorum.

SECTION 9 EXECUTIVE DIRECTOR

The Executive Director shall be responsible for carrying out the program of the corporation under the policies and directives of the Board and shall give staff leadership to all meetings of the Board of Directors. The Executive Director attends all Board meetings, but does not have a vote. The Executive Director or a staff member may be assigned to all of the committees of the Board.

SECTION 10 BOARD MEMBERS

Board members shall not accept employment as staff in the agency or payment for services rendered except as noted in ARTICLE IV Section 7 of these by-laws.

**ARTICLE V
THE ANNUAL MEETING**

SECTION 1 ANNUAL MEETING

There shall be an Annual Meeting of the Board of Directors in the month of October. The date and place shall be determined by the Board of Directors. Its purpose shall be primarily to elect the Board of Directors, the officers, and the Nominating Committee, to hear reports of the work of the agency for the preceding year and to hear plans for "new directions" for promotion and interpretation purposes.

SECTION 2 MEMBERSHIP

The voting membership shall be that as defined in ARTICLE IV, Section 3

SECTION 3 QUORUM

The quorum shall be that as defined in ARTICLE IV, Section 8 (e)

**ARTICLE VI
OFFICERS**

Section 1 Officers

The officers shall be elected from the voting membership of the Board and shall serve as officers of the Annual Meeting of the corporation and the Board of Directors. The officers shall be President, Vice-President, Secretary, and Treasurer.

Section 2 Duties

- a. **President:**
The President shall be the chief elected officer of the Corporation, shall preside at all business meetings, and shall be President of and preside at meetings of the Board. The President shall appoint the members of all committees except as otherwise specified in the By-Laws of the Corporation, and shall be an ex-officio member of all committees without vote. He/She may sign with the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deed, mortgage, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Corporation; and in general he/she shall perform all duties incident to the office of President and such other duties as shall be prescribed by the Board of Directors from time to time.
- b. **Vice President**
The Vice President shall serve as the President for meetings in the absence of the President or in the event of his/her inability or refusal to act, conducting business as provided by the Articles and By-Laws of the Corporation.
- c. **Secretary**
The secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose and shall submit these minutes for approval by the Board; see that all notices are given in accordance with the By-Laws, be custodian of the Corporation's records, keep a register of the post-office address for each member; and in general perform all the duties incident to the office of the Secretary and such other duties as from time to time may be assigned by the Board of Directors. The Secretary may be under such bond as deemed necessary.
- d. **Treasurer.**
The Treasurer shall have charge and custody and be responsible for all funds and securities of the Corporation- receive and give receipt for money due and payable to the Corporation from any source whatsoever and deposit such monies in the name of the Corporation in such financial institutions or investments as shall be elected in accordance with these By-Laws- and in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned by the Board of Directors. The Treasurer may be under such bond as deemed necessary.

SECTION 3 TERM OF OFFICE

Term of office shall be one year with three consecutive terms being the maximum time or service. The term of office shall begin at the close of the Annual Meeting when elected and shall continue until the close of the next Annual Meeting or until successors are elected.

ARTICLE VII NOMINATIONS AND ELECTIONS

SECTION 1. COMMITTEE COMPOSITION AND TERM OF OFFICE

A Nominating Committee of five members, the majority of whom shall be members of the Board, shall be elected at the Annual Meeting, for a term of one year, with the eligibility for re-election for two additional terms. The quorum of the Nominating Committee shall be at least three.

The Nominating Committee shall analyze the composition of the Board, nominate new members, officers, members of the Nominating Committee, and make nominations for vacancies. Their consideration should include men and women from inside and outside the neighborhoods, professional experience, interest in the church and its outreach, and willingness to serve, and to help effect change.

SECTION 2. SLATE OF NOMINEES

A slate of nominees, willing to serve as Board members, officers, and members of the Nominating Committee, with one designated to be its chair, shall be submitted in writing to the voting members of the corporation with the call to the Annual Meeting.

SECTION 3. OTHER NOMINATIONS

Additional nominations may be made from the floor with the consent of the person being nominated or through submission of a petition signed by five voting members of the Annual Meeting to the president or the secretary with the consent of the person being nominated.

SECTION 4. ELECTION

Election shall be by secret ballot at the Annual Meeting. A majority vote shall elect.

SECTION 5. NOTIFICATION OF NOMINEES

The Nominating Committee is responsible for notifying all nominees after the election. It is also responsible for notifying ex-officio members when they assume one of the offices in the structure of the church which requires representation on this Board.

ARTICLE VIII COMMITTEES

SECTION 1 STATEMENT CONCERNING COMMITTEES

Committees are primarily responsible for the formulation of recommendations and policies to the Board and for carrying out responsibilities assigned to them by the Board. It is in the work of the committees that Board and staff work together as partners in analyzing the problems of the organization. After the formulation of a recommendation, the Board votes. After an affirmative vote, the staff executes or administers.

Committees help in sorting out the issues, in studying the facts involved in the alternative solutions, and in formulating recommendations to be considered by the Board. Policy recommendations shall be circulated to voting members at least a week prior to voting. Voting shall be by secret ballot.

Persons from the neighborhood and wider community should be placed on committees as non-voting members as a means of keeping close touch with the community and of developing potential board members.

SECTION 2. STANDING COMMITTEES

a. Executive Committee:

Shall consist of the officers and two additional members of the Board elected by the Board. This committee shall have power to act between meetings of the Board, to make recommendations to the Board, and to carry special responsibilities assigned to it. Authority remains with the Board of Directors. Any interim action must be ratified by the Board at its next meeting. The President chairs this committee. When the matter to be considered is the concern of one of the committees that chairperson shall attend.

b. Program Committee: (Direct services and social action)

Shall assist and advise the staff in studying neighborhood needs and resources and in planning and carrying out programs of direct services and social action to meet those needs in the most effective way. It shall advise the Board on staff and budget required to carry out this program. It shall make recommendations to the Board on broad policies concerning the services and action of the agency.

1. It is responsible for keeping up to date on the quality and quantity of services being offered.
2. It shall advise the Board on neighborhood or community action required to alleviate conditions and meet needs which can not be met through the resources of the agency.
3. It is in this committee that the social conditions affecting life in the neighborhoods served and/or the total community are studied and appropriate actions recommended. The program committee brings them to the Board for action.

c. Personnel Committee:

Recommends to the Board policies to be followed in staffing the agency. Its duties include:

1. To recommend hiring and, if necessary, dismissal of the executive director, and to evaluate the director periodically, unless this function is assigned to a special committee by the Board.
2. To give consultation to the executive director, when major staff positions are being filled.
3. To develop, review annually and recommend to the Board a code of Personnel Policies governing employment conditions in the agency, including grievance machinery to hear appeals of employees against any violation of Personnel Policies, and a schedule of staff positions with responsibilities, personal and professional qualifications, and salary ranges to be paid for each person selected by the executive director. When these policies are formulated a person elected by the employed staff shall be included on the committee.
4. To establish standards and practices for volunteers (program and administrative).

d. Building and Grounds Committee:

Shall recommend to the Board policies and methods for maintenance of the corporation property, so that it is safe, functional and attractive.

e. Finance Committee:

Shall recommend to the Board policies , which will govern the management of the financial affairs of the corporation and provide adequate funds for carrying out the program of services and action approved by the Board. It shall participate in the formulation of the budget unless this has been delegated to a Budget Committee with representation from the Personnel, Program and Buildings and Grounds Committee. It shall assume the responsibility for fund-raising assigned it by the Board for approval.

f. Public Relations Committee:

Shall be responsible for recommending to the Board ways of adequately interpreting the agency to the service area and community at large and for assuming responsibilities in this are assigned to it by the Board.

g. Nominating Committee:

Duties shall be as defined in ARTICLE VII.

SECTION 3. SPECIAL AD HOC COMMITTEES

Special, or ad hoc, or other standing committees may be appointed as necessary.

SECTION 4. MEMBERSHIP

Each member of the Board should serve on at least one standing committee. Persons, not board members, but who have particular knowledge or skill may be named to committees as regular voting members of the committee.

SECTION 5. METHOD OF APPOINTMENT

Chairs and members of all committees other than the Nominating and Executive Committees shall be appointed by the president in consultation with the executive director.

SECTION 6. ROLE OF PRESIDENT AND EXECUTIVE DIRECTOR

The President is ex-officio on all committees except the Nominating Committee.

The executive director shall give staff leadership to all committee with the exception of the Personnel Committee when matters concerning the employment of the executive director are to be discussed. Sometimes the responsibility to certain committees is delegated by the executive director to other appropriate staff members.

SECTION 7 MEETINGS

Meetings of committees shall be planned by the committee chairman in consultation with the president and the staff member involved.

SECTION 8 QUORUM

A simple majority of members shall constitute a quorum

SECTION 9 MINUTES

Minutes of all committee meetings shall be kept on file at the offices of the corporation.

ARTICLE IX
AMENDMENTS

These by-laws may be amended at any meeting of the Board of Directors provided the members have had written notice of the changes ten days before the meeting. An affirmative vote of fifty percent (50%) plus one of the membership is required to amend the by-laws.

Date of Adoption October 23, 2001

Susan Sidney
Chairperson of the By-Law Committee

Date Oct 23, 2001

Debbie A. Ingalsbe
President of the Board

Date Oct 23, 2001

By-Laws Committee:

Rosa Aldapa
Mike Harms
Betty Hixson
Debbie Ingalsbe
Ken Moss
Jane Moss
Susan Sidney

Southside Community Center Profit & Loss Budget Overview October 2019 through September 2020

	Oct '19 - Sep 20
Income	
14000 · General Fund Income	
14051 · Admin Fee- SV1	36,000.00
14052 · Admin Fee - SVII	36,000.00
14053 · Admin Fee - SWC	42,000.00
14054 · Admin Fee - Spec. Asst.	6,134.04
14055 · Admin Fee - Shelter	6,134.04
14058 · Admin Fee- Housing Rehab	2,000.00
14100 · Churches	8,000.00
14200 · Donations	27,285.44
14550 · United Methodist Women	15,000.00
Total 14000 · General Fund Income	178,553.52
22000 · Housing Rehab Program Income	
22001 · COSM Housing Rehab	20,000.00
22002 · Donations Housing Rehab Program	5,000.00
Total 22000 · Housing Rehab Program Income	25,000.00
24000 · Thrift Store Income	
24700 · Sales	0.00
Total 24000 · Thrift Store Income	0.00
34000 · Specific Assistance Income	
34150 · COSM	27,000.00
34350 · Hays County	8,333.33
34800 · Thanksgiving Donations	5,000.00
34801 · Christmas Donations	5,000.00
Total 34000 · Specific Assistance Income	45,333.33
44000 · Shelter Income	
44150 · COSM	26,000.00
44200 · Donations	10,400.00
44220 · FEMA	24,044.00
44350 · Hays County	8,333.33
Total 44000 · Shelter Income	68,777.33
54000 · Summer Camp Income	
54200 · Individual Donations	15,000.00
54280 · CDBG	200,000.00
54350 · Hays County	8,333.33
54800 · Volunteer Fees	160,000.00
Total 54000 · Summer Camp Income	383,333.33
Total Income	700,997.51
Expense	
15000 · General Fund Expense	
15040 · Advertising	526.00
15060 · Auto Expense	1,500.00
15140 · Contract Labor	1,800.00
15195 · Extermination	600.00
15200 · Food	750.00
15320 · Insurance	
Board Insurance	2,800.00
sunrise 1 health insurance	0.00
Sunrise II health insurance	0.00
Workers comp insurance	3,470.00
15320 · Insurance - Other	13,200.00
Total 15320 · Insurance	19,470.00

Southside Community Center Profit & Loss Budget Overview October 2019 through September 2020

	Oct '19 - Sep 20
15360 · Groundskeeping	900.00
15440 · Membership Fees	0.00
15500 · Office Supplies	5,200.01
15560 · Postage	600.00
15600 · Professional Fees	6,000.00
15660 · Repairs & Maintenance	1,000.00
15700 · Salaries	84,000.00
15800 · Supplies	600.00
15860 · Payroll Taxes	20,000.00
15880 · Property Tax	700.00
15920 · Telephone and Internet	
Director's cell phone	1,620.84
15920 · Telephone and Internet - Other	8,250.00
Total 15920 · Telephone and Internet	9,870.84
15930 · Training	500.00
15960 · Travel	600.00
15980 · Utilities	20,000.00
15981 · Trash Disposal	8,000.00
Total 15000 · General Fund Expense	182,616.85
25000 · Thrift Store Expense	
25020 · Groundskeeping	0.00
25500 · Office Supplies	0.00
25580 · Professional Fees	0.00
25640 · Rental Expense	0.00
25660 · Repairs & Maintenance	0.00
25700 · Salaries	
25701 · Health Insurance	0.00
25700 · Salaries - Other	0.00
Total 25700 · Salaries	0.00
25800 · Supplies	0.00
25860 · Payroll Taxes	0.00
25890 · Sales Taxes	0.00
25980 · Utilities	0.00
Total 25000 · Thrift Store Expense	0.00
35000 · Specific Assistance Expense	
35020 · Admin Fee	6,134.04
35060 · Auto Expense	800.00
35420 · Medical	399.29
35600 · Professional Fees	1,000.00
35640 · Rental Expense	15,000.00
35925 · Christmas	5,000.00
35980 · Utilities	12,000.00
36985 · Thanksgiving	5,000.00
Total 35000 · Specific Assistance Expense	45,333.33
45000 · Shelter Expense	
45020 · Admin Fee	6,134.04
45140 · Contract Labor	4,000.00
45200 · Food	3,000.00
45460 · Miscellaneous	1,000.00
45660 · Repairs & Maintenance	4,500.00
45700 · Salaries	26,000.00
45800 · Supplies	3,143.29
45860 · Payroll Taxes	5,000.00
45980 · Utilities	16,000.00
Total 45000 · Shelter Expense	68,777.33

Southside Community Center
Profit & Loss Budget Overview
October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
55000 · Summer Work Camp Expense	
55020 · Admin Fee	42,000.00
55040 · Advertising	2,500.00
55060 · Auto Expense	1,600.00
55140 · Contract Labor Summer Camp	0.00
55141 · CDBG Expenses	
55960 · Environmental Testing- LBP	15,000.00
55970 · Environmental Review	1,000.00
55141 · CDBG Expenses - Other	184,000.00
Total 55141 · CDBG Expenses	200,000.00
55193 · Entertainment	14,500.00
55200 · Food	27,000.00
55320 · Insurance	1,670.00
55380 · Lodging	17,000.00
55560 · Postage	5,000.00
55800 · Supplies	60,000.00
55840 · T-Shirts	2,000.00
55980 · Utilities	6,000.00
Total 55000 · Summer Work Camp Expense	379,270.00
56000 · Housing Rehab Program	
56001 · Contract Labor	15,000.00
56002 · Supplies	8,000.00
56003 · Admin Fee	2,000.00
Total 56000 · Housing Rehab Program	25,000.00
Total Expense	700,997.51
Net Income	0.00

Southside Community Center
Profit & Loss Budget Overview
 October 2020 through September 2021

	Oct '20 - Sep 21
Income	
14000 · General Fund Income	
14051 · Admin Fee- SV1	36,000.00
14052 · Admin Fee - SVII	36,000.00
14053 · Admin Fee - SWC	42,000.00
14054 · Admin Fee - Spec. Asst.	6,134.04
14055 · Admin Fee - Shelter	6,134.04
14058 · Admin Fee- Housing Rehab	2,000.00
14100 · Churches	8,000.00
14200 · Donations	27,285.44
14250 · Fundraising	0.00
14550 · United Methodist Women	15,000.00
Total 14000 · General Fund Income	178,553.52
22000 · Housing Rehab Program Income	
22001 · COSM Housing Rehab	20,000.00
22002 · Donations Housing Rehab Program	5,000.00
Total 22000 · Housing Rehab Program Income	25,000.00
34000 · Specific Assistance Income	
34150 · COSM	27,000.00
34350 · Hays County	8,333.33
34800 · Thanksgiving Donations	5,000.00
34801 · Christmas Donations	5,000.00
Total 34000 · Specific Assistance Income	45,333.33
44000 · Shelter Income	
44150 · COSM	26,000.00
44200 · Donations	10,400.00
44220 · FEMA	21,950.00
44350 · Hays County	8,333.33
Total 44000 · Shelter Income	66,683.33
54000 · Summer Camp Income	
54200 · Individual Donations	15,000.00
54280 · CDBG	100,000.00
54350 · Hays County	8,333.33
54800 · Volunteer Fees	160,000.00
Total 54000 · Summer Camp Income	283,333.33
Total Income	598,903.51
Expense	
15000 · General Fund Expense	
15040 · Advertising	526.00
15060 · Auto Expense	1,500.00
15140 · Contract Labor	1,800.00
15195 · Extermination	780.00
15200 · Food	600.00
15320 · Insurance	
Board Insurance	2,800.00
sunrise 1 health insurance	0.00
Sunrise II health insurance	0.00
Workers comp insurance	3,480.00
15320 · Insurance - Other	13,200.00
Total 15320 · Insurance	19,480.00

Southside Community Center
Profit & Loss Budget Overview
 October 2020 through September 2021

	Oct '20 - Sep 21
15360 · Groundskeeping	900.00
15500 · Office Supplies	6,000.00
15560 · Postage	600.00
15600 · Professional Fees	6,000.00
15660 · Repairs & Maintenance	996.00
15700 · Salaries	96,000.00
15800 · Supplies	1,200.00
15860 · Payroll Taxes	10,000.00
15880 · Property Tax	1,200.00
15920 · Telephone and Internet	
Director's cell phone	1,620.84
15920 · Telephone and Internet - Other	8,250.00
Total 15920 · Telephone and Internet	9,870.84
15930 · Training	500.00
15960 · Travel	600.00
15980 · Utilities	20,000.00
15981 · Trash Disposal	3,783.60
Total 15000 · General Fund Expense	182,336.44
35000 · Specific Assistance Expense	
35020 · Admin Fee	6,134.04
35060 · Auto Expense	799.29
35420 · Medical	400.00
35600 · Professional Fees	1,000.00
35640 · Rental Expense	15,000.00
35925 · Christmas	5,000.00
35980 · Utilities	12,000.00
36985 · Thanksgiving	5,000.00
Total 35000 · Specific Assistance Expense	45,333.33
45000 · Shelter Expense	
45020 · Admin Fee	6,134.04
45140 · Contract Labor	4,000.00
45200 · Food	3,000.00
45460 · Miscellaneous	996.00
45660 · Repairs & Maintenance	4,500.00
45700 · Salaries	25,200.00
45800 · Supplies	4,200.00
45860 · Payroll Taxes	3,000.00
45980 · Utilities	15,653.29
Total 45000 · Shelter Expense	66,683.33
55000 · Summer Work Camp Expense	
55020 · Admin Fee	42,000.00
55040 · Advertising	1,200.00
55060 · Auto Expense	1,600.00
55141 · CDBG Expenses	
55960 · Environmental Testing- LBP	15,000.00
55970 · Environmental Review	1,000.00
55141 · CDBG Expenses - Other	84,000.00
Total 55141 · CDBG Expenses	100,000.00
55193 · Entertainment	16,080.41
55200 · Food	27,000.00
55320 · Insurance	1,670.00
55380 · Lodging	17,000.00
55560 · Postage	5,000.00
55800 · Supplies	60,000.00
55840 · T-Shirts	2,000.00
55980 · Utilities	6,000.00
Total 55000 · Summer Work Camp Expense	279,550.41

Southside Community Center
Profit & Loss Budget Overview
October 2020 through September 2021

	<u>Oct '20 - Sep 21</u>
56000 · Housing Rehab Program	
56001 · Contract Labor	15,000.00
56002 · Supplies	8,000.00
56003 · Admin Fee	2,000.00
	<hr/>
Total 56000 · Housing Rehab Program	25,000.00
	<hr/>
Total Expense	598,903.51
	<hr/>
Net Income	0.00
	<hr/> <hr/>

Southside Community Center, Inc. and subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

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Independent Auditor's Report	1-2
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Notes to Financial Statements	8

AWG & Associates, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
7000 NORTH MOPAC, SUITE 200
AUSTIN, TEXAS 78731
P: (512) 258-0555
F: (512) 948-7012

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Southside Community Center, Inc. and subsidiaries:

We have audited the accompanying financial statements of Southside Community Center, Inc. and subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(Continued on next page)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Southside Community Center, Inc. and subsidiaries as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



AWG Hudson & Associates, PLLC
Austin, Texas

July 19, 2019

Southside Community Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 73,893	\$ 77,438
Accounts receivable	233	233
	<u>74,126</u>	<u>77,671</u>
 Fixed assets:		
Land	186,854	186,854
Buildings	2,648,967	2,648,967
Improvements	154,217	154,217
Equipment	285,838	283,273
	<u>3,275,876</u>	<u>3,273,311</u>
Accumulated depreciation	(1,334,109)	(1,236,826)
	<u>1,941,767</u>	<u>2,036,485</u>
 Other assets:		
Loan fees, net of accumulated amortization	22,651	24,067
Restricted deposits and funded reserves	90,858	118,411
	<u>113,509</u>	<u>142,478</u>
	 <u>\$ 2,129,402</u>	 <u>\$ 2,256,634</u>

The accompanying notes are an integral part of the financial statements.

Southside Community Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

September 30, 2018 and 2017

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
Current liabilities:		
Accounts payable & accrued liabilities	\$ 8,919	\$ 9,074
Tenant security deposits	27,600	27,600
Current portion notes payable	54,940	52,270
	<u>91,459</u>	<u>88,944</u>
Notes payable, net of current portion	<u>1,007,034</u>	<u>1,061,973</u>
	<u>1,098,493</u>	<u>1,150,917</u>
Net assets:		
Unrestricted	524,864	536,418
Temporarily restricted	506,045	569,301
	<u>1,030,909</u>	<u>1,105,719</u>
Total liabilities and net assets	<u>\$ 2,129,402</u>	<u>\$ 2,256,636</u>

The accompanying notes are an integral part of the financial statements.

Southside Community Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018 and 2017

UNRESTRICTED NET ASSETS

	2018	2017
Increases to unrestricted net assets:		
Rents	\$ 731,683	\$ 681,418
Volunteer fees - summer work camp	77,730	105,235
Donations	105,642	173,034
Housing rehab	19,000	19,000
Thrift shop sales	20,114	50,127
	<u>954,169</u>	<u>1,028,814</u>
Net assets released from restriction:		
Restrictions satisfied by used of funds	246,486	249,533
Restrictions satisfied by time	63,256	63,256
	<u>309,742</u>	<u>312,789</u>
Total increases to unrestricted net assets	<u>1,263,911</u>	<u>1,341,603</u>
Decreases to unrestricted net assets:		
Program expenditures		
Thrift shop	42,914	53,462
Specific assistance	35,270	47,653
Homeless shelter	54,965	55,760
Summer work camp - housing renovation	171,607	218,097
Low-income rental - Sunrise Village	765,496	704,006
	<u>1,070,252</u>	<u>1,078,978</u>
Supporting service expenditures:		
General and administrative	<u>205,213</u>	<u>278,960</u>
Total decreases to unrestricted net assets	<u>1,275,465</u>	<u>1,357,938</u>
Net increase in unrestricted net assets	(11,554)	(16,335)
Beginning unrestricted net assets	<u>536,418</u>	<u>552,753</u>
Ending unrestricted net assets	<u>\$ 524,864</u>	<u>\$ 536,418</u>

The accompanying notes are an integral part of the financial statements.

Southside Community Center, Inc. and Subsidiary

CONSOLIDATED STATEMENT OF ACTIVITIES - CONTINUED

For the Year Ended September 30, 2018 and 2017

TEMPORARILY RESTRICTED NET ASSETS

	2018	2017
Increases in temporarily restricted net assets:		
Grants and contracts	\$ 246,486	249,533
Decreases in temporarily restricted net assets:		
Temporarily restricted net assets released from restriction:		
Restrictions satisfied by use of funds	246,486	249,533
Restrictions satisfied by time	63,256	63,256
	<u>309,742</u>	<u>312,789</u>
Net decrease in temporarily restricted net assets	(63,256)	(63,256)
Beginning temporarily restricted net assets	<u>569,301</u>	<u>632,557</u>
Ending temporarily restricted net assets	<u>\$ 506,045</u>	<u>\$ 569,301</u>

NET ASSETS IN TOTAL

Net decrease in total net assets	\$ (74,810)	\$ (79,591)
Beginning total net assets	<u>1,105,719</u>	<u>1,185,310</u>
Ending total net assets	<u>\$ 1,030,909</u>	<u>\$ 1,105,719</u>

The accompanying notes are an integral part of the financial statements.

Southside Community Center, Inc. and Subsidiary
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Net decrease in net assets	\$ (74,810)	\$ (79,591)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	98,699	98,298
Increase (decrease) in accounts payable	(153)	(207)
Increase in tenant security deposits in trust	-	3,750
	23,736	22,250
 Cash flow from investing activities:		
Net disbursements from restricted reserves	27,553	6,291
Cash payments for the purchase of property	(2,565)	-
	24,988	6,291
 Cash flow from financing activities:		
Principal payments on long-term debt	(52,269)	(49,731)
 Net increase (decrease) in cash and equivalents	(3,545)	(21,190)
Cash and equivalents, beginning of year	77,438	98,628
Cash and equivalents, end of year	\$ 73,893	\$ 77,438
 Supplemental disclosures of cash flow information:		
Cash paid during the year for interest expense	\$ 51,409	\$ 54,573

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Southside Community Center, Inc. and subsidiaries (the Center), incorporated on August 30, 1972 under the Texas Non-Profit Corporation Act, is an agency of social concern committed to the development of the neighborhoods of San Marcos, Texas. The Center is governed by a Board of Directors represented by the primary local geographic neighborhoods, the United Methodist Church, and the community at large. The Center operates a homeless shelter and thrift shop, renovates homes for families in low-income neighborhoods and, since 1997, operates the Sunrise Village Center for senior citizens, which provides housing to qualified low-income elderly. Support for the Center's programs comes from government grants, church, and private donations and revenues from a thrift shop, summer work camp, and multi-family residential real-estate rental activities.

Financial Statement Presentation

The Center reports information regarding its financial position and activities to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Center is required to present a statement of cash flows.

Fiscal Year-End

The Organization utilizes a fiscal year-end of September 30 for financial reporting.

Cash and Equivalents

The Center considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions

The center does not receive unconditional promises to give, therefore, contributions are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Conditional promises are contracts and grants from local and state governmental agencies.

Property and Equipment

Property and Equipment are recorded at cost or at estimated fair value at the date of donation. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Center follows the practice of capitalizing all expenditures of property and equipment in excess of \$100 with an estimated useful life of one year or longer. Depreciation is provided using the straight-line method over the estimated useful lives of the assets from 5 to 39 years. Depreciation of \$98,699 and 98,298 was recognized for the years ended September 30, 2018 and 2017, respectively.

Property purchased with temporarily restricted government grants is subject to restrictions imposed by those grants which limit the use of the property to rental activities which benefit certain low-income individuals and families. (See Note 6)

The property housing the administrative offices and shelter is held in the name of the Women's Division of the General Board of Global Ministries of the United Methodist Church headquartered in New York. The facilities are used at no cost to the Center, and no value is recorded in the financial statements for this use.

Other Assets

Permanent loan fees of \$28,813 are amortized over the life of the loan and recorded net of accumulated amortization of \$5,663 and \$4,247 as of September 30, 2018 and 2017, respectively.

Contributed Facilities, Goods, and Services

Contributions to the Center include furniture and clothing to the thrift shop, which are recognized as cash donations when sold. Building materials are donated to the summer work camp program and are recognized as an in-kind donation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants & Contributions Received

Grants and contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support depending on the existence and / or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and charges in net assets as net assets released from restrictions.

Concentration of Credit Risk

The Center deposits its cash in financial institutions. At times, deposits may exceed federally insured limits. The Partnership has not experienced any losses in such accounts.

Rental Income

Rental income is recognized from apartment rentals as it is earned. Rental payments received in advance are deferred until earned. All leases between the Property and the tenants are operating leases. As of September 30, 2018 and 2017, no prepaid rent was accrued.

Economic Concentrations

The Center operates on property in San Marcos, Texas. Future operations could be affected by economic changes or other conditions in that geographical area or by changes in federal low-income housing subsidies or the demand for such housing.

Income Tax

The Center is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) under a group ruling as an affiliated organization of the United Methodist Church. As an affiliated organization, it is also exempt from the filing of Internal Revenue Service Form 990 Return of Organization Exempt from Income Tax.

Financial Instruments

The Center's financial instruments consist of cash & equivalents, receivables, payables, and borrowings at September 30, 2018 and 2017 are carried on the accompanying balance sheet at amounts, which approximate their respective fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE 2 – RESTRICTED DEPOSITS AND FUNDED RESERVES

Operating and Maintenance Reserve

The Center maintains a reserve account for the accumulation of funds to pay for operating deficits and maintenance expenditures as they arise. The Operating and Maintenance Reserve account has a balance of \$76,192 and \$94,114 as of September 30, 2018 and 2017, respectively.

Tenant Security Deposit Account

The Center holds all tenant security deposits in a separate account insured by the FDIC. Disbursements from the Tenant Security Deposit Account are to refund tenants security deposits and pay for repairs caused by prior tenant's occupancy. The Tenant Security Deposit account has a balance of \$14,666 and \$24,297 as of September 30, 2018 and 2017, respectively.

NOTE 3 – NOTES PAYABLE

The Center's subsidiary, Seniors II, borrowed \$1,200,000 from Broadway Bank in San Marcos, Texas to finance the acquisition of Senior II 99.9% limited partner's partnership interest in October of 2016 (as previously discussed in Note 2). The Broadway Bank "mortgage" requires payments of principal and interest at 4.75% over a 240 month term, maturing November 1, 2034. The mortgage is secured by the real property owned by Seniors II. Principal of \$1,048,728 and \$1,090,877 is outstanding as of September 30, 2018 and 2017, respectively.

The Center's subsidiary, Seniors II, borrowed \$48,268 from Broadway Bank in San Marcos, Texas to finance the acquisition of a vehicle. The Broadway Bank "auto loan" requires payments of principal and interest at 6% over a 60 month term, maturing December 1, 2019. The auto loan is secured by the vehicle owned by Seniors II. Principal and accrued interest of \$13,246 and \$23,366 is outstanding as of September 30, 2018 and 2017, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and 2017

NOTE 3 – NOTES PAYABLE - CONTINUED

Principal maturities over each of the next five years are as follows:

	Broadway Mtg.	Broadway Auto	Total
2019	44,195	10,746	54,941
2020	46,341	2,500	48,841
2021	48,591	-	48,591
2022	50,950	-	50,950
2023	53,423	-	53,423
Thereafter	805,227	-	805,227
Total	\$ 1,048,728	\$ 13,246	\$ 1,061,974

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include the cost of the Senior Citizens Center, of which \$1,897,677 was paid from a forgivable thirty-year HOME loan program (See Note 6). This loan amount is classified as a temporarily restricted net asset and is being amortized to unrestricted net assets over the 30-year term, starting in 1998. Unamortized temporarily restricted net assets aggregate \$506,045 and \$569,301 as of September 30, 2018 and 2017, respectively.

NOTE 5 – CONTINGENCIES

Home Program and Loan

The Center entered into a HOME program and related loan agreement, amended April 24, 1995, for \$1,897,677 with the Texas Department of Housing and Community Affairs to provide decent, safe, and affordable housing to very low-income and low-income persons and families in San Marcos. The loan is a 30-year forgivable loan with 0% interest. The default interest rate is 10%. The full amount of the loan will be forgiven at the end of 30 years if the Center has not been in default under any terms of the loan agreement.

NOTE 6 – SUBSEQUENT EVENTS

The subsequent events of the Organization have been evaluated through July 19, 2019 upon which date the financial statements were available to be issued.

Southside Community Center Board Contact List 2020

Member	Phone/Email	Address
Debbie Ingalsbe President		
Maggie Moreno Vice President		
Joshua Lucquete Treasurer *		
Esperanza Ramirez		
Mark Hankins *		
Jarrell Sharp		
Russel Bowlin		
Todd Salmi *		
Ramona Rodriguez		
Rudy Rodriguez		
Edna Peterson		
Jeanne Balkman *		
Frances Perez		
Ruben Garza Executive Director		
* Finance Committee		

Internal Revenue Service

District
Director

Department of the Treasury

1100 Commerce St., Dallas, Texas 75242

TX 50# 741191885

Person to Contact:
EO Technical Assistor

Telephone Number:
(214) 767-3526

Refer Reply to:

Date:
December 31, 1990

Southside Community Center
518 South Guadalupe
San Marcus, Tx. 78666

Dear Sir or Madam:

Our records show that The United Methodist Church and It's Affiliated Organizations is exempt from Federal Income Tax under Group Ruling Number 2573, under section 501(c)(3) of the Internal Revenue Code. This exemption was granted October 1974 and remains in full force and effect. You are included in this group ruling. Contributions to your organization are deductible as provided in section 170 of the Code.

We have classified your organization as one that is a not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely Yours,



EO Technical Assistor

Southside Community Center
518 S. Guadalupe Street
San Marcos, Texas 78666
(512) 392-6694 Fax (512) 396-6016

Dear Homeowner,

The following information is needed (Self, spouse and or household members) if applicable.

1. Completed application, including release of liability
2. Copy of social security card and photo ID (drivers license, etc. for each person living in the household)
3. Most recent property tax receipt
4. Proof of residency in the home (current utility bill for example)
5. Proof of ownership (title to the home)
6. Social security award letter (current)
7. Retirement pension letter
8. Most recent income tax return for all adults living in the house
9. Power of attorney if signed by anybody other than the homeowner
10. Last 4 check stubs
11. Last 6 checking account statements
12. Last savings account statement
13. Other documents may be listed on website or

Please call (512) 392-6694 extension 22 with any questions.

Sincerely,

Ruben Garza
Executive Director

SOUTHSIDE COMMUNITY CENTER
HOME-OWNER OCCUPIED
HOUSING REHABILITATION PROGRAM APPLICATION
A Program partially funded through the City of San Marcos
Community Development Block Grant

Program Information

Funding for this project is made available through the City of San Marcos Community Development Block Grant Program. The program must comply with various federal regulations, including flood plain management and lead-based paint hazard reduction measures.

Depending on the scope of the work to be performed, it may be necessary for those living in a home selected for the program to voluntarily relocate. To be considered for the program, applicants must be willing and able to voluntarily relocate (move out of the home) at their own expense. Some of the reasons that a family may be asked to voluntarily relocate include that the work is so extensive that bodily injury could occur, that the work will leave the kitchen or only restroom unuseable, or that lead-based paint has been found in the home. The family will be asked to relocate up to seven days in advance of the construction phase of the project to allow Southside Community Center to begin set-up preparations.

Southside Community Center will select seven (7) houses this year to be a part of the *Home-Owner Occupied Rehabilitation Program*. Applicants that have received CDBG rehabilitation program funding in the past 5 years are not eligible for this year's program.

An inspection of the house will be made prior to the final selection of houses to be included in the project. During the inspection employees or agents of the City of San Marcos and/or Southside Community Center will evaluate repairs that are needed and the costs associated with the repairs. The applicant will be notified of the date of the inspection in advance. If work is requested for the inside of the home, someone should be present to allow entry.

If a house is located in the flood plain as identified on FEMA maps, Federal regulations require that the homeowner maintain flood insurance for (at least) the cost of the rehabilitation work. Once the work is complete then flood insurance must be maintained for the life of the house. A Restrictive Covenant that documents this requirement will be filed at the courthouse and is binding on the owner of the property and any future owners should the house be sold. Flood insurance can be purchased at the insurance agency of your choice. A copy of the insurance policy must be provided to Southside Community Center.

Southside Community Center will review all complete applications for program eligibility and project feasibility. Acceptance of an application as complete does not mean that the home covered by the application will be chosen to be a part of this year's program. Reasons that a project might be denied include:

- Estimated cost to complete repairs will exceed 25% of the value of the house as shown on the most recent tax appraisal of the property.
- The total household yearly income exceeds program guidelines.
- Applicant is not the owner of the house.
- Applicant is not currently living in the house.
- House has received CDBG rehab program funding in past 5 years.
- The project cannot be finished within the summer program timeline.
- Applicant is unable to voluntarily relocate while work is in progress.

SOUTHSIDE COMMUNITY CENTER
HOME-OWNER OCCUPIED
HOUSING REHABILITATION PROGRAM APPLICATION
A Program partially funded through the City of San Marcos
Community Development Block Grant
Program Information

Eligibility Requirements - Applicant

ELIGIBILITY CRITERIA - The applicant must satisfy the following criteria to be eligible for program assistance:

- A. The applicant must be the owner of the property to be rehabilitated and have resided in the dwelling for not less than one year.
- B. The annual household income will be calculated using the "Part 5" definition of income as defined in 24 CFR Part 5. To be eligible, the annual household income must be less than 80% of the Area Median Income for the appropriate household size.
- C. The applicant must be a U.S. citizen or a legal resident alien.
- D. Ownership must be in the form of either a fee-simple title or a 99-year leasehold, and the title must not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest.
- E. The applicant must voluntarily apply for assistance. Participation in the rehabilitation program is voluntary on behalf of the applicant and City. This relationship may be terminated by the client or the City.
- F. The applicant must be current on mortgage payments and all applicable property taxes.
- G. The applicant must comply with flood insurance requirements as detailed below when the property to be considered for rehabilitation is located in a Special Flood Hazard Area as shown on a current FIRM map issued by the National Flood Insurance Program (NFIP)
 - a. The applicant must provide a copy of a current flood insurance policy declarations form issued by the NFIP or a paid receipt for the current annual flood insurance premium and a copy of the application for flood insurance;
 - b. The applicant must agree to maintain flood insurance for the life of the building so long as the dwelling remains in a flood zone and must agree to execute a document provided by the City that will be filed in the appropriate County office to create a deed restriction requiring the maintenance of flood insurance;
 - c. The applicant will be ineligible for this rehab program if the person has previously received Federal flood disaster assistance that is conditioned on obtaining and maintaining flood insurance and failed to obtain and maintain flood insurance as required under applicable Federal law.
 - d. The applicant must disclose the amount and purpose of any FEMA assistance received for flood recovery purposes.
- H. The applicant must demonstrate the ability to maintain the dwelling with regard to ongoing maintenance and repairs, safety hazards and health/cleanliness issues.
- I. The applicant acknowledges resources (family/friends) are readily available if temporary, voluntary relocation is necessary during the rehabilitation construction period.

5. Eligibility Requirements – Property

5.1 DEFINITIONS

Three terms – “dwelling,” “single-family unit” and “substandard” – are used in determining if a property is eligible for the City’s housing rehabilitation funding assistance. For the purposes of the Housing Rehabilitation Program, the terms are defined as follows:

DWELLING – A set of rooms occupied and suitable for occupancy as a family residence and having kitchen, bath, and sanitary facilities.

SINGLE FAMILY UNIT – A dwelling designated for occupancy by a single family that is in compliance with all City zoning occupancy regulations.

SUBSTANDARD - Failing to meet the minimum housing requirements as set forth in the City’s adopted building codes.

5.2 ELIGIBILITY CRITERIA – PROPERTY

A. The dwelling unit must be located within the corporate limits of San Marcos.

B. The dwelling unit must be classified as substandard with at least one major finding, based on a written, detailed inspection report prepared by a City inspector or other qualified agent of the City.

C. The dwelling unit must not be recognized or classified as a manufactured or mobile home.

D. The applicant’s property must not have a history of being used for illegal activity or any other activity that impairs the physical or social environment of the unit or the neighborhood.

E. The dwelling unit is eligible for City-funded rehab assistance no more than once in a five-year period. This restriction may be waived by the City of San Marcos Director of Planning and Development Services when additional assistance is warranted and limited to activities that will correct life-safety hazards or will remove accessibility barriers that restrict mobility for persons with a disability.

F. A dwelling unit that is not substandard will be eligible to receive accessibility improvements to meet the needs of a resident of the household with a disability including, but not limited to, the construction of a ramp, widening of interior or exterior doors, and replacement of bathroom fixtures.

6. Application Process and Applicant Ranking

6.1 APPLICATION PROCESS

A. An open application period will be held for a minimum period of 30 days during which applications will be accepted on the form provided by the City.

B. The application period will be affirmatively marketed in a manner that will inform and attract eligible applicants without regard to race, color, national origin, sex, religion, familial status, or disability. Documentation of all marketing activities must be maintained in the program file.

C. The City will help potential applicants understand program eligibility requirements and may assist with the completion of the application document.

D. The applicant must submit all required documentation with the application form to confirm eligibility. Documents that may be required include income verification documents, asset documentation (bank and savings statements), current property tax receipts, copy of property deed or other approved ownership documentation, copy of property insurance, proof of residency such as a current utility bill in the applicant's name, disability documentation, and photo identification card.

E. Applicants may be given an additional 7 calendar days after the close of the application period to correct documentation deficiencies. At the close of this documentation grace period, any application that does not meet ALL documentation requirements will not be ranked in the current funding cycle.

F. The date the application, along with all required documentation, is complete will be noted on the application form.

6.2 APPLICANT RANKING

The rehabilitation awards are based on the financial need of the household and the condition of the dwelling. Each household is ranked based on the criteria in Sections 6.2 and 6.4 and placed on a waiting list.

A. When the application is complete, qualified applicants are assigned to a waiting list. The application is considered incomplete until all statements pertaining to income, benefits, assets, homeowner's insurance and employment have been verified. The homeowner will be notified if the application is not complete or has documentation deficiencies.

B. Applications will be ranked based on financial need, the household with the greatest need first, the next household second and so on until funds allocated for rehabilitation are expended. The ranking system used by the City considers the size and income of the household, the number of elderly (at least age 62 at time of application) residents in the household, number of disabled or handicapped residents in the household, the number of residents in the household who are under 18, and whether the head of household is female. The ranking score is the total of all points from the financial need categories listed above.

C. Should households have identical financial needs as established by the ranking system found in Section 6.2, condition of the dwelling structure will determine priority. Dwelling condition will be determined by the inspection. If scores remain tied, the application with the earliest date of completion will have precedence.

D. The Ranking List will include all completed applications for the current funding cycle. Assistance will be provided in the order of ranking to the extent funding is available.

E. The City may determine a maximum number of households to be assisted regardless of the number of completed applications or the amount of funds available.

F. The ranked list and ranking calculations will be available for public review.

City of San Marcos

FY 2018 Income Limits Summary

Median Family Income: Austin-Round ~~MSA~~ **\$86,000**

Rock MSA Effective: October, 2018

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30%	\$ 18,600	\$ 21,240	\$ 23,910	\$26,550	\$ 28,680	\$ 30,810	\$ 32,940	\$ 35,070
50%	\$31,000	\$ 35,400	\$ 39,850	\$44,250	\$47,800	\$51,350	\$ 54,900	\$58,450
80%	\$49,600	\$56,640	\$63,760	\$70,800	\$76,480	\$82,160	\$87,840	\$93,520

6.3 CRITERIA FOR RANKING FINANCIAL NEED

A. INCOME/FAMILY SIZE – The program income limit is 80% of the Area Median Income. If the annual household income based on family size is less than the program income limit, the household will receive points as follow:

- If income is 30% or less of program income limit - 70 points
- If income is 31% to 50% of program income limit - 60 points
- If income is 51% to 60% of program income limit - 40 points
- If income is 61% to 80% of program income limit - 20 points

B. NUMBER IN HOUSEHOLD

- 1 Person Household..... 5 points
- 2 to 3 Person Household.....10 points
- 4 to 5 Person Household.....15 points
- 6+ Person Household..... 20 points

C. NUMBER OF ELDERLY - 20 points for household member who is at least age 62 at time of application.

D. NUMBER OF HANDICAPPED OR DISABLED - 20 points if a household member with a total or partial physical impairment which renders the person unable to work as shown by the receipt of disability benefits from Social Security, a pension program, a life insurance program or disability insurance.

E. FEMALE HEAD OF HOUSEHOLD – 15 points per household

F. ONE OR MORE PERSONS 18 YEARS OLD OR YOUNGER -15 points

6.4 CONDITION OF THE DWELLING STRUCTURE

Standard Not eligible for assistance

Substandard Dwelling rating will be the number of failing items as shown in the initial inspection of the property.

Life threatening Eligible applicants will be considered for emergency grants (if funds are available) to make repairs when conditions present an immediate threat to the health or safety of the household. Regulatory issues surrounding such grants will be addressed with the City of San Marcos prior to use of Federal Funds.

South Side Community Center Homeowner Release

Address: _____

Legal Description: _____

1. Program: I, the undersigned owner of the above-described real property and all improvements on such property (the "Property"), request that Southside Community Center and the City of San Marcos (collectively, "Southside") assist me by performing construction, renovation, demolition, and other similar services ("Services") on and to the Property. I agree that the Services are provided "as is" and that Southside makes no representation or warranty, express or implied, with regard to the Services. I agree that Southside may discontinue the Services at any time for any reason.

2. Risks: I understand the volunteer nature of the Services and I understand that Southside does not guarantee the outcome of the Services. I understand that the unforeseen circumstances or accidental events may occur, for which Southside, its officers, agents, representatives, coaches, volunteers, and employees, cannot be held responsible. I hereby assume all ordinary risks normally incidental to the nature of the Services. I understand that I may not like the final outcome of the Services or the modifications made to my Property.

3. Release: I unconditionally waive and release Southside, its officers, agents, representatives, coaches, coaches, volunteers, and employees, and agree to hold said persons harmless from any and all claims, rights, or causes of action which may be asserted against Southside, its officers, agents, representatives, coaches, volunteers, and employees by any person as the result of any injuries, expenses, loss of compensation, or loss of experience as a direct or indirect result of the Services or from any negligence on the part of Southside, including any act or failure to act.

4. Indemnification: I unconditionally promise and agree to indemnify Southside, its officers, agents, representatives, coaches, volunteers, and employees and to hold said persons harmless from any and all claims, rights, or causes of action which may be asserted against Southside, its officers, agents, representatives, coaches, volunteers, and employees by any person as the result of any injuries (regardless of severity), expenses, loss of compensation, or loss of experience as a direct or indirect result of the Services or from any negligence on the part of Southside, including any act or failure to act. This agreement to indemnify includes any and all money paid by Southside, its officers, agents, representatives, coaches, volunteers, or employees to, or charged by, any person (whether by virtue of a settlement or in litigation), including attorney's fees for any parties to the claim, demand, or litigation.

5. No Liability Insurance: I have been informed and am aware that Southside does not provide, nor is any member of my family covered by, any policy of liability insurance which would otherwise serve to compensate a member of my family in the event of an injury, expense, loss of compensation, loss of service or other damage (general or special) which I or any member of my family may experience as a direct or indirect result of the Services or from any negligence on the part of Southside, its officers, agents, representatives, coaches, volunteers, or employees, including any act or failure to act.

6. Consideration: I hereby acknowledge the validity and adequacy of the consideration for this release being Southside's promise to provide the Services.

7. Binding Effect: This agreement is binding upon me and upon my spouse, heirs, assigns, dependents, personal representatives, attorneys, and my estates.

8. Entire Agreement: This document constitutes the entire agreement between South Side and the undersigned regarding the subjects covered hereby. All previous agreements, oral or written, are superseded and there exist no further oral or written representations, promises, assurances, or statements of any kind affecting this agreement except those which are expressly set forth in this document.

9. Arbitration: The undersigned agree that any dispute that they may have against Southside shall be submitted to binding arbitration in San Marcos, Texas according to the rules of the American Arbitration Association.

Agreement to Release of Liability:

1st Owner Signature

1st Owner Name (Print)

Date: _____

2nd Owner Signature

2nd Owner Name (Print)

Date: _____

Southside Staff Member Signature

Southside Staff Member Printed Name

Date: _____

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of program's rules, regulations and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

Applicant / Project General Information

1. Applicant's Name: _____
(applicant must own and currently live in the home)
2. Property Address: _____ San Marcos, Texas
(Must be located inside the City Limits)
3. Phone Number: _____ Daytime No. if Different: _____
4. How many people live in this home? _____
5. How many people 18 Years old or younger are living in the home _____
6. List of people living in this home: _____

7. What is the total yearly income of all adults (age 18 or older) living in this home?
_____ per year.
(Possible sources of income include gross wages and tips, social security, SSI or other public assistance, unemployment benefits, and child support payments. Documentation required.)
8. Was your house built before 1978? Yes No
If yes, was it built before 1956? Yes No
Approximate age of house, if known _____
9. Are your house payments, house insurance, and property taxes paid up to date?
 Yes No If no, please explain: _____

10. Is your house in the floodplain? Yes No I Don't Know
11. If yes, do you currently carry flood insurance on the house? Yes No
12. If no, have you at any point received federal funding for the rehabilitation for your home? Yes No

The following information is requested for statistical purposes only for compliance with CDBG Program guidelines and will be used in reports submitted to the Department of Housing and Urban Development (HUD). This information has no bearing on the acceptance of this application.

AFFIRMATIVE ACTION INFORMATION

This information is requested in order to comply with HUD's reporting requirements. Answers to the following questions are not used to determine eligibility for program assistance. You may not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you elect to not provide this information, please initial below.

_____ I do not wish to furnish the information requested below.

Applicant Initials

Head of Household Information:

Name: _____

Sex: Male Female

Ethnicity of Head of Household: (Choose one)

- Hispanic – A person of Mexican, Cuban, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
- Non-Hispanic – A person NOT of Mexican, Cuban, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Race of Head of Household: (Choose one)

- | | |
|---|--|
| <input type="checkbox"/> White
American | <input type="checkbox"/> Black / African |
| <input type="checkbox"/> Asian
Alaskan Native | <input type="checkbox"/> American Indian / |
| <input type="checkbox"/> Native Hawaiian/Other Pacific Islander | <input type="checkbox"/> Asian & White |
| <input type="checkbox"/> Black / African American & White
Native & White | <input type="checkbox"/> American Indian / Alaskan |
| <input type="checkbox"/> Amer. Indian/Alaskan Native & Black/African American | <input type="checkbox"/> Other Multi-racial |

Household Special Needs (includes everyone living in the owner's household):

- One or more people living in this household are elderly (62 or older).
- One or more people living in this household have a disability.

If yes: How many are elderly?

If yes: How many are disabled?

Project Work Requested

Due to limited funding and project costs, Southside Community Center may not be able to accomplish all the requested repairs. Please select the three most important immediate needs that are necessary in order to improve the health and safety of your family.

The Homeowner-Occupied Rehabilitation Program does not include house leveling activities.

Choose the **three** areas where repairs are most needed by placing a mark next to the appropriate item.

- Kitchen
- Living Room
- Bedroom 1, 2, or 3
- Bathroom 1, 2 or both
- Roof
- Electric Wiring
- Plumbing
- Air conditioning / heating
- Front Entry (Porch, steps, doorway)
- Back Entry (Porch, steps, doorway)
- Outside of Home (paint job and repair rotten wood)
- Inside of Home (paint inside of house and repair ceiling)
- Other: _____

Details of requested work: _____

Agreements and Certification

Please initial on the lines next to the following statements to show that you understand and agree to abide by the program requirements if your house is chosen for the Rehab Program.

- _____ I certify that I own and currently live in the home covered by this application.
- _____ I understand that my house may not be chosen for the Program. If it is selected, I understand that there may not be enough money to do all the repairs I have requested. If my house is selected, I will attend a pre-construction meeting to discuss what work is planned and the schedule for repairs.
- _____ I have attached all of the required supporting documents (listed below) with this application and certify that they are accurate.
- _____ I am able and willing to voluntarily relocate at my own expense during the rehabilitation work if it is necessary. I agree to move out a week in advance of the scheduled construction work to allow preparation work to begin. I understand that my possessions should be removed from the work area. Anything not moved will be covered during the work. I will not hold Southside Community Center or its agents or the City of San Marcos responsible for any damage that occurs to such items.
- _____ If my property is determined to be in the floodplain as shown on FEMA maps, I agree to purchase flood insurance from the agency of my choice. I understand that the insurance must be in an amount equal to or greater than the cost of repairs that are made to my home under this program. I understand that the insurance will have to be renewed each year and that if I sell the home the new owner will be obligated to carry this insurance as well.
- _____ I understand that I am responsible for the payment of utility bills that cover the time of construction, even if my family voluntarily relocated.
- _____ I have executed the attached Release of Liability

By signing this application you certify that the information provided is true and correct as of the date you signed and show you understand that any intentional or careless falsification(s) of the information contained in this form and supporting documentations may result in civil liability or criminal penalties.

I certify that I am the owner of the property described in this application or have legal Power of Attorney to sign on behalf of the applicant.

Applicant's Signature

Date

If signed by someone other than the applicant, name of person signing:

_____ relationship to Applicant: _____

The following documents must be included with the application for it to be considered for the rehabilitation program.

- _____ Completed application, including release of liability
- _____ Copy of social security card and photo i.d. (driver's license, etc.) for each person living in the house
- _____ Most recent property tax receipt
- _____ Most recent tax return(s) for all adults living in the home
- _____ Proof of residency in the home (current utility bill, for example)
- _____ Proof of ownership (title to the house)
- _____ Power of Attorney if signed by someone other than the applicant/property own

Arbitration: The undersigned agree that any dispute they may have against Southside shall be submitted to binding arbitration in San Marcos, Texas according to the rules of the American Arbitration Association.

Agreed:

1st Owner Signature

1st Owner Name (print)

Date : _____

2nd Owner Signature

2nd Owner Name (print)

Date : _____

Southside Community Center
518 S. Guadalupe Street
San Marcos, Texas 78666
(512) 392-6694 Fax (512) 396-6016

Non Bank Account Affidavit

Household Name:

Address:

City:

I hereby certify that I do not have a bank account checking or savings. Under penalty of perjury, I certify that the information presented in this affidavit is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitute an act of fraud. False, misleading or incomplete information may result in the termination of the application.

Signature of applicant

Printed name of applicant

Date

Signature of spouse

Printed name of spouse

Date

Said plaintiff, (agent or attorney), being duly sworn by me, the undersigned authority, up on oath says that the facts as stated in the above instrument of writing are, within the knowledge of said Affiant, true and correct. Sworn to and subscribed before me, to certify which witness of my official hand seals of office this _____ day of _____ 2020.

Notary Public, Hays County, Texas

Southside Community Center
518 S. Guadalupe Street
San Marcos, Texas 78666
(512) 392-6694 Fax (512) 396-6016

Unemployment Affidavit

Household Name:

Address:

City:

I hereby certify that I am not employed. Under penalty of perjury, I certify that the information presented in this affidavit is true and accurate to the best of my knowledge. The undersigned further understand(s) that providing false representations herein constitute an act of fraud. False, misleading or incomplete information may result in the termination of the application.

Signature of applicant

Printed name of applicant

Date

Signature of spouse

Printed name of spouse

Date

Said plaintiff, (agent or attorney), being duly sworn by me, the undersigned authority, up on oath says that the facts as stated in the above instrument of writing are, within the knowledge of said Affiant, true and correct. Sworn to and subscribed before me, to certify which witness of my official hand seals of office this _____ day of _____ 2020.

Notary Public, Hays County, Texas

Southside Community Centers Disclosure Statement:

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), Southside Community Center will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or facilities.

Individuals requiring an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in a program, service, or activity of the City of San Marcos should contact the office of ADA Coordinator, Cindy Conyers (512.393.8065 or Voice/711 Texas Relay Service) or ADArequest@sanmarcostx.gov as soon as possible but no later than 72 hours before the scheduled event. The City's ADA Notice and Grievance Procedures can be found at <http://www.ci.san-marcos.tx.us/index.aspx?page=946>.

De conformidad con los requisitos del Título II de la Ley de Americanos con Discapacidades de 1990 ("ADA"), la Ciudad de San Marcos no discrimina a personas calificadas con discapacidad sobre la base de la discapacidad en sus servicios, programas o instalaciones.

Las personas que requieren una ayuda o servicio auxiliar para una comunicación efectiva o una modificación de las políticas o procedimientos para participar en un programa, servicio o actividad de la Ciudad de San Marcos deben ponerse en contacto con la oficina del Coordinador de ADA, Cindy Conyers (512.393.8065 o Voz / 711 Servicio de Retransmisión de Texas) o ADArequest@sanmarcostx.gov tan pronto como sea posible pero no más tarde de 72 horas antes del evento programado. La ciudad Aviso ADA y procedimientos de queja puede encontrarse en <http://www.ci.san-marcos.tx.us/index.aspx?page=946>.

Las personas que tengan dominio limitado del inglés pueden pedir ayuda llamando a la Ciudad al 512-393-8400.

INCOME CERTIFICATION

Initial Certification Recertification Other*

PART I - DEVELOPMENT DATA

Homeowner Name: _____ County: _____ Hays _____ State: _____ Zip: _____
 Address: _____ Phone #: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (circle one)	Last 4 digits of Social Security Number
1					FT / PT / NA	
2					FT / PT / NA	
3					FT / PT / NA	
4					FT / PT / NA	
5					FT / PT / NA	
6					FT / PT / NA	
7					FT / PT / NA	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
1.				
2.				
3.				
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____
Add totals from (A) through (D) above			TOTAL INCOME (E):	\$ _____

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
1.				
3.				
TOTALS:			\$ _____	\$ _____
Enter Column (H) Total If over \$5000 \$ _____ X		Passbook Rate 2.00%	= (J) Imputed Income	\$ _____
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)	\$ _____
				\$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

Application Points Ranki
2020 Summer Rehabilitation
Program

A. INCOME/FAMILY SIZE – The program income limit is 80% of the Area Median Income. If the annual household income based on family size is less than the program income limit, the household will receive points as follow:

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	\$49,600	\$56,640	\$63,760	\$70,800	\$76,480	\$82,160	\$87,840	\$93,520

- If income is 30% or less of program income limit - 70 points
- If income is 31% to 50% of program income limit - 60 points
- If income is 51% to 60% of program income limit - 40 points
- If income is 61% to 80% of program income limit - 20 points

Total Income: _____

1.) Points for Income: _____

B. NUMBER IN HOUSEHOLD

- 1 Person Household..... 5 points
- 2 to 3 Person Household..... 10 points
- 4 to 5 Person Household..... 15 points
- 6+ Person Household..... 20 points

Number of Those in the Household: _____

Points for Number of People in Home: _____

C. NUMBER OF ELDERLY - 20 points for household member who is at least age 62 at time of application

Number of Elderly: _____

2.) Points for Elderly: _____

Application Points Ranking
2020 Summer Rehabilitation Program

D. NUMBER OF HANDICAPPED OR DISABLED - 20 points for household member with a total or partial physical impairment which renders the person unable to work as shown by the receipt of disability benefits from Social Security, a pension program, a life insurance program or disability insurance.

Number of those Disabled: _____

3.) Points for Disabled Household members: _____

E. FEMALE HEAD OF HOUSEHOLD - 15 points per household

4.) Female Head of Household Points: _____

F. ONE OR MORE PERSONS 18 YEARS OLD OR YOUNGER -15 points

5.) Points For Child in the Home: _____

ADD POINTS FOR ALL CATEGORIES:

Total Points of Applicant: _____

Signature of Southside Staff member designates that he/she has filled out this document based on the information provided from the summer rehabilitation application given by the homeowner.

Signature of Southside Staff

Date

By signing this document you are stating that all of the information is accurate about you and your dwelling.

Signature of homeowner

Date



Legislation Text

File #: Ord. 2020-47, **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2020-47, extending the temporary waiver of the 15 percent late charge and the one percent per month interest charge for delinquent hotel occupancy tax payment under section 78.103 of the San Marcos City Code to monthly payments due on July 20, 2020 due to the continuing COVID-19 pandemic; providing for adoption of this ordinance as an emergency measure on only one reading; and providing an effective date.

Meeting date: June 16, 2020

Department: Destination Services, Rebecca Ybarra

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: April 7, 2020 Council meeting. “Consider approval of Ordinance 2020-20, temporarily waiving the 15 percent late charge and the 1 percent per month interest charge for delinquent payment of Hotel Occupancy Taxes under Section 78.103 of the San Marcos City Code due to the COVID-19 pandemic; providing for adoption of this Ordinance as an emergency measure on only one reading; and providing an effective date.” Motion passed and approved.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

The request was made by the San Marcos Hotel Owners group who met with City Manager Bert Lumberras and Economic and Development Manager Scott Hardwick.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

On April 7, City Council approved an ordinance to temporarily waive late charges and fees for delinquent payments due April 20, May 20 and June 20. We recommend an extension to include payments due July 20. This extension will continue to offer hotels relief until a permanent change of payment policy is approved. A long-term hotel occupancy tax payment policy is scheduled for an August agenda item for consideration.

ORDINANCE NO. 2020-47

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS EXTENDING THE TEMPORARY WAIVER OF THE 15 PERCENT LATE CHARGE AND THE ONE PERCENT PER MONTH INTEREST CHARGE FOR DELINQUENT HOTEL OCCUPANCY TAX PAYMENT UNDER SECTION 78.103 OF THE SAN MARCOS CITY CODE TO MONTHLY PAYMENTS DUE ON JULY 20, 2020 DUE TO THE CONTINUING COVID-19 PANDEMIC; PROVIDING FOR ADOPTION OF THIS ORDINANCE AS AN EMERGENCY MEASURE ON ONLY ONE READING; AND PROVIDING AN EFFECTIVE DATE.

RECITALS:

- 1.** Due to the current COVID-19 pandemic, travel restrictions, and cancellation of conferences and room reservations, hotels within San Marcos are experiencing decreased revenue and difficulty in meeting their financial obligations.
- 2.** Under Section 78.103, Subsection (b) of the San Marcos City Code, the operators of hotels are required to file monthly reports and to remit hotel occupancy taxes in full to the city's finance department. The reports and payments are due by the 20th of each month following the previous month of collection from hotel guests.
- 3.** Section 78.103, Subsection (e) assesses a late charge of 15 percent of the total amount of hotel taxes that are not received by the due date.
- 4.** Section 78.103, Subsection (f) assesses an interest charge of one percent per month of the total amount due, including late charges and accrued interest, that is not received within 60 days of the due date.
- 5.** In order to relieve the financial burden on hotels in San Marcos, the San Marcos City Council adopted Ordinance No. 2020-20 pursuant to which the 15 percent late charge and one percent interest charge were temporarily waived and not applied to monthly payments that became due on April 20, 2020, May 20, 2020, and June 20, 2020.
- 6.** Due to the continuing financial burden on hotels in San Marcos caused by the COVID-19 pandemic, the San Marcos City Council finds it necessary to waive and not apply the 15 percent late charge and one percent interest charge to monthly payments that become due on July 20, 2020.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1. Late charges and interest charges that would otherwise accrue and be assessed under Section 78.103 of the San Marcos City Code, due to the failure to timely remit

payment of city hotel occupancy taxes, are hereby waived and shall not be applied to monthly payments that become due on July 20, 2020.

SECTION 2. The temporary waivers provided in Section 1 of this ordinance may be extended by subsequent ordinance of the City Council during the continuation of the current declaration of a local state of disaster within San Marcos, Texas due to the COVID-19 pandemic.

SECTION 3. Nothing in this ordinance shall be construed as a waiver of the obligation of any person operating a hotel in San Marcos to collect, report, and remit hotel occupancy taxes.

SECTION 4. The importance of this ordinance creates an emergency and an imperative public necessity, and the provisions of the San Marcos City Charter requiring that ordinances be presented at two separate meetings are hereby waived and, this ordinance will take effect immediately upon adoption.

PASSED AND APPROVED ON ONE READING on June 16, 2020.

Jane Hughson
Mayor

Attest:

Approved:

Tammy K. Cook
Interim City Clerk

Michael J. Cosentino
City Attorney



Legislation Text

File #: Res. 2020-131R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-131R, amending the Community Development Block Grant (CDBG) Action Plan for Program Year 2019 to add the awarded Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 and approving projects for the use of these funds; authorizing the City Manager or his designee to act as the official representative of the City in matters related to the CDBG Program and Action Plan; and declaring an effective date.

Meeting date: June 16, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: On June 18, 2019, the City Council approved by Resolution 2019-121R the Community Development Block Grant - Entitlement - Action Plan ("CDBG Action Plan") that provides for the allocation of \$680,998 awarded to the City of San Marcos by the Department of Housing and Urban Development (HUD) for the Program Year beginning October 1, 2019 and ending September 30, 2020 (Program Year 2019). On March 3, 2020, the City Council approved Resolution 2020-54R, amending the Community Development Block Grant (CDBG) Action Plan for program year 2019 to reallocate \$67,142 from the Unsafe Structures Program to the amount allocated for the Southside Community Center Rehab Program.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Proposed amendments to the 2019-2020 Community Development Block Grant Entitlement Action Plan include adding the CDBG-CV allocation of \$425,261 and budgeting the funding for specific programs and projects. Programs and projects must be used to prevent, prepare for, or respond to impacts of the Coronavirus, and they must fulfill one of the following national objectives of the CDBG program:

- Serving low-to-moderate income people
- Clearing slums or blight
- Urgent Need

A public application process for the funding was held May 1-20, 2020. The City received four applications for funding as shown on the table below.

Staff recommends funding administration and items 1, 3, and 4 because these programs provide services to address needs that are directly related to the COVID-19 pandemic. They will also meet the CDBG national objective by:

- 1 - retaining jobs for low-to-moderate income people
- 3 - serving abused children (presumed to be in a low-income status since they have been removed from their families)
- 4 - tracking the percentage of low income, elderly, and disabled people served

The request from the Office of Emergency Management does not meet a national objective because it is not serving a specific clientele who can be tracked. The “Urgent Need” category refers to the response needed immediately after a natural or man-made disaster with physical impact, such as clearing debris after a tornado. In addition, it is not clear that a full-time position can be justified as having a direct connection to response to the COVID-19 pandemic.

PROGRAM

REQUESTED

RECOMMENDED

1. CITY ECONOMIC DEVELOPMENT & MAIN STREET, CHAMBER OF COMMERCE

PROGRAM: COVID-19 Small Business Recovery:	\$200,000	\$200,000
• grant funding and technical assistance to very small businesses and micro-enterprises in the city limits of San Marcos		
• providing technical assistance, working capital and best practices for how to safely recover and reopen		
2. CITY OFFICE OF EMERGENCY MANAGEMENT	\$180,000	
PROGRAM: COVID-19 Community Recovery Specialist Position		
• to ensure that our community reopens safely, to facilitate sustainable economic recovery, to assist the school districts in the safe reopening of their campuses, and to provide outreach and communicate preparedness strategies within the community's vulnerable populations one full-time position for two years		
3. COURT APPOINTED SPECIAL ADVOCATES	\$55,600	\$55,600
PROGRAM: Advocacy Services for Abused and Neglected Children:		
• providing trained community volunteers who represent children in the courts, schools, and child welfare system		
COMMENT: Need is increasing due to COVID-19 school and business closures		
4. TEXAS STATE UNIVERSITY	\$105,530	\$105,530
PROGRAM: COVID-19 Collection Station		
portable sample collecting station and staffing for the COVID-19 pandemic to be utilized for the entire community without barriers in accessibility due to age, gender, physical, economic or any other barrier		
ADMINISTRATION	\$65,000	\$64,131
TOTAL	\$606,130	\$425,261

A public hearing was held June 2, 2020 to receive comments on proposed projects. No comments were received from the public, although a letter of support was received from the Chamber's Board Chair for the small business program.

City Council expressed support for the staff recommendation, with the following comments:

Chamber Economic Development Program:

- Marketing for the program should also be in Spanish.
- Awards should be spread out throughout the city and not just in the downtown.
- A possible preference to minority owned businesses.
- Businesses requesting PPE equipment should have a higher priority.

Texas State Sampling Station

- If possible, the hiring of one staff member should be a minority or disadvantaged person.

A public comment period was held June 7-13, 2020. Any comments received will be presented to City Council at the City Council meeting on June 16, 2020.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends amending the Community Development Block Grant (CDBG) Action Plan for Program Year 2019-2020 to add the awarded Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 and approving the following projects for the use of these funds:

1. COVID-19 Small Business Recovery \$200,000

By the San Marcos Chamber of Commerce, City of San Marcos Economic Development Department, and the City of San Marcos Main Street Program

2. Advocacy Services for Abused and Neglected Children \$55,600

By Court Appointed Special Advocates

3. COVID-19 Collection Station \$105,530

By Texas State University

4. Administration of the CDBG-CV Grant \$64,131

By the Planning and Development Services Department

CITY COUNCIL MEETING

Tuesday, June 16, 2020

CDBG 2019-2020 Action Plan Amendments

Council Resolution

Amendments to add CDBG-CV and related programs

- Add funding: \$425,261
- Add proposed programs and projects

1. COVID-19 Small Business Recovery

- Technical Assistance and Funding for small businesses and microenterprises
- Up to \$5,000 per business for:
 - i. Operational Safety - Redesign physical space in order to ensure safety and social distancing.
 - ii. Sanitation Training and PPE
 - iii. Digital Redesign for Social Distancing
- Mandatory workshop on best practices for recovery
- By: City ED, Main Street, and Chamber of Commerce

Amount Requested: \$200,000

2. Advocacy Services for Abused and Neglected Children

- Partial funding for additional Case Supervisor, Team Lead, Technology
- Recruit and train volunteer caseworkers to advocate for children removed from their homes
- Advocating for mental health, medical, education, housing, and permanency in safe, stable homes
- Scalable program model depending on need
- Increased need due to family stress due to economic impact and stay-at-home orders
- By: Court Appointed Special Advocates

Amount Requested: \$55,600

3. COVID-19 Collection Station

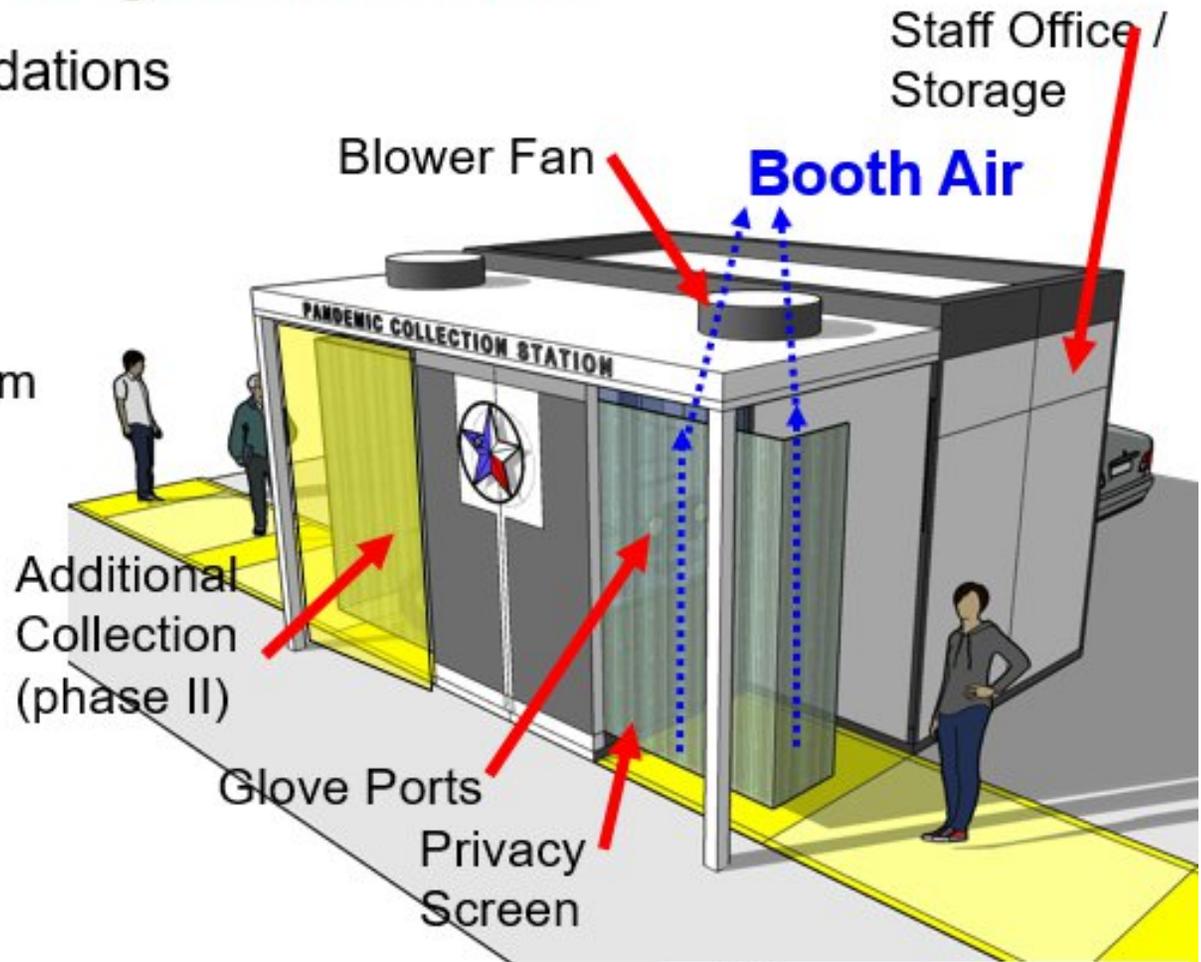
- Portable COVID-19 sample collecting station and staffing from September 2020 – May 2021
- Creation of a prototype and then conversion to a working flexible-use health station
- Creates two part-time positions at \$18/hour
- Samples will be sent to a lab for testing
- Implementing research done in partnership with Katerra
- By: Texas State University multi-disciplinary team

Amount Requested: \$105,530

Katerra & Texas State Testing Station Requirements

Drive and Walk-in Accommodations

- Station Layout
- Air Conditioning
- Sample Collection Mechanism
- Sample Drop Mechanism
- Sanitizing Mechanism
- Communication System
- Appointment System
- Power System
- Station Doors
- Medical Consideration
- Transportation



Designed by:  KATERRA

4. Administration

- Provide technical assistance to funded programs
- Ensure the appropriate use and documentation of funds
- Monitor and report progress to HUD

Amount Requested: \$64,131 (15%)

Staff Recommendation

Program	Recommended
1. COVID-19 Small Business Recovery	\$200,000
2. Advocacy Services for Abused and Neglected Children	\$55,600
3. COVID-19 Collection Station	\$105,530
4. Administration	\$64,131
TOTAL	\$425,261

Approve a resolution amending the Community Development Block Grant (CDBG) Action Plan for Program Year 2019-2020 to add the awarded Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 and approving the staff recommendation for projects for the use of these funds; authorizing the City Manager or his designee to act as the official representative of the City in matters related to the CDBG program and Action Plan; and declaring an effective date.

RESOLUTION NO. 2020-131R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ACTION PLAN FOR PROGRAM YEAR 2019 TO ADD THE AWARDED COMMUNITY DEVELOPMENT BLOCK GRANT-CORONAVIRUS (CDBG-CV) ALLOCATION OF \$425,261 AND APPROVING PROJECTS FOR THE USE OF THESE FUNDS; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ACT AS THE OFFICIAL REPRESENTATIVE OF THE CITY IN MATTERS RELATED TO THE CDBG PROGRAM AND ACTION PLAN; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The Community Development Block Grant (CDBG) Action Plan for Program Year 2019 approved by Resolution No. 2019-121R is amended to add the awarded Community Development Block Grant-Coronavirus (CDBG-CV) allocation of \$425,261 and add projects for the use of these funds, as set forth in Exhibit A.

PART 2. The City Manager or his designee is authorized to act as the official representative of the City in matters related to the CDBG Program and Action Plan.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

EXHIBIT A – CDBG-CV PROJECTS

<u>1. COVID-19 Small Business Recovery</u> By the San Marcos Chamber of Commerce, City of San Marcos Economic Development Department, and the City of San Marcos Main Street Program	\$200,000
<u>2. Advocacy Services for Abused and Neglected Children</u> By Court Appointed Special Advocates	\$55,600
<u>3. COVID-19 Collection Station</u> By Texas State University	\$105,530
<u>4. Administration of the CDBG-CV Grant</u> By the Planning and Development Services Department	\$64,131
TOTAL	\$425,261

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of San Marcos receives Community Development Block Grant (CDBG) program funds as an “entitlement” community from the U. S. Department of Housing and Urban Development (HUD). In Program Year 2019, which begins October 1, 2019 and ends September 30, 2020, the City will receive \$680,998.

The primary objectives of the CDBG program are achieved by providing: (a) decent housing; (b) a suitable living environment; and (c) expanded economic opportunities. Each funded project/program must meet one of the National Objectives:

- Benefit to low and moderate income persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need)

HUD establishes the income limits for San Marcos each year based on the Area Median Income (AMI) for a family of four in the Austin-Round Rock-San Marcos Metropolitan Statistical Area. The limits are adjusted based on family size so that the more people who are in the family the more income is allowed. A person or family is considered to be “low/mod” if their annual gross income does not exceed 80% of the AMI, adjusted for family size. The 2019 Income Limits are included in the appendix area of this document.

As an entitlement community, the City of San Marcos receives an annual allocation of CDBG funds provided the City continues to meet all eligibility and program requirements. One of the requirements is the production of a 5-year planning document known as a “consolidated plan”. In Program Year 2015 the City adopted the 2015-2019 CDBG Consolidated Plan, which included the 2015 Action Plan.

This Action Plan covers the fifth year of the five year plan; the program year begins October 1st and ends the following September 30th.

[Amendment One moved funding from the Unsafe Structures Program to the Southside Owner-Occupied Housing Rehabilitation Project on March 3, 2020.](#)

[Amendment Two will be considered by City Council on June 16, 2020. In response to the COVID-19 pandemic, HUD has allocated an initial \\$425,261 in CDBG-CV Coronavirus funding which may be followed by additional allocations. This funding is to be used exclusively to prevent, prepare for, and respond to coronavirus. In order to receive this allocation, the City is amending this previously adopted 2019-2020 Action Plan to include the CDBG-CV funding.](#)

[The CDBG-DR Disaster Recovery and CDBG-MIT Mitigation grants each have their own action plan that is separate from this document. These grants are mentioned in this document in the list of resources to provide a complete picture of the City’s CDBG program.](#)

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

City of San Marcos, Texas – 2019-2020 Action Plan

During the creation of the 2015-2019 Consolidated Plan, the City conducted an extensive outreach campaign that helped establish the High Priority Needs, which were set as:

- Affordable Housing
- Public Services
- Public Facilities / Infrastructure / Transportation
- Clearance Activities
- Program Administration

More information about Objectives and Outcomes is located in AP 20 of this document.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

All projects included in this Action Plan and projects funded during the past five years have met a High Priority Need. The City has complied with its adopted Citizen's Participation Plan during this Action Plan process and last year's end-of-the-year report, the CAPER. There were no substantial amendments during the previous year.

The City expended CDBG funds in a timely manner in accordance with HUD regulations. On an annual basis, HUD reviews the performance of all entitlement recipients to determine whether each recipient is carrying out its CDBG assisted activities in a timely manner. If sixty days prior to the end of the grantee's current program year, the amount of grant funds available to the recipient under grant agreements but undistributed by the U.S. Treasury is more than 1.5 times the entitlement grant amount for its current program year the grantee is considered to be noncompliant with HUD requirements. The City has met and is currently below the statutory timeliness expenditure ratio of 1.5 -- ahead of the July 29th test date.

The City continues to affirmatively further Fair Housing in a variety of ways. On Tuesday, May 5, 2019, the City published [Fair Housing](#) information ads in English and Spanish in the body of the San Marcos Daily Record. On April 1, 2019, the Mayor issued a Proclamation declaring April to be Fair Housing Month in San Marcos that was presented to City staff, representatives of the San Marcos Public Housing Authority, and local realtors. The City maintains Fair Housing information on their website.

The City has never exceeded the program limits for public services funding (15%) or for program administration spending (20%). All financial reports have been submitted as required.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City followed its Citizen Participation Plan (the plan is included in the Appendix) as it conducted the 2019 Action Plan process. Outreach methods included updating the CDBG website, issuing press releases, sending e-mail reminders, publishing notices, distributing a CDBG Needs Survey, conducting workshops and a formal Council public hearing, and providing the Action Plan Draft for public review for a 30-day period.

In addition to the traditional communication methods, the City utilizes social media tools including Facebook, Twitter, and YouTube. The key points in the City's press releases are posted on the City's social media accounts. Press releases are also posted in full on the City's webpage.

[In 2020, the Citizen Participation Plan was modified according to HUD guidance to allow for a comment period of at least five days for changes to this Action Plan. The 2019 Action Plan with proposed changes shown in redline was posted online for review and citizens were notified by a public notice more than fourteen days prior to the comment period.](#)

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More information about Citizen Participation and Consultation process is located in AP-12 of this document.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Please see AP-12 for details of their comments and the appendix contains a comprehensive summary of all public comments and summary of the survey results.

No comments were received during the 30-day Action Plan Draft review period, July 9- August 9, 2019.

Comments received during the comment period June 7-13, 2020 will be summarized here.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were considered and accepted.

This section will be reviewed after the comment period June 7-13, 2020.

7. Summary

San Marcos has been an entitlement community for the CDBG grant program since 1994. During the past 24 years, the City has utilized over \$14,000,000 in CDBG funds to improve the quality of life, including quality of housing, for its low to moderate income residents. The City has installed sidewalks, created or upgraded neighborhood parks, supported services provided by local non-profit organizations, improved accessibility to public facilities and individual homes, and built or expanded community centers. *With the addition of the CDBG-CV Coronavirus grant, the City will also be able to provide for response to the COVID-19 pandemic.*

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	SAN MARCOS	Planning & Development

Table 1 – Responsible Agencies

Narrative (optional)

The San Marcos City Council is the governing body for the City, with the City Manager or his designee authorized to act on behalf of the Council in matters pertaining to the CDBG Grants.

The City of San Marcos Community Initiatives Division of Planning and Development Services prepares the annual Action Plan and provides the oversight and administration of the CDBG program. The staff of this division provide leadership and technical assistance to the City departments and non-profit organizations that are selected to receive CDBG funding (subrecipients). The City's Finance Department processes draws in the IDIS system, prepares financial reports, and participates in Subrecipient monitoring.

For City projects, such as park or sidewalk improvements, a project manager is designated from the department overseeing the project. The project manager provides oversight of the construction work, monitors progress, and reviews and approves all payment requests before they are submitted to the CDBG staff for processing. Other departments that have a supporting role in the CDBG program include Planning and Permitting Divisions, Legal office, and Purchasing Division.

Consolidated Plan Public Contact Information

For more information, contact:

~~Aaron Harris, Community Initiatives Program Administrator, email: aharris@sanmarcostx.gov, phone: 512-393-8147~~

~~or Dalinda Newby, Community Initiatives Coordinator, email: dnewby@sanmarcostx.gov, phone: 512-393-8224~~

~~or Stacy Brown, Housing & Community Development Manager, email: sbrown@sanmarcostx.gov, phone: 512-805-2604~~

~~Carol Griffith, Community Initiatives Program Administrator, cgriffith@sanmarcostx.gov, 512-393-8147, or cdbg@sanmarcostx.gov~~

Information can also be found on the City's website at: www.sanmarcostx.gov/cdbg

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City's Action Plan was developed in accordance with its adopted Citizens Participation Plan, which is included in the Appendix. The City reached out to persons with limited English capacity by having bilingual translators available at public meetings, publishing key notices in Spanish, and having the Needs Survey available in both Spanish and English.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City's CDBG staff works closely with the San Marcos Housing Authority (SMPHA) and local organizations that provide services to our residents by sharing information on grant opportunities, training opportunities, and community information. The City waives development and permit fees for SMPHA projects and the construction of affordable housing by Habitat for Humanity. The City provides approximately \$500,000 annually in city funds to local non-profit organizations. ~~The City hosts periodic Homebuyer Education workshops, free to the public, and will provide this program specifically to the PHA residents participating in their Family Self Sufficiency Program later this summer.~~ The City holds an open application process which allows housing and health service providers an equal opportunity to apply for funding. The City has participated in the construction / renovation of public facilities which serve the subject communities/neighborhoods of San Marcos and have updated park facilities near public housing.

The City reached out and consulted Hays Caldwell Women's Shelter, Southside Community Center, and the San Marcos Public Housing Authority.

Next year the City plans to consult neighboring communities in order to foster greater cooperation.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City of San Marcos and Hays County are not covered under a Continuum of Care. However, the City does work closely with the local non-profit organizations that provide shelter to specific targeted homeless populations and provide specific assistance in various forms to the homeless.

The City is in coordination with Census 2020 and facilitating cooperation between stakeholders.

The County does not perform a Point-In-Time count.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of San Marcos does not receive ESG funds.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

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Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	San Marcos Public Housing Authority
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete electronic survey via email; invitations to attend workshops. Invited to attend lead-based paint strategy training put on by HUD.
3	Agency/Group/Organization	Hays Caldwell Women's Center, Inc.
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services-Health Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussion with executive director. Invited to complete electronic survey via email
6	Agency/Group/Organization	CASA of Central Texas

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	Agency/Group/Organization Type	Services-Children Child Welfare Agency Regional organization
	What section of the Plan was addressed by Consultation?	Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussion with staff members. Invitation to workshops and surveys.
7	Agency/Group/Organization	SAN MARCOS
	Agency/Group/Organization Type	Services-Health Health Agency Other government - Local
	What section of the Plan was addressed by Consultation?	Lead-based Paint Strategy Corrections programs/institutions
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussion with staff members. Invitation to workshops and surveys
9	Agency/Group/Organization	Texas State University
	Agency/Group/Organization Type	Services-Education Major Employer
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invitation to attend meetings, complete surveys
10	Agency/Group/Organization	Texas General Land Office

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	Agency/Group/Organization Type	Other government - State Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Discussion with staff members
11	Agency/Group/Organization	Habitat for Humanity San Marcos Area
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey and discussion with Staff members. Invitation to attend meetings
12	Agency/Group/Organization	Greater San Marcos Partnership
	Agency/Group/Organization Type	Business Leaders
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey. Invitation to attend meetings
13	Agency/Group/Organization	HAYS COUNTY
	Agency/Group/Organization Type	Services - Housing Health Agency Other government - County Regional organization

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	What section of the Plan was addressed by Consultation?	Homelessness Needs - Veterans Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invitation to attend meetings.
14	Agency/Group/Organization	SOUTHSIDE COMMUNITY CENTER
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Services-Education Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Southside is an existing subrecipient and the City consults the executive director regularly via stakeholder meetings, applicant workshops, and public hearings.
15	Agency/Group/Organization	San Marcos Chamber of Commerce
	Agency/Group/Organization Type	Business Leaders Civic Leaders Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy

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	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey. Invitation to attend meetings
16	Agency/Group/Organization	TEXAS GENERAL LAND OFFICE
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consult the Texas General Land Office regularly regarding community development strategy and disaster recovery efforts.
17	Agency/Group/Organization	Capital Area Council of Governments
	Agency/Group/Organization Type	Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Transportation
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey. Invitation to attend meetings - Regularly consulted regarding Transportation challenges in community development.
18	Agency/Group/Organization	Community Action of Central Texas (CA)

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	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey. Invitation to attend meetings
19	Agency/Group/Organization	Scheib Center
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Health Agency
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Invited to complete survey. Invitation to attend meetings

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<u>20</u>	<u>Agency/Group/Organization</u>	<u>Hays County</u>
	<u>Agency/Group/Organization Type</u>	<u>Designated Local Health Authority</u>
	<u>What section of the Plan was addressed by Consultation?</u>	<u>Consultation</u> <u>Action Plan</u>
	<u>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</u>	<u>Emailed and called to set a time to consult; emailed the application for funding and other notices.</u>
<u>20</u>	<u>Agency/Group/Organization</u>	<u>Hill Country Mental Health and Developmental Disabilities Centers</u>
	<u>Agency/Group/Organization Type</u>	<u>Designated Local Mental Health Authority</u>
	<u>What section of the Plan was addressed by Consultation?</u>	<u>Consultation</u> <u>Action Plan</u>
	<u>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</u>	<u>Virtual meeting with the Executive Director and program directors. Outcomes include better understanding for City staff of resources available, and a service entity to include on email contact lists when grant funds become available. Hill Country considered applying for CDBG-CV grant funding.</u>

Identify any Agency Types not consulted and provide rationale for not consulting

No specific organizations were intentionally omitted from the participation process and the City makes every effort to consult all agency types.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City consulted with San Marcos Public Housing Authority concerning Lead-Based Paint Hazards, and HUD invited the PHA to attend HUD Environmental LBP Training. The PHA is currently undergoing a LBP Assessment in order to address what mitigation measures are required at this time. The City is not aware of any children who have been identified as lead-poisoned.

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In May, 2020, to check for funding needs related to the COVID-19 pandemic, City staff contacted the Designated Local Health Authority, which for the City of San Marcos is Hays County. Tammy Crumley, Grants Administrator for the County, is the designated Local Health Director but the Local Health Authority has to be a medical doctor, so the County contracts with Dr. Charles Anderson. No comments were received.

In May, 2020, City staff also contacted the Designated Local Mental Health Authority, which for the City of San Marcos is Hill Country Mental Health and Developmental Disabilities Centers. The Hill Country Director and staff stated that they had received initial grants for the first sixty days of response, and they were in process of applying for a grant that would provide funding for nine months. With this funding their focus has been:

- Launching a COVID-19 support line (800#) to provide resource referrals
- Providing three no-cost counseling sessions to qualified applicants
- Providing information on self care, including to first responders
- Some rental and food support for their clients
- Some counseling for first responders (fire and emergency medical services)

Hill Country staff said that at first as people absorbed the impact, the demand for their services was lower, but now that the situation is continuing, they are seeing an increase in calls for help and in psychiatric hospitalizations.

Hill Country's purpose is to provide a safety net for people with Intellectual development disorder (IDD) diagnoses: case management, interactions with program providers. Individuals they serve live in a variety of settings: on their own, with family, group home, and host home/companion care. In each setting they receive support from a variety of funding sources. They noted that people with Intellectual Development Disorder (IDD) diagnoses are in the category of vulnerable population; they frequently have other medical issues. They said it may be the case that people (caregivers, for example) who have been functioning without support need more help now, due to job loss, etc., so some form of outreach to caregivers could be a need that would qualify for CDBG-CV funding.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The City conducted the Action Plan process in accordance with its adopted Citizens Participation Plan in an open and transparent manner. Staff began the process with a discussion of the CDBG program with the City Council to receive early direction on December 4, 2018. Applications were accepted from March 1, 2019 through April 5, 2019.

An Applicant Workshop was conducted on March 6th with ten persons in attendance. Handouts included copies of the presentation, an information sheet regarding public services funding, paper copies of the application, and blank survey forms (English/Spanish).

The City advertised the upcoming stakeholder workshop through the issuance of a press release, published legal notice March 3, 2019, posting of the release on the City's webpage, e-mailing the release to non-profit and neighborhood associations, and noting the meeting in the City's social media accounts. Non-profits that were contacted; Southside Community Center, Hays Caldwell Women's Center, SMCISD Age Parenting Program, Community Action, Scheib Opportunity Center, Combined Community Action, Hays County Homespun, Nosotros La Gente, Greater San Marcos Youth Council, Society of St. Vincent de Paul, Casa of Central Texas Inc., PALS of Central Tx, Unity Way of Hays County, Central TX Dispute Resolution Center, School Fuel, Hays County Child Protective Board, Salvation Army-San Marcos Service Center.

The workshop was scheduled for 6-8 p.m. March 6, 2019; five participants attended. At both workshops, a Spanish-speaking employee was present to provide assistance if needed.

A "CDBG Needs Survey - 2019 Action Plan" was circulated in both English and Spanish seeking comments on the best use for CDBG grant funds during the next year. The forms were available at the applicant workshop, and were e-mailed to the public housing authority, local non-profit organizations. The survey's availability was also included in press releases about the Action Plan Process.

Council conducted a public hearing on June 4, 2019 on the 2019 Action Plan in which 8 people spoke. Notice for this public hearing was submitted in the Daily Record May 19, 2019. All comments were accepted. The discussion of the applications and award of projects to be funded in the 2019 Action Plan was held by the City Council in open session on June 18, 2019.

The comment period was held to allow public review and comments on the 2019 Action Plan Draft from July 9 through August 9, 2019. The draft was available on-line on the City's website and paper copies were available at the San Marcos Public Library, the City Hall Lobby, and the Planning and Development Services office. A notice was published in the San Marcos Daily Record on July 7, 2019.

All comments were accepted.

Summary of 2020 Public Outreach

Please see the table below for details on outreach during the 2020 addition of CDBG-CV funding to this action plan. May 1, 2020, the City published a display ad (not classified) in the San Marcos Daily Record to advise all potential applicants the City would be accepting applications for CDBG-CV funding from May 1-20, 2020. Staff also sent emails to 126 email addresses for social service organizations, business organizations, churches, City departments, and the county. The City's communications department sent press releases announcing that the City had been allocated the funding (May 5, 2020), to encourage people to apply (May 6, 2020), and announcing

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the public hearing and comment period (May 22, 2020). A public hearing was held at the City Council meeting on June 2, 2020, and no comments were received from the general public, although a letter of support was received from the board chair of the San Marcos Chamber of Commerce for the application made by the Chamber of Commerce. A public comment period was held June 7-13, in accordance with the shortened review times made possible through HUD waivers due to the urgency of the need for response to the COVID-19 pandemic.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of R esponse A nd A ttendance	Summary of C omments R eceived	Summary of C omments Not Accepted A nd Reasons
1	Public Hearing	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community Residents of Public and Assisted Housing	Council conducted a public hearing on June 4, 2019 on the 2019 Action Plan.	Minutes attached in the appendix.	All comments were accepted
3	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community	Notice of CDBG application schedule March 3, 2019.	NA	NA
4	Newspaper Ad	Minorities Residents of Public and Assisted Housing Applicants for CDBG	Notice of Application Workshop and Application Availability, March 3, 2019. 10 persons attended the		All comments were received.

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Sort Order	Mode of Outreach	Target of Outreach	Summary of Response/ and Attendance	Summary of Comments Received	Summary of Comments Not Accepted And Reasons
		funding	workshop.		
5	Community Needs Survey	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	The survey was printed in English and Spanish. The forms were provided to attendees at the application workshop, e-mailed to the PHA and local non-profit organizations, and neighborhood associations. The form was also available on the City's website where it could be downloaded. The surveys were also distributed to the public during the June 4, 2019 City Council meeting. This is the same meeting where the City held the Public Hearing.	The City did not receive any submitted survey responses.	NA
6	Public Meeting	Potential applicants for funding	Application workshop had 10 in attendance.	Staff presentation regarding eligible activities, applicant responsibilities, the application process, and Action Plan process. Staff answer all questions from those in attendance.	All comments were accepted
7	Internet Outreach	Non-targeted/broad community	The CDBG website was continuously updated with information about the application	No comments received during 30-day comment period. All other comments	All comments were accepted

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Sort Order	Mode of Outreach	Target of Outreach	Summary of R esponse/and A ttendance	Summary of C omments R eceived	Summary of C omments Not Accepted A nd Reasons
			process. Applications/surveys were available; announcements of meetings posted; draft posted for review.	addressed in other areas above.	
8	Internet Outreach	Minorities Persons with disabilities Residents of Public and Assisted Housing	E-Mails to non-profit organizations, neighborhood associations, city departments regarding CDBG processes.	Comments covered previously.	All accepted.
9	Social Media	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	The City uses Twitter and Facebook to provide updates in a timely manner.	Comments are not directly attributed to this method of outreach.	N/A
10	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	FAIR HOUSING: Bilingual ad in body of paper; issuance of Proclamation;	No comments received in response to ad. Those in attendance to accept proclamation spoke of the importance of Fair Housing in San Marcos.	N/A

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Sort Order	Mode of Outreach	Target of Outreach	Summary of Response and Attendance	Summary of Comments Received	Summary of Comments Not Accepted and Reasons
11	30-Day Public Comment Period	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Open public comment period. Posted July 7th and ran from July 9th - August 9th.	The City did not receive any submitted public comments. Comments received during the City Council Public hearing are submitted in the attachments (minutes) to this action plan.	
<u>12</u>	<u>May 1, 2020, Display Ad</u>	<u>Potential creators of COVID-19 response programs</u>	<u>Contacted by six potential applicants total</u>	<u>NA</u>	<u>NA</u>
<u>13</u>	<u>May 1, 2020, Emails</u>	<u>Potential creators of COVID-19 response programs</u>	<u>Contacted by six potential applicants total</u>	<u>NA</u>	<u>NA</u>
<u>14</u>	<u>May 1, 2020, Social Media (Facebook)</u>	<u>Potential creators of COVID-19 response programs</u>	<u>Contacted by six potential applicants total</u>	<u>NA</u>	<u>NA</u>
<u>15</u>	<u>May 1-20, 2020 Website Posting</u>	<u>Potential creators of COVID-19 response programs</u>	<u>Contacted by six potential applicants total</u>	<u>NA</u>	<u>NA</u>
<u>16</u>	<u>May 5, 2020, Press Release</u>	<u>General public, to inform of funding</u>	<u>(Providing information only)</u>	<u>NA</u>	<u>NA</u>
<u>17</u>	<u>May 6, 2020, Press Release</u>	<u>Potential creators of COVID-19 response programs</u>	<u>Contacted by six potential applicants total</u>	<u>NA</u>	<u>NA</u>
<u>18</u>	<u>May 22, 2020, Press Release</u>	<u>General public, for comments</u>	RESULT PENDING	RESULT PENDING	RESULT PENDING
<u>19</u>	<u>June 2, 2020, Public Hearing</u>	<u>General public, for comments</u>	<u>Comments from Council only; no public comments; one support letter</u>	<u>Council comments were on potential program structure</u>	<u>NA</u>
<u>20</u>	<u>June 7-13, 2020, Public</u>	<u>General public, for comments</u>	RESULT PENDING	RESULT PENDING	RESULT PENDING

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Sort Order	Mode of Outreach	Target of Outreach	Summary of # Response / and a Attendance	Summary of e Comments # Received	Summary of e Comments Not Accepted a And Reasons
	<u>Comment Period</u>				
<u>21</u>	<u>June 16, 2020, City Council Meeting</u>	<u>General public, to inform of Council action</u>	<u>(Providing information only)</u>	RESULT PENDING	RESULT PENDING

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City anticipates continuing to receive an annual CDBG allocation of approximately \$500,000 and does not expect to become an entitlement community for HOME, ESG, or ADDI funding during the next five years.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected \$ Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	680,998	0	0	680,998	50,819	
CDBG funds will be used to address community housing and non-housing priority needs.								
Other CDBG-DR and CDBG-MIT	public - federal	Acquisition Admin and Planning Housing Public Improvements	55,000,000	0	0	55,000,000	55,000,000	<u>One-time allocation</u>
<p>The San Marcos City Council is the governing body for the City, with the City Manager or his designee authorized to act on behalf of the Council in matters pertaining to the CDBG-DR grant. The City's Planning and Development Services Department Community Initiatives Division staff members are responsible for oversight and monitoring of the CDBR-DR funding. The City plans to contract with outside professionals to assist the city staff in reviewing several hundred applications for housing funds. The City will likely work with outside engineering and construction for the Infrastructure Program Amendment to the City of San Marcos Action Plan for Disaster Recovery Disaster Relief Appropriations Act of 2016 (Public Law 114-113, Approved Dec. 18th, 2015) (DR Action Plan) and FR-6109-N-02, CDBG-MIT allocation released August 30, 2019. The city will continue to receive draws from the IDIS system and set up a parallel system for draws from the DRGR system. Draws and financial reporting are handled through the City's Finance Department.</p>								
<u>CDBG-CV</u>	<u>public - federal</u>	<u>prevent, prepare for, and respond to coronavirus</u>					<u>\$425,261</u>	<u>One-time allocation</u>

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected \$ Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
<p><u>CDBG-CV funds will be used for response to the effects of the COVID-19 pandemic on the economy and low-to-moderate income individuals.</u></p>								

Table 51 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City of San Marcos utilizes both CDBG and General Fund dollars to provide assistance to local non-profit organizations who provide services in the San Marcos area. Although CDBG funds for “public services” are limited to 15% of the annual allocation (approx. \$75,000 for a \$500,000 allocation), the City leverages these limited resources with approximately \$500,000 in local funds. Citizen advisory boards review applications for both funding sources and make recommendations to the City Council on funding awards.

San Marcos was selected to receive Disaster Recovery funding (CFR date June 17, 2016) as a direct recipient to help with the recovery from the two federally-declared flood disasters that occur in calendar year 2015. The Federal Register notice for this funding was published on June 17, 2016 with an effective date of June 22nd. San Marcos has created a separate Action Plan for the use of these disaster funds. These funds will help the City address the unmet needs of the community damaged by the flood – eligible activities are in the areas of housing and infrastructure, with an emphasis on resiliency.

August 30, 2019 the City received the Federal Notice regarding CDBG-MIT Mitigation allocation of \$24,012,000. These funds will be used to address future disaster mitigation needs.

The City does not require that funded projects/programs provide “matching” funds. However, it is common for CDBG-funded infrastructure and public facility projects to include the use of non-federal funds.

Regarding the COVID-19 response, no private, state, or local funds are planned to be used to leverage the CDBG-CV funds specifically. However, entities are forming partnerships to address the issues, as is shown by the joint Chamber of Commerce-City application to fund a small business support program with CDBG-CV funding.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Funding for ~~publically-publicly~~ owned land is included in the 2019 Action Plan. A total of \$125,000 is proposed for rehabilitation of a neighborhood park located in a low/mod community.

Discussion

The City will use all resources available to address the needs of the community. ~~The expected amount available for the remainder of the Con Plan (\$50,818.91) will be used to fund additional Homebuyer Assistance Loans.~~

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
1	<u>CDBG</u> Owner-Occupied Housing Rehabilitation	2015	2019	Affordable Housing	Affordable Housing	CDBG: \$195,000	Homeowner Housing Rehabilitated: 17 Household Housing Unit
2	<u>CDBG</u> Parks, Sidewalks and Public Facilities	2015	2019	Non-Housing Community Development	Public Facilities, Infrastructure, Transportation	CDBG: \$125,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 515 Persons Assisted
3	<u>CDBG</u> Public Services	2015	2019	Non-Housing Community Development	Public Services	CDBG: \$73,656	Public service activities other than Low/Moderate Income Housing Benefit: 185 Persons Assisted Homelessness Prevention: 10 Persons Assisted
4	<u>CDBG</u> Clearance of Spot Slum & Blight	2017	2019	Clearance		CDBG: \$67,142	Buildings Demolished: 2 Buildings Housing Code Enforcement/Foreclosed Property Care: 2 Household Housing Unit
5	<u>CDBG</u> Program Administration	2015	2019	Program Admin	Program Administration	CDBG: \$136,200	Other: 0 Other
6	<u>CDBG</u> First Time Homebuyer Program	2016	2019	Affordable Housing	Affordable Housing	CDBG: \$84,000	Direct Financial Assistance to Homebuyers: 12 Households Assisted
8	<u>CDBG-DR</u> Owner-Occupied Rehab/Recon- DR	2015	2019	Affordable Housing	Affordable Housing	CDBG - DR, \$2,000,000	Homeowner Housing Rehabilitated: 15 Household Housing Unit
9	<u>CDBG-DR</u> Rental	2015	2019	Affordable	Affordable	CDBG - DR,	Rental units rehabilitated: 0

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	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
	Rehab/Recon DR			Housing	Housing	\$500,000	Household Housing Unit
10	<u>CDBG-DR Infrastructure</u>	2015	2019	Public Infrastructure	Public Facilities, Infrastructure, Transportation	CDBG - DR, \$10,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 192 Persons Assisted
11	<u>CDBG-MIT Repetitive Loss Infrastructure</u>	2020	2031	Public Infrastructure	<u>Reduce risks associated with flooding</u>	<u>\$16,000,000</u>	<u>Measurably reduced risks</u>
12	<u>CDBG-MIT Land Preservation Program</u>	2022	2031	Public Infrastructure	<u>Reduce risks associated with flooding</u>	<u>\$2,849,600</u>	<u>Measurably reduced risks</u>
13	<u>CDBG-MIT Hazard Warning System</u>	2020	2021	Public Infrastructure	<u>Reduce risks associated with flooding</u>	<u>\$300,000</u>	<u>Measurably reduced risks</u>
14	<u>CDBG-MIT Signs & Barricades</u>	2020	2021	Emergency Operations	<u>Reduce risks associated with flooding</u>	<u>\$60,000</u>	<u>Measurably reduced risks</u>
15	<u>CDBG-MIT Planning</u>	2020	2022	Planning	<u>Reduce risks associated with flooding</u>	<u>\$3,601,800</u>	<u>Measurably reduced risks</u>
16	<u>CDBG-MIT Administration</u>	2019	2031	Administration	<u>Program Administration</u>	<u>\$1,200,600</u>	<u>Other</u>
17	<u>CDBG-CV Economic Development</u>	2020	2020	Economic Development	<u>Retention of jobs for low-to moderate-income people</u>	<u>\$200,000</u>	<u>Number of jobs retained in small businesses</u>
18	<u>CDBG-CV Public Services</u>	2020	2020	Non-Housing Community Development	<u>Counseling for abused and neglected children</u>	<u>\$55,600</u>	<u>Percent of qualified children who are provided with an advocate</u>
19	<u>CDBG- CV Public Services, Public Facilities</u>	2020	2020	Non-Housing Community Development	<u>Taking samples to test for COVID-19</u>	<u>\$105,530</u>	<u>Low- to moderate-income persons served</u>

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	Goal Name	Start Year	End Year	Category	Needs Addressed	Funding	Goal Outcome Indicator
<u>20</u>	<u>CDBG-CV Administration</u>	<u>2020</u>	<u>2020</u>	<u>Program Administration</u>	<u>Program Administration</u>	<u>\$64,131</u>	<u>Other</u>

Table ~~62~~ – Goals Summary

City of San Marcos, Texas – 2019-2020 Action Plan

Goal Descriptions

1	Goal Name	Owner-Occupied Housing Rehabilitation
	Goal Description	<p>Providing housing rehabilitation services through a subrecipient, Southside Community Center, to low/mod owner-occupied single-family housing. The scope of work is determined on a site-by-site basis, but typically includes repairing/replacing damaged roofs, siding, sheetrock, cabinets; correcting plumbing and electrical code deficiencies; improving accessibility; painting; and updating floor coverings.</p> <p>The City will provide emergency home repair assistance to low/mod owner-occupied single-family housing.</p>
2	Goal Name	Parks, Sidewalks and Public Facilities
	Goal Description	The City will continue its program of updating and improving neighborhood parks in 2019 by rehabilitating Paul Pena Park. This park will benefit the entire City of San Marcos (The City has a majority LMI population).
3	Goal Name	Public Services
	Goal Description	The City will use CDBG funds to support programs that benefit victims of family violence, abused and neglected children, and the low/mod youth in San Marcos. In 2018 the following agencies are funded: CASA - Child Advocacy Program; and Habitat for Humanity Housing Counseling Program.
4	Goal Name	Clearance of Spot Slum & Blight
	Goal Description	Unsafe Structures Program - Unfunded by Amendment No. 1
5	Goal Name	Program Administration
	Goal Description	This activity provides funding for the oversight and management of the CDBG grant program.
6	Goal Name	First Time Homebuyer Program
	Goal Description	Down Payment and Closing Cost housing assistance for eligible families to purchase a home within the City limits of San Marcos
8	Goal Name	Owner-Occupied Rehab/Recon DR
	Goal Description	Due to flooding damage, the city will rehabilitate with elevation if needed, or reconstruct houses that are substantially damaged after the storm due to disaster related impacts of single family owner occupied homes damaged during the storm.
9	Goal Name	Rental Rehab/Recon DR

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	Goal Description	Due to flooding damage, the city will rehabilitate, with elevation if needed, or reconstruct SF 1-4 Unit Rental uses that are substantially damaged after the storm due to disaster related impacts during the storm.
10	Goal Name	Infrastructure
	Goal Description	<p>Intersection improvements are proposed including curb cuts and inlet improvements adjacent to the low point locations and inlets for the north side/Rehab facility. Clearing of the existing TxDOT ditch is also proposed as it is currently overgrown, and not well-maintained. Downstream at Davis Road, the existing dual 8’x4’ culverts will be supplemented with 2 additional culverts as not to constrict flow. Lastly the City will consider a future channel along Davis Road or the Railroad near the Lake to connect to the Blanco River, as the Lake is reported to overflow both west and east in heavy events. The project will require coordination with TxDOT for these improvements.</p> <p>By adding a new central storm drain system to Conway & Barbara Drives connected to the existing storm drain system, and providing a new 60-inch outfall to the San Marcos River (supplementing the existing 60-inch outfall); both the existing and proposed systems meet the City’s required 25-year criteria. Additional 24-inch connections across River Road into the Woods Apartment Ditch are proposed to provide additional relief during lesser events. Road regrading is proposed for this reach of River Road from Linda to Cape Rd. revising the roadway cross-section to drain towards the Woods apartment ditch. Lastly, there is a potential buyout property on Conway that may be purchased for use as a drainage easement to add an inlet and lead system to drain the alley/easement between Barbara & Conway.</p> <p>Adding a new storm drain system to Clarewood Dr. with a connection to both the Bugg Lane system and with a connection to the existing Highway 80 ditch (where ponded water currently flows), the system will meet criteria, and runoff will be captured by the storm drains and ditches instead of ponding in the roadway. Barbara Drive will be regraded to drain to Bugg Lane for adequate drainage.</p> <p>By converting the roadways to depressed curb-and-gutter sections with adequate grading, and adding a new storm sewer system with a new 48-inch outfall to the Blanco River, this area would be brought into compliance meeting the City’s 25-year design criteria.</p>
<u>11-16</u>	<u>Goal Name</u>	<u>All CDBG-MIT Projects</u>
	<u>Goal Description</u>	<u>All CDBG-MIT Mitigation grant projects have the same goal. The purpose of this funding is to increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.</u>
<u>17</u>	<u>Goal Name</u>	<u>Economic Development</u>
	<u>Goal</u>	<u>The COVID-19 pandemic and related business closures are having an unprecedented effect on the economy and may have a disproportional effect on low-to-moderate</u>

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	Description	<u>income individuals who work in retail and service industries, as well as on small businesses that necessarily operate with low reserves. CDBG-CV funding will be used to provide technical assistance, personal protective equipment, and business modifications to help prevent the spread of COVID-19.</u>
18	Goal Name	<u>Public Services</u>
	Goal Description	<u>The City will use CDBG-CV funds to provide additional support to Court Appointed Special Advocates (CASA) because child abuse cases are rising due to stay-at-home orders and school and business closures.</u>
19	Goal Name	<u>Public Services, Public Facilities</u>
	Goal Description	<u>CDBG-CV funding will provide for the construction of a portable sampling station and the funding for the first year of operation.</u> <i><u>This project is pending HUD confirmation that it qualifies for CDBG-CV funding.</u></i>
20	Goal Name	<u>CDBG-CV Administration</u>
	Goal Description	<u>This portion of CDBG-CV funding pays for City staff oversight and management of the CDBG-CV grant program. Staff members track their hours spent per grant and are paid by the applicable grant.</u>

Projects

AP-35 Projects – 91.220(d)

Introduction

The City of San Marcos conducted an open application process in accordance with its Citizens Participation Plan. All applications were reviewed for completeness and eligibility by City Staff.

The City provides funding to support programs benefitting its citizens through three funding sources: Public Services through CDBG; Human Services Funding; and San Marcos Commission on Children and Youth funding. The latter two are funded using City funds.

This City's Disaster Recovery Action Plan is available at: <http://www.smtxfloodrecovery.com/> The DR Action Plan priorities are: Housing (SF Owner Occupied Rehab/Recon & SF Rental Rehab/Recon), Infrastructure, Planning, and Administration.

Projects

#	Project Name
1	CDBG - Program Administration
2	CDBG - CASA - Child Advocacy Program 2020
3	CDBG - City - Paul Pena Park
4	CDBG - City - Homebuyer Assistance
5	CDBG - Southside Community Center Rehab Program
6	CDBG - Habitat for Humanity - Housing Counseling
7	CDBG - City - Unsafe Structures Program <i>Unfunded by Amendment No. 1</i>
8	CDBG - City - Emergency Repair Program
<u>9</u>	CDBG-DR – Owner Occupied Housing Rehabilitation and Reconstruction
<u>10</u>	CDBG-DR – Infrastructure <small>[OM1]</small>
<u>11</u>	CDBG-MIT Repetitive Loss Infrastructure
<u>12</u>	CDBG-MIT Land Preservation Program
<u>13</u>	CDBG-MIT Hazard Warning System
<u>14</u>	CDBG-MIT Signs & Barricades
<u>15</u>	CDBG-MIT Planning

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#	Project Name
<u>16</u>	<u>CDBG-MIT Administration</u>
<u>17</u>	<u>CDBG-CV - COVID-19 Small Business Recovery</u>
<u>18</u>	<u>CDBG-CV – Advocacy Services for Abused and Neglected Children</u>
<u>19</u>	<u>CDBG-CV - COVID-19 Collection Station</u>
<u>20</u>	<u>CDBG-CV – Program Administration</u>

Table 73 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

All projects and programs funded meet one of the identified high priority needs of the City. The primary obstacle to addressing underserved needs remains a lack of adequate federal funding. The City has chosen to focus on affordable housing for the PY 2019 including owner-occupied housing rehab program and homebuyer assistance. Due to ever-increasing costs, the City has chosen to fund program administration at the full 20% maximum and is funding two applications for public service projects (CASA & Housing Counseling).

The City is currently working to reimburse the Public Housing Authority under the CDBG-DR grant for cost associated with the flooding of 2015.

Land Acquisition for LMI Housing remains a priority as outlined in PY18's AAP.

The City Council has determined to continue the Rental Rehabilitation Program in the CDBG-DR Action Plan.

In response to the COVID-19 pandemic, Amendment Two of this 2019 Action Plan adds Economic Development as a high priority for the City. This is a high priority for several reasons. The business closures are having a direct impact on individual incomes, in particular the low-to-moderate employees of the retail and service industry sectors. These closures will also lead to indirect impacts (a ripple effect) that will only become clear as time goes on. The pandemic itself is also taking a toll on the health of individuals. In addition, government entities and healthcare systems have had added expenses caused by the response to the pandemic, and it is expected that public service providers such as shelters will see additional request for service. The City will have to choose carefully to make the optimal use of CDBG and CDBG-CV money available to respond to these needs that exceed funding. Obstacles include not knowing all the impacts of a currently unfolding situation and accurately documenting the need of individuals, businesses, and programs requesting assistance.

AP-38 Project Summary

1	Project Name	Program Administration
	Goals Supported	Program Administration
	Needs Addressed	Program Administration
	Funding	CDBG: \$136,200

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	Description	Administrative activities include preparation of all environmental reviews, publication of required notices, monitoring program subrecipients, monitoring for Davis Bacon and Related Acts compliance; monitoring for lead hazard compliance, providing a Subrecipient Training workshop and ongoing technical assistance as needed, furthering fair housing, and other activities that ensure compliance with all program requirements.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	NA
	Location Description	NA
	Planned Activities	Administrative activities include preparation of all environmental reviews, publication of required notices, monitoring program subrecipients, monitoring for Davis Bacon and Related Acts compliance; monitoring for lead hazard compliance, providing a Subrecipient Training workshop and ongoing technical assistance as needed, furthering fair housing, and other activities that ensure compliance with all program requirements.
2	Project Name	CASA - Child Advocacy Program 2020
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$50,000
	Description	CASA volunteers serve as Guardians Ad Litem to represent the children's best interest and are present at every court session and attend meetings with CPS, treatment centers, foster placement agencies, and schools. CASA makes recommendations on actions needed to protect the children, to provide for their medical, educational, and therapeutic care, and works to find safe and permanent homes for the children. No fees are charged to the clients. Planned Activities: The CDBG funds will be used for operating expenses, specifically salaries and fringe benefits for staff that serve clients in San Marcos. Funding is on a reimbursement basis.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from	120 Abused Children are proposed to benefit from this activity.

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	the proposed activities	
	Location Description	1619 Common St #301, New Braunfels, TX 78130
	Planned Activities	CASA volunteers serve as Guardians Ad Litem to represent the children's best interest and are present at every court session and attend meetings with CPS, treatment centers, foster placement agencies, and schools. CASA makes recommendations on actions needed to protect the children, to provide for their medical, educational, and therapeutic care, and works to find safe and permanent homes for the children. No fees are charged to the clients. Planned Activities: The CDBG funds will be used for operating expenses, specifically salaries and fringe benefits for staff that serve clients in San Marcos. Funding is on a reimbursement basis.
3	Project Name	City - Paul Pena Park
	Goals Supported	Parks, Sidewalks and Public Facilities
	Needs Addressed	Public Facilities, Infrastructure, Transportation
	Funding	CDBG: \$125,000
	Description	Funds will be used to construct a concrete assessable path within an existing park and install a new play structure.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Area Benefit - LMI population of Census Tract is 4,520.
	Location Description	1209 Crystal River Parkway San Marcos, TX 78666
	Planned Activities	Funds will be used to construct a concrete assessable path within an existing park and install a new play structure.
4	Project Name	City - Homebuyer Assistance
	Goals Supported	First Time Homebuyer Program
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$84,000
	Description	Down Payment and Closing Cost housing assistance for eligible families to

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		purchase a home within the City limits of San Marcos
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Twelve LMI families are proposed to benefit from this activity.
	Location Description	Within the City limits of San Marcos
	Planned Activities	Down Payment and Closing Cost housing assistance for eligible families to purchase a home within the City limits of San Marcos
5	Project Name	Southside Community Center Rehab Program
	Goals Supported	Owner-Occupied Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$125,000 \$192,142 <i>Funding moved from Unsafe Structures by Amendment No. 1</i>
	Description	The rehabilitation of seven owner-occupied, low-to-moderate income single-family residences.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Seven LMI families are proposed to benefit from this activity.
	Location Description	Within the City limits of San Marcos.
	Planned Activities	The rehabilitation of seven owner-occupied, low-to-moderate income single-family residences.
6	Project Name	Habitat for Humanity - Housing Counseling
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$23,656
	Description	Provide high quality (HUD Certified) financial and housing workshops and one-on-one counseling, designed to increase the financial capability and

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		confidence of low-to-moderate income individuals/families, assisting them in obtaining and maintaining safe, stable and affordable homes.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	750 persons are estimated to benefit from this activity.
	Location Description	630 E. Hopkins, San Marcos, TX 78666
	Planned Activities	Provide high quality (HUD Certified) financial and housing workshops and one-on-one counseling, designed to increase the financial capability and confidence of low-to-moderate income individuals/families, assisting them in obtaining and maintaining safe, stable and affordable homes.
7	Project Name	City – Unsafe Structures Program – Unfunded by Amendment No. 1
	Goals Supported	Clearance of Spot Slum & Blight
	Needs Addressed	Clearance Activities
	Funding	CDBG: \$67,142
	Description	Program is the removal or safeguarding of deteriorated, substandard structures that create a public health and safety hazard.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Four LMI families are proposed to benefit from this activity.
	Location Description	Within the City Limits of San Marcos.
	Planned Activities	Program is the removal or safeguarding of deteriorated, substandard structures that create a public health and safety hazard.
8	Project Name	City - Emergency Repair Program
	Goals Supported	Owner-Occupied Housing Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$70,000

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	Description	Grant up to \$5,000 to assist with specific home repairsEligible Repairs including but not limited to: Heating/cooling system, electrical problems, plumbing problems, accessibility improvements, roofing.
	Target Date	9/30/2020
	Estimate the number and type of families that will benefit from the proposed activities	Ten LMI families are projected to benefit from this activity.
	Location Description	Within the City Limits of San Marcos.
	Planned Activities	Grant up to \$5,000 to assist with specific home repairs Eligible Repairs including but not limited to: Heating/cooling system, electrical problems, plumbing problems, accessibility improvements, roofing.
9	<u>Project Name</u>	<u>CDBG-DR – Owner Occupied Housing Rehabilitation, Reconstruction, and Reimbursement</u>
	<u>Goals Supported</u>	<u>Owner-Occupied Housing Rehabilitation</u>
	<u>Needs Addressed</u>	<u>Affordable Housing/Disaster Recovery</u>
	<u>Other Information</u>	<u>See the CDBG-DR Action Plan</u>
10	<u>Project Name</u>	<u>CDBG-DR – Infrastructure and Acquisition</u>
	<u>Goals Supported</u>	<u>Infrastructure Construction and Acquisition of Property for Infrastructure Projects</u>
	<u>Needs Addressed</u>	<u>Disaster Recovery</u>
	<u>Other Information</u>	<u>See the CDBG-DR Action Plan</u> ^[OM2]
11-16	<u>Project Name</u>	<u>All CDBG-MIT Projects</u>
	<u>Goals Supported</u>	<u>All CDBG-MIT Mitigation grant projects have the same goal. The purpose of this funding is to increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.</u>
	<u>Needs Addressed</u>	<u>Mitigation of risks from future disasters.</u>
	<u>Other Information</u>	<u>See the CDBG-MIT Action Plan</u>

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17	<u>Project Name</u>	<u>CDBG-CV - COVID-19 Small Business Recovery</u>
	<u>Goals Supported</u>	<u>Economic Development</u>
	<u>Needs Addressed</u>	<u>Retention of jobs for low-to moderate-income people</u>
	<u>Funding</u>	<u>\$200,000</u>
	<u>Description</u>	<u>The COVID-19 pandemic and related business closures are having an unprecedented effect on the economy and may have a disproportional effect on low-to-moderate income individuals who work in retail and service industries, as well as on small businesses that necessarily operate with low reserves. CDBG-CV funding will be used to provide technical assistance, personal protective equipment, and business modifications to help prevent the spread of COVID-19.</u>
	<u>Target Date</u>	<u>Begins as soon as notice to proceed is issued by the City after required reviews, ends when funding is expended on COVID-19 pandemic related business impacts</u>
	<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>The low- to moderate-income employees of 36 businesses will be assisted.</u>
	<u>Location Description</u>	<u>Citywide</u>
<u>Planned Activities</u>	<ul style="list-style-type: none"> • <u>Technical Assistance and Funding for small businesses and microenterprises</u> • <u>Up to \$5,000 per business for:</u> <ul style="list-style-type: none"> i. <u>Operational Safety - Redesign physical space in order to ensure safety and social distancing.</u> ii. <u>Sanitation Training and PPE</u> iii. <u>Digital Redesign for Social Distancing</u> • <u>Mandatory workshop on best practices for recovery</u> • <u>By: City Economic Development Department, Main Street, and Chamber of Commerce</u> 	
18	<u>Project Name</u>	<u>CDBG-CV – Advocacy Services for Abused and Neglected Children</u>
	<u>Goals Supported</u>	<u>Public Services</u>
	<u>Needs Addressed</u>	<u>Counseling for abused and neglected children</u>

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	<u>Funding</u>	<u>\$55,600</u>
	<u>Description</u>	<u>The City will use CDBG-CV funds to provide additional support to Court Appointed Special Advocates (CASA) because child abuse cases are rising due to stay-at-home orders and school and business closures.</u>
	<u>Target Date</u>	<u>Begins as soon as notice to proceed is issued by the City after required reviews, ends when funding is expended on COVID-19 pandemic related cases</u>
	<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>30 low- to moderate-income children</u>
	<u>Location Description</u>	<u>Citywide</u>
	<u>Planned Activities</u>	<ul style="list-style-type: none"> <u>• Partial funding for additional Case Supervisor, Team Lead, Technology</u> <u>• Recruit and train volunteer caseworkers to advocate for children removed from their homes</u> <u>• Advocating for mental health, medical, education, housing, and permanency in safe, stable homes</u> <u>• Scalable program model depending on need</u> <u>• Increased need due to family stress due to economic impact and stay-at-home orders</u> <u>• By: Court Appointed Special Advocates</u>
19	<u>Project Name</u>	<u>CDBG-CV – COVID-19 Collection Station</u>
	<u>Goals Supported</u>	<u>Public Services, Public Facilities</u>
	<u>Needs Addressed</u>	<u>Taking samples to test for COVID-19</u>
	<u>Funding</u>	<u>\$105,530</u>
	<u>Description</u>	<p><u>CDBG-CV funding will provide for the construction of a portable sampling station and the funding for the first year of operation.</u></p> <p><u><i>This project is pending HUD confirmation that it qualifies for CDBG-CV funding.</i></u></p>
	<u>Target Date</u>	<u>Begins as soon as notice to proceed is issued by the City after required reviews, funding for operation ends May, 2021</u>

City of San Marcos, Texas – 2019-2020 Action Plan

	<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>Samples can be taken quickly; number served is limited only by hours of operation and funding for testing of the samples. The station will provide access to all San Marcos citizens and it is expected that most people who use it will fit the low- to moderate-income category since the majority of residents meet that income criteria.</u>
	<u>Location Description</u>	<u>Various locations around the City of San Marcos that are easily accessible to the public, especially low- to moderate-income individuals</u>
	<u>Planned Activities</u>	<ul style="list-style-type: none"> <u>• Portable COVID-19 sample collecting station and staffing from September 2020 – May 2021</u> <u>• Creation of a prototype and then conversion to a working flexible-use health station</u> <u>• Creates two part-time positions at \$18/hour</u> <u>• Samples will be sent to a lab for testing</u> <u>• Implementing research done in partnership with Katerra</u> <u>• By: Texas State University multi-disciplinary team</u>
<u>20</u>	<u>Project Name</u>	<u>CDBG-CV – Program Administration</u>
	<u>Goals Supported</u>	<u>CDBG-CV Program Administration</u>
	<u>Needs Addressed</u>	<u>Program Administration</u>
	<u>Funding</u>	<u>\$64,131</u>
	<u>Description</u>	<u>This portion of CDBG-CV funding pays for City staff oversight and management of the CDBG-CV grant program. Staff members track their hours spent per grant and are paid by the applicable grant.</u>
	<u>Target Date</u>	<u>Begins as soon as HUD provides approval to use funds, ends when funds have been expended and all projects have been formally closed</u>
	<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>NA</u>
	<u>Location Description</u>	<u>Citywide</u>
	<u>Planned Activities</u>	<ul style="list-style-type: none"> <u>• Provide technical assistance to funded programs</u> <u>• Ensure the appropriate use and documentation of funds</u> <u>• Monitor and report progress to HUD</u>

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of San Marcos does not have any specific target areas for CDBG expenditures -- essentially, the entire City has a low-mod population, spread throughout most of the Census Tracts. Area-benefit projects will be located in areas where the beneficiaries to be served are predominately low-to-moderate income families. All service areas will be at least 51% low/mod as established by HUD.

Geographic Distribution

Target Area	Percentage of Funds

Table 84 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City does not allocate investments geographically.

Discussion

The City strives to improve low-income residential neighborhoods, especially those with high concentrations of minorities and other protected classes, by improving parks and other public facilities and infrastructure. These public improvements bring the areas up to standards equal to other areas of the City and make the neighborhoods safer and more desirable.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City is committed to providing affordable housing of choice to low-to-moderate income families by educating the public on fair housing issues and rights and affirmatively furthering fair housing. The City helps maintain the value of existing housing through its housing rehabilitation partnership with Southside Community Center programs. The City provides construction permit fee waivers for the construction of affordable housing and for rehabilitation programs funded through the CDBG grant. The City anticipates that at least 2 of the beneficiaries assisted through the housing rehabilitation program will include a person with a special need.

Households supported through: CDBG - Rehab = 17, CDBG DR = 15, Total 32.

The City will also address affordable housing needs through the homebuyer assistance program and for eligible LMI households. (One year goal - 12 Homebuyers)

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	30
Special-Needs	2
Total	32

Table 96 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	32
Acquisition of Existing Units	0
Total	32

Table 107 - One Year Goals for Affordable Housing by Support Type

Discussion

The City has focused its 2019 funds on housing programs:

Southside’s program helps (7) low/mod property owners, many who will be elderly or persons with a disability, remain in their homes by providing rehabilitation activities that improve accessibility as needed, remove dangerous code deficiencies, remove lead-paint hazards, and improve the quality of life/property values.

City of San Marcos, Texas – 2019-2020 Action Plan

The City will address affordable housing through the homebuyer assistance program and for (12) eligible LMI households.

The City will provide emergency home repair for LMI Housing benefit for (10) households.

AP-60 Public Housing – 91.220(h)

Introduction

The San Marcos Housing Authority administers the Housing Choice (Section 8) Voucher Program and Public Housing. The City works closely with the Housing Authority regarding public housing issues. There is a definite need for additional public housing / Section 8 vouchers in San Marcos as is evidenced by the long waiting lists both programs typically maintain. The City's Mayor appoints members to the Housing Authority's Board of Directors.

The City's Substantial Amendment No. 7 to the Disaster Recovery Action Plan included a reimbursement activity for the San Marcos Public Housing Authority. This activity would reimburse the PHA for eligible expenses related to the 2015 disaster events.

Actions planned during the next year to address the needs to public housing

The greatest need of the public housing program in 2019 remains the on-going determination of the unmet needs of the Housing Authority as it relates to the recovery from the 2015 flood disaster. The City approved Amendment #8 to the CDBG-DR Action Plan in the past year to include a Reimbursement as an eligible expense for the PHA from the flooding of 2015. The PHA is currently providing compliance documentation in order to receive reimbursement from the CDBG-DR Program.

The City provides Technical Assistance (TA) and works closely with the SMHA to provide whatever assistance may be necessary to enhance public and affordable housing options and Section 8 programs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

~~The City's CDBG staff provide an annual Homebuyer Education program to the Public Housing Family Self Sufficiency (FSS) Program participants. This presentation includes fair housing rights and a discussion of homebuyer assistance programs that are available in this area.~~

Several years ago the City partnered with the PHA to construct a new adult learning center for its FSS campus at Chapultepec Homes. The City provides City funds to the FSS program. The City also provides scholarships for PHA children for recreation fee expenses through a CDBG-funded scholarship public service program.

A five-member board, including a resident board member, oversees the PHA. Each public housing complex has a resident Council or Assembly group which holds periodic meetings. A youth development program serves about 90 youth at three sites providing mentors, tutors, homework assistance, computer labs, a hot meal during the after-school program, and social opportunities. The PHA continues to partner with local agencies, faith-based organizations, Texas State University, and the City to bring resources to its residents.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The San Marcos Public Housing Authority is NOT designated as troubled.

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of San Marcos does not anticipate receiving any private or public funding / resources in 2019 that specifically target homeless needs and / or prevention.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City provides over \$500,000 to support non-profit organizations that provide shelter and serve the low income and/or homeless populations in San Marcos. These organizations include the Hays County Area Food Bank; the Scheib Opportunity Center - Development Disability/Mental Health services; Hays Caldwell Council on Alcohol and Drug Abuse; the Society of St. Vincent De Paul; Southside Community Center; the Salvation Army; Greater San Marcos Youth Council; San Marcos Public Housing Residents Services, and Hays Caldwell Women's Center. The City also uses CDBG funds to support the Hays Caldwell Women's Center and CASA child advocacy programs.

The County does not perform a PIT homeless count.

Addressing the emergency shelter and transitional housing needs of homeless persons

Three agencies provide shelters for specific homeless populations in San Marcos: (a) the Southside Community Center operates an emergency shelter; (b) the Hays-Caldwell Women's Center accepts victims of domestic violence -- women, men, adults, and children; and (c) the Greater San Marcos Youth Council accepts youth ages 5 to 17 that are at-risk, homeless, neglected or abused. The City has allocated \$57,000 out of City funding to support the greater San Marcos Youth Council. This Council provides, Youth and Family Counseling, Parenting Education Classes, Truancy Intervention, and Delinquency Prevention. Southside Community Center operates a shelter for families and recently began accepting individuals. In addition to overnight shelter, Southside also provides a daily supper that is open to anyone and the opportunity for the homeless to shower and launder their clothing. Transitional housing is recognized as an unmet need in San Marcos.

San Marcos is supporting Hays Caldwell Women's Center by investing CDBG funds to renovate the center to increase offices in order to enhance the level of services the Center provides.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

There are very few resources available in San Marcos to address these issues. There are no transitional housing units available and the Public Housing usually has a six-month waiting period and the Section 8 Voucher program has a waiting period of two or more years. The Hays County Veterans Services Office works to ensure that homeless veterans have access to services available in nearby larger communities such as Austin and San Antonio. Local faith-based organizations also provide specific assistance to those in need as they are able. The lack of resources for the homeless is an unmet need in San Marcos.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-

income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Families living below the poverty level and those on a fixed income are often unable to afford to maintain their homes, which puts them at risk of becoming homeless. The City will continue to use CDBG funds to support housing rehabilitation. In addition, the city offers several programs designed to lower housing costs including: providing free water and energy audits with recommendations on how to reduce utility usage and a bill averaging option that helps equalize energy costs over a 12-month period. The City uses non-federal funds to provide utility assistance to low income, elderly or disabled residents that allows a once-per-year payment of electric, water, and wastewater portions of their monthly utility bill. The City also provides a \$25,000 homestead exemption for homeowners sixty-five or older or with a disability, thus reducing their property tax burden.

Discussion

The City is assisting persons with special needs who are not homeless through several programs in the 2019 Action Plan. The City will provide a Housing Counseling Program. Also, the City provides housing rehab assistance to homeowners through Southside Community Center. The clients served in this program are often elderly and/or have a person with a disability in the household.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

San Marcos maintains its commitment to preserve, maintain, and increase the stock of affordable housing. Housing affordability is a key component to the quality of life of San Marcos residents. A number of factors create a barrier to affordable housing, which is generally accepted to mean that no more than 30% of a household's gross income is spent on housing, including utilities. A housing cost burden exists when the household's housing costs exceeds 30% of their income.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City adopted an Affordable / Workforce Housing Policy in 2014. This policy identified five housing issues, established goals, and provided strategies for accomplishing the goals. This policy was reviewed during the creation of the Consolidated Plan.

The City updated and amended the 2013 Analysis of Impediments to Fair Housing Choice in June of 2017 and found that the City has been very active in addressing the strategies with many of the issues already covered by ongoing programs utilizing the city resources, CDBG funds, and attracting additional funds to support activities.

The AI update team did not identify any barriers to affordable housing resulting from the public policies of the City and encouraged a more regional approach to looking at housing. The City intends to coordinate with the San Marcos ISD and the San Marcos Greater Partnership to conduct the next AFH.

The 2013 AI established three impediments that create barriers to affordable housing were found: (1) Lack of affordability of the housing stock; (2) Insufficient income for the local cost of housing; and (3) limited resources are available to help low income families maintain their homes.

The Housing Policy directs staff to review existing codes in an effort to reduce the cost of constructing housing, to allow diversity in housing stock, and to look for incentives to encourage the creation of affordable housing. During Program Year 2017 the City's Development Code was updated and adopted. The City strives to implement strategies to increase the number of new affordable housing units constructed.

The City continues a strong policy for economic development using non-federal funds, and has a contract with a consulting firm that is tasked with bringing new jobs to San Marcos. This has been a successful partnership and the City anticipates a continued growth in jobs. The City amended the Economic Development Policy to define "Family Living Wage" that will apply to all jobs created through the receipt of a City economic incentive. The definition is: "A wage of \$15.00 per hour, plus employer-sponsored health insurance available to the employee and dependents that provides coverage equal to that offered to any other full-time employee of the company".

The City also continues to support housing rehab using CDBG funds to help low income families maintain their homes.

Three City of San Marcos Community Initiatives staff attended multiple training conferences that discussed the barriers to affordable housing.

Discussion:

Additional information about the City's efforts to eliminate barriers to affordable housing can be found in the Strategic Plan Section 55 of the 2015-2019 Consolidated Plan. The City has completed its update of the 2013 Analysis of Impediments (AI) to Fair Housing Choice and is available to the public.

AP-85 Other Actions – 91.220(k)

Introduction:

Actions planned to address obstacles to meeting underserved needs

There are two primary obstacles to meeting the underserved needs of San Marcos residents: inadequate funding and lack of capacity. Organizations and government programs that provide supportive services are finding it increasingly difficult to maintain their current funding levels or to obtain new sources of revenue. Losses of revenue lead to program elimination or reduction in the level of services provided or the number of clients that can be served.

The City will continue to use non-federal and CDBG funds to support the programs offered by local non-profit organizations that serve the low/mod families in San Marcos. They will continue to offer City sports and leisure activity scholarships to low/mod youth so that they have an equal opportunity to participate in these programs. They will continue to provide public facility and infrastructure improvements to low/mod areas.

Actions planned to foster and maintain affordable housing

The City assists low-to-moderate-income homebuyers acquire their first home through the [First Time Homebuyer Assistance](#) Program. The City supports the construction of affordable housing by providing development and construction fee waivers for Habitat for Humanity and the CDBG-sponsored housing rehab programs. The City will update its infill housing development program to incentivize the construction of affordable housing.

The City offers a \$25,000 homestead exemption for the elderly and disabled homeowners. The City has a number of rebate and incentive programs to help lower utility bills to reduce housing cost burden.

The City participates in the TDHCA's HOME Program funds during the Program Year 2019 in order to further foster and maintain affordable housing.

Actions planned to reduce lead-based paint hazards

The City's housing programs will comply with all lead-based paint hazard reduction requirements including risk assessment, notifications, using the appropriate level of control/mitigation measures, and obtaining clearance for houses found to contain lead paint that will be disturbed by the rehab program. All houses included in the housing rehab program are tested for lead paint hazards by a qualified firm.

Lead-based paint hazard identification and reduction strategies include education, outreach, and conformance with 24 CFR Part 35 regulations. When they are available, the City's staff attend lead-based paint training courses, and when possible will invite subrecipients with housing programs to participate in the training.

Actions planned to reduce the number of poverty-level families

The City believes that education and job opportunities are paths that lead families out of poverty.

The City has adopted an Economic Development Incentives Policy that provides construction and utility infrastructure incentives, fee waivers, project tax abatement and sales tax rebates that can be made available to expanding or new industries / businesses. The City has contracted with a private firm to provide economic development services for the community. Their responsibilities includes attracting employers to San Marcos offering living-wage jobs.

Actions planned to develop institutional structure

The City will provide subrecipient training prior to the execution of Subrecipient Agreements. City staff will

City of San Marcos, Texas – 2019-2020 Action Plan

participate in HUD-sponsored training opportunities as they become available. When appropriate, the City will invite its subrecipients to attend training to strengthen their understanding of the rules and regulations applicable to the CDBG program. The City will maintain its webpage with up-to-date information as a resource for other City staff and subrecipients.

Actions planned to enhance coordination between public and private housing and social service agencies

City staff and representatives of the local public housing authority, private housing resources, health service providers, and social service agencies communicate and work well together to the benefit of the citizens of San Marcos. The City shares timely news and announcements through press releases that are widely distributed. Notices of special interest to social service agencies are forwarded to agency representatives by CDBG staff.

The City Council is proposed to allocate more than \$500,000 in grant awards from the general fund budget to support 20 local social service agencies, including the San Marcos Housing Authority.

~~The City coordinates with the Chamber of Commerce on social service needs of the citizens, such as homebuyer programs and disaster relief.~~

~~CDBG PY2019 City Council Presentation included in the attachments to this AAP.~~

Regarding the programs proposed for CDBG-CV funding: The Chamber of Commerce, City Economic Development Department, and City Main Street Program, are working as partners to provide the small business assistance program to be funded by CDBG-CV. Texas State University will work with the City to find a variety of locations at which to provide COVID-19 sampling that is easily accessible to the citizens, especially low- to moderate-income people.

Discussion:

City staff will continue to seek partnerships and information exchange with local public service providers and economic development organizations.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

The City expects to have the following CDBG funding available during PY19: \$680,998 + \$50,818.91 = \$731,816.91

The City anticipates completing a minor amendment during the last year of the Con Plan to expend the \$50,818.91.

The City expects to receive an allocation of \$425,261 in CDBG-CV funding upon approval of this amended Action Plan by HUD.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	90.00%

~~The City has no activities using the regular CDBG funds that will be using “Urgent Need” as the means of satisfying a National Objective.~~ It is possible that a portion of the Disaster Recovery funds (CDBG-DR) might use the Urgent Need national objective; the CDBG-DR Action Plan will delineate which, if any, programs are using Urgent Need as the national objective.

The CDBG-funded housing rehabilitation programs are provided as a grant to the homeowner and ~~does-do~~ not generate program income.

|

| **Attachments**

COUNCIL ACTION

City of San Marcos, Texas – 2019-2020 Action Plan

RESOLUTION NO. 2019-121R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ACTION PLAN THAT PROVIDES FOR THE ALLOCATION OF \$680,998 OF CDBG FUNDS FOR PROGRAM YEAR 2019; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO ACT AS THE OFFICIAL REPRESENTATIVE OF THE CITY IN MATTERS RELATED TO THE CDBG PROGRAM AND ACTION PLAN; AND DECLARING AN EFFECTIVE DATE.

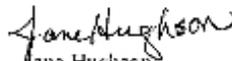
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The allocation of Community Development Block Grant (CDBG) funds in the amount of \$680,998 for Program Year 2019 as set forth in Exhibit A, is approved.

PART 2. The City Manager or his designee is authorized to act as the official representative of the City in matters related to the CDBG Program and Action Plan.

PART 3. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 18, 2019.


Jane Hughson
Mayor

Attest:

Jamie Lee Case
City Clerk

City of San Marcos, Texas – 2019-2020 Action Plan

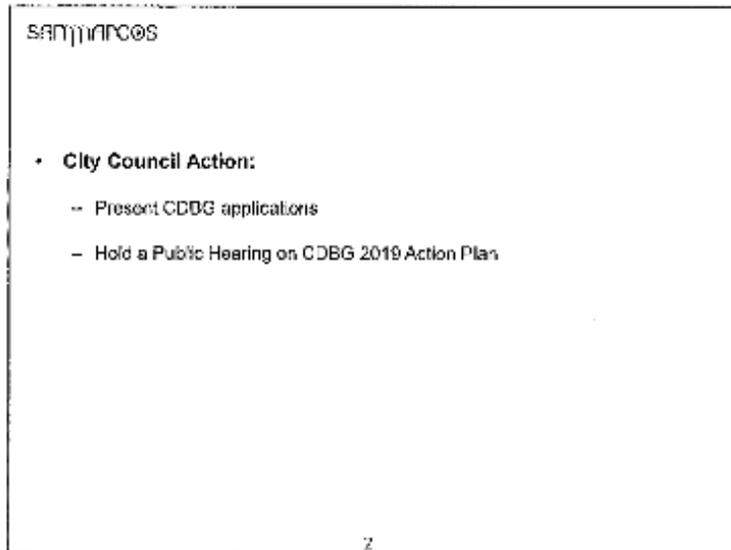
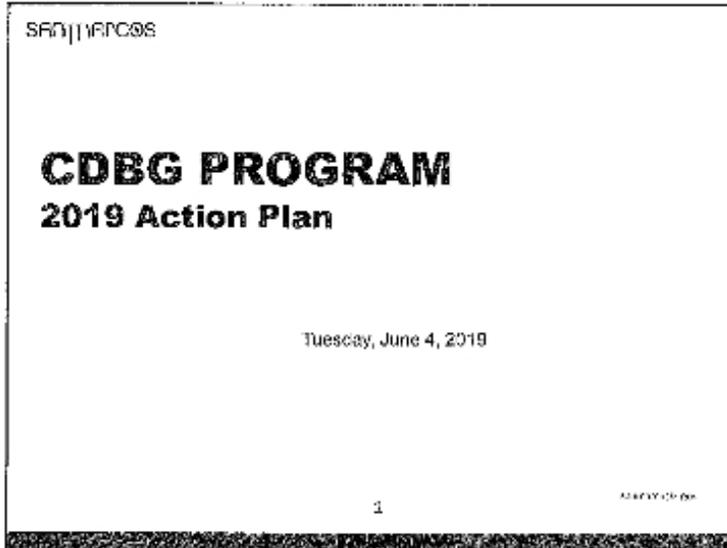
Resolution 2019-121R

Exhibit A

CDRG 2019 Action Plan Projects

Program Administration (20%)	\$136,200
Public Services (11%)	
CASA – Child Advocacy Program	\$ 50,000
Habitat for Humanity – Housing Counseling	\$ 23,656
Other Applications (69%)	
City Neighborhood Enhancement- Unsafe Structures Program	\$ 67,142
City Parks & Recreation – Paul Pena Park Improvements	\$ 125,000
City Community Initiatives – Emergency Home Repair Program	\$ 70,000
City Community Initiatives – Homebuyer Assistance Program	\$ 84,000
Southside Community Center Rehab Program	\$ 125,000
Total	\$ 680,998

8/9/2019



8/9/2019

SAN MARCOS

• **Timeline**

- Present CDBG Applications & Hold a public hearing June 4th
- Adopt resolution establishing 2018 Action Plan June 18th
- 30-day Public Comment Period on Draft Action Plan July 1-31st
- Submit final Action Plan to HUD Aug 15th

3

SAN MARCOS

- **Program Year 2018 Allocation is \$680,998**
- **4.5% Increase from Program Year 2018**



4

2

SAN MARCOS

2015-2019 Priority Needs

- Housing
- Public Facilities
- Infrastructure
- Transportation
- Public Services (Program Support)
- Clearance Activities (Demolitions)
- Program Administration



5

SAN MARCOS

Public Services

6



8/9/2019

SAN MARCOS

Court Appointed Special Advocates (CASA)

- Provides direct client advocacy services for abused and neglected children
- Funds will be used as working capital to pay portions of staff salaries
- PY 2019 request - \$50,000



7

SAN MARCOS

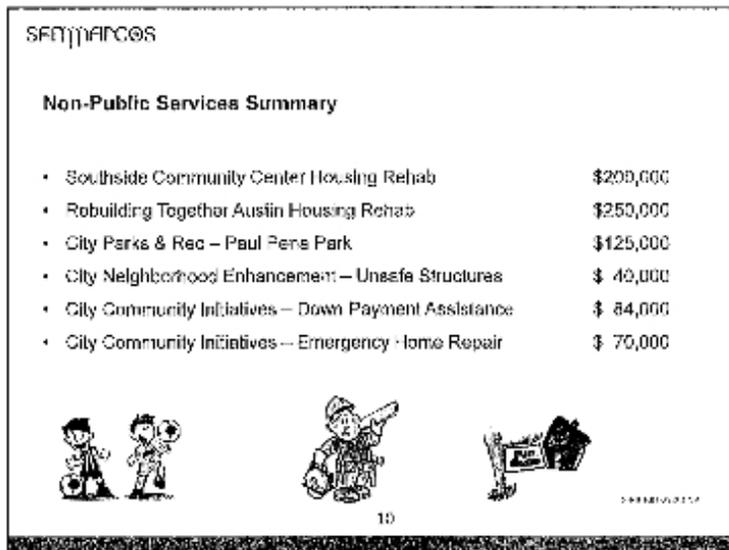
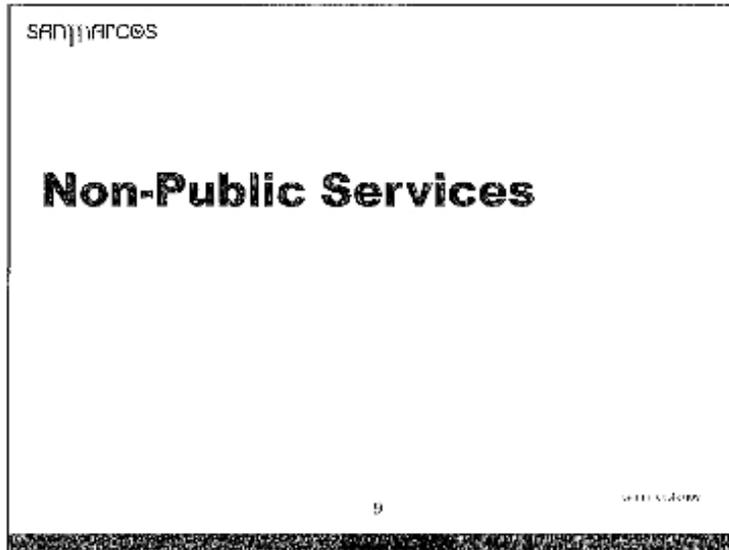
Habitat for Humanity – Housing Counseling Services

- Provide high quality (HUD Certified) financial and housing workshops and one-on-one counseling, designed to increase the financial capability and confidence of low-to-moderate income individuals/families, assisting them in obtaining and maintaining safe, stable and affordable homes.
- PY 2018 request - \$23,656



8

8/9/2019



8/9/2019

SAN MARCOS

Southside Community Center

- Non-profit organization that is committed to improving the living conditions and personal dignity of those in need in San Marcos.
- Funds will be used to renovate/rehab 7 existing substandard homes.
- PY 2019 request - \$200,000.



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SAN MARCOS

Rebuilding Together Austin (RTA)

- RTA is a not-for-profit organization that addresses affordable, safe and green/efficient housing to the Austin area through critical health/safety repairs and accessibility modifications.
- RTA performs home repairs using volunteers and hired contractors.
- Funds will be used to renovate/rehab 10 existing homes.
- PY 2019 request - \$250,000.



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8/9/2019

SAN MARCOS

City – Paul Pena Park

- Funds will be used to extend a concrete accessible path within the park and install an updated play structure and skate spot.
- PY 2019 request - \$125,000



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SAN MARCOS

City – Neighborhood Enhancement – Unsafe Structures Program

- Program is the removal or safeguarding of deteriorated, substandard structures that create a public health and safety hazard.
- Funds will be limited to 7 units and the scope of work will be limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.
- PY 2019 request - \$40,000

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8/9/2019

SAN MARCOS

City Community Initiatives – Homebuyer Assistance

- Workforce Housing Initiative Priority
- Down Payment and Closing Cost housing assistance for eligible families to purchase a home within the City limits of San Marcos.
- FY 2019 request - \$84,000



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City Community Initiatives – Emergency Repair Program

- Grant up to \$5,000 to assist with specific home repairs
- Eligible Repairs including but not limited to:
 - Heating/cooling system, electrical problems, plumbing problems, accessibility improvements, roofing.
- Ineligible Repairs including but not limited to:
 - Cosmetic, garages, storage buildings, general maintenance, minor plumbing, landscaping, painting, trash removal.
- FY 2019 request - \$70,000

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SAN MARCOS

8/9/2019

SAN MARCOS

Program Year 2019 Applications

• CASA	\$ 50,000
• Habitat for Humanity – Housing Counseling	\$ 23,856
• Southside Community Center Housing Rehab	\$200,000
• Rebuilding Together Austin Housing Rehab	\$250,000
• City Parks & Rec – Paul Pena Park	\$125,000
• City Neighborhood Enhancement – Unsafe Structures	\$ 40,000
• City Community Initiatives – Down Payment Assistance	\$ 84,000
• City Community Initiatives – Emergency Home Repair	\$ 70,000
• Administration (20%)	\$136,200
Total Request	\$978,856
Total Allocation	\$680,998
Balance	(\$297,858)

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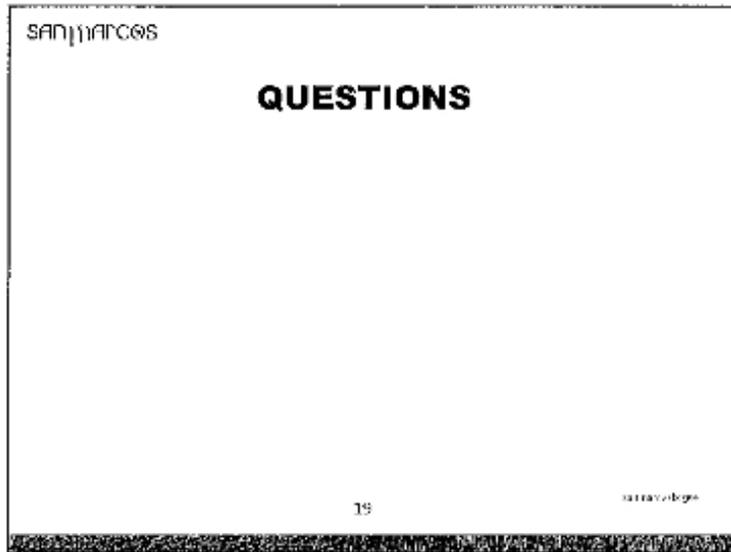
SAN MARCOS

• **2019 Action Plan Summary**

- Priority Programs, Affordable/Workforce Housing Strategic Initiatives
- Program Administration – Up to 20%
- Public Services – Up to 15%
- Non-Public Services – 65% or more

18

8/9/2019



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8/9/2019

SAN MARCOS

**CDBG PROGRAM
2019 Action Plan**

Tuesday, June 4, 2019

1

www.sanmarcos.org

SAN MARCOS

- City Council Action:
 - Present CDBG applications
 - Hold a Public Hearing on CDBG 2019 Action Plan

2

1

8/9/2019

SAN MARCOS

• **Timeline**

- Present CDBG Applications & Hold a public hearing June 4th
- Adopt resolution establishing 2018 Action Plan June 18th
- 30-day Public Comment Period on Draft Action Plan July 1-31st
- Submit final Action Plan to HUD Aug 15th

3

SAN MARCOS

- **Program Year 2018 Allocation is \$680,998**
- **4.5% Increase from Program Year 2018**



4

2

SAN MARCOS

2015-2019 Priority Needs

- Housing
- Public Facilities
- Infrastructure
- Transportation
- Public Services (Program Support)
- Clearance Activities (Demolitions)
- Program Administration



5

SAN MARCOS

Public Services

6

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8/9/2019

SAN MARCOS

Court Appointed Special Advocates (CASA)

- Provides direct client advocacy services for abused and neglected children
- Funds will be used as working capital to pay portions of staff salaries
- Goal for PY2019 is to train/support 66 advocates to serve 120 San Marcos children
- PY 2019 request - \$50,000



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sanmarcos.gov

SAN MARCOS

Habitat for Humanity – Housing Counseling Services

- Provide high quality (HUD Certified) financial and housing workshops and one-on-one counseling, designed to increase the financial capability and confidence of low-to-moderate income individuals/families, assisting them in obtaining and maintaining safe, stable and affordable homes.
- PY 2018 request - \$23,656



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8/9/2019

SAN MARCOS

Non-Public Services

9



SAN MARCOS

Non-Public Services Summary

• Southside Community Center Housing Rehab	\$200,000
• Rebuilding Together Austin Housing Rehab	\$250,000
• City Parks & Rec – Paul Pena Park	\$125,000
• City Neighborhood Enhancement – Unsafe Structures	\$ 40,000
• City Community Initiatives – Down Payment Assistance	\$ 84,000
• City Community Initiatives – Emergency Home Repair	\$ 70,000

10



8/9/2019

SAN MARCOS

Southside Community Center

- Non-profit organization that is committed to improving the living conditions and personal dignity of those in need in San Marcos.
- Funds will be used to renovate/rehab 7 existing substandard homes.
- FY 2018 request - \$200,000.



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SAN MARCOS

Rebuilding Together Austin (RTA)

- RTA is a not-for-profit organization that addresses affordable, safe and green/efficient housing to the Austin area through critical health/safety repairs and accessibility modifications.
- RTA performs home repairs using volunteers and hired contractors.
- Funds will be used to renovate/rehab 10 existing homes.
- FY 2019 request - \$250,000.



12

8/9/2019

SAN MARCOS

City – Paul Pena Park

- Funds will be used to extend a concrete assessable path within the park and install an updated play structure and skate spot.
- PY 2019 request - \$125,000



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sanmarcos.gov

SAN MARCOS

City – Neighborhood Enhancement – Unsafe Structures Program

- Program is the removal or safeguarding of deteriorated, substandard structures that create a public health and safety hazard.
- Funds will be limited to 7 units and the scope of work will be limited to the extent necessary to eliminate specific conditions detrimental to public health and safety
- Waiting list of 100+ structures
- PY 2019 request - \$40,000

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sanmarcos.gov

8/9/2019

SAN MARCOS

City Community Initiatives – Homebuyer Assistance

- Workforce Housing Initiative Priority
- Down Payment and Closing Cost housing assistance (\$7,000) for eligible families to purchase a home within the City limits of San Marcos.
- PY 2019 request - \$84,000 (12 loans)



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SAN MARCOS TEXAS

SAN MARCOS

City Community Initiatives – Emergency Repair Program

- Grant up to \$5,000 to assist with specific home repairs
- Eligible Repairs including but not limited to:
 - Heating/cooling system, electrical problems, plumbing problems, accessibility improvements, roofing.
- Ineligible Repairs including but not limited to:
 - Cosmetic, garages, storage buildings, general maintenance, minor plumbing, landscaping, painting, trash removal.
- PY 2019 request - \$70,000

16

SAN MARCOS TEXAS

8/9/2019

SAN MARCOS

Program Year 2019 Applications

• CASA	\$ 50,000
• Habitat for Humanity – Housing Counseling	\$ 23,856
• Southside Community Center Housing Rehab	\$200,000
• Rebuilding Together Austin Housing Rehab	\$250,000
• City Parks & Rec – Paul Pena Park	\$125,000
• City Neighborhood Enhancement – Unsafe Structures	\$ 40,000
• City Community Initiatives – Down Payment Assistance	\$ 84,000
• City Community Initiatives – Emergency Home Repair	\$ 70,000
• Administration (20%)	\$136,200
Total Request	\$978,856
Total Allocation	\$680,998
Balance	(\$297,858)

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SAN MARCOS

Program Year 2019 Recommendation

	Application	Recommendation
• CASA	\$ 50,000	\$ 50,000
• Habitat for Humanity – Housing Counseling	\$ 23,856	\$ 23,856
• Southside Community Center Housing Rehab	\$ 200,000	\$ 200,000
• Rebuilding Together Austin Housing Rehab	\$ 250,000	\$ -
• City Parks & Rec – Paul Pena Park	\$ 125,000	\$ 125,000
• City Neighborhood Enhancement – Unsafe Structures	\$ 40,000	\$ 40,000
• City Community Initiatives – Down Payment Assistance	\$ 84,000	\$ 84,000
• City Community Initiatives – Emergency Home Repair	\$ 70,000	\$ 70,000
• Administration (20%)	\$ 136,200	\$ 136,200
	\$ 978,856	\$ 680,998

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8/9/2019

SAN MARCOS

- **2019 Action Plan Summary**
 - Priority Programs, Affordable/Workforce Housing Strategic Initiatives
 - Program Administration – Up to 20%
 - Public Services – Up to 15%
 - Non-Public Services – 65% or more

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SAN MARCOS

QUESTIONS

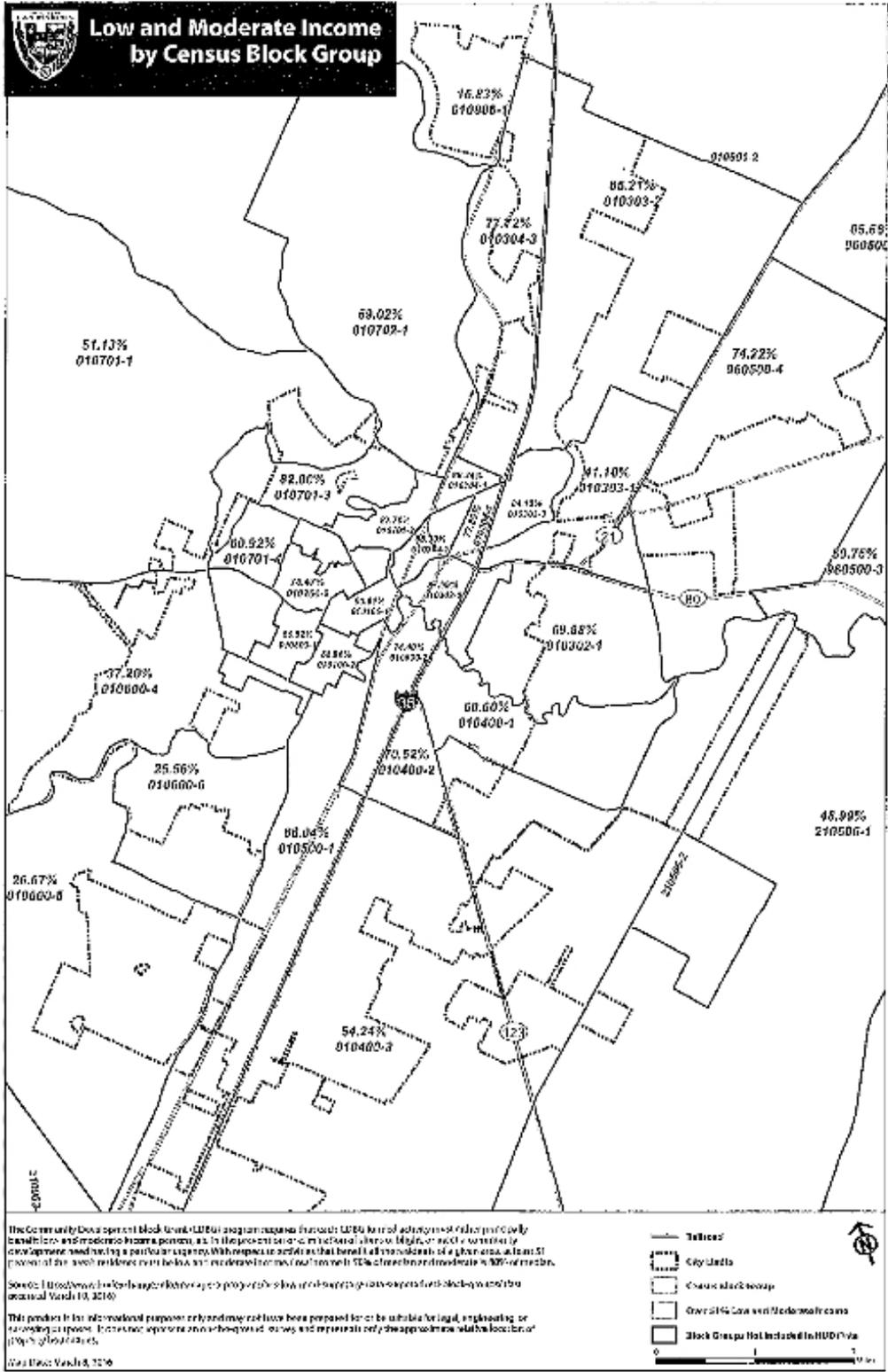
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10

SERVICE AREA MAPS

City of San Marcos, Texas – 2019-2020 Action Plan



CITIZEN PARTICIPATION PLAN
INCOME LIMITS

City of San Marcos, Texas – 2019-2020 Action Plan

2015-2019 CITIZEN PARTICIPATION PLAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM CITY OF SAN MARCOS, TEXAS

A Citizen Participation Plan is a required part of the consolidated planning process. (24 CFR §1.106) Although the regulations do not require a formal structure for citizen participation, they do state that citizens shall be involved in the prioritizing and planning of Community Development Block Grant (CDBG) activities.

In an effort to permit public examination and to enhance public accountability, the City of San Marcos will make the following information available to citizens, public agencies and other interested parties upon request: (1) the amount of funds expected to be available for proposed Community Development activities, (2) the range of eligible activities that may be undertaken with such funds, including the estimated amount that will benefit persons of low and moderate income, and (3) the geographic areas which meet Community Development eligibility criteria.

The City of San Marcos will conduct all of its Community Development activities to minimize the displacement of persons. In the unlikely event that any person is displaced by Community Development activities, the City of San Marcos will provide reasonable relocation assistance as allowed by law.

To encourage simple citizen participation in the CDBG program the following steps will be taken during the development of the Five-Year Consolidated Plan:

1. Workshops will be held with local social service agencies, local government agencies, Neighborhood Associations, health care and assisted housing providers and City staff to receive input and information regarding the City of San Marcos' needs for the Plan's five-year period.
2. At least two general public hearings during the program year will be held within the community at central locations. One public hearing will be held during the preparation of the Consolidated Action Plan and another in conjunction with the preparation of the CAPER. Notice for all public hearings will be published a minimum of 14 days in advance. Hearings will be held at times and locations convenient to potential and actual beneficiaries and with accommodations for persons with disabilities.
 - When possible in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, materials to be handed out will be translated into Spanish, citizen comments written in Spanish will be translated, and Spanish translators will be present.
 - Individuals who require auxiliary aids or special assistance at public hearings should make a request at least 48 hours in advance to the City of San Marcos ADA Coordinator or the hearing impaired may call Relay Texas at 7-1-1.
3. A summary of the Consolidated Plan will be published in the local newspaper. The summary will describe the contents and purpose of the consolidated plan, and will include a list of the locations where copies of the entire proposed plan may be examined. Copies will be available at the San Marcos Public Library, government offices and other public places. In addition, the City will provide a reasonable number of free copies to citizens and groups that request it.
4. A citizens' comment period will last for at least 30 days after the publication of the consolidated plan summary.

City of San Marcos, Texas – 2019-2020 Action Plan

Citizen Participation Plan

Page 2

6. The City will consider any comments or views of citizens received in writing, or orally at the public hearings, in preparing the final consolidated plan. A summary of those comments or views, and a summary of any comments or views not accepted and the reasons therefore, shall be attached to the final consolidated plan.
6. After the public hearing and discussion, City Council will adopt a Resolution approving the Consolidated Plan. While the citizens of the City of San Marcos will provide input and direction for the development of the Consolidated/Action Plan, City Council will have the ultimate responsibility to determine how and where the Community Development funds will be spent.
7. The Citizen Participation Plan will be evaluated every five years by City Council and will be resubmitted as part of the Consolidated Plan.
8. The City will provide technical assistance to groups representing persons of low- and moderate-income that request such assistance in developing proposals for funding assistance under any of the programs covered by the consolidated plan.
9. The City will provide a timely, substantive written response to every written citizen complaint related to the City's CDBG Program within fifteen (15) working days.

ACTION PLAN

As part of 24 CFR Part 91, the City of San Marcos is required to develop an annual Action Plan that details the projects to be undertaken with CDBG funds for the upcoming year. The following steps must be taken with the development of the annual Action Plan:

1. Staff will conduct at least one stakeholder meeting before the application deadline. The meeting will be held at a time and location convenient to potential and actual beneficiaries and with accommodations for persons with disabilities.
 - When possible in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, materials to be handed out will be translated into Spanish, citizen comments written in Spanish will be translated, and Spanish translators will be present.
 - Individuals who require auxiliary aids or special assistance at a meeting should make a request at least 48 hours in advance to the City of San Marcos ADA Coordinator or the hearing impaired may call Relay Texas at 7-1-1.
2. Funding applications will be made available to the public. Staff will review the applications received by the application deadline for compliance and eligibility. If deficiencies in the application are found, the applicant will be notified in writing and provided ten days in which to correct the deficiencies.
3. All eligible applications will be submitted to the City Council for their review and consideration in determining which projects will be awarded funding.
4. Council will hold a public hearing to accept comments on the Action Plan Allocation for the current program year. Notice of the public hearing will be published in the local newspaper a minimum of 14 days in advance. The hearing will be held at a time and location convenient to potential and actual beneficiaries and with accommodations for persons with disabilities.
 - Individuals who require auxiliary aids or special assistance at public hearings should make a request at least 48 hours in advance to the City of San Marcos ADA Coordinator or the hearing impaired may call Relay Texas at 7-1-1.

2019-2020 Citizen Participation Plan

Reviewed by Council
2/27/2016

5. Following the public hearing, Council will award the allocation for the program year.
6. Staff will prepare the annual Action Plan and provide a 30-day citizen comment period. Notice of the comment period will be provided by publication in a local newspaper. The City will consider any comments or views of citizens received in writing, or orally at the public hearing. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the Action Plan.

AMENDMENT PROCESS

The amendment process shall include at least one public hearing before the City Council and a 30-day citizen comment period. Notice of the public hearing will be provided by publication in the local newspaper a minimum of 14 days in advance. This process will only be required for a substantial amendment to the Consolidated Plan. An amendment will be considered to be 'substantial' under the following circumstances:

1. The addition of a new project to the current Action Plan;
2. Any funding change to an existing project in excess of 10% of the annual allocation amount of the current program year; or,
3. Any change in the priorities of the 5-Year Consolidated Plan.

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

A public notice shall be published in the local newspaper to describe the contents and purpose of the performance report, to provide for a citizen comment period of at least 15 days, and will include a list of the locations where copies of the entire report may be examined.

A public hearing must be held once a year to review program performance and to obtain citizen comments and input for the direction of the CD&G program. The hearing will be scheduled at a time and location convenient to the potential and actual beneficiaries. Notice of the public hearing will be given by publication in the local newspaper at least 14 days before the hearing.

The City will consider any comments or views of citizens received in writing, or orally at the public hearing, in preparing the CAPER. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the CAPER.

ACCESS TO RECORDS & AVAILABILITY TO THE PUBLIC

The Consolidated Plan as adopted, current Action Plan, current Performance Report and substantial amendments to the plan will be available for review at the San Marcos Public Library and City Hall. The City will provide a reasonable number of free copies to citizens and local groups that request a copy.

The City will provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records relating to the City's Consolidated Plan and the City's use of program funds during the preceding five years.

City of San Marcos
 FY 2019 Income Limits Summary

Median Family Income: Austin-Round Rock MSA : **\$95,900**

Effective: June 28, 2019

Percent AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Very Very Low	\$19,900	\$22,750	\$25,600	\$28,400	\$30,700	\$32,950	\$35,250	\$37,500
50% Very Low	\$33,150	\$37,850	\$42,600	\$47,300	\$51,100	\$54,900	\$58,700	\$62,450
80% Low income	\$53,850	\$60,400	\$67,950	\$75,500	\$81,550	\$87,600	\$93,650	\$99,700

OUTREACH

THE DAILY RECORD • San Marcos, TX • Sunday, March 3, 2019

NOTICE
CDBG Application Period
Applicant Workshop & Stakeholder Workshop

Applicants

The City of San Marcos will accept applications for Community Development Block Grant (CDBG) program funding beginning March 3, 2019 through 5:00 p.m. April 2, 2019. These funds are provided to the City from the U. S. Department of Housing and Urban Development (HUD) for projects that benefit low- to moderate income San Marcos residents. Applications may be submitted by a San Marcos organization and City Corporation. The City is not accepting applications from individuals who need financial housing or other financial assistance.

Eligible projects must satisfy a minimum CDBG program objective and address one or more of the priority needs of housing, transportation, infrastructure improvements, public facilities, public services (recreational), or the elimination or clearance of blight or other blight.

Applications may be downloaded from the City's website at <http://www.sanmarcos.org/14962019-CDBG-Applications> in Word and PDF format. The applications will also be available at the following Workshop:

Applicant Workshop

An applicant workshop will be held Wednesday, March 6, 2019 at 9:00 a.m. in the San Marcos Activity Center, Room 1, 201 E. Hickam Street, San Marcos, Texas. The workshop will cover details of the application process, eligibility and compliance requirements, and will provide a general overview of the CDBG Grant Program. Attendance is not mandatory for filing an application, but is recommended. A sign-in will be available for Spanish speaking persons with limited English proficiency.

Stakeholder Workshop

The City is also offering all persons interested in learning more about the City's CDBG program an all-day Stakeholder Workshop on Wednesday, March 6, 2019 beginning at 8:00 a.m. The workshop will be held in the San Marcos Activity Center, Room 1, 201 E. Hickam Street, San Marcos, Texas. The Activity Center is accessible to persons with disabilities.

The workshop will provide an overview of the CDBG grant program and will explain the annual application process. Participants will have an opportunity to ask questions and to comment on our biennial needs survey reporting the use of CDBG funding in the next program year. All comments received and survey results will be provided to the City Council and will be summarized in the City's 2019 Action Plan.

For additional information about the CDBG program or either workshop please contact Marco Lopez, 512-391-3147 or e-mail to marco@sanmarcos.tx.gov.

The City of San Marcos does not discriminate on the basis of disability in the admission to, access to, or services, programs or activities. Individuals who require auxiliary aids and services for this activity should contact the City of San Marcos ADA Compliance Coordinator at 512-391-3147 (voice) or call Texas Relay Service (TRS) by dialing 711. Requests can also be sent by e-mail to ADA@sanmarcos.tx.gov and received as soon as possible but no later than 72 hours before the scheduled event.

Las personas que necesiten servicios limitados del idioma pueden pedir ayuda llamando al 711 o al 512-391-3147.

THE DAILY RECORD • San Marcos, TX • Sunday, March 3, 2019

Notificación
 Período de inscripción y preguntas de Desarrollo de la Comunidad
 Sobre el Plan
 El 2019 para Aplicantes y Precandidatos

Aplicaciones
 El Comité de Agua tiene receptores y solicitudes para la hora de Desarrollo de la Comunidad Subvención Ciudad (CDBG) que empieza el 1 de marzo de 2019 hasta las 5:00 p.m. el día 7 de abril 2019. Faltan las aplicaciones por el momento. Cada día de inscripción y recepción de aplicaciones que se abren a las personas de San Marcos con ingresos bajos y moderados. Aplicaciones pueden ser entregadas con copias de los recibos de renta y recibos de pago de agua. La lista de las personas que se inscriben por medio de las aplicaciones que necesitan ayuda para sus hogares o naturaleza mejorada.

Proyectos de agua potable que atienden a los hogares que necesitan mejoras por el programa CDBG y fondos que sirven a una o más de las categorías: vivienda, agua potable, infraestructura de transporte, de servicios públicos, y otros. Aplicaciones para el programa CDBG se abren a las personas o personas que necesitan ayuda para sus hogares o naturaleza mejorada.

Aplicaciones pueden ser recibidas por la población que vive en la ciudad en la oficina de aplicación y desarrollo CDBG-application. En San Marcos, TX.

El taller para aplicantes
 El taller para aplicantes será a las 10:00 a.m. el día 1 de marzo de 2019, a las 2:00 p.m. en el salón del Centro de Actividad de San Marcos, 301 F. Hopkins Street, San Marcos, TX. El taller para aplicantes del programa de la aplicación, el desarrollo y recepción por el cumplimiento. También dará un resumen de los requisitos de los fondos. Además, se les ayudará para poder aplicar una aplicación para el programa CDBG. Asimismo, se les ayudará a encontrar una aplicación que sean limitados en la recepción de fondos. El Centro de Actividad es accesible para las personas con discapacidades.

Lista de interesados
 La ciudad invita a todas las personas interesadas en aprender más sobre el programa CDBG de la ciudad que están a la hora de los interesados de interesados, a las 10:00 a.m. el día 1 de marzo de 2019, a las 2:00 p.m. en el taller para aplicantes, 301 F. Hopkins Street, San Marcos, TX. El Centro de Actividad es accesible para las personas con discapacidades.

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Para más información sobre el programa CDBG o sobre el taller de los interesados por favor comuníquese con Aram Linares al 512-393-8149 o por correo electrónico a aram.linares@sanmarcos.gov.

El Comité de Agua tiene receptores y solicitudes para la hora de Desarrollo de la Comunidad Subvención Ciudad (CDBG) que empieza el 1 de marzo de 2019 hasta las 5:00 p.m. el día 7 de abril 2019. Faltan las aplicaciones por el momento. Cada día de inscripción y recepción de aplicaciones que se abren a las personas de San Marcos con ingresos bajos y moderados. Aplicaciones pueden ser entregadas con copias de los recibos de renta y recibos de pago de agua. La lista de las personas que se inscriben por medio de las aplicaciones que necesitan ayuda para sus hogares o naturaleza mejorada.

Proyectos de agua potable que atienden a los hogares que necesitan mejoras por el programa CDBG y fondos que sirven a una o más de las categorías: vivienda, agua potable, infraestructura de transporte, de servicios públicos, y otros. Aplicaciones para el programa CDBG se abren a las personas o personas que necesitan ayuda para sus hogares o naturaleza mejorada.

Aplicaciones pueden ser recibidas por la población que vive en la ciudad en la oficina de aplicación y desarrollo CDBG-application. En San Marcos, TX.



Application Workshop

Wednesday, March 6, 2019
9:00 a.m.

LOCATION:
Activity Center
501 E. Hopkins, San Marcos

Attendance List

Name	Representing	e-mail address
Tricia Schneider	Court Appointed Special Advocates	tschneider@casacentex.org
Kate Reznick	Austin Habitat for Humanity	kreznick@ahfh.org
Alex Trevino	Southside Community Center	
Armas Rojas	Southside Community Center	southsidecommunitycenter.com
Lynnette Lombardo	CASA	llombardo@casacentex.org
Kristy Money	Resident	kristy.money@gmail.com
Dalinda Newby	COSM	dnewby@sanmarcostx.gov
Aman Harris	COSM	aharris@sanmarcostx.gov
Sylvia Ruiz	COSM	srui2@sanmarcostx.gov
Stacy Brown	COSM	sbrown@sanmarcostx.gov

Thanks for Coming!

FAIR HOUSING



PROCLAMATION

WHEREAS, fairness is the foundation of our way of life and reflects the best of our traditional American values; and

WHEREAS, April 11, 2019, marks the 51st anniversary of the passage of the U.S. Fair Housing Law, Title VIII of the Civil Rights Act of 1968, which establishes a national policy of Fair Housing without regard to race, color, creed, national origin, sex, familial status, and handicap, and encourages fair housing opportunities for all citizens; and

WHEREAS, the City of San Marcos is committed to addressing discrimination in our community, to support programs that will educate the public, and to plan partnership efforts with other organizations to help assure every American of their right to fair housing; and

WHEREAS, the Fair Housing Act covers virtually all housing in the United States – private homes, apartment buildings and condominium developments – and nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans; and

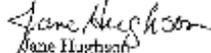
WHEREAS, the anniversary of the Fair Housing Act provides an opportunity to remind all Americans that we must continue to work together to uphold the Fair Housing Act and the principle of equal opportunity on which it is based;

NOW, THEREFORE, I, Jane Hughson, by virtue of the authority vested in me as Mayor of the City of San Marcos, Texas do hereby proclaim the month of April, 2019 as

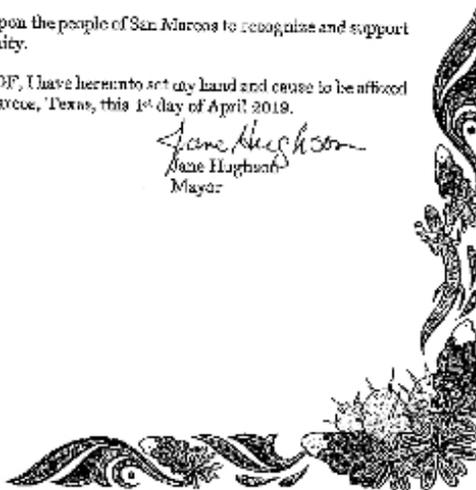
FAIR HOUSING MONTH

AND DO HEREBY CALL upon the people of San Marcos to recognize and support Fair Housing in our community.

IN TESTIMONY WHEREOF, I have hereunto set my hand and cause to be affixed the seal of the City of San Marcos, Texas, this 1st day of April 2019.


Jane Hughson
Mayor


Jamie Lee Case
City Clerk



THE DAILY RECORD • San Marcos, TX • Sunday, May 5, 2019

RECORD CLASSIFIEDS

Public Notice Public Notice Public Notice



FAIR HOUSING & EQUAL OPPORTUNITY FOR ALL

The Federal Fair Housing Act prohibits discrimination because of race, color, religion, national origin, sex, familial status or disability. This act covers virtually all housing in the United States - private homes, apartment buildings, and community developments - and nearly all housing transactions, including the rental and sale of housing and the provision of mortgage loans.

YOU CAN DO SOMETHING ABOUT HOUSING DISCRIMINATION

The City of San Marcos is committed to ensuring that its citizens seeking a home to live, all housing in their district. Every citizen deserves the City's Fair Housing / Equal Opportunity. Should you OES or experience for the housing and equal opportunity conditions, real may be contacted at 512-805-2626 or by email at alexand@sanmarcos.gov.

Visit www.fairhousing.org or call the HUD hotline at 1-800-648-7777 (TDD) for more information about Fair Housing or to file a housing discrimination complaint.

NOTICE OF NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

As a recipient of federal funding from the US Department of Housing and Urban Development (HUD), the City of San Marcos, Texas, complies with the 24 CFR Part 1, application of Title 24 of the Civil Rights Act of 1964. In pursuit of the program of race, color, or national origin, shall be considered in participation in, or denied the benefits of or be otherwise subjected to discrimination under any program or activity including federal financial assistance from HUD.

Public Notice Public Notice Public Notice

Public Notice Public Notice Public Notice

LEGAL NOTICE

This Texas Lottery Commission scratch ticket game will close on May 18, 2019. You have until November 14, 2019, to redeem any tickets for this game: #2101 Holiday Cash Drop (\$2) overall odds are 1 in 4.55. These Texas Lottery Commission scratch ticket games will close on July 3, 2019. You have until December 30, 2019, to redeem any tickets for these games: #2071 Lucky Dog (\$1) overall odds are 1 in 4.99, #2081 Double Bonus Crossword (\$5) overall odds are 1 in 3.51, #2102 Money Madness (\$5) overall odds are 1 in 4.10, #2096 Season's Greetings (\$10) overall odds are 1 in 3.45, #1759 \$250 Million Payout (\$10) overall odds are 1 in 3.28, #1671 \$500,000 Cash (\$20) overall odds are 1 in 2.75, #2014 Mega 7s (\$20) overall odds are 1 in 3.05, #2080 Ultimate 7s (\$50) overall odds are 1 in 3.38. Txlottery.org is the official source for all pertinent game information. Game closing procedures may be initiated for documented business reasons. These games may have prizes unclaimed, including top prizes. In addition, game closing procedures will be initiated when all top prizes have been claimed. During closing, games may be sold even after all top prizes have been claimed. Must be 18 or older to purchase a ticket. For help with a gambling problem, nccgambling.org. © 2019 Texas Lottery Commission. **PLAY RESPONSIBLY.**

Legals and Public Notices Online at sammarcosrecord.com

General Help Wanted General Help Wanted



The San Marcos Daily Record

is now hiring INSERTERS

Part-time, forklift experience helpful, but not necessary. Must be able to work Night Shift. Must be mechanically inclined and detail oriented. Please send resumes to kjgeorge@sammarcosrecord.com

or stop by 1910 IH-35 to fill out an application. NO PHONE CALLS PLEASE

Priority JOB OPENINGS!

AFFIRMATIVELY FURTHERING FAIR HOUSING

City of San Marcos

630 E. Hopkins
San Marcos, Texas 78666

NEWS

August 31, 2018

Contact:

Kristy Stark, Director of Communications /IGR, 512.393.8105 ksstark@sanmarcostx.gov
Trey Hatt, Communications Specialist, 512.393.8242 ghatt@sanmarcostx.gov

City, University Launch Pilot Program with Austin Tenants' Council

The City of San Marcos and Texas State University announce the launch of a pilot program with the Austin Tenants' Council (ATC) to assist permanent and student residents with housing discrimination and landlord-tenant disputes.

"Launching this pilot program with the Austin Tenants' Council is an exciting opportunity to assist the needs of tenants," said Lisa Dvorak, Community Liaison. "The ATC currently serves residents of Travis and Williamson County, and our new program will be a benefit to our residents."

Under the program, the ATC Fair Housing Program, telephone counseling, mediation services, in-house counseling, and lease review services are available to any San Marcos resident or Texas State student.

"Partnering with the Austin Tenants' Council provides us with a great resource to share with our Texas State Off-Campus students who have detailed questions about their lease," said Margaret Yackel, Coordinator for Off-Campus Living at Texas State. "We are now able to provide them with an alternative affordable resource to assist them."

The ATC website contains information about tenant-landlord rights and responsibilities. Visit www.housing-rights.org or call 512.474.1961 Monday to Friday from 9 a.m. to 12 p.m. and Monday to Thursday from 1- 4 p.m.

For more information, contact Lisa Dvorak, City of San Marcos Community Liaison at 512.753.2310 or Margaret Yackel, Coordinator of Texas State Off Campus Living at 512.245.5595.



George "Trey" Hatt, CPC
Communications Specialist | Communications
630 E Hopkins, San Marcos, TX 78666
512.393.8242 | Mobile 512.757.2407

Grantee SF-424's and Certification(s)

SF 424
CERTIFICATIONS

City of San Marcos, Texas – 2019-2020 Action Plan

OMB Number: 4343-0004
 Expire Date: 12/31/2018

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision
		* If Revision, select appropriate object: <input type="text"/> * Other (Specify): <input type="text"/>
* 3. Date Received: 11/15/2019		4. Applicant Identifier: R-19-MC-48-0513
8a. Federal Entity Identifier: 14-218		8b. Federal Award Identifier: R-19-MC-48-0513
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: City of San Marcos		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 74-6062238		* c. Organizational DUNS: 0894628690000
d. Address:		
* Street 1:	619 East Hopkins	
* Street 2:		
* City:	San Marcos	
* County/Parish:		
* State:	TX: Texas	
* Province:		
* Country:	USA: UNITED STATES	
* Zip / Postal Code:	78666-8314	
e. Organizational Unit:		
Department Name: Planning/Development Services		Division Name: Community Initiatives
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix:	* First Name: Aaron	
Middle Name:		
* Last Name:	Borcia	
Suffix:		
Title:	Community Initiatives Program Administrator	
Organizational Affiliation:		
* Telephone Number:	512-390-8147	* Fax Number: 512-350-2843
* Email:	aaron.borcia@sanmarcos.tx.gov	

City of San Marcos, Texas – 2019-2020 Action Plan

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type:		
<input type="text" value="City or Township Government"/>		
Type of Applicant 2: Select Applicant Type:		
<input type="text"/>		
Type of Applicant 3: Select Applicant Type:		
<input type="text"/>		
* Other (specify):		
<input type="text"/>		
* 10. Name of Federal Agency:		
<input type="text" value="U.S. Department of Housing and Urban Development"/>		
11. Catalog of Federal Domestic Assistance Number:		
<input type="text" value="14.218"/>		
CFDA Title:		
<input type="text" value="Community Development Block Grants / Entitlement Grants"/>		
* 12. Funding Opportunity Number:		
<input type="text"/>		
* Title:		
<input type="text"/>		
13. Competition Identification Number:		
<input type="text"/>		
Title:		
<input type="text"/>		
14. Areas Affected by Project (Cities, Counties, States, etc.):		
<input type="text"/>	<input type="button" value="Add Attachment"/>	<input type="button" value="Delete Attachment"/>
<input type="button" value="View Attachment"/>		
* 15. Descriptive Title of Applicant's Project:		
<input type="text" value="CDBG 2019 Annual Action Plan"/>		
<small>Attach supporting documents as specified in agency instructions.</small>		
<input type="button" value="Add Attachments"/>	<input type="button" value="Delete Attachments"/>	<input type="button" value="View Attachments"/>

City of San Marcos, Texas – 2019-2020 Action Plan

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: TX-02	* b. Program/Project: TX-021
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
17. Proposed Project:	
* a. Start Date: 10/01/2019	* b. End Date: 09/30/2020
18. Estimated Funding (\$):	
* a. Federal	580,930.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	580,930.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix:	* First Name: Doug
Middle Name:	
* Last Name: Janderson	
Suffix:	
* Title: City Manager	
* Telephone Number: 512-393-0100	Fax Number:
* Email: citymanager@sanmarcos.tx.us	
* Signature of Authorized Representative:	* Date Signed: 08/12/19

City of San Marcos, Texas – 2019-2020 Action Plan

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4180-0030
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0940-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4726-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4501 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residential structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1693, and 1696-1696), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicap; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-618), as amended relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 d2-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Prescribed by OMB Circular A-102

City of San Marcos, Texas – 2019-2020 Action Plan

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §574), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(e) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11990; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of

Federal actions to State (Clean Air) Implementation Plans under Section 170(a) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of San Marcos	08/12/19

SF-4243 (Rev. 7-97) Back

City of San Marcos, Texas – 2019-2020 Action Plan

OMB Number: 4040-0087
Expiration Date: 08/28/2022

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (03-18-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

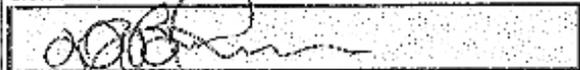
NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

- 1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
- 2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- 3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- 4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- 5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4726-4753) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- 6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1689), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§3101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 cc-3 and 290 cc-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VII of the Civil Rights Act of 1964 (42 U.S.C. §§3601 et seq.) as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- 7. Will comply, or has already complied, with the requirements of Titles E and H of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-548) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- 8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

City of San Marcos, Texas – 2019-2020 Action Plan

- 9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §275c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
- 10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§461 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(a) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- 12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- 13. Will assist the awarding agency in assuring compliance with Section 105 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
- 14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- 15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- 16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- 18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
- 19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
City of San Marcos	08/12/19

Standard Form 424B (Rev. 7-97) Back

City of San Marcos, Texas – 2019-2020 Action Plan

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction - The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (42 U.S.C. 1701c) and implementing regulations at 24 CFR Part 135.


Signature of Authorized Official

08/12/19
Date

City Manager
Title

City of San Marcos, Texas – 2019-2020 Action Plan

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) _____ [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

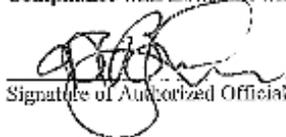
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

City of San Marcos, Texas – 2019-2020 Action Plan

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.



Signature of Authorized Official

08/12/19

Date

City Manager

Title

City of San Marcos, Texas – 2019-2020 Action Plan

OPTIONAL Community Development Block Grant Certification

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(e):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.


Signature of Authorized Official

08/12/19
Date

City Manager
Title

City of San Marcos, Texas – 2019-2020 Action Plan

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §§92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Subsidy layering -- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;



Signature of Authorized Official

08/12/19

Date

City Manager

Title

City of San Marcos, Texas – 2019-2020 Action Plan

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Legislation Text

File #: Res. 2020-132R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-132R, providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs for the proposed Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop Highway and Rattler Road, approving findings related to the application, imposing conditions for such non objection, including the requirement that the applicant make an annual payment in lieu of taxes; providing authorizations for execution or submission of documents related to the application and for negotiation and execution of an agreement for the annual payment in lieu of taxes, and declaring an effective date.

Meeting date: June 16, 2020

Department: Planning & Development

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Workforce Housing

[Choose an item.](#)

[Choose an item.](#)

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Vision San Marcos - A River Runs Through Us

Background Information:

Resolution 2020-28R was approved on February 4th, 2020 providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop and Rattler Road. The applicant, Mission DG Ltd., is requesting the following amendment to the Resolution:

1. **Recital 6.d.** - Recital 6.d. of the Resolution states “The Project is currently located in the ETJ but is proposed to develop under Character District-4 (CD-4) zoning designation.” The applicant is requesting to amend Recital 6.d. to read “The Project is currently located in the ETJ but is proposed to develop under **Character District-5 (CD-5).**”

Applications for Resolutions of No Objection must meet at least 5 of the 8 criteria, including criteria #1 of the City’s Low-Income Housing Tax Credit policy to receive a positive staff recommendation. Criteria #4 of the policy states that “The project is not proposed to develop under a legacy district on the City’s current zoning map.” Character District-5 (CD-5) is not a legacy district and does not change the applicant’s status of compliance with the Low-Income Housing Tax Credit policy.

Council Committee, Board/Commission Action:

At their February 4th, 2020 regular meeting, the City Council approved Resolution 2020-28R providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop and Rattler Road.

Alternatives:

n/a

Recommendation:

Staff recommends approval of the amendment as presented.

Resolution 2020-XXX

Consider approval of Resolution 2020-XXR, amending Resolution 2020-28R (LIHTC-20-01 (Lantana on Bastrop), providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs for the proposed Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop and Rattler Road; approving findings related to such application; imposing conditions for such no objection; providing authorizations for execution or submission of documents related to the such application; and declaring an effective date.

Project Summary

- 9.93 acres
- Intersection of South Old Bastrop Highway & Rattler Road
- Zoning
 - The project site is currently in the ETJ. The applicant intends to pursue annexation and a **CD-5** zoning designation
- Comprehensive Plan
 - East Village Medium Intensity Zone
- Proposing 216 Total Units

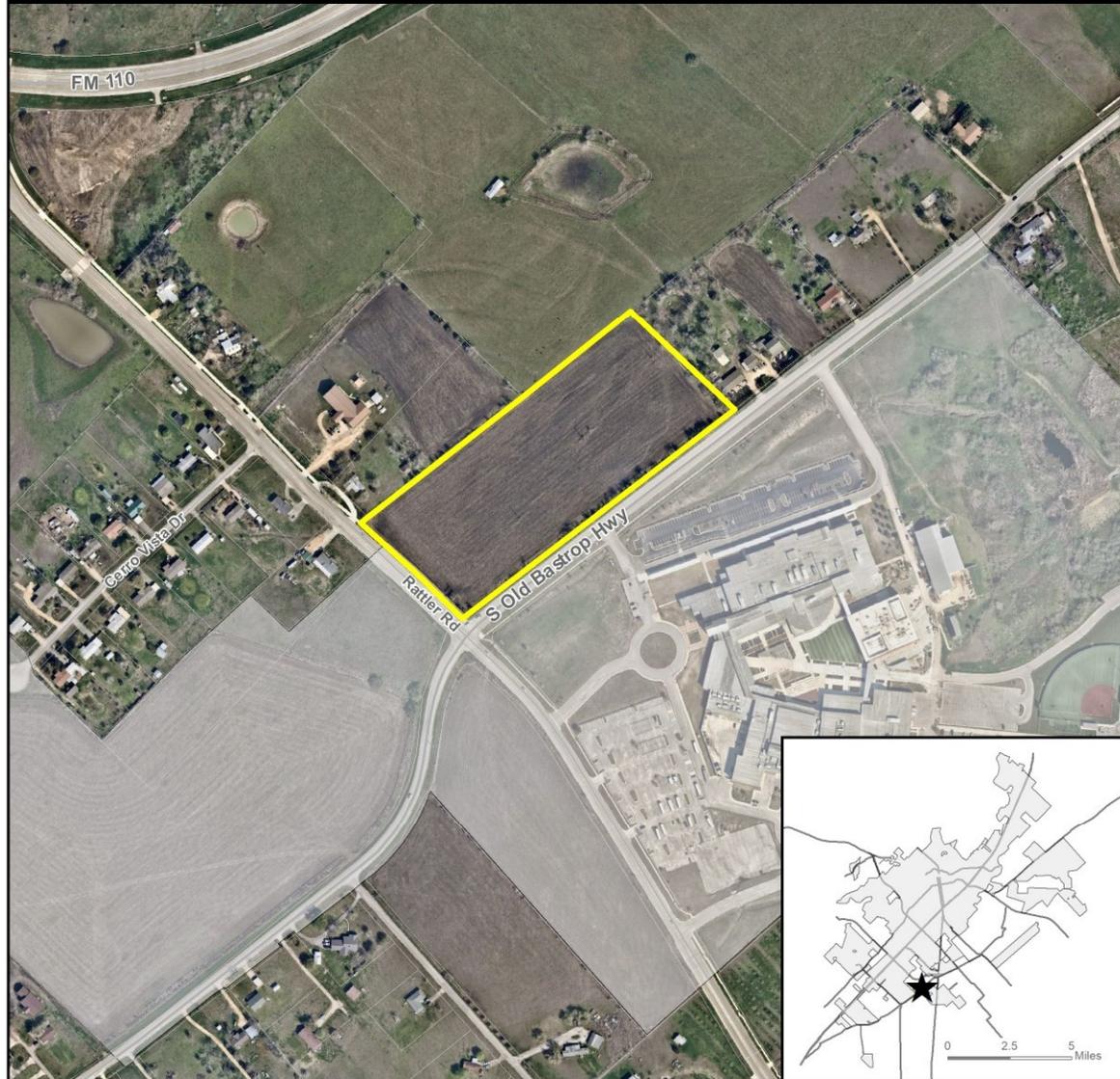
Income Restriction	Unit Count	Percent of Total Units
30% AMI	22	10%
40% AMI	18	8%
50% AMI	50	24%
60%/70%*	71	33%
70% AMI	55	25%
Total	216	
Bedroom	Unit Count	Percent of Total Units
1 bedroom	90	42%
2 bedroom	50	23%
3 bedroom	76	35%
Total	216	

– 11 ADA Accessible Units

LIHTC-20-01

Aerial View

The Lantana on Bastrop-South Old Bastrop Hwy & Rattler Rd



- ★ Site Location
- ▭ Subject Property
- ▭ Parcel
- ▭ City Limit



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

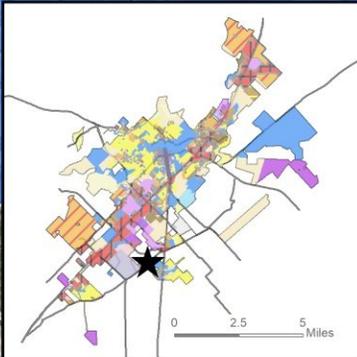
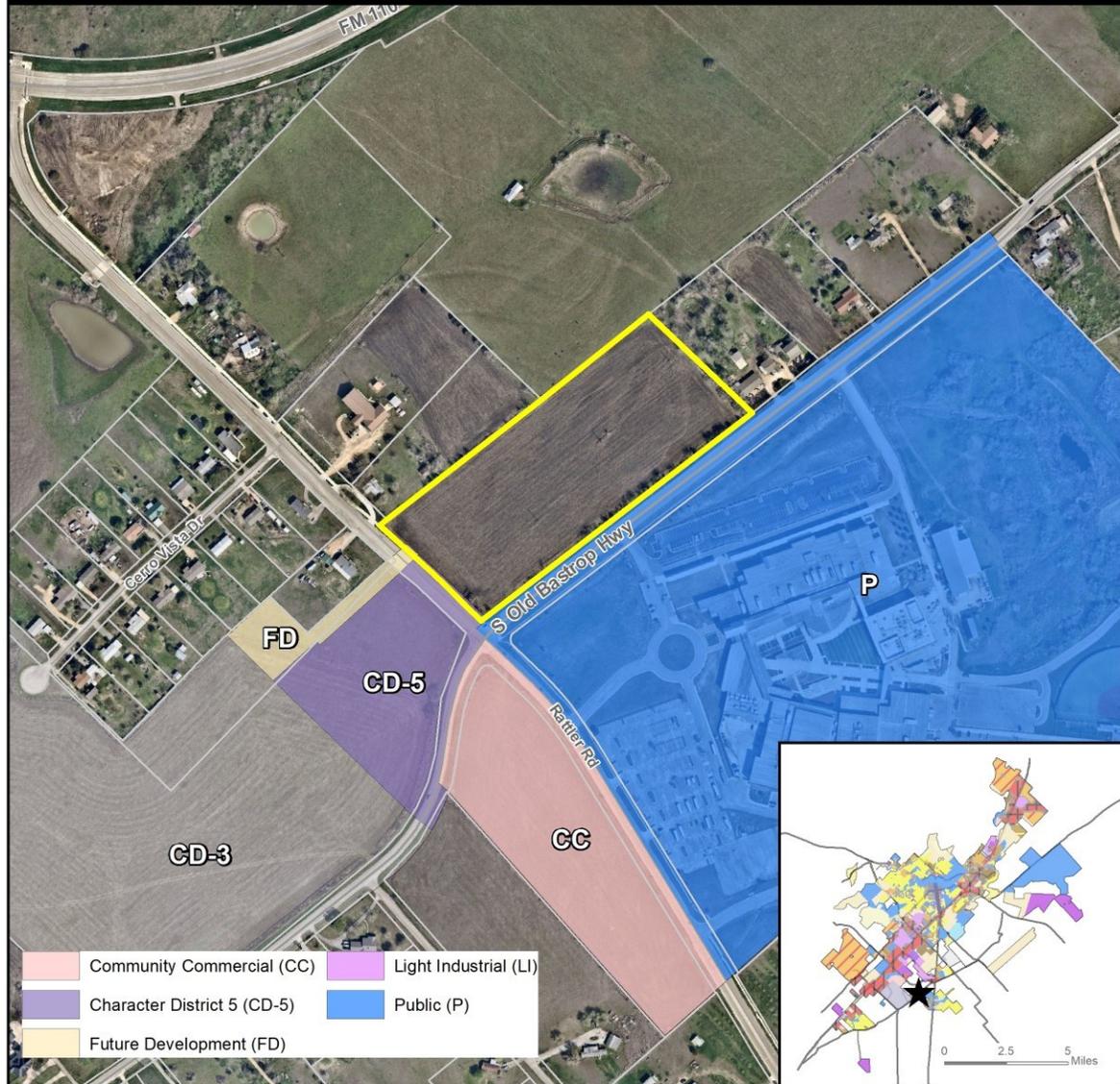
Map Date: 5/8/2020

Summary of Resolution Amendment

Project will develop under Character District-5 (CD-5)

- Recital 6.d. of Resolution demonstrates applicant is in compliance with criteria 4 of the City’s policy requiring that the project is not proposed to develop under a legacy district
- CD-5 is not a legacy district and the change in proposed zoning does not change the number of criteria met

LIHTC-20-01 Zoning Map The Lantana on Bastrop-South Old Bastrop Hwy & Rattler Rd



★ Site Location	0 250 500 1,000 Feet
■ Subject Property	
□ Parcels	
□ City Limit	

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

Map Date: 5/8/2020

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-28R	Proposed Amendment to Resolution 2020-28R
1) Projects requesting an exemption from local taxes must meet additional criteria.	Met-The applicant is requesting a tax exemption and meets the additional criteria.	Met-No Change
2) Addresses a housing need identified in this housing policy or in the City's HUD programs	Met-The project addresses an identified need.	Met-No Change
3) The project is located in a high or medium intensity zone on the Preferred Scenario Map	Met-The project is located in a Medium Intensity Zone.	Met-No Change
4) The project is not proposed to develop under a legacy district on the City's current zoning map.	Met-The property is proposed to develop under CD-4 zoning.	Met-The property is proposed to develop under CD-5 zoning.
5) The project is located within a ½ mile walking distance to grocery, medical services, and schools.	Not Met-The property is not located within ½ mile of medical services or a grocery store.	Not Met-No Change
6) The project is located within ¼ walking distance of a bus stop or a private shuttle service for residents is provided in accordance with TDHCA requirements.	Met-The applicant will provide a private shuttle service for residents in accordance with TDHCA requirements.	Met-No Change
7) The project is renovating or redeveloping an existing multifamily complex or under-performing development.	Not Met-The project will be a new development.	Not Met-No Change
8) The project incorporates wraparound support services that meet all additional criteria.	Met-The project will incorporate wraparound support services that meet all the additional criteria.	Met-No Change

Staff Recommendation

Staff recommends approval of the amendments as presented.

RESOLUTION NO. 2020-132R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS PROVIDING NO OBJECTION TO THE SUBMISSION OF AN APPLICATION FOR LOW INCOME HOUSING TAX CREDITS TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE PROPOSED LANTANA ON BASTROP MULTIFAMILY HOUSING PROJECT LOCATED AT THE INTERSECTION OF SOUTH OLD BASTROP HIGHWAY AND RATTLER ROAD; APPROVING FINDINGS RELATED TO THE APPLICATION; IMPOSING CONDITIONS FOR SUCH NON OBJECTION, INCLUDING THE REQUIREMENT THAT THE APPLICANT MAKE AN ANNUAL PAYMENT IN LIEU OF TAXES; PROVIDING AUTHORIZATIONS FOR EXECUTION OR SUBMISSION OF DOCUMENTS RELATED TO THE APPLICATION AND FOR NEGOTIATION AND EXECUTION OF AN AGREEMENT FOR THE ANNUAL PAYMENT IN LIEU OF TAXES; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

- 1.** Mission DG, LTD (the “Applicant”) has proposed a multifamily development presently known as “Lantana on Bastrop” for affordable rental housing at the intersection of South Old Bastrop Highway and Rattler Road in the City of San Marcos which will include 216 units (the “Project”).
- 2.** The Applicant has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for Low Income Housing Tax Credits for the Project.
- 3.** As provided for in §11.3(c) of the Qualified Allocation Plan, the City of San Marcos has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds.
- 4.** In accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §11.204(4):
 - a.** notice has been provided to the City of San Marcos, Texas;
 - b.** the City of San Marcos, Texas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the Project; and
 - c.** the City of San Marcos, Texas has held a hearing at which public comment may be made on the Project.
- 5.** The Applicant has demonstrated that the Project meets the necessary criteria in order to be considered for an exemption from local taxes as follows:

a. The project will provide a minimum of 22 units (10% of all units) affordable to households at or below 30% AMI for the duration of the tax exemption;

b. The project will provide a minimum of 3 units (13 %) that are ADA accessible and affordable to households at or below 30% AMI;

c. The project will provide a minimum of 76 (35% of all units) three-bedroom units; and

d. The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement.

6. The Applicant has demonstrated that the Project complies with the City of San Marcos Affordable Housing Policy pertaining to consideration of Low Income Housing Tax Credit projects by meeting at least five of the eight necessary criteria as follows:

a. No exemption from taxes may be considered unless the project meets the following criteria;

b. The Project will address a housing need by providing 22 units for those making 30% or less of area median income, 18 units for those making 40% or less of the area median income, 50 units for those making 50% or less of the area median income, 71 units for those making 60% or less of the area median income, and 55 units for those making 70% or less of the area median income. The Project will be located in close proximity to San Marcos High School and Bowie Elementary and within close proximity to the Amazon facility. The Project will meet all applicable development standards in the San Marcos Development Code, sidewalks will be required along all public streets, and pedestrian connections will be made within the Project boundaries;

c. The Project is located in the East Village Medium Intensity Zone;

d. The Project is currently located in the ETJ but is proposed to develop under Character District ~~4-5~~ (CD-~~45~~) zoning designation;

e. The Project is not located within one quarter mile walking distance of a proposed or existing bus stop on a current or planned transit route and will provide a private shuttle service for residents in accordance with TDHCA restrictions; and

f. The Project will incorporate wraparound services that provide flexible voluntary social, economic, or education benefits to the residents. Incorporated services will utilize local support services and resources, meet the needs of the local community, and exceed the minimum Texas Department of Housing & Community Affairs requirements for amenities. The Project will incorporate the listed common amenities and resident support services:

i. Controlled gate access for entrance and exit areas, furnished fitness center (one item for every 40 units), children's playscape, game area, swimming pool,

full perimeter fencing that includes parking areas and all amenities, fully enclosed off leash dog park, resident run community garden, gazebo or covered pavilion with a sitting area, barbecue grill(s) and picnic table(s), business center, furnished community room, library with an accessible sitting area, community dining room, high speed wi-fi coverage throughout the clubhouse and/or community building, bicycle parking, a private shuttle in accordance with TDHCA requirements, twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity, four hours of weekly, organized, on-site classes provided to an adult audience by persons skilled or trained in the subject matter being presented, food pantry consisting of an assortment of non-perishable food items and common household items accessible to residents at least on a monthly basis or upon request, annual health fair provided by a health care professional, notary services during regular business hours, twice monthly arts, crafts, and other recreational activities, and a part time resident services coordinator with a dedicated office space at the Development or a contract with a third-party to provide the equivalent of 15 hours or more of weekly resident supportive services at the Development.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The San Marcos City Council finds the Recitals to be true and correct and adopts them as the findings of the City Council and incorporates them as part of this resolution.

PART 2. After due consideration of the findings of the City Council as stated in the Recitals, the information provided by the Applicant and any public comment, the City of San Marcos, Texas has no objection to the proposed application for the Project to the TDHCA, and confirms that the City Council has voted specifically to support the submittal of applications for the Project and to authorize an allocation of Housing Tax Credits for the Project pursuant to Texas Government Code §2306.6703(a)(4).

PART 3. As conditions of approval of this resolution:

a. The Applicant must comply with all City of San Marcos rules and regulations governing the development of the Project including, but not limited to:

i. the adopted Transportation Master Plan;

ii. all standards and regulations within the City's Code of Ordinances; and

iii. requirements for submission of required applications and payment of applicable fees.

b. The Applicant may not apply for and the Project will not be eligible to receive any variances from any applicable City of San Marcos ordinances, rules or regulations.

c. The Applicant must submit an executed Memorandum of Understanding for each local residential support service provider prior to the approval of future permits.

d. The Applicant must make an annual Payment in Lieu of Taxes (PILOT) to the City of San Marcos in the amount of \$11,000. The PILOT will begin in Year 1 of the Project's life.

e. The Applicant shall ensure that the requirement to make an annual PILOT shall be included as a covenant or obligation of the Applicant (and any successors) in the trust indenture for all bonds issued in connection with the Project and in the Land Use Restriction Agreement for the Project approved by TDHCA.

PART 4. As provided for in 10 TAC §11.3(d) it is hereby acknowledged that the proposed New Construction or Adaptive Reuse Development is located one linear mile or less from a Development that serves the same type of household as the proposed Development and has received an allocation of Housing Tax Credits (or private activity bonds) for New Construction in the three-year period preceding the date the Certificate of Reservation is issued.

PART 5. The Mayor or the City Manager, are each authorized to execute any and all documents as necessary for the Applicant to complete its application for the Project to the TDHCA, and the City Manager is further authorized to negotiate the terms of and to execute an agreement for an annual PILOT consistent with Part 3(d) above.

PART 6. For and on behalf of the City Council, the Mayor or the City Clerk are each authorized to certify one or more copies of this resolution for submission to TDHCA.

PART 7. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on ~~February 4~~June 16, 2020 .

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

Lantana on Bastrop

Staff Memo



From:	Planning & Development Services – Shavon Caldwell, Planner
Date:	May 18, 2020
Re:	Lantana on Bastrop LIHTC Resolution, Request to Amend Recital 6.d.

Summary and Background

At their February 4th, 2020 regular meeting, the City Council approved Resolution 2020-28R providing no objection to the submission of an application for low income housing tax credits (LIHTC) to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Lantana on Bastrop multifamily housing project. Since then, the applicant Mission DG has applied to annex and zone the property.

The applicant initially intended on developing under a Character District-4 (CD-4) zoning designation and this has been stated in the approved Resolution of No Objection. After further review of their proposed site design and CD-4 district standards, DG Mission has determined that they would instead like to pursue a Character District-5 (CD-5) zoning designation. It should be noted that the request for CD-5 zoning is allowed in this location (Medium Intensity Area on the Preferred Scenario Map), and also that approval by City Council of this zoning designation will still be required.

The below table outlines the eight criteria of the City’s Low-Income Housing Tax Credit policy and any changes in the project’s ability to meet at least five of the eight criteria due to the proposed amendment.

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-28R	Proposed Amendment to Resolution 2020-28R
1) Projects requesting an exemption from local taxes must provide a minimum 10% units affordable to households at or below 30% AMI, a minimum 10% of these units shall be ADA accessible, 35% of units shall be 3 bedroom or more, and these criteria shall be written in the Land Use Restriction Agreement. When considering a recommendation of support, <i>preference</i> should be given to projects that utilize a local entity for such exemption.	Met -The applicant is requesting a tax exemption and will provide a minimum 22 units affordable to households at or below 30% AMI, 3 units that are ADA accessible and affordable to households at or below 30% AMI, a minimum of 76 three-bedroom units, and shall include these criteria in the Land Use Restriction Agreement. The project will be partnering with a local entity for such exemption.	Met -No Change

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-28R	Proposed Amendment to Resolution 2020-28R
2) Addresses a housing need identified in this housing policy or in the City's HUD programs	Met -The project will provide 216 affordable units affordable to those making 30%, 40%, 50%, and 70% or below of Area Median Income and will be located in close proximity to San Marcos High School, Bowie Elementary and the Amazon facility.	Met -No Change
3) The project is located in a high or medium intensity zone on the Preferred Scenario Map	Met -The project is located in the East Village Medium Intensity Zone.	Met -No Change
4) The project is not proposed to develop under a legacy district on the City's current zoning map.	Met -The property is currently located in the ETJ. The applicant intends to pursue annexation and a CD-4 zoning designation.	Met -The property is currently located in the ETJ. The applicant intends to pursue annexation and a CD-5 zoning designation. *Note* CD-5 zoning is not a legacy district on the City's current zoning map.
5) The project is located within a ½ mile walking distance to grocery, medical services, and schools.	Not Met -The property is located within ½ mile walking distance to San Marcos High School but is not located within ½ mile of medical services, a grocery store, or other schools.	Not Met -No Change
6) The project is located within ¼ walking distance of a proposed or existing bus stop on a current or planned transit route. If the project is not located within ¼ mile walking distance of a proposed or existing bus stop on a current or planned transit route, a private shuttle service for residents is provided in accordance with TDHCA requirements.	Met -The property is not located on an existing route and the nearest stop is ~2.3 miles away. The applicant will provide a private shuttle service for residents in accordance with TDHCA requirements.	Met -No Change
7) The project is renovating or redeveloping an existing multifamily complex or under-performing development.	Not Met -The project will be a new development.	Not Met -No Change

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-28R	Proposed Amendment to Resolution 2020-28R
<p>8) The project incorporates wraparound support services that meet the needs of the local community, utilize local support services, and exceed the minimum TDHCA amenities requirement.</p>	<p>Met-The project will incorporate a shuttle service, weekly on-site K-12 services and adult classes, a food pantry, an annual health fair, notary services, monthly crafts, arts, and other recreational activities, and an on-site part time resident services coordinator. The project has agreed to partner with San Marcos Public Library, San Marcos CISD, the Hays County Food Bank, and local health providers such as Communicare, Alligator Dental, Aqua Springs Dental, and Heart to Heart Hospice to provide some of these services. The proposed services exceed the minimum TDHCA amenities requirement.</p>	<p>Met-No Change</p>

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS PROVIDING NO OBJECTION TO THE SUBMISSION OF AN APPLICATION FOR LOW INCOME HOUSING TAX CREDITS TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE PROPOSED LANTANA ON BASTROP MULTIFAMILY HOUSING PROJECT LOCATED AT THE INTERSECTION OF SOUTH OLD BASTROP HIGHWAY AND RATTLER ROAD; APPROVING FINDINGS RELATED TO THE APPLICATION; IMPOSING CONDITIONS FOR SUCH NON OBJECTION, INCLUDING THE REQUIREMENT THAT THE APPLICANT MAKE AN ANNUAL PAYMENT IN LIEU OF TAXES; PROVIDING AUTHORIZATIONS FOR EXECUTION OR SUBMISSION OF DOCUMENTS RELATED TO THE APPLICATION AND FOR NEGOTIATION AND EXECUTION OF AN AGREEMENT FOR THE ANNUAL PAYMENT IN LIEU OF TAXES; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

- 1.** Mission DG, LTD (the “Applicant”) has proposed a multifamily development presently known as “Lantana on Bastrop” for affordable rental housing at the intersection of South Old Bastrop Highway and Rattler Road in the City of San Marcos which will include 216 units (the “Project”).
- 2.** The Applicant has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for Low Income Housing Tax Credits for the Project.
- 3.** As provided for in §11.3(c) of the Qualified Allocation Plan, the City of San Marcos has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds.
- 4.** In accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §11.204(4):

 - a.** notice has been provided to the City of San Marcos, Texas;
 - b.** the City of San Marcos, Texas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the Project; and
 - c.** the City of San Marcos, Texas has held a hearing at which public comment may be made on the Project.
- 5.** The Applicant has demonstrated that the Project meets the necessary criteria in order to be considered for an exemption from local taxes as follows:

sitting area, barbecue grill(s) and picnic table(s), business center, furnished community room, library with an accessible sitting area, community dining room, high speed wi-fi coverage throughout the clubhouse and/or community building, bicycle parking, a private shuttle in accordance with TDHCA requirements, twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity, four hours of weekly, organized, on-site classes provided to an adult audience by persons skilled or trained in the subject matter being presented, food pantry consisting of an assortment of non-perishable food items and common household items accessible to residents at least on a monthly basis or upon request, annual health fair provided by a health care professional, notary services during regular business hours, twice monthly arts, crafts, and other recreational activities, and a part time resident services coordinator with a dedicated office space at the Development or a contract with a third-party to provide the equivalent of 15 hours or more of weekly resident supportive services at the Development.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The San Marcos City Council finds the Recitals to be true and correct and adopts them as the findings of the City Council and incorporates them as part of this resolution.

PART 2. After due consideration of the findings of the City Council as stated in the Recitals, the information provided by the Applicant and any public comment, the City of San Marcos, Texas has no objection to the proposed application for the Project to the TDHCA, and confirms that the City Council has voted specifically to support the submittal of applications for the Project and to authorize an allocation of Housing Tax Credits for the Project pursuant to Texas Government Code §2306.6703(a)(4).

PART 3. As conditions of approval of this resolution:

a. The Applicant must comply with all City of San Marcos rules and regulations governing the development of the Project including, but not limited to:

- i.** the adopted Transportation Master Plan;
- ii.** all standards and regulations within the City's Code of Ordinances; and
- iii.** requirements for submission of required applications and payment of applicable fees.

b. The Applicant may not apply for and the Project will not be eligible to receive any variances from any applicable City of San Marcos ordinances, rules or regulations.

c. The Applicant must submit an executed Memorandum of Understanding for each local residential support service provider prior to the approval of future permits.

d. The Applicant must make an annual Payment in Lieu of Taxes (PILOT) to the City of San Marcos in the amount of \$11,000. The PILOT will begin in Year 1 of the Project's life.

e. The Applicant shall ensure that the requirement to make an annual PILOT shall be included as a covenant or obligation of the Applicant (and any successors) in the trust indenture for all bonds issued in connection with the Project and in the Land Use Restriction Agreement for the Project approved by TDHCA.

PART 4. As provided for in 10 TAC §11.3(d) it is hereby acknowledged that the proposed New Construction or Adaptive Reuse Development is located one linear mile or less from a Development that serves the same type of household as the proposed Development and has received an allocation of Housing Tax Credits (or private activity bonds) for New Construction in the three-year period preceding the date the Certificate of Reservation is issued.

PART 5. The Mayor or the City Manager, are each authorized to execute any and all documents as necessary for the Applicant to complete its application for the Project to the TDHCA, and the City Manager is further authorized to negotiate the terms of and to execute an agreement for an annual PILOT consistent with Part 3(d) above.

PART 6. For and on behalf of the City Council, the Mayor or the City Clerk are each authorized to certify one or more copies of this resolution for submission to TDHCA.

PART 7. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020 .

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk



INVEST • BUILD • GROW

May 5, 2020

San Marcos City Council

630 E Hopkins

San Marcos, TX 78666

RE: Resolution No. 2020-28R

To Whom It May Concern:

We cordially request that Recital: 6. d. in Resolution No. 2020-28R be amended to replace Character District-4 (CD-4) with Character District-5 (CD-5) due to the restrictive lot sizes dictated in CD-4 which are not conducive to building large multifamily apartment buildings.

Please let us know if you have any questions or require additional information.

Thank you, and we look forward to your response.

Best regards,

John Latham

Partner

210-354-3705

Low Income Housing Tax Credit (LIHTC) Policy

Resolutions of Support Criteria

Applications must meet at least 5 of the 8 criteria below, including criteria #1, in order to receive a staff recommendation for a Resolution of Support.

Criteria 1
Is the project requesting an exemption from local taxes?

*Note, if a project is not requesting an exemption from local taxes, criteria 1 is considered met.

Yes

No exemption from local taxes may be considered unless the project meets the criteria listed below. The purpose of this criteria is to help increase the City's inventory of affordable units and ensure that units benefiting from the program are reserved for low income households that need them.

- A** A minimum of 10% of all units within the project shall be affordable to households at or below 30% percent of the AMI for the duration of the tax exemption.
- B** A minimum of 10% of the units affordable to households at or below 30% of the AMI shall be ADA accessible.
- C** A minimum of 35% of the units within a project that is not age-restricted shall include a minimum of three bedrooms in each unit.
- D** The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement (LURA).
- E** When considering a recommendation of support, projects must show proof that revenues will remain in San Marcos and will be utilized to support local residents with housing.

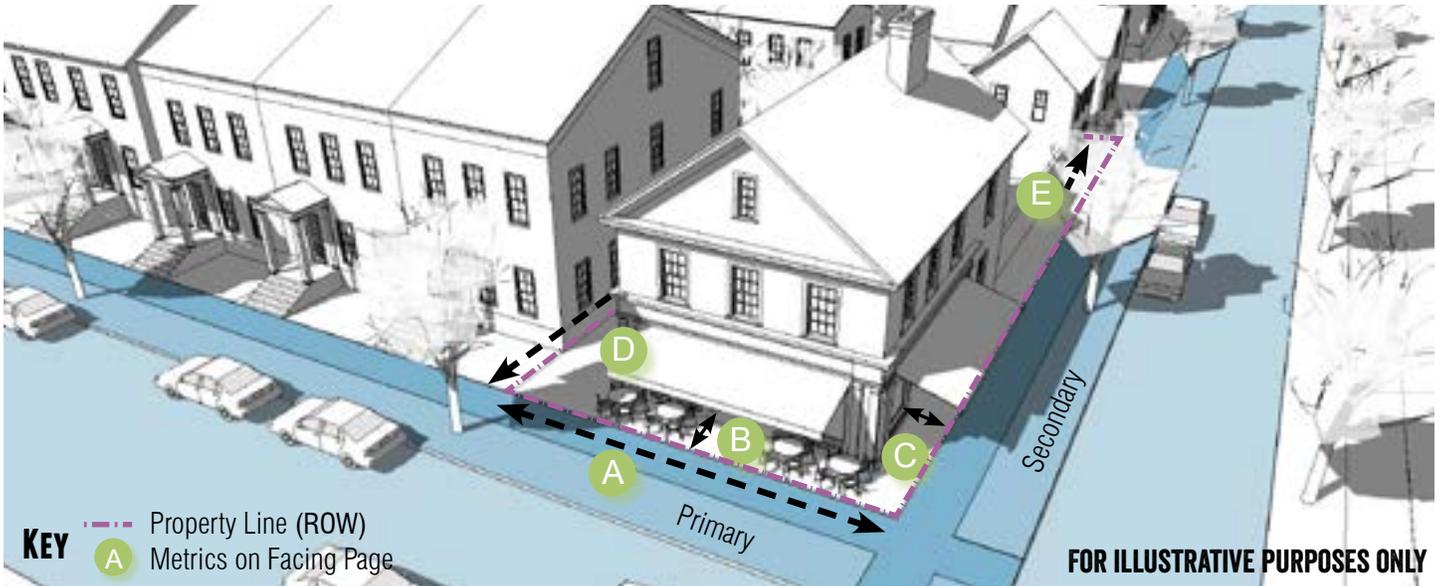
No

Criteria

- 2** The proposed units address a housing need identified in this housing policy or in the City's current consolidated plan for HUD programs.
- 3** The project is located within a high or medium intensity zone on the preferred scenario map.
- 4** The project is not proposed to develop under a legacy district on the City's current zoning map.
- 5** The project is located within half (.5) mile walking distance from services such as grocery, medical facilities, and schools.
- 6** The project is located within one quarter (.25) mile walking distance of a proposed or existing bus stop on a current or planned transit route. If the project is not located within one quarter (.25) mile walking distance of a proposed or existing bus stop on a current or planned transit route, a private shuttle service for residents is provided in accordance with TDHCA requirements.
- 7** The project is renovating or redeveloping an existing multifamily complex or under-performing development.
- 8** The project incorporates wraparound support services that provide flexible voluntary social, economic, or education benefits to the residents. The project should meet the following criteria and will be considered in the analysis of whether criteria 8 is met:
 - A. Proposed support services shall meet the needs of the local community;
 - B. The project shall utilize local support services and resources;
 - C. The project shall exceed the minimum TDHCA requirements for amenities;
 - D. d. The project shall submit to the City the Project's TDHCA Application for Low Income Housing Tax Credits and includes the list of amenities in the Project's Land Use Restriction Agreement (LURA).
 - E. The project shall submit surety documentation to the City that the proposed support services will be included in the completed project. Projects will be required to submit documentation such as a Memorandum of Understanding (MOU) or any other legal documentation indicating the partnership between the project and the support service. Such documentation shall be required prior to the issuance of a Certificate of Occupancy for the project.

CD-4

SECTION 4.4.3.4 CHARACTER DISTRICT - 4



GENERAL DESCRIPTION

The CD-4 district is intended to accommodate a variety of residential options including single-family, two-family and multifamily with limited commercial or mixed use on the corners.

DENSITY

Impervious Cover 80% max.

TRANSPORTATION

Block Perimeter	2,400 ft. max	Section 3.6.2.1
Streetscape Type	Residential	Section 3.8.1.10
	Conventional	Section 3.8.1.7
	Mixed Use	Section 3.8.1.8

BUILDING TYPES ALLOWED

Accessory Dwelling	Section 4.4.6.1
Cottage	Section 4.4.6.3
Duplex	Section 4.4.6.5
Townhouse	Section 4.4.6.7
Courtyard Housing	Section 4.4.6.9
Apartment	Section 4.4.6.10
Live/ Work	Section 4.4.6.11
Neighborhood Shopfront	Section 4.4.6.12
Civic Building	Section 4.4.6.15

BUILDING STANDARDS

Principle Building Height	3 stories max.	50 ft. max.
Accessory Structure Height	N/A	24 ft. max.

LOT

BUILDING TYPE	LOT AREA	LOT WIDTH	A
Cottage	4,500 sq. ft. min.	40 ft. min./ 120 ft. max.	
Duplex	4,500 sq. ft. min.	40 ft. min./ 120 ft. max.	
Townhouse	1,500 sq. ft. min.	20 ft. min./ 120 ft. max.	
Courtyard Housing	1,500 sq. ft. min.	15 ft. min./ 120 ft. max.	
Apartment	6,000 sq. ft. min.	60 ft. min./ 120 ft. max.	
Live/Work	1,100 sq. ft. min.	15 ft. min./ 120 ft. max.	
Neighborhood Shopfront	6,000 sq. ft. min.	60 ft. min./ 120 ft. max.	
Civic Building	6,000 sq. ft. min.	50 ft. min.	

All Lots 45 feet or less in width shall take vehicular access from a rear alley except Courtyard Housing.

SETBACKS - PRINCIPAL BUILDING

Primary Street	5 ft. min - 12 ft. max.	B
Secondary Street	5 ft. min.	C
Side	5 ft. min.	D
Rear	15 ft. min.	E
Rear, abutting alley	5 ft. min.	E

SETBACKS - ACCESSORY STRUCTURE

Primary Street	20 ft. min.
Secondary Street	15 ft. min.
Side	5 ft. min.
Rear	3 ft. min.

PARKING LOCATION

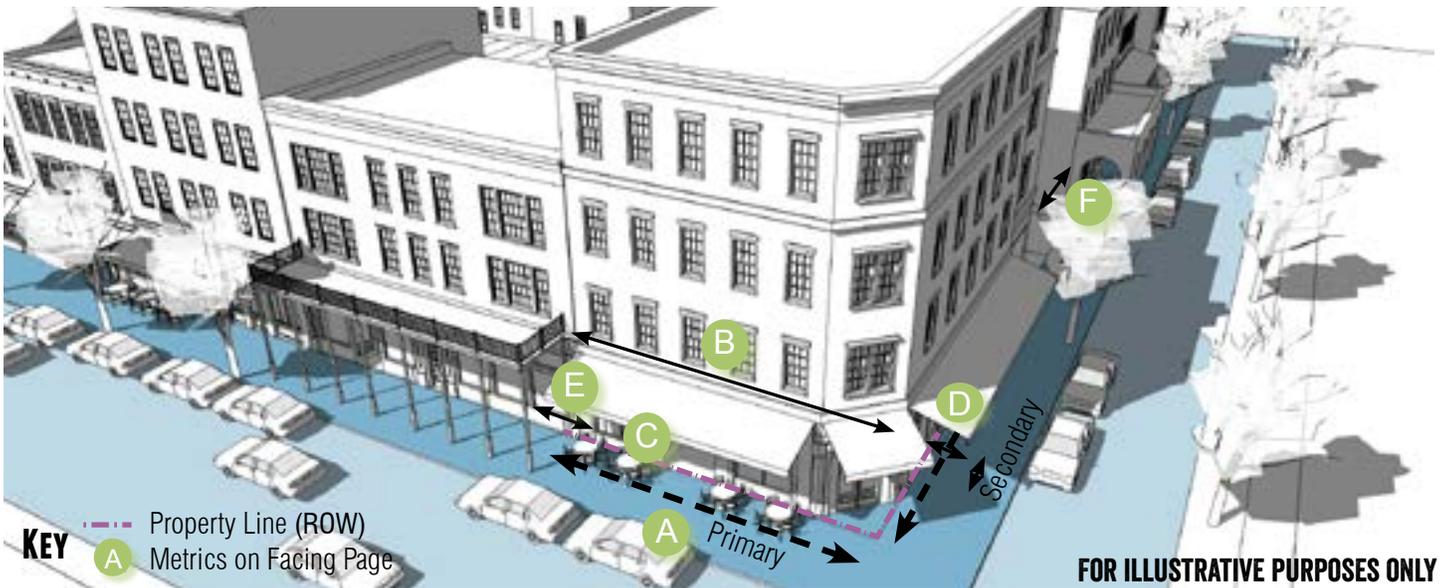
LAYER (SECTION 4.3.3.1)	SURFACE	GARAGE
First Layer	Not Allowed	Not Allowed
Second Layer	Allowed	Section 7.1.4.1
Third Layer	Allowed	Section 7.1.4.1

BUILD-TO ZONE (BTZ)

Building Facade in primary street	60% min.
Building Facade in secondary street	35% min.

CD-5

SECTION 4.4.3.5 CHARACTER DISTRICT - 5



GENERAL DESCRIPTION

The CD-5 district is intended to provide for a variety of residential, retail, service and commercial uses. To promote walkability and compatibility, auto-oriented uses are restricted. CD-5 promotes mixed use and pedestrian-oriented activity.

TRANSPORTATION

Block Perimeter	2,000 ft. max	Section 3.6.2.1
Streetscape Type	Main Street Multi-Way	Section 3.8.1.6 Section 3.8.1.9

DENSITY

Impervious Cover	100% max.
------------------	-----------

BUILDING TYPES ALLOWED

Accessory Dwelling	Section 4.4.6.1
Townhouse	Section 4.4.6.7
Apartment	Section 4.4.6.10
Live/ Work	Section 4.4.6.11
Mixed Use Shopfront	Section 4.4.6.14
Civic Building	Section 4.4.6.15

BUILDING STANDARDS

Building Height (Max.)*	5 stories	75 ft.
Building Height (Min.)*	2 stories	24 ft.
Ground Floor Elevation	2' min for ground floor residential	

* Alternative Compliance available (see Section 4.3.4.4 or Section 4.3.4.5)

LOT

BUILDING TYPE	LOT AREA	LOT WIDTH	A
Townhouse	1,500 sq. ft. min.	15 ft. min.	
Apartment Building	2,000 sq. ft. min.	20 ft. min.	
Live/Work	1,100 sq. ft. min.	15 ft. min.	
Mixed Use Shopfront	2,000 sq. ft. min.	20 ft. min.	
Civic Building	2,000 sq. ft. min.	20 ft. min.	

SETBACKS - PRINCIPAL BUILDING

Primary Street	0 ft. min./ 12 ft. max.	B
Secondary Street	0 ft. min./ 12 ft. max.	C
Side	0 ft. min.	D
Rear	0 ft. min.	E
Rear, abutting alley	3 ft. min.	E

SETBACKS - ACCESSORY STRUCTURE

Primary Street	20 ft. plus principal structure setback min.
Secondary Street	20 ft. plus principal structure setback min.
Side	0 ft. min.
Rear	3 ft. min. or 15 ft. from centerline of alley

PARKING LOCATION

LAYER (SECTION 4.3.3.1)	SURFACE	GARAGE
First Layer	Not Allowed	Not Allowed
Second Layer	Allowed along secondary street only	Not Allowed
Third Layer	Allowed	Allowed

BUILD-TO ZONE (BTZ)

Building Facade in primary street	80% min.
Building Facade in secondary street	60% min.

DURABLE BUILDING MATERIAL AREA

Primary Material	80% min.
Secondary Material	20% max.
Blank Wall Area	25 ft. max.

Section 5.1.1.2 Land Use Matrix

TABLE 5.1 LAND USE MATRIX

TYPES OF LAND USES	CONVENTIONAL RESIDENTIAL				NEIGHBORHOOD DENSITY DISTRICTS				CHARACTER DISTRICTS					SPECIAL DISTRICTS					DEFINITION USE STANDARDS	
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH		EC
AGRICULTURAL USES																				
Barns or agricultural buildings	P	L	--	--	--	--	--	--	P	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.1
Stables	P	L	--	--	--	--	--	--	--	P	L	--	--	--	P	--	--	--	--	Section 5.1.2.2
Community Garden	P	P	L	L	L	L	L	--	P	P	L	L	L	L	P	P	P	P	P	Section 5.1.2.3
Urban Farm	P	C	C	C	C	L	L	C	P	P	L	L	C	C	P	P	--	P	C	Section 5.1.2.4
Plant Nursery	L	--	--	--	--	--	--	P	--	L	--	--	P	P	P	P	P	--	P	Section 5.1.2.5
ACCESSORY USES AND STRUCTURES																				
Accessory Building/Structure	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.1
Accessory Dwelling Unit	L	L	L	L	L	L	P	P	--	P	L	P	P	P	--	--	--	--	--	Section 5.1.3.1
Accessory Use, except as listed below:	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.3.2
Outdoor Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	L	P	--	L	Section 5.1.3.2
Outdoor Display	--	--	--	--	--	--	--	L	--	--	--	--	L	L	P	--	--	--	L	Section 5.1.3.2
Food Truck	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.3.1
Drive-thru or Drive-in	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.3.2
Home Occupation	L	L	L	L	L	L	L	--	--	L	L	L	--	--	--	--	--	--	--	Section 5.1.3.4
Family Home Care	P	P	P	P	P	P	P	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.3.5
Short Term Rental	L	L	L	L	L	L	L	P	--	L	L	P	P	P	--	--	--	L	P	Section 5.1.3.6
RESIDENTIAL USES																				
Single Family Detached	P	L	L	L	L	L	L	--	--	P	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Cottage Court	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Two Family	--	--	--	--	--	L	L	--	--	--	P	P	--	--	--	--	--	--	--	Section 5.1.4.1
Single Family Attached	--	--	--	--	L	L	L	L	--	--	P	P	P	P	--	--	--	--	--	Section 5.1.4.1
Small Multi-Family (up to 9 units)	--	--	--	--	--	L	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Courtyard Housing (up to 24 units)	--	--	--	--	--	--	L	L	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Multi-family (10 or more units)	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	--	--	--	--	Section 5.1.4.1
Purpose Built Student Housing	--	--	--	--	--	--	--	--	--	--	--	--	C	C	--	--	--	--	--	Section 5.1.4.1
Manufactured Home	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1
Mobile Home Community	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	Section 5.1.4.1

TABLE 5.1 LAND USE MATRIX

TYPES OF LAND USES	CONVENTIONAL RESIDENTIAL				NEIGHBORHOOD DENSITY DISTRICTS				CHARACTER DISTRICTS					SPECIAL DISTRICTS					DEFINITION USE STANDARDS	
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH		EC
Community Home	L	L	L	L	L	L	P	P	--	P	P	P	P	P	--	--	--	L	--	Section 5.1.4.12
Fraternity or Sorority Building	--	--	--	--	--	--	C	C	--	--	--	C	P	P	--	--	--	--	--	Section 5.1.4.12
COMMERCIAL USES																				
Professional Office	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	--	--	P	Section 5.1.5.1
Medical, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.2
Urgent care, emergency clinic, or hospital	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	--	--	P	Section 5.1.5.2
Nursing/ retirement home	--	--	--	--	--	--	P	P	--	--	--	P	P	P	P	--	--	--	P	Section 5.1.5.2
Personal Services, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (indoor)	C	--	--	--	--	--	--	P	--	--	--	--	P	P	P	--	--	--	P	Section 5.1.5.3
Animal care (outdoor)	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.3
Funeral Home	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.3
Adult Oriented Businesses	See Section 18, Article 6 of the City Code																			
All Retail Sales, except as listed below:	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.4
Gasoline Sales	--	--	--	--	--	--	--	L	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Truck stop	--	--	--	--	--	--	--	--	--	--	--	--	--	--	L	--	--	--	L	Section 5.1.5.4
Tattoo, body piercing	--	--	--	--	--	--	C	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Building material sales	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	P	P	--	P	Section 5.1.5.4
Vehicle Sales/ Rental	--	--	--	--	--	--	--	C	--	--	--	--	C	C	P	--	--	--	P	Section 5.1.5.4
Pawnshop	--	--	--	--	--	--	--	C	--	--	--	C	P	P	P	--	--	--	P	Section 5.1.5.4
Restaurant/ Bar, as listed below:																				
Eating Establishment	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	--	--	--	P	Section 5.1.5.5
Bar	--	--	--	--	--	--	--	C	--	--	--	--	C	C	C	--	--	--	C	Section 5.1.5.5
Mobile Food Court	--	--	--	--	--	--	--	C	--	--	--	--	P	P	--	--	--	--	--	Section 5.1.5.5
Sale of Alcohol for on premise consumption	--	--	--	--	--	--	C	C	--	--	--	C	C	C	C	--	--	--	C	Section 5.1.5.5
Overnight Lodging, as listed below:																				Section 5.1.5.6
Bed and Breakfast (up to 8 rooms)	L	C	C	C	C	L	L	P	--	P	C	P	P	P	--	--	--	--	P	Section 5.1.5.6
Boutique Hotel (9 - 30 rooms)	--	--	--	--	--	--	C	P	--	--	--	P	P	P	--	--	--	--	P	Section 5.1.5.6

TABLE 5.1 LAND USE MATRIX

TYPES OF LAND USES	CONVENTIONAL RESIDENTIAL				NEIGHBORHOOD DENSITY DISTRICTS				CHARACTER DISTRICTS					SPECIAL DISTRICTS					DEFINITION USE STANDARDS	
	FD	SF-R	SF-6	SF-4.5	ND-3	ND-3.5	ND-4	N-MS	CD-1	CD-2	CD-3	CD-4	CD-5	CD-5D	HC	LI	HI	MH		EC
Hotel/ Motel (more than 30 rooms)	--	--	--	--	--	--	--	P	--	--	--	--	P	P	--	--	--	--	P	Section 5.1.5.6
Outdoor Recreation, except as listed below:	--	--	--	--	--	--	--	C	--	--	--	--	P	C	P	--	--	--	P	Section 5.1.5.7
Golf Course	C	C	C	C	C	C	C	C	C	C	C	C	C	C	--	--	--	C	C	Section 5.1.5.7
Traveler Trailers/ RVs Short Term stays	P	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	P	--	Section 5.1.5.7
Shooting Range	C	--	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	--	C	Section 5.1.5.7
Indoor Recreation, except as listed below:	--	--	--	--	--	--	--	P	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.5.8
Gym/ Health club	--	--	--	--	--	--	L	P	--	--	--	L	P	P	P	P	P	--	P	Section 5.1.5.8
Smoking Lounge	--	--	--	--	--	--	--	C	--	--	--	--	P	C	--	--	--	--	P	Section 5.1.5.8
Charitable Gaming Facility	--	--	--	--	--	--	--	--	--	--	--	--	C	--	C	--	--	--	C	Section 5.1.5.8
PUBLIC & INSTITUTIONAL																				
Civic, except as listed below:	P	L	L	L	L	L	P	P	L	L	L	P	P	P	P	P	P	P	P	Section 5.1.6.1
Day Care Center	C	--	--	--	C	C	L	P	--	C	C	L	P	P	P	--	--	--	P	Section 5.1.6.1
Parks, Open Space, and Greenways	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.2
Minor Utilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	Section 5.1.6.3
Major Utilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	C	C	C	--	--	Section 5.1.6.3
Antenna	See Section 5.1.6.3D																			
INDUSTRIAL																				
Light Industrial	--	--	--	--	--	--	--	--	--	--	--	--	C	--	--	P	P	--	C	Section 5.1.7.1
Light Manufacturing	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	P	Section 5.1.7.2
Vehicle Service, as listed below:																				Section 5.1.7.3
Car Wash	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (minor)	--	--	--	--	--	--	--	C	--	--	--	--	P	P	P	P	P	--	C	Section 5.1.7.3
Vehicle repair (major)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	--	C	Section 5.1.7.3
Warehouse & Distribution	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	P	Section 5.1.7.4
Waste-Related service	--	--	--	--	--	--	--	--	--	--	--	--	C	--	P	P	P	--	--	Section 5.1.7.5
Wholesale trade	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	P	Section 5.1.7.6
Self Storage	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	P	P	--	C	Section 5.1.7.7
Research and Development	--	--	--	--	--	--	--	--	--	--	--	--	C	C	P	P	P	--	C	Section 5.1.7.8
Wrecking/Junk Yard	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	P	--	--	Section 5.1.7.9



Legislation Text

File #: Res. 2020-133R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-133R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 10 acres of land, generally located at Highway 123 and Rattler Road, authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.

Meeting date: June 16, 2020

Department: Planning & Development Services

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative: [n/a]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Direct Growth, Compatible with Surrounding Uses
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services

Not Applicable

Master Plan: [n/a]

Choose an item.

Background Information:

This is a request for a voluntary annexation submitted by Daniel Richardson on behalf of Rattler Road Land Partners, LLC for approximately 10+/- acres of land out of the C. Wickson Survey, Abstract No. 474, Hays County, located at Highway 123 and Rattler Road.

The City of San Marcos will provide water service and wastewater service to the site. The site is not currently located in the San Marcos Wastewater CCN, however, the CCN boundary will be updated after annexation of the site. The developer will be responsible for extending water and wastewater facilities necessary to serve the property. Bluebonnet Electric Cooperative will provide electric service for this development. The City of San Marcos will provide Police, Fire, and EMS services to the site.

Below is a proposed schedule for this annexation which complies with the Texas Local Government Code requirements:

- City Council Resolution (Approval of Service Agreement and setting public hearing date): June 16, 2020
- City Council Ordinance 1st Reading (Public Hearing): August 4, 2020
- City Council Ordinance 2nd Reading: August 18, 2020

Council Committee, Board/Commission Action:

n/a

Alternatives:

n/a

Recommendation:

n/a

AN-20-06 (Lantana on Bastrop)

Consider approval of Resolution 2020-XXR, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 10 +/- acres out of the C. Wickson Roberts Survey, Abstract No. 474, Hays County, located at Highway 123 and Rattler Road; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.



Annexation & Zoning Schedules:

*This schedule reflects the new annexation schedule per Texas House Bill 347

Annexation Schedule

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** June 16, 2020 (*Today*)
 - **City Council Ordinance 1st Reading (Public Hearing):** August 4, 2020
 - **City Council Ordinance 2nd Reading:** August 18, 2020
-

Zoning Schedule

- **Planning and Zoning Commission (Public Hearing):** June 23, 2020
- **City Council Ordinance 1st Reading (Public Hearing):** August 4, 2020
- **City Council Ordinance 2nd Reading:** August 18, 2020

RESOLUTION NO. 2020-133R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT FOR THE PROVISION OF SERVICES IN CONNECTION WITH THE PROPOSED OWNER REQUESTED ANNEXATION OF APPROXIMATELY 10 ACRES OF LAND, GENERALLY LOCATED AT HIGHWAY 123 AND RATTLER ROAD; AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY; SETTING A DATE FOR A PUBLIC HEARING CONCERNING THE PROPOSED ANNEXATION OF SAID TRACT OF LAND; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The attached Agreement for the Provision of Services is hereby approved.

PART 2. The City Manager, or his designee, is authorized to execute said Agreement on behalf of the City.

PART 3. The date for the public hearing concerning the proposed annexation of the land described in said Agreement shall be August 4, 2020.

PART 4. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

AGREEMENT FOR THE PROVISION OF SERVICES
(Pursuant to Tex. Local Gov't Code §43.0672)

Date:

Owner: RATTLER ROAD LAND PARTNERS, LLC, 454 Soledad Street, Suite 200, San Antonio, Texas 78205

City: City of San Marcos, Texas, a home rule municipal corporation, 630, East Hopkins Street, San Marcos, Texas 78666

Property: As described in Exhibit A.

1. The Owner has petitioned the City and the City has elected to annex the Property into the corporate limits of the City. Pursuant to Tex. Local Gov't Code §43.0672, the Owner and the City enter this agreement (the "Agreement") for the provision of services to the Property when annexed.

2. By this Agreement, the Owner affirms its consent to such annexation of the Property by the City and that Owner does not wish to enter into and has declined the offer from the City of a development agreement under Sections 43.016 and 212.172 of the Texas Local Government Code

3. In consideration of the mutual benefits to the Owner and the City arising from the annexation of the Property, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner and the City enter into this Agreement and agree that services to the Property will be provided as described in Exhibit B.

4. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in state courts located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this Agreement is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Agreement will continue in force if they can be given effect without the invalid portion.

6. This Agreement shall be binding upon Owner, and Owner's heirs, successors and assigns, and all future owners of all or any portion of the Property.

7. This Agreement will become effective as of the date an ordinance annexing the Property is finally passed, approved and adopted by the City's city council (the Effective Date).

[SIGNATURES ON NEXT PAGE]

CITY:

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF HAYS §

This instrument was acknowledged before me on _____, 20____, by
_____, _____ of the City of San Marcos, in such capacity, on
behalf of said municipality.

Notary Public, State of Texas

OWNER:
RATTLER ROAD LAND PARTNERS LLC, a Texas limited liability company

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__ by
_____, _____ of _____ in such
capacity on behalf of said entity.

Notary Public, State of _____

EXHIBIT B

When the Property is annexed, services will be provided to the Property as follows:

1. Police Protection

Police services, including patrolling, response to calls and other routine services, will begin on the Effective Date of the annexation using existing personnel and equipment.

2. Fire Protection

Fire protection services, including emergency response calls, will begin on the Effective Date of the annexation using existing personnel and equipment and within the limitations of the available water supply.

3. Emergency Medical Services

The City of San Marcos contracts for emergency medical services through the San Marcos – Hays County EMS, which already provides service to the area being annexed.

4. Solid Waste Collection

Solid waste collection services, provided under contract with a private company, will be made available to all properties on the Effective Date of the annexation. Residents of the Property may elect to continue using the services of a private solid waste hauler for a period of two years after the Effective Date of the annexation. Businesses and institutions must make arrangements with private solid waste haulers.

5. Operation and Maintenance of Water and Wastewater Facilities

a. Water. The Property is located within an area over which the City of San Marcos holds a Certificate of Convenience and Necessity (CCN) for water service. The City will make water service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property.

b. Wastewater. The Property is not covered by a CCN for wastewater service, however, the City of San Marcos has wastewater lines adjacent to the Property and agrees to make wastewater service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property. In addition, the City is in the process of adding the Property as an area covered by the City's CCN for wastewater service.

6. Construction, Operation and Maintenance of Roads and Streets

As new development occurs within the Property, the Owner(s) of Property will be required to construct streets at the Owner's sole expense in accordance with applicable ordinances of the City.

7. Electric Service

The Property is located in the Bluebonnet Electric Cooperative service area. Thus, the City will not provide electric service to the Property.

8. Operation and Maintenance of Parks, Playgrounds, and/or Swimming Pools

No parks, playgrounds, and/or swimming pools currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding recreational facilities to serve the Property. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal parks and recreational facilities, subject to the same restrictions, fees, and availability that pertains to the use of those facilities by other citizens of the city.

9. Operation and Maintenance of Other Public Facilities, Buildings, and Services

No other public facilities, buildings, or services currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding other public facilities, building, and services. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal facilities, buildings, and services, subject to the same restrictions, fees, and availability that pertains to the use of those facilities and services by other citizens of the city.

Exhibit "A-1"

METES AND BOUNDS

Being 9.933 acres of land, more or less, out of the C. Wickson Roberts Survey, Abstract No. 474, Hays County, Texas, and consisting of a portion 6.0 acres described in Deed recorded in Volume 208, Page 116, Deed Records of Hays County, Texas and all of 4.0 acres described in a Deed recorded in Volume 216, Page 41, Deed Records of Hays County, Texas, said 9.933 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod set for the South corner of this 9.933 acres, same being on the intersection of the northwest Right-of-Way of Old Bastrop Highway and the northeast Right-of-Way of Rattler Road and the **POINT OF BEGINNING**;

THENCE along the northeast Right-of-Way of said Rattler Road the following courses and distances:

North 46 degrees 04 minutes 57 seconds West (called North 46 degrees 05 minutes 31 seconds West), a distance of 171.75 feet to a point, and for the beginning of curve to the left;

Along said curve to the left with a radius of 1031.00 feet, an arc length of 40.17 feet (called 40.31 feet), a chord length of 40.17 feet, a chord bearing of North 47 degrees 05 minutes 19 seconds West, and a delta angle of 2 degrees 13 minutes 57 seconds to a point of tangency;

North 48 degrees 19 minutes 21 seconds West (called North 48 degrees 19 minutes 55 seconds West), a distance of 209.33 feet to a 1/2 inch iron rod set for the southwest corner of this 9.933 acres;

North 52 degrees 07 minutes 00 seconds East (called North 55 degrees 25 minutes 00 seconds East), at a distance of 19.92 feet pass a 1/2 inch iron rod found (monument of record dignity) in the for the South corner of Lot 2, Salinas Estates (Volume 17, Page 41), and in all a total distance of 620.93 feet to a 3/8 inch iron rod found for an angle corner of this 9.933 acres, same being the East corner of said Lot 2, and an angle corner of the Reed and Patricia Carr Revocable Trust 54.360 acre tract (Volume 2359, Page 218);

THENCE along the line common to this 9.933 acres and said Carr 54.360 acres, North 52 degrees 15 minutes 07 seconds East (called North 55 degrees 25 minutes 00 seconds East), a distance of 415.43 feet (called 415.50 feet) to a 1/2 inch iron rod found (monument of record dignity) for the North corner of this 9.933 acres, same being the West corner of the Housing Corporation of Eta Tau Chapter of Sigma Nu Fraternity 2.49 acre tract (Document No. 16015558);

THENCE along the line common to this 9.933 acres and said Sigma Nu 2.49 acres, South 46 degrees 16 minutes 15 seconds East (called South 43 degrees 40 minutes 00 seconds East), a distance of 427.88 feet (called 426.70 feet) to a 1/2 inch iron rod found for the northeast corner of this 9.933 acres, same being the South corner of said Sigma Nu 2.49 acres and on the northwest Right-of-Way of said Old Bastrop Highway;

THENCE along northwest Right-of-Way of said Old Bastrop Highway, South 52 degrees 35 minutes 52 seconds West (called South 55 degrees 25 minutes 00 seconds West), at a distance of 1009.91 feet pass a 1/2 inch iron rod found, and in all a total distance of 1030.71 feet to the **POINT OF BEGINNING** and containing 9.933 acres of land, more or less.

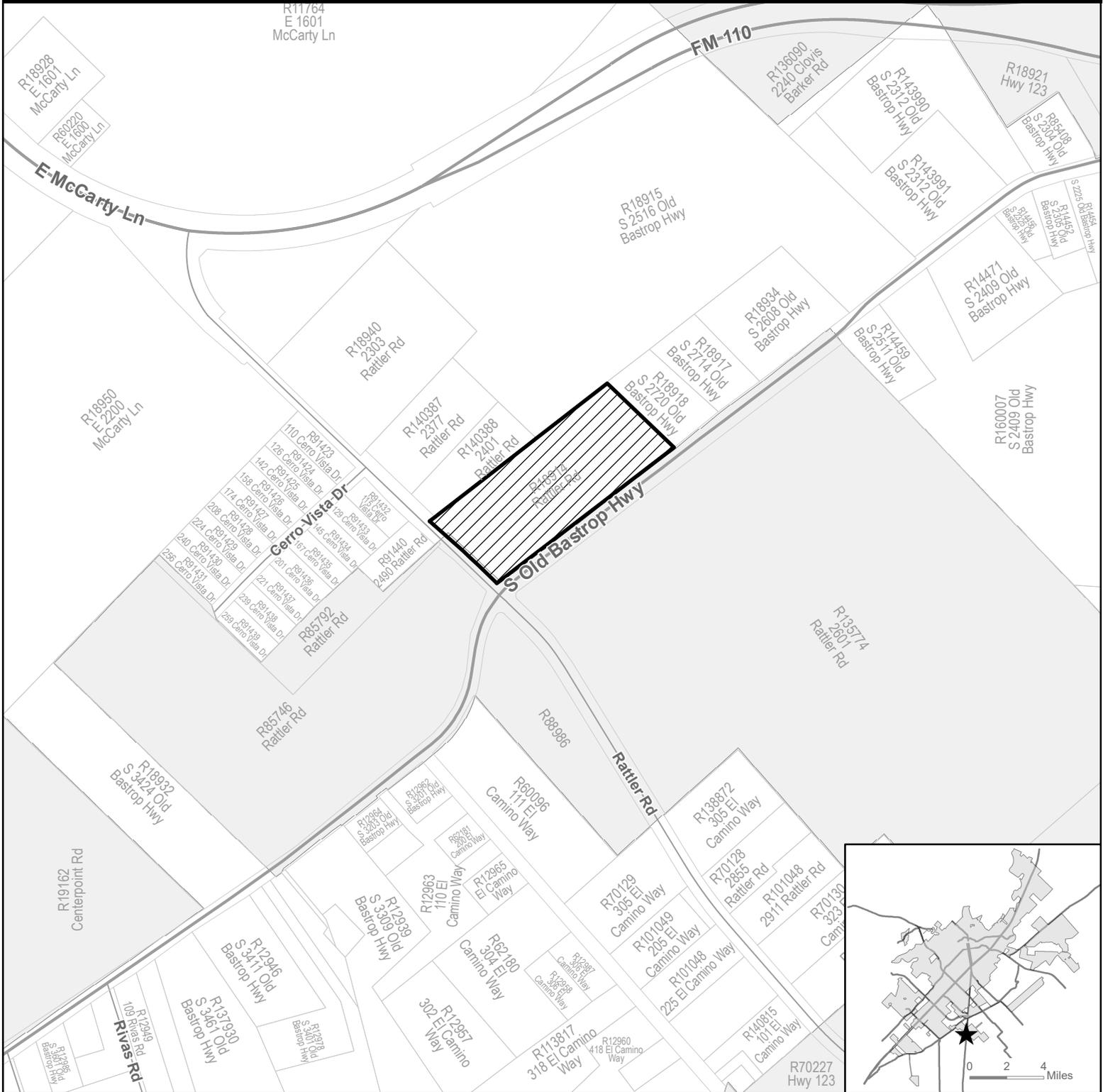
I hereby certify that these field notes were prepared from an actual survey made on the ground under my supervision and are true and correct to the best of my knowledge and belief. A survey plat of the above described tract prepared this day is hereby attached to and made a part hereof. Bearings shown herein are based on actual GPS observations, Texas State Plane Coordinate, South Central Zone, Grid.



Mark J. Ewald
Registered Professional Land Surveyor
Texas Registration No. 5095
May 3, 2019.



AN-20-06 (Lantana on Bastrop) Location Map Annexation — Hwy 123 and Rattler Rd

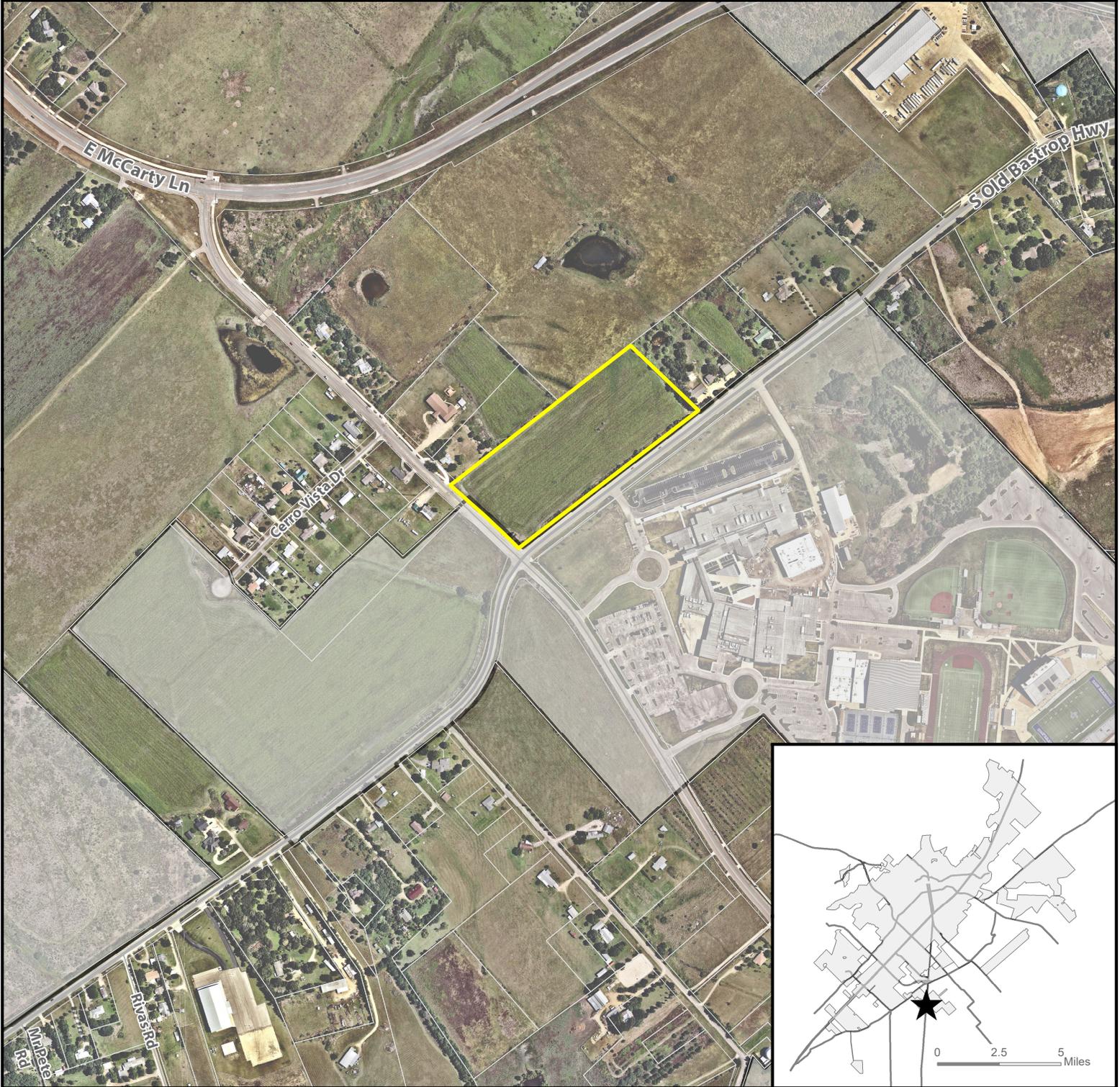


- Site Location**
- Subject Property**
- Parcel**
- City Limit**

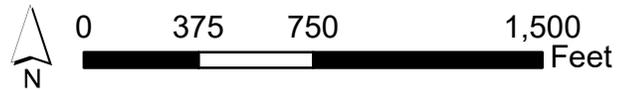
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 5/14/2020

AN-20-06 (Lantana on Bastrop) Aerial View Annexation — Hwy 123 and Rattler Road



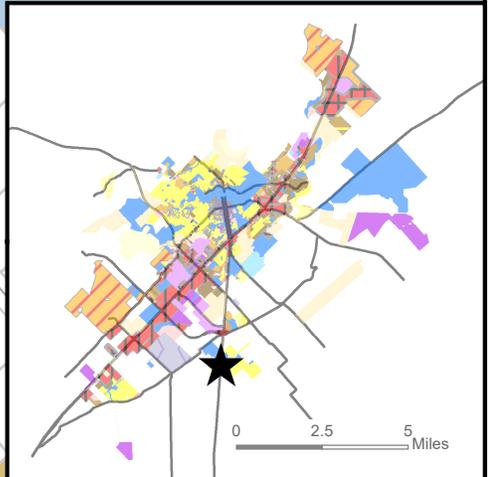
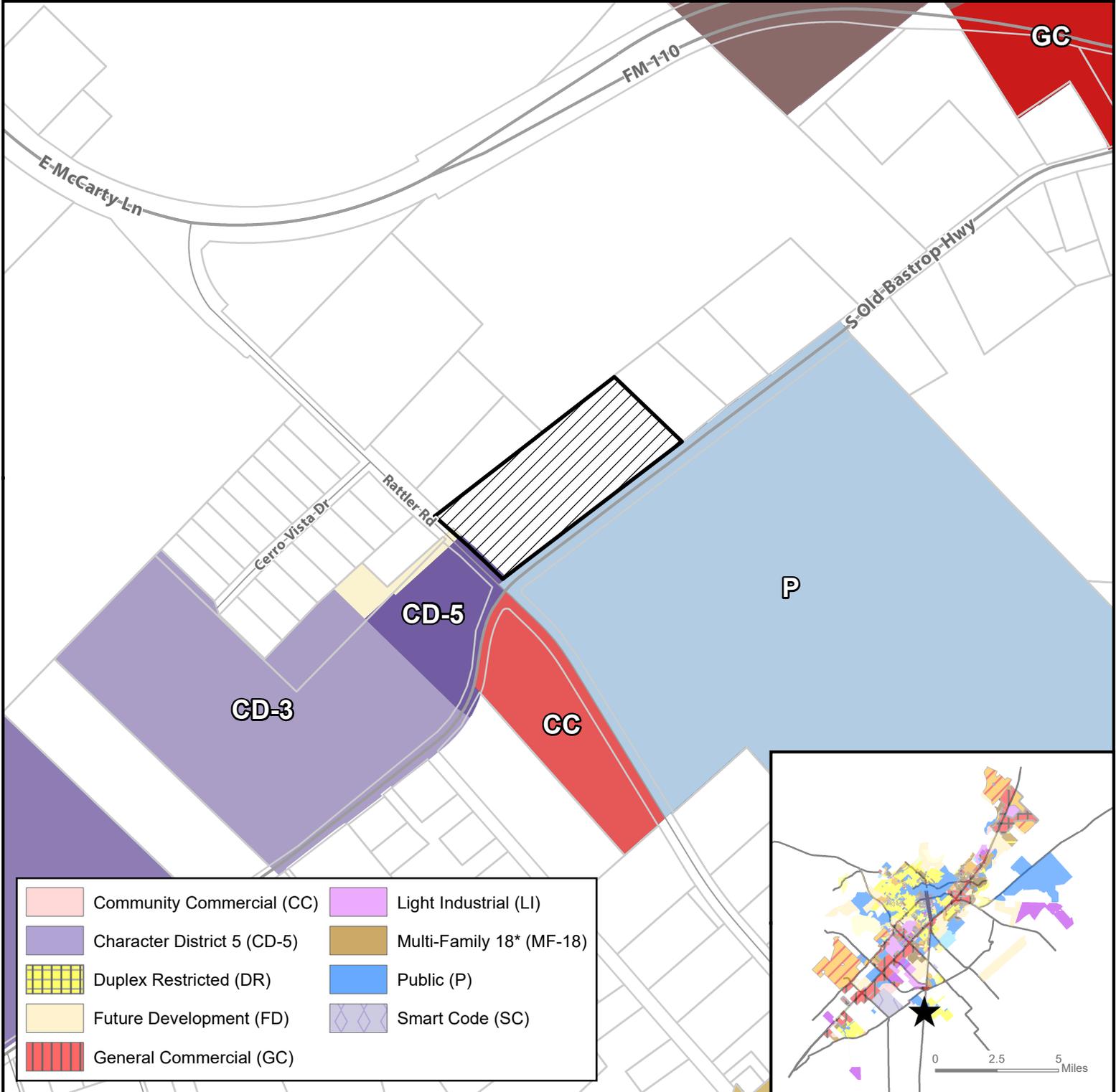
- ★ Site Location
- ▭ Subject Property
- ▭ Parcel
- ▭ City Limit



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

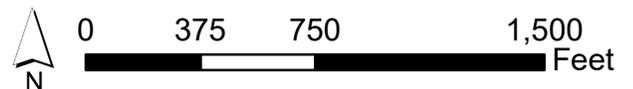
Map Date: 5/14/2020

AN-20-06 (Lantana on Bastrop) Existing Zoning Map Annexation — Hwy 123 and Rattler Rd



	Community Commercial (CC)		Light Industrial (LI)
	Character District 5 (CD-5)		Multi-Family 18* (MF-18)
	Duplex Restricted (DR)		Public (P)
	Future Development (FD)		Smart Code (SC)
	General Commercial (GC)		

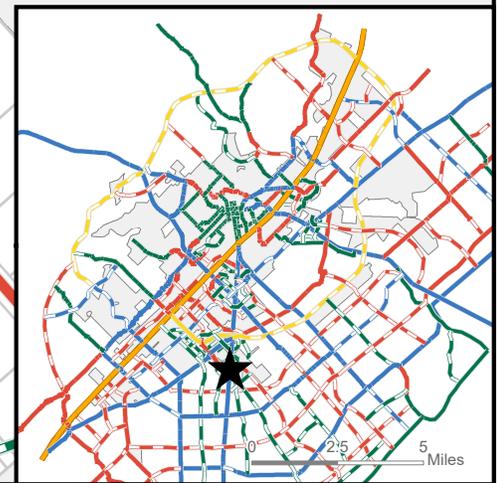
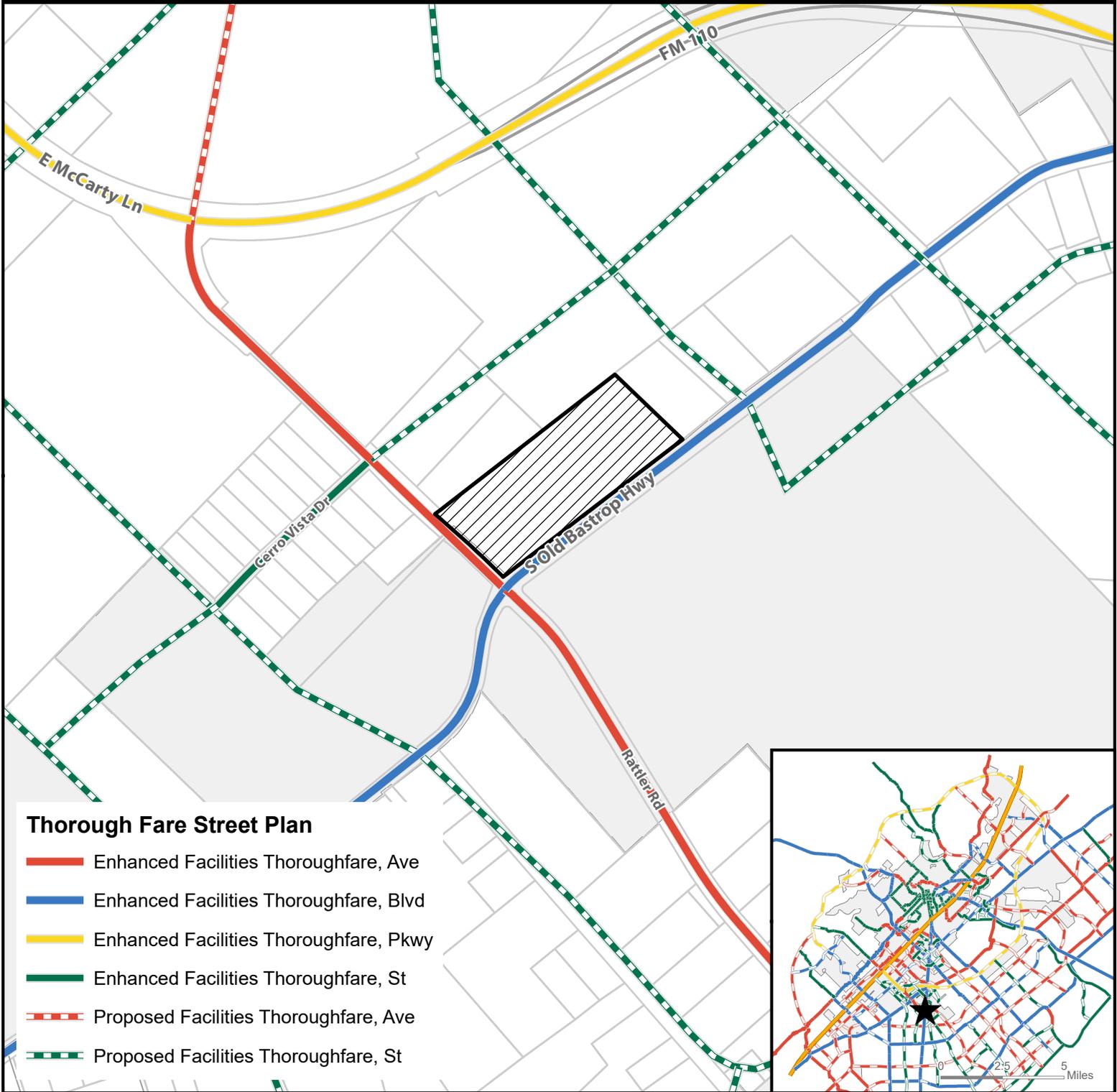
- Site Location**
- Subject Property**
- Parcels**
- City Limit**



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

Map Date: 5/18/2020

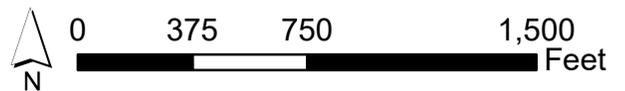
AN-20-06 (Lantana on Bastrop) Transportation Master Plan Annexation - Hwy 123 and Rattler Rd



Subject Property

Parcels

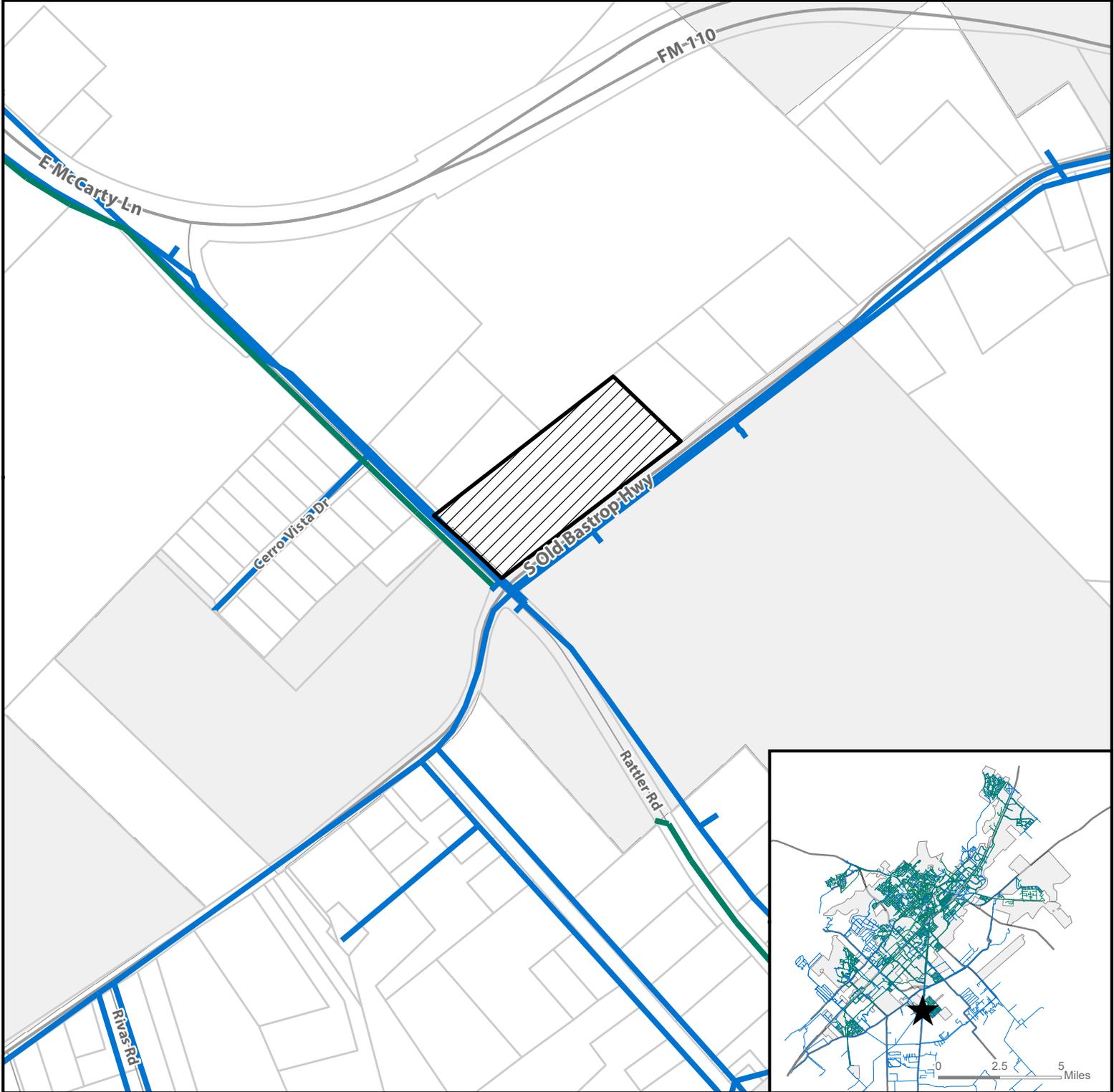
City Limit



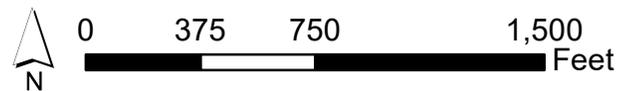
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 5/14/2020

AN-20-06 (Lantana on Bastrop) Water/Wastewater Lines Annexation — Hwy 123 and Rattler Rd

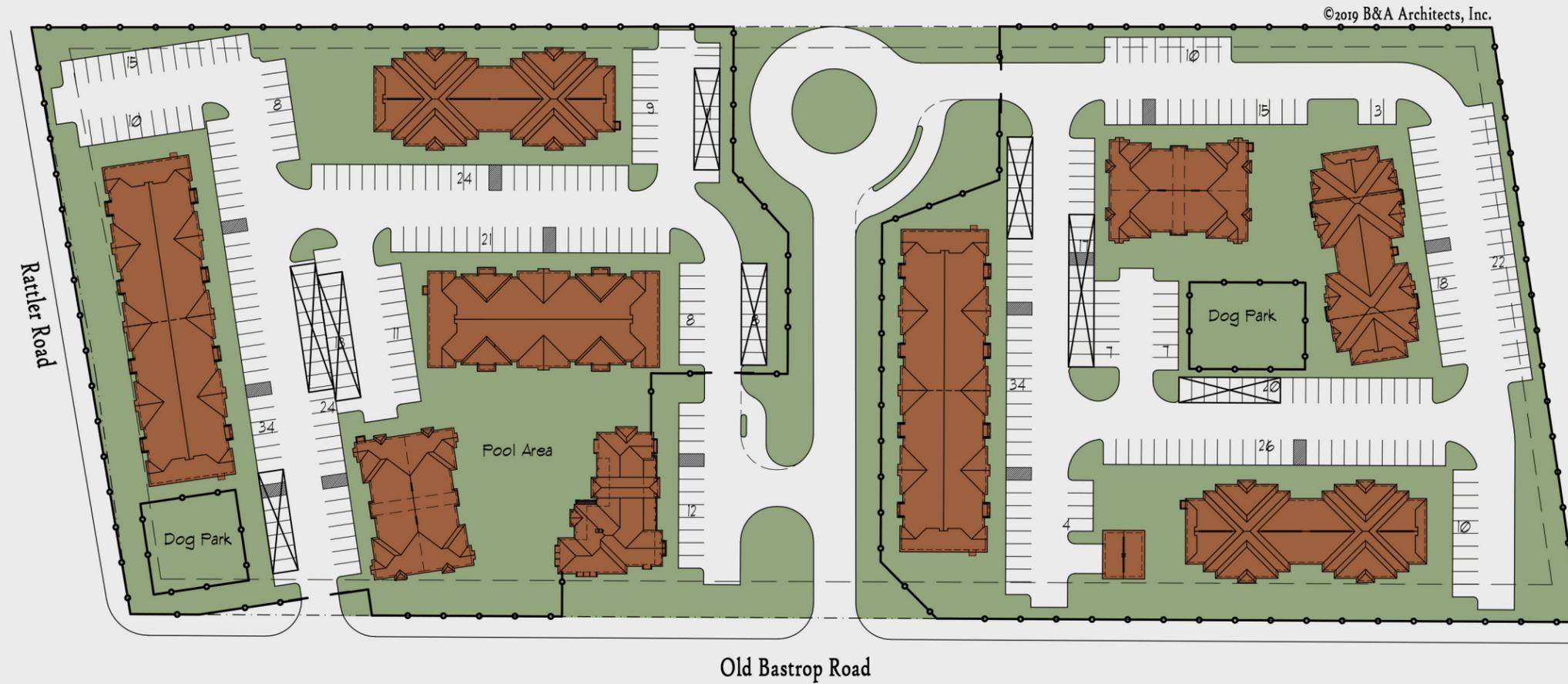


- ★ Site Location
- ▨ Subject Property
- Parcels
- City Limit
- Sanitary Main
- Water Main



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

Map Date: 5/14/2020



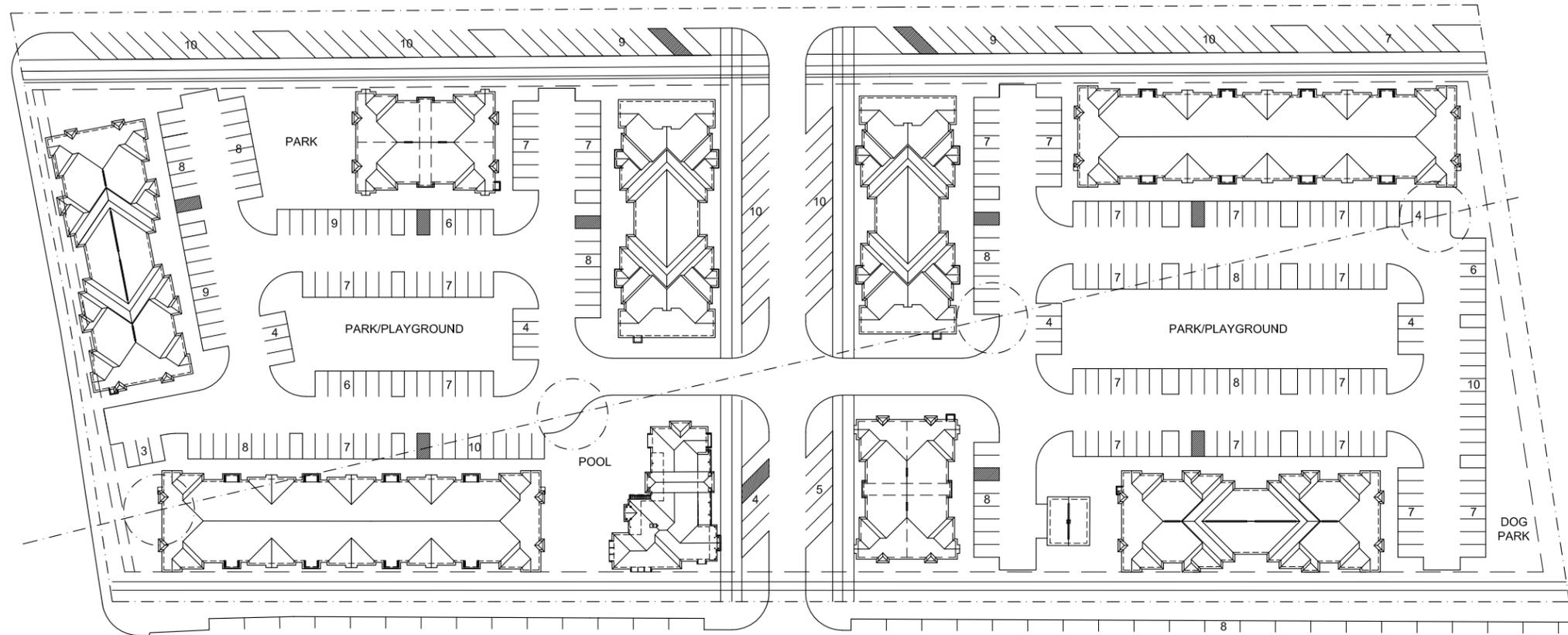
Scale: 1" = 100'



RATTLER ROAD

Luxury Apartment Homes

Concept Site Plan



Rattler Road Apartments

San Marcos, Texas
 Scale: 1" = 100'-0"
 216 Units

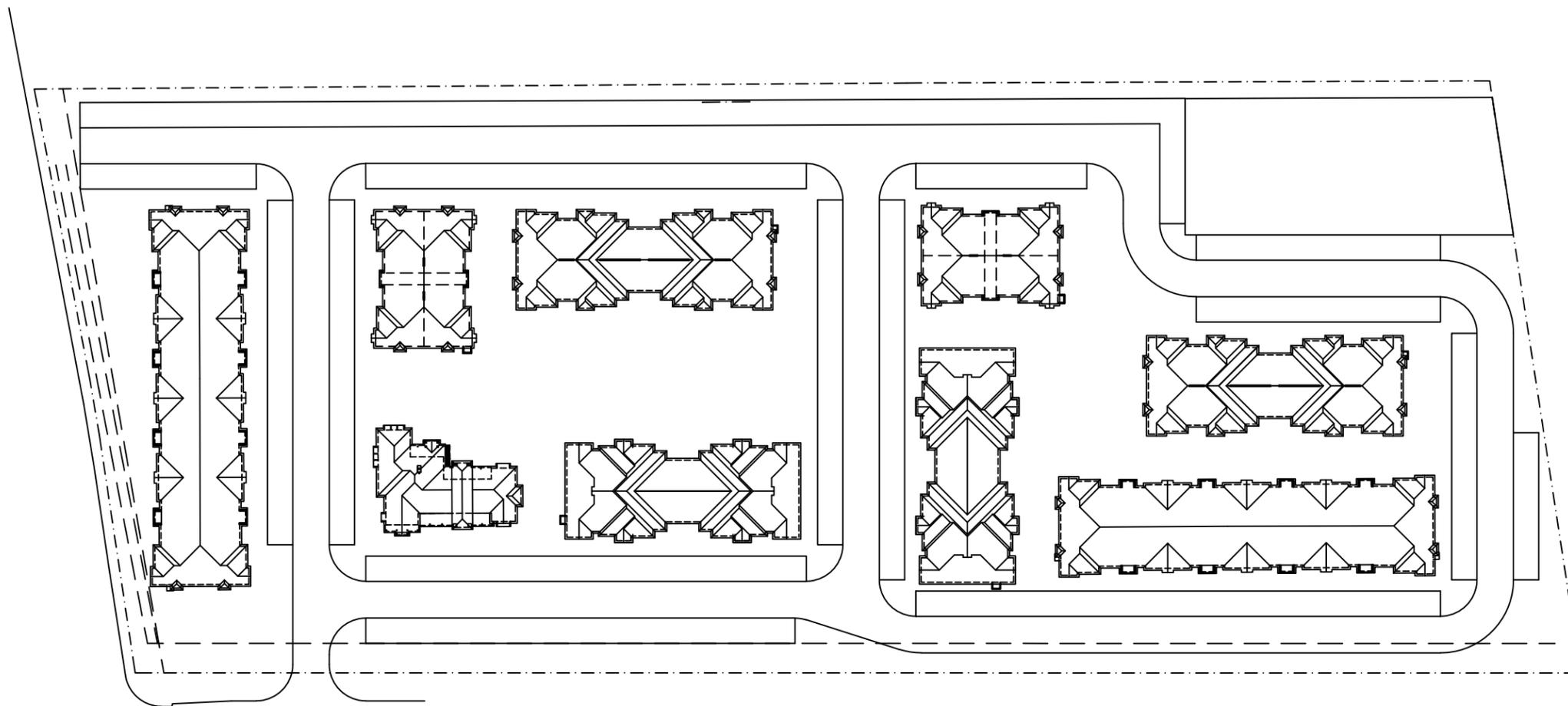


12.04.2019

72 A1 Units
24 A2 Units
36 B1 Units
12 B2 Units
72 C1 Units
<hr/>
216 Units

367 Parking Spaces

1.70 Parking Ratio



ALT
CONCEPTUAL

Rattler Road Apartments

San Marcos, Texas
Scale: 1" = 100'-0"
216 Units



3.30.2020

90 A Units
50 B Units
76 C Units

216 Units

406 Parking Spaces
(all on-site parking)
1.88 Parking Ratio



ANNEXATION APPLICATION

Updated: October, 2019

Submitted 5/7/20 # APP-Z-23273

CONTACT INFORMATION

Applicant's Name	David Richardson	Property Owner	Mark Tolley
Company	Rotter Road Land Partners, LLC	Company	Rotter Road Land Partners, LLC
Applicant's Mailing Address	454 Soledad, Ste. 200 San Antonio, TX 78205	Owner's Mailing Address	454 Soledad, Ste. 200 San Antonio, TX 78205
Applicant's Phone #	210-354-3705	Owner's Phone #	210-354-3705
Applicant's Email	David@missionsrdg.com	Owner's Email	Mark@missionsrdg.com

PROPERTY INFORMATION

Is the property adjacent to city limits YES NO

Is the property less than 1/2 mile in width YES NO

Are there less than 3 qualified voters living on the property YES NO

Proposed Use: Multi Family Proposed Zoning: C2-5

Reason for Annexation / Other Considerations: Utilities needed

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee \$1,181 Technology Fee \$13 TOTAL COST \$1,194

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, Mark Tolley (owner name) on behalf of Rattler Road Land Partners, LLC (company, if applicable) acknowledge that I/we am/are the rightful owner of the property located at See attached metes and bounds (address).

I hereby authorize David Richardson (agent name) on behalf of Rattler Road Land Partners, LLC (agent company) to file this application for Annexation (application type), and, if necessary, to work with the Responsible Official / Department on my behalf throughout the process.

Signature of Owner: [Signature] Date: 4/1/20

Printed Name, Title: Mark Tolley, Partner

Signature of Agent: [Signature] Date: 4/1/20

Printed Name, Title: David Richardson, Director of Acquisitions



Legislation Text

File #: Res. 2020-134R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-134R, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 83.291 acres of land, generally located at 2519 Redwood Road; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.

Meeting date: June 16, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative:

n/a

Comprehensive Plan Element (s):

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan:

Vision San Marcos - A River Runs Through Us

Background Information:

This is a request for a voluntary annexation submitted by James Ingalls on behalf of Jim Smith, Smith Co. Redwood LLC, for approximately 83.291 +/- acres of land out of the Barnette O. Kane Survey, Abstract No. 281, Hays County, generally located at 2519 Redwood Road.

Water and wastewater service will be provided by the City of San Marcos. This site is not located in the San Marcos Wastewater CCN, however, the CCN boundary will be updated after annexation of the site. The developer will be responsible for extending water and wastewater facilities through the site. Bluebonnet Electric will provide electric service for this development.

The City of San Marcos will provide Police, Fire, and EMS services to the site.

Below is a proposed schedule for this annexation, which complies with the Texas Local Government Code requirements:

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** June 16, 2020 (Today)
- **City Council Ordinance 1st Reading (Public Hearing):** August 4, 2020
- **City Council Ordinance 2nd Reading:** August 18, 2020

Council Committee, Board/Commission Action:

n/a

Alternatives:

n/a

Recommendation:

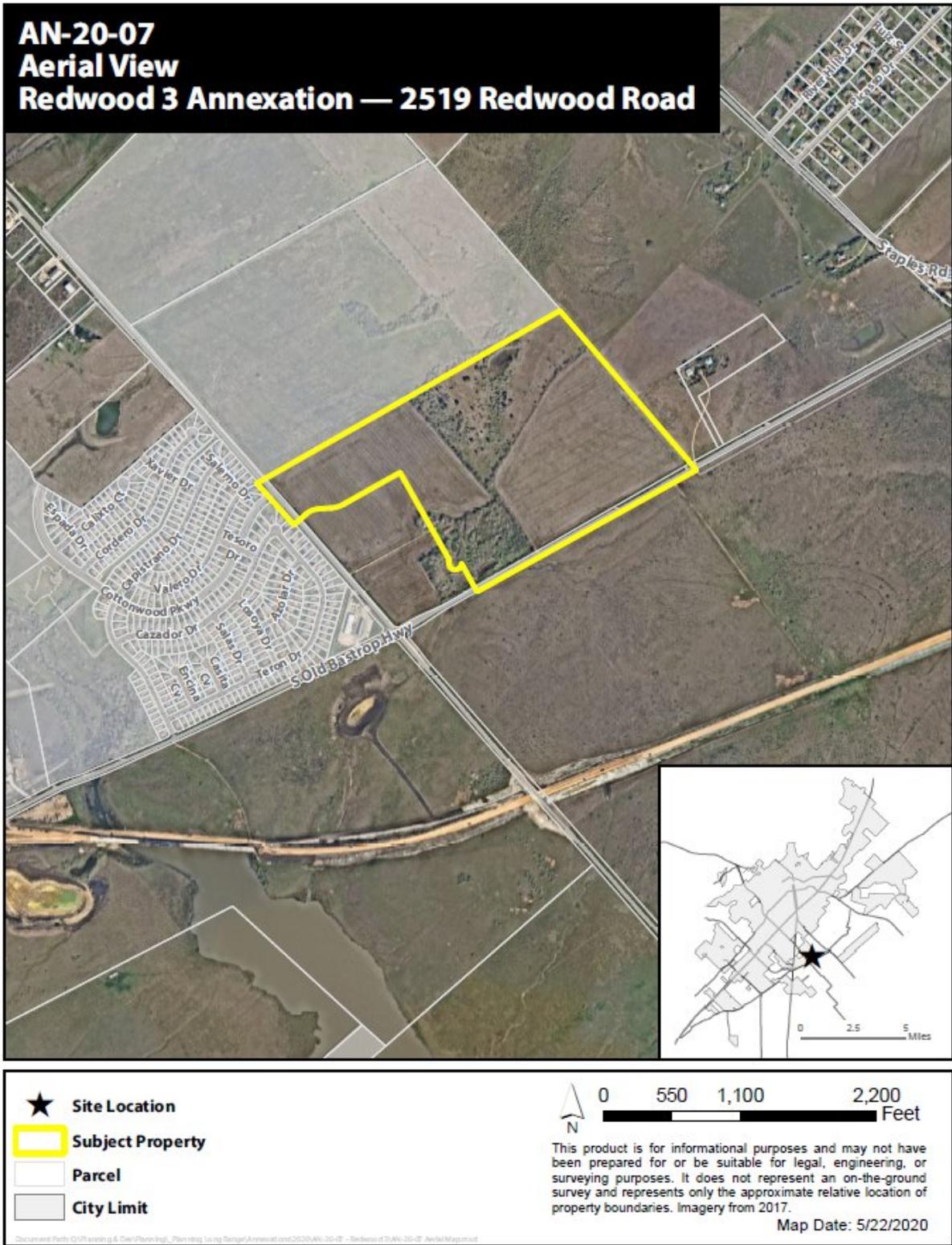
n/a

AN-20-07 (Redwood 3 Annexation)

Consider approval of Resolution 2020-XXR, approving an agreement for the provision of services in connection with the proposed owner requested annexation of approximately 83.291 +/- acres out of the Barnette O. Kane Survey, Abstract No. 281, Hays County, generally located at 2519 Redwood Road; authorizing the City Manager, or his designee, to execute said agreement on behalf of the City; setting a date for a Public Hearing concerning the proposed annexation of said tract of land; and declaring an effective date.

Context:

- 2519 Redwood Road
- 83.291 +/- acres
- Applicant proposes to develop the subject property with a single-family neighborhood.
- Adjacent to recently zoned CD-3 and CD-4 (annexed in 2019)
- The applicant has requested SF-6 zoning.
- Service Plan (Attachment)





Annexation & Zoning Schedules:

*This schedule reflects the new annexation schedule per Texas House Bill 347

Annexation Schedule

- **City Council Resolution (Approval of Service Agreement and set a public hearing date):** June 16, 2020 (*Today*)
 - **City Council Ordinance 1st Reading (Public Hearing):** August 4, 2020
 - **City Council Ordinance 2nd Reading:** August 18, 2020
-

Zoning Schedule

- **Planning and Zoning Commission (Public Hearing):** June 23, 2020
- **City Council Ordinance 1st Reading (Public Hearing):** August 4, 2020
- **City Council Ordinance 2nd Reading:** August 18, 2020

RESOLUTION NO. 2020-134R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AN AGREEMENT FOR THE PROVISION OF SERVICES IN CONNECTION WITH THE PROPOSED OWNER REQUESTED ANNEXATION OF APPROXIMATELY 83.291 ACRES OF LAND GENERALLY LOCATED AT 2519 REDWOOD ROAD; AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY; SETTING A DATE FOR A PUBLIC HEARING CONCERNING THE PROPOSED ANNEXATION OF SAID TRACT OF LAND; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The attached Agreement for the Provision of Services is hereby approved.

PART 2. The City Manager, or his designee, is authorized to execute said Agreement on behalf of the City.

PART 3. The date for the public hearing concerning the proposed annexation of the land described in said Agreement shall be August 4, 2020.

PART 4. This resolution shall be in full force and effect immediately from and after its passage.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
Interim City Clerk

AGREEMENT FOR THE PROVISION OF SERVICES
(Pursuant to Tex. Local Gov't Code §43.0672)

Date: June 16, 2020

Owner: Jim Smith, Smith Co Redwood LLC, 1400 Post Oak Blvd. Ste. 900, Houston, Texas 77056

City: City of San Marcos, Texas, a home rule municipal corporation, 630, East Hopkins Street, San Marcos, Texas 78666

Property: As described in Exhibit A.

1. The Owner has petitioned the City and the City has elected to annex the Property into the corporate limits of the City. Pursuant to Tex. Local Gov't Code §43.0672, the Owner and the City enter this agreement (the "Agreement") for the provision of services to the Property when annexed.

2. By this Agreement, the Owner affirms its consent to such annexation of the Property by the City and that Owner does not wish to enter into and has declined the offer from the City of a development agreement under Sections 43.016 and 212.172 of the Texas Local Government Code

3. In consideration of the mutual benefits to the Owner and the City arising from the annexation of the Property, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Owner and the City enter into this Agreement and agree that services to the Property will be provided as described in Exhibit B.

4. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in state courts located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this Agreement is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this Agreement will continue in force if they can be given effect without the invalid portion.

6. This Agreement shall be binding upon Owner, and Owner's heirs, successors and assigns, and all future owners of all or any portion of the Property.

7. This Agreement will become effective as of the date an ordinance annexing the Property is finally passed, approved and adopted by the City's city council (the Effective Date).

[SIGNATURES ON NEXT PAGE]

CITY:

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF HAYS §

This instrument was acknowledged before me on _____, 20____, by
_____, _____ of the City of San Marcos, in such capacity, on
behalf of said municipality.

Notary Public, State of Texas

OWNER:
SMITH CO. REDWOOD LLC

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF _____ §

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__ by
_____, _____ of _____ in such
capacity on behalf of said entity.

Notary Public, State of _____

EXHIBIT B

When the Property is annexed, services will be provided to the Property as follows:

1. Police Protection

Police services, including patrolling, response to calls and other routine services, will begin on the Effective Date of the annexation using existing personnel and equipment.

2. Fire Protection

Fire protection services, including emergency response calls, will begin on the Effective Date of the annexation using existing personnel and equipment and within the limitations of the available water supply.

3. Emergency Medical Services

The City of San Marcos contracts for emergency medical services through the San Marcos – Hays County EMS, which already provides service to the area being annexed.

4. Solid Waste Collection

Solid waste collection services, provided under contract with a private company, will be made available to all properties on the Effective Date of the annexation. Residents of the Property may elect to continue using the services of a private solid waste hauler for a period of two years after the Effective Date of the annexation. Businesses and institutions must make arrangements with private solid waste haulers.

5. Operation and Maintenance of Water and Wastewater Facilities

a. Water. The Property is located within an area over which the City of San Marcos holds a Certificate of Convenience and Necessity (CCN) for water service. The City will make water service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property.

b. Wastewater. The Property is not covered by a CCN for wastewater service, however, the City of San Marcos has wastewater lines near the Property and agrees to make wastewater service available to the Property on the Effective Date of the annexation on the same basis as available to other owners of property in the City, i.e., the Owner is solely responsible for the cost to construct and extend all infrastructure, facilities, and lines necessary to serve the Property. In addition, the City is in the process of adding the Property as an area covered by the City's CCN for wastewater service.

6. Construction, Operation and Maintenance of Roads and Streets

As new development occurs within the Property, the Owner(s) of Property will be required to construct streets at the Owner's sole expense in accordance with applicable ordinances of the City.

7. Electric Service

The Property is located in the Bluebonnet Electric service area. Thus, the City will not provide electric service to the Property.

8. Operation and Maintenance of Parks, Playgrounds, and/or Swimming Pools

No parks, playgrounds, and/or swimming pools currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding recreational facilities to serve the Property. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal parks and recreational facilities, subject to the same restrictions, fees, and availability that pertains to the use of those facilities by other citizens of the city.

9. Operation and Maintenance of Other Public Facilities, Buildings, and Services

No other public facilities, buildings, or services currently exist within the Property. The same standards and policies now established and in force within the city limits will be followed in maintaining and expanding other public facilities, building, and services. Upon annexation, the owners and residents of property located within the Property shall be entitled to the use of all municipal facilities, buildings, and services, subject to the same restrictions, fees, and availability that pertains to the use of those facilities and services by other citizens of the city.

EXHIBIT A



METES AND BOUNDS DESCRIPTION
FOR A
83.291 ACRE TRACT OF LAND
"ZONING"

Being a 83.291 acre tract of land out of the Barnette O. Kane Survey, Abstract No. 281, in Hays County, Texas, being a portion of the remaining portion a called 99.56 acre tract of land, as conveyed to Smithco Redwood, LLC, and recorded in Document No. 19023899, of the Official Public Records of Hays County, Texas, and said 83.291 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a point in the Northeasterly Right-of-Way line of Redwood Road (a variable width R.O.W.), being in the Southeasterly line of a called 99.36 acre tract of land, as conveyed to Three Rivers Development, LLC, and recorded in Document No. 18042251, of the Official Public Records of Hays County, Texas, being the most Westerly corner of the remaining portion of said 99.56 acre tract of land and being a Westerly corner of this herein described tract of land;

THENCE departing the Northeasterly R.O.W. line of said Redwood Road, and with the common line between the remaining portion of said 99.56 acre tract of land and said 99.36 acre tract of land, N 60° 24' 29" E, a distance of 1,319.01 feet to a point for a Southeasterly corner of said 99.36 acre tract of land, and being a Northwesterly corner of the remaining portion of said 99.56 acre tract of land and this herein described tract of land;

THENCE continuing with the common line between said 99.36 acre tract of land and the remaining portion of said 99.56 acre tract of land, N 60° 18' 52" E, a distance of 1,395.93 feet to a point for the most Easterly corner of said 99.36 acre tract of land, being in the Southwesterly line of a called 125.0 acre tract of land, as conveyed to James S. Lane and Billye Jo Sherrill Lane, recorded in Volume 878, Page 325, of the Official Public Records of Hays County, Texas, and being the most Northerly corner of the remaining portion of said 99.56 acre tract of land and this herein described tract of land;

THENCE with the common line between said 125.0 acre tract of land and the remaining portion of said 99.56 acre tract of land, S 41° 06' 43" E, a distance of 270.93 feet to a point in the common line between said 125.0 acre tract of land and the remaining portion of said 99.56 acre tract of land, and being a Northeasterly corner of this herein described tract of land;

THENCE continuing with the common line between said 125.0 acre tract of land and the remaining portion of said 99.56 acre tract of land, S 40° 30' 11" E, a distance of 1,363.82 feet to a point in the Northwesterly R.O.W. line of Old Bastrop Highway (a variable width R.O.W.), being the most Southerly corner of said 125.0 acre tract of land, and being the most Easterly corner of the remaining portion of said 99.56 acre tract of land;

THENCE departing the Northwesterly R.O.W. line of said Old Bastrop Highway, and across and through said Old Bastrop Highway R.O.W., S 40° 30' 11" E, a distance of 55.01 feet to a point in the Southeasterly R.O.W. line of said Old Bastrop Highway, being in the Northwesterly line of a called 525.22 acre tract of land, as conveyed to Frost National Bank, Independent Executor and Trustee under the Will of Joseph Freeman, and recorded in Volume 359, Page 870, of the Official Public Records of Hays County, Texas, and being the most Easterly corner of this herein described tract of land;

THENCE with the Southeasterly R.O.W. line of said Old Bastrop Highway, and with the Northwesterly line of said 525.22 acre tract of land, S 60° 56' 17" W, a distance of 2,019.19 feet to a point in the Southeasterly R.O.W. line of said Old Bastrop Highway, being in the Northwesterly line of said 525.22 acre tract of land, and being the most Southerly corner of this herein described tract of land;

THENCE departing the Southeasterly R.O.W. line of said Old Bastrop Highway, same being the Northwesterly line of said 525.22 acre tract of land, and across and through said Old Bastrop Highway R.O.W., N 29° 47' 20" W, a distance of 50.73 feet to a point in the Northwesterly R.O.W. line of said Old Bastrop Highway, being in the Southeasterly line of the remaining portion of said 99.56 acre tract of land, and being a Southerly corner of this herein described tract of land;

THENCE departing the Northwesterly R.O.W. line of said Old Bastrop Highway, same being the Southeasterly line of the remaining portion of said 99.56 acre tract of land, and across and through the remaining portion of said 99.56 acre tract of land, the following courses:

N 29° 47' 20" W, a distance of 89.26 feet to a point for a Southerly corner;

N 29° 21' 38" W, a distance of 120.00 feet to a point for a Southerly corner, and being at the beginning of a curve to the right;

With said curve to the right, having an arc length of 181.89 feet, a radius of 50.00 feet, a delta angle of 208° 26' 05", a tangent length of 197.35, and a chord bearing and distance of N 76° 15' 42" W, 96.94 feet to a point for a Southerly corner;

N 29° 21' 38" W, a distance of 815.77 feet to a point for a Southwesterly interior corner;

S 60° 38' 22" W, a distance of 251.21 feet to a point for a Southwesterly corner;

S 60° 38' 22" W, a distance of 275.65 feet to a point for a Southwesterly corner, and being at the beginning of a curve to the right;

With said curve to the right, having an arc length of 103.78 feet, a radius of 227.00 feet, a delta angle of 26° 11' 40", a tangent length of 52.81 feet, and a chord bearing and distance of S 73° 44' 12" W, 102.88 feet to a point for a Westerly corner;

S 86° 52' 31" W, a distance of 97.35 feet to a point for a Westerly corner, and being at the beginning of a curve to the left;

With said curve to the left, having an arc length of 114.77 feet, a radius of 173.00 feet, a delta angle of 38° 00' 36", a tangent length of 59.59 feet, and a chord bearing and distance of S 67° 48' 58" W, 112.68 feet to a point for a Westerly corner;

THENCE continuing across and through the remaining portion of said 99.56 acre tract of land, S 48° 48' 40" W, a distance of 40.23 feet to a point in the Northeasterly R.O.W. line of aforementioned Redwood Road, being in the Southwesterly line of the remaining portion of said 99.56 acre tract of land, and being a Southwesterly corner of this herein described tract of land;

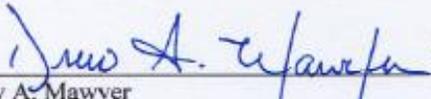
THENCE departing the Northeasterly R.O.W. line of said Redwood Road, same being the Southwesterly line of the remaining portion of said 99.56 acre tract of land, and across and through said Redwood Road R.O.W., S 48° 21' 23" W, a distance of 89.90 feet to a point in the Southwesterly R.O.W. line of said Redwood Road, being in the Northeasterly line of El Camino Real Subdivision, Phase 2, Section One, as recorded in Volume 10, Page 374, of the Map and Plat Records of Hays County, Texas, and being a Southwesterly corner of this herein described tract of land;

THENCE with the Northeasterly line of said El Camino Real Subdivision, and with the Southwesterly R.O.W. line of said Redwood Road, N 41° 38' 37" W, a distance of 448.33 feet to a point in the Southwesterly R.O.W. line of said Redwood Road, being in the Northeasterly line of said El Camino Real Subdivision, and being the most Westerly corner of this herein described tract of land;

THENCE departing the Southwesterly R.O.W. line of said Redwood Road, same being the Northeasterly line of said El Camino Real Subdivision, and across and through said Redwood Road R.O.W., N 60° 21' 42" E, a distance of 95.49 feet to the POINT OF BEGINNING, and containing 83.291 acres of land, more or less.

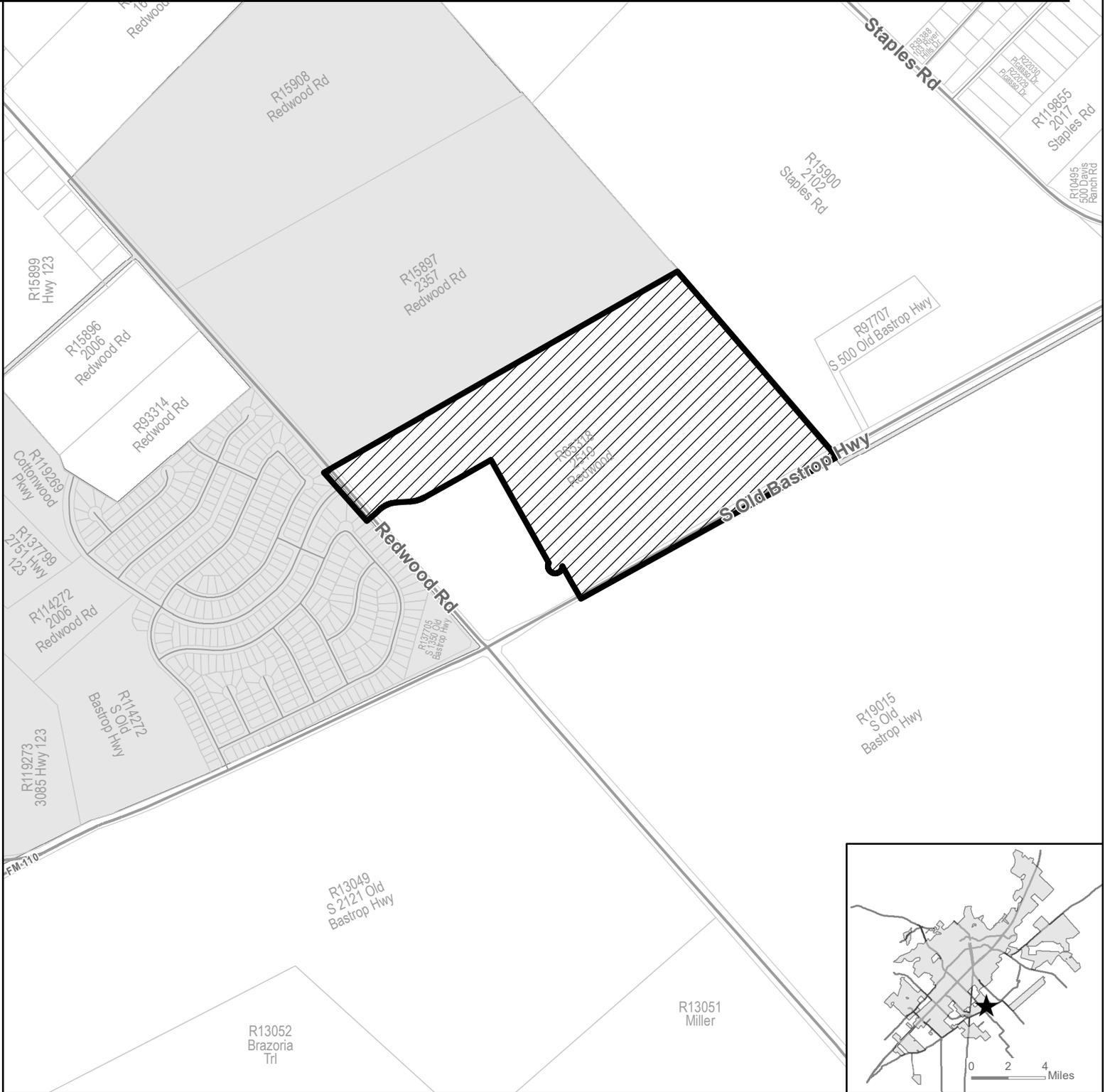
"This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political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

Bearings based on the Texas State Plane Coordinate System, South Central Zone (4204), North American Datum 1983.

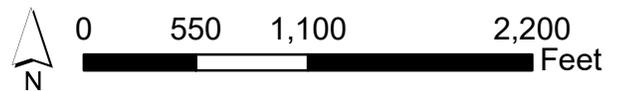

Drew A. Mawyer
Registered Professional Land Surveyor No. 5348
TBPLS Firm Registration #10191500
5151 W SH 46, New Braunfels, Texas, 78132
MOE394- REDWOOD- 83.291 AC- 051420



AN-20-07 Aerial View Redwood 3 Annexation — 2519 Redwood Road



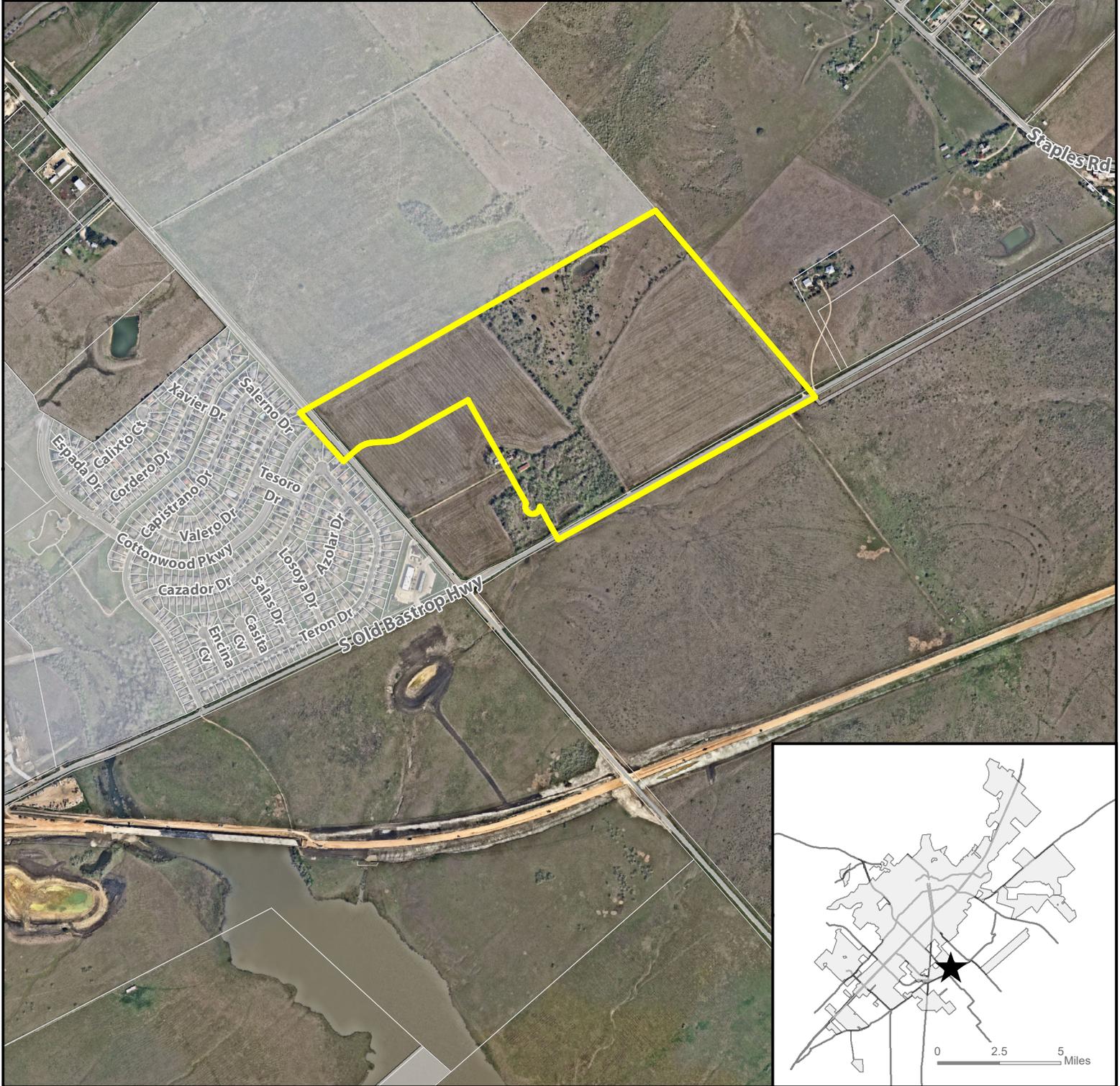
- ★ Site Location
-  Subject Property
-  Parcel
-  City Limit



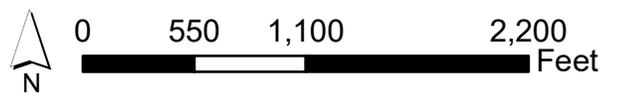
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 5/22/2020

AN-20-07 Aerial View Redwood 3 Annexation — 2519 Redwood Road



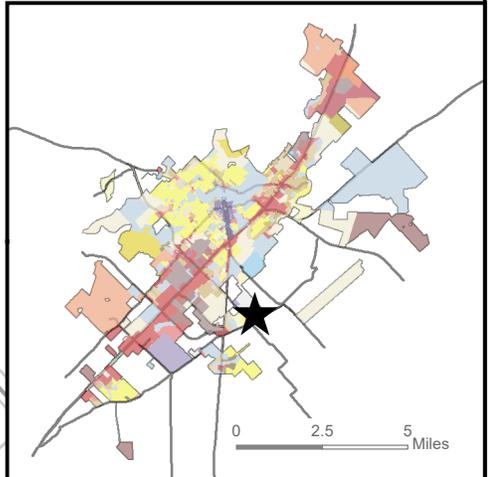
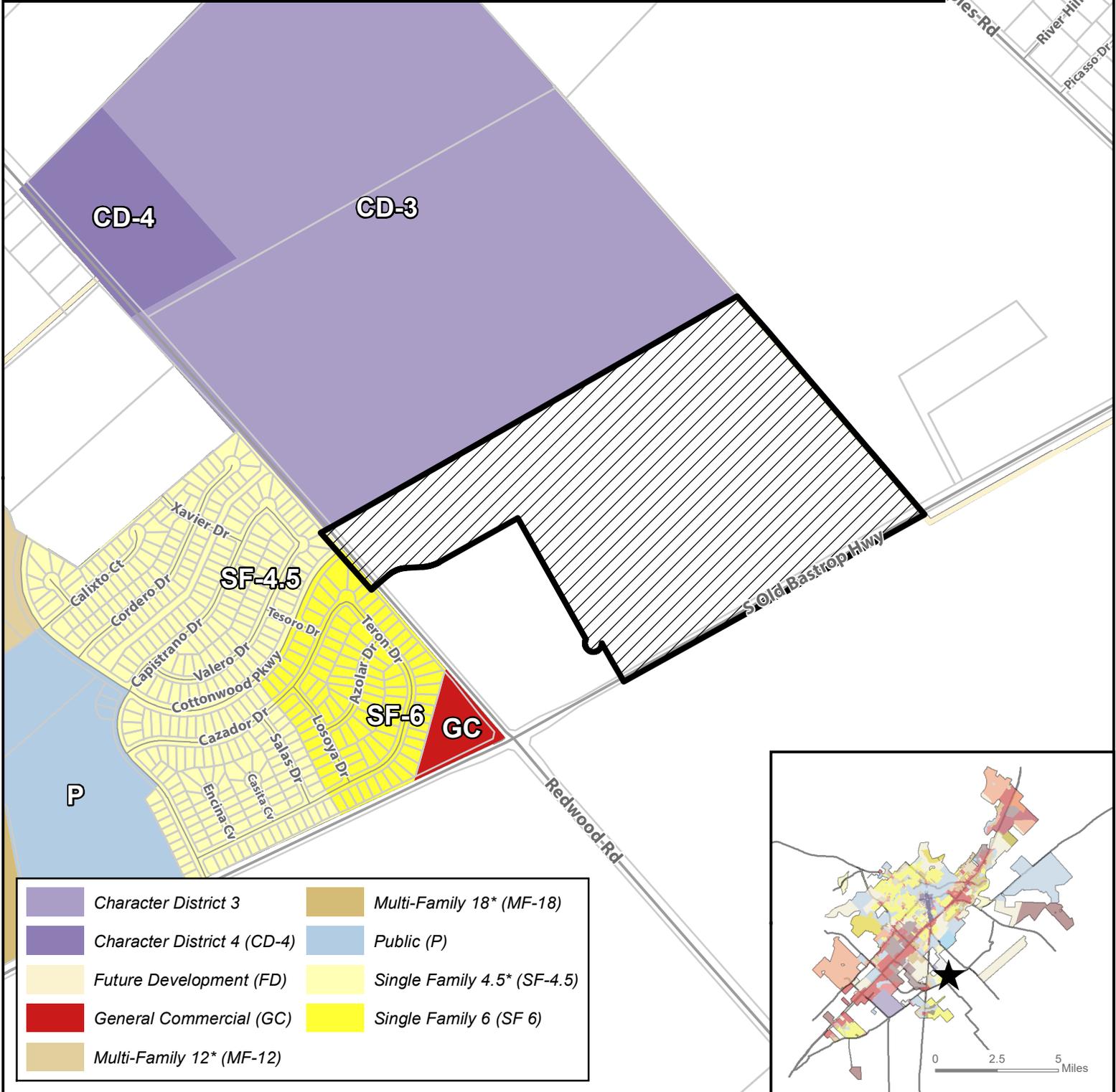
- ★ Site Location
- ▭ Subject Property
- ▭ Parcel
- ▭ City Limit



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Imagery from 2017.

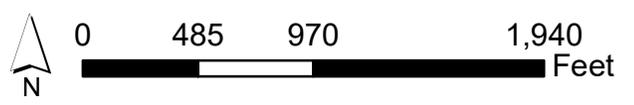
Map Date: 5/22/2020

AN-20-07 Zoning Map Redwood 3 Annexation - 2519 Redwood Road



	Character District 3		Multi-Family 18* (MF-18)
	Character District 4 (CD-4)		Public (P)
	Future Development (FD)		Single Family 4.5* (SF-4.5)
	General Commercial (GC)		Single Family 6 (SF 6)
	Multi-Family 12* (MF-12)		

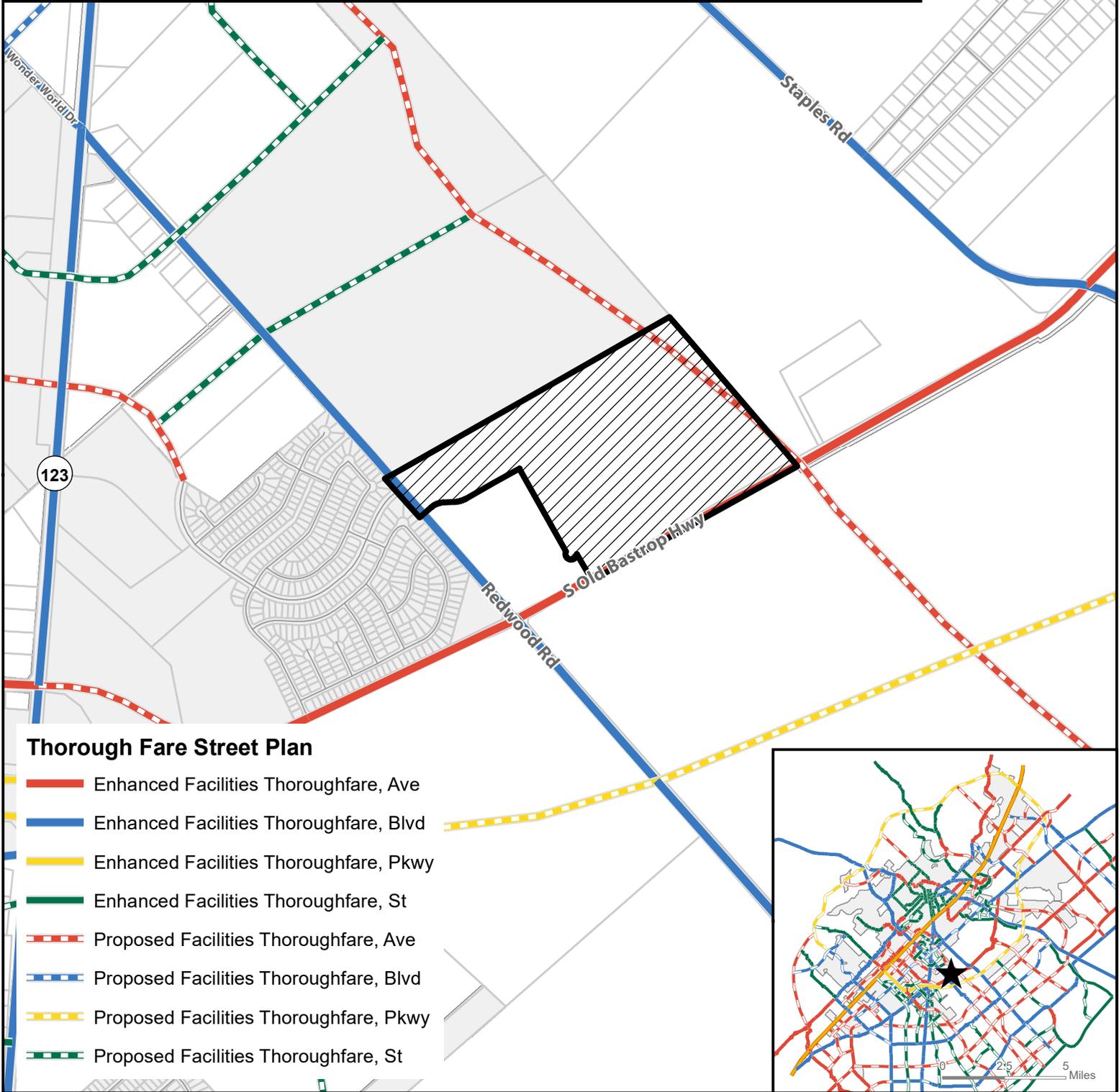
- Site Location**
- Subject Property**
- Parcels**
- City Limit**



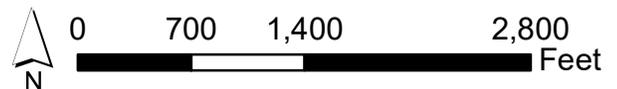
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 5/22/2020

AN-20-07 Transportation Master Plan Redwood 3 Annexation - 2519 Redwood Rd



- ★ Site Location
- ▨ Subject Property
- Parcels
- City Limit



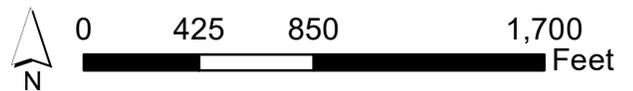
This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Map Date: 5/22/2020

AN-20-07 Water/Wastewater Lines Redwood 3 Annexation - 2519 Redwood Road



- ★ Site Location
- ▨ Subject Property
- ▭ Parcels
- ▭ City Limit
- Sanitary Main
- Water Main



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

Map Date: 5/22/2020

ANNEXATION APPLICATION

Updated: October, 2019



CONTACT INFORMATION

Applicant's Name		Property Owner	
Company		Company	
Applicant's Mailing Address		Owner's Mailing Address	
Applicant's Phone #		Owner's Phone #	
Applicant's Email		Owner's Email	

PROPERTY INFORMATION

Is the property adjacent to city limits YES NO

Is the property less than 1/2 mile in width YES NO

Are there less than 3 qualified voters living on the property YES NO

Proposed Use: _____ Proposed Zoning: _____

Reason for Annexation / Other Considerations: _____

AUTHORIZATION

I certify that the information on this application is complete and accurate. I understand the fees and the process for this application. I understand my responsibility, as the applicant, to be present at meetings regarding this request.

Filing Fee \$1,181 Technology Fee \$13 TOTAL COST \$1,194

Submittal of this digital Application shall constitute as acknowledgement and authorization to process this request.

APPLY ONLINE – WWW.MYGOVERNMENTONLINE.ORG/

PROPERTY OWNER AUTHORIZATION

I, Jim Smith (owner name) on behalf of
SmithCo Redwood LLC (company, if applicable) acknowledge that I/we
am/are the rightful owner of the property located at
Redwood Rd, San Marcos TX 78666 (address).

I hereby authorize James Ingalls, P.E. (agent name) on behalf of
Moeller & Associates (agent company) to file this application for
Annexation (application type), and, if necessary, to work with
the Responsible Official / Department on my behalf throughout the process.

Signature of Owner:  Date: 4/21/20
Printed Name, Title: Jim Smith / Manager

Signature of Agent:  Date: 4-27-20
Printed Name, Title: James Ingalls, P.E.

Form Updated October, 2019



CHECKLIST FOR ANNEXATION APPLICATION

The following items are requested for consideration of this application. These and additional items may be required at the request of the Department		Comments
<input type="checkbox"/>	Pre-development meeting with staff is recommended <ul style="list-style-type: none"> Please visit http://sanmarcostx.gov/1123/Pre-Development-Meetings to schedule 	
n/a		
<input checked="" type="checkbox"/>	Completed Application for Annexation	
<input checked="" type="checkbox"/>	Metes & Bounds description of the area to be annexed	
<input checked="" type="checkbox"/>	CAD file in grid for GIS integration. Projection: NAD 1983 StatePlane Texas South Central FIPS 4204 Feet	
<input checked="" type="checkbox"/>	Authorization to represent the property owner, if the applicant is not the owner	
<input checked="" type="checkbox"/>	Written request to waive the timing requirements for processing annexation under Chapter 43 of the Texas Local Government Code, if the applicant wishes for concurrent consideration of a Zoning Change	
<input checked="" type="checkbox"/>	Application Filing Fee \$1,181 Technology Fee \$13	
**San Marcos Development Code Section 2.3.1.1(C): “Every application accepted by the responsible official for filing shall be subject to a determination of completeness...the responsible official is not required to review an application unless it is complete...”		

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OWNER'S CONSENT TO ANNEXATION OF LAND

Date: May 14, 2020

City: City of San Marcos, Texas, a home rule municipal corporation

Owner: Jim Smith, Smith Co Redwood LLC, 1400 Post Oak Blvd. Ste. 900, Houston, Texas 77056

Property: 83.291 acres out of the Barnette O. Kane Survey, Abstract No. 281, in Hays County

Owner petitioned the City to initiate proceedings to annex the Property. Owner acknowledges and agrees that, in connection with annexation of the Property:

1. Owner does not wish to enter into a development agreement with the City under Section 212.172 and has declined the offer by the City of such a development agreement.

2. Unless specifically authorized by a written agreement with Owner approved by the City Council under applicable ordinances, the City has no obligation to extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property at the City's expense, and the City has made no offers, representations or promises that the City will, at the City's expense, extend water, wastewater, or electric utility services, roads, or other infrastructure to the Property. Such extensions to the Property shall be made available in the same manner and on the same basis as available to other areas of the City, whereby it shall be Owner's sole obligation, and at Owner's sole expense, to construct and install all infrastructure necessary to extend such services to the Property under applicable ordinances.

3. Owner waives any and all rights of Owner to assert any claim or demand, or to file suit against, and covenants not to sue, the City on the basis that the annexation of the Property by the City is invalid, void or voidable, in whole or in part.

4. This instrument is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings concerning this instrument shall lie in State courts having jurisdiction located in Hays County, Texas. Venue for any matters in federal court will be in the United States District Court for the Western District of Texas.

5. If any word, phrase, clause, sentence, or paragraph of this instrument is held to be unconstitutional or invalid by a court

of competent jurisdiction, the other provisions of this instrument will continue in force if they can be given effect without the invalid portion.

6. This instrument may be recorded in the Official Public Records of the County or Counties in which the Property is located and is binding on Owner's successors, heirs and assigns, and any future owners of the Property.

[SIGNATURE(S) ON NEXT PAGE]

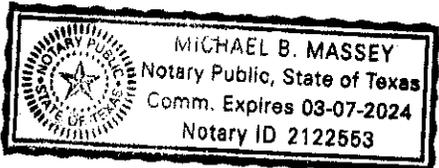
OWNER:

By: [Signature]
Name: Jim Smith, Smithco Redwood, LLC
Title: Manager

ACKNOWLEDGMENT

STATE OF Texas §
 §
COUNTY OF Harris §

This instrument was acknowledged before me on May 14, 2020 by Jim Smith, Manager of Smithco Redwood, LLC in such capacity on behalf of said entity.



[Signature]
Notary Public, State of Texas

DECLINATION OF OFFER OF DEVELOPMENT AGREEMENT

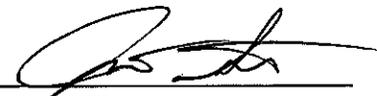
The attached Development Agreement was offered by the City of San Marcos to the owner of the property subject to the following application/petition (check one):

Out of City Utility Connection of Extension Application

Petition for Annexation (without OCU Request)

By signing below, the owner of the subject property declines the offer to enter into such Development Agreement.

OWNER (Entity):

By: 

Name: Jim Smithy/Smithco Redwood, LLC

Title: Manager

Date: 5/14/20

**DEVELOPMENT AGREEMENT PURSUANT TO
CHAPTERS 43 AND 212 OF THE TEXAS LOCAL GOVERNMENT CODE**

This Development Agreement (the “Agreement”) is entered into pursuant to Section 43.016 and 212.172 of the Texas Local Government Code (“LGC”) by and between the City of San Marcos, Texas (the “City”) and the undersigned property owner(s) (the “Owner”). The term “Owner” includes all owners of the Property.

WHEREAS, the Owner owns a parcel of real property (the “Property”) in _____ County, Texas which is more particularly and separately described in the attached Exhibit “A” which is made a part of this Agreement and incorporated herein; and

WHEREAS, the City desires to annex the Property; and

WHEREAS, the Owner desires to have the Property remain in the City’s extraterritorial jurisdiction (“ETJ”), in consideration for which the Owner agrees to enter into this Agreement; and

WHEREAS, this Agreement is entered into pursuant to Sections 43.016 and 212.172, LGC, in order to address the desires of the Owner and the procedures of the City; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

SECTION 1. The City guarantees the continuation of the ETJ status of the Owner’s Property, its immunity from annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall provide services to the Property pursuant to the provisions of Chapter 43, LGC.

SECTION 2. The Owner covenants and agrees not to use the Property for any use other than for agriculture, wildlife management, and/or timber land consistent with Chapter 23, Texas Tax Code, except for existing single-family residential use of the Property without the prior written consent of the City.

The Owner covenants and agrees that it will not file for a concept plat, subdivision plat, or related development document for the Property with _____ County or the City until the Property has been annexed into, and zoned, or another development agreement has been entered into, by the City. This provision does not include permits for improvements, repairs, or utility connections to structures existing on the execution date of this Agreement.

The Owner covenants and agrees not to construct, or allow to be constructed, any buildings on the Property that would require a building permit if the Property were in the city limits, until the

Property has been annexed into, and zoned, or another development agreement has been entered into, by the City; however, the Owner may construct an accessory structure or addition to an existing structure that is consistent with the use of the Property for agriculture, wildlife management, and/or timber land or as an existing single-family residence provided that same is done in compliance with all applicable City ordinances and codes.

The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the Agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

SECTION 3. The Owner acknowledges that if any concept plat, subdivision plat, or related development document is filed in violation of this Agreement, or if the Owner commences development of the Property in violation of this Agreement, then in addition to the City's other remedies, such act will constitute a petition for voluntary annexation by the Owner, and the Property will be subject to annexation at the discretion of the City Council of the City. The Owner agrees that such annexation will be voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner.

Furthermore, Owner hereby waives any and all vested rights and claims that it may have under Section 43.002(a)(2) and Chapter 245, LGC, that would otherwise exist by virtue of any actions Owner has taken in violation of Section 2 herein.

SECTION 4. The City is authorized to enforce all of the City's regulations and planning authority that do not materially interfere with the use of the Property for agriculture, wildlife management, or timber, in the same manner the regulations are enforced within the City's boundaries. The City states and specifically reserves its authority pursuant to Chapter 251, LGC, to exercise eminent domain over property that is subject to a Chapter 43 and/or Chapter 212 development agreement.

SECTION 5. The term of this Agreement (the "Term") is fifteen (15) years from the date that the City Manager's signature to this Agreement is acknowledged by a notary public. The parties to this Agreement may renew or extend the Term only by mutual written agreement, subject to any other agreed terms and conditions.

This Agreement is deemed to be a petition for voluntary annexation upon the expiration of the Term and the Property will be subject to annexation at the discretion of the City Council of the City. Thus, without further consent or petition by the Owner, the City may initiate the process for voluntary annexation of the Property: a) before the end of the Term, to be effective after the last day of the Term; or b) at any time after the end of the Term. In connection with annexation pursuant to this section, the Owners hereby waive any vested rights they may have under Section 43.002(a)(2) and Chapter 245, LGC, that would otherwise exist by virtue of any plat or construction that any of the owners may initiate during the time between the expiration of this Agreement and the institution of annexation proceedings by the City.

SECTION 6. Property annexed pursuant to this Agreement will be zoned in accordance with the City's Code of Ordinances and applicable law.

SECTION 7. Owner recognizes that for purposes of Section 43.003(2), LGC, or another law, including the City's Charter or an ordinance of the City, the Property that is the subject of this Agreement is, for the purposes relating to the City's authority to annex an area adjacent to the City, considered adjacent or contiguous to the City.

SECTION 8. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successors, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of San Marcos
Attn: City Manager
630 East Hopkins Street
San Marcos, Texas 78666

With a copy to:

City of San Marcos
Attn: Director of Planning
630 East Hopkins Street
San Marcos, Texas 78666

SECTION 9. This Agreement shall run with the Property and be recorded in the real property records of _____ County, Texas.

SECTION 10. If a court of competent jurisdiction determines that any covenant of this Agreement is void or unenforceable, including the covenants regarding voluntary annexation, then the remainder of this Agreement shall remain in full force and effect.

SECTION 11. This Agreement may be enforced by any Owner or the City by any proceeding at law or in equity. Failure by any Owner or the City to enforce any covenant shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 12. No subsequent change in the law shall affect the validity or enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

SECTION 13. This Agreement shall be construed in accordance with the laws of the state of Texas. Venue for any dispute or matter arising under this Agreement shall be in the state courts in _____ County, Texas, or if in federal court, the United States District Court for the Western District of Texas, Austin Division.

SECTION 14. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 3, 4 and 5 herein.

SECTION 15. This Agreement shall be recorded in the Official Public Records of the County in which the Property is located, and is binding upon the Owner's heirs, successors and assigns and future owners of the Property.

SECTION 16. This Agreement may be separately executed in any number of individual counterparts, and such counterpart signatures, when assembled together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement shall become effective as of the date of the last properly authorized signature.

[SIGNATURES ON NEXT PAGE]

SAMPLE

CITY OF SAN MARCOS, TEXAS:

By: _____
_____, City Manger

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 20__,
by _____, City Manager of the City of San Marcos, in such capacity, on
behalf of said municipality.

Notary Public, State of Texas

SAMPLE

OWNER (Individual):

ACKNOWLEDGMENT

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__ by
_____.

Notary Public, State of _____

SAMPLE

EXHIBIT A
[ATTACH PROPERTY DESCRIPTION]

SAMPLE



Legislation Text

File #: Res. 2020-135R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-135R, opposing the senseless death of Mr. George Floyd and supporting the San Marcos Police Department's current policies regarding the use of force; requiring annual review and updates of those policies; and providing an effective date.

Meeting date: June 16, 2020

Department: [Click or tap here to enter text.](#)

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Click or tap here to enter text.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.

RESOLUTION NO. 2020- R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS OPPOSING THE SENSELESS DEATH OF MR. GEORGE FLOYD AND SUPPORTING THE SAN MARCOS POLICE DEPARTMENT'S CURRENT POLICIES REGARDING THE USE OF FORCE; REQUIRING ANNUAL REVIEW AND UPDATES OF THOSE POLICIES; AND PROVIDING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the death of George Floyd at the hands of members of the Minneapolis, Minnesota Police Department has focused national attention, once again, on police practices involving the use of force against citizens, and particularly against people of color;

WHEREAS, police policies regarding the use of force can serve to minimize the risk of injuries to or death of citizens who come in contact with the police; and

WHEREAS, use of force policies provide a means to provide police officers direction and hold police officers accountable for their use of force by: requiring prompt reporting of instances in which force is used; requiring officers who observe the excessive use of force to intervene and report it; providing a process for internal review of instances involving the use of force; and, in appropriate cases, forming the basis for disciplinary action including termination or criminal prosecution of officers who use excessive force to seriously injure or kill citizens; and

WHEREAS, San Marcos police officers are trained to de-escalate tense situations and to treat citizens with respect and dignity; and

WHEREAS, the San Marcos training program, does not allow for the use of choke holds or restraints designed or intended to restrict a person's ability to breathe and uses full-body wrap restraint devices to humanely restrain persons who are being violent and aggressive during the arrest process and allows them to be seated upright with a seatbelt when being transported; and

WHEREAS, the San Marcos Police Department's general orders require reporting by an officer who uses or threatens the use of force; and

WHEREAS, the San Marcos Police Department general orders require immediate intervention and reporting by other officers if they observe a fellow officer using excessive force; and

WHEREAS, the San Marcos Police Department has, in the past, terminated and brought criminal charges against an officer who was observed using unlawful and excessive force against a citizen in an internally identified incident; and

WHEREAS, the San Marcos Police Department's use of force policy requires that officers use only the force reasonably necessary to effectively bring an incident under control because the Department values the protection and sanctity of human life; and

WHEREAS, the policy prohibits firing warning shots, firing at moving vehicles unless continued operation of the vehicle presents an imminent danger of death or bodily injury, and requires officers to identify themselves as law enforcement officers and to state their intent to shoot, if the situation allows this, prior to discharging a firearm and only in situations when an officer reasonably believes that the use of deadly force is necessary to protect the officer or others from an immediate threat of death or serious bodily injury; and

WHEREAS, the San Marcos Police Department voluntarily reports serious use of force data to the Federal Bureau of Investigation; and

WHEREAS, the San Marcos Police Department has been and desires to remain an agency of character that aims to be responsive to and respectful toward all people in this diverse community;

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The City Council joins with cities across the nation in expressing opposition to the circumstances and tactics that led to the death of George Floyd at the hands of specific individuals of the Minneapolis Police Department.

PART 2. The City Council supports the San Marcos Police Department's current policies regarding the use of force and hereby requires the Department to review those policies annually and update them to minimize the risk of injury or death of citizens who come in contact with the police and to reflect the values this community places on treating all people with dignity and protecting the sanctity of human life.

PART 3. This resolution is effective immediately upon adoption.

ADOPTED on June 16, 2020.

Jane Hughson
Mayor

Attest:

Tammy K. Cook
City Clerk



City of San Marcos

630 E. Hopkins
San Marcos, Texas 78666

NEWS

June 3, 2020

Contact:

Kristy Stark, Director of Communications & IGR, 512.393.8105 kstark@sanmarcostx.gov
Rebecca Beahan, Communications Specialist, 512.393.8243 rbeahan@sanmarcostx.gov

A Message From Mayor Jane Hughson

Like so many of you, I was outraged as I witnessed the horrific killing of George Floyd in Minneapolis. To be a police officer in America is to assume responsibility for the safety of one's community, and to abuse the power of the badge to endanger, and in this case kill, a resident is inexcusable. I'm still shaken, and frankly, I'm angry.

Many of you are participating in various types of peaceful protests here in San Marcos to make your voices heard. To those of you speaking, kneeling, and marching, I am listening, and I hear you. You are demanding justice, reform, and dignity for all American lives, both in Minneapolis and in towns across America. We are in a pivotal moment of our nation's history, and we have an opportunity to begin a real dialogue and foster a better, more secure future for all San Marcos residents. I am grateful that our peaceful demonstrations have been just that, peaceful.

When I learned about the details of this appalling event, my thoughts naturally turned to the fine men and women that serve in the San Marcos Police Department and who choose to put on the uniform in order to protect our residents. These brave officers have my respect and support, and they are part of a system of accountability and transparency to ensure that bad actors are never allowed to fly under the radar.

I spoke with Interim Police Chief Bob Klett to learn more about training and policies dedicated to use of force, and I was very pleased with what I confirmed. First and foremost, the use of a knee to neck during an arrest is never taught nor tolerated. All restraints that our officers are trained to use ensure that a suspect is able to breathe freely. Officers are trained to deescalate a situation and provide a person with any recovery methods they may require, such as water, medical attention, or a mental health officer for support.

Our Police Department has adopted a standard for use of force that is more restrictive than the average department requirements and provides that an officer use only the force that is reasonably necessary to effectively bring an incident under control while protecting the lives of the officer and civilians. Furthermore, the SMPD has a publicly manned Chief's Advisory Board that serves as a liaison between the police and the public (in addition to other outreach efforts), reviews summary information on citizen complaints, and gives feedback on certain policies affecting the community under consideration by the police department.

I know as well as anyone that, despite our best efforts, no system is foolproof, and we must continually review our policies to ensure they continue to serve our community. That is why as Mayor, I am committed to maintaining common sense policies that preserve the right to dignity, freedom, and safety for all San Marcos residents.

I know many of you are hurting, angry, feeling helpless and may be worried about safety. Please rest assured that your concerns are valid, you are being heard, and you are essential to the fabric of this community. I am proud to serve as your mayor. Thank you for continuing to make San Marcos Stronger Together.



###

We were shocked and angered by the events that transpired during the arrest of George Floyd in Minneapolis, and the SMPD stands firmly against police brutality. Those actions are not reflective of our values as a Police Department, nor reflective of the City of San Marcos.

We are an agency that enjoys great community support, but with that support comes a responsibility to serve the needs of every resident. Our community is stronger through its diversity, and we are proud to both hire and train our officers to serve the residents of San Marcos with the same level of respect and dignity they themselves would expect. We continue to grow, evolve, and learn.

Over the last few years, the SMPD has been and is continuing to work on adopting model policies from the Texas Police Chiefs Association that looks at best practices from around the State. Some topics addressed include de-escalation, use of force, intervening when an officer observes excessive force, and reporting the use of force and tracking. Our policies provide multiple layers of tracking in use of force scenarios to make sure that policies are being followed and, when needed, identifying changes that need to be made.

These values are reflected in our outreach efforts, led by our Community Services team. We are proud to offer a Citizens Police Academy, where residents and officers can come together to grow and learn from one another.

We are an agency with an allocated strength of 108 officers, which allows us to focus on emerging concerns through our chain of command in a quick and efficient manner. Here, no one is just a number with the ability to hide behind the badge. We must and do hold each other accountable.

Our community is rich in its diversity, common in its goal for peace and equality, and unparalleled in its desire to set a standard of unity for the nation. The men and women of the San Marcos Police Department are proud to serve and protect what we all hold so dear.



Legislation Text

File #: ID#20-367, **Version:** 1

AGENDA CAPTION:

Receive a Staff update and hold discussion on Arts Recommendation Resolution 2020-01RR regarding a one-time withdrawal from the permanent art fund to supplement the FY 2020-2021 Arts and Cultural Grant Program, and provide direction to Staff.

Meeting date: June 16, 2020

Department: Convention and Visitor Bureau / Arts

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Annually, Council allocates Hotel Occupancy Tax (HOT) funds in a 50-50 split between the annual Arts and Cultural Grants program and the Permanent Art Fund (\$137,500 to each program in FY 2020). We anticipate a significant drop in HOT collections in FY 2020 and FY 2021 due to the COVID-19 crisis and are planning for contingencies that will allow the Cultural Arts Program to weather the storm. The Arts and Cultural Grant program is funded primarily through HOT allocations (\$137,500 in FY 20) and supplemented with General Fund money for projects that do not have a tourism impact yet provide value to our residents (in FY 2020, the amounts were \$20,500 for this purpose and \$33,440 for diversity programs).

Council Committee, Board/Commission Action:

Arts Commission Resolution attached

Alternatives:

Click or tap here to enter text.

Recommendation:

Attached - Recommendation Resolution from the Arts Commission.

Staff recommends Council act on the Arts Commission's recommendation to allocate \$100,000 from the Permanent Art Fund to the Arts and Cultural Grant program on a one-time basis for the 2021 Fiscal Year.

The Arts Commission Voted 5-0 to approve this Resolution.

In favor: Stephanie Symmes, Russell Clark, Lela Holt, Jamey Poole, Priscilla Leder

Absent: Dawn Stienecker, Kelly King-Green



RECOMMENDATION RESOLUTION

Arts Commission

Recommendation Number: (2020-01RR): Allocating Permanent Art Funds to 2020 Arts and Cultural Grants

WHEREAS, the Arts and Cultural Grant program is an Arts Commission initiative that supports deserving programs and artists selected by the Commission through a rigorous application and selection process each year; and

WHEREAS, the Arts and Cultural Grant program is funded by a combination of Hotel Occupancy Tax (HOT) collections and General Fund allocations; and

WHEREAS, the COVID-19 pandemic has negatively and drastically impacted HOT collections throughout the State, including a projected loss of more than 50% of budgeted revenue in San Marcos, and our community faces a long economic recovery; and

WHEREAS; the San Marcos arts community has borne the brunt of the pandemic's economic effects, yet is proving its determination and resilience in the face of this unprecedented crisis; and

WHEREAS, the City of San Marcos has a cumulative balance of \$347,716 available in its Permanent Art Fund, which receives annual allocations from the City's HOT collections;

NOW, THEREFORE, BE IT RESOLVED that the Arts Commission encourages the San Marcos City Council to allocate \$100,000 on a one-time basis from the Permanent Art Fund to supplement the FY 2020-2021 Arts and Cultural Grant program during this crisis.

Date of Approval: June 3, 2020

Record of the vote: 5-0 in favor

Attest:

Trey Hatt, Arts Coordinator



Legislation Text

File #: ID#20-370, **Version:** 1

AGENDA CAPTION:

Discussion of summer marketing efforts of the Convention and Visitor Bureau, and direction to Staff.

Meeting date: June 16, 2020

Department: Convention and Visitor Bureau

Amount & Source of Funding

Funds Required: n/a

Account Number: n/a

Funds Available: n/a

Account Name: n/a

Fiscal Note:

Prior Council Action: On January 7, 2020, Council discussed the advertising and marketing efforts of the Convention and Visitor Bureau. Consensus is to move forward with advertising that brings visitors to the City such as the: Outlet Mall, Cultural events, Trail System/Greenspaces, and not just the river or parks.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Choose an item.

- Core Services
 Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Click or tap here to enter text.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

There are a couple of reasons it is critical for us to market the river, especially this year.

Multi-day stay: In order to draw in visitors with the goal of them spending the night, we need to provide them with ideas and itineraries that help plan out at least a two-day stay. Without river recreation to fill one of those days, there are not enough full-day activities for families and couples to do. During the heat of the summer, folks will only want to hike the natural areas or check out public art in the morning or evening when it is a little cooler. Wonder World Park can be accomplished in about an hour and a half. The Meadows Center is uncertain of when they will be allowed to open. Multiple events have cancelled. When families can add a day at the river, that helps in the decision to spend the night.

Controlling the message: Another reason to market river recreation, including tubing, is to control the message. Right now, when "San Marcos River Tubing" is googled, we no longer come up first since we have not included this in our promotion. This causes a problem because most visitors do not realize that Texas State Tubes and Don's Fish Camp is not the type of tubing experience that families will get in the city limits. Visitors will not know that in-town tubing is family friendly and a short, gentle first-timer experience for children. If we can promote a curated experience message, it will entice families and discourage rowdy groups. The rowdy groups are looking for longer, wilder floats. We can also craft the message of how to be a good steward of the river while enjoying tubing. With our ability to reach a large audience, this type of information will then rise to the top of internet searches.

The crowd control measures PARD has previously put in place - spacing of picnic tables, banning of grills and popup tents without a park table - has helped immensely. People are still going to go to the river, but hopefully our message can bring in the ones we want.



Legislation Text

File #: ID#20-372, **Version:** 1

AGENDA CAPTION:

Hold discussion and consider the addition of City Council meetings for the month of July, and provide direction to Staff.

Meeting date: June 16, 2020

Department: City Clerk's Office, Per City Council Member Mihalkanin and Mayor Hughson

Amount & Source of Funding

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Not Applicable

Master Plan: [Please select the corresponding Master Plan from the dropdown menu below (if applicable)]

Choose an item.

Background Information:

Council Committee, Board/Commission Action:

N/A

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.



MEMO

TO: The Honorable Mayor and City Council
FROM: Bert Lumbreras, City Manager
DATE: June 9, 2020
RE: June 16 Discussion Item regarding July City Council Meetings

In anticipation of the discussion item scheduled for the June 16 City Council meeting, I would like to provide additional information regarding the need for City Council meetings in July. The response to COVID-19 and budget concerns due to its economic impact have consumed significant staff time over the past few months as well as necessitating regular updates to City Council due to the evolving situation. The following memo will provide how staff has already planned our approach despite significant challenges and a contingency plan in case something happens unexpectedly.

Despite the continued increase in the number of COVID-19 cases, most of decisions regarding re-opening are now mandated by statewide executive orders from Governor Greg Abbott. The City's internal recovery group continues to meet and discuss the re-opening of facilities and customer-facing operations based on a number of criteria with the health of our employees and the public being most important. Our Leadership Team is already working on a gradual phased in re-opening to be implemented soon. Even if there are no Council meeting updates in July, staff will continue to provide weekly written COVID-19 updates.

The economic ramifications of the pandemic and the effects on the City's budget have also been priorities. Council had a budget work session on May 26 and another is scheduled for June 30. At the June budget work session, staff will present revised revenue and expenditure details based on the Council direction that has already been received, results from the employee innovation box, and utility rate recommendations. Although we will have more information at that meeting, including the April sales tax numbers and preliminary property valuation data, we will not have finalized property information from the County appraisal district until the end of July. Even with no Council meetings in July, staff will be busy taking the direction received from Council at the end of June to finalize the proposed Fiscal Year 2020-2021 Budget recommendation to be presented to Council in August.

The Council calendar for 2020 was approved last year so any Council meetings in July would have to be special called meetings. I will not hesitate to request a special called City Council meeting in July if there are emergency items that necessitate one. With that in mind, I would like to tentatively hold the days between July 7 and 9 as possible meeting dates, but a meeting would only be called on one of these dates if absolutely necessary.

I appreciate the helpful feedback we have received and necessity of keeping the City Council and public apprised of the topics described in this memo; however, I believe this communication can continue even without a Council meeting in July. If the need does arise and Council consideration is needed for an emergency item or something that cannot wait, I will work with the Mayor, Interim City Clerk, and City Attorney to schedule a special meeting.



Legislation Text

File #: ID#20-359, **Version:** 1

AGENDA CAPTION:

Executive Session in accordance with the following Government Code Sections:

- A. §Sec.551.071 of the Texas Government Code: Consultation with attorney - to receive advice of legal counsel regarding state law preemption of city ordinances regulating the sale or use of single-use packages and containers.
- B. §Sec. 551.087 of the Texas Government Code: Economic Development - to receive a briefing and deliberate regarding the following projects: Project Rx, Project Molly, Project Red Dawn, Project Free Flow, Project Focus, and Project Big Hat

Meeting date: 6/16/2020

Department: City Clerk's Office on behalf of the City Council

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Goal: [Please select goal from dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

File #: ID#20-359, **Version:** 1

Transportation - Choose an item.

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Click or tap here to enter text.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.



Legislation Text

File #: ID#20-360, **Version:** 1

AGENDA CAPTION:

Consider action, by motion, regarding the following Executive Session item(s) held during the Work Session and/or Regular Meeting:

- A. §Sec.551.071 of the Texas Government Code: Consultation with attorney - to receive advice of legal counsel regarding state law preemption of city ordinances regulating the sale or use of single-use packages and containers.
- B. §Sec. 551.087 of the Texas Government Code: Economic Development - to receive a briefing and deliberate regarding the following projects: Project Rx, Project Molly, Project Red Dawn, Project Free Flow, Project Focus, and Project Big Hat

Meeting date: 6/16/2020

Department: City Clerk's Office on behalf of the City Council

Amount & Source of Funding

Funds Required: [Click or tap here to enter text.](#)

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: [Click or tap here to enter text.](#)

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

City Council Goal: [Please select goal from dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

Economic Development - Choose an item.

Environment & Resource Protection - Choose an item.

Land Use - Choose an item.

Neighborhoods & Housing - Choose an item.

Parks, Public Spaces & Facilities - Choose an item.

Transportation - Choose an item.

Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Click or tap here to enter text.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Click or tap here to enter text.