



College Station, TX

City Hall
1101 Texas Ave
College Station, TX 77840

Meeting Agenda - Final

City Council Regular

Thursday, April 26, 2018

6:00 PM

City Hall Council Chambers

1. Pledge of Allegiance, Invocation, Consider absence request.

Presentation:

- Presentation proclaiming May 4th, 2018 as International Fire Fighter's Day.

Hear Visitors: During this time a citizen may address the City Council on any item which does not appear on the posted Agenda. Registration forms are available in the lobby and at the desk of the City Secretary. This form should be completed and delivered to the City Secretary by 5:30 PM on the day of the Council meeting. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. Each speaker's remarks are limited to three minutes. A series of timer lights will change from green to yellow and an alarm will sound after two and one-half minutes to signal thirty seconds remaining to conclude the remarks. At three minutes the timer light will change to red and the final alarm will sound. The speaker must then conclude the remarks. The City Council will listen and receive the information presented by the speaker, ask staff to look into the matter, or place the issue on a future agenda. Topics of operational concerns shall be directed to the City Manager. Comments should not personally attack other speakers, Council or staff.

Consent Agenda

At the discretion of the Mayor, individuals may be allowed to speak on a Consent Agenda Item. Individuals who wish to address the City Council on a consent agenda item not posted as a public hearing shall register with the City Secretary prior to the Mayor's reading of the agenda item. Registration forms are available in the lobby and at the desk of the City Secretary.

2. Presentation, possible action, and discussion of consent agenda items which consists of ministerial or "housekeeping" items required by law. Items may be removed from the consent agenda by majority vote of the Council.

- 2a. [18-0282](#) Presentation, possible action, and discussion of minutes for:
- April 12, 2018 Workshop
 - April 12, 2018 Regular

Sponsors:

Smith

Attachments:

[WKSHPO41218 DRAFT Minutes](#)
[RM041218 DRAFT Minutes](#)

- 2b. [18-0259](#) Presentation, possible action, and discussion regarding the Agreement for Services with the Brazos Valley Softball Umpires Association to provide officiating services for City athletic leagues, programs and tournaments (Contract Number 18300369) in an amount not to exceed \$125,000 per year.

Sponsors:

Kelbly

- 2c. [18-0261](#) Presentation, possible action, and discussion on approving job order construction contract #18300449 for various facilities corrective maintenance services from Jamail & Smith Construction, LP in the amount of \$346,260.81. Contract pricing is available from Jamail & Smith Construction, LP through Buy Board contract #464-14.

Sponsors:

Harmon

- 2d. [18-0262](#) Presentation, possible action, and discussion on an Interlocal Agreement between the City of College Station and College Station Independent School District for the cost participation by College Station Independent School District in the City's Holleman Drive South Widening Project. CSISD will be reimbursing the City for actual costs of the deceleration lane, traffic signal improvements, and necessary utility relocations up to \$395,500 for improvements related to the new River Bend Elementary School.

Sponsors:

Harmon

Attachments:

[signed by CSISD Holleman ILA](#)

- 2e. [18-0263](#) Presentation, possible action, and discussion regarding approval of a professional services contract (Contract No. 18300430) with Kimley-Horn and Associates, Inc. in the amount of \$312,000 for the design and construction phase services for the Northeast Sanitary Sewer Trunk Line Phase 2 Project and a Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds From Debt.

Sponsors:

Harmon

Attachments:

[Project Location Map](#)

[NE Sewer Trunkline Phase 2 - DRR](#)

[Resolution for debt .pdf](#)

- 2f. [18-0264](#) Presentation, possible action, and discussion regarding approval of the construction contract (18300375) with C. F. McDonald Electric, Inc in the amount of \$171,469 for the Municipal Court/Traffic Control Center Backup Generator Project.

Sponsors:

Harmon

Attachments:

[Project Map](#)

[Tabulation](#)

- 2g. [18-0269](#) Presentation, possible action, and discussion regarding approval of a resolution authorizing a License Agreement with Thomas and Stephanie Adams for the encroachment of a portion of an underground pool structure located at Lot 26, Block 30, Phase 9A, Pebble Creek Subdivision.
- Sponsors:** Cotter
- Attachments:** [VICINITY MAP](#)
[LOCATION MAP](#)
[Resolution.doc](#)
[License Agreement \(Exhibit A\).pdf](#)
- 2h. [18-0283](#) Presentation, possible action, and discussion regarding the first lease amendment with JAR Capital Investments, LLC amending the original lease (16300284) extending lease term for two years for leased space at 511 University Drive East.
- Sponsors:** Nettles
- Attachments:** [Lease Extension](#)
- 2i. [18-0284](#) Presentation, possible action, and discussion on the second reading of a franchise agreement with Budget Disposal d/b/a Premier Metal Buyers, for the collection of recyclables from commercial businesses and multi-family locations.
- Sponsors:** Harmon
- Attachments:** [Premier Metal Buyers Franchise Agreement](#)
- 2j. [18-0285](#) Presentation, possible action, and discussion on the second reading of a franchise agreement with Pronto Services, LLC. for the collection of recyclables from commercial businesses and multi-family locations.
- Sponsors:** Harmon
- Attachments:** [FY18_Franchise_ProntoServicesLLC](#)

Regular Agenda

Individuals who wish to address the City Council on an item posted as a public hearing shall register with the City Secretary prior to the Mayor's announcement to open the public hearing. A speaker who wishes to include computer-based information while addressing the Council must provide the electronic file to the City Secretary by noon of the Council meeting day when the presentation is planned. The Mayor will recognize individuals who wish to come forward to speak for or against the item. Upon stepping to the podium the speaker must state their name and city of residence, including the state of residence if the city is located out of state. On items related to land use and those that would directly impact the speaker's residence or neighborhood, the speaker is encouraged to identify their College Station neighborhood. Each speaker's remarks are limited to three minutes. A

series of timer lights will change from green to yellow and an alarm will sound after two and one-half minutes to signal thirty seconds remaining to conclude the remarks. At three minutes the timer light will change to red and the final alarm will sound. The speaker must then conclude the remarks. After a public hearing is closed, there shall be no additional public comments. If Council needs additional information from the general public, some limited comments may be allowed at the discretion of the Mayor.

1. [18-0274](#) Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix "A", "Unified Development Ordinance," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to T Townhouse for approximately 36 acres generally located at the intersection of Buena Vista and Summit Crossing Lane.

Sponsors:

Lazo

Attachments:

[Background Information](#)

[Vicinity Aerial SAM](#)

[Ordinance](#)

2. [18-0275](#) Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix A, "Unified Development Ordinance," Article 4, "Zoning Districts," Section 4.2 "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to MF Multi-Family on approximately 12 acres of land, located at the intersection of Summit Crossing Lane and Harvey Road.

Sponsors:

Lazo

Attachments:

[Background Information](#)

[Vicinity Aerial SAM](#)

[Ordinance](#)

3. [18-0278](#) Public Hearing, presentation, possible action, and discussion to consider a Conditional Use Permit request for a Mobile Food Court, on approximately 0.4 acres located at 203 First Street.

Sponsors:

Lazo

Attachments:

[Background Information](#)

[Vicinity Aerial SAM](#)

[2016 City Council Meeting Minutes](#)

[Ordinance](#)

4. [18-0273](#) Presentation, possible action, and discussion regarding approval of an ordinance annexing approximately 65 acres located in the City's ETJ

on the west side of the City, generally located in the vicinity of Rock Prairie Road West, Holleman Drive South, and North Graham Road.

Sponsors:

Simms

Attachments:

[Map of Annexation Areas](#)

[Fiscal Impact Analysis](#)

[Ordinance](#)

5. [18-0286](#)

Presentation, possible action, and discussion concerning adoption of an ordinance authorizing the issuance of up to \$55,000,000 in principal amount of "City of College Station, Texas Certificates of Obligation, Series 2018"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

Sponsors:

Leonard

Attachments:

[2018 Debt Issue - draft](#)

[Ordinance \(CO\) \(ver 1\).pdf](#)

[College Station, Series 2018 CO - Draft POS 2 \(Legistar\).pdf](#)

6. [18-0277](#)

Presentation, possible action, and discussion regarding contract 18300367 with JT Vaughn Construction, LLC as the Construction Manager at Risk for the College Station Police Headquarters project.

Sponsors:

Wozniak

Attachments:

[18300367 - Contract JT Vaughn Construction, LLC](#)

7. [18-0281](#)

Presentation, possible action, and discussion regarding an appointment to the Research Valley Partnership (RVP).

Sponsors:

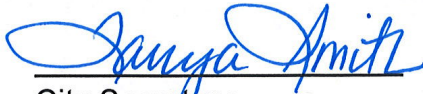
Smith

8. Presentation, possible action, and discussion on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

9. Adjourn.

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.

I certify that the above Notice of Meeting was posted at College Station City Hall, 1101 Texas Avenue, College Station, Texas, on April 20, 2018 at 5:00 p.m.


City Secretary

This building is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need accommodations, auxiliary aids, or services such as interpreters, readers, or large print are asked to contact the City Secretary's Office at (979) 764-3541, TDD at 1-800-735-2989, or email adaassistance@cstx.gov at least two business days prior to the meeting so that appropriate arrangements can be made. If the City does not receive notification at least two business days prior to the meeting, the City will make a reasonable attempt to provide the necessary accommodations.

Penal Code § 30.07. Trespass by License Holder with an Openly Carried Handgun.

"Pursuant to Section 30.07, Penal Code (Trespass by License Holder with an Openly Carried Handgun) A Person Licensed under Subchapter H, Chapter 411, Government Code (Handgun Licensing Law), may not enter this Property with a Handgun that is Carried Openly."

Codigo Penal § 30.07. Traspasar Portando Armas de Mano al Aire Libre con Licencia.

"Conforme a la Seccion 30.07 del codigo penal (traspasar portando armas de mano al aire libre con licencia), personas con licencia bajo del Sub-Capitulo H, Capitulo 411, Codigo de Gobierno (Ley de licencias de arma de mano), no deben entrar a esta propiedad portando arma de mano al aire libre."



Legislation Details (With Text)

File #: 18-0282 **Version:** 1 **Name:** Minutes
Type: Minutes **Status:** Consent Agenda
File created: 4/16/2018 **In control:** City Council Regular
On agenda: 4/26/2018 **Final action:**
Title: Presentation, possible action, and discussion of minutes for:
• April 12, 2018 Workshop
• April 12, 2018 Regular
Sponsors: Tanya Smith
Indexes:
Code sections:
Attachments: [WKSHP041218 DRAFT Minutes](#)
[RM041218 DRAFT Minutes](#)

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion of minutes for:

- April 12, 2018 Workshop
- April 12, 2018 Regular

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): Approval

Summary: N/A

Budget & Financial Summary: None

Attachments:

- April 12, 2018 Workshop
- April 12, 2018 Regular

MINUTES OF THE CITY COUNCIL WORKSHOP
CITY OF COLLEGE STATION
APRIL 12, 2018

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Barry Moore
John Nichols
James Benham

City Staff:

Chuck Gilman, Interim City Manager
Jeff Capps, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

Student Liaison

Tory Oxendahl, Municipal Affairs

1. Call to Order and Announce a Quorum is Present

With a quorum present, the Workshop of the College Station City Council was called to order by Mayor Mooney at 3:30 p.m. on Thursday, April 12, 2018 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

2. Executive Session

In accordance with the Texas Government Code §551.071-Consultation with Attorney, §551.074-Personnel, and §551.087-Economic Incentive Negotiations, the College Station City Council convened into Executive Session at 3:30 p.m. on Thursday, April 12, 2018 in order to continue discussing matters pertaining to:

- A. Consultation with Attorney to seek advice regarding pending or contemplated litigation; to wit:
- Kathryn A. Stever-Harper as Executrix for the Estate of John Wesley Harper v. City of College Station and Judy Meeks; No. 15,977-PC in the County Court No. 1, Brazos County, Texas; and
 - McCrory Investments II, LLC d/b/a Southwest Stor Mor v. City of College Station; Cause No. 17-000914-CV-361; In the 361st District Court, Brazos County, Texas
 - City of College Station v. Gerry Saum, Individually, and as Independent Executrix of the Estate of Susan M. Wood, Deceased; Cause No. 17-002742-CV-361; In the 361st District Court, Brazos County, Texas

- B. Consultation with attorney to receive legal advice; to wit:

- Legal Issues Concerning Land Acquisition for the Capstone Drive - Barron Road Re-Alignment Project.
- Legal advice regarding charter amendment elections.

C. Deliberation on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer; to wit:

- Council Self-evaluation
- City Secretary

D. Deliberation on an offer of financial or other incentives for a business prospect that the Council seeks to have locate, stay or expand in or near the City; to wit:

- Economic incentives for a project located generally in the area northeast of the intersection of Raymond Stotzer Parkway and Highway 47 in College Station.

The Executive Session recessed at 5:43 p.m.

3. Take action, if any, on Executive Session.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Rektorik, the City Council voted seven (7) for and none (0) opposed, to direct the City Attorney and City Secretary to review the College Station City Charter and to recommend amendments to be considered by the Council for inclusion in a possible charter amendment election to be held November 6, 2018. The motion carried unanimously.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Rektorik, the City Council voted six (6) for and one (1) opposed, with Councilmember Brick voting against, to authorize city staff to negotiate with a search firm for the purpose of hiring a new city manager. The motion carried.

4. Presentation, possible action and discussion on items listed on the consent agenda.

Items 2c, 2i, 2j, and 2l were pulled from Consent for clarification.

(2c): *Debbie Eller*, Director of Community Services, provided an overview of the Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) grant funds are currently used by the City to provide various housing assistance programs to income-eligible households.

(2i): *Donald Harmon*, Director of Public Works, provided an explanation of construction administration for the Rock Prairie Elevated Storage Tank Project. Mr. Harmon explained that the scope of this contract includes design, bidding, and construction phase services.

(2j): *Donald Harmon*, Director of Public Works, provided an explanation of the sale and removal of approximately 19,000 tons of asphalt millings from city property.

(2l): *Lance Simms*, Director of Public Works, provided the total number of acres for the eight non-annexation development agreements representing over 2,000 acres in the City's ETJ and that there are roughly 200 out of 2000 of those acres in a flood plain.

5. Presentation, possible action, and discussion regarding the 2017 and 2018 Planning & Zoning Commission Plan of Work in a Joint Meeting with the Planning & Zoning Commission.

With a quorum present, the Joint Workshop with the College Station City Council was called to order by Chair Jane Kee at 5:45 p.m. on Thursday, April 12, 2018 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840. Present were: Johnny Burns, Dennis Christiansen, Jane Kee, Bill Mather, Jeremy Osborne, and Elianor Vessali.

The Planning and Zoning Commission presented their 2017 accomplishments and the 2018 Proposed Plan of Work. Comp Plan items included the implementation of adopted plans, updating the Thoroughfare Plan, and updating the Bicycle, Pedestrian, and Greenways Plan. Issues regarding Neighborhood Integrity included a traffic calming tool kit and student housing in establishing Single-Family Neighborhoods. UDO regulatory items includes update on off-street parking requirements, sign ordinance revision, bicycle rack standards, suburban commercial land use & zoning, and non-residential landscaping requirements. On-going items are the Pre-Application Conference Semi-Annual Report and economic development quarterly updates. The commissioners have also requested information regarding parkland dedication, block length and perimeter, sidewalk fee-in-lieu, Mueller report update, public hearing notification, and review of development fees.

There being no further business, Chair Kee adjourned the joint workshop with the College Station City Council at 6:08 p.m. on Thursday, April 12, 2018.

6. Presentation, possible action, and discussion regarding the City Council Strategic Plan.

Aubrey Nettles, Special Projects Coordinator, updated Council on the implementation plan for the 2018 City of Council Strategic Plan. A brief overview of 2018 projects was provided. Some of these will build upon each other and will continue into 2019 and 2020. Staff will provide progress report updates through weekly updates and other means.

7. Council Calendar

Council reviewed the calendar.

8. Discussion, review and possible action regarding the following meetings: Animal Shelter Board, Annexation Task Force, Arts Council of Brazos Valley, Arts Council Sub-committee, Audit Committee, Bicycle, Pedestrian, and Greenways Advisory Board, Bio-Corridor Board of Adjustments, Blinn College Brazos Valley Advisory Committee, Brazos County Health Dept., Brazos Valley Council of Governments, Bryan/College Station Chamber of Commerce, Budget and Finance Committee, BVSWM, BVWACS, Compensation and Benefits Committee, Experience Bryan-College Station, Design Review Board, Economic Development Committee, FBT/Texas Aggies Go to War, Gulf Coast Strategic Highway Coalition, Historic Preservation Committee, Interfaith Dialogue Association, Intergovernmental Committee, Joint Relief Funding Review Committee, Landmark Commission, Library Board, Metropolitan Planning Organization, Parks and Recreation Board, Planning and Zoning Commission, Research Valley Partnership, Research Valley Technology Council, Regional Transportation Committee for Council of Governments, Sister Cities Association, Transportation and Mobility Committee, TAMU Economic

Development, TAMU Student Senate, Texas Municipal League, Twin City Endowment, Walk with the Mayor, YMCA, Youth Advisory Council, Zoning Board of Adjustments.

Councilmember Rektorik reported on Experience BCS and RVP.

Councilmember Nichols reported on the Board of Health.

At 6:39 p.m., Mayor Mooney recessed the Workshop.

Workshop reconvened at 9:02 p.m.

9. Adjournment

There being no further business, Mayor Mooney adjourned the workshop of the College Station City Council at 9:02 p.m. on Thursday, April 12, 2018.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

MINUTES OF THE REGULAR CITY COUNCIL MEETING
CITY OF COLLEGE STATION
APRIL 12, 2018

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

Present:

Karl Mooney, Mayor

Council:

Bob Brick
Jerome Rektorik
Linda Harvell
Barry Moore
John Nichols
James Benham

City Staff:

Chuck Gilman, Interim City Manager
Jeff Capps, Assistant City Manager
Carla Robinson, City Attorney
Tanya Smith, City Secretary
Ian Whittenton, Deputy City Secretary

Student Liaison

Tory Oxendahl, Municipal Affairs

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the College Station City Council was called to order by Mayor Mooney at 6:40 p.m. on Thursday, April 12, 2018 in the Council Chambers of the City of College Station City Hall, 1101 Texas Avenue, College Station, Texas 77840.

1. Pledge of Allegiance, Invocation, consider absence request.

Hear Visitors Comments

Abigail Fields, College Station, stated concerns regarding the restriction of so called “aggressive breeds” of dogs in rental units. Ms. Fields explained that these breeds are discriminated against based on reputation and not individual merits of the animal. She believes that an alternative to banning breeds is to allow individual dogs to be tested and certified as non-aggressive. A survey was taken and 52% of the community stated they could not have the dog they wanted because of the restriction of apartment complexes.

Nan Crouse, College Station, representing the College Station Association of Neighborhoods, stated how her fight for her neighborhood has gone unnoticed. She believes that the College Station Association of Neighborhoods allows individual efforts to be more effective and encourages those who are interested in neighborhood integrity to join.

Constance Woodman, College Station, stated her concerns about a recent news article that had declared College Station as the least affordable city to live in. Ms. Woodman feels the city is allowing rental companies to harm the young people with an impossible costs of living and predatory practices.

CONSENT AGENDA

2a. Presentation, possible action, and discussion of minutes for:

- **March 19, 2018 Special Meeting**
- **March 22, 2018 Workshop Meeting**
- **March 22, 2018 Regular Meeting**
- **April 2, 2018 Special Meeting**

2b. Presentation, possible action, and discussion on the first reading of a franchise agreement with Budget Disposal d/b/a Premier Metal Buyers, for the collection of recyclables from commercial businesses and multi-family locations.

2c. Presentation, possible action, and discussion of proposed Habitat for Humanity Down Payment Assistance Program Guidelines.

2d. Presentation, possible action, and discussion of proposed revision to Down Payment Assistance Guidelines.

2e. Presentation, possible action, and discussion on a professional services contract with Kimley-Horn and Associates, Inc., in the amount of \$232,650 for the rehabilitation of the parking lots at Brian Bachmann Park and Stephen C. Beachy Central Park.

2f. Presentation, possible action, and discussion on a Service Agreement with Emergicon, LLC to provide ambulance billing, accounts receivable and delinquent account collection services in an annual not-to-exceed amount of \$155,000.

2g. Presentation, possible action, and discussion to approve a contract with Housley Communications, Inc. to lay underground conduit for future fiber optic infrastructure, in the amount of \$98,730, as part of a joint bore with the BVCOG.

2h. Presentation, possible action, and discussion on the first reading of a franchise agreement with Pronto Services, LLC. for the collection of recyclables from commercial businesses and multi-family locations.

2i. Presentation, possible action, and discussion on a professional services contract (Contract No. 1830097) with Freese and Nichols, Inc. in the amount of \$988,500 for the design, bidding, and construction administration for the Rock Prairie Elevated Storage Tank Project and approval of Resolution No. 04-12-18-2i declaring intention to reimburse certain expenditures with proceeds from debt.

2j. Presentation, possible action, and discussion regarding the sale and removal of approximately 19,000 tons of surplus asphalt millings from city property (Contract No. 18300461) for a total of \$219,450 returned to the Roadway Maintenance fund.

2k. Presentation, possible action, and discussion regarding approval of a construction contract (no. 18300201) with Dudley Construction, LTD. in the amount of \$4,569,724.32 for the construction of the Veterans Park and Athletic Complex Build-Out, Phase 1 Project.

2l. Presentation, possible action, and discussion regarding the approval of the annexation development agreements referenced herein and authorizing the Mayor to sign said agreements on behalf of the City Council.

2m. Presentation, possible action, and discussion regarding approval of a real estate contract (Contract No. 18300475) that will authorize the purchase of property needed for the extension of General Parkway. The purchase price of the property is \$225,000 and the closing costs are estimated at \$2,500.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Moore, the City Council voted seven (7) for and none (0) opposed, to approve the Consent Agenda. The motion carried unanimously.

REGULAR AGENDA

1. Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-3997 amending Appendix A, “Unified Development Ordinance,” Section 12-4.2, “Official Zoning Map,” of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries from R Rural to SC Suburban Commercial for approximately 0.9 acres and R Rural to WRS Wellborn Restricted Suburban for approximately 34 acres of land located on FM 2154 approximately 0.4 miles from the intersection of FM 2154 and Greens Prairie Road West.

Jennifer Paz, Planning & Development, stated that this request is amending the zoning district boundaries on the subject property to rezone approximately 0.9 acres from R Rural to SC Suburban Commercial and approximately 34 acres from R Rural to WRS Wellborn Restricted Suburban. The applicant has proposed that approximately 1 acre along Wellborn Road be rezoned to SC Suburban Commercial. Independently, this portion of the property would not likely be viable for development but the adjacent property is zoned SC Suburban Commercial and in common ownership with the subject property; therefore, with consolidation of these properties, adequate property would be available for development.

The Planning & Zoning Commission unanimously recommended approval of the rezoning request at their meeting on March 15, 2018. Staff also recommended approval.

At approximately 6:56 p.m., Mayor Mooney opened the Public Hearing.

There being no further comments, the Public Hearing was closed at 6:56 p.m.

MOTION: Upon a motion made by Councilmember Moore and a second by Councilmember Rektorik, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance 2018-3997 amending Appendix A, “Unified Development Ordinance,” Section 12-4.2, “Official Zoning Map,” of the Code of Ordinances of the City of College Station, Texas, by changing the zoning district boundaries from R Rural to SC Suburban Commercial for approximately 0.9 acres and R Rural to WRS Wellborn Restricted Suburban for approximately 34 acres of land located on FM

2154 approximately 0.4 miles from the intersection of FM 2154 and Greens Prairie Road West. The motion carried unanimously.

2. Public Hearing, presentation, possible action, and discussion Ordinance No. 2018-3998 to consider a Conditional Use Permit request for a Night Club, Bar, or Tavern Use encompassing 3,000 square feet of Building 3 at The Yard at Caprock Crossing, on approximately 4 acres located at 1551 Greens Prairie Road West, generally located near the intersection of Greens Prairie Road West and State Highway 6 South Frontage Road.

Rachel Lazo, Planning & Development, stated that this request is for a Conditional Use Permit for the use of a Bar, comprising of approximately 3,000 square feet in Building 3 of a future commercial development, currently zoned GC General Commercial. The proposed use of a bar in this location requires a Conditional Use Permit to allow for a Nightclub, Tavern or Bar Use. The applicant is currently constructing a 3-building commercial development. The applicant requested that in addition to the restaurant, that the establishment be able to operate as a bar, allowing more than 75% of their annual gross revenue be derived from the sale of alcohol. The applicant has proposed that the bar operates from 2:00 pm to 2:00 am. The applicant is not proposing any additional changes to the site.

The Planning & Zoning Commission considered this item at their March 15, 2018 meeting and voted unanimously to recommend approval.

At approximately 7:01 p.m., Mayor Mooney opened the Public Hearing.

There being no further comments, the Public Hearing was closed at 7:01 p.m.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Rektorik, the City Council voted six (6) for and none (0) opposed, with Councilmember Moore abstaining, to adopt Ordinance 2018-3998 a Conditional Use Permit for a Night Club, Bar, or Tavern Use encompassing 3,000 square feet of Building 3 at The Yard at Caprock Crossing, on approximately 4 acres located at 1551 Greens Prairie Road West, generally located near the intersection of Greens Prairie Road West and State Highway 6 South Frontage Road. The motion carried unanimously.

3. Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-3999 amending Appendix A, “Unified Development Ordinance,” Section 5.3 “Non-Residential Zoning District”, Section 5.4 “Non-Residential Dimensional Standards”, Section 6.3 “Types of Uses”, Section 6.4 “Specific Use Standards”, Section 7.2 “General Provisions”, Section 7.3 “Off-Street Parking”, Section 7.7 “Buffer Requirements”, Section 7.10 “Non-Residential Architectural Standards”, Section 7.11 “Outdoor Lighting Standards”, and Section 11.2 “Defined Terms” as it relates to requirements for the SC Suburban Commercial Zoning District.

City Attorney, Carla Robinson, distributed an updated Ordinance No. 2018-3999 along with a second document with changes recommended by the Planning and Zoning Commission to the council.

Jennifer Paz, Planning & Development, stated that this item originated with the 2017 Planning & Zoning (P&Z) Commission Plan-of-Work and is intended to add flexibility to the SC Suburban

Commercial Zoning District by modifying its requirements. The most significant changes include allowing additional uses and reducing buffer and architectural requirements. A summary of the proposed changes is provided below:

- Amendments to Section 5.3 “Non-Residential Zoning District” and Section 5.4 “Non-Residential Dimensional Standards” revises the definition and setbacks for SC Suburban Commercial.
- Amendments to Section 6.3 “Types of Uses” and Section 6.4 “Specific Use Standards” includes the addition of new permitted uses and the revision of requirements for existing uses to allow more flexibility for development within SC Suburban Commercial.
- Amendments to Section 7.2 “General Provisions” removes additional height requirements for SC Suburban Commercial that are primarily related to roof pitch.
- Amendments to Section 7.3 “Off-Street Parking” provides parking requirements for the new proposed uses.
- Amendments to Section 7.7 “Buffer Requirements” reduces the buffer requirement for SC Suburban Commercial.
- Amendment to 7.10 “Non-Residential Architectural Standards” changes architectural standards by removing the requirement for pitch roofs in SC Suburban Commercial and allowing for additional architectural elements.
- Amendment to 7.11 “Outdoor Lighting Standards” provides clarification to outdoor lighting requirements.
- Amendments to Section 11.2 “Defined Terms” incorporates definitions for Residential Live-Work Unit and Assisted Living/Residential Care Facility.

The Planning & Zoning Commission approved it on April 5th. Details of their recommendation were provided by Mr. Burns.

At approximately 8:07 p.m., Mayor Mooney opened the Public Hearing.

Constance Woodman, College Station, cautioned against removing any buffer between drive-thru or gas stations and residential units because of possible health concerns from vehicle emissions.

Veronica Morgan, College Station, believes that this ordinance makes the Suburban Commercial zoning slightly more useful. She does take issue with the 15,000 square foot maximum size of hotels because she believes that size is not economically viable.

Hugh Sterns, College Station, encourages the Council to go back and paint with a finer brush not to approve now. He believes that Suburban Commercial should be restrictive and tailored to protect neighborhood integrity or create a zoning that is specifically tailored to neighborhoods. He also stated that restricting drive-throughs will reduce congestion by encouraging foot traffic.

Shirley Dupriest, College Station, called attention to the provisions of this ordinance that would allow an owner to have a tenant on top of a two-story building and an unknown business being operated on the first floor. She asked the council to consider the types of combinations that this ordinance would allow.

Fred Dupriest, College Station, stated that he believes that this change would put real estate zoned Suburban Commercial on the same plane as those zoned General Commercial. He does not believe that these changes would serve neighborhoods which are adjacent to this zoning district.

There being no further comments, the Public Hearing was closed at 8:19 p.m.

MOTION: Upon a motion made by Councilmember Benham and seconded by Councilmember Moore to adopt P&Z proposed recommended Ordinance 2018-3999 amending Appendix A, “Unified Development Ordinance,” Section 5.3 “Non-Residential Zoning District”, Section 5.4 “Non-Residential Dimensional Standards”, Section 6.3 “Types of Uses”, Section 6.4 “Specific Use Standards”, Section 7.2 “General Provisions”, Section 7.3 “Off-Street Parking”, Section 7.7 “Buffer Requirements”, Section 7.10 “Non-Residential Architectural Standards”, Section 7.11 “Outdoor Lighting Standards”, and Section 11.2 “Defined Terms” as it relates to requirements for the SC Suburban Commercial Zoning District, and with additional changes made by Legal.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Brick, the City Council voted four (4) for and three (3) opposed, with Councilmembers Benham, Moore, and Rektorik voting against, to amend the main motion and remove the section on Fuel Sale uses. The motion carried.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Moore, the City Council voted seven (7) for and none (0) opposed, to adopt P&Z proposed recommended Ordinance 2018-3999 amending Appendix A, “Unified Development Ordinance,” Section 5.3 “Non-Residential Zoning District”, Section 5.4 “Non-Residential Dimensional Standards”, Section 6.3 “Types of Uses”, Section 6.4 “Specific Use Standards”, Section 7.2 “General Provisions”, Section 7.3 “Off-Street Parking”, Section 7.7 “Buffer Requirements”, Section 7.10 “Non-Residential Architectural Standards”, Section 7.11 “Outdoor Lighting Standards”, and Section 11.2 “Defined Terms” as it relates to requirements for the SC Suburban Commercial Zoning District, and with additional changes made by Legal, as amended. The motion carried unanimously.

At 8:40 p.m., Mayor Mooney recessed the Regular.

Regular reconvened at 8:49 p.m.

4. Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-4000 amending Appendix A, "Unified Development Ordinance," Article 4, "Zoning Districts," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by removing the KO Krenek Tap Overlay zoning district from all properties affected in the City of College Station, which are those located within 750 feet of Krenek Tap Road.

Regular agenda items 4 & 5 were presented together.

Molly Hitchcock, Planning & Development Assistant Director, stated that this item originated with the 2017 Planning & Zoning Commission’s Plan of Work item to help streamline the Unified Development Ordinance (UDO) and development processes. The request is to remove an overlay zoning district. There is no proposal for a new zoning district. The proposed rezoning removes property from the regulations of the Krenek Tap Overlay zoning district, and this rezoning accompanies an amendment to the UDO to delete the KO zoning district. The Krenek Tap Overlay zoning district was adopted in 2004 to enhance the views along Krenek Tap Road and create a sense of identity for the City, not only along the municipal property but along Krenek Tap Road itself. At the time, the City was pursuing the City Centre Concept for the development of the

municipal property. The overlay changed the development standards for all properties along Krenek Tap (including single-family) by requiring parking to be located behind structures and placing limitations on façade and fence materials and roof and signage options. The overlay is applied to all property from the Krenek Tap right-of-way and back 750 feet (approximately 171 acres).

The Planning and Zoning Commission unanimously recommended approval of the removal of the KO Krenek Tap Overlay at their meeting on March 15, 2108.

At approximately 8:53 p.m., Mayor Mooney opened the Public Hearing.

There being no further comments, the Public Hearing was closed at 8:53 p.m.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Moore, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance 2018-4000 amending Appendix A, "Unified Development Ordinance," Article 4, "Zoning Districts," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by removing the KO Krenek Tap Overlay zoning district from all properties affected in the City of College Station, which are those located within 750 feet of Krenek Tap Road. The motion carried unanimously.

5. Public Hearing, presentation, possible action, and discussion regarding Ordinance No. 2018-4001 amending Appendix A, "Unified Development Ordinance," Section 1.10 "Transitional Provisions," Section 2.5 "Design Review Board," Section 4.1 "Zoning Map Amendment," Section 5.10 "Overlay Districts," and Section 7.5 "Signs" of the Code of Ordinances of the City of College Station, Texas, to remove the Krenek Tap Overlay zoning district.

Regular agenda items 4 & 5 were presented together.

The Planning & Zoning Commission unanimously recommended to approve this item at their regular meeting on March 15, 2018.

At approximately 8:54 p.m., Mayor Mooney opened the Public Hearing.

There being no further comments, the Public Hearing was closed at 8:54 p.m.

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Moore, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance 2018-4001 amending Appendix A, "Unified Development Ordinance," Section 1.10 "Transitional Provisions," Section 2.5 "Design Review Board," Section 4.1 "Zoning Map Amendment," Section 5.10 "Overlay Districts," and Section 7.5 "Signs" of the Code of Ordinances of the City of College Station, Texas, to remove the Krenek Tap Overlay zoning district. The motion carried unanimously.

6. Presentation, possible action, and discussion on future agenda items and review of standing list of Council generated agenda items: A Council Member may inquire about a subject for which notice has not been given. A statement of specific factual information or

the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

Councilmember Harvell requested a future item from the Fire Department on vehicles, staffing, and personal safety equipment for Fire Fighters.

Councilmember Harvell requested a future item from the Police Department on vehicles, equipment, and staffing levels.

7. Adjournment.

There being no further business, Mayor Mooney adjourned the Regular Meeting of the City Council at 9:00 p.m. on Thursday, April 12, 2018.

Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

Legislation Details (With Text)

File #:	18-0259	Version:	1	Name:	Agreement with the Brazos Valley Umpires Association For Officiating Services for City Athletic Leagues and Programs Contract #18300369
Type:	Contract	Status:			Consent Agenda
File created:	4/6/2018	In control:			City Council Regular
On agenda:	4/26/2018	Final action:			
Title:	Presentation, possible action, and discussion regarding the Agreement for Services with the Brazos Valley Softball Umpires Association to provide officiating services for City athletic leagues, programs and tournaments (Contract Number 18300369) in an amount not to exceed \$125,000 per year.				
Sponsors:	Kelly Kelbly				
Indexes:					
Code sections:					
Attachments:					
Date	Ver.	Action By	Action		Result

Presentation, possible action, and discussion regarding the Agreement for Services with the Brazos Valley Softball Umpires Association to provide officiating services for City athletic leagues, programs and tournaments (Contract Number 18300369) in an amount not to exceed \$125,000 per year.

Relationship to Strategic Goals:

1. Financially Sustainable City
2. Core Services and Infrastructure
3. Sustainable City

Recommendation(s): Staff recommends approving the Agreement for Services with the Brazos Valley Softball Umpires Association.

Summary: This Contract Number 18300369 is for a period of one (1) year (26 March 2018 - 26 March 2019).

The contract is for the provision of all officiating services for all City-operated athletic leagues and programs, including Adult and Youth Softball, Adult and Youth Flag Football, Adult and Youth Volleyball, Youth Basketball, and Adult Kickball, as well as tournament play. This blanket contract sets rates for these sports that can cover league play and tournaments, if held.

Payment for umpire services is made to the Association, prior to each season based on the scheduled games, who then pays the individual umpires for actual games called. A "true up" is calculated at the end of each season to verify actual games called with the Association and the Parks and Recreation Department. Tournaments are handled individually in the same manner.

This Agreement for Services is exempt from competitive bidding in accordance with LGC 252.022(a) (7), a procurement that is available from only one source.

Budget & Financial Summary: This contract is not to exceed \$125,000.00. Funds are budgeted through the Parks and Recreation Departments General Fund, Recreation Fund and Hotel Occupancy Tax budgets.

Attachment: Contract on file



Legislation Details (With Text)

File #:	18-0261	Version:	1	Name:	Facility Corrective Maintenance Contract
Type:	Contract	Status:		Status:	Consent Agenda
File created:	4/8/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion on approving job order construction contract #18300449 for various facilities corrective maintenance services from Jamail & Smith Construction, LP in the amount of \$346,260.81. Contract pricing is available from Jamail & Smith Construction, LP through Buy Board contract #464-14.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on approving job order construction contract #18300449 for various facilities corrective maintenance services from Jamail & Smith Construction, LP in the amount of \$346,260.81. Contract pricing is available from Jamail & Smith Construction, LP through Buy Board contract #464-14.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of job order construction contract #18300449 for various facilities corrective maintenance services from Jamail & Smith Construction, LP in the amount of \$346,260.81.

Summary: In August of 2013, Faithful+Gould, Inc. conducted a site visit at the City of College Station to complete a comprehensive facilities condition assessment of 36 building and site systems. This corrective maintenance job order contract addresses recommendations in the condition assessment for fiscal year 2018. The projects included in this contract are repairs and painting of the Utility Service Center, Fire Station No. 1 interior repairs and painting, and repairs and painting of the Wolf Pen Creek Park Amphitheater. The Texas Comptroller of Public Accounts (CPA) has established use of Buy Board contracts as an alternative purchasing method available to governmental agencies and members of the CPA co-operative purchasing network.

Budget & Financial Summary: Funds are available in the Facility Maintenance budget for the corrective maintenance projects for painting at the listed facilities in the amount of \$346,260.81

Attachments:

1. Contract on file in the City Secretary's office

Legislation Details (With Text)

File #:	18-0262	Version:	1	Name:	River Bend Elementary Interlocal Agreement
Type:	Agreement	Status:		Status:	Consent Agenda
File created:	4/8/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion on an Interlocal Agreement between the City of College Station and College Station Independent School District for the cost participation by College Station Independent School District in the City's Holleman Drive South Widening Project. CSISD will be reimbursing the City for actual costs of the deceleration lane, traffic signal improvements, and necessary utility relocations up to \$395,500 for improvements related to the new River Bend Elementary School.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	signed by CSISD Holleman ILA				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on an Interlocal Agreement between the City of College Station and College Station Independent School District for the cost participation by College Station Independent School District in the City's Holleman Drive South Widening Project. CSISD will be reimbursing the City for actual costs of the deceleration lane, traffic signal improvements, and necessary utility relocations up to \$395,500 for improvements related to the new River Bend Elementary School.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

Recommendation(s): Staff recommends approval of the agreement.

Summary: The Holleman Drive South Widening Project (Project) will reconstruct Holleman from North Dowling to Rock Prairie West, approximately 8,300 linear feet. The improvements will include replacement of the existing two-lane asphalt pavement with a four-lane concrete section plus a median/center turn lane, curb, gutter and underground storm sewer, a sidewalk along west side and multi-use path along the east side.

Due to the traffic impact of River Bend Elementary, currently under construction, the following items were added to the scope of the Project: a traffic signal at the school's driveway on Holleman Drive, additional pavement for a right-turn deceleration lane into the school, and the associated utility relocations. CSISD will be participating in the Project for the cost of these improvements.

Budget & Financial Summary: Budget in the amount of \$10,680,000 is included for this project in the

Streets Capital Improvement Projects Fund. CSISD will be reimbursing the City for actual costs of the deceleration lane, traffic signal improvements, and necessary utility relocations up to \$395,500.

Attachments:

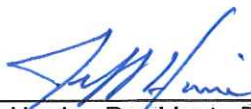
1. Agreement

RESOLUTION

- A. WHEREAS, Chapter 791 of the TEXAS GOVERNMENT CODE, also known as the INTERLOCAL COOPERATION ACT, authorizes all local government entities to contract with each other to provide a governmental function or service that each party to the contract is authorized to perform individually and in which the contracting parties are mutually interested; and
- B. WHEREAS, College Station Independent School District ("CSISD"), and the City of College Station ("City") are local government entities, each acting by and through their duly authorized agents (collectively, the "Parties"); and
- C. WHEREAS, CSISD, pursuant to the authority granted under Chapter 791 of the Texas Government Code, desires to enter the Interlocal Agreement attached hereto as Exhibit A ("ILA"), for the purpose of participating with the City in certain infrastructure development associated with the development of River Bend Elementary School; and
- D. WHEREAS, CSISD agrees that the ILA will mutually benefit each Party and will further each Party's governmental purpose; and
- E. WHEREAS, the Board desires to authorize the execution of the ILA by CSISD, and to authorize the Board President, the Superintendent or their appointed designees, to do any and all things necessary to carry out the terms of the ILA, and take all other action contemplated thereby.

NOW, THEREFORE, on motion made and seconded, it is hereby resolved that:

- 1. The terms and conditions of the ILA, and any other documents necessary to effectuate the ILA, are found to be acceptable and in the best interest of CSISD and its citizens, and are hereby in all things approved.
- 2. The Board further resolves that the ILA as approved by this resolution is in conformity with the Texas Government Code.
- 3. The Board further authorizes the Board President to execute the ILA on behalf of CSISD, and further authorizes the Board President, the Superintendent or their appointed designees, to do any and all things necessary to carry out the terms of the ILA, and take all other action contemplated thereby.



Jeff Harris, President, Board of Trustees of the
College Station Independent School District

Date: 3.20.18

EXHIBIT A

Interlocal Agreement with the City of College Station, Texas
concerning River Bend Elementary School

[attached]

INTERLOCAL AGREEMENT
Between the
COLLEGE STATION INDEPENDENT SCHOOL DISTRICT and the CITY OF
COLLEGE STATION

This Agreement is entered into this _____ day of _____, 2018, by and between the **City of College Station**, a Texas home rule municipal corporation (hereinafter "CITY"), and the **College Station Independent School District**, a Texas political subdivision (hereinafter "DISTRICT").

WHEREAS, DISTRICT is developing property within the City of College Station, more particularly described as River Bend Elementary School in College Station, Brazos County, Texas (hereinafter "Property") a description of which is attached hereto as **Exhibit A** ; and

WHEREAS, DISTRICT is required and/or desires to construct certain public infrastructure, such as roadways, sidewalks, drainage facilities, deceleration lanes, etc. related to DISTRICT'S proposed development of the Property as an elementary school; and

WHEREAS, CITY is willing and desirous to participate in the construction of certain infrastructure affecting DISTRICT'S development including those public improvements desired or required by DISTRICT to develop its Property; and

WHEREAS, Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, authorizes the CITY and the DISTRICT to enter into this Agreement; and

WHEREAS, because of all of the above and in order to comply with CITY's overall development requirements in an efficient and cooperative manner, both DISTRICT and CITY agree that it is in the best interests of the public for CITY to construct certain identified public infrastructure and to have the DISTRICT participate in said improvements monetarily in a manner as set forth herein; and

WHEREAS, the CITY has reviewed the data, reports and analysis, including that provided by DISTRICT'S engineers, and determined that such public improvements qualify for joint CITY-DISTRICT participation; and

WHEREAS, both parties agree as to the nature and proportion of joint participation as further recited herein and as may be required in accordance with section 212.071 et seq, and Chapter 252 of the Texas Local Government Code as well as other applicable law; now therefore

For and in consideration of the recitations above and the promises and covenants herein expressed, the parties hereby agree as follows:

I.

DEFINITIONS

1.1 Approved Plans means the plans and specifications that meet the requirements of this Agreement, the City of College Station Codes and Ordinances and any other applicable laws and that have been submitted to, reviewed and approved by the City of College Station relating to the Project, and have been submitted to, reviewed and approved by the District relating to the Project.

1.2 CITY or College Station means the City of College Station, a Texas home rule municipal corporation whose principal office is located at 1101 Texas Avenue, College Station, Texas 77840.

1.3 DISTRICT means the **College Station Independent School District**, a Texas political subdivision whose principal office is located at 1812 Welsh, College Station, Texas 77840.

1.4 Effective Date. The date on which this Agreement is approved by the last party shall be the date this Agreement goes into effect.

1.5 Final Completion. The term "Final Completion" means that all the work on the Project has been completed, all final punch list items have been inspected and satisfactorily completed, all payments to materialmen and subcontractors have been made, all documentation, and all closeout documents have been executed and approved as required, all Letters of Completion and other CITY documentation have been issued for the Project, all reports have been submitted and all reporting requirements have been met.

1.6 Property means that one certain tract of land generally located northwest of the intersection of Holleman Drive South and Rock Prairie Road West and as further described in **Exhibit A** attached hereto and incorporated herein and made a part hereof.

1.7 Project means the construction of a portion of Holleman Drive South and related improvements, including but not limited to; pavement, pavement markings, signage, signalization, drainage structures, sidewalks, and lighting along Holleman Drive South as detailed in **Exhibit B** attached hereto and incorporated herein by reference.

II.

DISTRICT COST PARTICIPATION

2.1 Agree to Participate. The CITY has budgeted Eleven Million Nine Hundred Five Thousand Dollars (\$11,905,000.00) for the Project in order to address traffic congestion and improve mobility in the area. The CITY will design and construct the project. The DISTRICT agrees to participate financially in the Project for the actual cost of the items detailed as the responsibility of the DISTRICT in **Exhibit C** up to the maximum amount of Three Hundred Ninety Five Thousand Five Hundred Dollars and No Cents (\$395,500.00) as set forth herein. In compliance with Section 791.011(d)(3) of the Texas Government Code, the District's payments hereunder shall be made from current revenues available to the District.

2.2 Public Bidding. The Project must be competitively bid pursuant to Chapter 252 Texas Local Government Code, as amended and other applicable law.

2.3 Cost of Project. The CITY'S engineer's detailed cost estimate of the Project is attached hereto and incorporated herein as **Exhibit C**.

2.4 Application for Payment. The CITY will make application to the DISTRICT for payment to the CITY at the following Project milestones:

- (1) Upon award of the construction contract for the Project, the CITY will request one-half of the total payment from the DISTRICT for the actual cost of the items detailed as the responsibility of the DISTRICT as set forth in **Exhibit C**.
- (2) Upon Final Completion of the construction contract for the Project, the CITY will request one-half of the total payment from the DISTRICT for the actual cost of the items detailed as the responsibility of the DISTRICT as set forth in **Exhibit C**.

2.5 Time of Payment. Upon completion of each milestone recited above, CITY shall send a written invoice to DISTRICT. DISTRICT agrees that it will pay same within 30 days of receipt.

III. GOVERNMENTAL IMMUNITY AND RELEASE

DISTRICT and CITY are both political subdivisions of the state of Texas and enjoy governmental immunity. By entering into this Agreement, neither DISTRICT nor CITY consents to suit, the waiver of their respective governmental immunity or the waiver of limitation as to damages under the Texas Tort Claims Act.

The CITY and DISTRICT each individually agree to hold the other harmless from and against any and all claims, losses, damages, causes of action, suits, and liabilities of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury or death of any person, for damage to any property, arising out of or in connection with the obligations pursuant to this Agreement.

IV. PROJECT AND CONSTRUCTION

4.1 Right to Inspect the Work. DISTRICT may inspect construction of the Project for compliance with the approved plans during construction. CITY will assign a

construction inspector to the Project who will be responsible for ensuring the work and materials furnished are in compliance with the Approved Plans.

4.2 Requirements of Applicable rules remain. This Agreement does not alter, amend modify or replace any other requirements contained in the Code of Ordinances, Unified Development Code, or other applicable law.

V.

GUARANTEE OF PERFORMANCE AND PAYMENT

5.1 Bonding Requirements of City. CITY shall ensure that the prime contractor of the Project execute to the CITY a performance bond and/or a payment bond as required pursuant to chapter 2253 Texas Government Code.

VI.

GENERAL PROVISIONS

6.1 Amendments. No amendment to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of both parties.

6.2 Choice of law and Venue. This Agreement has been made under and shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

6.3 Authority to enter into Agreement. Each party represents that it has the full power and authority to enter into and perform this Agreement. The person executing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The person executing this Agreement on behalf of DISTRICT represents that he or she is authorized to sign on behalf of DISTRICT and agrees to provide proof of such authorization to the CITY upon request.

6.4 Agreement read. The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

6.5 Notice. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or confirmed by mailing written confirmation at substantially the same time as such electronic or personally delivered to an officer of the receiving party at the following addresses:

DISTRICT:

Superintendent
Dr. Clark Ealy
College Station ISD
1812 Welsh Street
College Station, Texas 77840

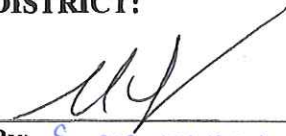
CITY:

City Manager
Kelly Templin
City of College Station
P. O. Box 9960
College Station, TX 77842

List of Exhibits:

- A A description of the Property
- B A description of the Project
- C Engineer's estimate of the costs of the Project

DISTRICT:


By: SUPERINTENDENT
Date: 3-20-18

CITY:

By: _____
Mayor
Date: _____

ATTEST:

City Secretary

Date: _____

APPROVED:

City Manager

Date: _____

City Attorney

Date: _____

Chief Financial Officer

Date: _____

Exhibit A

Exhibit B

Holleman South Widening Project
Location Map



Holleman Dr. S

Rock Prairie Rd W

Dowling Rd

Dowling Rd

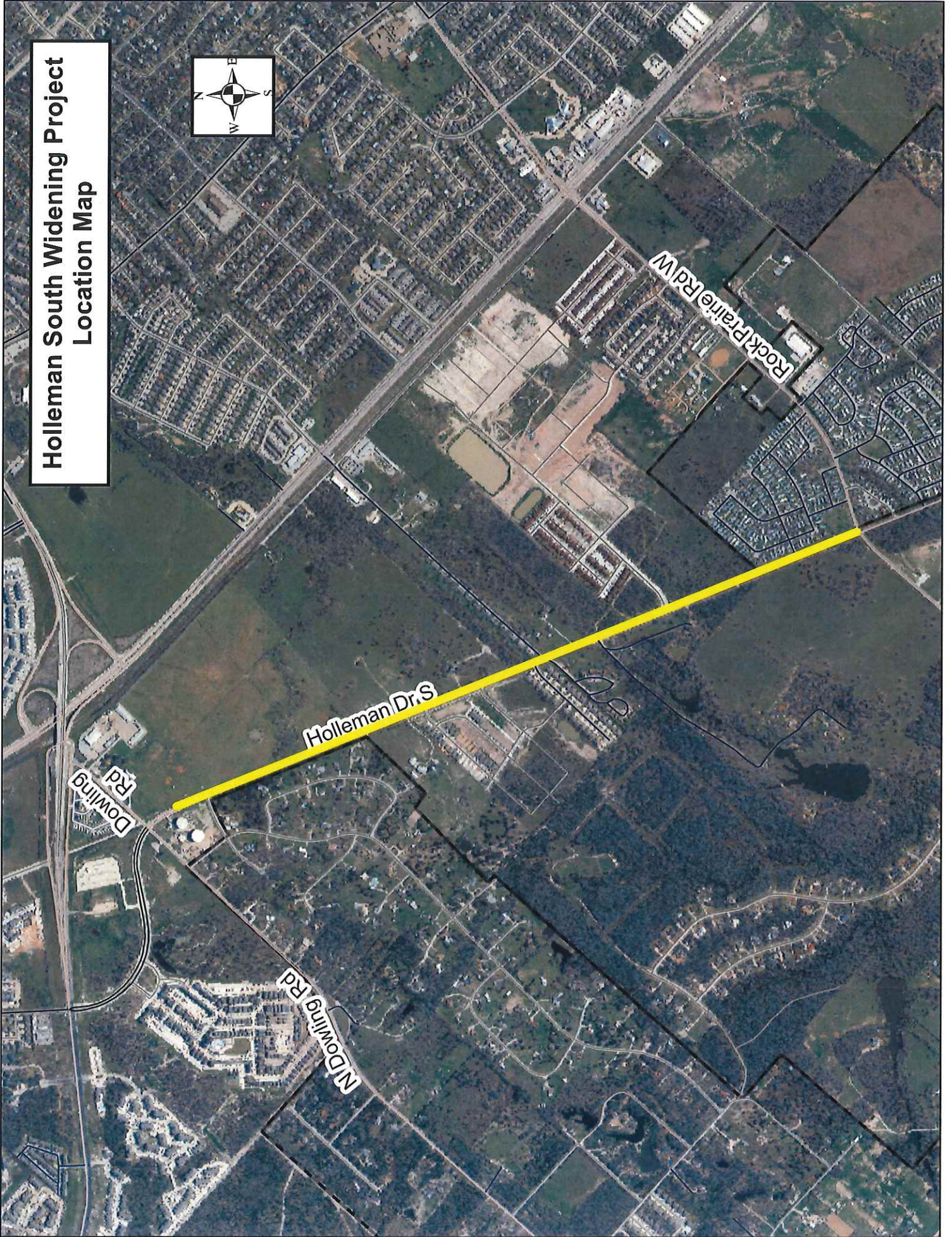


Exhibit C

CSISD Portion
HOLLEMAN DRIVE SOUTH REHABILITATION
100% OPINION OF PROBABLE CONSTRUCTION COSTS

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Item Cost</u>
Roadway, Earthwork & Pavement			
10" Continuously Reinforced Concrete Pavements (CRCP) on Holleman	489 SY	\$53.00	\$25,920.00
8" Chemically Treated and Stabilized Subgrade	881 SY	\$7.50	\$6,610.00
10" Concrete Intersections	282 SY	\$62.00	\$17,490.00
6' ADA Ramps	4 EA	\$650.00	\$2,600.00
		Sub Total	\$52,620.00
Water			
Remove or Grout exist 12" line	639 LF	\$10.00	\$6,390.00
Remove Trees	1 LS	\$2,500.00	\$2,500.00
12" PVC DR14 C-900 Pipe by open cut, w/non-structural backfill	574 EA	\$40.00	\$22,960.00
12" PVC DR14 C-900 Pipe with restrained joints, by open cut w/structural backfill	65 LF	\$76.00	\$4,940.00
12" Gate Valve	4 EA	\$2,150.00	\$8,600.00
4" Blow Off Assembly	1 EA	\$2,200.00	\$2,200.00
20" Steel casing by open cut with spacers and neoprene seal	59 LF	\$170.00	\$10,030.00
Temporary & Permanent Seeding and Sodding	830 SY	\$3.50	\$2,910.00
		Sub Total	\$60,530.00
Signing, Striping & TCP			
TCP	12 MO	\$700.00	\$8,400.00
Signing and Striping	1 LS	\$4,250.00	\$4,250.00
Sign assemblies	22 EA	\$396.00	\$8,720.00
Basic Solar Powered School Flashers	4 EA	\$9,200.00	\$36,800.00
		Sub Total	\$58,170.00
Signalization			
Signalization at School Entrance	1 EA	\$161,580.00	\$161,580.00
		Sub Total	\$161,580.00
Mobilization			
Mobilization - 8%	1 LS		\$26,640.00
Subtotal			\$359,540.00
Contingency - 10%	10 %		\$35,960.00
Grand Total Base Bid			\$395,500.00

Legislation Details (With Text)

File #:	18-0263	Version:	1	Name:	Northeast Sanitary Sewer Trunk Line Phase 2 Design Contract
Type:	Contract	Status:			Consent Agenda
File created:	4/8/2018	In control:			City Council Regular
On agenda:	4/26/2018	Final action:			
Title:	Presentation, possible action, and discussion regarding approval of a professional services contract (Contract No. 18300430) with Kimley-Horn and Associates, Inc. in the amount of \$312,000 for the design and construction phase services for the Northeast Sanitary Sewer Trunk Line Phase 2 Project and a Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds From Debt.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	Project Location Map NE Sewer Trunkline Phase 2 - DRR Resolution for debt .pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding approval of a professional services contract (Contract No. 18300430) with Kimley-Horn and Associates, Inc. in the amount of \$312,000 for the design and construction phase services for the Northeast Sanitary Sewer Trunk Line Phase 2 Project and a Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds From Debt.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of the professional services contract and recommends approval of the resolution declaring intention to reimburse certain expenditures with proceeds from debt.

Summary: The scope of this contract includes surveying, sanitary sewer design, geotechnical and subsurface utility engineering investigation services, bid phase services, construction phase services, and construction materials testing. The Northeast Sanitary Sewer - Phase 2 Trunk Line Project involves the design of approximately 4,500 linear feet of 48-inch sanitary sewer line on city property and within easements on private property located on the east side of State Highway 6 and the Raintree Subdivision. The scope of the project extends from the north end of Carter's Creek Wastewater Treatment Plant (CCWWTP) along the existing sanitary sewer alignment to the downstream end of the recently completed Northeast SS Trunk Line - Phase 1 due east of Raintree Park. The purpose of this replacement is to increase capacity while also relocating the proposed line further away from the wandering and erosive Carter's Creek.

Budget & Financial Summary: The project and a budget of \$2,840,000 are included in the FY18

Wastewater Capital Improvement Projects (CIP) Fund. The "Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt" is necessary for this item because a portion of the long term debt has not been issued for the project. The balance of the debt needed for the project is scheduled to be issued later this fiscal year and future year(s).

Attachments:

- 1.) Contract - On file in the City Secretary's Office
- 2.) Project Location Map
- 3.) Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt

Project Location Map

Northeast Sewer Trunk Line

Phase 2

Legend

Project Location

Standard

Drop

Junction Box

Gravity

Streets

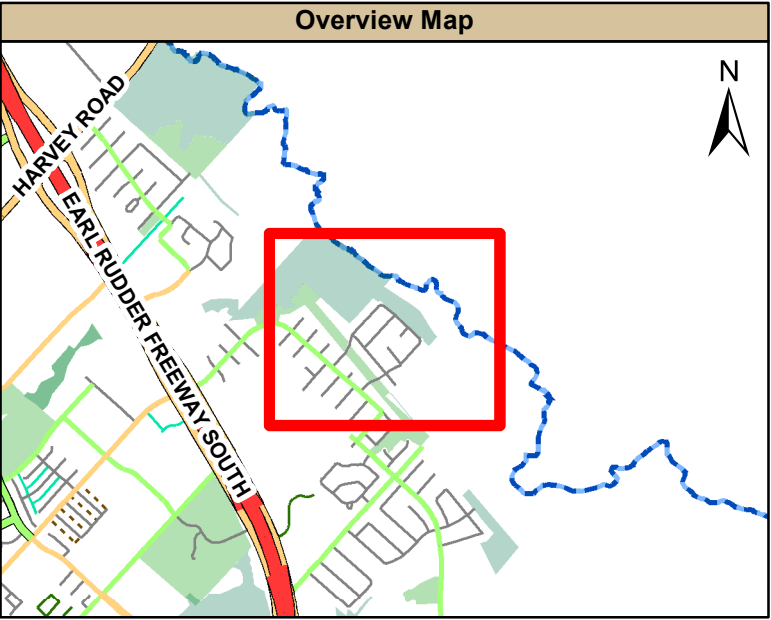
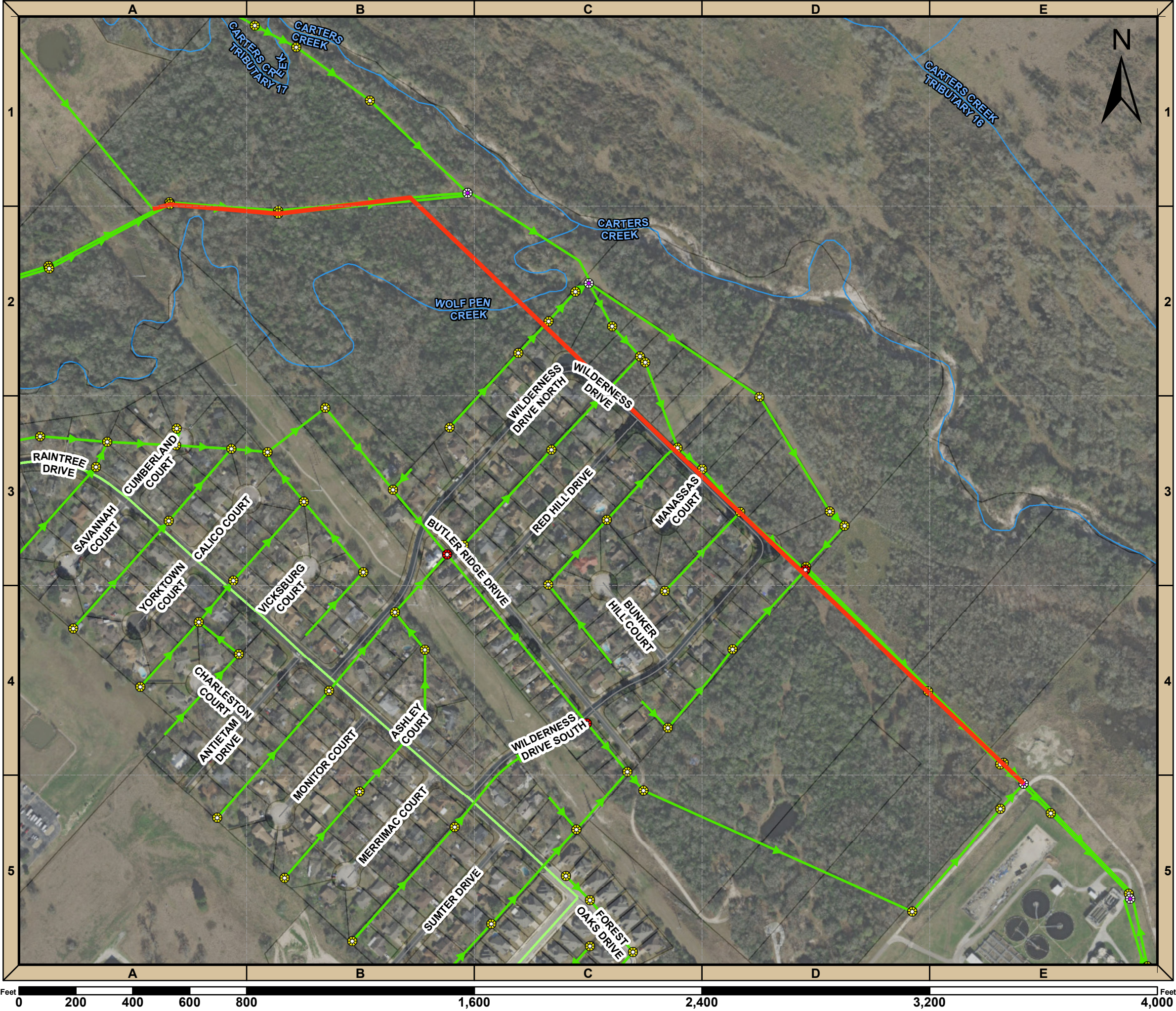
Functional Classification

MINOR COLLECTOR

LOCAL STREET

Property Parcels

Rivers



DISCLAIMER: 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. No warranty is made by the City of College Station regarding specific accuracy or completeness.

RESOLUTION NO. _____

RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES WITH
PROCEEDS FROM DEBT

WHEREAS, the City of College Station, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (collectively, the "Project") prior to the issuance of obligations by the City in connection with the financing of the Project from available funds;

WHEREAS, the City finds, considers, and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project;

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS THAT:

Section 1. The City reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$3,000,000, for the purpose of paying the aggregate costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Statement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Statement more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED AND APPROVED THIS 26th DAY OF April, 2018.

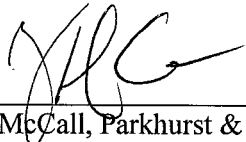
Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

(Seal)

APPROVED:



McCall, Parkhurst & Horton L.L.P.
Bond Counsel

Exhibit "A"

The projects to be financed that are the subject of this Statement are:

Northeast Sanitary Sewer Trunk Line Phase 2

The project is for the Northeast Sanitary Sewer - Phase 2 Trunk Line Project. This project involves the design and construction of approximately 4,500 linear feet of 48-inch sanitary sewer line on city property and within easements on private property located on the east side of State Highway 6 and the Raintree Subdivision. The scope of the project extends from the north end of Carter's Creek Wastewater Treatment Plant (CCWWTP) along the existing sanitary sewer alignment to the downstream end of the recently completed Northeast Sanitary Sewer Trunk Line - Phase 1 due east of Raintree Park. The purpose of this replacement is to increase capacity while also relocating the proposed line further away from the wandering and erosive Carter's Creek.

RESOLUTION NO. _____

RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES WITH
PROCEEDS FROM DEBT

WHEREAS, the City of College Station, Texas (the "City") is a home-rule municipality and political subdivision of the State of Texas;

WHEREAS, the City expects to pay expenditures in connection with the design, planning, acquisition and construction of the projects described on Exhibit "A" hereto (collectively, the "Project") prior to the issuance of obligations by the City in connection with the financing of the Project from available funds;

WHEREAS, the City finds, considers, and declares that the reimbursement of the City for the payment of such expenditures will be appropriate and consistent with the lawful objectives of the City and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project;

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS THAT:

Section 1. The City reasonably expects it will incur debt, as one or more series of obligations, with an aggregate maximum principal amount not to exceed \$3,000,000, for the purpose of paying the aggregate costs of the Project.

Section 2. All costs to be reimbursed pursuant hereto will be capital expenditures. No tax-exempt obligations will be issued by the City in furtherance of this Statement after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service.

Section 3. The foregoing notwithstanding, no tax-exempt obligation will be issued pursuant to this Statement more than three years after the date any expenditure which is to be reimbursed is paid.

PASSED AND APPROVED THIS 26th DAY OF April, 2018.

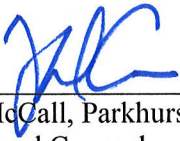
Karl Mooney, Mayor

ATTEST:

Tanya Smith, City Secretary

(Seal)

APPROVED:

A handwritten signature in blue ink, appearing to be 'JHC', is written over a horizontal line.

McCall, Parkhurst & Horton L.L.P.
Bond Counsel

Exhibit "A"

The projects to be financed that are the subject of this Statement are:

Northeast Sanitary Sewer Trunk Line Phase 2

The project is for the Northeast Sanitary Sewer - Phase 2 Trunk Line Project. This project involves the design and construction of approximately 4,500 linear feet of 48-inch sanitary sewer line on city property and within easements on private property located on the east side of State Highway 6 and the Raintree Subdivision. The scope of the project extends from the north end of Carter's Creek Wastewater Treatment Plant (CCWWTP) along the existing sanitary sewer alignment to the downstream end of the recently completed Northeast Sanitary Sewer Trunk Line - Phase 1 due east of Raintree Park. The purpose of this replacement is to increase capacity while also relocating the proposed line further away from the wandering and erosive Carter's Creek.

Legislation Details (With Text)

File #:	18-0264	Version:	1	Name:	Traffic Control Center Backup Generator
Type:	Contract	Status:		Status:	Consent Agenda
File created:	4/8/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion regarding approval of the construction contract (18300375) with C. F. McDonald Electric, Inc in the amount of \$171,469 for the Municipal Court/Traffic Control Center Backup Generator Project.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	Project Map Tabulation				

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Presentation, possible action, and discussion regarding approval of the construction contract (18300375) with C. F. McDonald Electric, Inc in the amount of \$171,469 for the Municipal Court/Traffic Control Center Backup Generator Project.

Relationship to Strategic Goals:

- Core Services and Infrastructure
- Improving Mobility

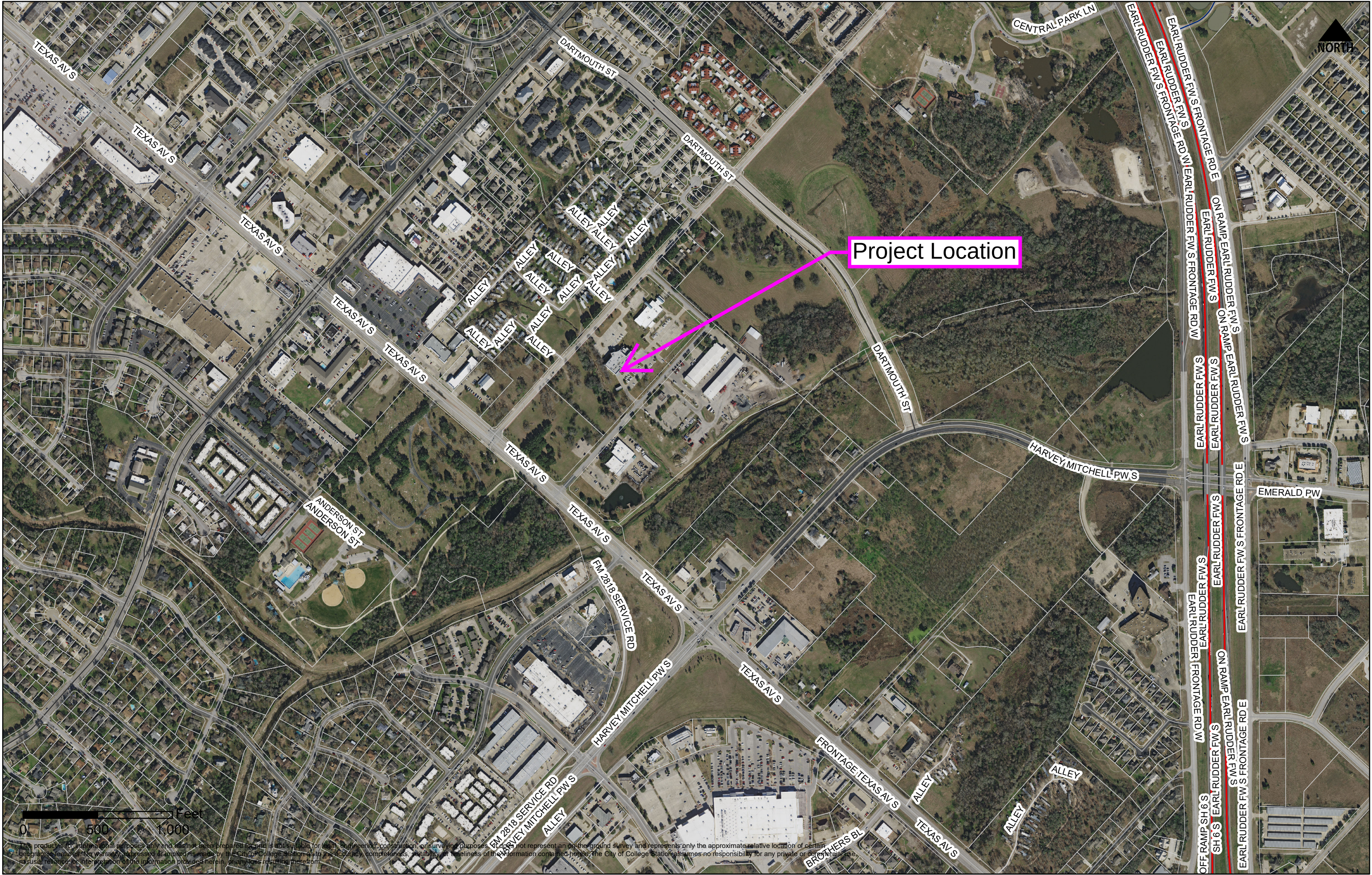
Recommendation(s): Staff recommends approval of the construction contract with C. F. McDonald Electric, Inc.

Summary: This project includes the installation of a generator that will back up the traffic control center and traffic video servers at the Municipal Court Building. Due to the complexity and high cost of breaking out just the traffic control center it was determined that the building would be backed up at the main power source.

Budget & Financial Summary: Budget in the amount of \$218,000 is included for this purchase as part of the Intelligent Transportation System (ITS) implementation project. Design and construction costs will be reimbursed by the Texas Transportation Institute once construction is completed.

Attachments:

1. Contract on file in the City Secretary's Office
2. Bid Tabulation
3. Project Map



Project Location

0 500 1,000 Feet

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City of College Station - Purchasing Division
Bid Tabulation for #18-063
"Municipal Court Building Backup Generator"
Open Date: Thursday, March 16, 2018 @ 2:00 p.m.

Group A
Unit Price Schedule For
Municipal Courts Building
Emergency Backup Generator

					C.F. McDonald Electric, Inc.		Britt Rice Electric, L.P.		Generator Power Systems/Fish Electric	
Item No.	Unit No.	Description	Unit	Estimate Quantity	Unit Price Total	Extended Price Total	Unit Price Total	Extended Price Total	Unit Price Total	Extended Price Total
A-1	UMOB	Mobilization, Insurance, Bonds and Move-In Related Expenses not to exceed 10% of Total Bid. See Section 01 07 13 Of The B/CS Unified Specifications For Unit Description	LS	1	\$16,000.00	\$16,000.00	\$17,021.00	\$17,021.00		
A-2	UM50-P-4D	Furnish and install 5-4" schedule 40 PVC conduits including excavation, sand backfill, warning tape and natural fill, as shown on Drawings MEI-12998-02 and MEI-12998-03. Excavation, backfill and compaction to be in accordance to the B/CS Unified Specifications Section 31 23 33. To include all materials, labor and equipment to complete the work	LF	40	\$25.00	\$1,000.00	\$117.00	\$4,680.00		
A-3	UM50-P-4" 90	Furnish and install 4" schedule 40 PVC 90 degree bend with 4' radius, including excavation, sand backfill, warning tape and natural fill, as shown on Drawings MEI-12998-02 and MEI-12998-03. Excavation, backfill and compaction to be in accordance to the B/CS Unified Specifications Section 31 23 33. To include all materials, labor and equipment to complete the work.	EA	30	\$100.00	\$3,000.00	\$88.00	\$2,640.00		
A-4	UD 600 MCM Cu 600V	Furnish and install four (4) 600 MCM Cu 600V each in 1-4" PVC conduit. See 600 Volt Cable Installation on Page 32 of Specifications. To include all materials, labor and equipment to complete the work.	LF	315	\$30.00	\$9,450.00	\$72.00	\$22,680.00		
A-5	175 kW Gen Set	Furnish and install (1) one three-phase, 480Y/277 Volt, 175 kW Generator. See Generator Installation on Page 8 of Specifications. To include all materials, labor and equipment to complete the work.	EA	1	\$95,483.00	\$95,483.00	\$81,273.00	\$81,273.00		
A-6	1600 Amp ATS	Furnish and install (1) one three-phase 480Y/277 Volt, 1600 Amp Automatic Transfer Switch. See Automatic Transfer Switch installation on Page 33 of Specifications. ASCO Catalog No. G3AUSA31600NGXM-11BE-44G or equal. To include all materials, labor and equipment to complete the work.	EA	1	\$20,000.00	\$20,000.00	\$23,222.00	\$23,222.00		
A-7	Backup Generator Pad	Furnish and install (1) one concrete pad for generator as shown in detail on Drawing MEI-12998-05. To include all materials, labor and equipment to complete the work.	EA	1	\$18,000.00	\$18,000.00	\$10,054.00	\$10,054.00		
A-8	ATS Pad	Furnish and install (1) one concrete pad for Automatic Transfer Switch as shown in detail on Drawing MEI-12998-06. To include all materials, labor and equipment to complete the work.	EA	1	\$2,500.00	\$2,500.00	\$4,486.00	\$4,486.00		
A-9	River Rock In Fill	Furnish and install a river rock in fill area as shown in detail on Drawing MEI-12998-07. To include all materials, labor and equipment to complete the work.	Sq FT	634	\$2.00	\$1,268.00	\$6.50	\$4,121.00		
A-10	Commissioning	Commissioning of generator and ATS	LS	1	\$500.00	\$500.00	\$9,412.00	\$9,412.00		
A-11	Site Work	Removal of vegetation and soil preparation	Sq FT	634	\$2.00	\$1,268.00	\$7.00	\$4,438.00		
TOTAL FOR GROUP A					\$168,469.00		\$184,027.00		Bid Withdrawn for Material Purposes	



City of College Station - Purchasing Division
Bid Tabulation for #18-063
"Municipal Court Building Backup Generator"
Open Date: Thursday, March 16, 2018 @ 2:00 p.m.

Group A Alternate
Unit Price Schedule For
Municipal Courts Building
Emergency Backup Generator

					C.F. McDonald Electric, Inc.		Britt Rice Electric, L.P.		Generator Power Systems/Fish Electric	
Item No.	Unit No.	Description	Unit	Estimate Quantity	Unit Price Total	Extended Price Total	Unit Price Total	Extended Price Total	Unit Price Total	Extended Price Total
A-1 (Alt)	UMOB	Mobilization, Insurance, Bonds and Move-In Related Expenses not to exceed 10% of Total Bid. See Section 01 07 13 Of The B/CS Unified Specifications For Unit Description	LS	1	\$16,000.00	\$16,000.00	\$17,021.00	\$17,021.00		
A-2 (Alt)	UM50-P-4D	Furnish and install 5-4" schedule 40 PVC conduits including excavation, sand backfill, warning tape and natural fill, as shown on Drawings MEI-12998-02 and MEI-12998-03. Excavation, backfill and compaction to be in accordance to the B/CS Unified Specifications Section 31 23 33. To include all materials, labor and equipment to complete the work.	LF	40	\$25.00	\$1,000.00	\$117.00	\$4,680.00		
A-3 (Alt)	UM50-P-4" 90	Furnish and install 4" schedule 40 PVC 90 degree bend with 4' radius, including excavation, sand backfill, warning tape and natural fill, as shown on Drawings MEI-12998-02 and MEI-12998-03. Excavation, backfill and compaction to be in accordance to the B/CS Unified Specifications Section 31 23 33. To include all materials, labor and equipment to complete the work.	EA	30	\$100.00	\$3,000.00	\$88.00	\$2,640.00		
A-4 (Alt)	UD 600 MCM Cu 600V	Furnish and install four (4) 600 MCM Cu 600V each in 1-4" PVC conduit. See 600 Volt Cable Installation on Page 32 of Specifications. To include all materials, labor and equipment to complete the work.	LF	315	\$30.00	\$9,450.00	\$72.00	\$22,680.00		
A-5 (Alt)	200 kW Gen Set	Furnish and install (1) one three-phase, 480Y/277 Volt, 200 kW Generator. See Generator Installation on Page 8 of Specifications. To include all materials, labor and equipment to complete the work.	EA	1	\$98,483.00	\$98,483.00	\$83,991.00	\$83,991.00		
A-6 (Alt)	1600 Amp ATS	Furnish and install (1) one three-phase 480Y/277 Volt, 1600 Amp Automatic Transfer Switch. See Automatic Transfer Switch installation on Page 33 of Specifications. ASCO Catalog No. G3AUSA31600NGXM-11BE-44G or equal.	EA	1	\$20,000.00	\$20,000.00	\$23,222.00	\$23,222.00		
A-7 (Alt)	Backup Generator Pad	Furnish and install (1) one concrete pad for generator as shown in detail on Drawing MEI-12998-05. To include all materials, labor and equipment to complete the work.	EA	1	\$18,000.00	\$18,000.00	\$10,054.00	\$10,054.00		
A-8 (Alt)	ATS Pad	Furnish and install (1) one concrete pad for Automatic Transfer Switch as shown in detail on Drawing MEI-12998-06. To include all materials, labor and equipment to complete the work.	EA	1	\$2,500.00	\$2,500.00	\$4,486.00	\$4,486.00		
A-9 (Alt)	River Rock In Fill	Furnish and install a river rock in fill area as shown in detail on Drawing MEI-12998-07. To include all materials, labor and equipment to complete the work.	Sq FT	634	\$2.00	\$1,268.00	\$6.50	\$4,121.00		
A-10 (Alt)	Commissioning	Commissioning of generator and ATS	LS	1	\$500.00	\$500.00	\$9,412.00	\$9,412.00		
A-11 (Alt)	Site Work	Removal of vegetation and soil preparation	Sq FT	634	\$2.00	\$1,268.00	\$7.00	\$4,438.00		
TOTAL FOR GROUP A Alternate					\$171,469.00		\$186,745.00		Bid Withdrawn for Material Purposes	



City of College Station - Purchasing Division
Bid Tabulation for #18-063
"Municipal Court Building Backup Generator"
Open Date: Thursday, March 16, 2018 @ 2:00 p.m.

Bid Summary

	C.F. McDonald Electric, Inc.	Britt Rice Electric, L.P.	Generator Power Systems/Fish Electric
Group A Total	\$168,469.00	\$184,027.00	Bid Withdrawn for Material Purposes
Group A Alternate Total	\$171,469.00	\$186,745.00	
Bid Certification	Y	Y	
Addendum Acknowledged	Acknowledged, not signed	Acknowledged, not signed	
Bid Bond	Y	Y	
Notes/Exceptions	See Below Note*	N	

* Includes 5 year preventative maintenance agreement as recommended by the generator manufacturer. Deduct \$7,000 if the preventative maintenance agreement is not required. Prices do not include a load bank, as one is not shown on the drawings. Add \$20,000 if one is required.

Legislation Details (With Text)

File #:	18-0269	Version:	1	Name:	License to Encroachment – 5116 Sycamore Hills Drive
Type:	Resolution	Status:			Consent Agenda
File created:	4/10/2018	In control:			City Council Regular
On agenda:	4/26/2018	Final action:			
Title:	Presentation, possible action, and discussion regarding approval of a resolution authorizing a License Agreement with Thomas and Stephanie Adams for the encroachment of a portion of an underground pool structure located at Lot 26, Block 30, Phase 9A, Pebble Creek Subdivision.				
Sponsors:	Carol Cotter				
Indexes:					
Code sections:					
Attachments:	VICINITY MAP LOCATION MAP Resolution.pdf License Agreement (Exhibit A).pdf				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding a Resolution authorizing a License Agreement with Thomas and Stephanie Adams pertaining to the approximately 31 square foot encroachment in to the public utility easement of a portion of a underground pool located at Lot 26, Block 30, Phase 9A, Pebble Creek Subdivision, according to the plat recorded in Volume 4651, Page 152 of the Official Records of Brazos County, Texas.

Relationship to Strategic Goals:

- Good Governance
- Core Services and Infrastructure

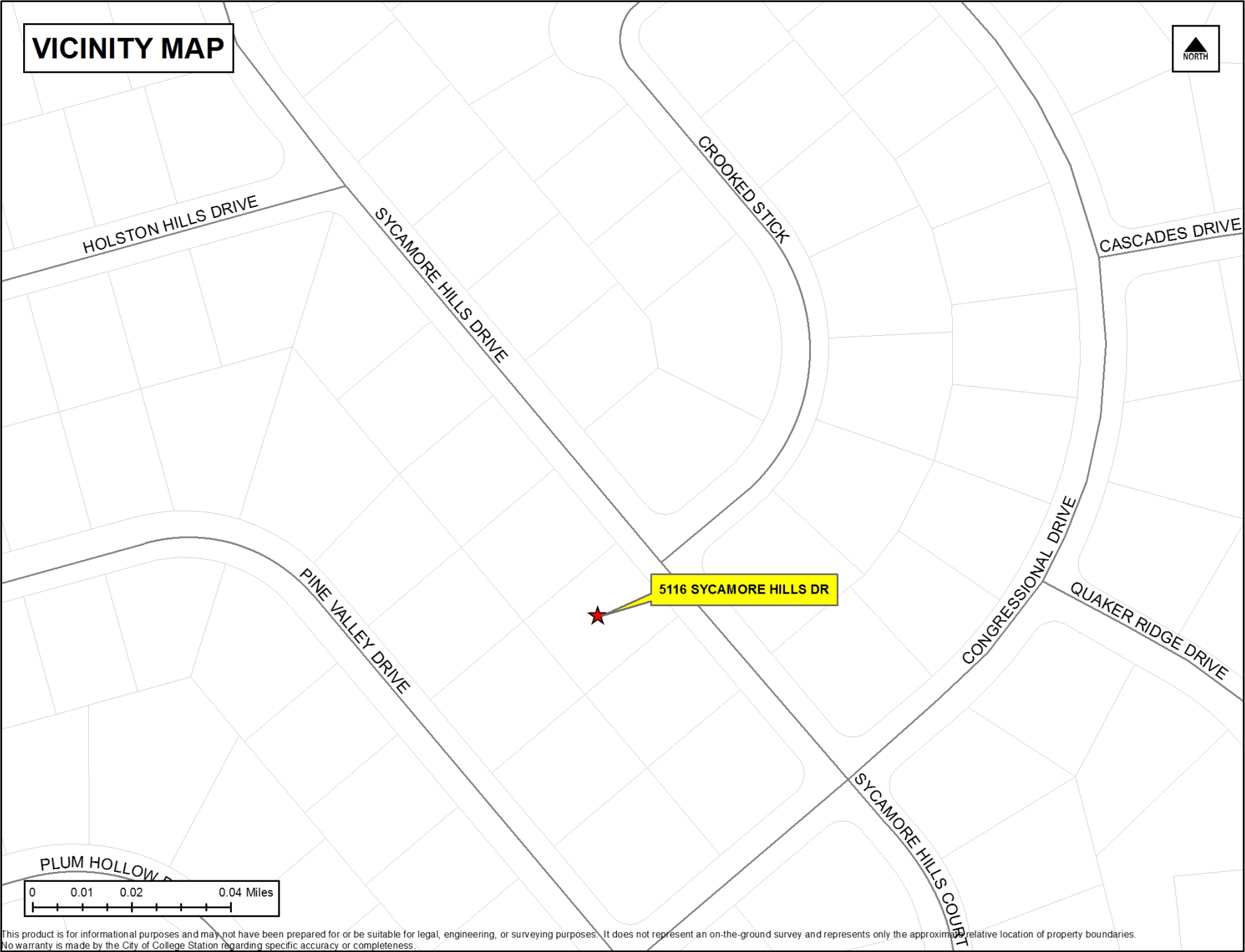
Recommendation(s):

Summary: Staff recommends approval of the resolution granting the license to encroach.

Budget & Financial Summary: N/A

Attachments:

1. Vicinity Map
2. Location Map
3. Resolution
4. Exhibit A





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. No warranty is made by the City of College Station regarding specific accuracy or completeness.

RESOLUTION NO. _____

A RESOLUTION MAKING CERTAIN FINDINGS OF FACT AND AUTHORIZING THE MAYOR OF THE CITY OF COLLEGE STATION TO EXECUTE A LICENSE AGREEMENT BETWEEN THE CITY OF COLLEGE STATION AND APPLICANT, THOMAS AND STEPHANIE ADAMS PERTAINING TO THE ENCROACHMENT OF AN UNDERGROUND POOL STRUCTURE LOCATED AT LOT 26, BLOCK 30, PEBBLE CREEK SUBDIVISION, PHASE 9A, MORE COMMONLY KNOWN AS 5116 SYCAMORE HILLS DRIVE, INTO THE PUBLIC UTILITY EASEMENT.

WHEREAS, the City of College Station, has received an application for a license to encroach into a utility easement;

WHEREAS, the City of College Station has enacted Ordinance No. 1645 regulating, controlling and governing encroachments;

WHEREAS, in order for a license to be granted by the City Council of the City of College Station, the Council must make certain findings of facts;

WHEREAS, after hearing the application of Thomas and Stephanie Adams to encroach into the easement, the City Council of the City of College Station, finds the following facts:

1. That through no fault of the present property owner, a portion of the structure was constructed in the utility easement.
2. That there are no utilities which would be interfered with by the utilization of the property in its present status.
3. That the structure intrudes into the easement to such a degree that it is not economically feasible to remove the part of the structure within the easement.
4. That the land use in the neighborhood appears to be stable and the use to which this property is being put is not likely to change within the foreseeable future and is similar to the use to that of the neighborhood;

WHEREAS, the City Council after hearing the application and finding the specific facts as stated above now concludes and finds that:

1. The fact that the structure was constructed within the easement through no fault of the present property owner and that it is not economically feasible to remove the part of the structure within the easement area does constitute special circumstances and conditions affecting the property which if not taken into consideration would deprive the applicant of the reasonable use of his property.
2. The fact that the land use is not likely to change within the foreseeable future and that it is not economically feasible to remove the part of the structure within the easement does provide a basis for granting the license necessary for the preservation and enjoyment of the substantial property right of the applicant.
3. The fact that the use of the easement area by the property owner does not interfere with the utilities or access to the utilities and is not detrimental to the public health, safety or welfare or injurious to the property in the area; and

WHEREAS, the applicant agrees to accept the terms of the License Agreement as presented to him; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION:

I.

That the Mayor is hereby authorized to execute on behalf of the City of College Station a License Agreement with Thomas and Stephanie Adams pertaining to the encroachment of a portion of a structure located at Lot 26, Block 30, Pebble Creek Subdivision, Phase 9A, more commonly known as 5116 Sycamore Hills Drive into the easement area. The terms of said License Agreement are as set forth in the form which is attached hereto as **Exhibit "A"** and incorporated herein by reference for all purposes.

II.

That this resolution shall be effective immediately upon adoption.

PASSED and APPROVED this 26th day of April, 2018.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

Exhibit A

LICENSE AGREEMENT

THE STATE OF TEXAS *
 * KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZOS *

That the City of College Station (hereinafter referred to as "LICENSOR"), acting through the undersigned official who is so empowered by resolution of the City Council to so act in consideration of the agreement made herein by Thomas and Stephanie Adams (hereinafter referred to as "LICENSEE"), owner of Lot 26, Block 30, Phase 9A, Pebble Creek Subdivision, College Station, Texas, according to the plat recorded in Volume 4651, Page 152 of the Official Records of Brazos County, Texas, hereby grants a license to the said LICENSEE to permit a portion of a structure located on a portion of Lot 26, Block 30, Phase 9A, Pebble Creek Subdivision, College Station, Texas, to encroach upon the easement, as shown on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, owned and occupied by the City of College Station, Brazos County, Texas, but such improvements shall be at all times under and not in contact with any electric, water, sewer, or other utility, or equipment, or interfere in any way with such utility, including any drainage structures which are servicing the improvements and other property, and subject to the following terms and conditions:

Neither the granting of the license, nor any related permit, constitutes an abandonment by LICENSOR of its property, easement or easements, or any other rights in and to the above-described property. LICENSEE expressly stipulating and agreeing by LICENSEE's acceptance of this license that LICENSEE neither asserts nor claims any interest or right of any type or nature whatsoever, legal, equitable or otherwise in or to LICENSOR's property.

LICENSEE hereby expressly covenants, stipulates and agrees, without limitation, to indemnify and defend the LICENSOR and hold it harmless from any and all liability, claim, cause of action, and cost, including attorneys' fee, and including any acts or omissions of the LICENSOR, its officers, agents, and employees, which may grow out of or be attributable to the granting by the LICENSOR of said license and any supplemental license which may hereafter be issued in connection herewith including any inspections which may be conducted in connection with or pursuant to said license or any supplemental license.

LICENSEE, at its own expense, shall restore or cause to be restored the subject property to as good a condition as existed prior to construction of the improvements which are the subject of this License Agreement. LICENSEE shall pay all costs of relocation of any public utilities or facilities that may be incurred as a result of the proposed construction or actual construction.

LICENSEE agrees to comply with all laws and ordinances in the construction and maintenance of said improvements.

LICENSOR retains the right, but not the obligation, to enter upon the land to which this license applies and at LICENSEE's expense to remove any structure or improvements or alterations thereon upon the determination by LICENSOR that such removal is necessary for exercising LICENSOR's rights or duties in regard to said easement, or for protecting persons or property, or public interest in regard to said easement.

This license, until its expiration or revocation, shall run with the title to the above-described real property, and the terms and conditions hereof shall be binding upon subsequent owners or holders thereof. LICENSEE shall cause any immediate successors in interest to have factual notice of this License Agreement.

This license shall expire automatically upon removal of the improvements located upon the property pursuant to this license, and shall expire as to any portion of said improvements upon the removal, whether or not all of the proposed improvements are removed.

This license is revocable by the LICENSOR upon the occurrence of any of the following conditions or events:

- A. LICENSEE or its successors or assigns have failed to comply with the terms of the granting of the license; or
- B. The improvements located thereon or any portion of them interfere with the rights of the LICENSOR or the public in or to LICENSOR's property; or
- C. The use of the licensed area becomes necessary for a public purpose; or

- D. Said improvements or a portion of them constitute a danger to the public which is not remediable by maintenance or alteration of the said improvements; or
- E. Said improvements or a portion of them have expanded beyond the scope of the license; or
- F. Maintenance or alteration necessary to alleviate danger to the public has not been made within a reasonable time after the dangerous condition has arisen.

This license shall be effective upon the acceptance of the terms hereof by the LICENSEE, as indicated by the signature of LICENSEE.

The license shall be filed of record in the Official Records of the County Clerk of the Brazos County Courthouse.

APPROVED this the _____ day of _____, 2018.

APPROVED:

THOMAS ADAMS
LICENSEE

APPROVED:

CITY OF COLLEGE STATION,
LICENSOR

BY: _____
Thomas Adams

BY: _____
Mayor

STEPHANIE ADAMS
LICENSEE

ATTEST:

BY: _____
Stephanie Adams

BY: _____
City Secretary

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____ as _____ of _____, on behalf of said _____.

Notary Public in and for the State of Texas

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____ as _____ of _____, on behalf of said _____.

Notary Public in and for the State of Texas

STATE OF TEXAS)
COUNTY OF BRAZOS)

CORPORATE ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, as Mayor of the City of College Station, a Texas Municipal Corporation, on behalf of said Corporation.

Notary Public in and for
the State of Texas

RETURN ORIGINAL DOCUMENT TO:
City of College Station
Legal Department
P.O. Box 9960
College Station, Texas 77842-9960

to the License Agreement

**METES AND BOUNDS DESCRIPTION
OF A
31 SQUARE FOOT TRACT
PEBBLE CREEK PHASE 9-A
COLLEGE STATION, BRAZOS COUNTY, TEXAS**

METES AND BOUNDS DESCRIPTION OF ALL THAT CERTAIN TRACT OF LAND LYING AND BEING SITUATED IN COLLEGE STATION, BRAZOS COUNTY, TEXAS. SAID TRACT BEING A PORTION OF LOT 26, BLOCK 30, PEBBLE CREEK PHASE 9-A AS SHOWN ON THE PLAT RECORDED IN VOLUME 4651, PAGE 152 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS.

SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET MARKING THE SOUTH CORNER OF SAID LOT 26, THE WEST CORNER OF LOT 27 OF SAID BLOCK 30 AND THE EAST CORNER OF LOT 31, BLOCK 30. FOR REFERENCE, A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET MARKING THE WEST CORNER OF SAID LOT 26 BEARS: N 40° 07' 47" W FOR A DISTANCE OF 102.59 FEET. BEARING SYSTEM SHOWN HEREIN IS BASED ON THE TEXAS STATE PLANE CENTRAL ZONE GRID NORTH AS ESTABLISHED FROM GPS OBSERVATION. DISTANCES SHOWN HEREIN ARE SURFACE DISTANCES;

THENCE: N 49° 52' 13" E ALONG THE COMMON LINE OF SAID LOTS 26 AND 27 FOR A DISTANCE OF 10.00 FEET TO A POINT ON THE NORTHEAST LINE OF THE 20' WIDE PUBLIC UTILITY EASEMENT SHOWN ON SAID PLAT, 4651/182. FOR REFERENCE, A ½ INCH IRON ROD FOUND MARKING THE EAST CORNER OF SAID LOT 26 BEARS: N 49° 52' 13" E FOR A DISTANCE OF 120.00 FEET;

THENCE: N 40° 07' 47" W THROUGH SAID LOT 26 AND ALONG THE NORTHEAST LINE OF SAID EASEMENT FOR A DISTANCE OF 10.54 FEET TO THE **POINT OF BEGINNING** OF THIS HEREIN DESCRIBED TRACT;

THENCE: CONTINUING THROUGH SAID LOT 26 FOR THE FOLLOWING CALLS:

S 48° 23' 50" W FOR A DISTANCE OF 0.73 FEET TO A POINT;

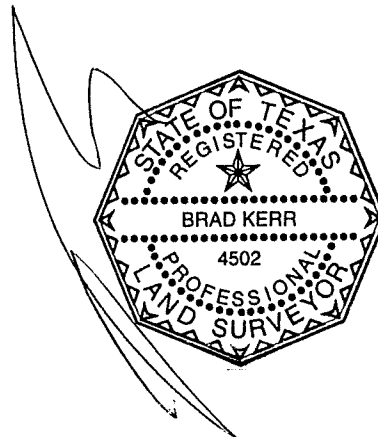
N 40° 01' 23" W FOR A DISTANCE OF 45.40 FEET TO A POINT;

N 51° 07' 30" E FOR A DISTANCE OF 0.65 FEET TO A POINT ON THE NORTHEAST LINE OF SAID EASEMENT;

S 40° 07' 47" E ALONG THE NORTHEAST LINE OF SAID EASEMENT FOR A DISTANCE OF 45.37 FEET TO THE **POINT OF BEGINNING** CONTAINING 31 SQUARE FEET OF LAND AS SURVEYED ON THE GROUND APRIL 2018. SEE PLAT PREPARED APRIL 2018, FOR MORE DESCRIPTIVE INFORMATION.

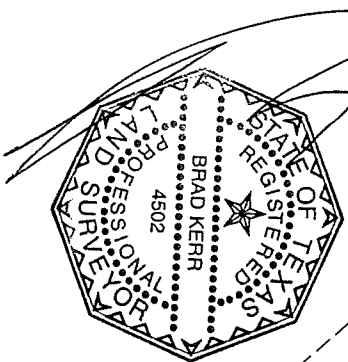
BRAD KERR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 4502

\\JOBS\18-175\18-175.docx

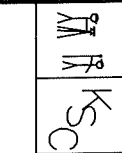




SCALE: 1" = 10'



**SURVEY PLAT
OF A
31 SQUARE FOOT TRACT
PORTION OF LOT 26, BLOCK 30
PEBBLE CREEK PHASE 9-A
VOLUME 4651, PAGE 152
COLLEGE STATION, BRAZOS COUNTY, TEXAS**



SCALE: 1 INCH = 30 FEET
SURVEY DATE: 04-03-18
PLAT DATE: 04-05-18
JOB NUMBER: 18-175
CAD NAME: 18-175
CRS FILE: 18-175
PREPARED BY: KERR SURVEYING, LLC
409 N. TEXAS AVENUE
BRYAN, TEXAS 77803
PHONE: (979) 268-3195

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 49°52'13" E	10.00'
L2	N 40°07'47" W	10.54'
L3	S 48°23'50" W	0.73'
L4	N 40°01'23" W	45.40'
L5	N 51°07'30" E	0.65'
L6	S 40°07'47" E	45.37'

BEARING SYSTEM SHOWN HEREON IS BASED ON THE TEXAS STATE PLANE CENTRAL ZONE GRID NORTH AS ESTABLISHED FROM GPS OBSERVATION.

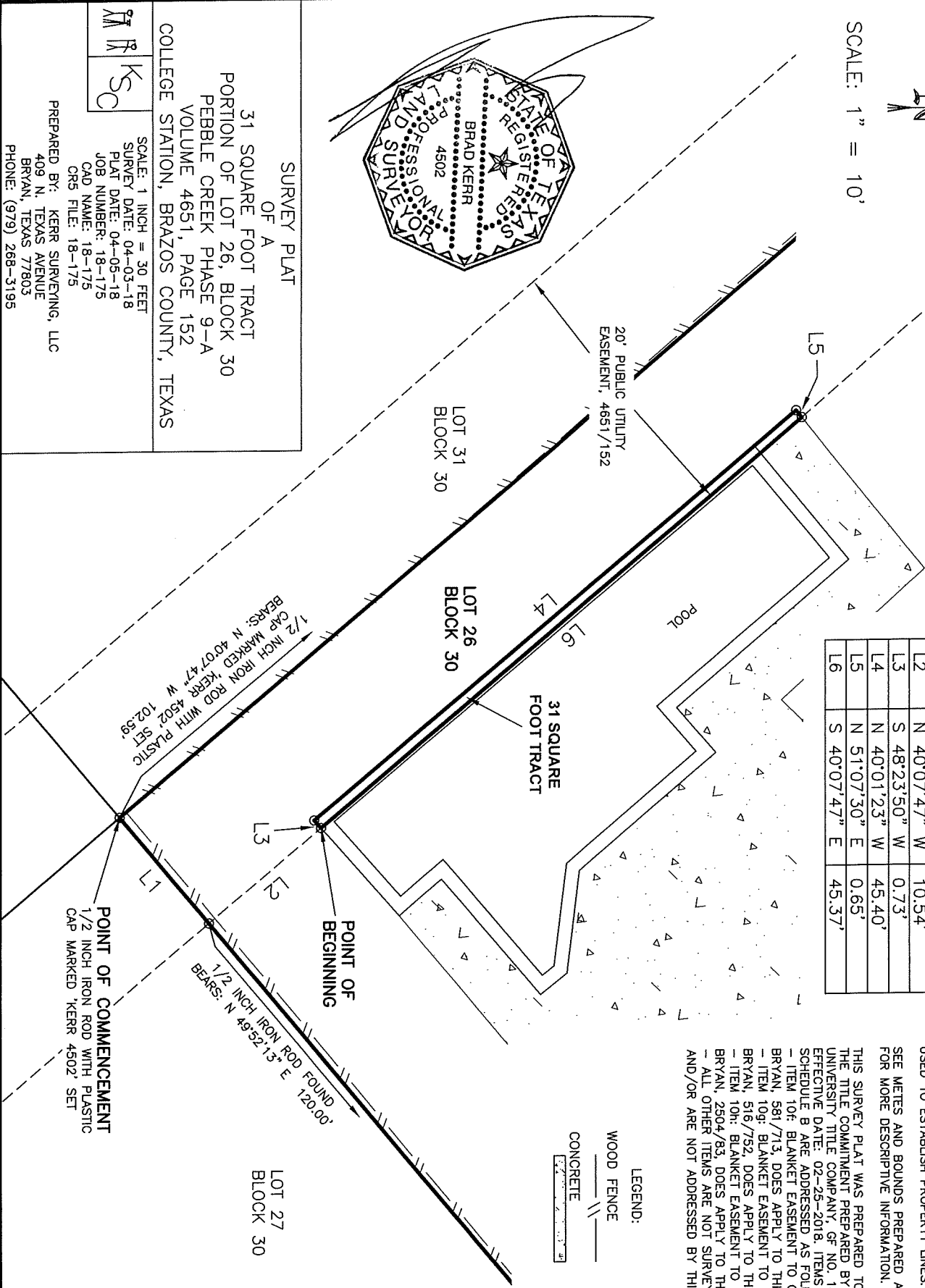
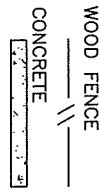
CM - CONTROLLING MONUMENT FOUND AND USED TO ESTABLISH PROPERTY LINES.

SEE METES AND BOUNDS PREPARED APRIL 2018, FOR MORE DESCRIPTIVE INFORMATION.

THIS SURVEY PLAT WAS PREPARED TO REFLECT THE TITLE COMMITMENT PREPARED BY UNIVERSITY TITLE COMPANY, OF NO. 180956, EFFECTIVE DATE: 02-25-2018. ITEMS LISTED ON SCHEDULE B ARE ADDRESSED AS FOLLOWS:

- ITEM 10: BLANKET EASEMENT TO CITY OF BRYAN, 581/713, DOES APPLY TO THIS TRACT
- ITEM 10G: BLANKET EASEMENT TO CITY OF BRYAN, 516/752, DOES APPLY TO THIS TRACT
- ITEM 10H: BLANKET EASEMENT TO CITY OF BRYAN, 2504/83, DOES APPLY TO THIS TRACT
- ALL OTHER ITEMS ARE NOT SURVEY ITEMS AND/OR ARE NOT ADDRESSED BY THIS PLAT.

LEGEND:





Legislation Details (With Text)

File #:	18-0283	Version:	1	Name:	First Lease Amendment for 511 University
Type:	Contract	Status:		Status:	Consent Agenda
File created:	4/16/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion regarding the first lease amendment with JAR Capital Investments, LLC amending the original lease (16300284) extending lease term for two years for leased space at 511 University Drive East.				
Sponsors:	Aubrey Nettles				
Indexes:					
Code sections:					
Attachments:	Lease Extension				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding the first lease amendment with JAR Capital Investments, LLC amending the original lease (16300284) extending lease term for two years for leased space at 511 University Drive East.

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): staff recommends approval of the lease amendment.

Summary: The original lease between JAR Capital Investments, LLC and the City of College Station is a three year lease beginning July 1, 2016 and expiring July 31, 2019. Based on the anticipated schedule of the construction of our new police facility, along with the time staff estimates we will need for the renovation of the current police facility, we are proposing a two year extension to the current lease.

Budget & Financial Summary:

Months 01 thru 12:	\$9,448.50 per month (\$18.00 / sq. ft. per year)
Months 13 thru 24:	\$9,731.96 per month (\$18.54 / sq. ft. per year)
Months 25 thru 36:	\$10,020.66 per month (\$19.09 / sq. ft. per year)
Months 37 thru 48:	\$10,321.28 per month (\$19.66 / sq. ft. per year)
Months 49 thru 60:	\$10,629.46 per month (\$20.25 / sq. ft. per year)

Attachments: First Lease Amendment

**FIRST LEASE AMENDMENT
OFFICE LEASE FOR 511 UNIVERSITY DRIVE EAST**

This Lease Amendment is by and between **JAR Capital Investments, LLC**, (with its successors, called "Landlord"), and **The City of College Station**, a Texas Home Rule Municipal Corporation (with its successors, called "Tenant"), in consideration of their mutual covenants and agreements in this Lease Amendment, the parties agree as follows:

WHEREAS, Landlord and Tenant entered into an Office Lease for 511 University Drive East Agreement March 1, 2016 by Tenant with contract number 16300284 (collectively hereinafter referred to as the "Lease"), for certain real property containing approximately 6,299 square feet located at 511 University Drive East, College Station, Texas 77840; and

WHEREAS, Landlord and Tenant desire to amend the Lease; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth below, Landlord and Tenant agree to amend the Lease follows:

1. SUMMARY AND DEFINITIONS. The following definitions apply in this Lease:

(a) **Term.** Five (5) years.

(d) **Monthly Base Rent:**

Months 01 thru 12:	\$9,448.50 per month (\$18.00 / sq. ft. per year)
Months 13 thru 24:	\$9,731.96 per month (\$18.54 / sq. ft. per year)
Months 25 thru 36:	\$10,020.66per month (\$19.09 / sq. ft. per year)
Months 37 thru 48:	\$10,321.28 per month (\$19.66 / sq. ft. per year)
Months 49 thru 60:	\$10,629.46 per month (\$20.25 / sq. ft. per year)

All other terms, covenants and conditions of the Lease shall remain in full force and effect.

[Signature page to follow]

IN WITNESS WHEREOF, this Lease Amendment is hereby executed in multiple originals as of the date approved by the Tenant.

**JAR CAPITAL INVESTMENTS, LLC,
LANDLORD**

By: Jennifer Dunkin
Jennifer Dunkin, Manager

Date: 4-4-18

**CITY OF COLLEGE STATION,
TENANT**

By: _____
Mayor
Date: _____

ATTEST:

City Secretary
Date: _____

APPROVED:

City Manager
Date: _____

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____



Legislation Details (With Text)

File #:	18-0284	Version:	1	Name:	Budget Disposal d/b/a Premier Metal Buyers Commercial and Multi-Family Recycling Franchise Agreement
Type:	Franchises	Status:			Consent Agenda
File created:	4/16/2018	In control:			City Council Regular
On agenda:	4/26/2018	Final action:			
Title:	Presentation, possible action, and discussion on the second reading of a franchise agreement with Budget Disposal d/b/a Premier Metal Buyers, for the collection of recyclables from commercial businesses and multi-family locations.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	Premier Metal Buyers Franchise Agreement				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on the second reading of a franchise agreement with Budget Disposal d/b/a Premier Metal Buyers, for the collection of recyclables from commercial businesses and multi-family locations.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of this franchise agreement.

Summary: The proposed agreement would allow Budget Disposal d/b/a Premier Metal Buyers to collect recyclables from commercial businesses and multi-family locations within the City of College Station.

Budget & Financial Summary: N/A

Attachments:

1. Franchise Ordinance

ORDINANCE NO. _____

RECYCLABLES COLLECTION FRANCHISE AGREEMENT

AN ORDINANCE GRANTING CONTRACTOR, BUDGET DISPOSAL D/B/A PREMIER METAL BUYERS, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE FRANCHISE FOR THE PRIVILEGE AND USE OF PUBLIC STREETS, ALLEYS, AND PUBLIC RIGHTS OF WAY WITHIN THE CORPORATE LIMITS OF THE CITY OF COLLEGE STATION (“CITY”) FOR THE PURPOSE OF PROVIDING COLLECTION OF CONSTRUCTION AND DEMOLITION DEBRIS FROM RESIDENTIAL SITES, RECYCLABLES AND RECYCLABLE CONSTRUCTION AND DEMOLITION DEBRIS FROM COMMERCIAL BUSINESSES AND MULTIFAMILY RESIDENCES; PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS, AND LIMITATIONS UNDER WHICH SAID FRANCHISE SHALL BE EXERCISED; PROVIDING FOR THE CONSIDERATION; FOR THE PERIOD OF THE GRANT; FOR ASSIGNMENT; FOR THE METHOD OF ACCEPTANCE; FOR REPEAL OF CONFLICTING ORDINANCES; FOR PARTIAL INVALIDITY.

WHEREAS, the City, by ordinance, exclusively provides all solid waste collection and disposal services for solid waste aggregated from within the City limits including, but not limited to Recyclables; and

WHEREAS, the City pursuant to City Charter Article XI, may grant franchises to entities for use of public streets, alleys, and highways for collection of Recyclables and Construction and Demolition Debris generated in City limits; and

WHEREAS, the City of College Station desires to exercise the Charter’s authority and grant a non-exclusive franchise to Contractor for collection of demolition and construction debris from residential sites, collecting demolition and construction debris, recyclable materials, and organic waste from multifamily and commercial locations for the purpose of recycling.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS,

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ARTICLE I. DEFINITIONS

- 1.1 **Agreement** means this Franchise Agreement adopted by City Ordinance between City and Contractor for the collection of Recyclables within the City limits.
- 1.2 **Approved Customers** means those designated premises located within the City that generate Recyclables.
- 1.3 **Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA, Inc.)** means the permitted municipal solid waste landfill and compost facility owned and operated by a Texas local government corporation.
- 1.4 **City Council or Council** means the governing body of the City of College Station, Texas.
- 1.5 **City** means the City of College Station, a Texas Home Rule Municipal Corporation.
- 1.6 **City's Representative** means the Recycling & Environmental Compliance Manager or the Manager's designated appointee.
- 1.7 **Collection** means the scheduled aggregation of Recyclables by Contractor.
- 1.8 **Construction and Demolition Debris** means buildings material waste resulting from demolition, remodeling, repairs, or construction, as well as materials discarded during periodic temporary facility clean-up generated within the City.
- 1.9 **Contaminated** means Recyclables mixed with solid waste or altered in a way that results in materials being unrecyclable or un-compostable.
- 1.10 **Contractor** means the Contractor franchised for the collection of Recyclables.
- 1.11 **Customers** means the locations designated by the City as a Commercial Business or Multifamily Residence.
- 1.12 **Organic Waste** means waste of biological origin recovered from the solid waste stream for the purposes of reuse, reclamation, or compost. Organic Waste is not solid waste, unless it is abandoned or disposed of, rather than reprocessed into another product.
- 1.13 **Receptacle** means a weatherproof container easily identifiable and designated for recycling or organic waste collection and shall not be made of any temporary materials.
- 1.14 **Recyclables or Recyclable Materials** mean materials, including construction and demolition debris recovered from the solid waste stream for the purpose of reuse or reclamation, a substantial portion of which are consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable materials are not solid waste unless they are abandoned or disposed of as garbage rather than reprocessed into another product.

- 1.15 Residue** means the materials regularly associated with and attached to Recyclables, as a part of the original packaging or usage of that material that is not recyclable or compostable.
- 1.16 Roll-Off / Compactor** means a container of varying capacity used for Recyclables collection.
- 1.17 TAC** means the Texas Administrative Code now and as amended.
- 1.18 TCEQ** means the Texas Commission on Environmental Quality.

ARTICLE II. GRANT OF AUTHORITY AND ACCEPTANCE

- 2.1 Non-Exclusive.** City grants Contractor a non-exclusive franchise to operate and establish Recyclables collection from designated Customers. Nothing in this Agreement shall be construed as granting an exclusive franchise or right. City grants Contractor passage and rights-of-way on, along, and across City streets, highways, alleys, public places and all other real property for collecting demolition and construction debris from commercial, industrial, multifamily, and residential sites; as well as recyclables and organic waste from commercial, industrial, and multifamily sites for the purpose of recycling within the jurisdictional limits of the City. All collection, work, activity, and undertakings by Contractor are subject to this Agreement and City's governmental and police powers.
- 2.2 Acceptance.** By accepting this Agreement, Contractor represents it has, by careful examination, satisfied itself as to the nature and location of the services, character, quality, and quantity of services to be performed, the character of the equipment and facilities necessary to fulfill obligations under this Agreement, as well as the general and local conditions and all other matters affecting services performed under this Agreement.
- 2.3 Option to Market Materials.** If City develops services or programs resulting in materials that may be recycled or composted, including but not limited to residential, multifamily, or commercial recycling or composting, the City shall have the option to market those to any contractor.
- 2.4 Contract with City.** If City and Contractor contract for the collection and recycling or composting of materials, those terms will be incorporated into this Agreement by amendment.

ARTICLE III. PAYMENT AND TERM

- 3.1 Franchise Fee.** For and in consideration of the grant of the franchise herein, Contractor agrees and will pay a Franchise Fee during the term of this Agreement, a sum based on the following graduated fee schedule depending on the percentage of aggregate recycling or composting accomplished:

- a. A fee is required, equivalent to five percent (5%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting of at least sixty percent (60%) of Recyclables collected.
 - b. A fee is required, equivalent to six and one half percent (6.5%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting of at least fifty-five percent (55%) but less than sixty percent (60%) of Recyclables collected.
 - c. A fee is required, equivalent to eight percent (8%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting less than fifty-five percent (55%) of Recyclables collected.
- 3.2 Payments.** Revenue received by Contractor from this Agreement is subject to the Franchise Fee and shall be computed into Contractor's monthly gross revenues, delivery revenues, hauling revenues, and rates, as described in **Exhibit A**. Payment will be paid quarterly to the City, and shall be due by the twentieth (20th) day of the month following the end of the previous calendar quarter. Payment after that date shall incur a ten percent (10%) late fee on the outstanding account balance under Article V.
- 3.3 Failure to Pay.** Failure by Contractor to pay any amount due under this franchise constitutes a Failure to Perform under this contract and is subject to the provisions of Article XV. General Terms of this Agreement (Termination for Cause).
- 3.4 Franchise Fee Requirements.** Payments must state on a form approved by the City:
- a. The number and type of Customers collected from, for the previous quarter, for Customers included in this Agreement.
 - b. The total tons landfilled, recycled or composted, regardless of origin of collection, for the previous quarter.
 - c. The total tons landfilled, recycled or composted, within the jurisdictional limits of the City, for the previous quarter.
 - d. The total gross revenues for the previous calendar quarter, for revenues generated under this agreement.
 - e. The total payment amount
- 3.5 Term.** The term of this Agreement shall be for a period of five (5) years, beginning on the date of acceptance and approval by City Council.

ARTICLE IV. ACCESS TO RECORDS & REPORTING

- 4.1 Facilities.** The City shall have the right to inspect the Contractor's facilities, equipment, personnel, and operations to ensure compliance with this Agreement.
- 4.2 Records.** The City shall have the right to inspect Contractor's records, receipts, and all documentation relating to the performance of this Agreement. Those records include, but are not limited to, information concerning the quality and quantity of Recyclables collected, processed, and sold; number of Customers served, gross amounts paid to and paid by Contractor from the sale/processing of Recyclables. The City agrees to notify the Contractor at least twenty-four (24) hours prior to such inspection of operations and/or records.
- 4.3 Records Retention.** Contractor shall retain all records associated with this Agreement for a period of four (4) years. City shall have access to information regarding Contractor's markets and prices paid for each type of material's return/cost; all information obtained by City marked confidential or proprietary shall remain confidential or proprietary pursuant to the Texas Open Records Act.
- 4.4 Activity Report.** Contractor shall provide a Monthly Recycling Activity Report, on a form approved by the City, summarizing the previous month's collection. This report is due to the City's Representative no later than the twentieth (20th) calendar day of each month. Contractor's report shall include the following information:
- a. The Customer collection count, itemized by customer type.
 - b. Total tonnage of Recyclables collected, recycled and/or composted, itemized by type of material, regardless of origin of collection.
 - c. Total tonnage of Recyclables collected, recycled and/or composted, itemized by type of material, within the jurisdictional limits of the City.
 - d. Total tonnage of Recyclables collected, but not recycled or composted due to rejection and the disposition of those materials.
 - e. Any other information concerning the Recyclables collection as required by the City's Representative.

ARTICLE V. RATES TO BE CHARGED BY CONTRACTOR

- 5.1** The Contractor shall follow the Schedule of Rates attached hereto as **Exhibit A** for the services described herein. The rates provided shall be kept current and made available to the City's Representative within thirty (30) days of an adopted rate change. The Contractor agrees to use due diligence to keep costs from increasing.

ARTICLE VI. APPEARANCE OF PERSONNEL AND EQUIPMENT

- 6.1 Equipment.** Contractor shall ensure all collection equipment and vehicles are attractively painted, well maintained and are in good working condition. Equipment must be washed at least one time per week. Equipment and vehicles must have sufficient carrying capacity for safe and efficient Recyclables collection. The City shall have the right to inspect and

approve the appearance of collection equipment. A standby vehicle shall be available at all times for Recyclables collection.

- 6.2 Signage.** Contractor's vehicles shall at all times be clearly labeled with Contractor's name and phone number in visible letters and numbers not less than three (3) inches in height. Signage must be on both sides of the vehicle and placed in a conspicuous place. Only labeled vehicles shall perform collection activities under this Agreement. Contractor's roll-offs, compactors, and receptacles must be clearly marked as used for Recyclables collection in letters at least twelve inches (12") in height on each side of the container.
- 6.3 Personnel.** All collection personnel shall wear a City-approved uniform to include, at minimum, matching labeled shirts with denim jeans or other standard work attire.

ARTICLE VII. COLLECTION AND TRANSPORT OF RECYCLABLES

- 7.1 Transport.** The Contractor shall only transport collected Recyclables for storage, processing, disposal, or other necessary handling to locations in a manner permitted by the terms of this Agreement as well as federal, state, and local law. This Agreement does not authorize Contractor to utilize the streets, alleys, and public ways to dispose of municipal solid waste or any other type of waste intended for disposal from any other project.
- 7.2 Cover.** During transport of Recyclables all vehicles shall be covered to prevent release of litter.

ARTICLE VIII. PLACEMENT OF RECEPTACLES

- 8.1 Placement.** All roll-offs, compactors, and receptacles placed in service shall be located in such a manner so as not to be a safety or traffic hazard. Under no circumstances shall Contractor place roll-offs, compactors, or receptacles on public streets, alleys, or thoroughfares without prior approval of the City's Representative. City reserves the right to designate the exact location of any or all roll-offs, compactors, or containers placed in service in the City.
- 8.2 City Collection.** Recyclables collection shall not interfere with the City's collection of municipal solid waste. Under no circumstances shall contractor place roll-offs, compactors, or receptacles in existing enclosures designated for City roll-offs, compactors, and receptacles.

ARTICLE IX. SERVICE COMPLAINTS

- 9.1 Nature of Complaint.** Contractor shall handle directly any complaints pertaining to customer service, property damage, or personal injury from their commercial business and multifamily Recyclables collection service.

- 9.2 Intake.** Contractor shall develop written practices and procedures for receiving and resolving Customer complaints and collection issues. Any complaint received by the City shall be forwarded to the Contractor within one (1) business day of receipt.
- 9.3 Response.** Contractor shall respond to all complaints within one (1) business day of receiving a complaint from a Customer or notice of complaint from the City. Regardless of the nature of the complaint, Contractor shall report the action taken to the City in accordance with Article IV. Access to Records & Reporting.
- 9.4 Complaint Charges.** Upon receipt of ten (10) Customer complaints within a forty-five (45) day period, Contractor shall be assessed a charge of Three Hundred Dollars (\$300.00). Complaints are to be verified by the Contractor and the City's Representative. The City shall invoice the Contractor such charges.

ARTICLE X. DISPOSAL AND PROCESSING

- 10.1 Disposal Site.** Unless approved otherwise in writing by the City, Contractor shall utilize BVSWM, Inc. Landfill for the disposal of all non-recyclable waste material collected by Contractor within the corporate limits of the City.
- 10.2 Processing Facility.** Contractor shall only use a City-approved recycling or composting facility for processing of all Recyclables collected by Contractor within the corporate limits of the City under this Agreement.
- 10.3 Disposal.** In no case shall any Recyclable or Compostable Materials be disposed in a landfill.

ARTICLE XI. VIOLATION AND PENALTY

- 11.1 Fine.** It shall be unlawful for any person, firm or corporation violating any provision or term of this Agreement and they shall receive a citation and fine not to exceed \$2,000.00 per offense per day. Each and every day a violation continues constitutes a separate offense.
- 11.2 Remedies.** In addition to any rights set out elsewhere in this Agreement, or other rights the City may possess at law or equity, the City reserves the right to apply any remedies, alone or in combination, in the event Contractor violates any provision of this Agreement. The remedies provided for in this Agreement are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another, or any rights of the City at law or equity.

ARTICLE XII. INSURANCE

- 12.1** The Contractor shall procure and maintain, at its sole cost and expense for the term of this Agreement, insurance against claims for injuries to persons or damages to property that

may arise from or in connection with the performance of the services performed by the Contractor, its agents, representatives, volunteers, employees, or subcontractors.

- 12.2** The Contractor's insurance shall list the City of College Station, its employees, volunteers, and officials as additional insureds. Insurance requirements are attached in **Exhibit B**. Certificates of insurance evidencing the required insurance coverages are attached in **Exhibit C**.

ARTICLE XIII. INDEMNIFICATION AND RELEASE

- 13.1 Indemnification.** Contractor shall indemnify, hold harmless, and defend the City, its officers, agents, volunteers, and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person or for damage to any property arising out of or in connection with the work and services done by the Contractor under this Agreement. Such indemnity shall apply regardless of whether the claims, losses, damages, causes of action, suits, or liability arise in whole or in part from the negligence of the City, any other party indemnified hereunder, the Contractor, or any third party.
- 13.2 Release.** The Contractor assumes full responsibility for the work to be performed hereunder and hereby releases, relinquishes, and discharges the City, its officers, agents, volunteers, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person and any loss of or damage to any property caused by, alleged to be caused by, arising out of, or in connection with the Contractor's work and services to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance and regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City, any other party released hereunder, the Contractor, or any third party.

ARTICLE XIV. DISPUTES AND MEDIATION

- 14.1 Disputes.** If a dispute arises between City and Contractor during this Agreement, the dispute shall first be referred to the operational officers or representatives designated by the parties having oversight of the Agreement's administration. The officers or representatives shall meet within thirty (30) days of either party's request for a meeting, whichever request is first, and the parties shall make a good faith effort to achieve a resolution of the dispute.
- 14.2 Mediation.** If the parties not able to resolve the dispute under the procedure in this article, then the parties agree the matter shall be referred to non-binding mediation. The parties shall mutually agree upon a mediator to assist in resolving their differences. If the parties cannot agree upon a mediator, the parties shall jointly obtain a list of three (3) mediators from a reputable dispute resolution organization and alternate striking mediators on that

list until one remains. A coin toss shall determine who may strike the first name. If a party fails to notify the other party of which mediator it has stricken within two (2) business days, the other party shall select the mediator from those mediators remaining on the list. The parties shall pay their own expenses of any mediation and will share the cost of the mediator's services.

- 14.3 Other Remedies.** If the parties fail to achieve a resolution of the dispute through mediation, either party may then pursue any available judicial remedies.

ARTICLE XV. GENERAL TERMS

- 15.1 Performance.** Contractor, its employees, associates, or subcontractors shall perform all the services in a professional manner and be fully qualified and competent to perform those services.

15.2 Termination.

- a. For Convenience.** At any time, the City or Contractor may terminate this Agreement for convenience, in writing with thirty (30) days' notice. City shall be compensated for outstanding Franchise Fees.
- b. For Cause.** City also may terminate this Agreement if Contractor materially breaches or otherwise fails to perform, comply with or otherwise observe any of the terms and conditions of this Agreement, or fails to maintain all required licenses and approvals from federal, state, and local jurisdictions, and fails to cure such breach or default within thirty (30) days of City providing Contractor written notice, or, if not reasonably capable of being cured within thirty (30) calendar days, within such other reasonable period of time upon which the parties may agree.
- c. Hearing.** This Agreement shall not be terminated except upon a majority vote of the City Council, after giving reasonable notice to Contractor. The Contractor will have an opportunity to be heard, provided if exigent circumstances necessitate immediate termination, the hearing may be held as soon as possible after the termination.

- 15.3 Venue.** This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Brazos County, Texas.

- 15.4 Amendment.** This Agreement may only be amended by written instrument approved and executed by the parties.

- 15.5 Taxes.** The City is tax exempt and is not responsible for the payment of any taxes.

- 15.6 Compliance with Laws.** The Contractor will comply with all applicable federal, state, and local statutes, regulations, ordinances, and other laws, including but not limited to the

Immigration Reform and Control (IRCA). The Contractor may not knowingly obtain the labor or services of an undocumented worker. The Contractor, not the City, must verify eligibility for employment as required by IRCA.

- 15.7 Waiver of Terms.** No waiver or deferral by either party of any term or condition of this Contract shall be deemed or construed to be a waiver of deferral of any other term or condition or subsequent waiver or deferral of the same term or condition.
- 15.8 Assignment.** This Agreement and the rights and obligations contained herein may not be assigned by the Contractor without the prior written approval of City.
- 15.9 Invalid Provisions.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Agreement is invalid or unenforceable, and if by limiting that provision, the Agreement may become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
- 15.10 Entire Agreement.** This Agreement represents the entire agreement between the City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.
- 15.11 Agree to Terms.** The parties' state they have read the terms and conditions of this Agreement and agree to the terms and conditions. Contractor shall evidence its unconditional written acceptance of all the terms and conditions of this Agreement by the execution of this Agreement.
- 15.12 Effective Date.** According to City Charter, Section 105, after passage, approval and legal publication of this Agreement as provided by law, and provided it has been duly accepted by Contractor as herein above provided, this Agreement shall not take effect until sixty (60) days after its adoption on its second and final reading.
- 15.13 Notice.** Any official notice under this Agreement will be sent to the following addresses:

City of College Station
Attn: Heather Woolwine
PO BOX 9960
1101 Texas Ave
College Station, TX 77842
hwoolwine@cstx.gov

Budget Disposal
d/b/a Premier Metal Buyers
Attn: Blake Brannon
1555 Hwy 36 N
Brenham, TX 77833
bbrannon@premiermetalbuyers.com

- 15.14 List of Exhibits.** All exhibits to this Agreement are incorporated and made part of this Agreement for all purposes.

A. Schedule of Rates

- B. Insurance Requirements**
- C. Certificates of Insurance**

15.15 Public Meetings and Readings. This Agreement was passed adopted and approved according to Texas Government Code Chapter 551.

- a.** First Consideration & Approval on the ____ day of _____, 2018.
- b.** Second Consideration & Approval on the ____ day of _____, 2018.

**BUDGET DISPOSAL
D/B/A PREMIER METAL BUYERS**

By: _____

Printed Name: Blake Brannon

Title: **Owner/Member**

Date: _____

CITY OF COLLEGE STATION

By: _____
Mayor

Date: _____

ATTEST:

City Secretary
Date: _____

APPROVED:

City Manager
Date: _____

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____

EXHIBIT A. SCHEDULE OF RATES

Contractor's base rate is \$150.00 per month. This rate may increase depending on a variety of conditions including but not limited to:

- Location of Customer,
- Impact on Existing Routes,
- Ingress and Egress Capabilities,
- Special Requests by Customers,
- Frequency of Collections,
- Volume of Materials,
- Type of Materials,
- External Contributing Conditions of Market Costs.

EXHIBIT B. INSURANCE REQUIREMENTS

Throughout the term of this Agreement the Contractor must comply with the following:

I) Standard Insurance Policies Required:

- A)** Commercial General Liability
- B)** Business Automobile Liability
- C)** Workers' Compensation

II) General Requirements Applicable to All Policies:

- A)** Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent.
- B)** Certificates of Insurance and endorsements shall be furnished on the most current State of Texas Department of Insurance-approved forms to the City's Representative at the time of execution of this Agreement; shall be attached to this Agreement as **Exhibit C**; and shall be approved by the City before work begins.
- C)** Contractor shall be responsible for all deductibles on any policies obtained in compliance with this Agreement. Deductibles shall be listed on the Certificate of Insurance and are acceptable on a per-occurrence basis only.
- D)** The City will accept only Insurance Carriers licensed and authorized to do business in the State of Texas.
- E)** The City will not accept "claims made" policies.
- F)** Coverage shall not be suspended, canceled, non-renewed or reduced in limits of liability before thirty (30) days written notice has been given to the City.

III) Commercial General Liability

- A)** General Liability insurance shall be written by a carrier rated "A: VIII" or better under the current A. M. Best Key Rating Guide.
- B)** Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain.
- C)** Limits of liability must be equal to or greater than \$500,000 per occurrence for bodily injury and property damage, with an annual aggregate limit of \$1,000,000. Limits shall be endorsed to be per project.
- D)** No coverage shall be excluded from the standard policy without notification of individual exclusions being submitted for the City's review and acceptance
- E)** The coverage shall include, but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, and Personal & Advertising Liability.

IV) Business Automobile Liability

- A)** Business Automobile Liability insurance shall be written by a carrier rated "A: VIII" or better under the current A. M. Best Key Rating Guide.
- B)** Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain
- C)** Combined Single Limit of Liability not less than \$1,000,000 per occurrence for bodily injury and property damage.
- D)** The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page
- E)** The coverage shall include any autos, owned autos, leased or rented autos, non-owned autos, and hired autos.

V) Workers' Compensation Insurance

- A)** Workers compensation insurance shall include the following terms:
 - 1) Employer's Liability minimum limits of liability not less than \$500,000 for each accident/each disease/each employee are required
 - 2) "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy
 - 3) TEXAS must appear in Item 3A of the Workers' Compensation coverage or Item 3C must contain the following: "All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY"

EXHIBIT C. CERTIFICATES OF INSURANCE



Legislation Details (With Text)

File #:	18-0285	Version:	1	Name:	Pronto Services Commercial and Multi-Family Recycling Franchise Agreement
Type:	Franchises	Status:		Status:	Consent Agenda
File created:	4/16/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion on the second reading of a franchise agreement with Pronto Services, LLC. for the collection of recyclables from commercial businesses and multi-family locations.				
Sponsors:	Donald Harmon				
Indexes:					
Code sections:					
Attachments:	FY18_Franchise_ProntoServicesLLC				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion on the second reading of a franchise agreement with Pronto Services, LLC. for the collection of recyclables from commercial businesses and multi-family locations.

Relationship to Strategic Goals:

- Core Services and Infrastructure

Recommendation(s): Staff recommends approval of this franchise agreement.

Summary: The proposed agreement would allow Pronto Services, LLC. to collect recyclables from commercial businesses and multi-family locations within the City of College Station.

Budget & Financial Summary:

Attachments:

1. Franchise Ordinance

ORDINANCE NO. _____

RECYCLABLES COLLECTION FRANCHISE AGREEMENT

AN ORDINANCE GRANTING CONTRACTOR, PRONTO SERVICES, LLC, ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE FRANCHISE FOR THE PRIVILEGE AND USE OF PUBLIC STREETS, ALLEYS, AND PUBLIC RIGHTS OF WAY WITHIN THE CORPORATE LIMITS OF THE CITY OF COLLEGE STATION (“CITY”) FOR THE PURPOSE OF PROVIDING COLLECTION OF CONSTRUCTION AND DEMOLITION DEBRIS FROM RESIDENTIAL SITES, RECYCLABLES AND RECYCLABLE CONSTRUCTION AND DEMOLITION DEBRIS FROM COMMERCIAL BUSINESSES AND MULTIFAMILY RESIDENCES; PRESCRIBING THE TERMS, CONDITIONS, OBLIGATIONS, AND LIMITATIONS UNDER WHICH SAID FRANCHISE SHALL BE EXERCISED; PROVIDING FOR THE CONSIDERATION; FOR THE PERIOD OF THE GRANT; FOR ASSIGNMENT; FOR THE METHOD OF ACCEPTANCE; FOR REPEAL OF CONFLICTING ORDINANCES; FOR PARTIAL INVALIDITY.

WHEREAS, the City, by ordinance, exclusively provides all solid waste collection and disposal services for solid waste aggregated from within the City limits including, but not limited to Recyclables; and

WHEREAS, the City pursuant to City Charter Article XI, may grant franchises to entities for use of public streets, alleys, and highways for collection of Recyclables and Construction and Demolition Debris generated in City limits; and

WHEREAS, the City of College Station desires to exercise the Charter’s authority and grant a non-exclusive franchise to Contractor for collection of demolition and construction debris from residential sites, collecting demolition and construction debris, recyclable materials, and organic waste from multifamily and commercial locations for the purpose of recycling.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS,

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ARTICLE I. DEFINITIONS

- 1.1 **Agreement** means this Franchise Agreement adopted by City Ordinance between City and Contractor for the collection of Recyclables within the City limits.
- 1.2 **Approved Customers** means those designated premises located within the City that generate Recyclables.
- 1.3 **Brazos Valley Solid Waste Management Agency, Inc. (BVSWMA, Inc.)** means the permitted municipal solid waste landfill and compost facility owned and operated by a Texas local government corporation.
- 1.4 **City Council or Council** means the governing body of the City of College Station, Texas.
- 1.5 **City** means the City of College Station, a Texas Home Rule Municipal Corporation.
- 1.6 **City's Representative** means the Recycling & Environmental Compliance Manager or the Manager's designated appointee.
- 1.7 **Collection** means the scheduled aggregation of Recyclables by Contractor.
- 1.8 **Construction and Demolition Debris** means buildings material waste resulting from demolition, remodeling, repairs, or construction, as well as materials discarded during periodic temporary facility clean-up generated within the City.
- 1.9 **Contaminated** means Recyclables mixed with solid waste or altered in a way that results in materials being unrecyclable or un-compostable.
- 1.10 **Contractor** means the Contractor franchised for the collection of Recyclables.
- 1.11 **Customers** means the locations designated by the City as a Commercial Business or Multifamily Residence.
- 1.12 **Organic Waste** means waste of biological origin recovered from the solid waste stream for the purposes of reuse, reclamation, or compost. Organic Waste is not solid waste, unless it is abandoned or disposed of, rather than reprocessed into another product.
- 1.13 **Receptacle** means a weatherproof container easily identifiable and designated for recycling or organic waste collection and shall not be made of any temporary materials.
- 1.14 **Recyclables or Recyclable Materials** mean materials, including construction and demolition debris recovered from the solid waste stream for the purpose of reuse or reclamation, a substantial portion of which are consistently used in the manufacture of products that may otherwise be produced using raw or virgin materials. Recyclable materials are not solid waste unless they are abandoned or disposed of as garbage rather than reprocessed into another product.

- 1.15 Residue** means the materials regularly associated with and attached to Recyclables, as a part of the original packaging or usage of that material that is not recyclable or compostable.
- 1.16 Roll-Off / Compactor** means a container of varying capacity used for Recyclables collection.
- 1.17 TAC** means the Texas Administrative Code now and as amended.
- 1.18 TCEQ** means the Texas Commission on Environmental Quality.

ARTICLE II. GRANT OF AUTHORITY AND ACCEPTANCE

- 2.1 Non-Exclusive.** City grants Contractor a non-exclusive franchise to operate and establish Recyclables collection from designated Customers. Nothing in this Agreement shall be construed as granting an exclusive franchise or right. City grants Contractor passage and rights-of-way on, along, and across City streets, highways, alleys, public places and all other real property for collecting demolition and construction debris from commercial, industrial, multifamily, and residential sites; as well as recyclables and organic waste from commercial, industrial, and multifamily sites for the purpose of recycling within the jurisdictional limits of the City. All collection, work, activity, and undertakings by Contractor are subject to this Agreement and City's governmental and police powers.
- 2.2 Acceptance.** By accepting this Agreement, Contractor represents it has, by careful examination, satisfied itself as to the nature and location of the services, character, quality, and quantity of services to be performed, the character of the equipment and facilities necessary to fulfill obligations under this Agreement, as well as the general and local conditions and all other matters affecting services performed under this Agreement.
- 2.3 Option to Market Materials.** If City develops services or programs resulting in materials that may be recycled or composted, including but not limited to residential, multifamily, or commercial recycling or composting, the City shall have the option to market those to any contractor.
- 2.4 Contract with City.** If City and Contractor contract for the collection and recycling or composting of materials, those terms will be incorporated into this Agreement by amendment.

ARTICLE III. PAYMENT AND TERM

- 3.1 Franchise Fee.** For and in consideration of the grant of the franchise herein, Contractor agrees and will pay a Franchise Fee during the term of this Agreement, a sum based on the following graduated fee schedule depending on the percentage of aggregate recycling or composting accomplished:

- a. A fee is required, equivalent to five percent (5%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting of at least sixty percent (60%) of Recyclables collected.
 - b. A fee is required, equivalent to six and one half percent (6.5%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting of at least fifty-five percent (55%) but less than sixty percent (60%) of Recyclables collected.
 - c. A fee is required, equivalent to eight percent (8%) of Contractor's monthly gross revenues, delivery revenues, and hauling revenues; including rates as described in **Exhibit A**, generated from Contractor's provision of Recyclables collection services within the City if Contractor reports aggregate recycling or composting less than fifty-five percent (55%) of Recyclables collected.
- 3.2 Payments.** Revenue received by Contractor from this Agreement is subject to the Franchise Fee and shall be computed into Contractor's monthly gross revenues, delivery revenues, hauling revenues, and rates, as described in **Exhibit A**. Payment will be paid quarterly to the City, and shall be due by the twentieth (20th) day of the month following the end of the previous calendar quarter. Payment after that date shall incur a ten percent (10%) late fee on the outstanding account balance under Article V.
- 3.3 Failure to Pay.** Failure by Contractor to pay any amount due under this franchise constitutes a Failure to Perform under this contract and is subject to the provisions of Article XV. General Terms of this Agreement (Termination for Cause).
- 3.4 Franchise Fee Requirements.** Payments must state on a form approved by the City:
- a. The number and type of Customers collected from, for the previous quarter, for Customers included in this Agreement.
 - b. The total tons landfilled, recycled or composted, regardless of origin of collection, for the previous quarter.
 - c. The total tons landfilled, recycled or composted, within the jurisdictional limits of the City, for the previous quarter.
 - d. The total gross revenues for the previous calendar quarter, for revenues generated under this agreement.
 - e. The total payment amount
- 3.5 Term.** The term of this Agreement shall be for a period of five (5) years, beginning on the date of acceptance and approval by City Council.

ARTICLE IV. ACCESS TO RECORDS & REPORTING

- 4.1 Facilities.** The City shall have the right to inspect the Contractor's facilities, equipment, personnel, and operations to ensure compliance with this Agreement.
- 4.2 Records.** The City shall have the right to inspect Contractor's records, receipts, and all documentation relating to the performance of this Agreement. Those records include, but are not limited to, information concerning the quality and quantity of Recyclables collected, processed, and sold; number of Customers served, gross amounts paid to and paid by Contractor from the sale/processing of Recyclables. The City agrees to notify the Contractor at least twenty-four (24) hours prior to such inspection of operations and/or records.
- 4.3 Records Retention.** Contractor shall retain all records associated with this Agreement for a period of four (4) years. City shall have access to information regarding Contractor's markets and prices paid for each type of material's return/cost; all information obtained by City marked confidential or proprietary shall remain confidential or proprietary pursuant to the Texas Open Records Act.
- 4.4 Activity Report.** Contractor shall provide a Monthly Recycling Activity Report, on a form approved by the City, summarizing the previous month's collection. This report is due to the City's Representative no later than the twentieth (20th) calendar day of each month. Contractor's report shall include the following information:
- a. The Customer collection count, itemized by customer type.
 - b. Total tonnage of Recyclables collected, recycled and/or composted, itemized by type of material, regardless of origin of collection.
 - c. Total tonnage of Recyclables collected, recycled and/or composted, itemized by type of material, within the jurisdictional limits of the City.
 - d. Total tonnage of Recyclables collected, but not recycled or composted due to rejection and the disposition of those materials.
 - e. Any other information concerning the Recyclables collection as required by the City's Representative.

ARTICLE V. RATES TO BE CHARGED BY CONTRACTOR

- 5.1** The Contractor shall follow the Schedule of Rates attached hereto as **Exhibit A** for the services described herein. The rates provided shall be kept current and made available to the City's Representative within thirty (30) days of an adopted rate change. The Contractor agrees to use due diligence to keep costs from increasing.

ARTICLE VI. APPEARANCE OF PERSONNEL AND EQUIPMENT

- 6.1 Equipment.** Contractor shall ensure all collection equipment and vehicles are attractively painted, well maintained and are in good working condition. Equipment must be washed at least one time per week. Equipment and vehicles must have sufficient carrying capacity for safe and efficient Recyclables collection. The City shall have the right to inspect and

approve the appearance of collection equipment. A standby vehicle shall be available at all times for Recyclables collection.

- 6.2 Signage.** Contractor's vehicles shall at all times be clearly labeled with Contractor's name and phone number in visible letters and numbers not less than three (3) inches in height. Signage must be on both sides of the vehicle and placed in a conspicuous place. Only labeled vehicles shall perform collection activities under this Agreement. Contractor's roll-offs, compactors, and receptacles must be clearly marked as used for Recyclables collection in letters at least twelve inches (12") in height on each side of the container.
- 6.3 Personnel.** All collection personnel shall wear a City-approved uniform to include, at minimum, matching labeled shirts with denim jeans or other standard work attire.

ARTICLE VII. COLLECTION AND TRANSPORT OF RECYCLABLES

- 7.1 Transport.** The Contractor shall only transport collected Recyclables for storage, processing, disposal, or other necessary handling to locations in a manner permitted by the terms of this Agreement as well as federal, state, and local law. This Agreement does not authorize Contractor to utilize the streets, alleys, and public ways to dispose of municipal solid waste or any other type of waste intended for disposal from any other project.
- 7.2 Cover.** During transport of Recyclables all vehicles shall be covered to prevent release of litter.

ARTICLE VIII. PLACEMENT OF RECEPTACLES

- 8.1 Placement.** All roll-offs, compactors, and receptacles placed in service shall be located in such a manner so as not to be a safety or traffic hazard. Under no circumstances shall Contractor place roll-offs, compactors, or receptacles on public streets, alleys, or thoroughfares without prior approval of the City's Representative. City reserves the right to designate the exact location of any or all roll-offs, compactors, or containers placed in service in the City.
- 8.2 City Collection.** Recyclables collection shall not interfere with the City's collection of municipal solid waste. Under no circumstances shall contractor place roll-offs, compactors, or receptacles in existing enclosures designated for City roll-offs, compactors, and receptacles.

ARTICLE IX. SERVICE COMPLAINTS

- 9.1 Nature of Complaint.** Contractor shall handle directly any complaints pertaining to customer service, property damage, or personal injury from their commercial business and multifamily Recyclables collection service.

- 9.2 Intake.** Contractor shall develop written practices and procedures for receiving and resolving Customer complaints and collection issues. Any complaint received by the City shall be forwarded to the Contractor within one (1) business day of receipt.
- 9.3 Response.** Contractor shall respond to all complaints within one (1) business day of receiving a complaint from a Customer or notice of complaint from the City. Regardless of the nature of the complaint, Contractor shall report the action taken to the City in accordance with Article IV. Access to Records & Reporting.
- 9.4 Complaint Charges.** Upon receipt of ten (10) Customer complaints within a forty-five (45) day period, Contractor shall be assessed a charge of Three Hundred Dollars (\$300.00). Complaints are to be verified by the Contractor and the City's Representative. The City shall invoice the Contractor such charges.

ARTICLE X. DISPOSAL AND PROCESSING

- 10.1 Disposal Site.** Unless approved otherwise in writing by the City, Contractor shall utilize BVSWM, Inc. Landfill for the disposal of all non-recyclable waste material collected by Contractor within the corporate limits of the City.
- 10.2 Processing Facility.** Contractor shall only use a City-approved recycling or composting facility for processing of all Recyclables collected by Contractor within the corporate limits of the City under this Agreement.
- 10.3 Disposal.** In no case shall any Recyclable or Compostable Materials be disposed in a landfill.

ARTICLE XI. VIOLATION AND PENALTY

- 11.1 Fine.** It shall be unlawful for any person, firm or corporation violating any provision or term of this Agreement and they shall receive a citation and fine not to exceed \$2,000.00 per offense per day. Each and every day a violation continues constitutes a separate offense.
- 11.2 Remedies.** In addition to any rights set out elsewhere in this Agreement, or other rights the City may possess at law or equity, the City reserves the right to apply any remedies, alone or in combination, in the event Contractor violates any provision of this Agreement. The remedies provided for in this Agreement are cumulative and not exclusive; the exercise of one remedy shall not prevent the exercise of another, or any rights of the City at law or equity.

ARTICLE XII. INSURANCE

- 12.1** The Contractor shall procure and maintain, at its sole cost and expense for the term of this Agreement, insurance against claims for injuries to persons or damages to property that

may arise from or in connection with the performance of the services performed by the Contractor, its agents, representatives, volunteers, employees, or subcontractors.

- 12.2** The Contractor's insurance shall list the City of College Station, its employees, volunteers, and officials as additional insureds. Insurance requirements are attached in **Exhibit B**. Certificates of insurance evidencing the required insurance coverages are attached in **Exhibit C**.

ARTICLE XIII. INDEMNIFICATION AND RELEASE

- 13.1 Indemnification.** Contractor shall indemnify, hold harmless, and defend the City, its officers, agents, volunteers, and employees from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person or for damage to any property arising out of or in connection with the work and services done by the Contractor under this Agreement. Such indemnity shall apply regardless of whether the claims, losses, damages, causes of action, suits, or liability arise in whole or in part from the negligence of the City, any other party indemnified hereunder, the Contractor, or any third party.
- 13.2 Release.** The Contractor assumes full responsibility for the work to be performed hereunder and hereby releases, relinquishes, and discharges the City, its officers, agents, volunteers, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person and any loss of or damage to any property caused by, alleged to be caused by, arising out of, or in connection with the Contractor's work and services to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance and regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City, any other party released hereunder, the Contractor, or any third party.

ARTICLE XIV. DISPUTES AND MEDIATION

- 14.1 Disputes.** If a dispute arises between City and Contractor during this Agreement, the dispute shall first be referred to the operational officers or representatives designated by the parties having oversight of the Agreement's administration. The officers or representatives shall meet within thirty (30) days of either party's request for a meeting, whichever request is first, and the parties shall make a good faith effort to achieve a resolution of the dispute.
- 14.2 Mediation.** If the parties not able to resolve the dispute under the procedure in this article, then the parties agree the matter shall be referred to non-binding mediation. The parties shall mutually agree upon a mediator to assist in resolving their differences. If the parties cannot agree upon a mediator, the parties shall jointly obtain a list of three (3) mediators from a reputable dispute resolution organization and alternate striking mediators on that

list until one remains. A coin toss shall determine who may strike the first name. If a party fails to notify the other party of which mediator it has stricken within two (2) business days, the other party shall select the mediator from those mediators remaining on the list. The parties shall pay their own expenses of any mediation and will share the cost of the mediator's services.

- 14.3 Other Remedies.** If the parties fail to achieve a resolution of the dispute through mediation, either party may then pursue any available judicial remedies.

ARTICLE XV. GENERAL TERMS

- 15.1 Performance.** Contractor, its employees, associates, or subcontractors shall perform all the services in a professional manner and be fully qualified and competent to perform those services.

15.2 Termination.

- a. For Convenience.** At any time, the City or Contractor may terminate this Agreement for convenience, in writing with thirty (30) days' notice. City shall be compensated for outstanding Franchise Fees.
- b. For Cause.** City also may terminate this Agreement if Contractor materially breaches or otherwise fails to perform, comply with or otherwise observe any of the terms and conditions of this Agreement, or fails to maintain all required licenses and approvals from federal, state, and local jurisdictions, and fails to cure such breach or default within thirty (30) days of City providing Contractor written notice, or, if not reasonably capable of being cured within thirty (30) calendar days, within such other reasonable period of time upon which the parties may agree.
- c. Hearing.** This Agreement shall not be terminated except upon a majority vote of the City Council, after giving reasonable notice to Contractor. The Contractor will have an opportunity to be heard, provided if exigent circumstances necessitate immediate termination, the hearing may be held as soon as possible after the termination.

- 15.3 Venue.** This Contract has been made under and shall be governed by the laws of the State of Texas. The parties agree that performance and all matters related thereto shall be in Brazos County, Texas.

- 15.4 Amendment.** This Agreement may only be amended by written instrument approved and executed by the parties.

- 15.5 Taxes.** The City is tax exempt and is not responsible for the payment of any taxes.

- 15.6 Compliance with Laws.** The Contractor will comply with all applicable federal, state, and local statutes, regulations, ordinances, and other laws, including but not limited to the

Immigration Reform and Control (IRCA). The Contractor may not knowingly obtain the labor or services of an undocumented worker. The Contractor, not the City, must verify eligibility for employment as required by IRCA.

- 15.7 Waiver of Terms.** No waiver or deferral by either party of any term or condition of this Contract shall be deemed or construed to be a waiver of deferral of any other term or condition or subsequent waiver or deferral of the same term or condition.
- 15.8 Assignment.** This Agreement and the rights and obligations contained herein may not be assigned by the Contractor without the prior written approval of City.
- 15.9 Invalid Provisions.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that any provision of this Agreement is invalid or unenforceable, and if by limiting that provision, the Agreement may become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
- 15.10 Entire Agreement.** This Agreement represents the entire agreement between the City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.
- 15.11 Agree to Terms.** The parties' state they have read the terms and conditions of this Agreement and agree to the terms and conditions. Contractor shall evidence its unconditional written acceptance of all the terms and conditions of this Agreement by the execution of this Agreement.
- 15.12 Effective Date.** According to City Charter, Section 105, after passage, approval and legal publication of this Agreement as provided by law, and provided it has been duly accepted by Contractor as herein above provided, this Agreement shall not take effect until sixty (60) days after its adoption on its second and final reading.
- 15.13 Notice.** Any official notice under this Agreement will be sent to the following addresses:

City of College Station
Attn: Heather Woolwine
PO BOX 9960
1101 Texas Ave.
College Station, TX 77842
hwoolwine@cstx.gov

Pronto Services, LLC.
Attn: Laramie Wheaton
PO Box 4662
1733 Briarcrest Dr., Ste. 210
Bryan, TX 77802
laramie@prontoservicesllc.com

- 15.14 List of Exhibits.** All exhibits to this Agreement are incorporated and made part of this Agreement for all purposes.
- A.** Schedule of Rates
 - B.** Insurance Requirements

C. Certificates of Insurance

15.15 Public Meetings and Readings. This Agreement was passed adopted and approved according to Texas Government Code Chapter 551.

- a.** First Consideration & Approval on the ____ day of _____, 2018.
- b.** Second Consideration & Approval on the ____ day of _____, 2018.

PRONTO SERVICES, LLC.

By: _____

Printed Name: Laramie Wheaton

Title: **Owner/Member**

Date: 3/7/2018

CITY OF COLLEGE STATION

By: _____
Mayor

Date: _____

ATTEST:

City Secretary
Date: _____

APPROVED:

City Manager
Date: _____

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____

EXHIBIT A. SCHEDULE OF RATES

Contractor's base rate is \$110.00 per month, and may increase, depending on a variety of conditions, including but not limited to:

- Location of Customer,
- Impact on Existing Routes,
- Ingress and Egress Capabilities,
- Special Requests by Customers,
- Frequency of Collections,
- Volume of Materials,
- Type of Materials,
- External Contributing Conditions of Market Costs.

EXHIBIT B. INSURANCE REQUIREMENTS

Throughout the term of this Agreement the Contractor must comply with the following:

I) Standard Insurance Policies Required:

- A)** Commercial General Liability
- B)** Business Automobile Liability
- C)** Workers' Compensation

II) General Requirements Applicable to All Policies:

- A)** Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent.
- B)** Certificates of Insurance and endorsements shall be furnished on the most current State of Texas Department of Insurance-approved forms to the City's Representative at the time of execution of this Agreement; shall be attached to this Agreement as **Exhibit C**; and shall be approved by the City before work begins.
- C)** Contractor shall be responsible for all deductibles on any policies obtained in compliance with this Agreement. Deductibles shall be listed on the Certificate of Insurance and are acceptable on a per-occurrence basis only.
- D)** The City will accept only Insurance Carriers licensed and authorized to do business in the State of Texas.
- E)** The City will not accept "claims made" policies.
- F)** Coverage shall not be suspended, canceled, non-renewed or reduced in limits of liability before thirty (30) days written notice has been given to the City.

III) Commercial General Liability

- A)** General Liability insurance shall be written by a carrier rated "A: VIII" or better under the current A. M. Best Key Rating Guide.
- B)** Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain.
- C)** Limits of liability must be equal to or greater than \$500,000 per occurrence for bodily injury and property damage, with an annual aggregate limit of \$1,000,000. Limits shall be endorsed to be per project.
- D)** No coverage shall be excluded from the standard policy without notification of individual exclusions being submitted for the City's review and acceptance
- E)** The coverage shall include, but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, and Personal & Advertising Liability.

IV) Business Automobile Liability

- A)** Business Automobile Liability insurance shall be written by a carrier rated "A: VIII" or better under the current A. M. Best Key Rating Guide.
- B)** Policies shall contain an endorsement listing the City as Additional Insured and further providing "primary and non-contributory" language with regard to self-insurance or any insurance the City may have or obtain
- C)** Combined Single Limit of Liability not less than \$1,000,000 per occurrence for bodily injury and property damage.
- D)** The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page
- E)** The coverage shall include any autos, owned autos, leased or rented autos, non-owned autos, and hired autos.

V) Workers' Compensation Insurance

- A)** Workers compensation insurance shall include the following terms:
 - 1) Employer's Liability minimum limits of liability not less than \$500,000 for each accident/each disease/each employee are required
 - 2) "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy
 - 3) TEXAS must appear in Item 3A of the Workers' Compensation coverage or Item 3C must contain the following: "All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY"

EXHIBIT C. CERTIFICATES OF INSURANCE



Legislation Details (With Text)

File #:	18-0274	Version:	1	Name:	Rezoning – Summit Crossing Phases 4-6
Type:	Rezoning	Status:		Status:	Agenda Ready
File created:	4/11/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix "A", "Unified Development Ordinance," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to T Townhouse for approximately 36 acres generally located at the intersection of Buena Vista and Summit Crossing Lane.				
Sponsors:	Rachel Lazo				
Indexes:					
Code sections:					
Attachments:	Background Information Vicinity Aerial SAM Ordinance				

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix "A", "Unified Development Ordinance," Section 4.2, "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to T Townhouse for approximately 36 acres generally located at the intersection of Buena Vista and Summit Crossing Lane.

Relationship to Strategic Goals:

- Good Governance
- Financially Sustainable City
- Core Services and Infrastructure
- Diverse Growing Economy

Recommendation(s): The Planning & Zoning Commission considered this item at their April 5, 2018 meeting and voted 5-1-1 to recommend approval.

Summary: The applicant has requested a T Townhouse rezoning at this location to allow for Phases 4-6 of the existing Summit Crossing development. Previously, Summit Crossing has developed under a Planned Development District with duplexes as an approved use, then revised the PDD for townhouse uses. Instead of continuing to modify the PDD, the applicant has chosen to request T Townhouse as it would still comply with the Urban land use designation.

REZONING REVIEW CRITERIA

- 1. Whether the proposal is consistent with the Comprehensive Plan:** The subject area is designated on the Comprehensive Plan Future Land Use and Character Map as Urban. The Comprehensive Plan states that this designation is for areas that should have very

intense level of development consisting of townhomes, duplexes, and high-density apartments. The proposed zoning permits townhomes, allowing the property to be developed consistent with the Comprehensive Plan.

2. **Whether the uses permitted by the proposed zoning district will be appropriate in the context of the surrounding area:** As this is a continuation of the existing Summit Crossing townhouse development, Townhouse zoning is compatible with the present zoning and conforming uses of the area and the character of the neighborhood.
3. **Whether the property to be rezoned is physically suitable for the proposed zoning district:** The property is suitable for townhouse uses. It has been planned since 2003 for duplex uses where each side is on an individually platted lot to promote individual home ownership. Previous phases of the Summit Crossing development have also converted to townhomes as they developed. Currently the property is undeveloped, moving urban-density residential eastward up Harvey Road. There is no floodplain on the property and it is relatively flat.
4. **Whether there is available water, wastewater, stormwater, and transportation facilities generally suitable and adequate for uses permitted by the proposed zoning district:** Water service will be provided by the City of College Station via an existing 12-inch water main located along Summit Crossing Lane, and sewer access via an existing 8-inch sanitary sewer line located along Summit Crossing Lane.

The subject property has frontage on Summit Crossing Lane, an existing 2-lane Minor Collector. The subject tract will have one connection on Harvey Road and to the existing Summit Crossing development.

Drainage and other public infrastructure required with the site shall be designed and constructed in accordance with the B/CS Unified Design Guidelines. Existing infrastructure currently appears to have capacity to adequately serve the proposed use.

A traffic impact analysis (TIA) was performed as part of the rezoning request. All studied intersections are anticipated to perform at an acceptable level of service, although a center left-turn lane in Harvey Road at Summit Crossing Lane is recommended to handle the volume of turning movements. City staff and the applicant are working with TxDOT on the appropriate implementation of a center turn lane at the aforementioned location.
5. **The marketability of the property:** The subject property is marketable with its current zoning of PDD Planned Development District, however, a T Townhouse district simplifies the zoning and future development processes.

STAFF RECOMMENDATION

Staff recommends approval.

Budget & Financial Summary: N/A

Legal Review: Yes

Attachments:

1. Background Information
2. Vicinity Map, Aerial, and Small Area Map
3. Ordinance

NOTIFICATIONS

Advertised Commission Hearing Date: April 5, 2018
Advertised Council Hearing Dates: April 26, 2018

The following neighborhood organizations that are registered with the City of College Station's Neighborhood Services have received a courtesy letter of notification of this public hearing:
Summit Crossing HOA

Property owner notices mailed: Nine (9)
Contacts in support: None
Contacts in opposition: None
Inquiry contacts: Two at the time of staff report

ADJACENT LAND USES

Direction	Comprehensive Plan	Zoning	Land Use
North	General Commercial	GC General Commercial and CI Commercial Industrial	Undeveloped, industrial business, and Single-Family Residential
South	Urban	PDD Planned Development District	Undeveloped
East	General Commercial	R Rural and PDD Planned Development District	Large Lot Rural and Undeveloped
West	Urban	R Rural & T Townhouse	Undeveloped and Townhomes

DEVELOPMENT HISTORY

Annexation: September 1980
Zoning: Properties zoned A-O Agricultural Open upon Annexation
2003 – 105.834 acre tract zoned PDD Planned Development District with duplexes as an approved use and the northwest corner of Harvey & FM 158 zoned GC General Commercial
Final Plat: N/A – Property is currently unplatted
Site development: Vacant

VICINITY MAP



REZ2018-000001
SUMMIT CROSSING
PH 4 - 6



EARL RUDDER FREEWAY SOUTH
HARVEY ROAD

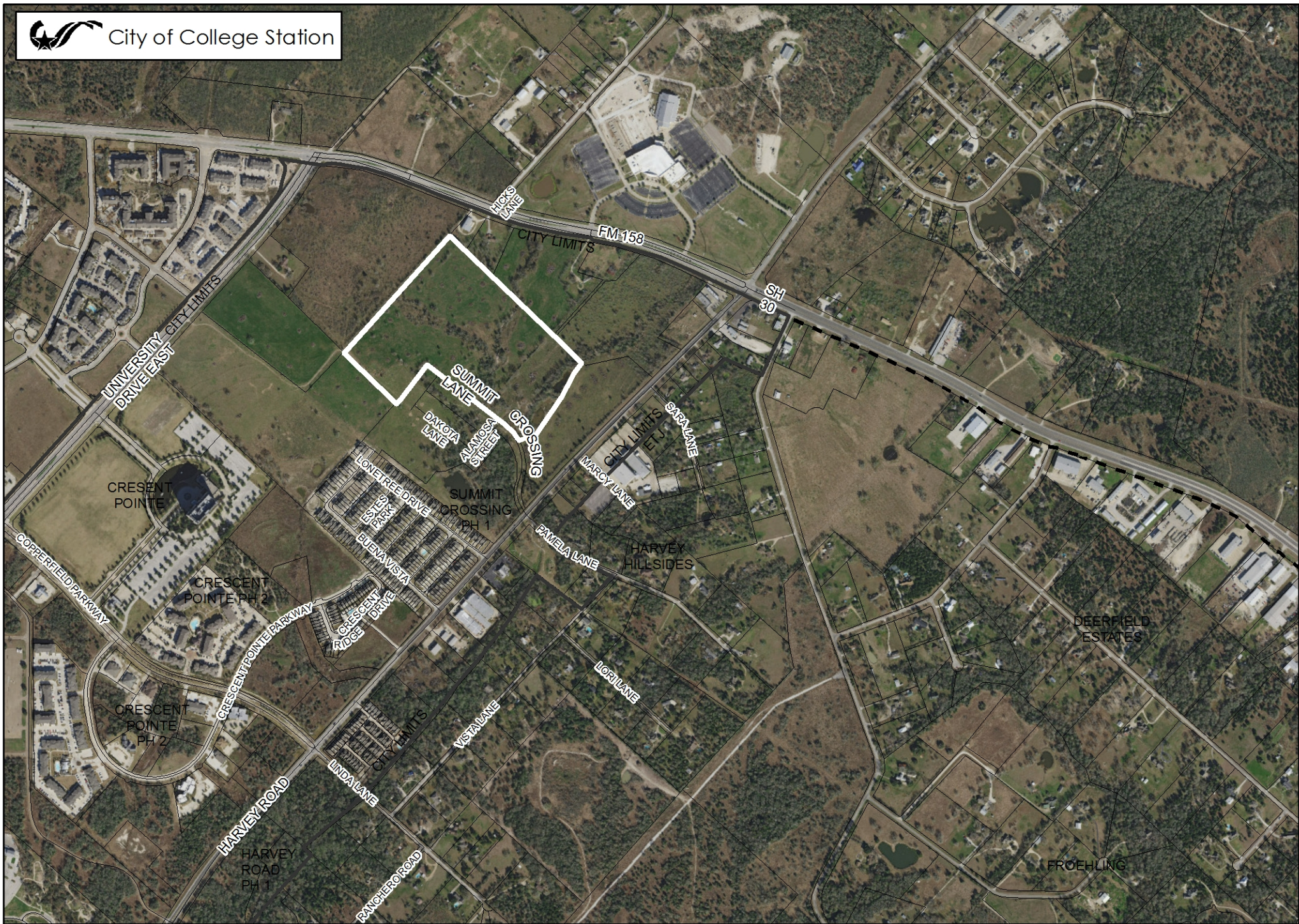
SH 47

SH 6 SOUTH

WILLIAM DITCH PARKWAY

WELLBORN ROAD

0 0.75 1.5 3 Miles

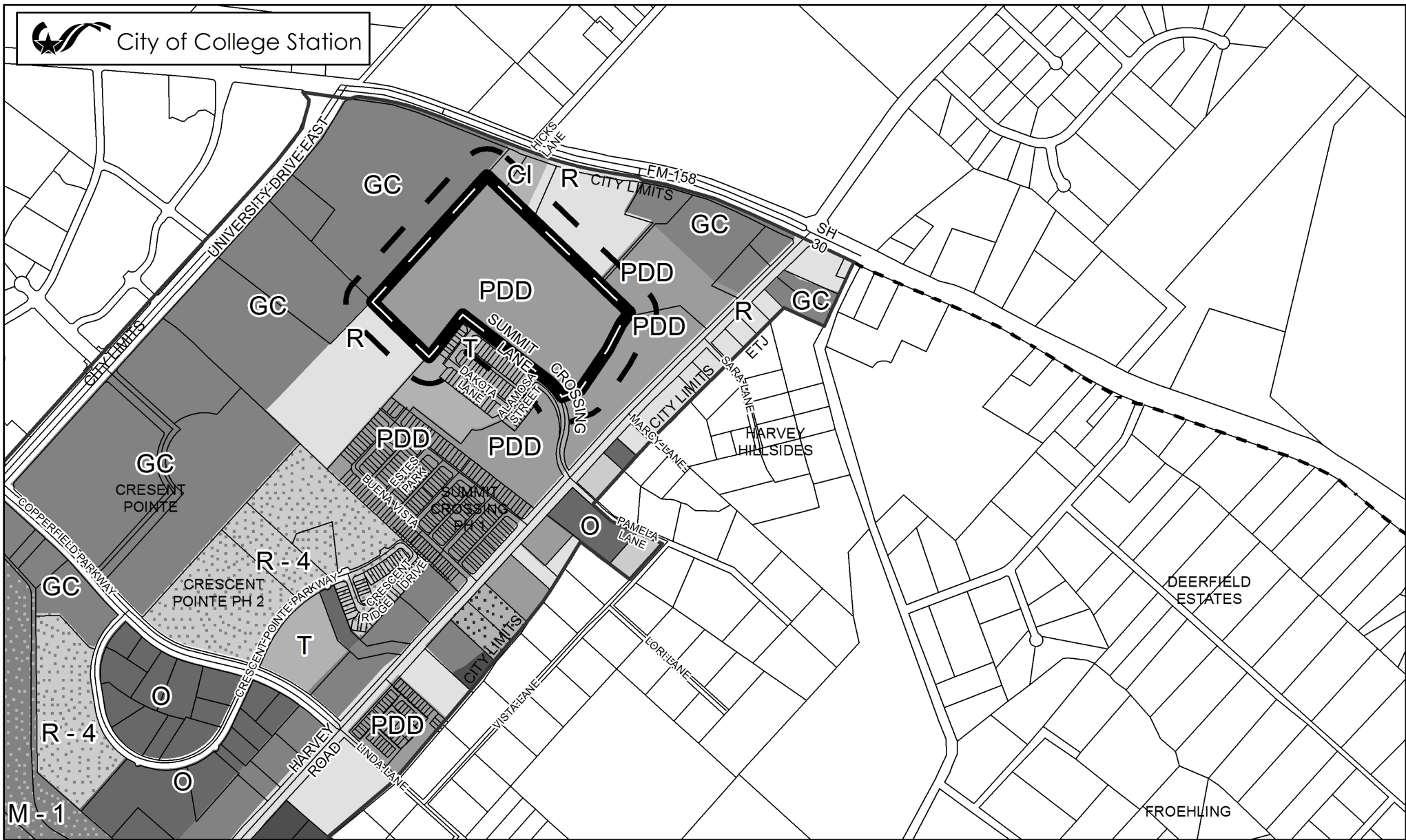


0 1,000 2,000 Feet

**SUMMIT CROSSING
PH 4 - 6**

Case:
REZ2018-000001

REZONING



ZONING DISTRICTS (In Grayscale)

Residential

R Rural
E Estate
RS Restricted Suburban
GS General Suburban
D Duplex
T Townhome
MF Multi-Family

MU

MU Mixed-Use
MHP Manufactured Home Pk.

Non-Residential

NAP Natural Area Protected
O Office
SC Suburban Commercial
GC General Commercial

CI

CI Commercial Industrial
BP Business Park
BPI Business Park Industrial
C-U College and University

Planned Districts

P-MUD Planned Mixed-Use Dist.
PDD Planned Develop. Dist.

Design Districts

WPC Wolf Pen Creek Dev. Cor.
NG-1 Core Northgate
NG-2 Transitional Northgate
NG-3 Residential Northgate

Overlay Districts

OV Corridor Ovr.
RDD Redevelopment District
KO Krenak Tap Ovr.
NPO Nbrhd. Prevailing Ovr.
NCO Nbrhd. Conservation Ovr.
HP Historic Preservation Ovr.

Retired Districts

R-1B Single Family Residential
R-4 Multi-Family
R-6 High Density Multi-Family
RD Research and Dev.
M-1 Light Industrial
M-2 Heavy Industrial



0 1,000 2,000 Feet

**SUMMIT CROSSING
PH 4 - 6**

Case:
REZ2018-000001

REZONING

ORDINANCE NO. _____

AN ORDINANCE AMENDING APPENDIX A “UNIFIED DEVELOPMENT ORDINANCE,” ARTICLE 4 “ZONING DISTRICTS,” SECTION 4.2, “OFFICIAL ZONING MAP” OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY CHANGING THE ZONING DISTRICT BOUNDARIES FROM PDD PLANNED DEVELOPMENT DISTRICT TO T TOWNHOUSE FOR APPROXIMATELY 36 ACRES GENERALLY LOCATED AT THE INTERSECTION OF BUENA VISTA AND SUMMIT CROSSING LANE; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1: That Appendix A “Unified Development Ordinance,” Article 4 “Zoning Districts,” Section 4.2 “Official Zoning Map” of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit “A”**, **Exhibit “B”**, and **Exhibit “C”** attached hereto and made a part of this Ordinance for all purposes.
- PART 2: If any provision of this Ordinance or its application to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality does not affect other provisions or application of this Ordinance or the Code of Ordinances of the City of College Station, Texas, that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Ordinance are severable.
- PART 3: That any person, corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than twenty five dollars (\$25.00) and not more than five hundred dollars (\$500.00) or more than two thousand dollars (\$2,000) for a violation of fire safety, zoning, or public health and sanitation ordinances, other than the dumping of refuse. Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.
- PART 4: This Ordinance is a penal ordinance and becomes effective ten (10) days after its date of passage by the City Council, as provided by City of College Station Charter Section 35.

PASSED, ADOPTED, and APPROVED this 26th day of April, 2018.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

Exhibit A

That Appendix A “Unified Development Ordinance,” Article 4 “Zoning Districts,” Section 4.2, “Official Zoning Map” of the Code of Ordinances of the City of College Station, Texas, is hereby amended as follows:

The following property is rezoned from PDD Planned Development District to T Townhouse:

**METES AND BOUNDS DESCRIPTION
OF A
35.677 ACRE TRACT
J. W. SCOTT LEAGUE, A-49
COLLEGE STATION, BRAZOS COUNTY, TEXAS**

METES AND BOUNDS DESCRIPTION OF ALL THAT CERTAIN TRACT OF LAND LYING AND BEING SITUATED IN THE J. W. SCOTT LEAGUE, ABSTRACT NO. 49, COLLEGE STATION, BRAZOS COUNTY, TEXAS. SAID TRACT BEING A PORTION OF THE REMAINDER OF A CALLED 98.202 ACRE TRACT OF LAND AS DESCRIBED BY A DEED TO THE SUMMIT CROSSING, LLC RECORDED IN VOLUME 7541, PAGE 214 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS.

SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ FOUND (N:10224562.87, E:3571320.30) ON THE NORTHWEST LINE OF STATE HIGHWAY 30 – HARVEY ROAD (120’ R.O.W.) MARKING THE EAST CORNER OF SAID REMAINDER OF 98.202 ACRE TRACT AND THE SOUTH CORNER OF A CALLED 15.00 ACRE TRACT OF LAND AS DESCRIBED BY A DEED TO TEXAS HOTEL MANAGEMENT, LP, RECORDED IN VOLUME 7541, PAGE 221 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS. COORDINATES AND BEARING SYSTEM SHOWN HEREIN ARE NAD83 (TEXAS STATE PLANE CENTRAL ZONE GRID NORTH) BASED ON THE PUBLISHED COORDINATES OF THE CITY OF COLLEGE STATION CONTROL MONUMENT CS94-126 (N:10221519.22, E:3566228.08) AND AS ESTABLISHED BY GPS OBSERVATION;

THENCE: ALONG THE COMMON LINE OF SAID REMAINDER OF 98.202 ACRE TRACT AND SAID 15.00 ACRE TRACT FOR THE FOLLOWING CALLS:

N 48° 49’ 34” W FOR A DISTANCE OF 263.77 FEET TO A 5/8 INCH IRON ROD FOUND;

S 78° 15’ 06” W FOR A DISTANCE OF 358.88 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ FOUND;

N 46° 12’ 28” W FOR A DISTANCE OF 40.90 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET MARKING THE POINT OF BEGINNING OF THIS HEREIN DESCRIBED TRACT;

THENCE: THROUGH SAID REMAINDER OF 98.202 ACRE TRACT FOR THE FOLLOWING CALLS:

S 37° 33’ 34” W FOR A DISTANCE OF 103.95 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET;

S 27° 14’ 53” W FOR A DISTANCE OF 223.61 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET;

S 34° 20’ 07” W FOR A DISTANCE OF 364.01 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET;

S 68° 39’ 22” W FOR A DISTANCE OF 149.51 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET ON THE NORTHEAST LINE OF SUMMIT CROSSING LANE (60’ R.O.W.) MARKING THE BEGINNING OF A COUNTER-CLOCKWISE CURVE HAVING A RADIUS OF 430.00 FEET;

THENCE: ALONG THE NORTHEAST LINE OF SUMMIT CROSSING LANE FOR THE FOLLOWING CALLS:

ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22° 15' 23" FOR AN ARC DISTANCE OF 167.03 FEET (CHORD BEARS: N 41° 08' 49" W – 165.98 FEET) TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND MARKING THE END POINT OF SAID CURVE;

N 52° 16' 31" W FOR A DISTANCE OF 806.48 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND AT THE END OF SUMMIT CROSSING LANE;

THENCE: S 37° 43' 29" W ACROSS THE END OF SUMMIT CROSSING LANE AND ALONG THE COMMON LINE OF SAID

35.677 ACRE TRACT

REMAINDER OF 98.202 ACRE TRACT AND SUMMIT CROSSING, PHASE 3B, ACCORDING TO THE PLAT RECORDED IN VOLUME 14370, PAGE 14 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, FOR A DISTANCE OF 342.51 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND MARKING THE WEST CORNER OF SAID PHASE 3B;

THENCE: S 41° 38' 31" W THROUGH SAID REMAINDER OF 98.202 ACRE TRACT AND ALONG THE NORTHWEST LINE OF THE FUTURE SUMMIT CROSSING, PHASE 3C (NOT YET FILED FOR RECORD) FOR A DISTANCE OF 62.51 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'M MCCLURE RPLS 2859' FOUND;

THENCE: N 45° 49' 20" W CONTINUING THROUGH SAID REMAINDER OF 98.202 ACRE TRACT FOR A DISTANCE OF 593.51 FEET TO A ½ INCH IRON ROD FOUND MARKING THE SOUTH CORNER OF A CALLED 35.91 ACRE TRACT OF LAND AS DESCRIBED BY A DEED TO CONAWAY HOLDINGS, LP RECORDED IN VOLUME 12952, PAGE 280 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, AND THE EAST CORNER OF A CALLED 12.545 ACRE TRACT AS DESCRIBED BY A DEED TO TECHNOLOGGING, LP RECORDED IN VOLUME 7675, PAGE 200 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS;

THENCE: N 42° 08' 09" E ALONG THE COMMON LINE OF SAID REMAINDER OF 98.202 ACRE TRACT AND SAID REMAINDER OF 35.91 ACRE TRACT FOR A DISTANCE OF 1282.75 FEET TO A ½ INCH IRON ROD FOUND MARKING THE WEST CORNER OF A 30' WIDE ACCESS EASEMENT RESERVED IN A PARTITION DEED RECORDED IN VOLUME 297, PAGE 252 OF THE DEED RECORDS OF BRAZOS COUNTY, TEXAS;

THENCE: S 46° 11' 43" E ALONG THE NORTHEAST LINE OF SAID REMAINDER OF 98.202 ACRE TRACT, SAME BEING THE SOUTHWEST LINE OF SAID ACCESS EASEMENT, THE SOUTHWEST LINE OF THE REMAINDER OF A CALLED 15.379 ACRE TRACT AS DESCRIBED BY A DEED TO JOYCE BELL RECORDED IN VOLUME 1687, PAGE 241 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, AND THE SOUTHWEST LINE OF THE REMAINDER OF A CALLED 11.424 ACRE TRACT AS DESCRIBED BY A DEED TO JOYCE A. DEVANEY REVOCABLE LIVING TRUST RECORDED IN VOLUME 2584, PAGE 225 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS, FOR A DISTANCE OF 1172.43 FEET TO A 5/8 INCH IRON ROD FOUND MARKING THE SOUTH CORNER OF SAID REMAINDER OF CALLED 11.424 ACRE TRACT;

THENCE: S 46° 41' 36" E THROUGH SAID REMAINDER OF 98.202 ACRE TRACT FOR A DISTANCE OF 20.01 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND MARKING THE WEST CORNER OF SAID 15.00 ACRE TRACT;

THENCE: S 46° 12' 28" E ALONG THE COMMON LINE OF SAID REMAINDER OF 98.202 ACRE TRACT AND SAID 15.00 ACRE TRACT FOR A DISTANCE OF 295.58 FEET TO THE **POINT OF BEGINNING** CONTAINING 35.677 ACRES OF LAND AS SURVEYED ON THE GROUND MAY 2017. DISTANCES SHOWN HEREIN ARE GRID DISTANCES. TO DETERMINE SURFACE DISTANCES MULTIPLY BY A COMBINED SCALE FACTOR OF 1.0001107965 (CALCULATED USING GEOID 12B).

BRAD KERR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 4502

WOBS\18-019\18-019B.docx



Exhibit “C”





Legislation Details (With Text)

File #:	18-0275	Version:	1	Name:	Rezoning – Summit Crossing Multi-Family
Type:	Rezoning	Status:		Status:	Agenda Ready
File created:	4/11/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix A, "Unified Development Ordinance," Article 4, "Zoning Districts," Section 4.2 "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to MF Multi-Family on approximately 12 acres of land, located at the intersection of Summit Crossing Lane and Harvey Road.				
Sponsors:	Rachel Lazo				
Indexes:					
Code sections:					
Attachments:	Background Information Vicinity Aerial SAM Ordinance				

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, possible action, and discussion regarding an ordinance amending Appendix A, "Unified Development Ordinance," Article 4, "Zoning Districts," Section 4.2 "Official Zoning Map," of the Code of Ordinances of the City of College Station, Texas by changing the zoning district boundaries from PDD Planned Development District to MF Multi-Family on approximately 12 acres of land, located at the intersection of Summit Crossing Lane and Harvey Road.

Relationship to Strategic Goals:

- Good Governance
- Financially Sustainable City
- Core Services and Infrastructure
- Diverse Growing Economy

Recommendation(s): The Planning & Zoning Commission considered this item at their April 5, 2018 meeting and voted 5-1-1 to recommend approval.

Summary: The applicant has requested a rezoning for approximately 12 acres of land from PDD Planned Development District with a base zoning of D Duplex to MF Multi-Family. The property is currently designated as Urban on the Comprehensive Land Use and Character Map. This designation calls for intense land use activities that include townhomes, duplexes, and high-density apartments and is consistent with the applicant's proposed rezoning request.

REZONING REVIEW CRITERIA

1. **Whether the proposal is consistent with the Comprehensive Plan:** The subject area is designated on the Comprehensive Plan Future Land Use and Character Map as Urban. The Urban land use designation is generally for areas that should have a very intense level of

development activities. These areas will tend to consist of townhomes, duplexes, and high-density apartments. Currently, there are a significant number of single-family attached and detached residences along Harvey Road, but limited multi-family uses. The proposed zoning permits multi-family uses, allowing the property to be developed consistent with the Comprehensive Plan.

2. **Whether the uses permitted by the proposed zoning district will be appropriate in the context of the surrounding area:** The properties to the north and west of the subject property are zoned PDD Planned Development District with D Duplex as a base zoning district and are currently pending development. They were included as part of the overall Summit Crossing master plan, which this portion is in the planning phase to build out as additional townhomes. The properties to the east are currently vacant with commercial retail at the hard corner of FM 158 and Harvey Road. This proposed zoning change would be compatible with the adjacent properties.
3. **Whether the property to be rezoned is physically suitable for the proposed zoning district:** The proposed zoning request to rezone for multi-family on this property would allow for dense residential development in a greenfield area planned for high concentrations of residential uses for along Harvey Road, a major thoroughfare. The request would then provide the opportunity to offer another housing type in an area that is primarily single-family attached and detached.
4. **Whether there is available water, wastewater, stormwater, and transportation facilities generally suitable and adequate for uses permitted by the proposed zoning district:** Water service will be provided by the City of College Station via two existing 12-inch water mains located along Summit Crossing Lane and Harvey Road. Sewer access will be via an existing 10-inch sanitary sewer line located across Summit Crossing Lane.

The subject property has frontage on Summit Crossing Lane, an existing 2-lane minor collector and Harvey Road, an existing 4-lane major arterial. The subject tract will have one connection on Summit Crossing Lane, and access to Harvey Road will be determined through TxDOT.

Drainage and other public infrastructure required with the site shall be designed and constructed in accordance with the B/CS Unified Design Guidelines. Existing infrastructure currently appears to have capacity to adequately serve the proposed use.

A traffic impact analysis (TIA) was performed for the request. All studied intersections are anticipated to perform at an acceptable level of service though a center left-turn lane in Harvey Road at Summit Crossing Lane is recommended to handle the volume of left turns. City staff and the applicant are working with TxDOT on the appropriate implementation of a left turn lane at the aforementioned location.
5. **The marketability of the property:** The subject property is marketable with its current zoning of PDD Planned Development District, however, considering it is located along a 4-lane major arterial and a 2-lane minor collector, the proposed MF Multi-Family rezoning is anticipated to increase the marketability of the property.

STAFF RECOMMENDATION

Staff recommends approval.

Budget & Financial Summary: N/A

Legal Review: Yes

Attachments:

1. Background Information
2. Vicinity Map, Small Area Map, and Aerial
3. Ordinance

NOTIFICATIONS

Advertised Commission Hearing Date: April 5, 2018
Advertised Council Hearing Dates: April 26, 2018

The following neighborhood organizations that are registered with the City of College Station's Neighborhood Services have received a courtesy letter of notification of this public hearing:
Summit Crossing HOA

Property owner notices mailed: Ten (10)
Contacts in support: None
Contacts in opposition: None
Inquiry contacts: Two (2) at the time of staff report

ADJACENT LAND USES

Direction	Comprehensive Plan	Zoning	Land Use
North	Urban	PDD Planned Development District	Undeveloped
South	Suburban Commercial	R Rural, O Office, and SC Suburban Commercial	Single-Family Residential, Church, Undeveloped
East	General Commercial	PDD Planned Development District	Undeveloped
West	Urban	T Townhouse and PDD Planned Development District	Parkland

DEVELOPMENT HISTORY

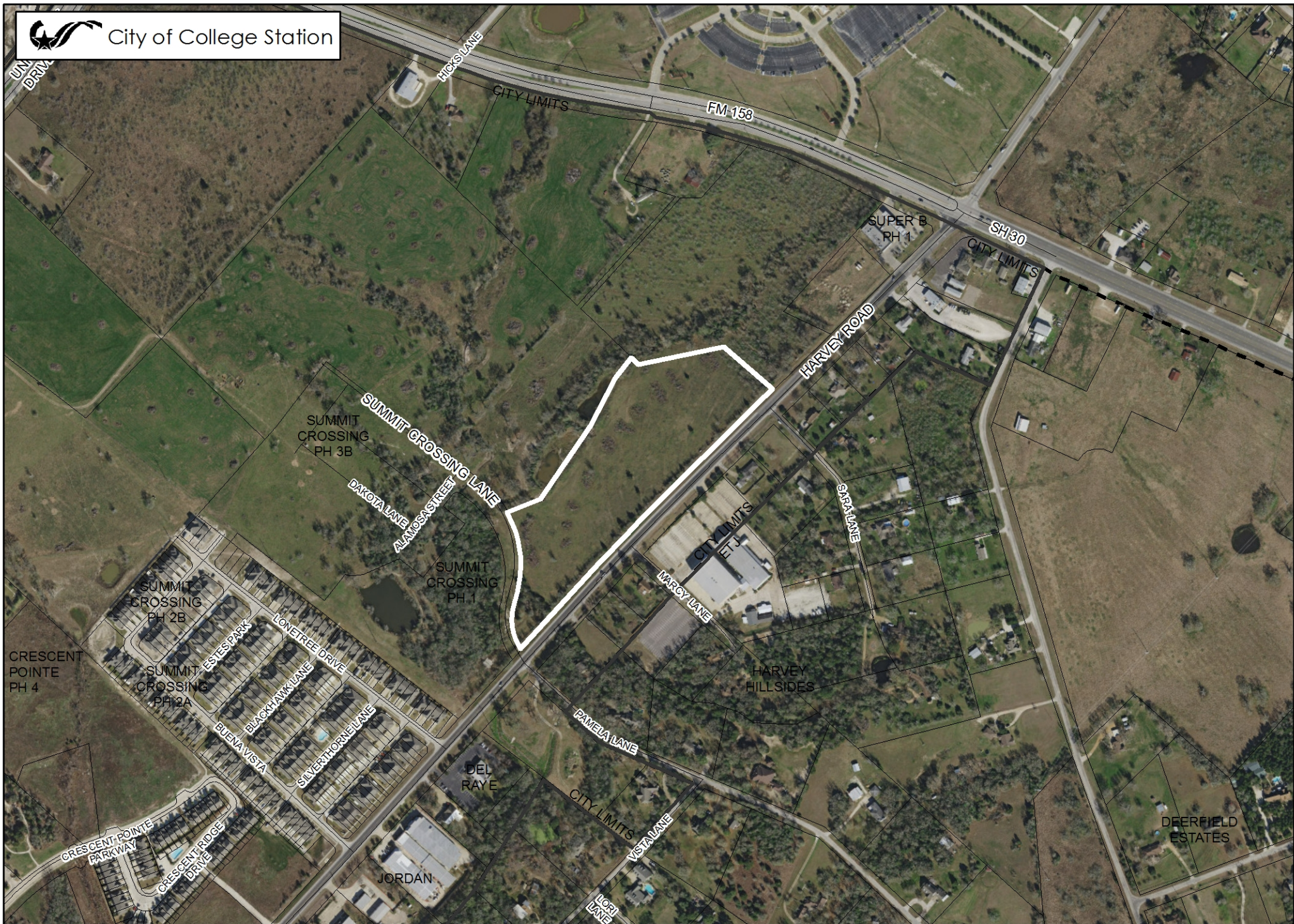
Annexation: September 1980
Zoning: Properties zoned A-O Agricultural Open upon Annexation
2003 – 105.834 acre tract zoned PDD Planned Development District with duplexes as an approved use and the northwest corner of Harvey & FM 158 zoned GC General Commercial
Final Plat: N/A – Property is currently unplatted
Site development: Vacant

VICINITY MAP

NORTH

REZ2018-000002
SUMMIT CROSSING

0 0.75 1.5 3 Miles

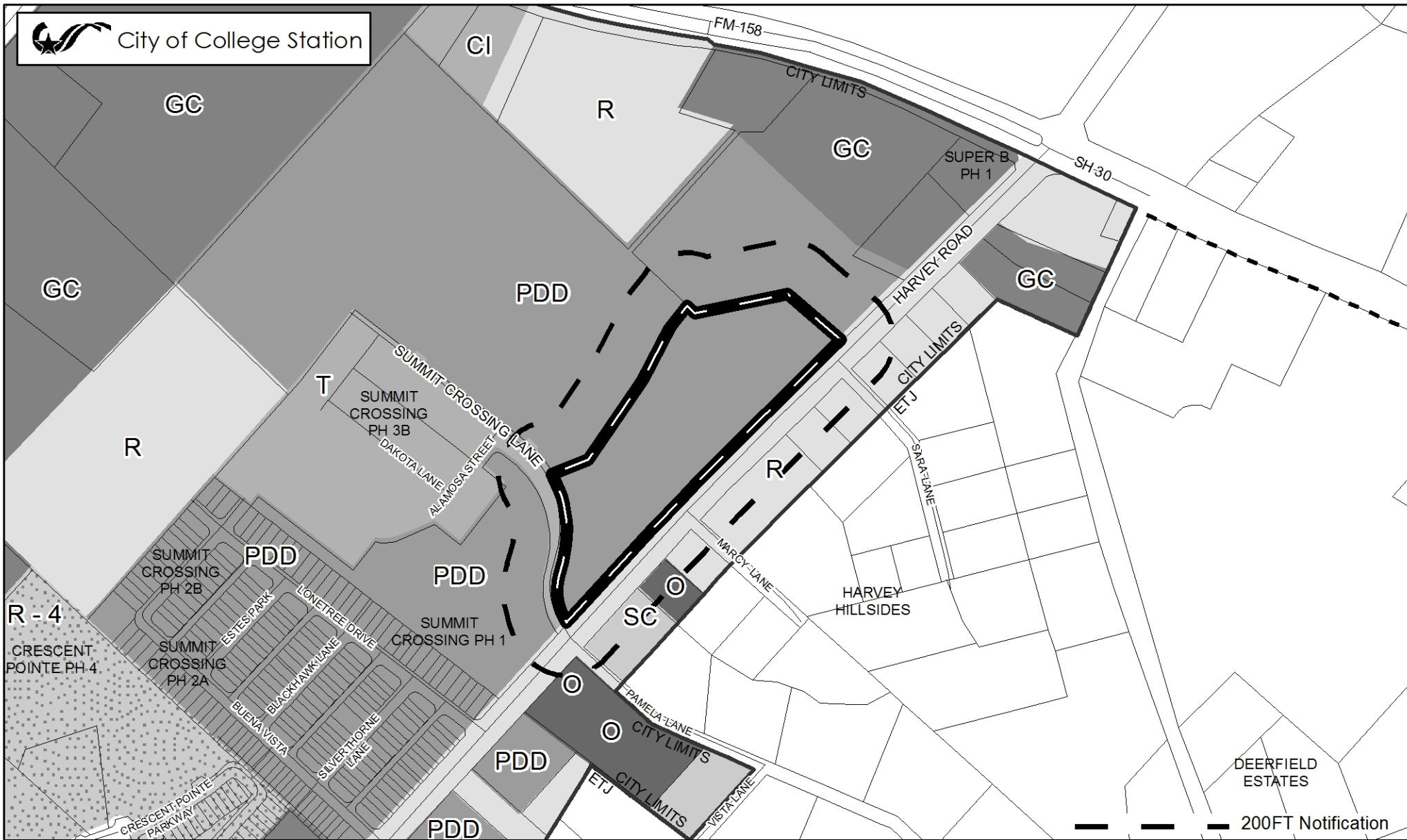


0 500 1,000 Feet

SUMMIT CROSSING

Case:
REZ2018-000002

REZONING



ZONING DISTRICTS (In Grayscale)

Residential

R Rural
E Estate
RS Restricted Suburban
GS General Suburban
D Duplex
T Townhome
MF Multi-Family

MU

MU Mixed-Use
MHP Manufactured Home Pk.

Non-Residential

NAP Natural Area Protected
O Office
SC Suburban Commercial
GC General Commercial

CI

CI Commercial Industrial
BP Business Park
BPI Business Park Industrial
C-U College and University

Planned Districts

P-MUD Planned Mixed-Use Dist.
PDD Planned Develop. Dist.

Design Districts

WPC Wolf Pen Creek Dev. Cor.
NG-1 Core Northgate
NG-2 Transitional Northgate
NG-3 Residential Northgate

Overlay Districts

OV Corridor Ovr.
RDD Redevelopment District
KO Krenak Tap Ovr.
NPO Nbrhd. Prevailing Ovr.
NCO Nbrhd. Conservation Ovr.
HP Historic Preservation Ovr.

Retired Districts

R-1B Single Family Residential
R-4 Multi-Family
R-6 High Density Multi-Family
RD Research and Dev.
M-1 Light Industrial
M-2 Heavy Industrial



0 500 1,000 Feet

SUMMIT CROSSING

Case:
REZ2018-000002

REZONING

ORDINANCE NO. _____

AN ORDINANCE AMENDING APPENDIX A “UNIFIED DEVELOPMENT ORDINANCE,” ARTICLE 4 “ZONING DISTRICTS,” SECTION 4.2, “OFFICIAL ZONING MAP” OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY CHANGING THE ZONING DISTRICT BOUNDARIES FROM PDD PLANNED DEVELOPMENT DISTRICT TO MF MULTI-FAMILY ON APPROXIMATELY 12 ACRES OF LAND, LOCATED AT THE INTERSECTION OF SUMMIT CROSSING LANE AND HARVEY ROAD.; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1: That Appendix A “Unified Development Ordinance,” Article 4 “Zoning Districts,” Section 4.2 “Official Zoning Map” of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit “A”**, **Exhibit “B”**, and **Exhibit “C”** attached hereto and made a part of this Ordinance for all purposes.
- PART 2: If any provision of this Ordinance or its application to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality does not affect other provisions or application of this Ordinance or the Code of Ordinances of the City of College Station, Texas, that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Ordinance are severable.
- PART 3: That any person, corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than twenty five dollars (\$25.00) and not more than five hundred dollars (\$500.00) or more than two thousand dollars (\$2,000) for a violation of fire safety, zoning, or public health and sanitation ordinances, other than the dumping of refuse. Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.
- PART 4: This Ordinance is a penal ordinance and becomes effective ten (10) days after its date of passage by the City Council, as provided by City of College Station Charter Section 35.

PASSED, ADOPTED, and APPROVED this 26th day of April, 2018.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

Exhibit A

That Appendix A “Unified Development Ordinance,” Article 4 “Zoning Districts,” Section 4.2, “Official Zoning Map” of the Code of Ordinances of the City of College Station, Texas, is hereby amended as follows:

The following property is rezoned from PDD Planned Development District to T Townhouse:

**METES AND BOUNDS DESCRIPTION
OF AN
11.878 ACRE TRACT
J. W. SCOTT LEAGUE, A-49
COLLEGE STATION, BRAZOS COUNTY, TEXAS**

METES AND BOUNDS DESCRIPTION OF ALL THAT CERTAIN TRACT OF LAND LYING AND BEING SITUATED IN THE J. W. SCOTT LEAGUE, ABSTRACT NO. 49, COLLEGE STATION, BRAZOS COUNTY, TEXAS. SAID TRACT BEING A PORTION OF THE REMAINDER OF A CALLED 98.202 ACRE TRACT OF LAND AS DESCRIBED BY A DEED TO THE SUMMIT CROSSING, LLC RECORDED IN VOLUME 7541, PAGE 214 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS.

SAID TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ FOUND (N:10224562.87, E:3571320.30) ON THE NORTHWEST LINE OF STATE HIGHWAY 30 – HARVEY ROAD (120’ R.O.W.) MARKING THE EAST CORNER OF SAID REMAINDER OF 98.202 ACRE TRACT AND THE SOUTH CORNER OF A CALLED 15.00 ACRE TRACT OF LAND AS DESCRIBED BY A DEED TO TEXAS HOTEL MANAGEMENT, LP, RECORDED IN VOLUME 7541, PAGE 221 OF THE OFFICIAL PUBLIC RECORDS OF BRAZOS COUNTY, TEXAS. COORDINATES AND BEARING SYSTEM SHOWN HEREIN ARE NAD83 (TEXAS STATE PLANE CENTRAL ZONE GRID NORTH) BASED ON THE PUBLISHED COORDINATES OF THE CITY OF COLLEGE STATION CONTROL MONUMENT CS94-126 (N:10221519.22, E:3566228.08) AND AS ESTABLISHED BY GPS OBSERVATION;

THENCE: ALONG THE NORTHWEST LINE OF STATE HIGHWAY 30 FOR THE FOLLOWING CALLS:

S 45° 16’ 27” W FOR A DISTANCE OF 738.63 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KR MCCLURE RPLS 5650’ FOUND MARKING THE BEGINNING OF A COUNTER-CLOCKWISE CURVE HAVING A RADIUS OF 5575.90 FEET;

ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 58’ 14” FOR AN ARC DISTANCE OF 289.08 FEET (CHORD BEARS: S 43° 48’ 05” W – 289.05 FEET) TO A POINT MARKING THE RECONSTRUCTED END POINT OF SAID CURVE. FOR REFERENCE, A ½ INCH IRON ROD WITH CAP MARKED ‘KR MCCLURE RPLS 5650’ BEARS: S 43° 42’ 50” W FOR A DISTANCE OF 10.96 FEET;

S 42° 18’ 58” W FOR A DISTANCE OF 458.40 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET ON THE NORTHEAST LINE OF SUMMIT CROSSING LANE (60’ TO VARIABLE WIDTH R.O.W.) MARKING THE BEGINNING OF A CLOCKWISE CURVE HAVING A RADIUS OF 215.00 FEET. FOR REFERENCE, A ½ INCH IRON ROD FOUND MARKING THE ORIGINAL SOUTH CORNER OF SAID 98.202 ACRE TRACT BEARS: S 42° 18’ 58” W FOR A DISTANCE OF 1234.04 FEET;

THENCE: ALONG THE NORTHEAST LINE OF SUMMIT CROSSING LANE FOR THE FOLLOWING CALLS:

ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 49° 18’ 55” FOR AN ARC DISTANCE OF 185.05 FEET (CHORD BEARS: N 09° 23’ 52” W – 179.39 FEET) TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET MARKING THE END POINT OF SAID CURVE;

N 15° 15’ 35” E FOR A DISTANCE OF 57.17 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED ‘KERR 4502’ SET MARKING THE BEGINNING OF A COUNTER-CLOCKWISE CURVE HAVING A RADIUS OF 430.00 FEET;

ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 45° 16’ 43” FOR AN ARC DISTANCE OF

339.81 FEET (CHORD BEARS: N 07° 22' 46" W – 331.04 FEET) TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET MARKING THE NORTHWEST CORNER OF THIS HEREIN DESCRIBED TRACT;

THENCE: THROUGH SAID REMAINDER OF 98.202 ACRE TRACT FOR THE FOLLOWING CALLS:

N 68° 39' 22" E FOR A DISTANCE OF 149.51 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET;

N 34° 20' 07" E FOR A DISTANCE OF 364.01 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET;

N 27° 14' 53" E FOR A DISTANCE OF 223.61 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET;

N 37° 53' 54" E FOR A DISTANCE OF 103.95 FEET TO A ½ INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' SET ON THE COMMON LINE OF SAID REMAINDER OF 98.202 ACRE TRACT AND SAID 15.00 ACRE TRACT. FOR REFERENCE, A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND MARKING THE WEST CORNER OF SAID 15.00 ACRE TRACT BEARS: N 46° 12' 28" W FOR A DISTANCE OF 295.58 FEET;

THENCE: ALONG THE COMMON LINE OF SAID REMAINDER OF 98.202 ACRE TRACT AND SAID 15.00 ACRE TRACT FOR THE FOLLOWING CALLS:

S 46° 12' 28" E FOR A DISTANCE OF 40.90 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP MARKED 'KERR 4502' FOUND;

N 78° 15' 06" E FOR A DISTANCE OF 358.88 FEET TO A 5/8 INCH IRON ROD FOUND;

S 48° 49' 34" E FOR A DISTANCE OF 263.77 FEET TO THE POINT OF BEGINNING CONTAINING 11.878 ACRES OF LAND AS SURVEYED ON THE GROUND MAY 2017. DISTANCES SHOWN HEREIN ARE GRID DISTANCES. TO DETERMINE SURFACE DISTANCES MULTIPLY BY A COMBINED SCALE FACTOR OF 1.0001107965 (CALCULATED USING GEOID 12B).

BRAD KERR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 4502

\\JOBS\18-019\18-019A.docx



EXHIBIT “B”

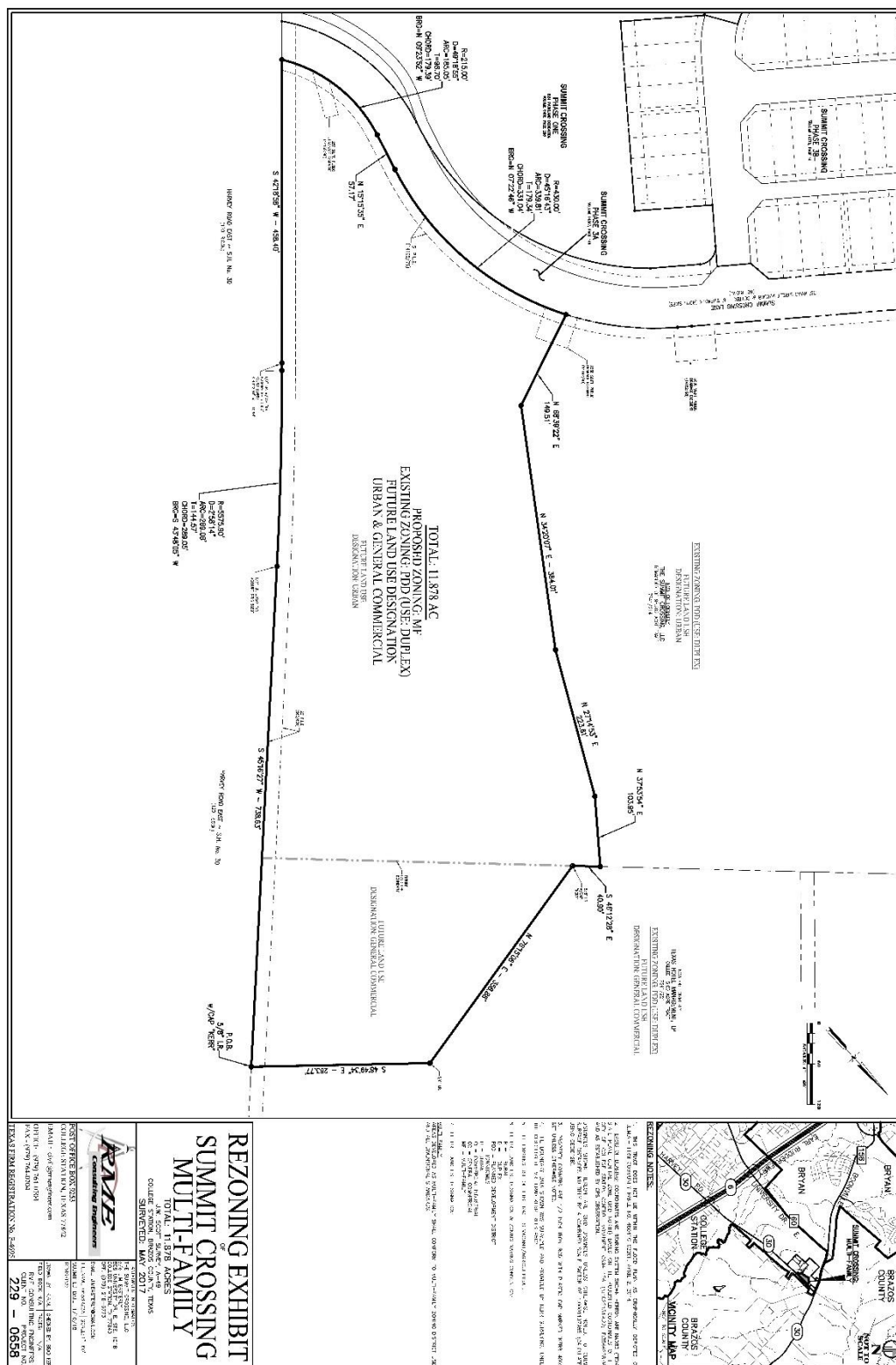


Exhibit "C"





Legislation Details (With Text)

File #:	18-0278	Version:	1	Name:	Conditional Use Permit – Wayside Food Park
Type:	Ordinance	Status:		Status:	Agenda Ready
File created:	4/12/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Public Hearing, presentation, possible action, and discussion to consider a Conditional Use Permit request for a Mobile Food Court, on approximately 0.4 acres located at 203 First Street.				
Sponsors:	Rachel Lazo				
Indexes:					
Code sections:					
Attachments:	Background Information Vicinity Aerial SAM 2016 City Council Meeting Minutes Ordinance				

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, possible action, and discussion to consider a Conditional Use Permit request for a Mobile Food Court, on approximately 0.4 acres located at 203 First Street.

Relationship to Strategic Goals:

- Good Governance
- Diverse Growing Economy

Recommendation(s): The Planning and Zoning Commission heard this item at their April 19, 2018 meeting. Their recommendation will be presented at the City Council meeting.

Summary: This request is for a Conditional Use Permit amendment to remove the requirement for Texas certified peace officers for an existing Mobile Food Court currently zoned NG-1 Core Northgate. Originally approved in October 2016, the CUP allows for the operation of a Mobile Food Park at the subject property. However, there were concerns over light and noise pollution as well as potential crime which culminated in conditions placed upon approval that the sale of alcohol be limited to beer and wine only, ending no later than midnight, and the requirement of at least two Texas certified peace officers Thursday through Sunday from 10:00 pm to 3:00 am. The site developed and received a Certificate of Occupancy in December 2017. Since then, activity on the site has been relatively unremarkable, resulting in the current request to remove the condition on the CUP for the requirement of certified peace officers.

REVIEW CRITERIA

1. The proposed use shall meet the purpose and intent of the Unified Development Ordinance (UDO) and meet all minimum standards for this type of use per the UDO. The

subject property currently has an approved Conditional Use Permit for a Mobile Food Court that was approved in October 2016. This Conditional Use Permit has two conditions with the first being that the Mobile Food court limit alcohol sales to beer and wine only and that such sales end no later than midnight. The second condition is a requirement that two Texas certified peace officers be present on site from 10:00 pm to 3:00 am Thursday through Sunday. The applicant is proposing to remove the requirement for the Texas certified peace officers with no additional changes to the site.

2. The proposed use shall be consistent with the development policies and goals and objectives as embodied in the Comprehensive Plan for development in the City. The subject tract is shown on the Comprehensive Plan Future Land Use and Character Map as Urban Mixed Use which allows for residential, commercial, and office uses in vertical mixed-use structures. The subject property is also designated by the Comprehensive Plan as a Redevelopment Area. These areas are identified as anticipating a change in land use, and, if appropriate, character to help it evolve into a more dense area with mixed-use activity. Given the Comprehensive Plan, a Mobile Food Court use continues to be an appropriate use for the area.

3. The proposed use shall not be detrimental to the health, welfare, or safety of the surrounding neighborhood or its occupants, not be substantially or permanently injurious to neighboring property. In its first few months of operation starting in December 2017, this use has not been determined to be detrimental or substantially injurious to the surrounding neighborhood or its occupants. The proposed food court's site layout allows for pedestrian traffic only, reducing the potential conflicts of pedestrian traffic and vehicular traffic within this site. Their site meets safety regulations associated with TABC and the selling of alcoholic beverages including providing fencing around the site to create a controlled environment. As previously agreed upon, the site operates during business hours set in the Unified Development Ordinance for Mobile Food Courts and provides an on-site manager to ensure the safety of the business operations and customers. The applicant has been working with the College Station Police Department during the first few months of operation to determine if the requirement for on-site peace officers would still be required. During this period CSPD Chief McCollum and the applicant have concluded that this requirement is ultimately not necessary.

4. The proposed site plan and circulation plan shall be harmonious with the character of the surrounding area. The site currently has an approved Site Plan, which was constructed and received their Certificate of Occupancy in 2017. The applicant is not proposing any changes to the existing approved site plan.

5. The proposed use shall not negatively impact existing uses in the area or in the City through impacts on public infrastructure such as roads, parking facilities, electrical, or water and sewer systems, or on public services such as police and fire protection, solid waste collection, or the ability of existing infrastructure and services to adequately provide services. This use will not negatively impact public infrastructure or services. The site currently has an approved Site Plan, which was constructed and received their Certificate of Occupancy in 2017. The applicant is not proposing any changes to the existing approved site plan. CSTEP (College Station Tourism and Entertainment Policing Unit) has monitored the activity at Wayside since it opened and activity has been consistently low. Regarding the requirement of no longer requiring peace officers at Wayside, the police department has no objection to this change.

6. The proposed use shall not negatively impact existing uses in the area or in the City. The use of a food truck park is compatible with the area's existing multifamily and commercial establishments which include restaurants and bars. After seeing how the mobile food park has functioned over the past four months, the College Station Police Department has determined that they do not anticipate existing uses being negatively impacted by removing the requirement for the stationing of two peace officers from 10:00 pm to 3:00 am Thursday through Sunday.

STAFF RECOMMENDATION

The Planning and Zoning Commission heard this item at their April 19, 2018 meeting. Their recommendation will be presented at the City Council meeting.

Budget & Financial Summary: N/A

Attachments:

1. Background Information
2. Vicinity, Aerial & Small Area Map
3. 2016 City Council Meeting Minutes
4. Ordinance

NOTIFICATIONS

Advertised Commission Hearing Date: April 19, 2018

Advertised Council Hearing Dates: April 26, 2018

The following neighborhood organizations that are registered with the City of College Station's Neighborhood Services have received a courtesy letter of notification of this public hearing:

Northgate District Association

Property owner notices mailed: Fourteen (14)

Contacts in support: None

Contacts in opposition: None

Inquiry contacts: One at the time of staff report

ADJACENT LAND USES

Direction	Comprehensive Plan	Zoning	Land Use
North	Urban Mixed Use, Redevelopment Area	NG-1 Core Northgate	Vertical Mixed Use
South	Urban Mixed Use, Redevelopment Area	NG-1 Core Northgate	Undeveloped, Commercial
East (across First St.)	Urban Mixed Use, Redevelopment Area	NG-1 Core Northgate	Commercial parking lot
West (Wellborn Rd.)	Urban Mixed Use, Redevelopment Area	NG-1 Core Northgate	On Ramp to Wellborn Road

DEVELOPMENT HISTORY

Annexation: 1939

Zoning: A-O Agricultural Open (upon annexation)

C-1 General Commercial (1973)

NG-1 Historic Northgate (1996)

NG-1 Historic Northgate renamed NG-1 Core Northgate (2003)

Final Plat: July 1939

Site development: Mobile Food Court

VICINITY MAP

NORTH

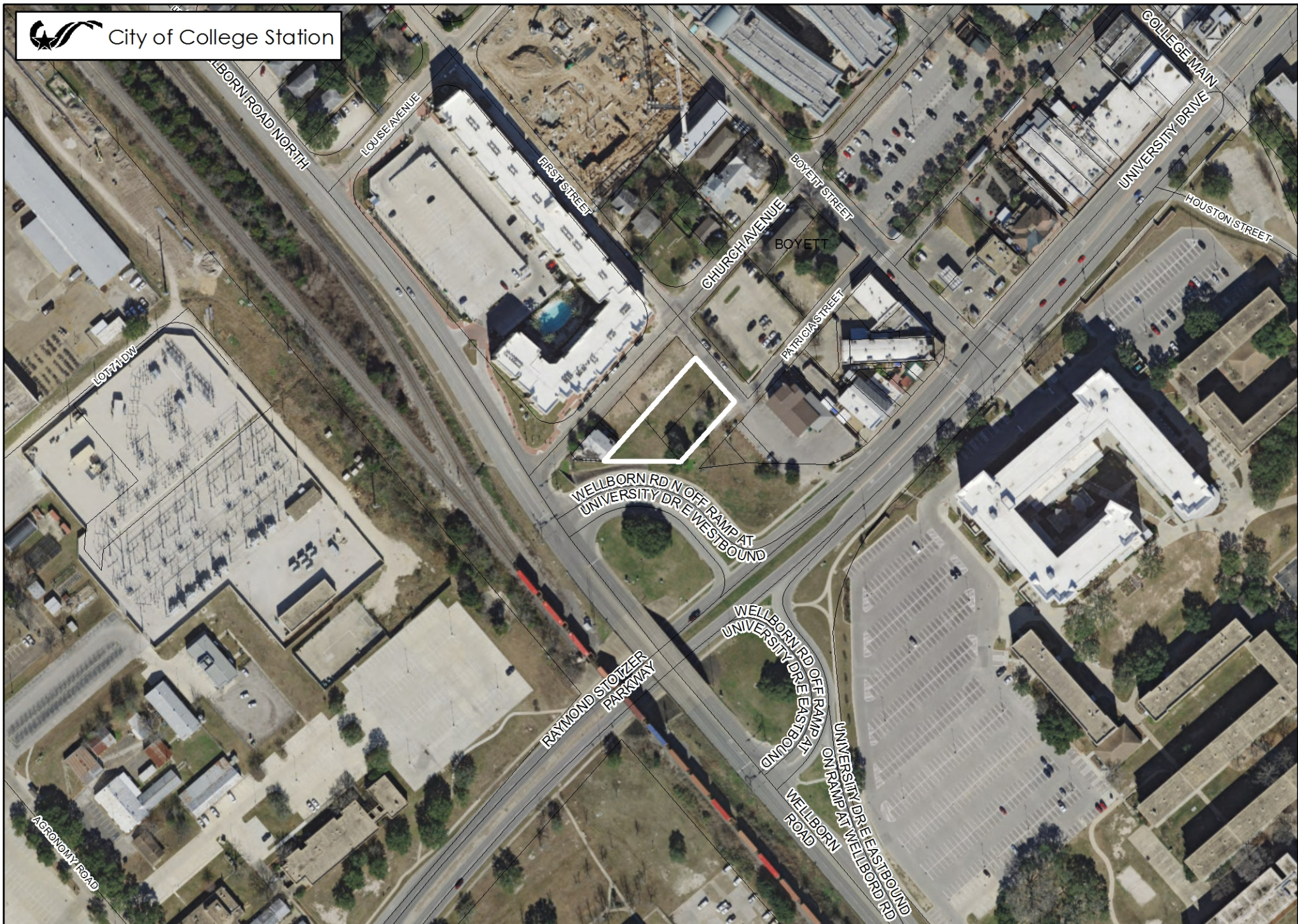
CUP2018-000002
WAYSIDE FOOD TRUCK PARK

0 0.75 1.5 3 Miles

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. No warranty is made by the City of College Station regarding specific accuracy or completeness.



City of College Station



0 212.5 425 Feet

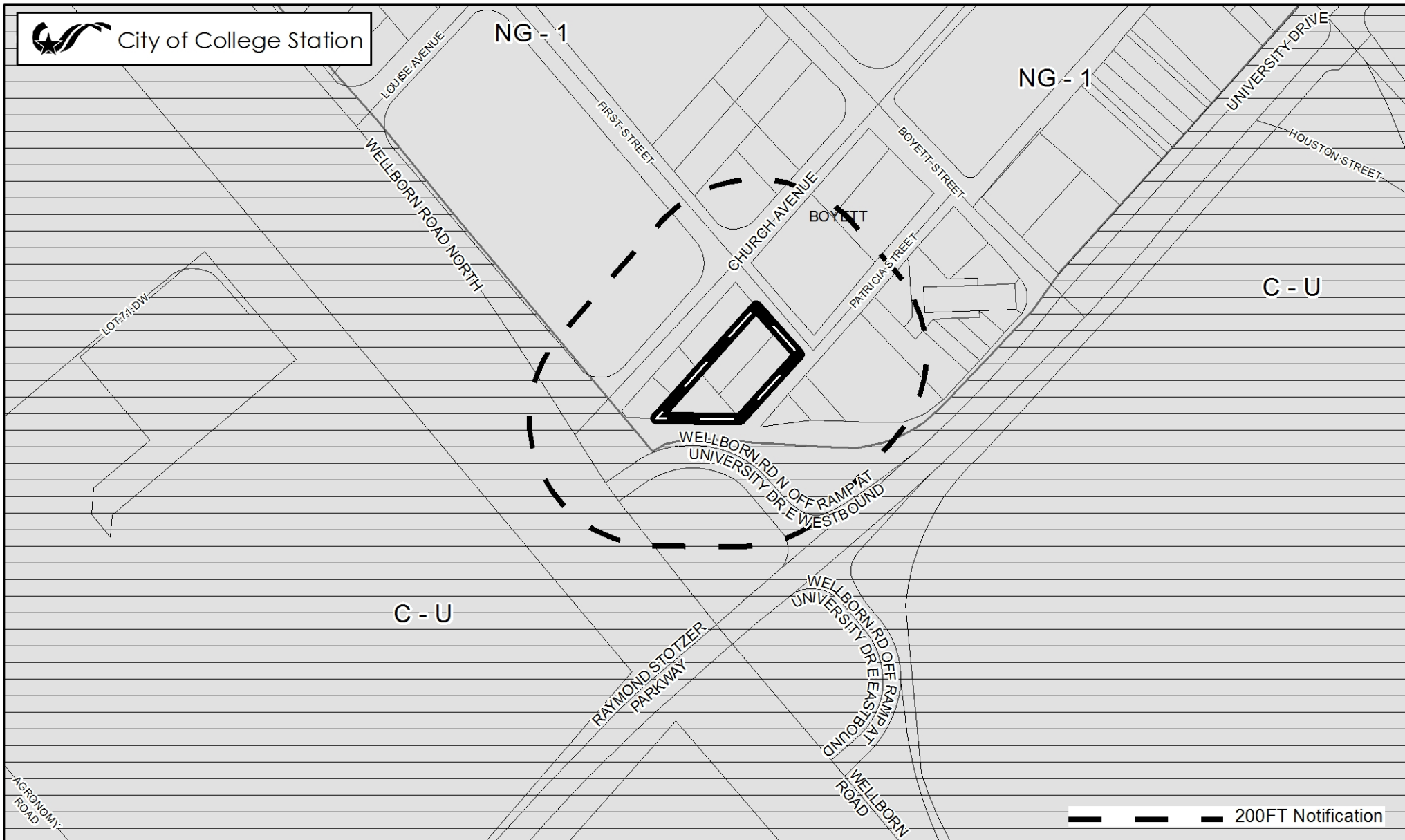
WAYSIDE FOOD PARK

Case:
CUP2018-000002

CONDITIONAL USE



City of College Station



ZONING DISTRICTS (In Grayscale)

Residential

R Rural
E Estate
RS Restricted Suburban
GS General Suburban
D Duplex
T Townhome
MF Multi-Family

MU

MU Mixed-Use
MHP Manufactured Home Pk.

Non-Residential

NAP Natural Area Protected
O Office
SC Suburban Commercial
GC General Commercial

CI

CI Commercial Industrial
BP Business Park
BPI Business Park Industrial
C-U College and University

Planned Districts

P-MUD Planned Mixed-Use Dist.
PDD Planned Develop. Dist.

Design Districts

WPC Wolf Pen Creek Dev. Cor.
NG-1 Core Northgate
NG-2 Transitional Northgate
NG-3 Residential Northgate

Overlay Districts

OV Corridor Ovr.
RDD Redevelopment District
KO Krenak Tap Ovr.
NPO Nbrhd. Prevailing Ovr.
NCO Nbrhd. Conservation Ovr.
HP Historic Preservation Ovr.

Retired Districts

R-1B Single Family Residential
R-4 Multi-Family
R-6 High Density Multi-Family
RD Research and Dev.
M-1 Light Industrial
M-2 Heavy Industrial



0 212.5 425 Feet

WAYSIDE FOOD PARK

Case:
CUP2018-000002

CONDITIONAL USE

MOTION: Upon a motion made by Councilmember Benham and a second by Councilmember Mooney, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance 2016-3819, amending Chapter 10, "Traffic Code", Section 4 "Administrative Adjudication of Parking Violations", E "Parking Regulations for Certain Described Areas", (1) "Traffic Schedule XIV - No Parking Here to Corner or No Parking at Any Time" of the Code of Ordinances to restrict parking along the 300 Block of Louise Street and the 400 Block of Second Street.. The motion carried unanimously.

7. Public Hearing, presentation, possible action, and discussion on Ordinance 2016-3820, a Conditional Use Permit for a Long-Term Mobile Food Court in NG-1, located at 203 First Street, generally located south of Church Avenue and west of First Street.

Madison Thomas, Planning and Development, stated that this request is for a Conditional Use Permit for a long-term mobile food court in Northgate. The applicant has requested variances to the setback, parking requirements, and fire lane requirement. The Planning and Zoning Commission considered this item at their September 15, 2016 meeting and voted 5-1 to recommend approval of the conditional use permit. However, the Commission expressed concerns related to the maximum capacity and security of the proposed mobile food court. The Police Department has also expressed security concerns regarding the food truck park and requests the additional conditions outlined below:

- No amplified sound from the site (including the stage)
- A minimum of two security officers be provided anytime alcohol is sold or consumed on site, and;
- The mobile food court ceases operations no later than 2:00 a.m.

At approximately 9:31 p.m., Mayor Berry opened the Public Hearing.

Bobby Grabowski, 303 College Main, said he owns a bar on Northgate and expressed some concern regarding Council's bias. Northgate is the City's downtown. It needs more restaurants, but does not need more bars. It does need to be fair and equitable for both sides. Safety is a huge concern.

Robert Forrest, 105 College Main, said he owns some property on College Main. Northgate has evolved. The guidelines the existing businesses had to follow are being thrown out. He expressed some concern regarding pedestrian safety when they leave the establishment and attempt to cross Wellborn Road. This concept was not in the realm of thought 15 years ago. Will these owners own all the food trucks, or will there be nine different owners of the food trucks, affecting TABC licenses. If the City wants control, they must take it now.

Sol Arena, 3522 Colorado Court, stated this is a wonderful idea because it will be a good hangout area. In Northgate if you are not in the bars, there is nothing to do.

Shadman Idbal, 314 Cecilia Loop, stated there are areas that serve alcohol past midnight, but this allows people somewhere to go while drunk.

There being no further comments, the Public Hearing was closed at 9:45 p.m.

A motion was made by Councilmember Nichols and seconded by Councilmember Schultz to approve the Conditional Use Permit, striking the three proposed conditions, and inserting the following two: 1) only beer and wine sales, and to end at midnight, and 2) two peace officers to be present Thursday, Friday, and Saturday from 10 p.m. to 2:00 a.m.

MOTION: Upon a motion made by Councilmember Schultz and a second by Councilmember Benham, the City Council voted seven (7) for and none (0) opposed, to amend the main motion, reflecting two peace officers to be present Thursday, Friday, and Saturday from 10 p.m. to 3:00 a.m. The motion carried unanimously.

Councilmember Aldrich moved to postpone action on this item until October 27. The motion failed for lack of a second.

MOTION: Upon a motion made by Councilmember Nichols and a second by Councilmember Schultz, the City Council voted five (5) for and two (2) opposed, with Councilmembers Aldrich and Mooney voting against, to approve Ordinance 2016-3820, a Conditional Use Permit for a Long-Term Mobile Food Court in NG-1, located at 203 First Street, generally located south of Church Avenue and west of First Street, striking the three proposed conditions, and inserting the following two: 1) only beer and wine sales, ending at midnight, and 2) two peace officers to be present Thursday, Friday, and Saturday from 10 p.m. to 3:00 a.m. (as amended). The motion carried.

8. Public Hearing, presentation, possible action, and discussion regarding Ordinance 2016-3821, vacating and abandoning a 0.125 acre portion of a 10-foot Public Utility Easement, said portion being on Lot 1A, Block 1, Replat of Lot 1, Block 1, College Station I.S.D Willow Branch and Oakwood School Sites Subdivision according to the plat recorded in Volume 6857, Page 25, of the Official Records of Brazos County, Texas, said tract also being a portion of a 10-ft Public Utilities Easement as shown on Lot 1, Block 1 of the plat of College Station I.S.D. Willow Branch and Oakwood School Sites, according to the plat recorded in volume 3588, Page 51 of the Official Records of Brazos County, Texas.

Carol Cotter Planning and Development, reported that this Public Utility Easement (PUE) abandonment is being requested since the existing sanitary sewer line that it was intended for is offset from the PUE's current limits. A 15-foot wide public utility easement dedication to cover this existing line has already been filed. Staff recommends approval.

At approximately 10:07 p.m., Mayor Berry opened the Public Hearing.

There being no comments, the Public Hearing was closed at 10:07 p.m.

MOTION: Upon a motion made by Councilmember Schultz and a second by Councilmember Benham, the City Council voted seven (7) for and none (0) opposed, to adopt Ordinance 2016-3821, vacating and abandoning a 0.125 acre portion of a 10-foot Public Utility Easement, said portion being on Lot 1A, Block 1, Replat of Lot 1, Block 1, College Station I.S.D Willow Branch and Oakwood School Sites Subdivision according to the plat recorded in Volume 6857, Page 25, of the Official Records of Brazos County, Texas, said tract also being a portion of a 10-ft Public

ORDINANCE NO. _____

AN ORDINANCE AMENDING A CONDITIONAL USE PERMIT AFFECTING BOYETT ESTATES SUBDIVISION, BLOCK 10, LOT 5 AND 6 AND PARTS OF LOT 1 AND 2, LOCATED AT 203 FIRST STREET, PURSUANT TO APPENDIX A. "UNIFIED DEVELOPMENT ORDINANCE," ARTICLE 3, "DEVELOPMENT REVIEW PROCEDURES," SECTION 3.16, "CONDITIONAL USE PERMIT," OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1:** That the conditional use permit affecting Boyett Estates Subdivision, Block 10, Lots 5 and 6 and parts of Lot 1 and 2, located at 203 First Street, granted in accordance with Appendix A, "Unified Development Ordinance," Article 3, "Development Review Procedures," Section 3.16, "Conditional Use Permit," of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit "A"** attached hereto and made a part of this Ordinance for all purposes.
- PART 2:** If any provision of this Ordinance or its application to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality does not affect other provisions or application of this Ordinance or the Code of Ordinances of the City of College Station, Texas, that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Ordinance are severable.
- PART 3:** That any person, corporation, organization, government, governmental subdivision or agency, business trust, estate, trust, partnership, association and any other legal entity violating any of the provisions of this Ordinance shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than twenty five dollars (\$25.00) and not more than five hundred dollars (\$500.00) or more than two thousand dollars (\$2,000) for a violation of fire safety, zoning, or public health and sanitation ordinances, other than the dumping of refuse. Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense.
- PART 4:** This Ordinance is a penal ordinance and becomes effective ten (10) days after its date of passage by the City Council, as provided by City of College Station Charter Section 35.

PASSED, ADOPTED and APPROVED this 26th day of April 2018.

ATTEST:

APPROVED:

City Secretary

Mayor

APPROVED:

City Attorney

Exhibit A

That the conditional use permit affecting Boyett Estates Subdivision, Block 10, Lots 5 and 6 and parts of Lot 1 and 2, located at 203 First Street, granted in accordance with Appendix A, "Unified Development Ordinance," Article 3, "Development Review Procedures," Section 3.16, "Conditional Use Permit," of the Code of Ordinances of the City of College Station, Texas, be amended in its entirety as follows:

That a Conditional Use Permit is hereby granted for a Long-Term Mobile Food Court as provided for in the "Unified Development Ordinance," Article 3, "Development Review Procedures," Section 3.16, "Conditional Use Permit," of the Code of Ordinances of the City of College Station, Texas. The property located at Boyett Estates Subdivision, Block 10, Lot 5 and 6 and parts of Lot 1 and 2, located at 203 First Street (Property) is granted a Conditional Use Permit for a Long-Term Mobile Food Court subject to the additional condition below:

Additional Conditions for the Conditional Use Permit:

1. Sale of alcohol is limited to beer and wine sales only with such alcohol sales to end no later than midnight.

EXHIBIT "B"

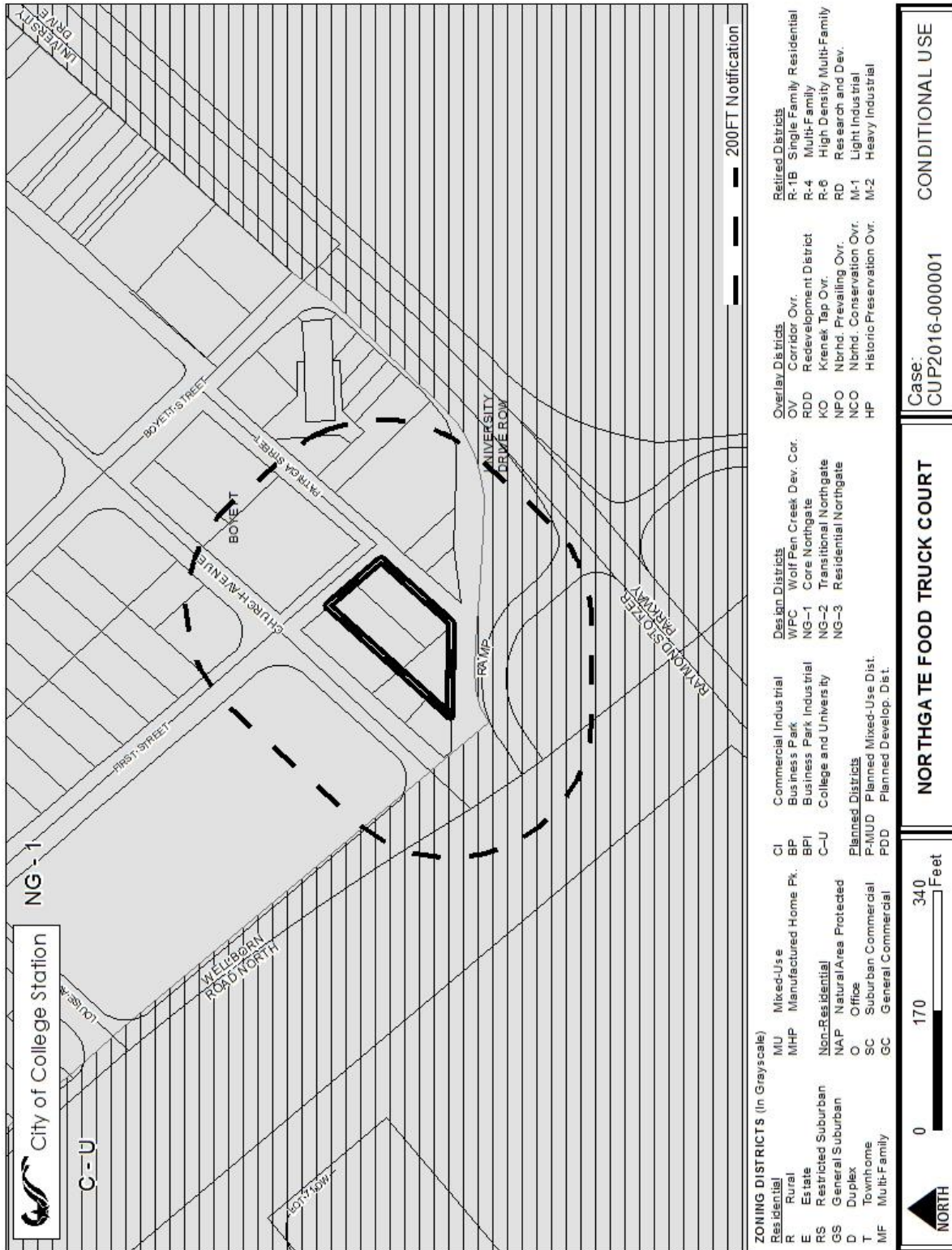
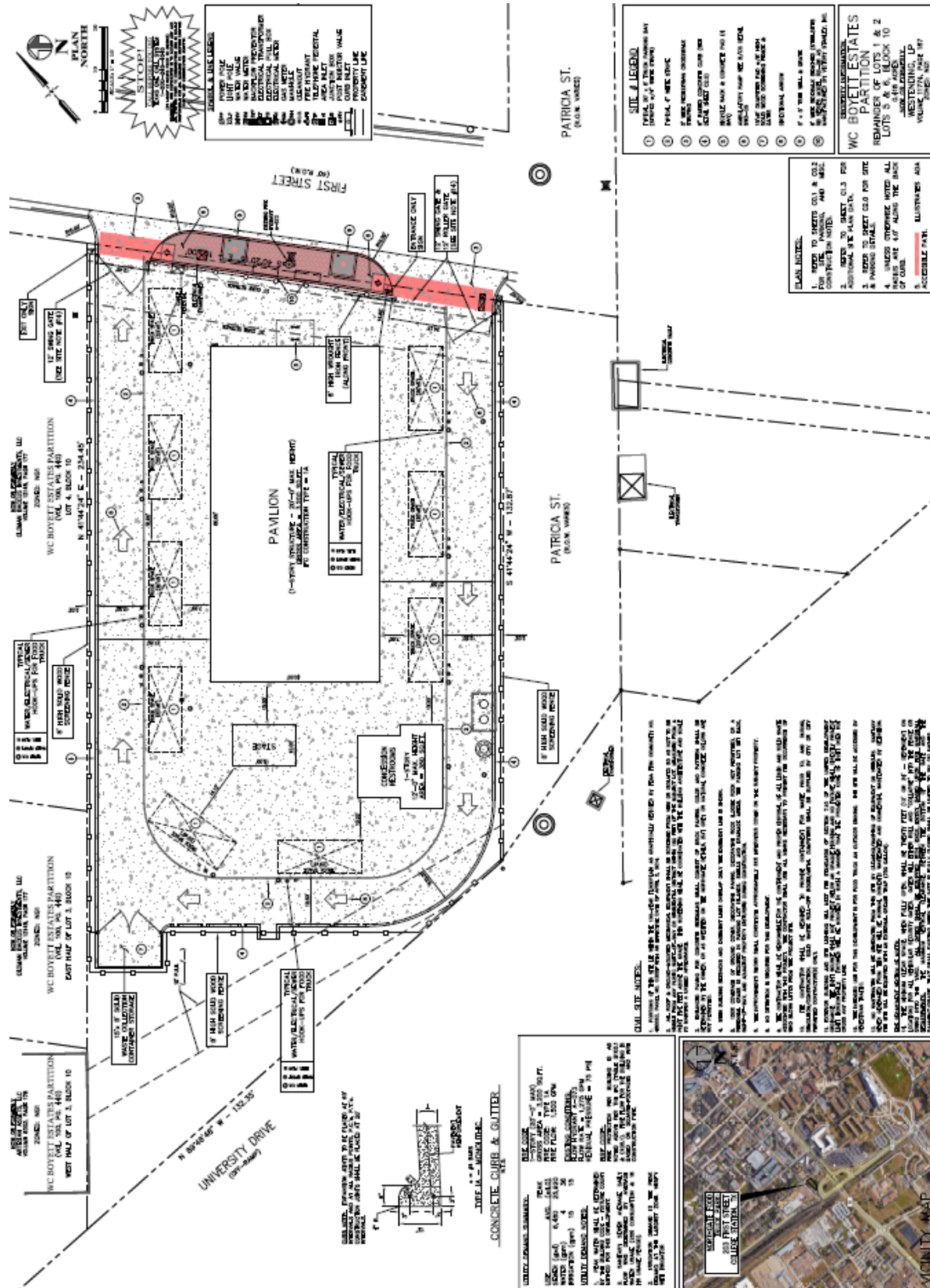


EXHIBIT "C"





Legislation Details (With Text)

File #:	18-0273	Version:	1	Name:	Annexation Ordinance – 65 Acres
Type:	Annexation	Status:		Status:	Agenda Ready
File created:	4/11/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion regarding approval of an ordinance annexing approximately 65 acres located in the City's ETJ on the west side of the City, generally located in the vicinity of Rock Prairie Road West, Holleman Drive South, and North Graham Road.				
Sponsors:	Lance Simms				
Indexes:					
Code sections:					
Attachments:	Map of Annexation Areas Fiscal Impact Analysis Ordinance				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding approval of an ordinance annexing approximately 65 acres located in the City's ETJ on the west side of the City, generally located in the vicinity of Rock Prairie Road West, Holleman Drive South, and North Graham Road.

Relationship to Strategic Goals:

- Good Governance
- Financially Sustainable City
- Core Services and Infrastructure
- Diverse Growing Economy
- Improving Mobility

Recommendation(s): The Planning & Zoning Commission heard this item on 15 February and voted 7-0 to recommend approval of the annexation. Staff also recommends approval of the ordinance.

Summary: This ordinance provides for the annexation of approximately 65 acres on the west side of the City. The City Council approved an ordinance establishing two public hearings and directing staff to prepare an annexation service plan for the area in January 2018. The two public hearings were held on 19 March and 22 March 2018.

The annexation service plan is attached to the ordinance and effectively acts as a contract between the City and the residents of the annexed area.

Budget & Financial Summary: See attached Fiscal Impact Analysis

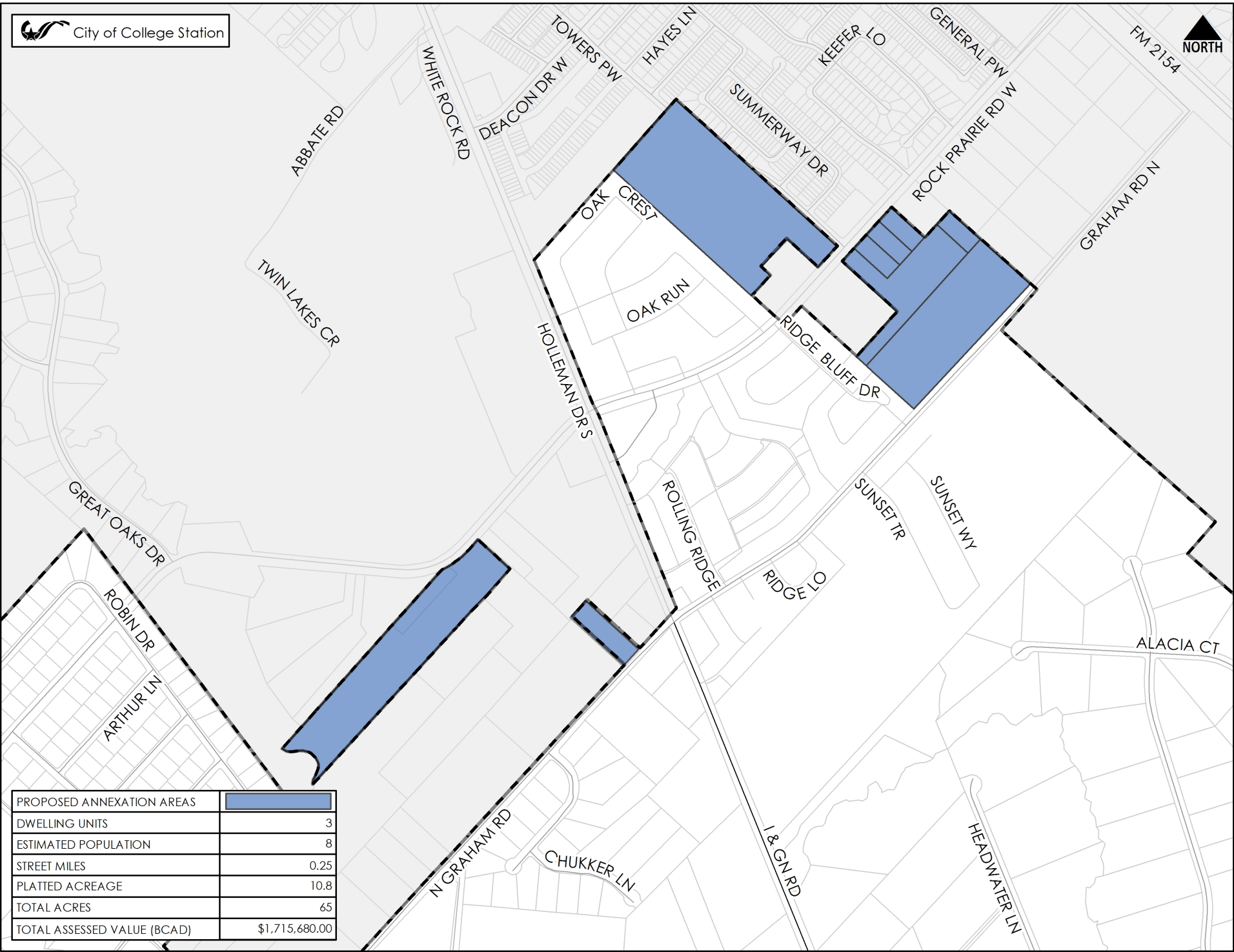
Legal Review: Yes

Attachments:

1. Annexation Area Map
2. Fiscal Impact Analysis
3. Ordinance



City of College Station



Fiscal Impact Analysis 2018 Annexation

Short-Term Fiscal Impact

Ad Valorem Tax Revenue - The current assessed value of all property in the proposed annexation areas is \$1,715,680. Based on the current City of College Station tax rate of 49.75 cents per \$100 of valuation, the City could expect to receive annual property tax revenues of approximately \$8,535 from the areas. Based on the current annexation schedule, the City will not begin receiving property tax revenues from the annexation area until late 2019.

Sales Tax Revenue – There are no retail establishments within the proposed annexation area. Therefore, no sales tax revenue is expected from commercial establishments.

Surveying Costs - A survey of the annexation area was prepared at a cost of \$4,750.00.

Compensation to Emergency Services District (ESD) No. 1 - State law requires cities to provide compensation to the Emergency Services District for territory loss due to annexation. The amount of compensation varies based on the appraised value of the annexation area and the amount of the district's debt. The proposed annexation area is currently served by Brazos County Emergency Services District (ESD) No. 1. Therefore, the City will need to provide compensation according to state law. For the purposes of this report, an estimated payment of \$1,000 is assumed.

Summary of Short-Term Fiscal Impact

Costs (one-time)*	\$(5,750)
<u>Revenue (annual)</u>	
Property Tax	\$8,535

* One-time costs include an estimated \$1,000 to compensate ESD No. 1 for lost territory

Full Build-Out Scenario

The fiscal-impact analysis used here is a tool that estimates the annual costs and revenues that the City will incur once the annexed property is fully developed. This information is provided to help project the need for municipal services, to monitor the costs of land use decisions, and to give officials information for making growth and planning decisions.

For this analysis the Service Standard Method was used¹. A spreadsheet showing the details is included as Appendix A. This analysis should be treated as an estimate based upon the best data available. In addition, it is important for decision makers using this information to understand the assumptions upon which it is based.

1. In this model it is assumed that the current level of municipal services in College Station will be maintained in the newly-annexed areas.
2. This analysis provides estimates for the area once it fully develops. The costs / benefits in the interim may vary as the areas develop.
3. All costs and revenues are in current dollars based on current budget data.
4. The model is based on existing tax and utility rates that may change over time. Future changes to the land use plan may also alter future fiscal impacts.

Demands and Costs

This analysis uses a combination of the existing land uses and the future land use designations in the proposed annexation area (Urban and Restricted Suburban) to estimate the population for the annexation area. Using land use descriptions provided in the Comprehensive Plan and densities allowed in the Unified Development Ordinance, the number of dwelling units for the residential areas was calculated. Census data for persons per household was then used to calculate the projected population.

Existing service levels for the City were used to estimate the demand for City services in the proposed annexation area. An equal level of service was applied to the annexation area to yield the demand for services. Costs per year for the demanded services were calculated using cost ratios to compensate for the varied nature of service provided by different departments. This resulted in a cost per year to provide the existing level of service to the proposed annexation area at full build-out.

Revenues

Revenues were calculated for property taxes and utility fees. These estimates were determined by applying current revenues from similar areas in the City to the projected development pattern in the annexation areas.

1 - More information on this method is available in *The Fiscal Impact Handbook* by Robert Burchell & Davide Listokin

Conclusion

The following table summarizes the results of the fiscal-impact analysis. Based on the results of the fiscal-impact analysis, this annexation will result in annual deficit of \$137,815 upon full build-out. It is important to note that this model does not capture any revenue from “one time” charges such as building permit fees, impact fees, or other development related fees.

As mentioned before, future changes in the Land Use Plan or development patterns may affect these projections. This estimate excludes any costs associated with transportation improvements that may be the responsibility of the City.

Summary of Fiscal Impact Analysis at Full Build Out

Costs	\$(1,759,175)
Property Tax Revenue	\$885,366
Sales Tax revenue	\$358,402
Utility Revenue	\$377,592
Total Annual Fiscal Impact	\$(137,815)

Note: One-time fees (building permit fees, impact fees, and sewer connection fees) are expected to generate \$3,769,135 as the areas develop

Methodology for Revenue Calculations

Property Taxes

- \$268,421 = Median assessed valuation for homestead properties. Value is based on information provided by Brazos County Appraisal District and current City property tax rate (49.75 cents per \$100 of appraised value).

Residential Utility Amounts

- \$14.40 = Monthly residential sanitation fee
- \$7.78 = Monthly residential roadway maintenance fee
- \$5.00 = Monthly residential drainage maintenance fee
- \$20.28 = Monthly residential wastewater fee

Retail Sales Tax

- Per capital retail sales tax was calculated based on a per person sales tax rate collection of \$242 annually. This average was obtained by taking the FY 2017 sales tax revenue collected by the City and dividing it by the estimated population.

(Annual Sales Tax Collection / Population Estimate) = Annual Sales Tax Collected per Person

Utility Charges

Electricity

The proposed annexation area is served by Bryan Texas Utilities. No electric utility revenue is expected from the area.

Water

The proposed annexation area is served by Wellborn Special Utility District. No water revenue is anticipated from the area.

Wastewater

It is estimated that, upon build-out, the City will have 663 new residential sewer connections with a monthly rate of \$20.28 each. This is a conservative estimate obtained from Utility Billing)

Sanitation

The proposed annexation area will have City sanitation services. Revenues were calculated by multiplying the monthly residential rate (\$14.40) by the estimated number of residential units (663) in the area.

Roadway Maintenance

It is estimated that, upon build-out, the City will have 663 new residential units with a monthly roadway maintenance fee of \$7.78 per month.

Drainage Maintenance

It is estimated that, upon build-out, the City will have 663 new residential units with a monthly drainage maintenance fee of \$5.00 per month.

Appendix A

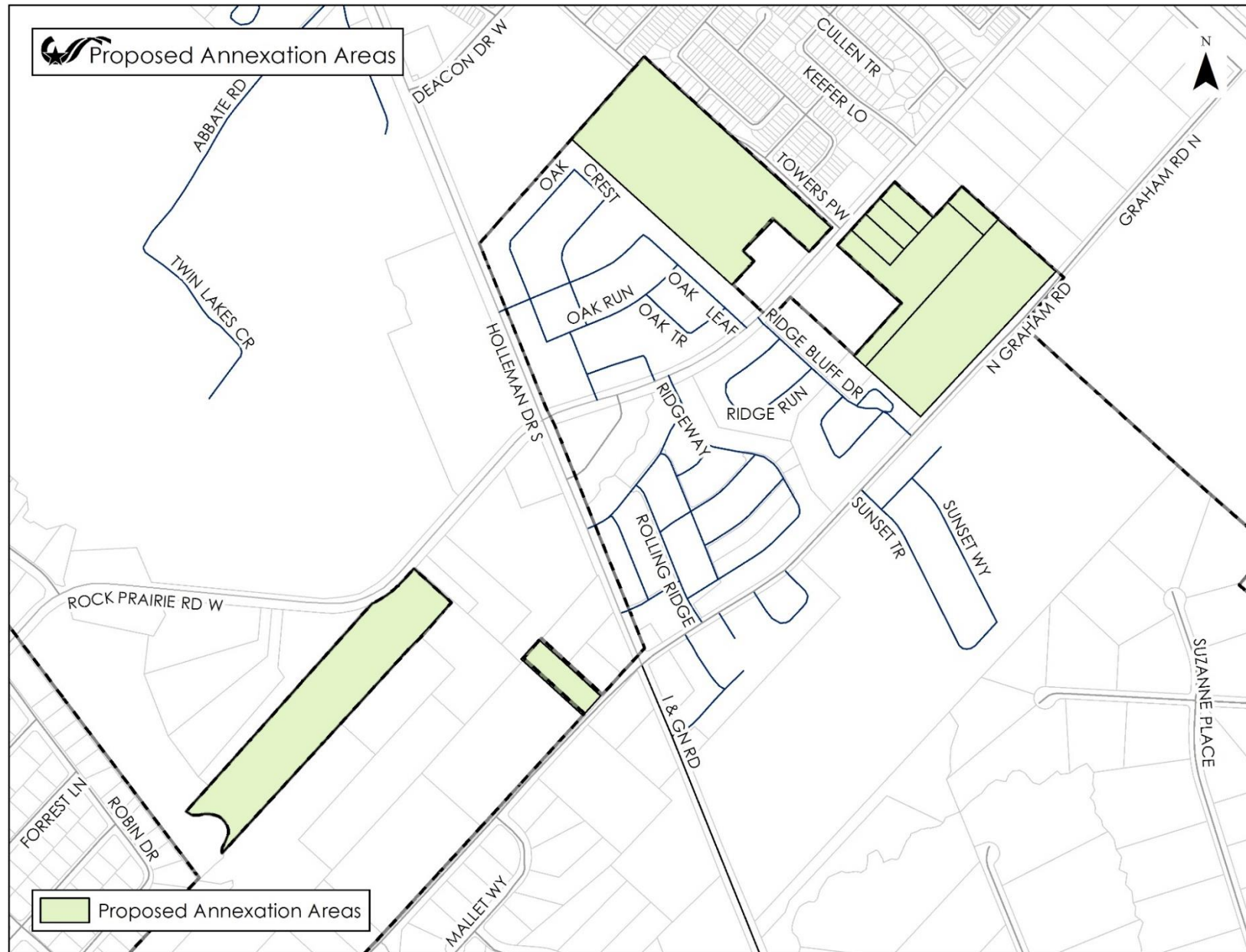
Anticipated Population	Government Function	Number of Employees	Manpower Ratio	Budget 2017 - 2018	\$ Per Employee	Future Employees	Add'l Annual Operating Cost	Capital to Operating	Add'l Annual Capital Cost	Total Cost To Public
1,481	Fiscal Services	46.00	0.39	\$ 4,042,380	\$ 87,878	0.58	\$ 50,804	0.004	\$ 203	\$ 51,007
	General Government	188.25	1.60	26,814,496	142,441	2.37	336,999	0.010	3,370	340,369
	Police	220.50	1.87	23,026,482	104,428	2.77	289,392	0.058	16,785	306,177
Total February 2018 Population	Fire	160.00	1.36	18,975,543	118,597	2.01	238,480	0.063	15,024	253,505
	Streets/Traffic/Drainage	51.00	0.43	11,210,456	219,813	0.64	140,891	0.777	109,472	250,363
	Wastewater	49.00	0.42	6,900,935	140,835	0.62	86,729	1.936	167,908	254,638
117,841	Sanitation	37.50	0.32	8,745,202	233,205	0.47	109,908	0.114	12,529	122,437
	Utility Billing	23.00	0.20	3,054,322	132,797	0.29	38,386	0.010	384	38,770
	Parks	70.75	0.60	9,069,576	128,192	0.89	113,984	0.245	27,926	141,911
Total College Station		846.00		\$ 111,839,392		10.63	\$ 1,405,573		\$ 353,602	\$ 1,759,175

General Government includes: General Government, Information Technology, Planning and Development Services, Public Works (Admin, Facilities Maint, Engineering, Landscape and Irrigation Maint.) Fleet Maint., and Insurance Funds

Notes:

1. Capital to operating cost ratios from Finance Dept.
2. Future population calculated according to acreage in land use scenarios, then existing population was subtracted.
3. The City will not be providing water service in this area.
3. The City will not be providing electrical service in this area.

Appendix B



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF COLLEGE STATION, TEXAS, PROVIDING FOR THE EXTENSION OF THE BOUNDARY LIMITS OF THE CITY OF COLLEGE STATION, ANNEXING CERTAIN TERRITORIES ADJACENT TO THE PRESENT BOUNDARY LIMITS OF THE CITY OF COLLEGE STATION; APPROVING A SERVICE PLAN FOR THE ANNEXED PROPERTIES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of College Station as a home-rule city has the power by ordinance to fix the boundary limits of the City of College Station and to provide for the extension of such boundary limits and the annexation of additional territory lying adjacent to the City of College Station by the City Charter of the City of College Station, Texas, Article II, Section 7 and other legal authority; and

WHEREAS, on January 25, 2018, the City Council of the City of College Station directed staff to prepare a service plan for approximately 65 acres of land identified for annexation; and

WHEREAS, the City Council finds that all the required notices were given in the time and manner required by law; and

WHEREAS, two public hearings before the City Council were held on March 19, 2018 and on March 22, 2018 in the City Hall Council Chambers. Both public hearing dates being on or after the 20th day but before the 40th day before the date of the institution of the annexation proceedings to allow all interested persons to state their views regarding the annexation; and

WHEREAS, the City Council finds that the annexation will ensure consistent and orderly development of the annexed area; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1: The facts and recitations set forth in the preamble of this Ordinance are declared true and correct.
- PART 2: The tracts of land described in Exhibit “1”, attached hereto and made a part of this Ordinance for all purposes, is hereby added to and annexed by the City of College Station, Texas.
- PART 3: The Service Plan, Exhibit “2”, attached hereto and made a part of this Ordinance for all purposes, which provides for the extension of municipal services to the annexed properties, is approved as part of this Ordinance. The Service Plan was made available for public inspection and explained at the public hearings held on March 19, 2018 and March 22, 2018.
- PART 4: Should any part of this Ordinance be held illegal or invalid for any reason, or the application of same to one or more properties or portions of property described in this Ordinance, the holding shall not affect the remaining sections or portion of sections or provisions nor the remaining properties or portion of affected property thereof of this Ordinance.
- PART 5: That upon final approval and after the effective date of this ordinance, all property annexed shall be zoned R (Rural).

PART 6: That, upon final passage hereof and after the effective date of this Ordinance, the annexed territory shall be a part of the City of College Station, Texas, and the properties situated shall bear its pro rata portion of the taxes levied by the City of College Station and the inhabitants thereof shall be entitled to all of the rights and privileges of all the citizens and shall be bound by the acts, ordinances, resolutions, and regulations of the City of College Station.

PART 7: That this Ordinance shall become effective on the 1st day of June, 2018.

PASSED, ADOPTED and APPROVED this 26th day of April, 2018.

APPROVED:

Mayor

ATTEST:

City Secretary

APPROVED:

City Attorney

EXHIBIT 1

Description of Annexation Areas Brazos County, Texas

Proposed Annexation Area 1
~16.3 Acres – White Tract
Peter Norton Survey
Brazos County, Texas
February 2018

All that certain tract or parcel of land lying and being situated in the Peter Norton Survey, Abstract No. 186, in Brazos County, Texas, being the remainder of that 18.5 acre tract conveyed to Abner Lee White by deed recorded in Volume 128, Page 378 of the Deed Records of Brazos County, Texas, a part of that 89.5 acre tract conveyed to Abner White by deed recorded in Volume 984, Page 567 of the Official Records of Brazos County, Texas, a part of that 5.00 acre tract conveyed to Lover White Goodman-Woods by deed recorded in Volume 9338, Page 243 of the Official Public Records of Brazos County, Texas, and all of that 1.50 acre tract conveyed to Wilbert Earl Bledsoe by deed recorded in Volume 10063, Page 94 of the Official Public Records of Brazos County, Texas, being the same tract excepted from annexation into the City of College Station by ordinance no. 3049 (exhibit “A4”, “WHITE TRACT”), and being more particularly described as follows:

Beginning in the center of a tributary of Hope’s Creek at the south corner of the said 18.5 acre tract, at a point located N 42° 28’ 16” E – 214 feet from the east corner of Sherwood Heights Section 3 as described by plat recorded in Volume 385, Page 665 of the Deed Records of Brazos County, Texas.

Thence N 42° 28’ 16” E – 2134 feet generally along a fence line on the southeast line of the said Abner White tract to the east corner of this tract in the southwest line of that 1.000 acre tract conveyed to Monique Goodman and Alfredo Lopez, Jr. by deeds recorded in Volume 7678, Page 264 and Volume 13597, Page 147 of the Official Public Records of Brazos County, Texas;

Thence N 47° 49’ 48” W – 313.55 feet along said Goodman line to the southeast right-of-way line of Rock Prairie Road West, at a point from where City of College Station GPS control monument no. 117 bears N 55° 33’ 59” E – 2614.7 feet;

Thence S 41° 46’ 38” W – 103.24 feet along the southeast right-of-way line of Rock Prairie Road West to the beginning of a tangent curve to the right with a radius of 600.00 feet;

Thence along the arc of said curve in the southeast right-of-way line of Rock Prairie Road West through a central angle of 25° 36’ 34”, the chord of which bears S 54° 34’ 55” W – 265.95 feet, to its intersection with the northwest line of the said 18.5 acre tract;

Thence generally along the northwest fence line of the said 18.5 acre tract as follows:

S 41° 51' 33" W – 942 feet;

S 40° 47' 06" W – 785 feet to the center of said tributary of Hope's Creek;

Thence down the center of said creek with its meanders, for reference a straight line bears S 40° 18' 04" E – 337.62 feet, to the Point of Beginning and containing 16.3 acres of land more or less, based on current creek meanders.

Bearings are Texas State Plane, NAD-83 datum, based on City of College Station GPS control monuments and GPS observations.

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 the boundary of the political subdivision for which it was prepared.

See survey plat dated February 2018.

Proposed Annexation Area 2
1.97 Acres – Williams Tract
P. Norton and T. Henry Surveys
Brazos County, Texas
February 2018

All that certain tract or parcel of land lying and being situated in the Peter Norton Survey, Abstract No. 186, and Thomas Henry Survey, Abstract No. 132 in Brazos County, Texas, being all of that 2.00 acre tract conveyed to Ervin M. Williams, Sr. and wife, Mildred Williams by deed recorded in Volume 976, Page 782 of the Official Records of Brazos County, Texas, and partially conveyed to Deborah Lynn Williams by deed recorded in Volume 12187, Page 91 of the Official Public Records of Brazos County, Texas, and being more particularly described as follows:

Beginning at the common corner of the said Williams tract and that 1.286 acre tract conveyed to Casey Scott and Lydia Scott by deed recorded in Volume 12069, Page 165 of the Official Public Records of Brazos County, Texas, in the northwest line of North Graham Road, from where City of College Station GPS control monument no. 117 bears N 23° 15' 13" E – 2472.5 feet;

Thence along the present city limits of College Station as defined by ordinance no. 3049 (exhibit "A4") and around the boundary of the said Williams tract as follows:

N 47° 29' 14" W – 521.41 feet;

S 41° 19' 00" W – 164.31 feet;

S 47° 22' 19" E – 517.98 feet to the south common corner of the Williams tract and that 11.26 acre tract conveyed to Ovais, Incorporated by deed recorded in Volume 6863, Page 86 of the Official Public Records of Brazos County, Texas;

Thence N 42° 30' 46" E – 165.32 feet, along the northwest line of North Graham Road and southeast boundary of the said Williams tract, to the Point of Beginning and containing 1.97 acres of land more or less.

Bearings are Texas State Plane, NAD-83 datum, based on City of College Station GPS control monuments and GPS observations.

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 the boundary of the political subdivision for which it was prepared.

See survey plat dated February 2018.

Proposed Annexation Area 3
26.37 Acres – Mikeska Tract
C. Burnett and R. Stevenson Leagues
Brazos County, Texas
February 2018

All that certain tract or parcel of land lying and being situated in the Crawford Burnett League, Abstract No. 7, and Robert Stevenson League, Abstract No. 54, in Brazos County, Texas, being all of Lots 2R, 3R, 4R, 5R, and part of Lot 7R, Block Two of Rock Prairie West Business Park as described by plat recorded in Volume 6121, Page 222 of the Official Public Records of Brazos County, Texas, also the remainder of that 32.81 acre tract conveyed to Joseph A. Mikeska, Jr. and Dorothy T. Mikeska by deed recorded in Volume 414, Page 203 of the Deed Records of Brazos County, Texas, along with the adjacent right-of-way of North Graham Road, and being more particularly described as follows:

Beginning at the south corner of Lot 1R, Block Two of said Rock Prairie West Business Park, also being a common corner with said Lot 2R and a south corner of the existing city limits of College Station as defined by ordinance no. 3049 (exhibit "A3"), from where City of College Station GPS control monument no. 117 bears N 76° 41' 29" W – 623.7 feet.

Thence S 47° 42' 52" E – 633.62 feet, along the southwest boundary of said Lot 2R and said 32.81 acre tract, and continuing across North Graham Road to a northwest boundary line of that 99.474 acre tract conveyed to Sunset Ridge, L.L.P. by deed recorded in Volume 7201, Page 267 of the Official Public Records of Brazos County, Texas;

Thence N 42° 53' 38" E – 858.73 feet along the said northwest line of said 99.474 acre tract to its north corner;

Thence S 47° 53' 50" E – 12.45 feet, along a northeast line of said 99.474 acre tract, to a tree and common fence corner of the 99.474 acre tract and that 166.09 acre (net) tract conveyed to Thomas Craig Hill, et al by deed recorded in Volume 12476, Page 66 of the Official Public Records of Brazos County, Texas, and also being a west corner of the existing city limits of College Station as defined by ordinance no. 2219 (Wellborn Road Area);

Thence N 41° 08' 39" E – 384.96 feet, along a northwest line of said existing city limits defined by ordinance no. 2219, to a south corner of the existing city limits of College Station as defined by ordinance no. 2590 (exhibit "A-1");

Thence N 47° 42' 52" W – 862.59 feet, across North Graham Road and along a southwest line of the existing city limits defined by said ordinance no. 2590 and the northeast lines of said Mikeska 32.81 acre tract and Lot 7R, Block Two of said Rock Prairie West Business Park, to the east corner of the existing city limits of College Station as defined by ordinance no. 3118;

Thence S 42° 17' 08" W – 267.59 feet, through said Lot 7R and continuing along the common line of Lots 6R and 2R of said Rock Prairie West Business Park, also being along the southeast lines of the

said existing city limits defined by ordinance no. 3118 and ordinance no. 3049 (exhibit “A3”), to the south common corner of Lots 5R and 6R;

Thence N 47° 42’ 54” W – 330.63 feet, along a southwest line of the existing city limits defined by said ordinance no. 3049, and along the common line of said Lots 5R and 6R to their north common corner in the southeast right-of-way line of Rock Prairie Road West (formerly named “Gandy Road”);

Thence S 42° 17’ 08” W – 534.80 feet, along the said southwest line of Rock Prairie Road West and a southeast line of the existing city limits as defined by said ordinance no. 3049, to the north common corner of said Lots 1R and 2R;

Thence S 47° 42’ 54” E – 543.85 feet, along a common line of said Lots 1R and 2R and a northeast line of the existing city limits as defined by said ordinance no. 3049, to the east corner of Lot 1R;

Thence S 42° 02’ 45” W – 441.22 feet, along another common line of said Lots 1R and 2R and a southeast line of the existing city limits as defined by said ordinance no. 3049, to the Point of Beginning and containing 26.37 acres of land more or less.

Bearings are Texas State Plane, NAD-83 datum, based on City of College Station GPS control monuments and GPS observations.

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 the boundary of the political subdivision for which it was prepared.

See survey plat dated February 2018.

Proposed Annexation Area 4
23.00 Acres – Mayo Tract
Crawford Burnett League
Brazos County, Texas
February 2018

All that certain tract or parcel of land lying and being situated in the Crawford Burnett League, Abstract No. 7, in Brazos County, Texas, being all of that 2.00 acre Tract One and 20.00 acres out of that 23.00 acre Tract Two conveyed to Henry P. Mayo and wife, Sandra K. Mayo by deed recorded in Volume 1253, Page 878 of the Official Records of Brazos County, Texas, and being more particularly described as follows:

Beginning at the common corner of the said 2.00 acre Tract One and 23.00 acre Tract Two in the northwest right-of-way line of Rock Prairie Road West (formerly named “Gandy Road”), from where City of College Station GPS control monument no. 117 bears S 32° 42’ 46” W – 602.0 feet.

Thence N 42° 17’ 08” E – 208.71 feet along the said northwest right-of-way line and also a northwest line of the existing city limits of College Station as defined by ordinance no. 3049 (exhibit “A3”) to the east corner of Tract One;

Thence N 47° 42’ 52” W – 1593.40 feet, along the northeast lines of said Tract One and Tract Two, also being a southwest line of the existing city limits as defined by said ordinance no. 3049, and the southwest boundary lines of 12 at Rock Prairie Phases 1, 2 and 3, as described by plats recorded in Volume 12464, Page 180, Volume 13156, Page 277 and Volume 13176, Page 209 of the Official Public Records of Brazos County, Texas, to the north corner of Tract Two in a southeast line of the existing city limits of College Station as defined by ordinance no. 2590 (exhibit “A-1”);

Thence S 41° 23’ 08” W – 685.98 feet, along the northwest line of said Tract Two and along the said city limits defined by ordinance no. 2590 and southwest boundary of that 23.707 acre tract conveyed to DWS Development, Inc. by deed recorded in Volume 13509, Page 164 of the Official Public Records of Brazos County, Texas, to the west corner of Tract Two, also being the north corner of that tract of land conveyed to Oak Creek, L.L.P. by deed recorded in Volume 4030, Page 98 of the Official Public Records of Brazos County, Texas;

Thence S 47° 42’ 52” E – 1363.62 feet, along the common boundary of said Mayo Tract Two and said Oak Creek, L.L.P. tract, to a corner of the existing city limits as defined by said ordinance no. 3049 located approximately 217 feet northwest of the northwest line of Rock Prairie Road West;

Thence through the said Mayo Tract Two, along existing city limits lines defined by said ordinance no. 3049 as follows:

N 42° 17’ 08” E – 200.00 feet;

N 47° 42’ 52” W – 94.57 feet;

N 42° 17’ 08” E – 277.19 feet to a point in the southwest line of said Tract One;

and S 47° 42' 52" E – 313.58 feet along a common line of the said Mayo tracts to the Point of Beginning and containing 22.00 acres of land more or less.

Bearings are Texas State Plane, NAD-83 datum, based on City of College Station GPS control monuments and GPS observations.

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 the boundary of the political subdivision for which it was prepared.

See survey plat dated February 2018.

Survey Plat

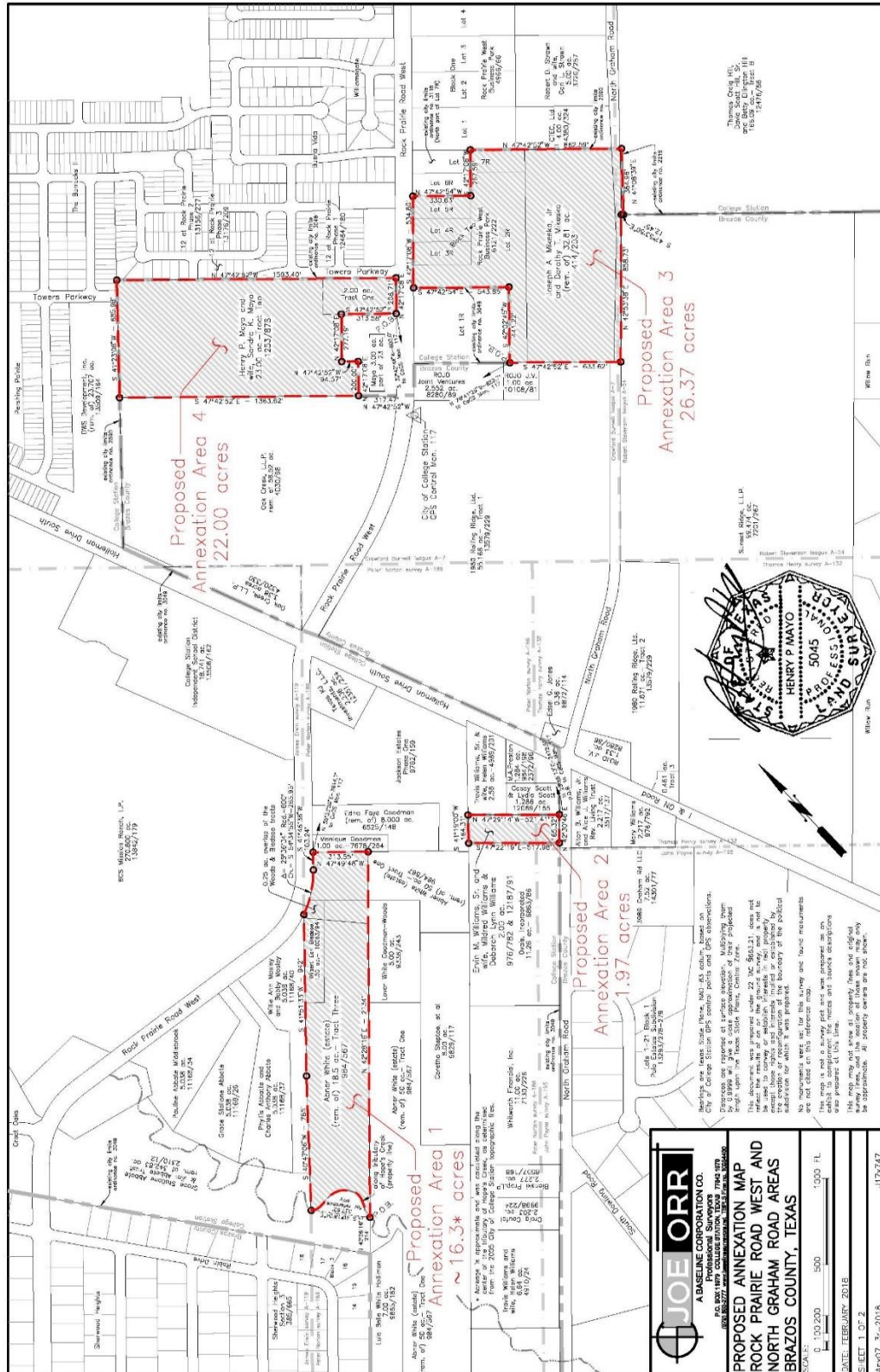


EXHIBIT 2

CITY OF COLLEGE STATION SERVICE PLAN FOR AREAS TO BE ANNEXED EFFECTIVE 1 JUNE 2018

I. ANNEXATION AREAS

The annexation areas are located on the west side of the City, in College Station's Extraterritorial Jurisdiction. These properties are illustrated in Figure 1 and further described below.

- Area 1** - Approximately 16 acres located on the south side of Rock Prairie Road West near the intersection of Holleman Drive South
- Area 2** - Approximately two acres located on the north side of North Graham Road near the intersection of Holleman Drive South
- Area 3** - Approximately 26 acres located between Rock Prairie Road West and North Graham Road
- Area 4** - Approximately 22 acres located at the intersection of Rock Prairie Road West and Towers Parkway

II. INTRODUCTION

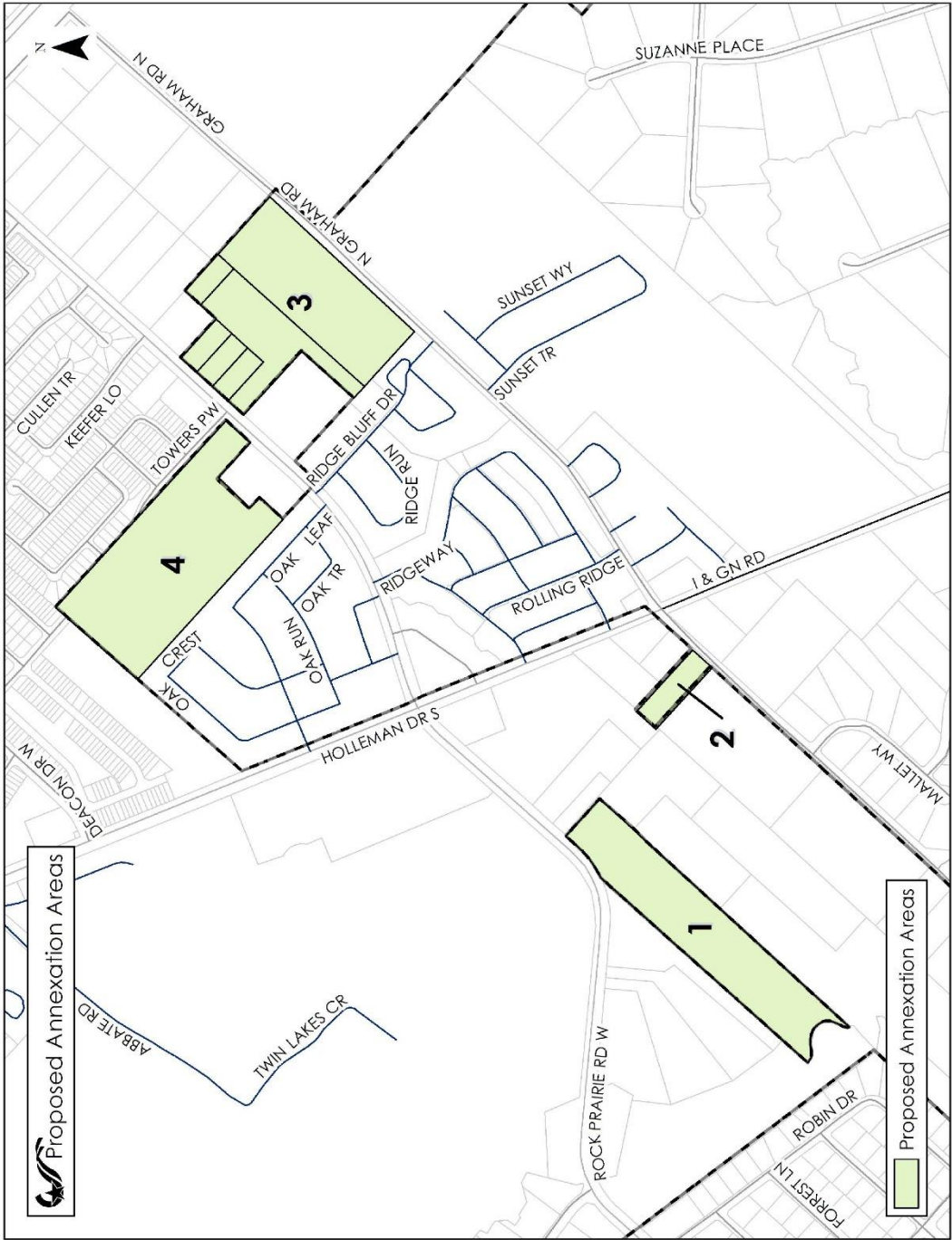
This service plan has been prepared in accordance with the TEXAS LOCAL GOVERNMENT CODE, Sections 43.003, 43.065, and 43.056(b)-(o) (Vernon 1999, AND VERNON SUPP. 2007, as amended from time to time). Municipal facilities and services to the annexed areas described above will be provided or made available on behalf of the City in accordance with the following plan. This plan provides a program under which the City of College Station will provide full municipal services to the annexed areas. All services will be provided within the time provided in TEXAS LOCAL GOVERNMENT CODE, Section 43.056(B).

This Service Plan does not:

- require the creation of another political subdivision;
- require a landowner in the area to fund the capital improvements necessary to provide municipal services in a manner inconsistent with Chapter 395, Texas Local Government Code; or
- provide services in the area in a manner that would have the effect of reducing by more than a negligible amount the level of fire and police protection and emergency medical services provided within the corporate boundaries of the municipality before annexation.

The level of services, infrastructure, and infrastructure maintenance provided to the annexed areas is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the City with topography, land use, and population density similar to those contemplated or projected in the annexed area.

FIGURE 1



III. SERVICE COMPONENTS

This plan contains three service components: (1) Immediate Services, (2) Additional Services, and (3) Capital Improvement Program.

Immediate Services

As required by TEXAS LOCAL GOVERNMENT CODE, SECTION 43.056(B), certain municipal services will be provided by the City of College Station immediately upon the effective date of annexation. These services include:

- police protection;
- fire protection;
- emergency medical services;
- solid waste collection, except as provided by Subsection 43.056(o);
- operation and maintenance of water and wastewater facilities in the annexed area that are not within the service area of another water or wastewater utility;
- operation and maintenance of roads, and streets, including road and street lighting;*
- operation and maintenance of public parks, playgrounds, and swimming pools; and
- operation and maintenance of any other publicly owned facility, building, or service.

***Note:** Street lighting will be maintained for fixtures located within the service territory of College Station Utilities.

A. Police Protection

The College Station Police Department will provide police service, including routine patrol, traffic enforcement, and dispatch response to emergency and non-emergency service calls.

B. Fire Protection

The College Station Fire Department will provide fire protection, including response to emergency calls for assistance, fire prevention education, pre-fire planning, and target hazard inspections. In general, the Fire Department's goal is to provide a fire response time of five minutes or less.

Construction and development activities undertaken after the effective date of annexation shall comply with all building, life safety and fire safety codes of the City of College Station. All structures shall comply with the address standards of the College Station Code of Ordinances within ninety (90) days of the effective annexation date.

C. Emergency Medical Services

The College Station Fire Department will provide emergency medical services (EMS). Each Fire Department ambulance, engine, and ladder truck is capable of providing EMS, including defibrillation, medical administration, IV therapy, advanced airway management, and initial treatment of injuries. In general, the Fire Department's goal is to provide an EMS response time of five minutes or less.

D. Solid Waste Collection

The College Station Public Works Department will provide fee-based solid waste collection service for residential and commercial customers. Customers in the annexed area may elect to continue using a private solid waste management service provider for a period of two years after the effective date of annexation in accordance with provisions of the TEXAS LOCAL GOVERNMENT CODE. The City will not charge a fee to a person who continues to use the services of a privately-owned solid waste management service provider during the two year period referenced above.

Residential Service – Residential solid waste collection (including brush and bulk items) is provided once per week. All residential service will be provided at a point of collection adjacent to, and accessible

from, a public right-of-way or an improved surface acceptable to the City. Residential solid waste collection vehicles will not conduct operations on private property. However, residential service may be provided on private streets that comply with the Sanitation Division's requirements for surface material, vehicle clearance and turning radii. In the case of multiple residences located on a privately owned road or drive, the City may require the establishment of a mass collection point at an area adjacent to the nearest public right-of-way. The City will provide residential solid waste containers.

Commercial Service - Containers and collection points may be located on private property, provided that it can be easily accessed from a public right-of-way, and both the route of access and the collection point meet the Sanitation Division's requirements for approved surfaces, vehicle clearance and turning radii. The City will provide standard commercial containers.

In order to secure solid waste collection services in the annexed areas, each property owner must establish a utility account with the City of College Station. The City will not be responsible for damage to private drives, streets, or parking areas by sanitation trucks servicing containers.

E. Water and Wastewater Facilities

The City of College Station will provide water and wastewater service to areas that are not located within the certificated service territory of another utility through existing facilities located within or adjacent to the area. The level of water and wastewater service, infrastructure and infrastructure maintenance provided in the annexed area will be comparable to the level of services, infrastructure and infrastructure maintenance available in other parts of the City before annexation with topography, land use, and population density similar to those reasonably contemplated or projected in the area. Municipal services to be provided within the annexed area may be provided by any of the methods in which the City provides services to other comparable areas.

F. Roads and Streets

The Public Works Department will maintain public roads and streets at a level comparable to the maintenance prior to annexation. These services include emergency pavement repair and preventative street maintenance. Right-of-way mowing activities along State highways are addressed in the City's maintenance agreement with Texas Department of Transportation and will be added to the City's maintenance activities immediately following annexation. Maintenance priorities are determined on a City-wide basis taking into consideration factors such as age, traffic volume, surface conditions, nature of the maintenance, public safety hazards, and available funding.

Existing street and traffic control signs shall conform to the City of College Station's standards within ninety (90) days of the annexation. The City will install public street signs in accordance with College Station's standards for same within ninety (90) days of the effective date of annexation.

G. Parks and Recreation Facilities

The City of College Station is not aware of the existence of any public parks, playgrounds or swimming pools in the areas proposed for annexation. In the event any such public facilities exist, they will be maintained to the same degree and extent that the City maintains public parks, playgrounds and swimming pools within the current City limits.

H. Other Publicly Owned Buildings and Facilities

The City of College Station is not aware of the existence of any publicly owned buildings in the areas proposed for annexation. In the event any such public facilities exist, they will be maintained to the same degree and extent that the City maintains such facilities within the current City limits.

Additional Services

A. Building Permitting and Inspections

Upon the effective date of annexation, the City will provide building permits and inspection services. This service will be made available to the annexed areas on the same basis and at the same level of service as similar facilities throughout the City. Service is provided on a “cost recovery” basis, and permit fees partially offset the costs of services delivered. Construction activities underway prior to annexation may continue provided that all construction after annexation complies with City codes and ordinances.

All permits required by City codes and ordinances must be obtained for construction underway at the time of annexation. Permit fees will be waived for building construction underway prior to the effective date of annexation.

B. Planning and Development Services

Planning and development services will be made available on the effective date of annexation. Planning & Development Services currently services this property by way of administration of the Subdivision Regulations contained in the Unified Development Ordinance.

Upon annexation, planning and development services will be provided by way of the Unified Development Ordinance and other applicable codes and standards. The College Station City Council adopted the current Comprehensive Plan in 2009. The Comprehensive Plan contains a Land Use Plan that designates future land uses to manage the quality and quantity of growth by matching land use intensity with planned infrastructure. Upon annexation, all properties will be zoned R (Rural). The City's Comprehensive Plan will be used as the basis for evaluating rezoning requests after properties are annexed.

C. Animal Control

The Police Department will provide animal control service upon the effective date of annexation. Animal control services include response and investigation of reported animal bites, response to reports of stray or “at large” animals, and response and investigation of animal cruelty and neglect reports.

D. Community Services

Community services will be provided upon the effective date of annexation. Community services include response and investigation of code enforcement issues such as trash, illegal signs, abandoned or inoperable motor vehicles, and zoning violations. Community Services also administers the federal funds received from the Department of Housing and Urban Development through the Community Development Block Grant and the HOME Investment Partnership grant.

E. Recycling Collection

For residential customers electing solid waste collection from the City of College Station, curbside recycling collection is also provided once per week. Items accepted in the curbside recycling program include:

- Newspapers and magazines
- Aluminum and steel food cans
- Clear and brown glass
- Plastic bottles
- Lead acid car batteries

WATER AND WASTEWATER SERVICE PROVISION

This Water and Wastewater Service Plan (“Plan”) provides a program under which the City of College Station will provide full municipal services to the annexed area. For the purpose of this plan, “full municipal services” includes water and sewer services provided by the City within its full-purpose boundaries. The level of water and sewer service, infrastructure and infrastructure maintenance provided in the annexed area will be comparable to the level of services, infrastructure and infrastructure maintenance available in other parts of the City before annexation with topography, land use, and population density similar to those reasonably contemplated or projected in the area. Municipal services to be provided within the annexed area may be any of the methods by which the City provides services to other comparable areas. All services will be provided within the time provided in TEXAS LOCAL GOVERNMENT CODE SEC. 43.056(B). The City may extend facilities under this plan or otherwise serve this area through the use of *Impact Fees* as permitted under CHAPTER 395 OF THE TEXAS LOCAL GOVERNMENT CODE.

Water and Wastewater facilities for future development that increases densities beyond the capital improvements specified in this plan will be extended in accordance with the City’s Water and Wastewater policy in existence at the time of development. The water and wastewater extension policy is discussed in Section IV, Water and Wastewater Capital Improvements. In general, the policy for extension of utility service is “development driven” in that utility line extensions are typically installed by developers, in conjunction with major development projects. The City may accept ownership and maintenance of major facilities, such as gravity sewer lines, manholes, lift stations and/or wastewater package plants, as required by the particular development. The City may elect to pay for upgrades or oversize of infrastructure projects being installed by developers. As an area develops, developers or homeowners extend water distribution and wastewater collection lines to individual lots.

Until an area becomes densely populated, the cost of utility extension is not feasible to be borne by a few lot owners. Also, in the case of wastewater treatment, developments with large lots will normally be constructed with on-site sewage facilities that are privately owned and operated.

AREA 1

Water

Water service in Annexation Area 1 is currently provided by and located within the water service territory of Wellborn Special Utility District. The City of College does not have the right to provide water service in Area 1, therefore, no water infrastructure will be provided by the City in the area after annexation.

Wastewater

Annexation Area 1 is currently vacant. As in other areas of College Station with similar topography, land use, and population density, this area will be served by a private sewer system until such time as significant development occurs to warrant the extension of an organized sanitary sewer collection system.

AREA 2

Water

Water service in Annexation Area 2 is currently provided by and located within the water service territory of Wellborn Special Utility District. The City of College does not have the right to provide water service in Area 2, therefore, no water infrastructure will be provided by the City in the area after annexation.

Wastewater

Wastewater service in Annexation Area 2 is currently provided by a private on-site sewer treatment facility. As in other similarly developed areas of College Station, the property in Area 2 will remain on

a private system until such time as significant development occurs to warrant the extension of an organized sanitary sewer collection system.

AREA 3

Water

Water service in Annexation Area 3 is currently provided by and located within the water service territory of Wellborn Special Utility District. The City of College does not have the right to provide water service in Area 3, therefore, no water infrastructure will be provided by the City in the area after annexation.

Wastewater

Wastewater service in Annexation Area 3 is currently provided by a private on-site sewer treatment facility. As in other areas of College Station with similar topography, land use, and population density, the area will remain on a private system until such time as significant development occurs to warrant the extension of an organized sanitary sewer collection system.

AREA 4

Water

Water service in Annexation Area 4 is currently provided by and located within the water service territory of Wellborn Special Utility District. The City of College does not have the right to provide water service in Area 1, therefore, no water infrastructure will be provided by the City in the area after annexation.

Wastewater

Wastewater service in Area 4 is currently provided by a private on-site sewer treatment facility. However, it is located adjacent to a development served by the City of College Station. Public sewer is available via existing lines adjacent to Area 4 but the sewer capacity is limited to approximately 10 dwelling units per acre.

As in other areas of College Station with similar topography, land use, and population density, the area will continue to be served by a private sewer system until such time as significant development occurs to warrant the extension of an organized sanitary sewer collection system.

IV. CAPITAL IMPROVEMENTS

Should the City make capital improvements to serve the annexed areas, the City reserves the right to levy an impact fee to the properties annexed according to Chapter 395 of the Texas Local Government Code and the City's Code of Ordinances. The City may, from time to time, include construction of new, expanded or replacement facilities in its Capital Improvements Program (CIP). Facilities to be included in the CIP shall be determined on a City-wide basis. Priorities shall be established by the CIP plans of the City, projected growth trends, and the City Council through its development plans and policies.

A. Police Protection (including animal control)

Police protection will be provided to the annexed areas through existing City facilities at a level of service comparable to the level of service in other parts of the City before annexation with topography, land use, and population density similar to those reasonably contemplated or projected in the area.

B. Fire Protection (including EMS and Community Enhancement)

Fire protection will be provided to the annexed areas through existing City facilities and mutual aid agreements at a level of service comparable to the level of service in other parts of the City before annexation with topography, land use, and population density similar to those reasonably contemplated or projected in the area.

The City will evaluate and update, as needed, its Strategic Plan to address the response time, personnel, facility and equipment needs for these areas of the City as the annexed areas develop.

C. Solid Waste Collection

Solid waste collection services will be provided to the annexed areas through the City's existing facilities or through franchise agreements with private services at a level of service comparable to the level of service in other parts of the City before annexation with topography, land use, and population density similar to those reasonably contemplated or projected in the area.

D. Maintenance of Public Roads and Streets

Right-of-way maintenance will be provided through the existing facilities at a level of service not less than exists in the area immediately preceding annexation. The improvement and enlargement of roads within existing rights-of-way will be included in future capital improvements programs as practical and where needed to facilitate the maneuvering of emergency and sanitation service vehicles.

E. Parks, Playgrounds and Swimming Pools

Parks and recreation services will be provided through the existing facilities at a level of service not less than exists in the area immediately preceding annexation.

Additional park development in the annexed areas will be addressed through the development standards and procedures of the City as residential development occurs. Such park development includes, but is not limited to, dedication of park land and/or money in lieu of land in accordance with the City of College Station Subdivision Regulations.

F. Other Public Building and Facilities

Other public facilities, buildings or services will be provided through the existing facilities at a level of service not less than exists in the area immediately preceding annexation.

WATER AND WASTEWATER CAPITAL IMPROVEMENTS

The water and wastewater utility extension policy of the City of College Station is as follows:

The cost of off-site extension of water and wastewater facilities to serve a lot, tract, plat, or land development shall be borne by the owner or developer of the lot, tract, plat, or land by direct installation or through the use of *Impact Fees*. Where such extension is consistent with plans for the development of the City and its utility system the City may, by decision of the City Council, participate in the cost of construction so as to provide for additional capacity for the overall development of an area.

The cost of water and wastewater facilities necessary to serve existing lots or new development within a subdivision plat or land development shall be borne by the lot owner or developer of the plat or land by direct installation or through the use of *Impact Fees*. Standard connection fees or other installation fees in effect on a citywide basis are in addition to impact fees levied.

AREA 1

Water

Area 1 is located within the water CCN service territory of Wellborn Special Utility District. No water infrastructure will be provided by the City to this area after annexation. Properties located within the water CCN service territory of Wellborn Special Utility District will continue to be served by Wellborn Special Utility District after annexation.

Wastewater

Area 1 will be served by private on-site sewer treatment systems until such time as development warrants the extension of an organized sanitary collection system.

AREA 2

Water

Area 2 is located within the water CCN service territory of Wellborn Special Utility District. No water infrastructure will be provided by the City to this area after annexation. Properties located within the water CCN service territory of Wellborn Special Utility District will continue to be served by Wellborn Special Utility District after annexation.

Wastewater

Area 2 will continue to be served by a private on-site sewer treatment system until such time as development warrants the extension of an organized sanitary collection system.

AREA 3

Water

Area 3 is located within the water CCN service territory of Wellborn Special Utility District. No water infrastructure will be provided by the City to this area after annexation. Properties located within the water CCN service territory of Wellborn Special Utility District will continue to be served by Wellborn Special Utility District after annexation.

Wastewater

Area 3 will continue to be served by a private on-site sewer treatment system until such time as development warrants the extension of an organized sanitary collection system.

AREA 4

Water

Area 4 is located with the water CCN service territory of Wellborn Special Utility District. Therefore, no water infrastructure will be provided by the City to this area after annexation. Properties located

within the water CCN service territory of Wellborn Special Utility District will continue to be served by Wellborn Special Utility District after annexation

Wastewater

Area 4 will continue to be served by a private on-site sewer treatment system until such time as development and/or redevelopment warrants the extension of an organized sanitary sewer collection system. Sewer capacity is currently available via public lines in the adjacent development and may be extended per the City's wastewater utility extension policy.

V. LEVEL OF SERVICES TO BE PROVIDED

It is the intent of the City of College Station to provide the level of services required by State law. The City Council finds and determines that the services, infrastructure and infrastructure maintenance proposed by this plan are comparable to that provided to other parts of the City with topography, land use, and population density reasonably similar to the annexed area and will not reduce the level of services available to the territory prior to annexation.

Nothing in this plan shall require the City to provide a uniform level of full municipal services to each area of the City, including the annexed area, if different characteristics of topography, land use, and population density are considered a sufficient basis for providing different levels of service.

VI. TERM

This service plan shall be valid for a term of ten (10) years. Renewal of the service plan shall be at the discretion of City Council.

VII. AMENDMENTS

The service plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this service plan unworkable or obsolete. The City Council may amend the service plan to conform to the changed conditions or subsequent occurrences pursuant to the TEXAS LOCAL GOVERNMENT CODE, Section 43.056 (Vernon 1999 and Vernon Supp. 2007).



Legislation Details (With Text)

File #:	18-0286	Version:	1	Name:	Certificate of Oligation
Type:	Ordinance	Status:		Status:	Agenda Ready
File created:	4/17/2018	In control:		In control:	City Council Regular
On agenda:	4/26/2018	Final action:		Final action:	
Title:	Presentation, possible action, and discussion concerning adoption of an ordinance authorizing the issuance of up to \$55,000,000 in principal amount of "City of College Station, Texas Certificates of Obligation, Series 2018"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.				
Sponsors:	Mary Ellen Leonard				
Indexes:					
Code sections:					
Attachments:	2018 Debt Issue - draft Ordinance (CO) (ver 1).pdf College Station, Series 2018 CO - Draft POS 2 (Legistar).pdf				
Date	Ver.	Action By	Action		Result

Presentation, possible action, and discussion concerning adoption of an ordinance authorizing the issuance of up to \$55,000,000 in principal amount of "City of College Station, Texas Certificates of Obligation, Series 2018"; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

Relationship to Strategic Goals: Financially Sustainable City, and Providing Core Services and Infrastructure.

Recommendation(s): Council adopt the attached ordinance authorizing the issuance of Certificates of Obligation, Series 2018; delegating the authority to certain City Officials to execute certain documents relating to the sale of the certificates; approving and authorizing instruments and procedures relating to the certificates; and enacting other provisions relating to the subject.

Summary: The City Council is authorized to approve the issuance of Certificates of Obligation (CO's) after approving a resolution directing notice to be published of the intent to issue the CO's. On March 22, 2018 Council approved a resolution directing staff to advertise the issuance of CO's. On March 25th and April 1st this notice was published.

The City of College Station typically issues debt to fund various capital projects identified and approved as a part of the annual budget. Certificates of Obligation are proposed to be issued for streets, parks, land for a future fire station, city hall design, information technology, electric, and water and wastewater system improvements; and debt issuance costs.

If this ordinance is adopted, the City Council will be delegating to the Mayor, the Interim City Manager/City Manager and the Assistant City Manager the authority to effect the sale of the

certificates through April 26, 2019.

Budget & Financial Summary: Staff reviewed the impact of the Certificates on the City's ability to meet debt service requirements and the effect they may have on the ad valorem tax rate. This issue is not anticipated to impact the debt service portion of the ad valorem tax rate. The impact on the utility rates will be reviewed as part of the financial forecast and FY19 budget.

Attachments:

1. Ordinance
2. Preliminary Official Statement
3. Project List

2018 Draft Debt Issue

4/18/2018 14:17

Gen'l Gov't Certificates of Obligation

Streets	Proposed		
	-	Francis Drive Rehabilitation - Phase II	ST1419
	1,500,000	Cain/Deacon UP Railroad Crossing Switch	ST1602
	2,700,000	Rock Prairie Rd West - Wellborn Rd to City Limits	ST1604
	1,000,000	Capstone and Barron Realignment	ST1605
	1,000,000	NH Safety Imp - Holik, Park Pl, Anna & Glade	ST1606
	3,725,000	Royder Phase II - Backwater to FM 2154	ST1709
	200,000	Sidewalk/NH Plan/Street Modification Projects	ST1705/ST1804
	500,000	Lincoln Avenue Rehabilitation	ST1801
Streets Total	<u>\$ 10,625,000</u>		
Parks Projects			
	800,000	System-Wide Park Improvements	PK1702
	785,000	Central Park Pavillion/Restroom Rehab	PK1802
	675,000	Central Park Athletic Field Restroom Rehab	PK1803
	950,000	Central Park Parking Lot Rehabilitation	PK1805
	600,000	Bee Creek Concessions/Restrooms	PK1804
	1,400,000	Southeast Park	HM1607
Parks Total	<u>\$ 5,210,000</u>		
General Government			
	700,000	Fire Station #7	GG1804
	2,000,000	Design of New City Hall	GG1801
	350,000	Video Surveillance	CO1802
General Gov't Total	<u>\$ 3,050,000</u>		
Governmental CO Subtotal	<u><u>\$ 18,885,000</u></u>		

2018 Draft Debt Issue

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Utility Certificates of Obligation

	Proposed		
	500,000	Woodson Village Rehabilitation	WA1957431
	920,000	Lakeway Water Line Extension	WA1869604
	1,200,000	RPR Elevated Storage Tank w/ PRV'S	WA1800001
	450,000	Eastgate Rehabilitation - Water	WF1656023
	500,000	30" Transmission Line Relocate - 2818/FM60	WA1965140
Water Projects	<u>\$ 3,570,000</u>		
	2,500,000	Lick Creek Parallel Trunkline	WW1877335
	500,000	Northeast Sewer Trunkline Phase II	WW1957471
	500,000	Northeast Sewer Trunkline Phase III	WW1700002
	2,300,000	Medical District Trunkline Phase I	WW1800001
	1,700,000	Eastgate Rehabilitation - Wastewater	WF1656024
	500,000	Woodson Village Rehabilitation	WW1957430
	2,000,000	Carters Creek Electrical Improvements	WF1677128
Wastewater Projects	<u>\$ 10,000,000</u>		
	6,300,000	Graham Road Substation and Feeders	
Electric Projects	<u>\$ 6,300,000</u>		
Utility CO Subtotal	<u>\$ 19,870,000</u>		
Estimated Debt Issuance Costs	\$ 500,000		
Total Debt Issue	<u><u>\$ 39,255,000</u></u>		

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FY18 Draft Debt Issue

4/18/2018 14:17

Streets	Budgeted	Proposed				Issued to Date	PTD	Enc	Balance
	935,000	-	Francis Drive Rehabilitation - Phase II	ST1419	20 Yrs	3,100,000.00	268,530.39	2,674,309.36	157,160.25
	3,400,000	1,500,000	Cain/Deacon UP Railroad Crossing Switch	ST1602	20 Yrs	2,000,000.00	537,280.06	151,380.54	1,311,339.40
	2,700,000	2,700,000	Rock Prairie Rd West - Wellborn Rd to City Limits	ST1604	20 Yrs	3,200,000.00	742,523.15	167,316.53	2,290,160.32
	4,835,000	1,000,000	Capstone and Barron Realignment	ST1605	20 Yrs	800,000.00	549,218.30	144,909.54	105,872.16
	1,000,000	1,000,000	NH Safety Imp - Holik, Park Pl, Anna & Glade	ST1606	20 Yrs	1,090,000.00	227,765.27	117,661.26	744,573.47
	1,177,500	3,725,000	Royder Phase II - Backwater to FM 2154	ST1709	20 Yrs	-	283,983.06	344,300.00	(628,283.06)
	500,000	-	Design of SH 40 and FM 2154 Interchange	ST1803	20 Yrs	-	-	-	-
	200,000	200,000	Sidewalk/NH Plan/Street Modification Projects	ST1705/ST1804	20 Yrs	200,000.00	580.60	28,621.50	170,797.90
	250,000	500,000	Lincoln Avenue Rehabilitation	ST1801	20 Yrs	-	777.53	-	(777.53)
	380,000	-	Holleman & FM 2154 Intersection Improvements	ST1708	20 Yrs	500,000.00	108,082.58	5,871.92	386,045.50
	-	-	Traffic Signal Projects	ST1704	20 Yrs	-	-	-	-
Streets Total	\$ 15,377,500	\$ 10,625,000							
Parks Projects									
	800,000	800,000	System-Wide Park Improvements	PK1702	10 Yrs	800,000.00	641,935.64	67,929.00	90,135.36
	785,000	785,000	Central Park Pavillion/Restroom Rehab	PK1802	20 Yrs	-	72.10	-	(72.10)
	675,000	675,000	Central Park Athletic Field Restroom Rehab	PK1803	20 Yrs	-	72.10	-	(72.10)
	1,400,000	950,000	Central Park Parking Lot Rehabilitation	PK1805	20 Yrs	-	111.86	-	(111.86)
	75,000	600,000	Bee Creek Concessions/Restrooms	PK1804	20 Yrs	-	72.10	72.10	(144.20)
	1,000,000	1,400,000	Southeast Park	HM1607	20 Yrs	-	50,234.49	1,221,004.00	(1,271,238.49)
Parks Total	\$ 4,735,000	\$ 5,210,000							
General Government									
	-	700,000	Fire Station #7	GG1804	20 Yrs	-	5,018	-	(5,018.20)
	150,000	-	Facilities Maintenance Relocation/PWs Master Plan	GG1802	20 Yrs	-	-	-	-
	2,000,000	2,000,000	Design of New City Hall	GG1801	20 Yrs	-	57	-	(56.62)
	350,000	350,000	Video Surveillance	CO1802	7 Yrs	-	578	-	(578.09)
	215,000	-	Wireless Replacement	CO1801	7 Yrs	-	1,594	1,630	(3,223.93)
	200,000	-	Fiber Optic Infrastructure	CO1701	7 Yrs	275,000	9,013	-	265,987.39
	210,000	-	ERP System Replacement	CO1204	7 Yrs	5,879,969	4,281,652	492,684	1,105,632.19
General Gov't Total	\$ 3,125,000	\$ 3,050,000							
Governmental CO Subtotal	\$ 23,237,500	\$ 18,885,000							

FY18 Draft Debt Issue

4/18/2018 14:17

Utility Certificates of Obligation

	Budgeted	Proposed							
	1,200,000	-	Wells 1, 2 & 3 MCC Replacement	WA1800005	10 Yrs	-	40	-	(39.54)
	1,250,000	500,000	Woodson Village Rehabilitation	WA1957431	20 Yrs	-	149,655	262,290	(411,944.90)
	1,320,000	-	SH 6 Water Line	WA1957432	20 Yrs	3,050,000	217,553	248,600	2,583,846.73
	920,000	920,000	Lakeway Water Line Extension	WA1869604	20 Yrs	125,000	109,094	913,387	(897,480.95)
	700,000	-	Dowling Road Equipment Shed	WA1957439	20 Yrs	-	-	-	-
	1,400,000	1,200,000	RPR Elevated Storage Tank w/ PRV'S	WA1800001	20 Yrs	-	3,957	-	(3,957.16)
	450,000	450,000	Eastgate Rehabilitation - Water	WF1656023	20 Yrs	1,645,000	709,350	1,377,003	(441,352.90)
	500,000	500,000	30" Transmission Line Relocate - 2818/FM60	WA1965140	20 Yrs	-	357,448	182,017	(539,464.66)
Water Projects	<u>\$ 7,740,000</u>	<u>\$ 3,570,000</u>							
	5,000,000	2,500,000	Lick Creek Parallel Trunkline	WW1877335	20 Yrs	-	952,521	455,910	(1,408,430.92)
	1,350,000	500,000	Northeast Sewer Trunkline Phase II	WW1957471	20 Yrs	-	52,171	-	(52,170.73)
	900,000	500,000	Northeast Sewer Trunkline Phase III	WW1700002	20 Yrs	-	39,358	-	(39,357.74)
	2,300,000	2,300,000	Medical District Trunkline Phase I	WW1800001	20 Yrs	-	-	2,300,000	(2,300,000.00)
	1,200,000	-	Southwood Valley Trunkline Ph I	WW1997793	20 Yrs	-	157,734	87,138	(244,872.35)
	1,700,000	1,700,000	Eastgate Rehabilitation - Wastewater	WF1656024	20 Yrs	300,000	437,429	1,511,574	(1,649,002.77)
	1,800,000	500,000	Woodson Village Rehabilitation	WW1957430	20 Yrs	-	149,940	262,290	(412,230.08)
	2,500,000	2,000,000	Carters Creek Electrical Improvements	WF1677128	20 Yrs	-	286,412	2,068,219	(2,354,630.57)
	800,000	-	Carter Creek Equipment Shed	WW1800004	20 Yrs	-	-	-	-
	800,000	-	Treatment Plant Land Buffers	WW1872097/WW1868508	20 Yrs	-	5,636	2,500	(8,135.96)
	2,500,000	-	CC Diversion Lift Station & Force Main	WW1800002	20 Yrs	-	776	-	(776.10)
	250,000	-	CCWWTP Centrifuge Improvements	WF1771887	10 Yrs	1,100,000	79,032	-	1,020,968.33
	300,000	-	Southside NH Safety Imp - WW	WW1945843	20 Yrs	-	25,412	19,683	(45,095.36)
Wastewater Projects	<u>\$ 21,400,000</u>	<u>\$ 10,000,000</u>							
	-	6,300,000	Graham Road Substation and Feeders		20 Yrs				-
Electric Projects	<u>\$ -</u>	<u>\$ 6,300,000</u>							
Utility CO Subtotal	<u>\$ 29,140,000</u>	<u>\$ 19,870,000</u>							
Estimated Debt Issuance Costs		\$ 500,000							
Total Debt Issue	<u><u>\$ 52,377,500</u></u>	<u><u>\$ 39,255,000</u></u>							

DRR

10/26/17; \$5,000,000

11/20/2017

11/20/2017
11/20/2017
11/20/2017
11/20/2017
11/20/2017
11/20/2017

11/20/2017
11/20/2017
3/23/2017

6/8/17; \$6,500,000

3/31/2016

10/12/2017
8/24/2017; \$500,000

7/28/2016

10/26/2017; \$2,500,000

10/12/2017
6/8/17; \$6,500,000
10/26/2017; \$2,500,000

1/12/2017

2017 Draft Debt Issue - Summary

3/2/2012 16:04

General Obligation Bonds

	Budgeted	Proposed
Streets Total		
Parks Total		
General Gov't Total		
 GOB Total	 <u>\$ -</u>	 <u>\$ -</u>

Certificates of Obligation

	Budgeted	Proposed
Streets		
Electric Projects		
Water Projects		
Wastewater Projects		
 Certificates of Obligation Total	 <u>\$ -</u>	 <u>\$ -</u>
 Estimated Debt Issuance Costs		
 Total Debt Issue	 <u>\$ -</u>	 <u>\$ -</u>

Refunding Information

	<u>Refunds</u> <u>03's and 04's</u>	<u>Refunds</u> <u>03's, 04's and 05's</u>
Par		
NPV Savings		
Gross Savings		
% Savings		
Negative Arbitrage		

		Debt Issued thru FY16	Paid to Date	6 mths	12 mths	18 mths	24 mths	36 mths	Total
2008 General Obligation Bonds									
Streets								- -	- -
Streets Total	\$ -			-	-	-	-	-	-
Parks									-
Parks Total	\$ -			-	-	-	-	-	-
2008 GOB Total	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Gen'l Gov't Certificates of Obligation									
Streets								- - - - - - - - - -	- - - - - - - - - -
Streets Total	\$ -			-	-	-	-	-	\$ -
Parks Projects						- - -	- - -	- - -	- - -
Parks Total	\$ -			-	-	-	-	-	\$ -
General Government									- - - -
General Gov't Total	\$ -			-	-	-	-	-	\$ -
Governmental CO Subtotal	\$ -			-	-	-	-	-	\$ -
				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Utility Certificates of Obligation				6 mths	12 mths	18 mths	24 mths	36 mths	Total
Water Projects	\$ -			-	-	-	-	-	\$ -
Wastewater Projects	\$ -			-	-	-	-	-	\$ -
Utility CO Subtotal	\$ -			-	-	-	-	-	\$ -
Estimated Debt Issuance Costs									-
Certificates of Obligation Total	\$ -			-	-	-	-	-	\$ -
				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Debt Issue	\$ -			-	-	-	-	-	\$ -
				#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

ORDINANCE NO. 2018-_____

AUTHORIZING THE ISSUANCE OF "CITY OF COLLEGE STATION, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2018"; DELEGATING THE AUTHORITY TO CERTAIN CITY OFFICIALS TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE CERTIFICATES; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, on March 22, 2018, the City Council of the City of College Station (the "City") passed a resolution authorizing and directing notice of its intention to issue the Certificates of Obligation herein authorized, to be published in a newspaper as required by Section 271.049 of the Texas Local Government Code;

WHEREAS, said notice was published in the *Bryan-College Station Eagle*, a "newspaper" of the type described in Section 2051.044, Texas Government Code, as required by said Section 271.049 of the Texas Local Government Code, on March 25, 2018 and April 1, 2018;

WHEREAS, said notice provided that the ordinance authorizing the Certificates of Obligation may authorize an authorized officer of the City to effect the sale and delivery of the Certificates of Obligation on a date or dates subsequent to the adoption of the ordinance;

WHEREAS, no petition, signed by at least 5% of the qualified electors of said City as permitted by said Section 271.049 of the Texas Local Government Code protesting the issuance of such Certificates of Obligation, has been filed;

WHEREAS, the City is an "Issuer" within the meaning of Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, the Certificates of Obligation hereinafter authorized are to be issued and delivered pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code and Chapter 1371, Texas Government Code and the City's Home Rule Charter;

WHEREAS, during the preceding three years, the City has not submitted a bond proposition to authorize the issuance of bonds for the same purpose for which the Certificates of Obligation are hereby being issued and which proposition was disapproved by voters; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including

this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

Section 1. DEFINITIONS; AUTHORIZATION OF CERTIFICATES OF OBLIGATION.

(a) *Definitions.* Terms not otherwise defined herein shall have the following meanings.

(i) The term "*Authorized Denomination*" shall mean a denomination of \$5,000 of principal amount of a Certificate or any integral multiple thereof.

(ii) The term "*Business Day*" means any day other than a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the City are, authorized by law or executive order to close.

(iii) The term "*Certificates*" and "*Certificates of Obligation*" shall mean the City of College Station, Texas Certificates of Obligation, Series 2018, authorized to be issued and delivered by this Ordinance.

(iv) The term "*MSRB*" means the Municipal Securities Rulemaking Board.

(v) The term "*Pricing Certificate*" means a certificate of the Pricing Officer setting forth the terms of sale of the Certificates including the method of sale, principal amount, maturity dates, interest payment dates, dated date, interest rates, yields, redemption provisions, and other matters related to the sale of the Certificates.

(vi) The term "*Pricing Officer*" means the Mayor, the Interim City Manager (or the City Manager if one has been appointed) and the Assistant City Manager (Jeff Kersten) of the City (each the "*Pricing Officer*") each of whom is independently authorized to finalize the terms of sale of the Certificates by execution of the Pricing Certificate.

(vii) The term "*Purchaser*" means (i) if the Certificates are sold by negotiated sale, the underwriter or underwriting syndicate selected by the Pricing Officer, or (ii) if the Certificates are sold by competitive sale by soliciting public bids, the underwriter or underwriting syndicate awarded the Certificates by the Pricing Officer.

(viii) The term "*Rule*" means SEC Rule 15c2-12 (17 C.F.R. § 240.15C2-12), as amended from time to time.

(ix) The term "*SEC*" means the United States Securities and Exchange Commission.

(x) The term "*Surplus Revenues*" shall mean those revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates.

(b) The City's Certificates of Obligation, to be designated the "City of College Station, Texas Certificates of Obligation, Series 2018", are hereby authorized to be issued and delivered in the principal amount not to exceed \$55,000,000 for the following public purposes: (i) constructing and improving streets and roads including related drainage, landscaping, lighting, pedestrian improvements and signage related thereto; (ii) designing, constructing, equipping and installing park and recreation equipment and improvements including new and existing facilities, park infrastructure improvements, upgrades and rehabilitation; (iii) purchasing and installing technology improvements including video surveillance; (iv) purchasing land for a new Fire Station; (v) designing and constructing a new City Hall; (vi) constructing improvements and extensions to the City's combined waterworks, sewer and electric systems including distribution, transmission, system lines, wells, plant improvements, and acquisition of interests in land; and (vii) the payment of fiscal, engineering and legal fees incurred in connection therewith and payment of the costs of issuance of the Certificates.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, each Pricing Officer is hereby authorized to act individually and severally on behalf of the City in selling and delivering the Certificates, carrying out the other procedures specified in this Ordinance, including, determining the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, whether the Certificate shall be sold and delivered in one or more series and the date and sale and delivery of each such series, the price at which the Certificates will be sold, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Certificates and obtaining municipal insurance for all or any portion of the Certificates and providing for the terms and provisions thereof applicable to the Certificates, all of which shall be specified in the Pricing Certificate; provided that:

(i) the aggregate principal amount of the Certificates shall not exceed \$55,000,000;

(ii) the true interest cost of the Certificates shall not exceed 5.000% per annum;

(iii) the final maturity of the Certificates shall not exceed February 15, 2038;

(iv) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to April 26, 2019; and

(v) on or prior to delivery, the Certificates shall be rated by a nationally recognized rating agency for municipal securities in one of the four highest categories for long-term obligations.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount that, when combined with premium used for purposes other than the payment of costs of issuance, does not exceed the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The Certificates shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(c) The Certificates may be sold by public offering (either through a negotiated or competitive offering) and the Pricing Certificate shall so state, and the Pricing Certificate may conform this Ordinance to such method of sale, including the provisions hereof that pertain to the undertaking of the Issuer in accordance with the Rule.

(d) The City Council hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Certificates as set forth in this Ordinance is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate are required to be, in the Issuer's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 3. CHARACTERISTICS OF THE CERTIFICATES. (a) The City shall keep or cause to be kept at the corporate trust office in Dallas, Texas (the "*Designated Trust Office*") of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named by the Pricing Officer or in accordance with the provisions of (g) below (the "*Paying Agent/Registrar*"), books or records for the registration and transfer of the Certificates (the "*Registration Books*"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. Registration of each Certificate may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Certificate, or any portion thereof in any Authorized Denomination, to the

assignee or assignees thereof, and the right of such assignee or assignees to have such Certificate or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Certificate or any portion thereof, a new substitute certificate or certificates shall be issued in exchange therefor in the manner herein provided.

(b) The entity in whose name any Certificate shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Ordinance, whether or not such Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such certificate shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such certificate to the extent of the sum or sums so paid.

(c) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, and to act as its agent to exchange or replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges thereof, and all replacements thereof, as provided in this Ordinance.

(d) Each Certificate may be exchanged for fully registered certificates in the manner set forth herein. Each Certificate issued and delivered pursuant to this Ordinance may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the FORM OF CERTIFICATE, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Certificate shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Certificate or Certificates so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If any Certificate or portion thereof is assigned and transferred, each Certificate issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange or replace Certificates as provided herein, and each fully registered Certificate or Certificates delivered in exchange for or replacement of any Certificate or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Certificate delivered in exchange for or replacement of another Certificate prior to the first scheduled interest payment date on the Certificates (as stated on the face thereof) shall be dated the same date as such Certificate, but each substitute Certificate so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute Certificate is delivered, unless such substitute Certificate is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided,

however, that if at the time of delivery of any substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid, then such substitute Certificate shall be dated as of the date to which such interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of any Certificate or Certificates issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth in the FORM OF CERTIFICATE (the "*Authentication Certificate*"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Certificate, date such substitute Certificate in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Certificate shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Certificates or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificate in the manner prescribed herein. Pursuant to Chapter 1206, Texas Government Code, the duty of exchange or replacement of any Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of Authentication Certificate, the exchanged or replaced Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate so selected for redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Certificate.

(e) All Certificates issued in exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the FORM OF CERTIFICATE.

(f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Certificates, but the registered owner of any Certificate requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Certificates requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such certificate or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof in an Authorized Denomination, as provided in this Ordinance, such fees and charges will be paid by the City. In addition, the City hereby covenants with the registered owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Certificates, when due,

and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Certificates solely to the extent above provided, and with respect to the exchange of Certificates solely to the extent above provided.

(g) The City covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than sixty days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that it will promptly appoint a competent and legally qualified national or state banking institution which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of the Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be in substantially the form as set forth in **Exhibit A** to this Ordinance, shall be numbered consecutively from R-1 upward, with the Initial Certificate being numbered T-1, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the FORM OF CERTIFICATE to be modified pursuant to, and completed with information set forth in the Pricing Certificate. The FORM OF CERTIFICATE as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the FORM OF CERTIFICATE to reproduced as an exhibit to the Pricing Certificate. The printer of the Certificates is hereby authorized to print on the Certificates (i) the form of bond counsel's opinion relating to the Certificates, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Certificates.

Section 5. RESERVED.

Section 6. LEVY OF TAX; INTEREST AND SINKING FUND; REVENUE PLEDGE.

(a) That a special fund or account, to be designated the "City of College Station, Texas Series 2018 Certificate of Obligation Interest and Sinking Fund" (the "*Interest and Sinking Fund*") is hereby created and shall be established and maintained by the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the City shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Certificates as such principal matures or comes due through operation of the mandatory sinking fund redemption, if any, but never less than 2% of the original amount of the Certificates as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the City for each year while any of the Certificates is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Ad valorem taxes necessary to pay the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) That the Certificates are additionally secured by and shall be payable from the Surplus Revenues. The Surplus Revenues are pledged by the City pursuant to authority of Chapter 1502, Texas Government Code, specifically Section 1502.058 thereof. The City shall promptly deposit the Surplus Revenues upon their receipt to the credit of the Interest and Sinking Fund created pursuant to Section 6, to pay the principal and interest on the Certificates. The amount of Surplus Revenues pledged to the payment of the Certificates shall not exceed \$1,000. If Surplus Revenues or any other lawfully available revenues, income or resources of the City are deposited or budgeted to be deposited in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to Section 6 may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available revenues, income or resources then on deposit or budgeted to be deposited to the credit of the Interest and Sinking Fund.

Section 7. TRANSFER. That the City shall do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest due on the Certificates.

Section 8. SECURITY FOR FUNDS. That the Interest and Sinking Fund created by this Ordinance shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and such Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Ordinance.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES. (a) *Replacement Certificates*. That in the event any outstanding Certificate is

damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Certificate of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) *Application for Replacement Certificates.* That application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate, the registered owner applying for a replacement Certificate shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) *No Default Occurred.* That notwithstanding the foregoing provisions of this Section, in the event any such Certificate shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement certificate, provided security or indemnity is furnished as above provided in this Section.

(d) *Charge for Issuing Replacement Certificates.* That prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) *Authority for Issuing Replacement Certificates.* That in accordance with Section 1201.067, Texas Government Code, this Section of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the City or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(d) of this Ordinance for Certificates issued in conversion and exchange of other Certificates.

Section 10. FEDERAL INCOME TAX MATTERS. That the City covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Certificates as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) then the amount in excess of five percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or five percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(1) proceeds of the Certificates invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Certificates are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(g) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code; and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to

the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

For purposes of the foregoing (a) and (b), the City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the Interim City Manager (or the City Manager if one has been appointed), any Assistant City Manager, severally, to execute any documents, certificates or reports required by the Code, and to make such elections on behalf of the City which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

In order to facilitate compliance with clause (h) above, a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 11. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. That the City covenants to account for the expenditure of proceeds from the sale of the Certificates and any investment earnings thereon to be used for the purposes described in Section 1 of this Ordinance (such purpose referred to in this Section and Section 12 hereof as a "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the earlier of (a) the fifth anniversary of the date of delivery of the Certificates or (b) the date the Certificates are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. DISPOSITION OF PROJECT. That the City covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 13. PROCEDURES TO MONITOR COMPLIANCE WITH TAX COVENANTS. The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the federal tax covenants made by the City herein.

Section 14. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES. That the Assistant City Manager of the City is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such certificate. The Certificates thus registered shall remain in the custody of the Assistant City Manager (or the designee thereof) until delivered to the Purchaser (as defined in Section 18 of this Ordinance).

Section 15. DTC REGISTRATION. That the Certificates initially shall be issued and delivered in such manner that no physical distribution of the Certificates will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Certificates. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, such representations. The Certificates initially authorized by this Ordinance shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Certificates on behalf of the Purchaser and its participants. So long as each Certificate is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify ownership of the Certificates in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Certificates initially deposited with DTC shall be immobilized and not be further exchanged for substitute Certificates except as hereinafter provided. The City is not responsible or liable for any functions of DTC, will not be responsible

for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Certificates. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Certificates, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Certificates is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for such Certificates. In connection with the initial establishment of the foregoing book-entry system with DTC, the City heretofore has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

Section 16. CONTINUING DISCLOSURE OBLIGATION PURSUANT TO RULE 15C2-12 (17 C.F.R. § 240.15C2-12).

(a) *Annual Reports.*

(i) The City will provide certain updated financial information and operating data to the MSRB on an annual basis in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables numbered 1 through 6; 8 through 20 and in Appendix B. The City will update and provide the information in Tables 1 through 6 and 8 through 20 within six months after the end of each fiscal year ending in and after 2018. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2018. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B of the Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

(ii) The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC, as permitted by the Rule. If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be

included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) *Event Notices.* The City shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten Business Days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificateholders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement,

or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Section by the time required by such subsection.

(c) *Limitations, Disclaimers, and Amendments.* (i) The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCE SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

(d) *Procedures to Monitor Compliance with Continuing Disclosure Covenants.* The City hereby adopts the procedures attached hereto as **Exhibit B** as a means of monitoring compliance with the continuing disclosure covenants made by the City herein.

Section 17. DEFEASANCE. (a) *Deemed Paid.* Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "*Defeased Certificate*") within the meaning of this Ordinance, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "*Future Escrow Agreement*") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to

provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) *Investments.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) *Selection of Defeased Certificates.* In the event that the City elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

(d) *Defeasance Securities.* The term "*Defeasance Securities*" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Certificates defeased under this Section of this Ordinance shall become due and payable, the Paying Agent/Registrar for such Certificates shall perform the services of Paying Agent/Registrar for such Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services.

(f) The Pricing Officer is hereby authorized to modify the securities that are eligible as Defeasance Securities and any such modification shall be described in the Pricing Certificate.

Section 18. SALE OF CERTIFICATES; OFFICIAL STATEMENT. (a) The Certificates may be sold by public offering (either through a negotiated or competitive offering) and the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2 hereof, and in which the purchasers of the Certificates are designated. The Certificates may be sold pursuant to a purchase agreement or notice of sale and bidding instructions (collectively, the "*Purchase Agreement*") which the Pricing Officer is hereby authorized to execute and deliver and in which the Purchaser of the Certificates shall be designated. The Certificates shall initially be registered in the name of the Purchaser thereof as set forth in the Pricing Certificate.

(b) The City hereby approves the form and content of the draft preliminary official statement relating to the Certificates in the form attached hereto as ***Exhibit C*** and any addenda, supplement or amendment thereto, and deems final the preliminary official statement and approves the distribution of such preliminary official statement in the reoffering of the Certificates by the Purchaser, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable or as are required by the Rule. The Pricing Officer is hereby authorized, in the name and on behalf of the City, to approve, distribute, and deliver a final preliminary official statement and a final official statement relating to the Certificates to be used by the Purchaser in the marketing of the Certificates.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the "*Insurer*") a municipal bond insurance policy (the "*Insurance Policy*") in support of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

(d) The Mayor and Mayor Pro Tem, the Interim City Manager (or the City Manager if one has been appointed), the Assistant City Manager, Director of Finance and City Secretary, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City a Paying Agent/Registrar Agreement, in the form presented at the meeting at which this Ordinance is adopted, with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates, the Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. FURTHER PROCEDURES. That the Mayor, the City Secretary, the Interim City Manager (or the City Manager if one has been appointed), the Assistant City Manager, and Director of Finance, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, and the sale and delivery of the Certificates and fixing all details in connection therewith. The City Council hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Certificates, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

Section 20. CONSTRUCTION FUND; USE OF PROCEEDS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Series 2018 Certificates of Obligation Construction Fund" (the "*Construction Fund*") for use by the City for payment of all lawful costs associated with the acquisition and construction of the projects as provided in Section 1.

(b) The proceeds from the sale of the Certificates shall be deposited, on the date of closing, in the manner described in a letter of instructions prepared by the City or on behalf of the City by the City's financial advisor. The foregoing notwithstanding, any proceeds representing accrued interest on the Certificates shall be deposited to the credit of the Interest and Sinking Fund.

Section 21. INTEREST EARNINGS. That the interest earnings derived from the investment of proceeds from the sale of the Certificates may be used along with other proceeds for the construction of the permanent improvements set forth in Section 1 hereof for which the Certificates are issued; provided that after completion of such permanent improvements, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to this Ordinance hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 22. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the

continuation thereof for a period of 60 days after notice of such default is given by any registered owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the registered owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such registered owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or members of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

Section 23. MISCELLANEOUS PROVISIONS. (a) *Preamble*. The preamble to this Ordinance is incorporated by reference and made a part hereof for all purposes.

(b) *Titles Not Restrictive.* That the titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) *Rules of Construction.* The words "herein", "hereof" and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision. Except where the context otherwise requires, terms defined in this Ordinance to impart the singular number shall be considered to include the plural number and vice versa. References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Ordinance is adopted by the City and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF CERTIFICATE" shall refer to the form of the Certificates set forth in **Exhibit A** to this Ordinance. Any reference to the payment of principal in this Ordinance shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(d) *Inconsistent Provisions.* All ordinances, orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(e) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(f) *Governing Law.* This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(g) *Open Meeting.* The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code.

(h) *Application of Chapter 1208, Government Code.* Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of ad valorem taxes and the Surplus Revenues granted by the City under Section 6(b), and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the ad valorem taxes and Surplus Revenues granted by the City is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(i) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Remainder of page intentionally left blank.]

PASSED, APPROVED AND EFFECTIVE THIS APRIL 26, 2018.

City Secretary; City of College Station

Mayor; City of College Station

(CITY SEAL)

APPROVED:

McCall, Parkhurst & Horton L.L.P., Dallas, Texas
Bond Counsel



Ordinance
City of College Station, Texas
Certificates of Obligation, Series 2018

SIGNATURE PAGE

EXHIBIT A

FORM OF CERTIFICATE

The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and with the Certificates to be completed with information set forth in the Pricing Certificate. The Form of Certificate as it appears in this Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Certificate to reproduced as an exhibit to the Pricing Certificate.

NO. _____	UNITED STATES OF AMERICA	Principal Amount
	STATE OF TEXAS	
	COUNTY OF BRAZOS	
	CITY OF COLLEGE STATION, TEXAS	
	CERTIFICATES OF OBLIGATION	\$[]
	SERIES 2018	

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DELIVERY DATE</u>	<u>CUSIP NO.</u>
	%	[], 2018	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF COLLEGE STATION, TEXAS, in Brazos County (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months), from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2019, and semiannually on each August 15 and February 15 thereafter until maturity or prior redemption; except that if this Certificate is required to be authenticated and the date of its authentication is later than February 15, 2019, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. At maturity or redemption prior to maturity, the principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at the designated corporate trust office in Dallas, Texas (the "*Designated Trust Office*") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the ordinance authorizing the issuance of this Certificate (the "*Certificate Ordinance*") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "*Record Date*") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for payment at the Designated Trust Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Certificate that on or before each principal and interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IN THE EVENT OF NON-PAYMENT of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("*Special Payment Date*", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Certificate appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a Series of Certificates dated as of June 11, 2018, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$[], for the purpose of paying contractual obligations to be incurred by the City for the following public purposes: (i) constructing and improving streets and roads including related drainage, landscaping, lighting, pedestrian improvements and signage related thereto; (ii) designing, constructing, equipping and installing park and recreation equipment and

improvements including new and existing facilities, park infrastructure improvements, upgrades and rehabilitation; (iii) purchasing and installing technology improvements including video surveillance; (iv) purchasing land for a new Fire Station; (v) designing and constructing a new City Hall; (vi) constructing improvements and extensions to the City's combined waterworks, sewer and electric systems including distribution, transmission, system lines, wells, plant improvements, and acquisition of interests in land; and (vii) the payment of fiscal, engineering and legal fees incurred in connection therewith and payment of the costs of issuance of the Certificates.

ON FEBRUARY 15, 2028, or on any date thereafter, the Certificates of this Series maturing on February 15, 2027 and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Certificates called for redemption at the option of the City prior to their stated maturity shall be selected by the City. The Certificates or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Certificates is determined only by a book entry at a securities depository for the Certificates, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

AT LEAST THIRTY days prior to the date fixed for any such redemption, a written notice of such redemption shall be given to the registered owner of each Certificate or a portion thereof being called for redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any such redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Certificate, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Certificate or any portion hereof. If a portion of any Certificate shall be redeemed a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in Authorized Denominations, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption

date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in Authorized Denominations. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in Authorized Denominations as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in an Authorized Denomination to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Certificate or Certificates or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Certificate or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar shall be required (1) to make any transfer or exchange during a period beginning at the opening of business 30 days before the day of the first mailing of a notice of redemption of Certificates and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Certificates so selected for redemption when such redemption is scheduled to occur within 45 calendar days.

WHENEVER the beneficial ownership of this Certificate is determined by a book entry at a securities depository for the Certificates, the foregoing requirements of holding, delivering or transferring this Certificate shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Certificate Ordinance

that it promptly will appoint a competent and legally qualified substitute therefor, and promptly will cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate have been performed, existed, and been done in accordance with law; that this Certificate is a direct obligation of said City, issued on the full faith and credit thereof; and that in accordance with the terms of the Certificate Ordinance, annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said City, and have been pledged for such payment, within the limit prescribed by law; and that a limited pledge (not to exceed \$1,000) of the Surplus Revenues from the operation of the City's combined municipal electric light and power, waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof and any other obligations heretofore or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates, have been pledged as additional security for the Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the City, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the City.

IN WITNESS WHEREOF, this Certificate has been signed with the manual or facsimile signature of the Mayor of the City, attested by the manual or facsimile signature of the City Secretary, and the official seal of the City has been duly affixed to, or impressed, or placed in facsimile, on this Certificate.

XXXXX
City Secretary; City of College Station

XXXXX
Mayor; City of College Station

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the proceedings adopted by the City as described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for or replacement

of a Certificate of Obligation of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

The Bank of New York Mellon
Trust Company, N.A.
Paying Agent/Registrar

By: _____
Authorized Representative

[FORM OF COMPTROLLER'S CERTIFICATE ATTACHED TO
THE CERTIFICATE (CERTIFICATE NO. T-1) UPON INITIAL DELIVERY THEREOF]

COMPTROLLER'S CERTIFICATE

OFFICE OF COMPTROLLER §

REGISTER NO. _____

STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, and that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the City of College Station, Texas, payable in the manner provided by and in the ordinance authorizing same, and said Certificate has this day been registered by me.

WITNESS MY HAND and seal of office at Austin, Texas this _____.

Comptroller of Public Accounts of
the State of Texas

(SEAL)

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

Please insert Social Security or Taxpayer Identification Number of Transferee

Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

INSERTIONS FOR THE INITIAL CERTIFICATE. The initial Certificate shall be in the form set forth in paragraph (a) of this Form of Certificate, except that:

- i. immediately under the name of the Certificate, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. ____" shall be deleted.
- ii. the first paragraph shall be deleted and the following will be inserted:

THE CITY OF COLLEGE STATION, TEXAS, in Brazos County, Texas (the "City"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above or to the registered assignee hereof (either being hereinafter called the "registered owner") on the Maturity Dates, in the Principal Amounts and bearing interest at the per annum Interest Rates set forth in the following schedule:

Maturity
Date

Principal
Amount

Interest
Rate

The City promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date above at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2019 and on each August 15 and February 15 thereafter to the date of payment of the Principal Amounts specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

iii. The initial Certificate shall be numbered "T-1."

EXHIBIT B

PROCEDURES REGARDING COMPLIANCE WITH FEDERAL TAX AND CONTINUING DISCLOSURE COVENANTS

This Exhibit is intended to assist the City of College Station (the "City") in complying with the federal income tax covenants and securities disclosure covenants as they apply to the issuance of tax-exempt debt securities such as the Certificates of Obligation (the "Obligations"). These procedures should be read together with any federal tax certifications, bond covenants, letters or memoranda from bond counsel and any attachments thereto (collectively, the "Closing Documents"). Failure to comply with federal guidelines could have serious consequences for investors, the City and its officials.

These procedures shall apply to the Obligations, until they are superseded by a change in circumstances at which time the City's bond counsel will propose new procedures to be adopted.

I. FEDERAL TAX LAW

1. Arbitrage Compliance.

Arbitrage refers to the difference between the interest paid on tax-exempt Obligations and the interest earned by investing the proceeds of tax-exempt Obligations in higher-yielding investments. Such higher-yielding investments could take the form of loans, securities, real property, personal property, or other investments that could yield a profit to the City. Federal income tax laws generally restrict the ability to earn arbitrage utilizing the proceeds of tax-exempt Obligations. Generally, any profit from investing Obligation proceeds at a yield above the yield paid on the Obligations belongs to the federal government and must be rebated to the federal government. If the City fails to comply federal tax guidelines, Obligations could be deemed to be "arbitrage bonds" by the Internal Revenue Service (the "IRS"), which would expose the City to monetary liability from the City's investors.

The arbitrage yield on the Obligations is set forth on the IRS Form 8038-G.

The Assistant City Manager and the City Treasurer (including such other employees of the City who report to such officers) (collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

- a. *Procedures applicable to the Obligation.* The Responsible Person shall undertake the following procedures.
 - i. If the City plans to spend funds currently on hand for a future project with the intent to later repay such funds from a debt issue, the Responsible

Person shall contact Bond Counsel to obtain advice regarding a reimbursement resolution. The Responsible Person shall maintain any official action of the City (such as a reimbursement resolution) stating the City's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project.

- ii. The Responsible Person shall ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS.
- iii. If proceeds of the Obligations are to be invested in interest-earning investments, assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired. If proceeds of the Obligations are to be invested in interest-earning investments, the Responsible Person should contact the City's arbitrage consultant regarding such matters.
- iv. The Responsible Person shall monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund (the "I&S Fund"), to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period.

NOTE: the purpose of the I&S Fund is to achieve a proper matching of revenues with principal and interest payments within each fiscal year. The I&S Fund should be used a mechanism for payment of current debt service and not as a long-term investment fund for debt service many years in the future.

- v. The Responsible Person shall ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.
- b. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person shall undertake the following.

- i. The Responsible Person shall instruct the persons who are primarily responsible for the construction, renovation or acquisition of the facilities financed with Obligations (the “Project”) that the Project must (i) proceed with due diligence toward completion and that (ii) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within six (6) months of the date of closing of the Obligations (the “Issue Date”). The Responsible Person shall monitor that the above requirements are satisfied.
- ii. The Responsible Person shall monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within three years of the Issue Date.
- iii. The Responsible Person shall monitor investment of proceeds of the Obligations and restrict the yield of the investments to the yield on the Obligations after three years of the Issue Date.
- iv. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are later refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes, and shall contact Bond Counsel as necessary.

B. Private Business Use.

Generally, the proceeds of tax-exempt Obligations may not inure to the benefit of entities other than state or local governments (“private business use”). Private business use occurs whenever Obligation proceeds are used to benefit any entity other than a state or local government, *including nonprofit corporations and the federal government.*

A series of Obligations may lose their tax-exempt status if: (i) more than 10% of the proceeds of the Obligations are to be used for any private business use and the payment of the principal or interest on more than 10% of the proceeds of the Obligations is secured by or payable from property used for a private business use, or (ii) the amount of proceeds of the Obligations used to make loans to borrowers other than state and local governments exceeds the lesser of 5% of the proceeds or \$15 million.

With respect to the use of the facilities financed or refinanced with the proceeds of the Obligations, the Responsible Person shall undertake the following to ensure the Obligations do not violate private business use tests.

- a. The Responsible Person shall develop procedures or a “tracking system” to identify, log and record all property financed with tax-exempt debt and identify the issue of Obligations used to finance such property.
- b. The Responsible Person shall monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended.
- c. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, research contract, naming rights agreement, purchase contract, management agreement or other service agreement) with respect to any portion of the Project.
- d. Before entering into any private business use arrangement that involves the use of the Project, the Responsible Person must obtain a description of the proposed private business use arrangement and determine whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project. In connection with the evaluation of any proposed private business use arrangement, the Responsible Person should consult with Bond Counsel to discuss whether such arrangement, if put into effect, will be consistent with the restrictions on private business use of the Project, and, if not, whether any “remedial action” permitted under federal guidelines may be taken as a means of enabling such private business use without adversely affecting the tax-exempt status of the Obligations.
- e. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the Project (*e.g.*, water, gas, electricity, capacity) on any basis other than standard rates and charges.
- f. The Responsible Person shall monitor and record whether, at any time the Obligations are outstanding, any person, other than the City, has a naming right for the Project or any other contractual right granting an intangible benefit.
- g. Prior to any sale of property owned by the City (real or personal), the Responsible Person must confirm whether such property was financed with tax-exempt debt, and if so, determine whether the proposed disposition of the property could impact the tax-exempt status of the series of Obligations that financed the acquisition of such property.
- h. The Responsible Person shall take any action necessary to remediate any failure to maintain compliance with the covenants contained in the ordinance authorizing the issuance of the applicable series of Obligations.

C. Record Retention.

The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

For purposes of these procedures, the Memorandum of Bond Counsel dated December 1, 2011 styled "Certain Federal Income Tax Considerations for Record Retention – Record Management Program and Periodic Compliance Review" is incorporated herein and should be reviewed periodically, at least once per year, by the Responsible Person.

D. Responsible Person & Continuity.

Each Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Prior to cessation of employment with the City, the Responsible Person should identify their successor to maintain compliance with these procedures.

II. FEDERAL SECURITIES LAW

Obligations, whether taxable or tax-exempt, sold in a public offering in an amount of \$1 million or more are subject to Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"). Additionally, the City may have covenanted to comply with the Rule even with respect to Obligations that would otherwise be exempt from the Rule (*e.g.*, Obligations sold in a private placement or Obligations sold in an amount less than \$1 million). Pursuant to the Rule, the City is required to make annual filings of certain information, as well as make filings upon the occurrence of certain specified events. All filings must be made with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") at emma.msrb.org.

A. Annual Filings.

The City must file the information listed below with EMMA within six (6) months of each fiscal year end for so long as the respective series of Obligations remains outstanding. The City's fiscal year ends on September 30 of each year. Therefore, the City must provide updated

information by March 31 of the subsequent year. If audited financial statements are not available by March 31, the City must provide unaudited financial information by such date and provide audited financial statements when such statements become available. The City must file each of the following items with EMMA:

- (1) The City's audited financial statements; and
- (2) An update of the financial tables included in the Official Statement used in connection with the Obligations as described under the caption "Continuing Disclosure of Information". The information should be from the most recent fiscal year end.

The Responsible Person must compile, prepare and make such filings within the required time, or, alternatively, contract with a third-party, such as the City's financial advisor, to make such filings on the City's behalf.

B. Notices of Specified Events.

The City must provide notice of any of the following events with respect to the Obligations to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event):

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations;
- (7) Modifications to rights of Obligation holders, if material;
- (8) Obligations calls (includes redemptions and other early payments), if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Obligations, if material;

- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material; and
- (15) In a timely manner, notice of a failure of the City to make the required annual filings listed in Subsection II(A) above.

The Responsible Person should review this list at regular intervals to determine whether any event has occurred that may require a filing with EMMA.

EXHIBIT C

PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

DATED MAY __, 2018

Ratings:

Moody's: "Applied for"

S&P: "Applied for"

**(See "OTHER INFORMATION
– RATINGS" herein)**

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein.

**CITY OF COLLEGE STATION, TEXAS
(a Home-Rule City located in Brazos County, Texas)**

**\$36,885,000*
CERTIFICATES OF OBLIGATION
SERIES 2018**

Dated Date: June 1, 2018

Interest Accrual Date: Date of Delivery

Due: February 15, as shown on inside cover

The \$36,885,000* City of College Station, Texas Certificates of Obligation, Series 2018 (the "Certificates") are being issued by the City of College Station, Texas (the "City") pursuant to the terms of an ordinance adopted by the governing body of the City. In the ordinance, the City Council of the City delegated authority to certain authorized officials of the City to finalize the pricing of the Certificates.

The Certificates are issuable only in fully registered form in the denomination of \$5,000 principal amount or integral multiples thereof, initially registered solely in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Certificates. The Certificates initially will be available to purchasers in book-entry-form only. So long as Cede & Co. is the registered owner of the Certificates, as nominee for DTC, the Paying Agent/Registrar, initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar") will pay the principal of and interest on the Certificates to Cede & Co., which will, in turn, remit such amounts to DTC participants for subsequent disbursement to the beneficial owners of the Certificates.

Interest on the Certificates will accrue from the date of delivery, and will be payable February 15 and August 15 of each year commencing February 15, 2019 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months (see "THE CERTIFICATES - GENERAL DESCRIPTION")

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE CERTIFICATES – OPTIONAL REDEMPTION").

In addition to the foregoing optional redemption provision, if in connection with the pricing of the Certificates the principal amounts designated in the Maturity Schedule herein are combined to create Term Certificates, each such Term Certificate shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Certificate and continuing on February 15 in each year thereafter until the stated maturity date of that Term Certificate, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the serial maturity schedule on the inside cover. Term Certificates to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from the Term Certificates then subject to redemption (see "THE CERTIFICATES - MANDATORY SINKING FUND REDEMPTION").

SEE MATURITY SCHEDULE, INTEREST RATES AND YIELDS ON INSIDE COVER

The Certificates are payable from annual ad valorem taxes levied against all taxable property in the City, within the legal limits prescribed by law. The Certificates are additionally payable from a subordinate lien on and pledge of \$1,000 of the surplus revenues of the City's combined utility system (see "THE CERTIFICATES – SECURITY AND SOURCE OF PAYMENT," and "– TAX RATE LIMITATION").

The Certificates are offered for delivery, when issued, and received by the initial purchaser (the "Initial Purchaser") and subject to the opinion of the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel for the City (see "APPENDIX C – FORMS OF OPINIONS OF BOND COUNSEL"). Certain legal matters will be passed upon for the City by McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, Disclosure Counsel for the City. It is expected that the Certificates will be available for delivery through the services of DTC on or about June 19, 2018.

BIDS DUE TUESDAY, MAY 22, 2018, AT 10:30 A.M., CDT

* Preliminary, subject to change. See "CONDITIONS OF SALE - ADVANCED ADJUSTMENT OF PRINCIPAL AMOUNT AND/OR TYPES OF BIDS" and "– POST BID MODIFICATION" in the Notice of Sale and Bidding Instructions.

MATURITY SCHEDULE*

\$36,885,000*

Certificates of Obligation, Series 2018

Due Feb. 15	Principal*	Interest Rate	Yield	CUSIP ⁽¹⁾	Due Feb. 15	Principal*	Interest Rate	Yield	CUSIP ⁽¹⁾
2019	\$ 840,000				2029 ⁽²⁾	\$ 1,835,000			
2020	1,310,000				2030 ⁽²⁾	1,910,000			
2021	1,375,000				2031 ⁽²⁾	1,990,000			
2022	1,445,000				2032 ⁽²⁾	2,065,000			
2023	1,520,000				2033 ⁽²⁾	2,145,000			
2024	1,590,000				2034 ⁽²⁾	2,215,000			
2025	1,675,000				2035 ⁽²⁾	2,290,000			
2026	1,700,000				2036 ⁽²⁾	2,370,000			
2027	1,785,000				2037 ⁽²⁾	2,440,000			
2028	1,850,000 ⁽²⁾				2038 ⁽²⁾	2,535,000			

* Preliminary, subject to change. See "CONDITIONS OF SALE - ADVANCED ADJUSTMENT OF PRINCIPAL AMOUNT AND/OR TYPES OF BIDS" and " - POST BID MODIFICATION" in the Notice of Sale and Bidding Instructions.

- (1) CUSIP numbers have been assigned to the Certificates by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association, and are included solely for the convenience of the purchasers of the Certificates. Neither the City, the Financial Advisor nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.
- (2) The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended and in effect on the date hereof (the “Rule”), this document constitutes a Preliminary Official Statement of the City with respect to the Certificates that has been deemed “final” by the City as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. CUSIP numbers have been assigned to this issue by CUSIP Global Services, and are included solely for the convenience of the owners of the Certificates. Neither the City, the Financial Advisor nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers shown on the inside cover page.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

In connection with this offering, the Initial Purchaser may over-allot or effect transactions which stabilize the market price of the issue at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Certificates are exempt from registration with the Securities and Exchange Commission and consequently have not been registered therewith. The registration, qualification, or exemption of the Certificates in accordance with applicable securities law provisions of the jurisdiction in which these securities have been registered or exempted should not be regarded as a recommendation thereof.

NEITHER THE CITY, ITS FINANCIAL ADVISOR NOR THE INITIAL PURCHASER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM.

Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof.

The Initial Purchaser has provided the following sentence for inclusion in this Official Statement. The Initial Purchaser has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Initial Purchaser does not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. See “OTHER INFORMATION – FORWARD-LOOKING STATEMENTS DISCLAIMER” herein.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY	The City of College Station, Texas (the “City”) is a political subdivision and a home-rule city of the State, located in Brazos County, Texas. The City covers approximately 51.6 square miles (see “INTRODUCTION - DESCRIPTION OF THE CITY”).
THE CERTIFICATES	The Certificates are issued as \$36,885,000* City of College Station, Texas Certificates of Obligation, Series 2018. The Certificates are issued as serial certificates maturing on February 15 in each of the years 2019-2038, inclusive (see “THE CERTIFICATES - GENERAL DESCRIPTION”). If two or more serial maturities of the Certificates are grouped into a single maturity (the “Term Certificates”) by the Initial Purchaser, such Term Certificates will be subject to mandatory sinking fund redemption in accordance with applicable provisions of the Ordinance.
PAYMENT OF INTEREST	Interest on the Certificates will accrue from the date of delivery, and will be payable February 15 and August 15 of each year commencing February 15, 2019 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months (see “THE CERTIFICATES - GENERAL DESCRIPTION”).
AUTHORITY FOR ISSUANCE OF THE CERTIFICATES	The Certificates are issued pursuant to the general laws of the State, particularly Chapter 1371, Texas Government Code and Subchapter C of Chapter 271, Texas Local Government Code, as amended; and an ordinance passed by the City Council of the City. In the ordinance authorizing the issuance of the Certificates, the City Council delegated pricing of the Certificates to a “Pricing Officer” who will approve the terms of sale of the Certificates (see “THE CERTIFICATES - AUTHORITY FOR ISSUANCE OF THE CERTIFICATES”).
SECURITY FOR THE CERTIFICATES	The Certificates constitute direct obligations of the City, secured by and payable from a combination of (i) the levy and collection of an annual direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, and (ii) a subordinate lien on and pledge of \$1,000 of the surplus revenues derived from the City’s combined utility system (see “THE CERTIFICATES - SECURITY AND SOURCE OF PAYMENT”). Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home-Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation.
REDEMPTION	The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES – OPTIONAL REDEMPTION”). Additionally, the Certificates may be subject to mandatory redemption in the event the Initial Purchaser elects to aggregate one or more maturities as a term Certificate. (See “THE CERTIFICATES – MANDATORY SINKING FUND REDEMPTION”).
TAX EXEMPTION	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law. See “TAX MATTERS” for a discussion of the opinion of Bond Counsel and Exhibit C.
USE OF CERTIFICATE PROCEEDS	Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets and roads including related drainage, landscaping, lighting, pedestrian improvements and signage related thereto; (ii) designing, constructing, equipping and installing park and recreation equipment and improvements including new and existing facilities, park infrastructure improvements, upgrades and rehabilitation; (iii) purchasing and installing technology improvements including video surveillance; (iv) purchasing land for a new Fire Station; (v) designing and constructing a new City Hall; (vi) constructing improvements and extensions to the City’s combined waterworks, sewer and electric systems including distribution, transmission, system lines, wells, plant improvements, and acquisition of interests in land; and (vii) the payment of fiscal, engineering and legal fees incurred in connection therewith (see “PLAN OF FINANCING – SOURCES AND USE OF PROCEEDS”).

* Rating is subject to change. The Certificates are presently an unsecured debt of the City and are not “Type 1” bonds as defined in the Texas Constitution. The Certificates are supported by the full faith and credit of the City and are not backed by any other source of revenue. The Certificates are not insured by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), without regard to credit enhancement (see “OTHER INFORMATION – RATINGS”).

BOOK-ENTRY-ONLY

SYSTEM The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see “THE CERTIFICATES - BOOK-ENTRY-ONLY SYSTEM”).

PAYMENT RECORD Other than a late payment on the City’s Certificates of Obligation, Series 2002 that occurred in 2003, the City has never defaulted in payment of its general obligation tax debt.

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SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Per Capita Taxable Assessed Valuation	Net Ad Valorem Tax Debt ⁽³⁾	Per Capita Net Ad Valorem Tax Debt	Ratio Tax Debt to Taxable Assessed Valuation	Percent Total Collection
2013	99,918	\$ 5,944,312,987	\$ 59,492	\$ 96,750,000	\$ 968	1.63%	100.30%
2014	102,117	6,231,119,010	61,019	88,100,000	863	1.41%	100.15%
2015	106,465	6,654,600,834	62,505	101,630,000	955	1.53%	99.17%
2016	109,859	7,162,738,280	65,199	118,350,000	1,077	1.65%	100.03%
2017	109,936	7,623,964,171	69,349	169,595,000	1,543	2.22%	100.31%
2018	117,841	8,902,090,555 ⁽⁴⁾	75,543	175,120,000 ⁽⁵⁾	1,486 ⁽⁵⁾	1.97% ⁽⁵⁾	88.96% ⁽⁶⁾

(1) Source: The City.

(2) As reported by the Brazos Central Appraisal District; subject to change during the ensuing year.

(3) Payable from ad valorem taxes. Does not include self-supporting debt. See "TABLE 10 – SELF-SUPPORTING DEBT" for detail on the City's self supported tax debt.

(4) Certified taxable assessed valuation for tax year 2017 as reported by the Brazos Central Appraisal District. This amount is subject to change during ensuing year.

(5) Projected, includes the Certificates.

(6) Collections as of February 28, 2018. A portion of the City's taxpayer base has elected to provide split payments to the City which will be due in part on June 30, 2018.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Beginning Balance	\$ 19,133,202	\$ 22,423,064	\$ 20,244,248	\$ 15,925,531	\$ 16,492,693
Total Revenue	64,795,371	60,087,950	58,378,174	50,325,825	48,229,096
Total Expenditures	76,897,859	77,508,715	68,827,167	61,303,335	59,483,559
Other Financing Sources	15,483,809	14,130,903	12,627,809	15,296,227	10,687,301
Ending Balance ⁽¹⁾	\$ 22,514,523	\$ 19,133,202	\$ 22,423,064	\$ 20,244,248	\$ 15,925,531

(1) The City's financial policies require a General Fund balance of 15% of budgeted appropriations at year end. To the extent that the General Fund balance exceeds this amount, this surplus may be expended in future years for one time expenditures such as capital items and short term projects.

UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues:					
Electric	\$ 99,179,570	\$ 98,904,688	\$ 98,763,293	\$ 95,677,765	\$ 92,892,541
Water and Wastewater	31,333,922	29,484,851	28,732,968	27,550,262	29,018,108
Interest	697,655	346,312	180,423	116,433	170,062
Other	3,179,821	3,636,420	3,546,138	2,890,061	3,670,710
Total Revenues	\$ 134,390,968	\$ 132,372,271	\$ 131,222,822	\$ 126,234,521	\$ 125,751,421
Expenses:					
Total Expenses	\$ 78,766,516	\$ 76,771,094	\$ 82,079,813	\$ 100,235,329	\$ 90,519,871
Net Available for Debt Service	\$ 55,624,452	\$ 55,601,177	\$ 49,143,009	\$ 25,999,192	\$ 35,231,550
Water (Units Served)	43,199	41,709	41,540	40,768	40,767
Wastewater (Units Served)	42,840	40,866	40,806	39,128	38,608
Electric (Units Served)	41,169	40,141	43,471	38,198	38,456

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

Name	Position	Length of Service	Term Expiration	Occupation
Karl P. Mooney	Mayor	1.5 Year ⁽¹⁾	11/19	Texas A&M University Director
Bob Brick	Council Member	0.5 Year	11/20	Research Scientist
Jerome Rektorik	Council Member	1.5 Year	11/19	Retired
Linda Harvell	Council Member	1.5 Year	11/20	Business Owner
Barry Moore	Council Member	1.5 Year	11/18	Commercial Real Estate Broker
John Nichols	Council Member	0.5 Year ⁽²⁾	11/20	Retired professor
James Benham	Council Member	5.5 Year	11/18	Business Owner

(1) Elected November 2016 - Former City of College Station Council Member 2011-2016.

(2) Prior Council Member for 4 years prior to his current term.

SELECTED ADMINISTRATIVE STAFF

Name	Position	Length of Service to the City (in Years)
Jeff Capps	Interim City Manager	25.0 ⁽¹⁾
Jeff Kersten	Assistant City Manager	27.0 ⁽²⁾
David Coleman	Interim Assistant City Manager	13.0 ⁽³⁾
Carla Robinson	City Attorney	16.5
Tanya D. Smith	City Secretary	10.0 ⁽⁴⁾
Ty Elliott	Internal Auditor	10.5
Mary Ellen Leonard	Director of Finance	2.0
Alan Gibbs	Interim Director of Water Services	14.0 ⁽⁵⁾
Timothy Crabb	Director of Electric Utility	11.5 ⁽⁶⁾
Sindhu Menon	Director of Information Technology	< 1 ⁽⁷⁾
David Schmitz	Director of Parks and Recreation	10.0 ⁽⁸⁾
Lance Simms	Director of Development Services	22.0 ⁽⁹⁾
Donald Harmon	Director of Public Works and CIP	18.5 ⁽¹⁰⁾
Alison Pond	Director of Human Resources	9.5
Jay Socol	Public Communications Director	8.5

(1) Named Interim City Manager in April 2018. Assistant City Manager since June 2014; previously served as Chief of Police.

(2) Assistant City Manager and Chief Financial Officer since January 2014; previously served as Executive Director of Business Services and Chief Financial Officer.

(3) Named Interim Assistant City Manager in February 2018. Previously served as Director of Water Services.

(4) Appointed City Secretary in July 2017. Previously served as Deputy City Secretary since 2008.

(5) Named Interim Director of Water Services February 2018. Previously served as Assistant Director of Water Services

(6) Director of Electric Utility since December 2012; previously served as Assistant Director of Electric Utility.

(7) New hire as Director of Information Technology in March 2018.

(8) Director of Parks and Recreation since May 2011; previously served as Assistant Director of Parks and Recreation.

(9) Director of Development Services since March 2014; previously Assistant Director of Development Services.

(10) Director of Public Works and CIP since January 2014; previously Assistant Director of Public Works and CIP.

CONSULTANTS AND ADVISORS

Auditors Ingram, Wallis & Company
Bryan, Texas

Bond Counsel McCall, Parkhurst & Horton L.L.P.
Dallas, Texas

Financial Advisor.....Hilltop Securities Inc.
Houston, Texas

DRAFT

For additional information regarding the City, please contact:

Jeff Kersten
Assistant City Manager
City of College Station
1101 Texas Avenue
College Station, Texas 77840
(979) 764-3555 Phone

or
Joe Morrow
Hilltop Securities Inc.
700 Milam Street, Suite 500
Houston, Texas 77002
(713) 651-9850 Phone

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PRELIMINARY OFFICIAL STATEMENT

RELATING TO

CITY OF COLLEGE STATION, TEXAS
(a Home-Rule City located in Brazos County, Texas)

\$36,885,000*

CERTIFICATES OF OBLIGATION
SERIES 2018

INTRODUCTION

This Official Statement, which includes the cover pages and Appendices hereto, provides certain information regarding the issuance of the \$36,885,000* City of College Station, Texas Certificates of Obligation, Series 2018 (the "Certificates"). Capitalized terms used in this Official Statement, except as otherwise indicated herein, have the same meanings assigned to such terms in the ordinance authorizing the issuance of the Certificates (the "Ordinance"). In the Ordinance, the City Council delegated to certain officers known as "Pricing Officers" of the City the authority to finalize the pricing of the Certificates.

There follows in this Official Statement descriptions of the Certificates and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc., Houston, Texas.

DESCRIPTION OF THE CITY

The City is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in October 1938, and first adopted its Home-Rule Charter in October 1938, which was last amended in November 2012. The City operates under a Council/City Manager form of government with a City Council comprised of the Mayor and six Council members. Some of the services that the City provides are: public safety (police and fire protection), highways and streets, electric, water and sanitary sewer utilities, health and social services, culture-recreation, public transportation, public improvements, planning and zoning, and general administrative services. The 2010 Census population was 93,857 and the current estimated population of the City is 117,841. The City covers approximately 51.6 square miles.

PLAN OF FINANCING

PURPOSE OF THE CERTIFICATES

Proceeds from the sale of the Certificates will be used for (i) constructing and improving streets and roads including related drainage, landscaping, lighting, pedestrian improvements and signage related thereto; (ii) designing, constructing, equipping and installing park and recreation equipment and improvements including new and existing facilities, park infrastructure improvements, upgrades and rehabilitation; (iii) purchasing and installing technology improvements including video surveillance; (iv) purchasing land for a new Fire Station; (v) designing and constructing a new City Hall; (vi) constructing improvements and extensions to the City's combined waterworks, sewer and electric systems including distribution, transmission, system lines, wells, plant improvements, and acquisition of interests in land; and (vii) the payment of fiscal, engineering and legal fees incurred in connection therewith (see "PLAN OF FINANCING – SOURCES AND USE OF PROCEEDS").

SOURCES AND USES OF PROCEEDS

The proceeds from the sale of the Certificates will be applied approximately as follows:

Sources of Funds

Par Amount

Original Issue Premium

Total Uses of Funds

\$ -

Use of Funds

Deposit to Project Fund

Underwriters' Discount

Costs of Issuance

Total Uses of Funds

\$ -

* Preliminary, subject to change. See "CONDITIONS OF SALE - ADVANCED ADJUSTMENT OF PRINCIPAL AMOUNT AND/OR TYPES OF BIDS" and " - POST BID MODIFICATION" in the Notice of Sale and Bidding Instructions.

THE CERTIFICATES

GENERAL DESCRIPTION

The Certificates will bear interest from the date of delivery to the Initial Purchaser, and mature on February 15 in each of the years and in the amounts shown on the inside cover page hereof. Interest on the Certificates will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will accrue from the date of delivery, and will be payable February 15 and August 15 of each year commencing February 15, 2019 until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. No physical delivery of the Certificates will be made to the beneficial owners thereof. Principal of and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates (see "BOOK-ENTRY-ONLY SYSTEM").

AUTHORITY FOR ISSUANCE OF THE CERTIFICATES

The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1371, Texas Government Code and Subchapter C of Chapter 271, Texas Local Government Code, as amended; and the Certificate Ordinance.

SECURITY AND SOURCE OF PAYMENT

The Certificates are secured by and payable from an annual continuing ad valorem taxes levied against all taxable property in the City, within the legal limits prescribed by law and payable from a subordinate lien on and pledge of \$1,000 of the surplus revenues of the City's combined utility system.

TAX RATE LIMITATION

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 Taxable Assessed Valuation for all City purposes. The Home-Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for all debt service for obligations payable from annual ad valorem property taxes, as calculated at the time of issuance.

OPTIONAL REDEMPTION

The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2027, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City shall determine the Certificates, or portions thereof, within such maturity to be redeemed. If Certificates (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificates (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

MANDATORY SINKING FUND REDEMPTION

In addition to the foregoing optional redemption provision, if principal amounts designated in the serial maturity schedule shown on the inside cover page hereof are combined to create term certificates (the "Term Certificates"), each such Term Certificate shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Certificate and continuing on February 15 in each year thereafter until the stated maturity date of that Term Certificate, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the Maturity Schedule herein. Term Certificates to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from the Term Certificates then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement Term Certificates of the maturity then subject to redemption which at least 45 days prior to the mandatory sinking fund redemption date have been purchased and canceled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

NOTICE OF REDEMPTION

Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE CERTIFICATES CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY CERTIFICATE OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH CERTIFICATE OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of and interest on the Certificates are to be paid to and credited by the DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City, the Financial Advisor and the Initial Purchaser believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City, the Financial Advisor and the Initial Purchaser cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate for each maturity will be issued for the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to collectively herein as "Participants". DTC is rated AA+ by Standard and Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for such purchases on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system described herein is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity in the series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City and the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and the Paying Agent/Registrar. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and reimbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

Information concerning DTC and the Book-Entry System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City or the Initial Purchaser.

PAYING AGENT/REGISTRAR

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are duly paid and any successor Paying Agent/Registrar must be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Certificates. Upon any change in the Paying Agent/Registrar for the Certificates, the City will promptly cause a written notice thereof to be sent to each registered owner of the Certificates by United States mail, first class, postage prepaid, which notice will also include the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION

In the event the Book-Entry-Only System should be discontinued, the Certificates may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar and such transfer or exchange will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Certificates may be assigned by the execution of an assignment form on the respective Certificates or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Certificates will be delivered by the Paying Agent/Registrar, in lieu of the Certificates being transferred or exchanged, at the corporate trust office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Certificates to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer will be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Certificates surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Certificates. Neither the City nor the Paying Agent/Registrar will be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer will not be applicable to an exchange by the registered owner of the uncalled balance of a Certificate.

RECORD DATE FOR INTEREST PAYMENT

The record date ("Record Date") for determining the person to whom the interest is payable on the Certificates on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (a "Special Payment Date," which will be 15 days after the Special Record Date) will be sent at least five days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Holder of a Certificate appearing on the registration books of the Paying Agent/Registrar at the close of business on the day next preceding the date of mailing of such notice.

DEFEASANCE

The Ordinance provides for the defeasance of the Certificates when the payment of the principal of and premium, if any, on the Certificates, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agency, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. The Ordinance provides that "Defeasance Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (d) any securities and obligations now or hereafter authorized by Texas law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates. In the Ordinance, the Pricing Officer is authorized to restrict such eligible securities and obligations as deemed appropriate to accommodate requests from potential investors. The City has additionally reserved the right, subject to satisfying the requirement of (1) and (2) above, to substitute other Defeasance Securities for the Defeasance Securities originally deposited, to reinvestment the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

REMEDIES OF HOLDERS OF CERTIFICATES

The Ordinance establishes specific events of default with respect to the Certificates. If the City defaults in the payment of the principal of or interest on the Certificates when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Certificates including but not limited to, their prospect or ability to be repaid in accordance with the Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken on the initiative of, and be financed by, the registered owners of the Certificates. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the City's sovereign immunity from a suit for money damages, registered owners of the Certificates may not be able to bring such a suit against the City for breach of the Certificates of covenants contained in either Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Chapter 1371 of the Texas Government Code, which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its obligations. The City has relied upon Chapter 1371 in connection with the issuance of the Certificates, but the City has not waived sovereign immunity.

The City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or registered owners of the Certificates of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Certificates are qualified with respect to the customary rights of debtors relative to their creditors, principles of sovereign immunity and by general principles of equity which permit the exercise of judicial discretion.

TAX INFORMATION

AD VALOREM TAX LAW

The appraisal of property within the City is the responsibility of the Brazos Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under Title 1, Texas Tax Code (referred to herein as the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and the method considered most appropriate by the chief appraiser is to be used. State law further limits the appraised value of a residence homestead for a tax year to an amount not to exceed the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by the Appraisal District or (2) the sum of (a) 10% of the property's appraised value for the preceding tax year, (b) the appraised value of the property for the preceding tax year and (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of three members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The City may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the City by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code, for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant: (1) An exemption of not less than \$3,000 of the market value of the residence homestead of persons 65 years of age or older; (2) An exemption to the disabled from all ad valorem taxes thereafter levied by the political subdivision; and (3) An exemption of up to 20% of the market value of residence

homesteads. The minimum exemption under this provision is \$5,000. In addition State law mandates a complete exemption for the residential homestead of disabled veterans determined to be 100% disabled by the U.S. Department of Veterans Affairs. Further, the surviving spouse of a deceased veteran who had received a disability rating of 100% is entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from \$5,000 to a maximum of \$12,000.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1. Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation for “goods-in-transit,” which are defined as (i) personal property acquired or imported into the State and transported to another location inside or outside the State, (ii) stored under a contract for bailment in public warehouses not in any way owned or controlled by the owner of the stored goods, and (iii) transported to another location inside or outside the State within 175 days of the date the property was acquired or imported into the State. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. On December 8, 2011, the Council passed an ordinance approving taxation on certain goods-in-transit. After taking such official action, the goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit rescinds or repeals its previous action to tax goods-in-transit. If, however, a taxing unit took official action prior to October 1, 2011 to tax goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt, taxes may continue to be imposed on goods-in-transit until the debt is discharged, if cessation of the imposition of the tax would impair the obligation of the contract by which the debt was created.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for “freeport property” to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

The City and the other taxing bodies within its territory may agree to jointly create tax increment financing zones within the City, under which the tax values on property in the zone are “frozen” at the value of the property at the time of creation of the zone. The City also may enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See “- TAX ABATEMENT POLICY” for a discussion of the City’s economic development guidelines and criteria.

CONSTITUTIONAL AMENDMENT

In a statewide election held on September 13, 2003, voters approved an amendment to Section 1-b, Article VIII of the Texas Constitution, that authorized a county, city, town or junior college district to establish an ad valorem tax freeze on residence homesteads of the disabled and of the elderly and their spouses. City Council did not take action to establish the tax limitation. Voters within the City were authorized to submit a petition signed by five percent of the registered voters of the City requiring the City Council to call an election to determine by majority vote whether to establish the tax limitation.

A petition was submitted and an election was held on May 10, 2008. The voters of College Station voted to approve the ad valorem tax freeze. The City can provide no assurances of the impact, if any, implementation of this ad valorem tax freeze may have on the City’s finances.

Under the tax freeze, the total amount of ad valorem taxes imposed by the City on a homestead that receives the exemption may not be increased while it remains the residence homestead of that person or that person’s spouse who is disabled or sixty-five years of age or older, except to the extent the value of the homestead is increased by improvements other than repairs. If a disabled or elderly person dies in a year in which the person received a residence homestead exemption, the total amount of ad valorem taxes imposed on the homestead by the taxing unit may not be increased while it remains the residence homestead of that person’s surviving spouse if the spouse is fifty-five years of age or older at the time of the person’s death. In addition, the Texas Legislature by general law may provide for the transfer of all or a proportionate amount of the tax limitation applicable to a person’s homestead to be transferred to the new homestead of such person if the person moves to a different residence within the taxing unit. Once established, the governing body of the taxing unit may not repeal or rescind the tax limitation.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE

By the later of September 28th or 60 days after the certified appraisal roll is delivered to the City, the City Council adopts a tax rate per \$100 taxable value for the current year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Under the Property Tax Code, the City must annually calculate and publicize its “effective tax rate” and “rollback tax rate”. A tax rate cannot be adopted by the City Council that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearing (including the requirement that notice be posted on the City’s website if City owns, operates or controls an internet website and public notice be given by television if the City has a free access to a television channel) and the City Council has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate the qualified voters of the City by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

“Effective tax rate” means the rate that will produce last year’s total tax levy (adjusted) from this year’s total taxable values (adjusted). “Adjusted” means lost values are not included in the calculation of last year’s taxes and new values are not included in the year’s taxable values.

“Rollback tax rate” means the rate that will produce last year’s maintenance and operation tax levy (adjusted) from this year’s values (adjusted) multiplied by 1.08 plus a rate that will produce this year’s debt service from this year’s values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT

Property within the City is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September. Effective January 1, 2012, oil and gas reserves are assessed on the basis of a valuation process that uses pricing information contained in the most recent published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 15 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due before February 15 of each year and the final installment due before August 15.

PENALTIES AND INTEREST

Charges for penalties and interest on the unpaid balance of delinquent taxes are made as follows:

<u>Month</u>	<u>Cumulative Penalty</u>	<u>Cumulative Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, an amount up to 20% attorney’s collection fee is added to the total tax penalty and interest charge. Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the City’s lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF PROPERTY TAX CODE

The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$30,000. The City has not granted an additional exemption of 20% of the market value of residence homesteads. Ad valorem taxes are not levied by the City against

the exempt value of residence homesteads for the payment of debt. The City does not tax nonbusiness personal property. The City does permit split payments, but discounts are not allowed. The City does collect the additional one-half cent sales tax for reduction of ad valorem taxes. The City has adopted a tax abatement policy (see "TAX INFORMATION - TAX ABATEMENT POLICY"). An election was held on May 10, 2008 and the voters of College Station approved the ad valorem tax freeze for residential homesteads for disabled and age 65 or older persons. Brazos County collects the taxes for the City.

TAX ABATEMENT POLICY

The City has established tax abatement guidelines and criteria for economic development prospects in the City. In order to be eligible for designation as a Reinvestment Zone and receive tax abatement, the planned improvement:

1. Must be expected to have an increased appraised ad valorem tax value of at least \$1,000,000 based upon the Brazos Central Appraisal District's assessment of the eligible property.
2. Must be expected to prevent the loss of payroll or retain, increase or create a payroll on a permanent basis in the City.

The following factors among others should be considered in determining whether to grant tax abatement and, if so, the percentage of value to be abated and the duration of the tax abatement:

1. Value of land and existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number of type of new jobs to be created by proposed improvements;
6. Amount of local payroll to be created;
7. Whether persons residing or projected to reside within the City will have the opportunity to fill the new jobs being created;
8. Amount of local taxes to be generated directly;
9. Amount of property tax base valuation which will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$1,000,000;
10. The costs to be incurred by the City to provide facilities or services directly resulting from the new improvements;
11. The amount of ad valorem taxes to be paid to the City during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the abatement period, and (d) the value after expiration of the abatement period;
12. The population growth of the City that occurs directly as result of new improvements;
13. The types of public improvements, if any, to be made by the applicant seeking abatement;
14. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
15. The impact on the business opportunities of existing businesses;
16. The attraction of other new businesses to the area;
17. The overall compatibility with the zoning ordinances and comprehensive plan for the area; and/or
18. Whether the project is environmentally compatible with no negative impact on quality of life perceptions.

Neither a Reinvestment Zone nor abatement agreement shall be authorized if it is determined that:

1. There would be substantial adverse affect on the provision of government service or tax base;
2. The applicant has insufficient financial capacity;
3. Planned or potential use of the property would constitute a hazard to public safety, health or morals;
4. Violation of other code or laws;
5. The agreement was signed after the commencement of construction, alteration or installation of improvements related to the project; or
6. Any other reason deemed appropriate by the City Council

ECONOMIC DEVELOPMENT

In the fall of 2013, the College Station City Council adopted an Economic Development Master Plan. This document represents the City's first such effort and joins the many other Master Plans, Neighborhood, Corridor, and District Plans created to aid in successful implementation of the Comprehensive Plan. The Master Plan defines the goals and objectives of the City's economic development efforts and lays out strategies and detailed actions to achieve these goals and objectives. The plan specifically identified six strategic initiatives that the City's economic development program area should focus its efforts on: sustain and enhance high quality of life; support and partner with Texas A&M University and the Texas A&M University System; support retail development; support and stimulate biotechnology research and advanced manufacturing; support and stimulate health and wellness market; and support and stimulate sports, entertainment, and hospitality market.

Furthermore, the Plan also details how the plan should be monitored and updated over time, and identifies a series of formal economic development policy guidelines that were also adopted. These guidelines state that in order to ensure the ongoing competitiveness of the community, no State authorized incentive should immediately be discounted. The Texas Constitution and multiple State statutes identify the role of economic development by both the State and its municipalities as a public purpose. While recognizing there is no standard strategy, policy, or program for economic development, the Texas Legislature has created a vast array of tools that local governments have at their

disposal. The objective of these tools is to not only encourage development and diversification of the Texas economy, but to simultaneously enhance the participating community's overall quality of life. Incentives to consider may include, but not be limited to: Chapter 380 financing; development fee rebates; enterprise zone program sponsorship; Freeport exemptions; infrastructure assistance; land transactions; delayed annexation or limited purpose annexation; special districts; reinvestment zones (tax abatement or tax increment); and fast track development process.

The City and the City of Bryan, Texas have also entered into an "Interlocal Cooperation and Joint Development Agreement" (the "Interlocal Agreement") in connection with implementing a joint economic development program known as the Joint Research Valley BioCorridor Development Project (the "Project"). Under the terms of the Interlocal Agreement, the City will make funds available to the City of Bryan, and the City of Bryan will make funds available to the City, for certain defined public infrastructure projects that are intended to enhance development of the Project. The obligations of each city under the Interlocal Agreement shall not constitute a debt for purposes of any provision of the State Constitution, and are intended to be paid from the general revenues of each city.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2017/2018 Market Valuation Established by Brazos Central Appraisal District (excluding exempt property)		\$ 9,173,108,485
Less Exemptions/Reductions at 100% Market Value:		
Productivity Loss	\$ 116,780,298	
Over 65 Homestead Exemptions	94,578,557	
Pollution Control	209,480	
Member Armed Service Surviving Spouse	596,250	
Freeport	11,763,418	
Disabled Veteran	25,970,006	
Homestead	14,176,649	
Abatements	6,943,272	271,017,930
2017/2018 Taxable Assessed Valuation		<u>\$ 8,902,090,555 ⁽¹⁾</u>
Debt Payable from Ad Valorem Taxes (as of 2/15/2018)		
General Obligation Improvement Bonds, Series 2008	845,000	
Certificates of Obligation, Series 2008	2,535,000	
General Obligation Refunding Bonds, Series 2009	910,000	
Certificates of Obligation, Series 2009 ⁽²⁾	3,670,000	
General Obligation Improvement Bonds, Series 2009 ⁽²⁾	490,000	
General Obligation Refunding Bonds, Series 2010	12,815,000	
Certificates of Obligation, Series 2010	1,995,000	
General Obligation Improvement Bonds, Series 2010	13,510,000	
Certificates of Obligation, Series 2011	5,880,000	
General Obligation Improvement Bonds, Series 2011	0	
Certificates of Obligation, Series 2012	12,655,000	
General Obligation Improvement and Refunding Bonds, Series 2012	11,515,000	
Certificates of Obligation, Series 2013	8,335,000	
General Improvement and Refunding Bonds, Series 2013	14,040,000	
Certificates of Obligation, Series 2014	27,865,000	
General Improvement and Refunding Bonds, Series 2014	25,400,000	
Certificates of Obligation, Series 2016	22,650,000	
General Improvement and Refunding Bonds, Series 2016	36,330,000	
General Improvement and Refunding Bonds, Series 2017	29,310,000	
Certificates of Obligation, Series 2017	54,365,000	
The Certificates ⁽²⁾	<u>36,885,000</u> *	<u>322,000,000</u>
Less: Self Supporting Debt ⁽³⁾		<u>\$ 146,880,000</u>
Less: Interest and Sinking Fund as of 9/30/2017		<u>5,061,437</u>
Net Debt Payable from Ad Valorem Taxes		<u><u>\$ 170,058,563</u></u>
Ratio of Net Debt Payable from Ad Valorem Taxes to Taxable Assessed Valuation ⁽⁴⁾		1.91%
2018 Estimated Population - 117,841		
Per Capita Taxable Assessed Valuation - \$75,543		
Per Capita Net Funded Debt - \$1,443 ⁽⁴⁾		

* Preliminary, subject to change. See "CONDITIONS OF SALE - ADVANCED ADJUSTMENT OF PRINCIPAL AMOUNT AND/OR TYPES OF BIDS" and " - POST BID MODIFICATION" in the Notice of Sale and Bidding Instructions.

(1) Certified taxable assessed valuation for tax year 2017 as reported by the Brazos Central Appraisal District. This amount is subject to change during ensuing year.

(2) The debt service on a portion of the Certificates will be internally allocated by the City as being payable from the surplus revenues from the respective enterprise funds. Although the City expects to pay for this portion of the Certificates with surplus enterprise funds, the Certificates are secured solely by a pledge of ad valorem taxes and by a pledge of combined utility system surplus net revenues limited to \$1,000. See "THE CERTIFICATES- SECURITY AND SOURCE OF PAYMENT." There is no guarantee that payments from these enterprise funds will be made. If payments are not made from the enterprise funds, the City will be required to levy ad valorem taxes in amounts sufficient to make such payments.

(3) In the past, the City has sold certificates of obligation to finance projects for the City's water and sewer system, and electric system and has internally allocated portions of this debt as payable from the respective enterprise funds. The self-supporting amounts listed above are projections of debt that is expected to be retired by the City based on actual historical payments from these funds to pay for debt service the outstanding certificates of obligation. There is no guarantee that payments from these funds will continue in the future. Includes a portion of the Certificates. See "DEBT INFORMATION - TABLE 10 - SELF SUPPORTING DEBT."

(4) Net of Interest and Sinking Fund as of September 30, 2017.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value, Fiscal Year Ending September 30,					
	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 4,891,101,082	53.32%	\$ 4,470,806,990	56.58%	\$ 3,942,774,761	53.35%
Real, Residential, Multi-Family	1,951,938,574	21.28%	1,275,467,653	16.14%	1,326,289,539	17.95%
Real, Vacant Lots/Tracts	166,018,722	1.81%	158,722,669	2.01%	142,089,823	1.92%
Real, Acreage (Land Only)	117,980,979	1.29%	87,626,228	1.11%	92,882,946	1.26%
Real, Farm and Ranch Improvements	95,828,034	1.04%	113,059,943	1.43%	108,202,479	1.46%
Real, Commercial/Industrial	1,497,083,484	16.32%	1,340,756,747	16.97%	1,330,864,915	18.01%
Real, Oil, Gas & Other Mineral Reserves	4,375,082	0.05%	5,036,746	0.06%	10,793,941	0.15%
Real and Tangible Personal, Utilities	40,806,430	0.44%	40,325,800	0.51%	30,944,850	0.42%
Tangible Personal, Business	360,514,767	3.93%	371,077,880	4.70%	369,625,180	5.00%
Tangible Personal, Other	2,449,980	0.03%	1,988,130	0.03%	2,024,340	0.03%
Real Property Inventory	31,155,861	0.34%	23,079,643	0.29%	17,672,671	0.24%
Special Inventory	13,855,490	0.15%	13,282,100	0.17%	15,787,080	0.21%
Total Appraised Value Before Exemptions	\$ 9,173,108,485	100.00%	\$ 7,901,230,529	100.00%	\$ 7,389,952,525	100.00%
Less: Total Exemptions/Reductions	271,017,930		277,266,358		227,214,245	
Taxable Assessed Value	<u>\$ 8,902,090,555</u>		<u>\$ 7,623,964,171</u>		<u>\$ 7,162,738,280</u>	

Category	Taxable Appraised Value, Fiscal Year Ending September 30,			
	2015		2014	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,657,836,541	53.15%	\$ 3,449,698,417	53.49%
Real, Residential, Multi-Family	1,296,417,661	18.84%	1,121,645,054	17.39%
Real, Vacant Lots/Tracts	141,077,944	2.05%	142,441,840	2.21%
Real, Acreage (Land Only)	109,675,903	1.59%	111,056,120	1.72%
Real, Farm and Ranch Improvements	74,289,622	1.08%	76,318,782	1.18%
Real, Commercial/Industrial	1,204,879,922	17.51%	1,159,961,447	17.99%
Real, Oil, Gas & Other Mineral Reserves	3,227,032	0.05%	3,329,602	0.05%
Real and Tangible Personal, Utilities	37,673,140	0.55%	35,261,190	0.55%
Tangible Personal, Business	330,937,290	4.81%	318,648,040	4.94%
Tangible Personal, Other	2,096,570	0.03%	2,138,640	0.03%
Real Property Inventory	13,256,668	0.19%	18,049,612	0.28%
Special Inventory	10,534,560	0.15%	10,293,530	0.16%
Exempt Property Adjustment	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 6,881,902,853	100.00%	\$ 6,448,842,274	100.00%
Less: Total Exemptions/Reductions	227,302,019		217,723,264	
Taxable Assessed Value	<u>\$ 6,654,600,834</u>		<u>\$ 6,231,119,010</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Brazos Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Net G.O. Tax Debt ⁽³⁾	Ratio of Net G.O. Tax Debt to Taxable Assessed Valuation ⁽⁴⁾	Net G.O. Tax Debt Per Capita
2013	97,534	\$ 5,944,312,987	\$ 60,946	\$ 96,750,000	1.63%	\$ 992
2014	99,918	6,231,119,010	62,362	88,100,000	1.41%	882
2015	102,117	6,654,600,834	65,166	101,630,000	1.53%	995
2016	106,465	7,162,738,280	67,278	118,350,000	1.65%	1,112
2017	109,936	7,623,964,171	69,349	169,595,000	2.22%	1,543
2018	117,841	8,902,090,555 ⁽⁴⁾	75,543	175,120,000 ⁽⁵⁾	1.97% ⁽⁵⁾	1,486 ⁽⁵⁾

(1) Source: The City.

(2) As reported by the Brazos Central Appraisal District; subject to change during the ensuing year.

(3) Payable from ad valorem taxes. Does not include self-supporting debt.

(4) Certified taxable assessed valuation for tax year 2017 as reported by the Brazos Central Appraisal District. This amount is subject to change during ensuing year.

(5) Projected, includes the Certificates. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2013	\$ 0.4307	\$ 0.2351	\$ 0.1956	\$ 25,503,096	99.31%	100.30%
2014	0.4260	0.2329	0.1931	26,407,915	99.26%	100.15%
2015	0.4525	0.2594	0.1931	29,803,314	98.70%	99.17%
2016	0.4525	0.2594	0.1931	32,065,351	98.95%	100.03%
2017	0.4725	0.2772	0.1953	37,007,711	100.08%	100.31%
2018	0.4975	0.2772	0.2203	43,310,628	88.53% ⁽¹⁾	88.96% ⁽¹⁾

(1) Collections as of February 28, 2018. A portion of the City's taxpayer base has elected to provide split payments to the City which will be due in part on June 30, 2018.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2017/2018 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
CPP College Station I LLC	Real Estate	\$ 74,768,400	0.84%
Woodridge College Station LLC	Mall	69,000,000	0.78%
Woodridge College Station Phase II LLC	Mall	68,000,000	0.76%
POM-College Station LLC	Mall	56,954,330	0.64%
Culpepper Family LP	Real Estate	55,510,436	0.62%
SHP-The Callaway House LP	Apartment Buildings	54,997,208	0.62%
College Station Hospital LP	Hospital	54,727,080	0.61%
Israel Weinberg	Commercial	52,322,094	0.59%
SW Meadows Point LP	Apartment Buildings	52,241,125	0.59%
BVP 2818 Place LP	Apartment Buildings	49,686,952	0.56%
		<u>\$ 588,207,625</u>	<u>6.61%</u>

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law or the City's Home Rule Charter (see "THE CERTIFICATES - TAX RATE LIMITATION").

TABLE 6 - TAX ADEQUACY

Net Maximum Tax Supported Principal and Interest Requirements (2018).....	\$ 19,447,623 ⁽¹⁾
\$0.22067 Tax Rate at 99% Collection Produces	\$ 19,447,801
Net Average Tax Supported Principal and Interest Requirements (2018-2038).....	\$ 11,912,056 ⁽¹⁾
\$0.13517 Tax Rate at 99% Collection Produces	\$ 11,912,626

(1) Includes the Certificates and excludes self supporting debt. Interest has been estimated for the purpose of illustration. Preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed by the City from information obtained from the Brazos Central Appraisal District. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

	2017/2018 Taxable	2017	Total	Estimated	City's
	Assessed Value	Tax Rate	Tax Debt as	%	Overlapping
			of 3/31/2018	Applicable	Tax Debt as
					of 3/31/2018
City of College Station	\$ 8,902,090,555 ⁽¹⁾	0.4975	\$ 175,120,000 ⁽²⁾	100.00%	\$ 175,120,000
Brazos County	17,555,003,472	0.4850	85,725,000	49.18%	42,159,555
Bryan ISD	7,037,668,662	1.3400	213,345,000	1.86%	3,968,217
College Station ISD	8,844,981,231	1.3980	360,700,000	88.85%	320,481,950

Source: Municipal Advisory Council of Texas.

(1) Certified taxable assessed valuation for tax year 2017 as reported by the Brazos Central Appraisal. This amount is subject to change during ensuing year.

(2) Projected, includes the Certificates and excludes self supporting debt. Preliminary, subject to change.

DEBT INFORMATION

TABLE 8 - PRO-FORMA AD VALOREM TAX DEBT SERVICE REQUIREMENTS*

Year	Total	The Certificates*			Less:	Total Net
End	Outstanding				Self-Supporting	Tax Supported
9/30	Debt	Principal	Interest ⁽¹⁾	Total	Debt Service ⁽²⁾	Debt Service
						Requirements ⁽²⁾
2018	\$ 36,363,848				\$ 16,916,225	\$ 19,447,623
2019	32,921,690	\$ 840,000	\$ 986,190	\$ 1,826,190	17,056,900	17,690,980
2020	32,941,293	1,310,000	1,462,358	2,772,358	17,592,924	18,120,727
2021	31,317,075	1,375,000	1,396,858	2,771,858	17,230,973	16,857,960
2022	28,831,125	1,445,000	1,328,108	2,773,108	15,142,135	16,462,097
2023	27,863,480	1,520,000	1,255,858	2,775,858	14,164,240	16,475,097
2024	27,144,558	1,590,000	1,179,858	2,769,858	13,825,018	16,089,397
2025	25,178,172	1,675,000	1,100,358	2,775,358	13,284,866	14,668,663
2026	23,942,930	1,700,000	1,016,608	2,716,608	12,673,196	13,986,341
2027	21,260,486	1,785,000	931,608	2,716,608	11,304,999	12,672,094
2028	19,234,540	1,850,000	860,208	2,710,208	10,016,094	11,928,654
2029	16,936,024	1,835,000	786,208	2,621,208	8,931,031	10,626,201
2030	14,973,766	1,910,000	712,808	2,622,808	7,224,286	10,372,288
2031	13,310,480	1,990,000	636,408	2,626,408	7,009,609	8,927,279
2032	12,715,175	2,065,000	556,808	2,621,808	6,415,854	8,921,129
2033	11,305,125	2,145,000	474,208	2,619,208	5,257,598	8,666,735
2034	9,971,938	2,215,000	404,495	2,619,495	4,512,548	8,078,885
2035	6,897,350	2,290,000	331,400	2,621,400	2,688,363	6,830,388
2036	6,895,925	2,370,000	254,113	2,624,113	2,690,325	6,829,712
2037	4,915,625	2,440,000	174,125	2,614,125	2,265,644	5,264,106
2038		2,535,000	88,725	2,623,725	1,386,900	1,236,825
	<u>\$ 404,920,604</u>	<u>\$ 36,885,000</u>	<u>\$ 15,937,303</u>	<u>\$ 52,822,303</u>	<u>\$ 207,589,725</u>	<u>\$ 250,153,181</u>

* Preliminary, subject to change. See "CONDITIONS OF SALE - ADVANCED ADJUSTMENT OF PRINCIPAL AMOUNT AND/OR TYPES OF BIDS " and " - POST BID MODIFICATION" in the Notice of Sale and Bidding Instructions.

(1) Interest has been estimated at current market rates for the purpose of illustration.

(2) In the past, the City has sold certificates of obligation to finance projects for the City's water and sewer system, and electric system and has internally allocated portions of this debt as payable from the respective enterprise funds. The self-supporting amounts listed above are projections of debt that is expected to be retired by the City based on actual historical payments from these funds to pay for debt service the outstanding certificates of obligation. There is no guarantee that payments from these funds will continue in the future. Includes a portion of the Certificates. See "TABLE 10 – SELF SUPPORTING DEBT" and the accompanying footnotes.

TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION

Total Net Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2018 ⁽¹⁾		\$ 19,447,623
Interest and Sinking Fund, September 30, 2017 ⁽²⁾	\$ 5,061,437	
Budgeted Interest and Sinking Fund Tax Levy	18,985,125	
Budgeted Investment Earnings	50,000	
Budgeted Transfers	464,553	24,561,115
Estimated Balance, September 30, 2018		\$ 5,113,492

(1) Excludes self-supporting debt. Includes the Certificates. Preliminary, subject to change.

(2) The outstanding portion of the Certificates of Obligation, Series 2009, supported by the Convention Center, have been paid for in full as one transfer in the amount of \$157,979.48 to the Interest and Sinking Fund. That amount will be used to pay off future payments of the Certificates of Obligation, Series 2009 supported by the Convention Center.

TABLE 10 – SELF-SUPPORTING DEBT*

Year End 9/30	Electric Fund ⁽¹⁾	Wastewater Fund ⁽²⁾	Water Fund ⁽³⁾	Convention Center ⁽⁴⁾	Landfill ⁽⁵⁾	Parking Garage ⁽⁶⁾	Total Self-Supporting Debt Service ⁽⁷⁾
2018	\$ 5,780,408	\$ 4,506,475	\$ 6,027,844	\$ 12,980	\$ 363,781	\$ 224,738	\$ 16,916,225
2019	5,865,351	4,660,281	5,943,443	12,388	352,963	222,475	17,056,900
2020	6,036,408	4,916,229	6,054,936	7,100	353,850	224,400	17,592,924
2021	6,014,924	4,862,263	5,992,836	6,900	354,050	-	17,230,973
2022	5,920,266	3,968,933	4,922,961	6,675	323,300	-	15,142,135
2023	5,695,486	3,624,193	4,516,586	6,425	321,550	-	14,164,240
2024	5,342,324	3,605,783	4,541,686	6,175	329,050	-	13,825,018
2025	5,034,803	3,350,478	4,562,986	5,925	330,675	-	13,284,866
2026	4,776,075	3,350,760	4,209,136	5,675	331,550	-	12,673,196
2027	4,213,287	3,133,654	3,620,958	5,425	331,675	-	11,304,999
2028	4,054,364	2,768,106	2,863,999	5,225	324,400	-	10,016,094
2029	3,593,974	2,613,608	2,388,499	5,075	329,875	-	8,931,031
2030	2,735,953	2,616,306	1,872,027	-	-	-	7,224,286
2031	2,545,044	2,591,916	1,872,649	-	-	-	7,009,609
2032	2,185,110	2,365,795	1,864,949	-	-	-	6,415,854
2033	1,635,748	1,952,451	1,669,399	-	-	-	5,257,598
2034	1,037,385	1,804,876	1,670,286	-	-	-	4,512,548
2035	440,550	1,027,406	1,220,406	-	-	-	2,688,363
2036	437,556	1,027,519	1,225,250	-	-	-	2,690,325
2037	439,225	1,026,453	799,966	-	-	-	2,265,644
2038	439,875	698,625	248,400	-	-	-	1,386,900
	<u>\$ 74,224,115</u>	<u>\$ 60,472,108</u>	<u>\$ 67,040,837</u>	<u>\$ 85,968</u>	<u>\$ 4,046,719</u>	<u>\$ 671,613</u>	<u>\$ 207,589,725</u>

* Preliminary, subject to change.

(1) Includes a portion of the City's Certificates of Obligation, Series 2008, Series 2009, Series 2010, Series 2011, Series 2012, Series 2013, Series 2014 and a portion of the General Obligation Refunding Bonds, Series 2010, General Obligation Improvement and Refunding Bonds, Series 2012, Series 2013, Series 2014, Series 2016 and Series 2017. Includes a portion of the Certificates.

(2) Includes a portion of the City's Certificates of Obligation, Series 2008, Series 2010, Series 2011, Series 2012, Series 2013, Series 2014, Series 2017 and a portion of the General Obligation Refunding Bonds, Series 2010, General Obligation Improvement and Refunding Bonds, Series 2012, Series 2013, Series 2014, Series 2016. Includes a portion of the Certificates.

(3) Includes a portion of the City's Certificates of Obligation, Series 2008, Series 2009, Series 2012, Series 2014, Series 2016, Series 2017 and a portion of the General Obligation Refunding Bonds, Series 2010, General Obligation Improvement and Refunding Bonds, Series 2013, Series 2014, Series 2016, and Series 2017. Includes a portion of the Certificates.

(4) Includes a portion of the City's Certificates of Obligation, Series 2009. The City has transferred to the Interest and Sinking Fund \$157,979.48 from the Convention Center fund to pay the debt service shown in this column. Includes a portion of the Certificates.

(5) Includes a portion of the City's Certificates of Obligation, Series 2009. Includes a portion of the Certificates.

(6) Includes a portion of the City's General Obligation Refunding Bonds, Series 2009.

(7) The debt service described in this table is general obligation debt for which repayment is provided from revenues from other sources. It is the City's current policy to provide these payments from such sources. There is no assurance that the use of these sources to make these payments will continue in the future. If payments are not made from such sources in the future, the difference will be paid for with ad valorem taxes.

TABLE 11 - AUTHORIZED BUT UNISSUED TAX BONDS

Date of Authorization	Purpose	Amount Authorized	Issued To Date	Unissued
1/24/1984 ⁽¹⁾	Fire Substation Building	\$ 700,000	\$ -	\$ 700,000
1/24/1984 ⁽¹⁾	Street Improvements	6,325,000	5,825,000	500,000
11/4/2003	Municipal Complex Improvements	7,610,000	3,955,000	3,655,000
11/4/2008	Street Improvements	48,785,000	48,785,000	-
11/4/2008	Library Improvements	8,385,000	8,385,000	-
11/4/2008	Park Improvements	12,790,000	12,145,000	645,000
		<u>\$ 84,595,000</u>	<u>\$ 79,095,000</u>	<u>\$ 5,500,000</u>

(1) Contains projects which may have been completed or abandoned; therefore, the remaining authorized but unissued bonds are not likely to ever be issued.

ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT

The City has no firm plans for the issuance of additional general obligation debt payable from ad valorem taxes within the next twelve months.

OTHER OBLIGATIONS

Currently, the City has no outstanding capital leases or loans.

PENSION FUND

The City provides pension benefits for all of its full-time employees through the Texas Municipal Retirement System ("TMRS"), a State-wide administered pension plan. The City makes annual contributions to the plan equal to the amounts accrued for pension expense. (For more detailed information concerning the retirement plan, see "APPENDIX B - EXCERPTS FROM THE ANNUAL FINANCIAL REPORT" -Note 21.)

The City received the contribution rates from TMRS as determined by the December 31, 2016 actuarial valuation. The City's contribution rate for January 1, 2018 will be 13.38%. The City's contributions rate of 13.28% became effective January 1, 2017. On September 13, 2012, Council approved revisions to the City's TMRS Ordinance. The revisions include a reduction in the updated service credits (USC) for current employees and a reduction in the Annuity Increase Cost of Living Adjustment (COLA) for retirees. The funding status as of December 31, 2016 is as follows:

	12/31/2016
Actuarial Value of Assets	\$ 226,024,775
Actuarial Accrued Liability (AAL)	267,674,838
Percent of Pension Benefit Obligation	84.44%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 41,650,063
Annual Covered Payroll	53,016,848
Percent of Covered Payroll	78.56%
Estimated Employer Contribution	\$ 6,969,939

OTHER POST EMPLOYMENT BENEFITS

PROGRAM DESCRIPTION . . . In addition to pension benefits, as required by state laws and defined by City policy, the City makes available postretirement medical, dental, vision, drug and life insurance benefits to all employees who meet TMRS retirement qualifications, are a minimum of fifty five (55) years of age, retire from the City with a minimum of five (5) years of service to the City, and who enroll themselves and their eligible dependent(s) on or before the effective date of their retirement through the City's single-employer defined benefit other post-employment benefit (OPEB) plan. The life insurance plan provides a \$10,000 fully insured death benefit coverage upon retirement which ceases upon attainment of age 65 for retirees. So long as monthly premium payments are made, the healthcare plan provides insurance to eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members, until attainment of age 65. Benefit provisions as well as retiree premium contributions are established by management.

The City determines the employer and participant contribution rates annually based on recommendations of City staff and the City's consultant. All medical, dental, vision and drug care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Life insurance for eligible retirees is paid entirely by the City.

During fiscal year 2017, 86 former employees were covered under this arrangement, with claims less retiree contributions totaling \$540,239.

ANNUAL OPEB COST AND NET OPEB OBLIGATION . . .The City's annual OPEB cost is based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement 45. Despite the apparent implications of the term ARC, the City is not required to contribute the ARC to the plan each year. Instead, the ARC provides a basis for evaluating whether the City's contributions for OPEB are adequate to fund the benefits during the working lifetime of current employees (i.e., the normal cost) and to amortize existing unfunded obligations (i.e., the obligations for current retirees plus that portion of the current employees' obligations that are attributed to past service) in a systematic manner over the amortization period prescribed by GASB.

The annual OPEB cost is the annual accounting expense recorded on the City's Statement of Revenues, Expenses and Changes in Net Assets and on the City's Statement of Activities. The annual OPEB cost is equal to (1) the ARC for the current fiscal year, plus (2) interest on the Net OPEB Obligation at the beginning of the year, reduced by (3) an adjustment to the ARC which is equal to an amortization of the beginning of the year Net OPEB Obligation.

	2014	2015	2016	2017
Annual Required Contribution (ARC)	\$ 1,449,844	\$ 1,810,895	\$ 1,910,536	\$ 1,841,068
Interest on Net OPEB Obligations	397,569	400,494	456,941	513,022
Adjusted to the ARC	(492,618)	(522,847)	(596,541)	(489,016)
Annual OPEB Cost	1,354,795	1,688,542	1,770,936	1,865,074
Contributions Made	(406,326)	(434,136)	(705,451)	(2,034,048)
Increase in net OPEB obligation	\$ 948,469	\$ 1,254,406	\$ 1,065,485	- \$ 168,974
Net OPEB Obligation, beginning of year	7,951,378	8,899,847	10,154,253	11,219,738
Net OPEB Obligation, end of year	<u>\$ 8,899,847</u>	<u>\$ 10,154,253</u>	<u>\$ 11,219,738</u>	<u>\$ 11,050,764</u>

Four-Year Trend Information				
Fiscal Year Ended 9/30	Annual OPEB Costs	Actual Contribution Made	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
2014	1,354,795	406,326	29.99%	8,899,847
2015	1,688,542	434,136	25.71%	10,154,253
2016	1,770,936	705,451	39.83%	11,219,738
2017	1,865,073	2,034,048	109.06%	11,050,764

Generally, the Net OPEB Obligation is the cumulative difference since the effective date of GASB 45 between the annual OPEB cost and the employer's contributions to the plan including the OPEB liability/(asset) at transition, if any. Whenever the City contributes an amount less than the annual OPEB cost, this shortfall will increase the City's Net OPEB Obligation.

On September 11, 2017 the City Council approved a resolution adopting the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust and on September 25, 2017, the City Council pass a resolution appropriating the funds. Effective September 27, 2017, with the initial employer contribution of \$1,493,809, the City entered into a section 115 Irrevocable Exclusive Benefit agent multiple-employer trust to fund its Other Post Employment Benefit obligation.

ACTUARIAL METHODS AND ASSUMPTIONS . . . Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. GASB No. 45 calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan participants to that point. In addition, the projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan participants in the future.

Actuarial calculations reflect a long-term perspective. In addition, consistent with that perspective, actuarial methods and assumptions used in developing the amounts in this report include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.

The required contribution rates were determined as part of the October 1, 2016 actuarial valuation. Significant methods and assumptions follow:

Actuarial valuation date	10/1/2016
Asset Valuation Method:	Market
Actuarial Cost Method:	Projected Unit Credit
Actuarial Assumption:	
Investment Rate of Return*	4.50%
*Includes Inflation at:	3.50%
Projected Salary Increases	N/A
Annual Healthcare Trend Rates:	8.50% in FYE 2017 declining to 5.25% in FYE 2024
Amortization Method:	Level Dollar
Remaining Amortization Period:	30 year open period

FUNDING STATUS AND FUNDING PROGRESS . . . The Schedule of Funding Progress presents information as of the current valuation date and the two preceding valuation dates. As of the date of this financial statement, the City has had three valuations

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (AAL)	Annual Covered Payroll (Fiscal Year)	UAAL as Percentage of Covered Payroll
10/1/2012	\$ -	\$ 10,897,037	0.00%	\$ 10,897,037	\$42,255,425	25.79%
10/1/2014	-	15,013,856	0.00%	15,013,856	45,654,271	32.89%
10/1/2016	-	15,564,973	0.00%	15,564,973	53,016,848	29.36%

There are factors that affect the ability to compare amounts reported from one actuarial valuation date to the next. The assumptions that have been changed since the previous valuation are:

- Mortality, Disability and Termination assumptions were updated to reflect current assumptions used by the TMRS actuary in valuing the pension plan;
- the Assumed Per Capita Health Benefit Costs for retirees and dependents have been updated to reflect changes in claims expectations; and
- the Health Benefit Cost and Retiree Contribution Trends and Expense Trend Rate has been updated to reflect changes in recent experience and its effect on short-term expectations.

The City has had three separate valuations, one of which used the October 1, 2012 valuation date, October 1, 2014 and October 1, 2016 valuation date. The October 1, 2012 valuation date was used to develop results for the fiscal years ending September 30, 2013 and 2014. The plan was changed effective January 1, 2012 to eliminate post-65 medical coverage and was changed effective January 1, 2013 to eliminate one of the PPO benefit options. While the plan typically undergoes a biennial valuation, pursuant to paragraph 12 of GASB 45, a new valuation must be performed if there are significant changes to the plan since the previous valuation. The October 1, 2014 valuation date was used to develop results for the fiscal years ending September 30, 2015 and 2016, as part of the plan's biennial valuation. The October 1, 2016 valuation date was used to develop results for the fiscal year ending September 30, 2017.

FINANCIAL INFORMATION

TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues:					
Taxes	\$ 53,749,315	\$ 48,737,894	\$ 46,750,120	\$ 41,951,522	\$ 39,654,465
Licenses & Permits	2,127,142	2,132,802	1,500,777	1,424,598	1,238,967
Intergovernmental	828,510	1,373,950	355,083	189,103	469,783
Charges for Services	3,863,744	3,809,206	3,572,684	2,987,778	2,605,519
Fines, Forfeits and Penalties	2,917,735	3,255,051	2,693,647	3,038,926	3,252,418
Investment Income	241,880	148,302	116,074	66,264	88,198
Rents & Royalties	284,351	187,328	136,228	542,816	650,407
Contributions	7,580	8,880	1,251	11,016	56,990
Other	775,114	434,537	3,252,310	113,802	212,349
Total Revenues	\$ 64,795,371	\$ 60,087,950	\$ 58,378,174	\$ 50,325,825	\$ 48,229,096
Expenditures:					
General Government	\$ 6,228,021	\$ 5,524,471	\$ 4,853,358	\$ 5,108,448	\$ 3,825,760
Fiscal Services	3,815,223	3,733,550	3,314,990	3,029,566	2,970,342
Police Department	21,372,560	20,170,450	18,533,889	17,080,568	16,515,820
Fire Department	17,001,580	16,916,819	14,881,983	13,585,022	13,297,527
Planning & Development Services	3,741,263	3,243,768	3,106,143	2,867,857	3,505,029
Parks and Recreation	8,621,075	9,279,126	8,194,670	4,596,645	4,463,535
Information Technology	4,600,556	4,491,009	4,112,987	4,207,305	4,271,209
Public Works	8,151,055	11,162,508	9,156,069	7,611,303	6,519,248
Library Services	1,097,876	1,098,326	1,138,568	1,078,851	994,476
Contributions	1,280,215	1,220,251	1,187,500	1,184,115	1,086,012
Other	-	863	217,114	222,034	1,300,627
Capital Improvement Projects	988,435	667,574	129,896	731,621	733,974
Total Expenditures	\$ 76,897,859	\$ 77,508,715	\$ 68,827,167	\$ 61,303,335	\$ 59,483,559
Other Financing Sources (Uses):					
Sale of General Fixed Assets	\$ 47,478	\$ -	\$ 8,974,205	\$ 4,582,111	\$ -
Operating Transfers In	18,347,351	16,507,346	15,094,866	15,158,581	14,664,450
Operating Transfers Out	(2,911,020)	(2,376,443)	(11,441,262)	(4,444,465)	(3,977,149)
Total Other Financing Sources (Uses)	\$ 15,483,809	\$ 14,130,903	\$ 12,627,809	\$ 15,296,227	\$ 10,687,301
Net Change in Fund Balance	\$ 3,381,321	\$ (3,289,862)	\$ 2,178,816	\$ 4,318,717	\$ (567,162)
Fund Balance, Beginning of Year	19,133,202	22,423,064	20,244,248	15,925,531	16,492,693
Fund Balance, End of Year	\$ 22,514,523	\$ 19,133,202	\$ 22,423,064	\$ 20,244,248	\$ 15,925,531

Source: The City's audited financial statements.

TABLE 13 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Texas, Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. In May 1990, the voters of the City approved the imposition of an additional sales and use tax of one-half of one percent ($\frac{1}{2}$ of 1%) for property tax reduction. The total sales tax rate for the City is 1.5%.

Fiscal Year Ended	Total Collected ⁽¹⁾	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita ⁽²⁾
9/30				
2012	\$ 21,498,319	86.06%	\$ 0.38	\$ 223
2013	23,064,035	90.44%	0.39	236
2014	24,565,649	93.02%	0.40	246
2015	26,687,963	89.55%	0.41	261
2016	27,163,480	84.71%	0.38	255
2017	28,561,762	77.18%	0.36	260

(1) Provided by the City.

(2) Based on population estimates provided by the City.

FINANCIAL POLICIES

Basis of Accounting . . . The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. Government funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

General Fund . . . The General Fund is the City's primary operating fund. It is used to account for all activities typically considered governmental functions of the City. These include Public Safety, Public Works, Parks and Recreation, Economic and Planning and Development Services, the support functions for these areas, and the administrative functions for the City.

The General Fund for the 2017-2018 fiscal year is influenced by current policies and any approved policy changes. The policies include inter-fund equity; maintaining a balance between revenues and expenditures; and maintaining the level of service currently provided as the City experiences residential and commercial growth.

The City's financial policies are for a General Fund balance of 15% of budgeted appropriations at year end. To the extent that the General Fund balance exceeds this amount, this surplus is to be expended in future years for one time expenditures such as capital items and short term projects.

Debt Service Fund . . . The Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds. It is the City's policy to maintain at least 8 1/3% of annual appropriated expenditures for debt service and any associated fees as the Debt Service Fund balance at fiscal yearend. The City is in compliance with that policy.

Budgetary Procedures . . . Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. All budget requests are compiled by the Finance Department and presented with comparative and supporting data to the Mayor and City Council for review. Public hearings are properly advertised and conducted at City Hall for taxpayer comments. Prior to September 27, the budget is legally enacted through passage of an ordinance. The City Council must approve all transfers of budgeted amounts between departments within any fund and any revision that alters the total expenditure of any fund. An amount is also budgeted each year for contingencies which may arise.

THE COMBINED UTILITY SYSTEM

WATERWORKS SYSTEM

Since December 1981, the City has had the capability to produce and deliver 100% of its water. The system has been expanded to a system of nine wells, with a combined capacity of 29 million gallons per day. The water is delivered to the distribution system by 14 miles of 30-inch diameter and 36 inch diameter pipeline and two pumping stations.

Two of the wells mentioned above are shallow wells, less than 1,500 feet deep, drilled into the Carrizo and Sparta aquifers. The remaining seven are deep wells, approximately 3,000 feet, drilled in the Simsboro Sand formation of the Carrizo-Wilcox aquifer. This is a very prolific aquifer of high quality water that has the capacity to provide an adequate water supply for the City and surrounding communities through the year 2060, and well beyond, if managed properly.

The Simsboro Sand, and all local aquifers, are regulated by the Brazos Valley Groundwater Conservation District, and permitting requirements have been implemented for all new water wells. College Station has obtained a Drilling/Operating Permit from the Groundwater District for the City to drill another Simsboro Well, Well #9, which will complete construction in FY-18. This well will meet our projected demands for water for many years into the future. Well #10 remains in the planning stages, and would be constructed in approximately 2022, depending upon the rate of growth of water demands. College Station is also investigating other water supply strategies for the future. One example is Aquifer Storage and Recovery (ASR), which would store treated wastewater effluent in an aquifer for future use, most likely during summer peaks. If implemented, this ASR system would greatly reduce the demand on the groundwater production system and ensure a very stable water supply for the City.

The City has completed a Water Reclamation project, which pumps effluent from the wastewater treatment plant up to Veteran's Park for irrigation of playing fields, reducing the demand on the potable water system by approximately 350,000 gallons per day during watering season. Additional phases of the reclaimed water system are in the planning stages. In 2016, the City completed a two year agreement with an oil company, which provided the City with \$470,000 of revenue for providing just under 200 million gallons of reclaimed water, and is currently in a second contract that has generated \$125,000 revenue so far.

The City also has stand by generators at strategic locations sufficient to provide adequate potable water for health and safety during an extended area-wide electrical power outage.

Water rates were established by ordinance, passed and approved by the City Council, and the following rates will become effective July 1, 2018. The Residential rates are inclined block rates to encourage water conservation.

Type of Customer	Usage Charge (per 1,000 gallons)	Service Charge	Meter Size
Residential, Commercial and Industrial		10.80 per mo.	3/4"
		13.55 per mo.	1"
		20.17 per mo.	1 1/2"
		31.85 per mo.	2"
		100.53 per mo.	3"
		149.35 per mo.	4"
		181.82 per mo.	6"
Residential		181.82 per mo.	8"
	\$2.40 for usage from 0-10,000 gallons		
	\$3.12 for usage from 11,000-15,000 gallons		
	\$3.83 for usage from 16,000-20,000 gallons		
	\$4.54 for usage from 21,000-25,000 gallons		
Commercial	\$5.26 for usage from 26,000 gallons and more		
	\$2.64 per 1,000 gallons		
	Commercial Irrigation Usage Charge	\$2.84 per 1,000 gallons	
	Commercial Irrigation Multifamily 3+ units	\$2.64 per 1,000 gallons	
	MUD #1 Residential and Commercial	Rates as above with an added 50% surcharge	

WASTEWATER SYSTEM

The City's waste water is treated by three City-owned wastewater treatment plants, Carter Creek Treatment Plant, Lick Creek Treatment Plant, and Carter's Lake Treatment Plant located within the City limits. The three plants have a combined treatment capacity of 11.5 mgd as compared to annual average daily demand of 7.4 mgd. The treatment plant's capacity is estimated to be adequate to serve a population of 125,000.

Sewer rates were established by ordinance, passed and approved by the City Council, and became effective on October 1, 2016.

Residential (metered water)	\$20.28 including 4,000 gallons of metered water
Usage Charge	\$4.06 per 1,000 gallons of additional metered water
	\$44.64 maximum per month
Residential (without meter to each unit).....	\$25.80 per unit per month
Commercial and Industrial	\$17.40 per month
Usage	\$4.83 per 1,000 gallons of metered water usage
Charge	
.....	

There are 2,476 customers (units) who receive their water from Wellborn Water, but sewer is provided by the City of College Station. Those customers pay an initial usage charge of \$44.64 per month. After six months of documented waste water usage, rates can be adjusted downward on a tiered scale.

ELECTRIC SUPPLY SOURCE

The City has multiple Power Purchase Agreements (PPAs) in order to meet its load requirements. The PPAs are currently with AEPEP (AEP Energy Partners) and Garland Power and Light (GP&L). With AEPEP, the City has fixed block ATC PPA that expires in 2027. The City also has a PPA with AEPEP for wind power that expires in 2028. The City has a load following PPA with GP&L that expires in 2021. While the PPAs with AEPEP are considered base load power, the load following PPA with GP&L covers the load above the base power provided by AEPEP's PPAs. GP&L is also the City's Qualified Scheduling Entity (QSE). GP&L's QSE schedules and settles all the contract resources owned by the City. On City's advice the QSE also procures any replacement power as needed on behalf of the City.

Other wholesale/power supply costs include Congestion costs, Ancillary Services and Transmission Cost of Service (TCOS). Since the City owns transmission assets, it not only pays but also receives TCOS payments based on TCOS rates approved by the Public Utility Commission of Texas.

The City owns 20 miles of 138kV transmission lines, seven substations, and 458 miles of distribution lines. ERCOT serves as the RTO/ISO for the area.

The current electric rates were established by ordinance passed and approved by the City Council and became effective on October 1, 2016. The electric rates are subject to a transmission delivery adjustment (TDA) charge which requires that the net energy charge per kilowatt hour must be increased or decreased by an amount per kilowatt hour equal to additional transmission charges above those accounted for in the wholesale rate. The TDA is currently set at \$0.005 per kilowatt hour of energy consumed.

In January 2009, College Station Utilities began offering residential electric customers renewable wind energy. In February 2010, the renewable wind energy program was expanded to include commercial customers. Wind energy is generated from the South Trent Mesa Wind Project located west of Abilene, Texas.

Single Family Residential	Service Charge	\$7.00 per month
	plus:	
	kWh (May through October)	\$0.1169 per kWh
	kWh (November through April)	\$0.1123 per kWh
	Tax	1.50%
	Transmission Delivery Adjustment (TDA) ..	\$0.005 per kWh
Master Metered Multiple Dwelling Units .	Service Charge	\$100.00 per month per master meter
	plus:	
	kWh (May through October)	\$0.1181 per kWh
	kWh (November through April)	\$0.1134 per kWh
	Tax	1.50%
	TDA	\$0.005 per kWh
Small Commercial (1-10 KW demand)	Service Charge	\$9.00 per month
	plus:	
	First 1,000 kWh	\$0.1344 per kWh
	Over 1,000 kWh	\$0.1028 per kWh
	Tax	8.25%
	TDA	\$0.005 per kWh
Medium Commercial (15-300 KW)	Service Charge	\$25.00 per month
	plus:	
	Demand Charge (Per KW)	\$10.40 per KW
	Energy Charge All kWh	\$0.0729 per KW
	Minimum Monthly Charge	\$181.00
	Tax	8.25%
	TDA	\$0.005 per kWh
Large Commercial (300 – 1,500 KW)	Service Charge	\$75.00 per month
	plus:	
	Demand Charge (Per KW)	\$10.40 per KW
	Energy Charge All kWh	\$0.0703 per KW
	Minimum Monthly Charge	\$3,195.00
	Tax	8.25%
	TDA	\$0.005 per kWh
Industrial (1,500 KW and over)	Service Charge	\$250.00 per month
	plus:	
	Demand Charge (Per KW)	\$9.85
	Energy Charge (first 500,000 kWh)	\$0.0689 per KW
	Minimum Monthly	\$15,034.85
	Tax	8.25%
	TDA	\$0.005 per kWh

WIND WATT RATES

Wind rates were established by Ordinance #2012-3397 on February 23, 2012, passed and approved by the City Council, and became effective on March 1, 2012.

Participation Level: Residential & Commercial

10%	\$0.0005 per KW
50%	\$0.0025 per KW
100%	\$0.005 per KW

TABLE 14 - HISTORICAL UTILITY USERS (UNITS SERVED)

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Water	43,199	41,709	41,540	40,768	40,767
Wastewater	42,840	40,866	40,806	39,128	38,608
Electric	39,300	40,141	43,471	38,198	38,456

TABLE 15 - TEN LARGEST UTILITY CUSTOMERS

Utility Customer	Type of Business	FY 2017 KWH Consumption	Total Percent of KWH Consumed
CSISD	Schools	24,723,977	2.95%
Scott & White	Clinic/Hospital/Pharmacy	22,420,785	2.68%
City of College Station	Municipality	22,073,366	2.63%
Texas A&M	University	12,840,933	1.53%
Wal-Mart	Retail	9,045,760	1.08%
College Station Medical Center	Hospital	8,903,407	1.06%
CBL & Associates	Retail Mall	8,880,320	1.06%
HEB Grocery	Retail	8,465,040	1.01%
Biotechnologies Texas LLC	Medical	7,948,100	0.95%
Dealer Computer Services Inc	Retail	4,581,200	0.55%
		<u>129,882,888</u>	<u>15.50%</u>

TABLE 16 - CONDENSED STATEMENT OF OPERATIONS

	For Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Revenues:					
Electric	\$ 99,179,570	\$ 98,904,688	\$ 98,763,293	\$ 95,677,765	\$ 92,892,541
Water and Wastewater	31,333,922	29,484,851	28,732,968	27,550,262	29,018,108
Interest	697,655	346,312	180,423	116,433	170,062
Other	3,179,821	3,636,420	3,546,138	2,890,061	3,670,710
Total Revenues	<u>\$ 134,390,968</u>	<u>\$ 132,372,271</u>	<u>\$ 131,222,822</u>	<u>\$ 126,234,521</u>	<u>\$ 125,751,421</u>
Expenses:					
Total Expenses	<u>\$ 78,766,516</u>	<u>\$ 76,771,094</u>	<u>\$ 82,079,813</u>	<u>\$ 100,235,329</u>	<u>\$ 90,519,871</u>
Net Available for Debt Service	<u>\$ 55,624,452</u>	<u>\$ 55,601,177</u>	<u>\$ 49,143,009</u>	<u>\$ 25,999,192</u>	<u>\$ 35,231,550</u>
Water (Units Served)	43,199	41,709	41,540	40,768	40,767
Wastewater (Units Served)	42,840	40,866	40,806	39,128	38,608
Electric (Units Served)	39,300	40,141	43,471	38,198	38,456

TABLE 17 – VALUE OF THE SYSTEM

	Fiscal Year Ended September 30,				
	2017	2016	2015	2014	2013
Utility Systems	\$ 553,774,054	\$ 527,435,531	\$ 507,758,485	\$ 459,071,713	\$ 446,518,318
Construction in Progress	30,240,705	23,520,025	13,213,020	43,281,736	36,982,355
	<u>\$ 584,014,759</u>	<u>\$ 550,955,556</u>	<u>\$ 520,971,505</u>	<u>\$ 502,353,449</u>	<u>\$ 483,500,673</u>
Less: Accumulated Depreciation	229,374,628	213,325,487	198,339,390	183,756,067	171,069,875
Net System Value	<u>\$ 354,640,131</u>	<u>\$ 337,630,069</u>	<u>\$ 322,632,115</u>	<u>\$ 318,597,382</u>	<u>\$ 312,430,798</u>

TABLE 18 – CITY'S EQUITY IN THE SYSTEM

	Fiscal Year Ended September 30,				
<u>Resources</u>	2017	2016	2015	2014	2013
Net System Value	\$ 354,640,131	\$ 337,630,069	\$ 322,632,115	\$ 318,597,382	\$ 312,430,798
Current Assets	70,636,223	63,085,837	52,023,881	42,939,476	59,428,776
Restricted Assets	30,149,917	21,849,829	19,977,038	27,760,893	5,757,167
Other Resources	-	-	-	0	120,000
Deferred Charges	5,197,104	5,425,502	2,381,933	1,305,356	1,665,943
Total	<u>\$ 460,623,375</u>	<u>\$ 427,991,237</u>	<u>\$ 397,014,967</u>	<u>\$ 390,603,107</u>	<u>\$ 379,402,684</u>
<u>Obligations</u>					
Current Liabilities	\$ 10,681,761	\$ 9,511,319	\$ 13,688,841	\$ 19,092,357	\$ 23,329,045
Current Liabilities Payable from Restricted Assets	15,887,617	15,462,903	10,735,825	7,292,731	7,190,577
General Obligation Debt	59,325,710	55,626,759	43,175,000	47,995,000	36,930,000
Certificates of Obligation	77,282,370	78,814,496	83,445,000	87,210,000	66,695,000
Revenue Bond Debt	-	-	13,395,000	14,920,000	34,765,000
Other Debt ⁽¹⁾	8,899,938	9,418,425	8,593,734	9,385,034	4,825,184
Total Liabilities	<u>\$ 172,077,396</u>	<u>\$ 168,833,902</u>	<u>\$ 173,033,400</u>	<u>\$ 185,895,122</u>	<u>\$ 173,734,806</u>
City's Equity in System	\$ 288,545,979	\$ 259,157,335	\$ 223,981,567	\$ 204,707,985	\$ 205,667,878
Percentage of Equity in System	62.64%	60.55%	56.42%	52.41%	54.21%

(1) Includes OPEB Net Pension Obligations.

TABLE 19 – UTILITY REVENUE BOND AND SYSTEM SUPPORTED CERTIFICATE DEBT SERVICE

Series	Original Principal Amount	Outstanding Principal as of 9/30/2017
2008 ⁽²⁾	15,925,000	2,340,000
2009 ⁽²⁾	19,490,000	3,700,000
2010 ⁽²⁾	2,850,000	2,120,000
2010 ⁽¹⁾⁽³⁾	25,905,000	12,400,000
2011 ⁽²⁾	7,920,000	6,205,000
2012 ⁽²⁾	16,415,000	13,355,000
2012 ⁽¹⁾⁽³⁾	9,570,000	5,430,000
2013 ⁽²⁾	10,230,000	8,735,000
2013 ⁽¹⁾⁽³⁾	6,255,000	4,185,000
2014 ⁽²⁾	23,555,000	20,955,000
2014 ⁽¹⁾⁽³⁾	14,455,000	9,475,000
2016 ⁽²⁾	7,250,000	6,985,000
2016 ⁽¹⁾⁽³⁾	18,710,000	17,960,000
2017 ⁽²⁾	12,140,000	12,140,000
2017 ⁽¹⁾⁽³⁾	9,205,000	9,205,000
2018 ⁽²⁾	18,935,000	18,935,000 *
	\$ 218,810,000	\$ 154,125,000

* Preliminary, subject to change. Includes a portion of the Certificates.

(1) Represents refunding bonds.

(2) Certificates of Obligation supported in whole or in part by Utility System revenues.

(3) General Obligation Improvement Bonds supported in part by the Utility System revenues.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both state law and the City's investment policies are subject to change.

LEGAL INVESTMENTS

Under State law, the City is authorized to invest in: (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted, at least annually, by the City as required by law or (II) a depository institution that has its main office or a branch office in the State of Texas that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas; (9) bankers' acceptances

with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (10) commercial paper that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (11) no-load money market mutual funds regulated by the Securities and Exchange Commission that have a dollar weighted average portfolio maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share; (12) no-load mutual funds registered with the Securities and Exchange Commission that: have an average weighted maturity of less than two years; invests exclusively in obligations described in the preceding clauses; and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than “AAA” or its equivalent; provided, however, that the City is not authorized to invest in the aggregate more than 15% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in such no-load mutual funds, and (13) for bond proceeds, guaranteed investment contracts that have a defined termination date, are secured by obligations of the United States or its agencies and instrumentalities in an amount equal to the amount invested under the contract, and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City is also authorized to invest its funds through an eligible investment pool if the governing body of the City by rule, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. To be eligible to receive funds from and invest funds on behalf of the City, an investment pool must furnish to the investment officer or other authorized representative of the City an offering circular or other similar disclosure instrument that contains, at a minimum, the following information: (1) the types of investments in which money is allowed to be invested; (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool; (3) the maximum stated maturity date any investment security within the portfolio has; (4) the objectives of the pool; (5) the size of the pool; (6) the names of the members of the advisory board of the pool and the dates their terms expire; (7) the custodian bank that will safekeep the pool's assets; (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation; (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment; (10) the name and address of the independent auditor of the pool; (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and (12) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

Governmental bodies in the State are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) of the first paragraph under this subcaption, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm not less than “A” or its equivalent, or (c) cash invested in obligations that are described in clauses (1) through (6) and (10) through (12) of the first paragraph under this subcaption, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the governmental body, held in the name of the governmental body and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAAm” or an equivalent by at least one nationally recognized rating service. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each funds’ investment. Each Investment Strategy Statement will describe its objectives concerning (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the City will submit an investment report detailing (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value and ending market value for each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS

Under Texas law the City is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers’ with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (3) require the registered principal of firms seeking to sell securities to the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the City’s investment policy; (5) provide specific investment training for the Finance Director, Treasurer, Assistant City Manager and investment officers; (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (7) restrict the investment in non-money market mutual funds of any portion of bond proceeds, reserves and funds held for debt service and to no more than 15% of the entity’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements and (9) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

Under Texas law, the City may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance or resolution. The City has not contracted with, and has no present intention of contracting with, any such investment management firm or the State Securities Board to provide such services.

CITY’S INVESTMENT POLICY

The Assistant City Manager or his designee will promptly cause all City funds to be deposited with the bank depository and invested in accordance with the provisions of the current Bank Depository Agreement or in any negotiable instrument that the City Council has authorized under the provisions of the PFIA, as amended, and in accordance with the City Council approved Investment Policies.

At the end of each fiscal year, a report on investment performance will be provided to the City Council. In conjunction with the quarterly financial report, the Assistant City Manager or his designee will prepare and provide a written recapitulation of the City’s investment portfolio to the Council, detailing each City investment instrument with its rate of return and maturity date.

The City’s adopted investment policy permits the City to invest its funds and funds under its control in all of the enumerated investments authorized by the PFIA.

TABLE 20 - CURRENT INVESTMENTS

As of February 28, 2018, the City’s investable funds were invested in the following categories:

Investment Type	Book Value	Market Value
Cash	\$ 5,000,000	\$ 5,000,000
Local Government Investment Pool	8,245,491	8,245,491
Money Market Mutual Fund	223,103,678	223,103,678
US Agencies and Securities	41,000,000	40,552,860
	<u>\$ 277,349,169</u>	<u>\$ 276,902,029</u>

TAX MATTERS

OPINION

On the date of initial delivery of the Certificates, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Certificates for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Certificates will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Certificates. See Appendix C - FORMS OF OPINIONS OF BOND COUNSEL.

In rendering its opinions, Bond Counsel will rely upon (a) certain information and representations of the City, including information and representations contained in the City’s federal tax certificate, and (b) covenants of the City contained in the Ordinance authorizing the Certificates relating to certain matters, including arbitrage and the use of the proceeds of the Certificates and the property financed or refinanced therewith. Failure of the City to comply with these representations or covenants could cause the interest on the Certificates, as the case may be, to become includable in gross income retroactively to their date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Certificates in order for interest on the Certificates to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Certificates to be included in gross income retroactively to the date of issuance of the Certificates. The opinions of Bond Counsel are rendered in reliance upon the compliance by the City with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Certificates.

Bond Counsel’s opinions are not a guarantee of a result, but represent its legal judgment based upon its review of Existing Law and reliance on the aforementioned information, representations and covenants. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Certificates.

A ruling was not sought from the Internal Revenue Service by the Issuer with respect to the Certificates or the property financed or refinanced with proceeds of the Certificates. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Certificates, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Certificate holders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT

The initial public offering price to be paid for one or more maturities of the Certificates may be less than the principal amount thereof or one or more periods for the payment of interest on the Certificates may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Certificates”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Certificate, and (ii) the initial offering price to the public of such Original Issue Discount Certificate would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Certificates less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Certificate in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Certificate equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Certificate prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Certificate was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Certificate is accrued daily to the stated maturity thereof (in amounts calculated as described below for each accrual period within each accrual period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Certificate for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Certificate.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Certificates which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Certificates should consult their own tax advisors with respect to the determination

for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Certificates and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Certificates.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Certificates. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE CERTIFICATES.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Certificates, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Certificates, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Certificates under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Certificates will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Certificates will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number (“TIN”), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

FUTURE AND PROPOSED LEGISLATION

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Certificates under federal or state law, and could affect the market price or marketability of the Certificates. Any of the foregoing could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any of the foregoing becoming effective cannot be predicted. Prospective purchasers of the Certificates should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of Certificates. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be publicly available at no cost on the Electronic Municipal Market Access of the MSRB, with the web address www.emma.msrb.org ("EMMA"). The agreement specifies that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

ANNUAL REPORTS

The City will provide certain updated financial information and operating data to the MSRB on an annual basis in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6; 8 through 20 and in Appendix B. The City will update and provide the information in Tables 1 through 6 and 8 through 20 within six months after the end of each fiscal year ending in and after 2018. The City will additionally provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in or after 2018. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the City will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site identified below or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in 1 through 6 and 8 through 20 by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) as described above. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

EVENT NOTICES

The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional paying agent or the change of name of a paying agent, if material. In addition, the City will provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under "Annual Reports". For these purposes, any event described in clause (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City will provide each notice described in the previous paragraph to the MSRB through EMMA, in accordance with the Rule.

LIMITATIONS AND AMENDMENTS

The City has agreed to update information and to provide notices of specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Certificates may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “ANNUAL REPORTS” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS

In connection with prior transactions, the City has entered into undertakings pursuant to which it agreed to provide certain updated financial information and operating data within six months of the end of the City’s fiscal year along with notices of specified material events at required times. In addition, the City previously agreed to provide audited financial statements within six months of the end of the City’s fiscal year if audited financial statements were available by such time. If audited financial statements were not available, the City agreed to provide unaudited financial statements for the applicable fiscal year.

During the last five years, the City has not failed to comply in any material respect with any material provisions of the continuing disclosure agreements made by the City in accordance with Rule 15c2-12.

OTHER INFORMATION

RATINGS

The Certificates and presently outstanding tax supported debt of the City are rated “__” by Moody’s and “__” by S&P, without regard to credit enhancement. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both of such rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Certificates.

LITIGATION

The City is a party to legal proceedings, many of which occur in the normal course of operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the city with respect to the various proceedings. The City’s management believes that the ultimate outcome of the various lawsuits will not have a material adverse effect on the City’s financial position.

REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE

The sale of the Certificates has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates must not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State of Texas, the PFIA requires that the Certificates be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - RATINGS" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with at capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Certificates for such purposes. No review by the City has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

LEGAL OPINIONS

The City will furnish a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of Texas approving the Certificates and to the effect that the Certificates are valid and legally binding obligations of the City, and based upon examination of such transcript of proceedings, the legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Certificates will be excludable from gross income for federal income tax purposes under section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations. In its capacity as Bond Counsel, McCall, Parkhurst & Horton L.L.P. has reviewed the information under the captions "PLAN OF FINANCING" (except for the subsection "SOURCES AND USES OF PROCEEDS"), "THE CERTIFICATES," "TAX MATTERS," "OTHER INFORMATION - LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," "OTHER INFORMATION - REGISTRATION AND QUALIFICATION OF CERTIFICATES FOR SALE," "OTHER INFORMATION - LEGAL OPINIONS," and "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "COMPLIANCE WITH PRIOR UNDERTAKINGS", as to which no opinion is expressed) in the Official Statement to determine whether such information fairly summarized matters of law and the provisions of the documents referred to therein, and Bond Counsel is of the opinion that the information relating to the Certificates and the Ordinance contained under such captions is a fair and accurate summary of the information purported to be shown. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Certificates is contingent on the sale and delivery of the Certificates. The legal opinion will accompany the Certificates deposited with DTC or will be printed on the Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the City by McCall, Parkhurst & Horton, L.L.P., Dallas, Texas, Disclosure Counsel for the City. In connection with the transactions described in the Official Statement, Bond Counsel represents only the City.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Hilltop Securities Inc., in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

CERTIFICATION OF THE OFFICIAL STATEMENT AND NO-LITIGATION CERTIFICATE

At the time of payment for and delivery of the Certificates, the Initial Purchaser will be furnished a certificate, executed by the proper City officials, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or

pertaining to the City contained in its Official Statement and any addenda, supplement or amendment thereto, for its Certificates on the date of such Official Statement, on the date of purchase of said Certificates, and on the date of delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of, or pertaining to, entities other than the City and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; (d) there has been no material adverse change in the financial condition of the City since September 30, 2017, the date of the last audited financial statements of the City and (e) except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, of which the City has notice to restrain or enjoin the issuance, execution or delivery of the Certificates, in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Certificates; or which would affect the provisions made for their payment or security, or in any manner question the validity of the Certificates.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

INITIAL PURCHASER

After requesting competitive bids for the Certificates, the City accepted the bid of _____ (the "Initial Purchaser of the Certificates") to purchase the Certificates at the interest rates shown on the (inside) cover page of the Official Statement at a price of _____(%) of par plus a cash premium of \$_____. The Initial Purchaser of the Certificates can give no assurance that any trading market will be developed for the Certificates after their sale by the City to the Initial Purchaser of the Certificates. The City has no control over the price at which the Certificates are subsequently sold and the initial yield at which the Certificates will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser of the Certificates.

MISCELLANEOUS

The Ordinance authorizing the issuance of the Certificates will also approve the form and content of this Official Statement, and any addenda or amendment thereto, and authorize its further use in the reoffering of the Certificates by the Initial Purchaser.

ATTEST:

Mayor
City of College Station, Texas

City Secretary
City of College Station, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

The City, located in Brazos County, is situated in the middle of a triangle bounded by Dallas/Fort Worth, Houston, and San Antonio/Austin. Approximately 80% of the Texas population is located within a 200 mile radius of the City. In addition to being a residential community for faculty, students and other personnel of Texas A&M University, the City also serves as a regional manufacturing, retail and health care hub.

The City was incorporated in 1938 and has a Council-City Manager form of government with City employees totaling 1,001.50 currently.

The City adopted and enforces comprehensive zoning and building restrictions aimed at assuring orderly growth and development. The City's ordinances require all subdividers, at their own expense and without provision for refund, to install streets and water and wastewater lines in any planned subdivision. These facilities are constructed under the City's specifications and inspection and when completed are deeded to the City free and clear. All areas within the City are now adequately served with water, wastewater and electric service.

Proximity to three of the nation's largest cities, college-town cultural amenities, low cost of living, varied housing options, warm climate and low crime rate have resulted in significant population growth over the last decade.

CITY OWNED FACILITIES

The City maintains approximately 543 linear miles of streets within city limits, 99% of which are hard surface. The City has a complete water distribution, wastewater collection and treatment system with 786 miles of wastewater and water lines. The City owns the electrical distribution system with approximately 471 miles of distribution lines and 20 miles of 138kv transmission lines.

The City has a fully equipped police department with 144 full time police officers and 76 support personnel. The department has 70 police patrol cars and one holding facility with a capacity of 17. The fire department consists of 152 full time fire fighters and 8 support personnel. There are six stations and a total of 8 engines, 6 ambulances, 2 command vehicles, 1 rescue truck, 2 ladder trucks, 1 tanker truck, and 1 grass fire truck.

EDUCATIONAL FACILITIES

The College Station Independent School District (the "School District") is a fully accredited system offering 17 educational campuses for pre-kindergarten through high school. The School District has a student enrollment in excess of 12,500 and employs close to 1,700 people. On November 3, 2015 the voters passed a bond proposition for the School District that includes the construction of three additional facilities. The bonds would fund a third intermediate school in the 2017-2018 school year and a third middle school and tenth elementary school in the 2018-2019 school year. The School District's facilities are also used by Blinn College, a community college offering two years of college level courses.

College Station is home to Texas A&M University which provides higher education, offering both four year college programs and graduate degree programs to over 66,000 enrolled students.

HEALTH CARE

College Station Medical Center, affectionately called 'The Med', is a 200,000 square foot community healthcare provider located on 25 acres within the city limits of College Station. The Med is a 167-bed facility and is a licensed Level III Trauma unit. College Station Medical Center is the only hospital in the Brazos Valley Region to receive national certification in joint replacement from the Joint Commission. They are also an accredited Chest Pain Center, a certified Primary Stroke Center and the region's first accredited Sleep Center. The over 650 healthcare professionals work every day to be a place of healing, caring and connection for patients and families in the community.

Rock Prairie Behavioral Health is a 72-bed state-of-the-art psychiatric hospital built specifically with patients' needs in mind and is dedicated to providing quality behavioral health care to promote growth and recovery for patients and families throughout the state of Texas. The acute psychiatric hospital treats adolescents, adults, and seniors in both inpatient and outpatient settings. The treatment facility is located in the heart of the Brazos Valley, conveniently located in College Station.

Baylor Scott & White Medical Center – College Station is a 403,000 square foot, five story, 143-bed hospital located on a 98 acre campus near the intersection of Texas Highway 6 and Rock Prairie Road within the City of College Station. Baylor Scott & White Medical Center – College Station is a nationally accredited Chest pain Center as well as a Level III Trauma Center. Scott & White Clinic – Rock Prairie, a four-story medical office building, is also located on the campus adjacent to the hospital. Baylor Scott and White Medical Center - College Station houses an emergency department, cardiac services including cath labs, neonatal intensive care unit, comprehensive cancer services, operating rooms, maternity services suites, endoscopic procedure suites, intra operative robotics and other specialty services, all supported by a pharmacy, comprehensive state-of-the-art imaging technology and other diagnostic capabilities.

Other area health care providers include: St. Joseph Regional Health Care Center, Baylor Scott and White Clinic, and The Physicians Centre.

Medical District

The City recently amended its Comprehensive Plan to include the College Station Medical District Master Plan. The Master Plan establishes guiding principles for the development of approximately 1,700 acres in south College Station to accommodate medical facilities, walkable village centers, commercial space, and a variety of residential unit types, all in close proximity to parks, open space, and trails. To ensure the long-term success of the District, the City has created a Tax Increment Reinvestment Zones to help fund the necessary infrastructure. The City activated a Municipal Management District along the relatively undeveloped east side of State Highway 6 to be used as a tool for development of these areas as well.

TRANSPORTATION

U.S. Highway 190/State Highway 21 links the City to Interstate 45 which is located approximately 35 miles to the east. State Highway 21 via U.S. Highway 290 also links the City to Austin, located approximately 110 miles to the west. State Highway 6 links the City to Waco (100 miles) and Interstate 35 to the north and Houston (90 miles) to the south. Also, State Highway 30 links the City to Huntsville (45 miles) and Interstate 45 to the east.

Airlines	Commercial, corporate and private airport facilities are provided by Easterwood Airport, which is located on the City's west side and is owned and operated by Texas A&M University. American Eagle Airlines provides daily flights to and from Dallas-Fort Worth Airport out of Easterwood. United Airlines provides daily flights to and from Houston Bush Intercontinental Airport out of Easterwood. This airport recently completed a \$15 million renovation to the terminal. Coulter Field is located north of the City of Bryan and provides a 4,000 foot lighted runway. Coulter Field offers all types of services for the private aircraft.
Bus Lines	Two bus lines serve the City with daily service connecting the City with Houston and Dallas.
Railroads	Rail freight service is provided by the Union Pacific Railroad. Union Pacific Railroad operates a main freight line from Houston through Bryan-College Station to Dallas-Fort Worth and beyond.

RECREATION

The College Station park system presently includes 58 parks encompassing 1448 acres, including a 515 acre wilderness park, and a 150-acre regional athletic park. Collectively, these parks contain 63 playgrounds, 33 soccer fields, 26 basketball courts, 43 softball/baseball backstops, 14 tennis courts, 3 swimming pools, a spray park, a skate park, a gymnasium, an outdoor amphitheater with a green room and plaza area, 1 festival site and a number of picnic shelters and 8 picnic pavilions. The Parks and Recreation Department sponsors a variety of organized athletic and aquatic programs as well as many special events throughout the year.

POPULATION

	Official U.S. Census ⁽¹⁾				
	1970	1980	1990	2000	2010
City of College Station	17,676	37,272	52,456	67,890	93,857
Brazos County	57,978	93,588	121,862	152,415	194,851

⁽¹⁾ U.S. Census Bureau, American Community Survey

ECONOMIC BACKGROUND

Texas A&M University and System

Texas A&M opened its doors in 1876 as the state's first public institution of higher learning. Located in College Station, Texas (about 90 miles northwest of Houston and within a two to three-hour drive from Austin and Dallas), Texas A&M's main campus is home to over 66,000 students, with more than 469,000 former students worldwide. As one of only 62 members of the prestigious Association of American Universities (AAU), an association of leading public and private research universities in the United States and Canada, Texas A&M boasts some of the top programs in academic research and scholarship. Texas A&M and the Texas A&M University System employ more than 27,000 full and part-time personnel.

Texas A&M is one of only 17 institutions in the nation to hold the triple designation as a land-grant, sea-grant, and space-grant university.

In May 2016, the Chancellor of The Texas A&M University System unveiled plans to invest \$150 million to create a new research and development campus to help companies move ideas from the laboratory to the marketplace while also offering a new path toward a

college degree. The facility, to be located at a revamped and renamed Riverside Campus in Brazos County, initially will include a cluster of seven new buildings and test beds to encourage the private sector to develop secure research facilities adjacent to the System's site. The facility, named the RELLIS Campus will focus on robotics, driverless and connected vehicles, advanced manufacturing, large-scale testing as well as smart power grids and water systems.

George Bush Presidential Library and Museum

The City is the site of the George Bush Presidential Library and Museum, located on the campus of Texas A&M University. Texas A&M provides programs and facilities such as research and instructional programs related to the library and museum, a conference center, communications center, educational museum/library center, and family-oriented facilities such as a park surrounding the presidential library and museum. The Presidential Library and Museum is also part of the George Bush Presidential Library Center which is home to the prestigious Bush School of Government and Public Service.

Century Square

The City continues to experience a sustained period of growth. The growth has resulted in continued retail development, especially in the Tower Point and Caprock developments in the southern part of the City with new restaurants and other businesses opening and others under construction to serve the ever growing residential populations in that area of the City. However, that growth has expanded to the north side of College Station where mixed-used facilities and additional hotels near the Texas A&M campus are under construction.

One such development is Century Square. This 60-acre development creates a dynamic community center where people congregate from across the region to experience a walkable, urban destination. The project features premier retail and restaurant establishments, entertainment venues, 60,000 SF of Class-A office, two full-service hotels: The George and Cavalry Court, luxury apartment homes: 100 Park, and an activated central gathering space.

Athletics

Athletics is an integral part of College Station. Texas A&M University, along with the City, hosts a multitude of athletic events. Texas A&M University is the home of Kyle Field, Reed Arena, Olsen Field at Bluebell Park, Aggie Softball Complex, George P. Mitchell Tennis Center and Gilliam Indoor Track Stadium. Several of Texas A&M teams have won both conference and national titles over the past five years with every university varsity level team competing in post-season play for the 2015-2016 season. This has positioned the University to host regional payoffs as well as national championship games. Texas A&M's move to the Southeastern Conference (SEC) in 2012 has proved positive for the City. For the Texas A&M's football team ranked third in the nation in average attendance for both the 2015 and 2016 seasons, and fifth in the nation for the 2017 season, according to figures released by the NCAA.

For the 2016 season, A&M drew 101,917 fans per game last season at the rebuilt Kyle Field, trailing only Michigan (110,468) and Ohio State (107,278). Capacity at Kyle Field is 102,512, the largest in the Southeastern Conference.

The City's sport complexes as well as the ease to get around makes College Station attractive to several organizations. Over the past several years, the Amateur Softball Association and the Texas Amateur Athletic Federation have chosen College Station to host state tournaments and events. In addition, the City facilitates two major softball tournaments, a soccer tournament, a 7 on 7 flag football tournament and baseball tournaments throughout the year. The City plans to add 2 additional synthetic athletic fields at Veterans Park and Athletic Complex. This is anticipated to allow additional tournaments to be held in this area.

MAJOR AREA EMPLOYERS

<u>Firm Name</u>	<u>Product</u>	<u>Number of Employees</u>
Texas A&M University System	Education	27,000+
Bryan ISD	Education	2,000 +
College Station ISD	Education	2,000 +
Texas A&M Health Science Center	Education	2,000 +
Reynolds & Reynolds	IT	1,800 +
Blinn College	Education	1,000 +
Sanderson Farms	Food Manufacturing	1,000 +
CHI St. Joseph Health System	Health Care	1,000 +
Walmart	Retail	1,000 +
HEB Grocery	Retail	1,000 +
City of College Station	Government	1,000 +
Brazos County	Government	500 - 999
City of Bryan	Government	500 - 999
College Station Medical Center	Health Care	500 - 999
Ply Gem Windows	Manufacturing	500 - 999
Baylor Scott & White Health	Health Care	500 - 999

Source: Research Valley Partnership

Employment is provided by a variety of high growth industries located in, or adjacent to, the City which include ambulatory health care services; professional, scientific, and technical services; specialty trade contractors; food manufacturing; administrative and support services as identified in the Local Employment Dynamics data. Additionally College Station is also home to the 350 acre Research Park, located on the Texas A&M University campus, which houses 30 public-private tenants including the Research Valley Partnership, Schlumberger, Texas A&M Transportation Institute, and Offshore Technology Research Center. The City also developed the 200-acre, Class "A" Business Center at College Station (BCCS), tenants of which include Reynolds and Reynolds Cognizant Technology Solution, Suddenlink Media, Stata Corporation, Heat Transfer Research, Inc. (HTRI), and the Texas A&M University System. In addition, the City has worked to develop a new Science Park at Research Valley, which currently houses Lynntech, Inc. and RBC Technologies.

LABOR STATISTICS

College Station

Year	Labor Force	Total Employment	Unemployment	Rate
2013	51,136	48,665	2,471	4.8%
2014	52,028	49,945	2,083	4.0%
2015	52,739	51,023	1,716	3.3%
2016	55,788	53,913	1,875	3.4%
2017	58,145	56,364	1,781	3.1%
2018 ⁽¹⁾	60,265	58,520	1,745	2.9%

Brazos County

Year	Labor Force	Total Employment	Unemployment	Rate
2013	103,089	98,074	5,015	4.9%
2014	104,334	100,180	4,154	4.0%
2015	105,935	102,343	3,592	3.4%
2016	110,420	106,643	3,777	3.4%
2017	113,424	109,948	3,476	3.1%
2018 ⁽¹⁾	117,588	114,153	3,435	2.9%

Source: Texas Workforce Commission.

(1) Average as of February 28, 2018.

BUILDING PERMITS

College Station has grown rapidly over the past 30 years as evidenced by an increase in population from 37,272 in 1980 to 93,857 in 2010. As of 2018, the estimated population of College Station was 117,841. The following table sets forth the number and value of construction permits issued by the City over the past several years.

Calendar Year	Residential Construction		Commercial Construction		Total	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2008	1,131	\$ 164,494,779	346	\$ 154,313,994	1,477	\$ 318,808,773
2009	792	82,316,558	243	46,947,099	1,035	129,263,657
2010	860	93,158,066	309	162,053,510	1,169	255,211,576
2011	971	124,132,135	359	123,779,052	1,330	247,911,187
2012	1,208	149,737,218	325	67,478,910	1,533	217,216,128
2013	1,030	145,142,757	333	67,516,132	1,363	212,658,889
2014	1,167	211,909,494	338	67,570,229	1,505	279,479,723
2015	1,687	206,336,883	294	78,209,095	1,981	284,545,978
2016	1,802	325,247,597	424	207,892,402	2,226	533,139,999
2017	1,189	267,381,810	344	172,755,189	1,533	440,136,999

Source: The City.

COUNTY CHARACTERISTICS

Brazos County was created in 1841 from Robertson and Washington Counties. The economy is diversified primarily by agribusiness, computer manufacturing, research and development, and education. The Texas Almanac designates cattle, hogs, sorghums, corn, cotton, wheat, oats and pecans as the principal sources of agricultural income.

The County had a 2010 population of 194,851, an increase of 27.8% since 2000. Minerals produced in the County include sand and gravel, lignite, gas and oil.

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APPENDIX B

EXCERPTS FROM THE
CITY OF COLLEGE STATION, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2017

The information contained in this Appendix consists of excerpts from the City of College Station, Texas Annual Financial Report for the Year Ended September 30, 2017, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORMS OF OPINIONS OF BOND COUNSEL

DRAFT



Legislation Details (With Text)

File #:	18-0277	Version:	2	Name:	
Type:	Contract	Status:		Agenda Ready	
File created:	4/12/2018	In control:		City Council Regular	
On agenda:	4/26/2018	Final action:			
Title:	Presentation, possible action, and discussion regarding contract 18300367 with JT Vaughn Construction, LLC as the Construction Manager at Risk for the College Station Police Headquarters project.				
Sponsors:	Erica Wozniak				
Indexes:					
Code sections:					
Attachments:	18300367 - Contract JT Vaughn Construction, LLC				

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding contract 18300367 with JT Vaughn Construction, LLC as the Construction Manager at Risk for the College Station Police Headquarters project.

Relationship to Strategic Goals: (Select all that apply)

- Core Services and Infrastructure

Recommendation(s): Approve JT Vaughn Construction, LLC as the Construction Manager at Risk for the College Station Police Headquarters project.

Summary: As previously approved by Council, the Construction Manager at Risk delivery method is being utilized for the College Station Police Headquarters project. Staff received 12 proposals from Construction Management firms. After reviewing the proposals and completing a bid tabulation, 4 of the 12 firms were selected for interviews. After interviewing these 4 firms, Staff believes JT Vaughn Construction, LLC will provide the best value for the City of College Station in regards to the new Police Headquarters project.

Budget & Financial Summary:

The total project budget is \$28,000,000.00 and \$25,000,000.00 of that amount is available for construction costs.

Attachments:

Contract on-file with the City Secretary's Office.

**CITY OF COLLEGE STATION
STANDARD FORM OF AGREEMENT
BETWEEN CITY AND CONSTRUCTION MANAGER AT RISK**

This Agreement is entered into by and between the **City of College Station**, a Texas home-rule municipal corporation (the “City”) and **J.T. Vaughn Construction, LLC**, a corporation (the “Construction Manager” or Contractor”) for the construction and/or installation of the College Station Police Department Headquarters as more formally described in RFP 18-051.

1. GENERAL PROVISIONS

1.1 Relationship of the Parties.

1.1.1 The Construction Manager accepts the relationship of trust and confidence established with the City by this Agreement, and covenants with the City to furnish the Construction Manager’s reasonable skill and judgment and to cooperate with the Architect in furthering the interests of the City. The Construction Manager shall furnish construction administration and management services and use the Construction Manager’s best efforts to perform the Project in an expeditious and economical manner consistent with the interests of the City. The City shall endeavor to promote harmony and cooperation among the City, Architect, Construction Manager and other persons or entities employed by the City for the Project.

1.2 General Conditions.

1.2.1 Basic Definitions.

1.2.1.1 **Addenda.** Addenda are written or graphic instruments issued prior to the execution of the Contract, which modify or interpret the proposal documents, including Drawings and Specifications, by additions, deletion, clarification or corrections. Addenda will become part of the Contract Documents when the Agreement is executed.

1.2.1.2 **Approved, Approved Equal and Approved Equivalent, or Equal** relate to the substitution of materials, equipment or procedure approved in writing by the Architect prior to receipt of proposals. The substitution procedure process to be followed prior to receipt of competitive sealed proposals is described in the instruction to proposers.

1.2.1.3 **Calendar Day.** A “calendar day” is any day of the week or month, no days being excepted.

1.2.1.4 **City.** Whenever the word “City” is used, it shall mean and be understood as referring to the City of College Station, Texas.

1.2.1.5 **City’s Representative.** Whenever the words “City’s Representative” or “Representative” are used, it shall mean and be understood as referring to the City Manager or his delegate, who shall act as the City’s agent. The City’s Representative may inspect and issue instructions but shall not directly supervise the Contractor. The City’s inspector has authority to reject the Work for failure to comply with the Contract Documents and/or applicable laws.

1.2.1.6 **Contract Documents.** The term “Contract Documents” shall mean those documents listed in Paragraph 1.3. The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the City and a Subcontractor or Sub-subcontractor, (3) between the City and Architect or (4) between any persons or entities other than the City and Contractor. The Architect shall be entitled, however, to performance and enforcement of obligations of the Contractor under the Contract intended to facilitate performance of the Architect’s duties.

1.2.1.7 **Contractor.** Whenever the word “Contractor” is used, it shall mean the person(s), partnership, or corporation who has agreed to perform the work embraced in this Agreement and the other Contract Documents; specifically it shall mean the Construction Manager.

1.2.1.8 **Contract Time.** The period of time which is established in the Contract Documents for Substantial Completion of the Work. This period of time is not subject to adjustment or extension without the written permission of the City.

1.2.1.9 **Drawings.** The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

1.2.1.10 **Extra Work.** The term “Extra Work” shall mean and include work that is **not** covered or contemplated by the Contract Documents but that may be required by the City’s Representative and approved by the City in writing **prior** to the work being done by the Contractor.

1.2.1.11 **Final Completion.** The term “Final Completion” shall mean that all the work has been completed, all final punch list items have been inspected and satisfactorily completed, all payments to materialmen and subcontractors have been made, all documentation and warranties have been submitted, and all closeout documents have been executed and approved by the City.

1.2.1.12 **Interpretation of Phrases.** Whenever the words “directed”, “permitted”, “designated”, “required”, “considered necessary”, “prescribed”, or words of like import are used, it is understood that the direction, requirement, permission, order, designation, or prescription of the City’s Representative is intended. Similarly, the words “approved”, “acceptable”, “satisfactory”, or words of like import shall mean approved by, accepted by, or satisfactory to the City’s Representative. In the interest of brevity the Contract Documents may omit modifying words such as “all” or “any” and articles such as “the” and “an”, but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

1.2.1.13 **Nonconforming work.** The term “nonconforming work” shall mean work or any part thereof that is rejected by the City’s Representative as not conforming with the Contract Documents.

1.2.1.14 **Notice to Proceed.** A notice that may be given by the Owner to the Contractor that directs the Contractor to start the Work.

1.2.1.15 **Parties.** The “parties” are the City and the Contractor.

1.2.1.16 **Project.** The term “Project” shall mean and include all that is required to obtain a final product that is acceptable to the City. The term “work” shall have like meaning. The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the City or by separate contractors.

1.2.1.17 **Punch List.** A comprehensive list prepared by the Contractor prior to Substantial Completion to establish all items to be completed or corrected; this list may be supplemented by the Architect or the City.

1.2.1.18 **Specifications.** The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services. Organization of the Specifications into divisions, sections and articles, and arrangement of drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade. Specifications are attached hereto as Exhibit E and are incorporated herein for all purposes.

1.2.1.19 **Subcontractor.** The term “subcontractor” shall mean and include only those hired by and having a direct contact with Contractor for performance of work on the Project. The City shall have no responsibility to any subcontractor employed by a Contractor for performance of work on the Project, and all subcontractors shall look exclusively to the Contractor for any payments due.

1.2.1.20 **Substantial Completion.** The term “Substantially Completed” means that in the opinion of the City’s Representative the Project, including all systems and improvements, is in a condition to serve its intended purpose but still may require minor miscellaneous work and adjustment. Final payment of the Agreement Price, including retainage, however, shall be withheld until Final Completion and acceptance of the work by the City. Acceptance by the City shall not impair or waive any warranty obligation of Contractor.

1.2.1.21 **Work.** The term “Work” means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor’s obligations. The Work may constitute the whole or a part of the Project. The Work includes all labor, parts, supplies, skill, supervision, transportation, services, and other facilities and things necessary, proper or incidental to the carrying out and completion of the terms of the Contract Documents and all other items of

cost or value needed to produce, construct and fully complete the Work identified by the Contract Documents.

1.2.1.22 **Working Day.** A “working day” means any day not including Saturdays, Sundays, or legal holidays.

1.2.1.23 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

1.3 Contract Documents.

1.3.1 The Contract Documents and their priority shall be as follows:

- 1.3.1.1 This signed Agreement
- 1.3.1.2 Addendum to this Agreement
- 1.3.1.3 General Conditions
- 1.3.1.4 Special Conditions
- 1.3.1.5 Technical specifications
- 1.3.1.6 Drawings
- 1.3.1.7 Instructions to Bidders and any other notices to Bidders
or Contractor
- 1.3.1.8 Performance bond, Payment bonds, Bid bonds and Special
bonds
- 1.3.1.9 Contractor’s Proposal

1.3.2 Where applicable, the Contractor will be furnished one (1) CD of plans, drawings, specifications, and related Contract Documents for its use during construction. Plans and specifications provided for use during construction shall be furnished directly to the Contractor only.

1.3.3 The Contractor shall distribute copies of the plans and specifications to suppliers and subcontractors as necessary. The Contractor shall keep one (1) copy of the plans and specifications accessible at the work site with the latest revisions noted thereon. For proper execution of the work contemplated by this Agreement, additional sets of drawings, plans and specifications may be purchased by the Contractor.

1.3.4 All drawings, specifications, and copies thereof furnished by the City shall not be re-used on other work, and with the exception of one (1) copy of the signed Contract

Documents, all documents, including sets of the plans and specifications and “as built” drawings, are to be returned to the City on request at the completion of the work. All Contract Documents, models, mockups, or other representations are the property of the City. In the event of inconsistencies within or between parts of the Contract Documents, the Contractor shall (1) provide the better quality or greater quantity of Work, or (2) comply with the more stringent requirement, either or both in accordance with the City’s interpretation.

1.4 Owner.

1.4.1 The Owner (or City) is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term “Owner” means the City of College Station or the City’s authorized representative. The terms “Owner” and “City” may be used interchangeably throughout this Agreement.

1.4.2 The presence of the City or Architect at the Work site does not imply acceptance or approval of Work.

1.4.3 Information And Services Required Of The Owner.

1.4.3.1 Information or services reasonably necessary for the Work and under the City’s control shall be furnished by the City with reasonable promptness where requested in writing by the Contractor. In any instance where information or services from the City or Architect is required, Contractor shall promptly notify the Architect in writing, with a copy to the City, of the particular need. **Absent such notification, any Claim based upon lack of such information or services shall be waived.**

1.4.4 Owner’s Right To Stop The Work.

1.4.4.1 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 1.14.2. or persistently fails to carry out Work in accordance with the Contract Documents, the City may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the City to stop the Work shall not give rise to a duty on the part of the City to exercise this right for the benefit of the Contractor or any other person or entity.

1.4.5 Owner’s Right To Carry Out The Work.

1.4.5.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the City to commence and continue correction of such default or neglect with diligence and promptness, the City may, without prejudice to other remedies the City may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the cost of correcting such deficiencies, including compensation for the Architect’s additional services made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the City.

1.4.5.2 After the Work is complete, the City may make emergency repairs to the Work, if necessary, to prevent further damage, or if the Contractor does not promptly respond to a notice of condition requiring repairs. Contractor shall be responsible to City for this cost if the repairs are due to the Contractor's defective Work. If payments then or thereafter due the Contractor are not sufficient to cover such costs, the Contractor shall pay the difference to the City.

1.4.6 Owner's Right To Use Or Occupy.

1.4.6.1 The City shall have the right to occupy or use without prejudice to the right of either party, any completed or largely completed portions of the Project, notwithstanding the time for completing the entire Work or such portions may not have expired. Such occupancy and use shall not constitute acceptance of any Work not in accordance with the Contract Documents.

1.4.6.2 If such prior use delays the completion of the Project, the Contractor shall be entitled to extension of time, which claim shall be in writing with supporting data attached.

1.4.6.3 See Paragraph 1.13 – Insurance and Bonds regarding property insurance requirements in the event of such occupancy.

1.5 Contractor.

1.5.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

1.5.2 The Contractor shall perform the Work in accordance with the Contract Documents.

1.5.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

1.5.4 Review Of Contract Documents And Field Conditions By Contractor.

1.5.4.1 The Contractor shall carefully study and compare the Agreement, Conditions of the Contract, Drawings, Specifications, Addenda, and Modifications and shall at once report to the Architect any error, inconsistency, or omission the Contractor discovers. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, any errors, inconsistencies or omissions discovered by the Contractor shall be reported promptly to the Architect as a request for information in such form as the Architect may require. If the Contractor performs any construction activity knowing it involves a recognized error, inconsistency or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume

responsibility for such performance and shall pay the total amount of the attributable costs for correction. Contractor shall not be liable to City or Architect for any damage resulting from such error, inconsistency or omission which Contractor should not have discovered or which Contractor did discover and at once so reported. Contractor shall do no Work without approved Drawings and Specifications.

1.5.4.2 If the Contractor fails to perform the obligations of Paragraph 1.5.4.1., the Contractor shall pay such costs and damages to the City as would have been avoided if the Contractor had performed such obligations.

1.5.4.3 The Contractor shall not be entitled to additional compensation for the “rework portion” of any additional work caused by its failure to carefully study and compare the Contract Documents prior to execution of the Work.

1.5.4.4 The Contractor shall make a reasonable attempt to interpret the Contract Documents before asking the Architect for assistance in interpretation. The Contractor shall not ask the Architect for observance of work prior to the Contractor’s field superintendent’s personal inspection of the Work and his determination that the Work complies with the Contract Documents. The Contractor shall arrange meetings prior to commencement of the Work of all major Subcontractors to allow the Subcontractor(s) to ask for any interpretation it may require.

1.5.4.5 If, in the opinion of the Architect, the Contractor does not make a reasonable effort to comply with the above requirements of the Contract Documents and this causes the Architect or its Consultants to expend an unreasonable amount of time in the discharge of the duties imposed on the Architect by the Contract Documents, then the Contractor shall bear the cost of compensation for the Architect’s additional services made necessary by such failure. The Architect will give the Contractor prior notice of intent to bill for additional services related to above requirements before additional services are performed.

1.5.4.6 If the Contractor has knowledge that any of the products or systems specified will perform in a manner that will limit the Contractor’s ability to satisfactorily perform with Work or to honor Contractor’s Warranty, Contractor shall promptly notify the Architect, in writing, providing substantiation for Contractor’s position. Any necessary changes, including substitution of materials, shall be accomplished by appropriate Modification.

1.5.5 Supervision And Construction Procedures.

1.5.5.1 The Contractor shall supervise and direct the Work, using the Contractor’s best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated

below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the City and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect.

1.5.5.2 The Contractor shall be responsible to the City for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors. It is understood and agreed that the relationship of the Contractor to City shall be that of an independent contractor. Nothing contained herein or inferable herefrom shall be deemed or construed to (1) make Contractor the agent, servant or employee of the City, or (2) to create any partnership, joint venture, or other association between City and Contractor. Any direction or instruction by City or any of its authorized representatives in respect of the Work shall relate to the results the City desires to obtain from the Work, and shall in no way affect Contractor's independent contractor status described herein.

1.5.5.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

1.5.5.4 Contractor shall execute the Work in a good and workmanlike manner, continuously and diligently in accordance with generally accepted standards of construction management and practice for construction of projects similar to the Project, using qualified, careful and efficient workers and in conformity with the provisions of this Contract and the other Contract Documents.

1.5.6 Labor And Materials.

1.5.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

1.5.6.2 The Contractor may make substitutions only with the consent of the City, after evaluation by the Architect and in accordance with a Change Order.

1.5.6.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

1.5.7 Warranty.

1.5.7.1 The Contractor warrants to the City and Architect that materials and equipment furnished under the Contract will be of good quality and new

unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform to the requirements of the Contract Documents and recognized industry standards. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance (unless such maintenance is Contractor's responsibility), improper operation, or normal wear and tear. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The warranties set out in this Paragraph are not exclusive of any other warranties or guarantees set out in other places in the Contract Documents or implied under applicable law.

1.5.7.2 Prior to final payment, Contractor shall furnish any manufacturer warranties required by the Contract Documents.

1.5.7.3 When deemed necessary by the City, and prior to installation of any items specifically made subject to a performance standard or regulatory agency standard under any provision of the Contract Documents, Contractor shall furnish proof of conformance to the Architect. Proof of Conformance shall be in the form of (1) an affidavit from the manufacturer certifying that the item is in conformance with the applicable standard, (2) an affidavit from a testing laboratory certifying that the product has been tested within the past year and is in conformance with the appreciated standard, or (3) such further reasonable proof as required by the Architect.

1.5.7.4 The warranties of Contractor provided in Subparagraph 1.5.7.1. shall in no way limit or abridge the warranties of the suppliers of equipment and system which are to comprise a portion of the Work and all of such warranties shall be in form and substance as required by the Contract Documents. Contractor shall take no action or fail to act in any way which results in the termination or expiration of such third party warranties or which otherwise results in prejudice to the rights of City under such warranties. Contractor agrees to provide all notices required for the effectiveness of such warranties and shall include provisions in the contracts with the providers and manufacturers of such systems and equipment whereby the City shall have a direct right, but not a duty, of enforcement of such warranty obligations.

1.5.7.5 In the event of failure of materials, products, or workmanship, either during construction or the warranty period (which shall be one (1) year from the Date of Final Completion, except where a longer period is specified), the Contractor shall take appropriate measures to assure correction or replacement of the defective items, whether notified by the City or Architect.

1.5.7.6 Approximately eleven (11) months after Substantial Completion, the Contractor shall accompany the City and Architect on a complete inspection of the Project and be responsible for correcting any observed or reported deficiencies within thirty (30) calendar days.

1.5.8 Permits, Fees And Notices.

1.5.8.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract and which are legally required when bids are received or negotiations concluded. All connection charges, assessments or inspection fees as may be imposed by any city or utility company are included in the Contract Sum and shall be the Contractor's responsibility.

1.5.8.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders and all other requirements of public authorities applicable to performance of the Work. The Contractor shall procure and obtain all bonds required of the City or the Contractor by the Contract Documents. In connection with such bonds, the Contractor shall prepare all applications, supply all necessary back-up material, and furnish the surety with any required information. The Contractor shall also obtain and pay all charges for all approvals for street closing and other similar matters as may be necessary or appropriate from time to time for the performance of the Work.

1.5.8.3 It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, if the Contractor observes or should have observed that portions of the Contract Documents are contrary therewith, the Contractor shall promptly notify the Architect and City in writing, and necessary changes shall be accomplished by appropriate Modification.

1.5.8.4 If the Contractor performs Work which it knows or should have known to be contrary to applicable laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Architect and City, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs.

1.5.8.5 The Contractor shall be responsible for timely notification to and coordination with all utility companies regarding the provision of or revising of services to the Project. The Contractor shall inform the Architect at once when the City's participation is required. Connections for temporary and permanent utilities required for the Work are the responsibility of the Contractor. Payment for temporary and/or permanent utility services through Final Completion of the Work shall be the responsibility of the Contractor.

1.5.9 Allowances.

1.5.9.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. These stated allowances represent the cost estimate of the materials and equipment delivered and unloaded at the site. The Contractor's installation labor, overhead, profit, and other expenses contemplated for the allowance material and equipment shall be included in allowance only where called for in the Contract Documents. The Contractor shall purchase the allowance materials and equipment as

directed by the Architect on the basis of the lowest responsive bids of at least three (3) competitive bids. If the actual cost of the materials and equipment delivered and unloaded at the site is more or less than all the allowance estimates, upon City approval the Contract Sum will be adjusted accordingly by Change Order.

The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Paragraph 1.5.9.1 and (2) changes in Contractor's costs, subject to the limitations set forth at Paragraph 1.9.2.1 (c).

1.5.9.2 Materials and equipment under an allowance shall be selected with reasonable promptness by the City to avoid delays in the Work (provided that if a decision is needed by a certain date to avoid delay, Contractor shall notify Architect in writing sufficiently in advance of the needed date to allow reasonable time for selections).

1.5.10 Superintendent.

1.5.10.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case. Notwithstanding the foregoing, Contractor shall keep on the job the superintendent approved by City who shall not be transferred from the Project without City's consent (which shall not be unreasonably withheld). However, such obligation to furnish the superintendent shall not be construed (1) to preclude the promotion within Contractor's organization of any person assigned to the Project or (2) to give rise to any liability of Contractor if any person assigned to the Project leaves Contractor's employ. If City reasonably determines that any employee of Contractor or of its Subcontractors is careless or not qualified to perform the Work assigned to him, and City and Contractor cannot, after a diligent and good faith attempt, agree what action should be taken with respect to the removal or reassignment of such employees, the Contractor shall promptly remove such employee from the Project and replace such employee. At all times while procurement activities are being performed in Contractor's office, Contractor shall appoint an individual (approved by City, acting reasonably) authorized to act on behalf of Contractor and with whom City may consult at all reasonable times, and who shall be authorized to receive the instructions, requests and decisions of City. All of Contractor's and Subcontractor's personnel shall comply with all applicable health, safety, and loss prevention rules of applicable authorities. Contractor shall, at its own expense, remove from the Project any person who fails to comply with such rules and instructions in any material respect.

1.5.11 Contractor's Construction Schedules.

1.5.11.1 The Contractor shall, promptly after executing the Contract, develop a construction schedule reasonably defining a plan for completing the Work within the required time. The format and detail of the schedule shall be in keeping with the size and complexity of the Project, and the schedule and all updates shall be subject to approval

of the City and Architect. The schedule and any updates shall not exceed time limits current under the Contract Documents including granted time extensions, and shall be revised at appropriate intervals as reasonably required by the City and Architect, shall be related to the entire Project (if more than one Contract is involved in the Project), and shall provide for expeditious and practicable execution of the Work. All updated schedules shall address the subject of how the Contractor intends to overcome any delays previously encountered. The Contractor shall submit to the Architect with each monthly Application for Payment, a copy of the updated construction schedule as a prerequisite for approval of Applications for Payment.

1.5.11.2 The Contractor shall prepare and keep current, for the Architect's approval, a schedule of submittals which is coordinated with the Contractor's construction schedule and allows the Architect reasonable time to review submittals.

1.5.11.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the City and Architect.

1.5.11.4 The process of approving Contractor's schedules and updates to Contractor's schedules shall not constitute a warranty by the City that any non-Contractor milestones or activities will occur as set out in the Contractor's schedules. Approval of a Contractor's schedule does not constitute a commitment by the City to furnish any Owner-furnished information or material any earlier than City would otherwise be obligated to furnish that information or material under the Contract Documents. Failure of the Work to proceed in the sequence scheduled by Contractor shall not alone serve as the basis for a Claim for additional compensation or time. In the event there is interference with the Work which is beyond its control, Contractor shall attempt to reschedule the Work in a manner that will hold the additional time and costs to a minimum. The construction schedules shall be in a detailed format satisfactory to the City and the Architect and shall also: (1) provide a graphic representation of all activities and events that will occur during performance of Work; (2) identify each phase of construction and occupancy; and (3) set forth dates that are critical in ensuring the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents (hereinafter referred to as Milestone Dates). If not accepted, the construction schedules shall be promptly revised by the Contractor in accordance with the recommendations of the City and Architect and re-submitted for acceptance. The Contractor shall monitor the progress of the Work for conformance with the requirements of the construction schedules and shall promptly advise the City of any delays or potential delays. The accepted construction schedules shall be updated to reflect actual conditions as set forth in Paragraph 1.5.11.1, if requested, by either the City or Architect. In the event any schedule indicates any delays, the Contractor shall propose an affirmative plan to correct the delay. In no event shall any schedule constitute an adjustment in the Contract Time, any Milestone Date or the Contract Sum unless any such adjustment is agreed to by the City and authorized pursuant to Change Order.

1.5.12 Documents And Samples At The Site.

1.5.12.1 The Contractor shall maintain at the site for the City one record copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in

good order and marked currently to record field changes and selections made during construction, and one record copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the City upon completion of the Work.

1.5.13 Shop Drawings, Product Data And Samples.

1.5.13.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

1.5.13.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

1.5.13.3 Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

1.5.13.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Contract Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the Architect is subject to the limitations of Paragraph 1.6.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals which are not required by the Contract Documents may be returned by the Architect without action.

1.5.13.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the City or of separate contractors. Submittals which are not marked as reviewed for compliance with the Contract Documents and approved by the Contractor may be returned by the Architect without action.

1.5.13.6 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents. If, in the opinion of the Architect, the shop drawings indicate a lack of study and the review by the Contractor is incomplete, or indicate an inadequate understanding of the Work covered by the shop drawings, prior to submittal to the Architect, the shop drawings will be returned, unchecked, to the Contractor for correction of any/all of these deficiencies for subsequent resubmittal.

1.5.13.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

1.5.13.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

1.5.13.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice the Architect's approval of a resubmission shall not apply to such revisions.

1.5.13.10 The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the City and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The City and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the City and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Paragraph 1.5.13.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

1.5.13.11 Adequate copies of Shop Drawings for architectural, structural, mechanical and electrical work shall be submitted to the Architect for review.

1.5.13.12 The Contractor shall submit complete Drawings, Data and Samples to the Architect at least thirty (30) days prior to the date the Contractor needs the reviewed submittals returned. The Contractor shall be prepared to submit color samples on any key items within sixty (60) days of the execution of the Contract. Once samples of all key items are received, the Architect will finalize color selections.

1.5.13.13 The Contractor shall submit the number of copies of Product Data and Samples which the Contractor and its Subcontractor(s) need for their use PLUS two (2) additional sets for the Architect, one (1) additional set for the City and one (1) additional set for each of the Architect's consultants involved with the particular section of Work. Where Shop Drawings are involved, the Contractor shall submit one (1) high quality reproducible transparency and one (1) opaque print of the Shop Drawings for the Architect plus one (1) additional opaque print for each of the Architect's consultants involved with the particular section of Work. The reproducible transparency will be marked by the Architect and/or its consultants. After final review and correction of the submittal, Contractor shall send one (1) corrected set to the Architect and one (1) to each of the Architect's consultants involved with the particular section of Work.

1.5.13.14 The Contractor shall provide composite drawings within three (3) months of Contract signing showing how all piping, ductwork, lights, conduit, equipment, etc. will fit into the ceiling space allotted, including clearances required by the manufacturer, by code, or in keeping with good construction practice. Space for all trade elements must be considered on the same drawing. Drawings shall be at ¼ inch per foot minimum scale and shall include invert elevations and sections required to meet the intended purpose.

1.5.14 Use Of Site.

1.5.14.1 The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

1.5.14.2 The Contractor's access to the site, parking, field office location, material and equipment storage, and confinement of said areas shall be coordinated with, and approved by the City prior to the Contractor's mobilization on the site. Once agreed upon, the Contractor shall not adjust or increase any of the above areas without prior consent by the Owner.

1.5.15 Cutting And Patching.

1.5.15.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

1.5.15.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the City or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the City or a separate contractor except with written consent of the City and of such separate contractor; such consent shall not be

unreasonably withheld. The Contractor shall not unreasonably withhold from the City or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

1.5.16 Cleaning Up.

1.5.16.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials. The Contractor shall be responsible for protection of the Work and shall repair or replace damaged work at Substantial Completion of the Work. The Contractor shall remove all temporary protections at the completion of the Work.

1.5.16.2 If the Contractor fails to clean up as provided in the Contract Documents, the City may do so and the cost thereof shall be charged to the Contractor.

1.5.16.3 Prior to the Architect's inspection for Substantial Completion, the Contractor shall: clean exterior surfaces exposed to view; remove temporary labels, stains, and foreign substances; polish transparent and glossy surfaces; clean equipment and fixtures to a sanitary condition; clean roofs; clean the Project site; sweep paved areas and rake clean other surfaces; and remove trash and surplus materials from the Project site.

1.5.17 Access To Work.

1.5.17.1 The Contractor shall provide the City and Architect access to the Work in preparation and progress wherever located.

1.5.18 Royalties, Patents And Copyrights.

1.5.18.1 The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the City and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the City or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

1.5.19 **INDEMNIFICATION AND RELEASE.**

1.5.19.1 **CONTRACTOR SHALL PROTECT, DEFEND, HOLD HARMLESS AND INDEMNIFY THE CITY FROM ANY AND ALL CLAIMS, DEMANDS, EXPENSES, LIABILITY OR CAUSES OF ACTION FOR INJURY TO ANY PERSON, INCLUDING DEATH, AND FOR DAMAGE TO ANY PROPERTY, TANGIBLE OR INTANGIBLE, OR FOR ANY BREACH OF CONTRACT ARISING OUT OF OR IN ANY MANNER CONNECTED WITH THE WORK**

DONE BY ANY PERSON UNDER THIS AGREEMENT. IT IS THE INTENT OF THE PARTIES THAT THIS PROVISION SHALL EXTEND TO, AND INCLUDE, ANY AND ALL CLAIMS, CAUSES OF ACTION OR LIABILITY CAUSED BY THE CONCURRENT, JOINT AND/OR CONTRIBUTORY NEGLIGENCE OF THE CITY, AN ALLEGED BREACH OF AN EXPRESS OR IMPLIED WARRANTY BY THE CITY OR WHICH ARISES OUT OF ANY THEORY OF STRICT OR PRODUCTS LIABILITY.

1.5.19.2 The indemnifications contained in Paragraph 1.5.19.1. shall include but not be limited to the following specific instances:

(a) **The City is damaged due to the act, omission, mistake, fault or default of the Contractor.**

(b) **In the event of any claims for payment for goods or services brought by any material suppliers, mechanics, laborers, or other subcontractors.**

(c) **In the event of any and all injuries to or claims of adjacent property owners caused by the Contractor, its agents, employees, and representatives.**

(d) **In the event of any damage to the floor, walls, etc., caused by the Contractor's personnel or equipment during installation.**

(e) **The removal of all debris related to the Work.**

(f) **The acts and omissions of the subcontractors.**

(g) **The Contractor's failure to comply with applicable federal, state, or local regulations, that touch upon or concern the maintenance of a safe and protected working environment and the safe use and operation of machinery and equipment in that working environment, no matter where fault or responsibility lies.**

1.5.19.3 The indemnification obligations of the Contractor under this Paragraph shall not extend to include the liability of any professional engineer, the architect, their consultants, and agents or employees of any of them arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, Change orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the professional engineer, the architect, their consultants, and agents and employees of any of them, provided such giving or failure to give is the primary cause of the injury or damage.

1.5.19.4 It is agreed with respect to any legal limitations now or hereafter in effect and affecting the validity or enforceability of the indemnification obligation under Paragraph 1.5.19.1., such legal limitations are made a part of the indemnification obligation and shall operate to amend the indemnification obligation to the minimum extent necessary to bring the provision into conformity with the requirements of

such limitations, and as so modified, the indemnification obligation shall continue in full force and effect.

1.5.19.5 Contractor's indemnification obligations hereunder shall survive termination, completion, abandonment and final payment.

1.5.19.6 The Contractor assumes full responsibility for the Work to be performed hereunder, and **hereby releases, relinquishes, and discharges** the City, its officers, agents, and employees from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person (whether employees of either party or other third parties) and any loss of or damage to any property (whether property of either of the parties hereto, their employees, or of third parties) that is caused by or alleged to be caused by, arising out of, or in connection with the Contractor's Work to be performed hereunder. This release shall apply regardless of whether said claims, demands, and causes of action are covered in whole or in part by insurance, and in the event of injury, death, property damage, or loss suffered by the Contractor, any Subcontractor, or any person or organization directly or indirectly employed by any of them to perform or furnish work on the Project, this release shall apply regardless of whether such injury, death, loss, or damage was caused in whole or in part by the negligence of the City.

1.5.20 Reproducible Record Drawings.

1.5.20.1 Required as part of Final Completion of the Project, the Contractor shall submit one (1) complete set of drawings with all changes made during construction, including concealed mechanical, electrical, and plumbing items

1.5.21 Antitrust Violations.

1.5.21.1 To permit the City to recover damages suffered in antitrust violations, Contractor hereby assigns to Owner any and all claims for overcharges associated with this Contract which are under the antitrust laws of the United States, 15 U.S.C.A., Sec. 1 et. seq. (1973). The Contractor shall include this provision in its agreements with each Subcontractor and supplier. Each Subcontractor shall include such provision in agreements with sub-subcontractors and suppliers.

1.6 Administration Of The Contract.

1.6.1 Architect.

1.6.1.1 The Architect is the person lawfully licensed to practice architecture or an entity lawfully practicing architecture identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Architect" means the Architect or the Architect's authorized representative or such successor Architect as City may appoint by written notice to Contractor from time to time.

1.6.1.2 City shall notify Contractor when the duties, responsibilities or limitations of authority of the Architect have been modified.

1.6.1.3 If the employment of the Architect is terminated, the City may elect to appoint a replacement Architect, or at its option, elect to complete the Project using another consultant or representative to perform the balance of the Architect's functions on the Work.

1.6.1.4 Except as herein expressly provided, the Contractor shall not be relieved of its obligation to perform the Work in strict accordance with the Contract Documents by the activities or duties of the Architect.

1.6.2 Architect's Administration Of The Contract.

1.6.2.1 Certain portions of the administration of the Contract will be performed by the Architect. The Architect shall not have the authority to act on behalf of the City unless such authority is expressly granted in the Contract Documents, nor shall such authority be implied from any act or representation of the Architect. The City is free to elect to have some of the administration duties set out for the Architect to perform under the Contract Documents performed by a construction manager or by employees of the City.

1.6.2.2 The Architect, as a representative of the City, will visit the site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the City informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the City against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Paragraph 1.5.5.1. In no event shall City or any other party have control over, be in charge of, or be responsible for construction means, methods, techniques, sequences, procedures, or for safety precautions and programs in connection with the Work, since these are solely Contractor's responsibilities. City will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. City will not have control over, be in charge of, and will not be responsible for the acts or omissions of Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the Work.

1.6.2.3 The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

1.6.2.4 Communications Facilitating Contract Administration. Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the City and Contractor shall endeavor to communicate with

each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the City.

1.6.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

1.6.2.6 The Architect will have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable for implementation of the intent of the Contract Documents, the Architect will have authority to require additional inspection or testing of the Work in accordance with Paragraphs 1.15.5.2. and 1.15.5.3., whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made reasonably and in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

1.6.2.7 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken with such reasonable promptness as to cause no delay in the Work or in the activities of the City, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of its obligations. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

1.6.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Paragraph 1.9.4.

1.6.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of Final Completion, will receive and forward to the City, for the City's review and records, written warranties and related documents required by the Contract and assembled by the Contractor, and will issue a final Certificate for Payment upon compliance with the requirements of the Contract Documents.

1.6.2.10 If the City and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

1.6.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the City or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If no agreement is made concerning the time within which interpretations required of the Architect shall be furnished in compliance with this Paragraph 1.6.2.11, then delay shall not be recognized on account of failure by the Architect to furnish such interpretations until thirty (30) days after written request is made for them.

1.6.2.12 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings.

1.6.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

1.6.3 Claims And Disputes.

1.6.3.1 Definition. A Claim is any demand or assertion by the Contractor that it should be paid more money than the Contract Sum, as adjusted under the Change Order provisions herein, by the City because of action or inaction on the part of City, Architect, or any party for whom City is responsible, or any party with whom City has separately contracted for other portions of the Project, including but not limited to any demand or assertion that Contractor's performance has been delayed, interrupted or interfered with, that Contractor's performance has been accelerated, constructively accelerated, or suspended, that Contractor's performance has been wrongfully terminated, that the Contract Documents have been misinterpreted, that there has been a failure of payment, that Contractor has encountered concealed or unknown conditions, that Contractor has encountered hazardous materials, that there are problems with the Contract Documents, or the timing of Architectural approvals or decisions, that action of the City have been intentionally wrongful or deceptive in any way to the Work, that the amount of time or money granted in a Construction Change Directive is inadequate, that an item treated as a minor change in the Work should have been treated as a Change Order, that a time extension granted was inadequate, or that Contractor is entitled to any other relief, on any legal theory, related to the Work and the Contract. Nothing contained in this subparagraph shall be construed as creating any Contractor right to make a claim, where no such right otherwise exists.

1.6.3.2 Notice Requirement: Within fourteen (14) calendar days of the first occurrence of an event that Contractor has any reason to believe might result in a Claim, or within fourteen (14) calendar days of Contractor's discovery of the first

occurrence of the event that Contractor has any reason to believe might result in a Claim, if the first occurrence of the event was willfully hidden from the Contractor, the Contractor shall file a written document clearly captioned "Notice of Claim" with City and Architect. The notice shall clearly set out the specific matter of complaint, and the impact of damages which may occur or have occurred as a result thereof, to the extent the impact or damages can be assessed at the time of the notice. If the impact or damages cannot be assessed as of the date of the notice, the notice shall be amended at the earliest date that is reasonably possible.

1.6.3.2.1 Any Claim or portion of a Claim that has not been made the specific subject of a notice strictly in accordance with the requirements of this Paragraph shall be waived. It is imperative that City have timely, specific notice of any subject, the impact of which City may be in a position to mitigate.

1.6.3.2.2 No course of conduct or dealings between the parties, nor implied acceptance of alteration or additions to the Work or changes to the Contract schedule, shall be the basis for any claim for an increase in the Contract Sum or change in the Contract Time.

1.6.3.3 Claims Handling During Construction: After receipt of a Notice of Claim, the City may elect to refer the matter to the Architect or another party for review. Contractor will attend meetings called to review and discuss the Claim and mitigation of the problem, and shall furnish any reasonable factual backup of the Claim requested. The City may also elect to defer consideration of the Claim until the Work is completed, in which case the same review options shall be available to the City at the completion of the Work. At any stage, the City is entitled to refer a Claim to mediation under the Construction Industry Mediation Rules of the American Arbitration Association, and if this referral is made, Contractor will take part in the mediation process. The filing, mediation or rejection of a Claim does not entitle Contractor to stop performance of the Work. The Contractor shall proceed diligently with performance of the Work during the pendency of any claim, except termination under City's direction to stop the Work. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. The parties shall share the Mediator's fee and any filing fees equally, and the Mediation shall be held in College Station, Texas.

1.6.3.4 Claims Handling Following Construction: The acceptance of final payment shall constitute a waiver of Claims by the Contractor which have not previously been identified in a timely notice of Claim and specifically reserved in the final Application for Payment.

1.6.3.5 Claims for Concealed or Unknown Conditions. Only if conditions are encountered at the site which are (1) subsurface or otherwise concealed physical conditions which differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then Contractor shall be entitled to make a Claim if it can satisfy all of the other requirements of Paragraph 1.6.

1.6.3.6 Claims for Additional Cost. If the Contractor wishes to make Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Paragraph 1.12.4.

1.6.3.7 Calculating Claim Amount: In calculating the amount of any Claim, the following standards will apply:

- (a) No indirect or consequential damages will be allowed.
- (b) All damages must be directly and specifically shown to be caused by a proven wrong. No recovery shall be based on a comparison of planned expenditures to total actual expenditures, or on estimated losses of labor efficiency, or on a comparison of planned manloading to actual manloading, or any other analysis that is used to show damages indirectly.
- (c) Damages are limited to extra costs specifically shown to have been directly caused by a proven wrong.
- (d) The maximum daily limit on any recovery for delay shall be the amount established by the Contractor for job overhead costs, defined in the Schedule of Values, divided by the total number of calendar days of Contract Time called for in the original Contract. Absent an overhead amount in the Schedule of Values, the amount estimated by the Contractor for job overhead costs shall be used.
- (e) The maximum amount of all Claims is expressly agreed to be limited to five percent (5%) of the Contract Sum.

1.7 Subcontractors.

1.7.1 Definitions.

1.7.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

1.7.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

1.7.2 Award Of Subcontracts And Other Contracts For Portions Of The Work.

1.7.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the City through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Architect will promptly reply to the Contractor in writing stating whether or not the City or the Architect, after due investigation, has reasonable objection to any such proposed person or entity. Failure of the City or Architect to reply promptly shall constitute notice of no reasonable objection.

1.7.2.2 The Contractor shall not contract with a proposed person or entity to whom the City or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

1.7.2.3 If the City or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the City or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

1.7.2.4 The Contractor shall not change a Subcontractor, person or entity previously selected if the City or Architect makes reasonable objection to such substitute.

1.7.2.5 The Contractor shall submit the list of proposed Subcontractors on a form provided by the Architect. The Contractor may obtain blank copies from the Architect.

1.7.2.6 The Contractor and Subcontractors are required to visit the site and completely familiarize themselves with the existing conditions prior to the submission of Proposal(s). No additional increase in the Contract amount will be provided when existing or known conditions require a certain amount of work to comply with the intent of the Contract Documents.

1.7.3 Subcontractual Relations.

1.7.3.1 By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the City and Architect. Each subcontract agreement shall preserve and protect the rights of the City and Architect under the Contract Documents

with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

1.7.4 Contingent Assignment Of Subcontracts.

1.7.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the City provided that:

(a) assignment is effective only after termination of the Contract by the City for cause pursuant to Paragraph 1.16.2. and only for those subcontract agreements which the City accepts by notifying the Subcontractor and Contractor in writing; and

(b) assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

1.7.4.2 City shall only be responsible for compensating Subcontractor for Work done or materials furnished after the date City gives written notice of its acceptance of the subcontract agreement.

1.7.4.3 Each Subcontract and assignment shall provide that the City shall only be responsible to the Subcontractor for those services and materials furnished by the Subcontractor subsequent to the City's exercise of any rights under this contingent assignment.

1.7.5 Responsibility.

1.7.5.1 Contractor shall be fully responsible for the performance of its Subcontractor, including those selected or approved by the City.

1.8 Construction By Owner Or By Separate Contractors.

1.8.1 Owner's Right to Perform Construction and to Award Separate Contracts.

1.8.1.1 The City reserves the right to perform other construction work, maintenance and repair work near or adjacent to the site during the time period of the Work. Owner may perform other Work with separate contractors. City shall have access to the site at all times.

1.8.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the

Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

1.8.2 Mutual Responsibility.

1.8.2.1 The Contractor shall afford the City and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

1.8.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the City or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the City's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

1.8.2.3 The City shall be reimbursed by the Contractor for costs incurred by the City which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor.

1.8.2.4 The Contractor shall promptly remedy damage wrongfully caused by the Contractor to completed or partially completed construction or to property of the City or separate contractors as provided in Paragraph 1.12.2.5.

1.8.2.5 The City and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Paragraph 1.5.15.

1.8.3 Owner's Right To Clean Up.

1.8.3.1 If a dispute arises among the Contractor, separate contractors and the City as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the City may clean up and the Architect will allocate the cost among those responsible.

1.9 Changes In The Work.

1.9.1 General.

1.9.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work. The Contract Sum and/or Contract Time may be increased for changes in the Work if the provisions of this Paragraph have been met.

1.9.1.1.1 No change in the Contract Sum and/or Contract Time will be allowed for a change in the Work unless prior to performing the changed Work, the Contractor has provided the City in writing a proposal for any change in price and/or change in Contract Time caused by the change in Work, and a Change Order is subsequently executed. A field directive or field order shall not be recognized as having any impact upon the Contract Sum or the Contract Time, and Contractor shall have no Claim therefore, unless it shall, prior to complying with the directive and in any event within fourteen (14) calendar days of receiving the directive, submit a change proposal to the City, and a Change Order is subsequently executed, or Contractor satisfies the requirements of Paragraph 1.6.3. Contractor's proposal shall be subject to City's acceptance and remain firm and irrevocable for a period of forty-five (45) calendar days after receipt by City. Thereafter, Contractor reserves the right to resubmit such change proposal upon different pricing and time of performance terms.

1.9.1.2 A Change Order shall be based upon agreement among the City, Contractor and Architect; a Construction Change Directive requires agreement by the City and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

1.9.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work. Except as permitted in Paragraph 1.9.3., a change in the Contract Sum or the Contract Time shall be accomplished only by Change Order.

1.9.1.4 The Contractor, upon receipt of written notification by the Architect of a proposed item of change in the Work, shall prepare as soon as possible a Change Proposal in such form or forms as directed by the Architect.

(a) Each separate Change Proposal shall be numbered consecutively and shall include material costs, labor costs, fees, overhead and profit. The Change Proposal shall specify all costs related to the proposed change in the Work, including any disruption or impact on performance.

(b) The Subcontractor's itemized accounting shall be included with the Change Proposal.

(c) If a Change Proposal is returned to the Contractor for additional information or if the scope of the proposed change in the Work is modified by additions, deletions or other revisions, the Contractor shall revise the Change Proposal accordingly and resubmit the revised Change Proposal to the Architect.

(d) A revised Change Proposal shall bear the original Change Proposal number suffixed by the letter "R" to designate a revision in the original Change Proposal. If additional revisions to a revised Change Proposal are

necessary, each subsequent revision shall be identified by an appropriate numeral suffix immediately following the “R” suffix.

(e) Upon written approval of a Change Proposal by the City, the Architect will prepare a Change Order authorizing such change in Work.

(f) The Contractor shall request extensions of Contract Time due to changes in the Work only at the time of submitting its Change Proposal. **Contractor’s failure to do so shall represent a waiver of any right to request a time extension.**

1.9.2 Change Orders.

1.9.2.1 A Change Order is a written instrument prepared by the Architect and signed by the City, Contractor and Architect, stating their agreement upon all of the following:

- (a) change in the Work;
 - (b) the amount of the adjustment, if any, in the Contract Sum;
- and
- (c) the extent of the adjustment, if any, in the Contract Time.

Pursuant to Section 252.048(d) of the Texas Local Government Code, the Guaranteed Maximum Price (“GMP”) may not be increased by more than twenty-five percent (25%). Written change orders that do not exceed twenty-five percent (25%) of the original contract amount may be made or approved by the City Manager or his delegate if the change order is less than Fifty Thousand Dollars (\$50,000.00). Changes in excess of Fifty Thousand Dollars (\$50,000.00) must be approved by the City Council prior to commencement of the services or work.

(d) For construction contracts funded in whole or in part by Certificates of Obligations, a contract with a GMP of \$1 million or more may not be increased by more than twenty-five percent (25%). If a change order for a construction contract funded in whole or in part with certificates of obligation that has a GMP of less than \$1 million increases the contract amount to \$1 million or more, subsequent change orders may not increase the revised contract amount by more than twenty-five percent (25%). Written change orders may be made or approved by the City Manager or his delegate if the change order is less than Fifty Thousand Dollars (\$50,000.00). Changes in excess of Fifty Thousand Dollars (\$50,000.00) must be approved by the City Council prior to commencement of the services or work.

1.9.2.2 Methods used in determining adjustments to the Contract Sum may include those listed below:

- (a) mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- (b) unit prices stated in Contract Documents or subsequently agreed upon;
- (c) cost shall be determined in a manner agreed upon by the parties and a mutually acceptable fixed fee, or the percentage fee established at Subparagraph 1.9.3.6., or
- (d) as provided in Subparagraph 1.9.3.6.

1.9.2.3 Agreement on any Change Order shall constitute a final settlement of all Claims by the Contractor directly or indirectly arising out of or relating to the change in Work which is the subject of the Change Order, including, but not limited to, all direct and indirect costs and impact costs associated with such change and any and all adjustments to the Contract Sum and the Contract Time.

1.9.3 Construction Change Directives.

1.9.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the City and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The City may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

1.9.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

1.9.3.3 The Construction Change Directive shall include a unilateral change in the Contract Sum and/or Contract Time reflecting the City's view of the appropriate change in the Contract Sum and/or Contract Time for the change in Work covered by the Construction Change Directive. Until agreement is reached by the City and Contractor on these issues, the changes in Contract Sum and Contract Time set out in the Construction Change Directive shall be used for Schedule of Values, payment and scheduling purposes.

1.9.3.4 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

1.9.3.5 A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

1.9.3.6 In the absence of an agreement between City and Contractor on the proper change to the Contract Sum or Contract Time because of a change in the Work, Contractor may treat the matter as a Claim under Paragraph 1.6.3. In such event, the Contractor shall be entitled to recover only the amount by which the Cost of the Work has been reasonably increased over the Cost of Work without the change in the Work, plus five percent (5%).

1.9.3.7 Pending final determination of the cost of a Construction Change Directive to the City, amounts not in dispute may be included in Applications for Payment. The amount of credit to be allowed by the Contractor to the City for a deletion or change which results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

1.9.4 Minor Changes In The Work.

1.9.4.1 The Architect will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the City and Contractor. The Contractor shall carry out such written orders promptly.

1.9.5 Changes Funded By Allowances.

1.9.5.1 Allowances balances may be used to fund changes in the Work. The Contractor will not be allowed an overhead and profit mark-up when changes in the Work are funded by one of the Allowances.

1.10 Time.

1.10.1 Definitions.

1.10.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

1.10.1.2 The date of commencement of the Work is the date established in the Agreement. The date shall not be postponed by the failure to act of the Contractor or of persons, or entities for whom the Contractor is responsible.

1.10.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Paragraph 1.11.8.

1.10.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

1.10.2 Progress And Completion.

1.10.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

1.10.2.2 The Contractor shall not knowingly, except by agreement or instruction of the City in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Paragraph 1.13 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Contract Documents or a Notice to Proceed given by the City, the Contractor shall notify the City in writing not less than five days or other agreed period before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

1.10.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

1.10.3 Delays And Extensions Of Time.

1.10.3.1 If the Contractor is delayed in performing Work that is critical to the overall completion of the Work by an act or neglect of the City or Architect, or a separate contractor employed by the City, or by changes ordered in the Work, or by labor disputes, unavoidable casualties, including fire, or by unusually adverse weather conditions, as defined below, then the Contract Time shall be extended for a reasonable time to reflect the impact of the delay on Work critical to achieve Substantial Completion within the Contract Time, provided the performance of the Work was not delayed by any other cause for which the Contractor is not entitled to an extension in the Contract Time under the Contract Documents. Adjustments in the Contract Time will be permitted for a delay only to the extent such delay is not caused or could not have been anticipated by the Contractor, and could not be limited or avoided by the Contractor's timely notice to the City of the delay, and only if Contractor satisfies the conditions of Paragraph 1.10.3.2. Contractor has the burden to prove that any of the foregoing alleged causes of delay significantly impacted construction progress on the critical path, as a condition precedent to any extension of Contract Time.

1.10.3.2 On or before the fifteenth (15) day of each month of the Work, Contractor shall submit in writing a request for all time extensions to which it believes itself to be entitled for the preceding month, other than time extensions for changes in Work, which are to be submitted in accordance with the requirements of Paragraph 1.9. If Contractor's request for time extension for changes in the Work is denied and Contractor wishes to pursue the matter, Contractor shall submit in writing a request for that extension by the fifteenth (15) day of the month following the denial. **Any claim for time extension not submitted under the terms of this Subparagraph shall be waived.**

1.10.3.3 City, after consultation with the Architect, shall grant time extensions to the extent it believes them to be proper. Time extensions granted by the City

may be incorporated into schedules for completion of the Work. In the event that Contractor believes that it is entitled to additional time extensions beyond those granted by the City, it may make a claim for them provided it can meet the requirements of Paragraph 1.6.3.

1.11 Payments And Completion.

1.11.1 Contract Sum.

1.11.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the City to the Contractor for performance of the Work under the Contract Documents.

1.11.2 Schedule Of Values.

1.11.2.1 Before the first Application for Payment, the Contractor shall submit to the Architect a Schedule of Values fairly allocating the various portions of the Work, prepared in such form and supported by such data to substantiate its accuracy as reasonably required by the Architect. Once approved by the Architect and updated for changes in the Work, the Schedule of Values shall be used as a basis for reviewing the Contractor's Applications for Payment and is not to be taken as evidence of market or other value. The Schedule of Values shall not overvalue early job activities. The Contractor's Fee shall be shown as a single separate item. The Schedule of Values shall follow the trade divisions of the Specification so far as practicable.

In order to facilitate the review of Applications for Payment, the Schedule of Values shall be submitted on forms approved by the Owner, and shall include the following:

(a) Contractor's costs for Contractor's Fee, bonds and insurance, mobilization, etc., shall be listed as individual line items.

(b) Contractor's costs for various construction items shall be detailed. For example, concrete work shall be subdivided into footings, grade beams, floor slabs, paving, etc. These subdivisions shall appear as individual line items.

(c) On major subcontracts, such as mechanical, electrical and plumbing, the Schedule of Values shall indicate line items and amounts in detail (for example: underground, major equipment, fixtures, installation of fixtures, start up, etc.).

(d) Costs for subcontract Work shall be listed without any addition of Contractor's costs for overhead, profit or supervisions.

(e) Where payment for stored materials may be requested prior to installation, material and labor shall be listed as separate line items.

(f) Sample pages from an approved Schedule of Values are included following this document.

1.11.3 Applications For Payment.

1.11.3.1 At the time specified in the Agreement, the Contractor shall submit to the Architect an itemized Application for Payment for operations completed in accordance with the Schedule of Values. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the City or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and reflecting retainage if provided for in the Contract Documents. Unless otherwise agreed, the Contractor shall submit requests for payment in quadruplicate originals using for the "top sheets", originals of APPLICATION AND CERTIFICATE FOR PAYMENT; continuation sheets showing in detail the amounts requested, etc., may be submitted on CONTINUATION SHEET(S) in a format approved by the Architect. All blank spaces must be completed and the signatures of the Contractor and Notary Public shall be original on each form. By submitting its Application for Payment, the Contractor certifies that the individual signing the application is authorized to do so. Additionally, if the Contractor prepares its Application for Payment utilizing "Excel" spreadsheet software, it shall submit a "thumbdrive" or otherwise make such spreadsheet available electronically with each application for payment to facilitate the Architect's review of the application.

1.11.3.1.1 Such applications may not include requests for payment for portions of the Work for which the Contractor does not intend to pay to a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

1.11.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the City, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the City to establish the City's title to such materials and equipment or otherwise protect the City's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site. Upon payment by the City of the invoiced cost, title to all such materials and equipment shall irrevocably pass to the City. The Contractor warrants that title to all materials and equipment covered by an Application for Payment will pass to City upon the receipt of payment by the Contractor. Such title shall be free and clear of all liens, claims, security interests or encumbrances. No work, materials or equipment covered by an Application for Payment shall be subject to an agreement under which an interest is retained or encumbrance is attached by the seller, the Contractor, or other party.

1.11.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the City no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the City shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor,

Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

1.11.4 Certificates For Payment.

1.11.4.1 The Application for Payment will be reviewed first by the Architect who will certify to the City that portion, if any, of the Application for Payment it has determined is properly due. In the event that the Architect believes that payment should be withheld, in whole or in part, it will notify the City and Contractor of the basis of this view as provided in Subparagraph 1.11.5.1.

1.11.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the City, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the City to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

1.11.4.3 The issuance of a Certificate of Payment shall constitute a recommendation to the City in respect to the amount to be paid. This recommendation is not binding on the City if City knows of other reasons under the Contract why payment should be withheld.

1.11.4.4 The Architect will affix his signature to the same form described in Paragraph 1.11.4.1. to signify his certification of payment provided the application is otherwise satisfactory.

1.11.5 Decisions To Withhold Certification.

1.11.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the City, if in the Architect's opinion the representations to the City required by Paragraph 1.11.4.2. cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and City as provided in Paragraph 1.11.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to

the City. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the City from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Paragraph 1.5.5.2., because of:

- (a) defective Work not remedied;
- (b) third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the City is provided by the Contractor;
- (c) failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- (d) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- (e) damage to the City or another contractor;
- (f) reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- (g) persistent failure to carry out the Work in accordance with the Contract Documents.

1.11.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

1.11.6 Progress Payments.

1.11.6.1 After the Architect has issued a Certificate for Payment, the City shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. If the City believes the Contractor is not current in its legitimate obligations to suppliers, laborers and/or Subcontractors on the Project, City may (but is not obligated to) withhold payment until it receives partial or final releases, or other reasonable proof from the Contractor that this situation does not exist.

1.11.6.2 The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the City, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner. City is not obligated to monitor payments to Subcontractors or Sub-subcontractors, and nothing in this paragraph shall create any right on the part of a Subcontractor or Sub-subcontractor against City.

1.11.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and City on account of portions of the Work done by such Subcontractor.

1.11.6.4 Neither the City nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor or Sub-subcontractor.

1.11.6.5 Payment to material suppliers shall be treated in a manner similar to that provided in Paragraphs 1.11.6.2., 1.11.6.3. and 1.11.6.4.

1.11.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the City shall not constitute acceptance of Work not in accordance with the Contract Documents.

1.11.7 Failure Of Payment.

1.11.7.1 If the City incurs any costs and expenses to cure any default of the Contractor or to correct defective Work, the City shall have an absolute right to offset such amount against the Contract Sum under this Contract, and may, in the City's sole discretion, elect either to: (1) deduct an amount equal to that to which the Owner is entitled, or (2) issue a written notice to the Contractor reducing the GMP by an amount equal to that to which the Owner is entitled.

1.11.8 Substantial Completion.

1.11.8.1 When the Contractor considers that the Work, or a portion thereof which the City agrees to accept separately, is substantially complete, the Architect and City shall review the punch list prepared by Contractor and supplement the list as necessary. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

1.11.8.1.1 The Contractor's superintendent shall participate in the preparation of the Contractor's punch list that is submitted to the Architect and City for supplementation. Upon receipt, the Architect shall perform a spot review to determine the adequacy and completeness of the Contractor's punch list. Should the Architect determine that the Contractor's punch list lacks sufficient detail or requires extensive supplementation, the punch list will be returned to the Contractor for further inspection and revision. The date of Substantial Completion will be delayed until the punch list submitted is a reasonable representation of the work to be done.

1.11.8.1.2 Upon receipt of an acceptable Contractor's punch list, the Contractor's superintendent shall accompany the Architect, its Consultants and the City (at its discretion) during their inspections and the preparation of their supplements to the Contractor's punch list. The superintendent shall record or otherwise take note of all supplementary items. The Architect will endeavor to furnish to the Contractor typed, hand written or recorded supplements to the

punch list in a prompt manner; however, any delay in the Contractor's receiving said supplements from the Architect shall not be cause for a claim for additional cost or extension of time.

1.11.8.2 When the Contractor notifies Architect that it has completed or corrected items on the punch list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's punch list, which is not sufficiently complete in accordance with the Contract Documents so that the City can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion. Any further inspections by the Architect for the purpose of determining the Project is Substantially Complete shall be at Contractor's cost and the City may deduct such cost from any amount payable to Contractor hereunder.

1.11.8.3 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the City and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

1.11.8.4 The Certificate of Substantial Completion shall be submitted to the City and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the City, in its sole discretion, may make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

1.11.8.5 The Contractor shall keep all required insurance in full force, and utilities on, until the Certificate of Substantial Completion is issued, and accepted by the City in writing, regardless of the stated date of Substantial Completion. Acceptance shall not be unreasonably withheld.

1.11.9 Partial Occupancy Or Use.

1.11.9.1 The City may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Paragraph 1.13.3.1. and authorized by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the City and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security,

maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents.

1.11.9.2 Immediately prior to such partial occupancy or use, the City, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

1.11.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

1.11.10 Final Completion And Final Payment.

1.11.10.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Paragraph 1.11.10.2. as precedent to the Contractor's being entitled to final payment have been fulfilled.

Prior to final payment, the Contractor shall submit in triplicate to the Architect the following completed forms:

- (a) Contractor's Affidavit of Payment of Debts and Claims;
- (b) Contractor's Affidavit of Release of Liens;
- (c) Consent of Surety to Final Payment (if applicable);
- (d) Subcontractor's Unconditional Releases – each signed and notarized on a single piece of paper;
- (e) Maintenance and inspection manuals – three (3) sets of each bound in a 3 inch “D-slant” ring binder;
- (f) Final list of subcontractors;
- (g) one (1) complete set of marked-up copies of the Drawings and Specifications accurately showing the Project as constructed. Such Specifications and Drawings shall be marked to show all changes and modifications that have been incorporated into the Work as performed;

(h) other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the City; and

(i) any other "Closeout Documents" required under the Contract Documents.

Documents identified as affidavits must be notarized. All manuals will contain an index listing the information submitted. The index sections will be divided and identified by tabbing each section as listed in the index. Upon request, the Architect will furnish the Contractor with blank copies of the forms listed above. Final payment, constituting the entire unpaid balance of the Contract Sum shall be paid by the City to the Contractor sixty (60) days after Substantial Completion of the Work, unless otherwise stipulated in the Certificate of Completion, provided the Contract is fully performed, and Final Certificate of Payment has been issued by the Architect. The City may accept certain portions of the Work as being complete prior to the acceptance of the entire Project. If certain areas are accepted by the City as being completed, and if the Contractor has completed all of the requirements for final payment of the portion of Work, the City may, but is not required to, release retainage for that area/portion of Work. Amounts of retainage shall be agreed upon by both City and Contractor prior to final acceptance of these areas.

1.11.10.2 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the City shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

1.11.10.3 Acceptance of final payment by the Contractor shall constitute a waiver of claims by Contractor except for any Claims then pending that comply with the requirements of Paragraph 1.6.3.

1.12 Protection Of Persons And Property.

1.12.1 Safety Precautions And Programs.

1.12.1.1 The Contractor shall be responsible for initiating, maintaining and supervising all necessary safety precautions and programs in connection with the performance of the Contract.

1.12.2 Safety Of Persons And Property.

1.12.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

(a) employees on the Work and other persons who may be affected thereby including but not limited to the City's employees, invitees and the general public;

(b) the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and

(c) other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

1.12.2.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

1.12.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

1.12.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel. When use or storage of explosives or other hazardous materials or equipment or unusual construction methods are necessary, the Contractor shall give the City and Architect reasonable advance notice of the presence or use of such materials, equipment or methods.

1.12.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Paragraphs 1.12.2.1(b). and 1.12.2.1(c). caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Paragraphs 1.12.2.1, except damage or loss attributable to acts or omissions of the City or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Paragraph 1.5.19.6.

1.12.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

1.12.2.7 The Contractor shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

1.12.2.8 Suspension of all or a portion of the Work, for any reason, shall not relieve the Contractor of its obligations under Paragraph 1.12.2.

1.12.2.9 The Contractor shall promptly report in writing to the City and Architect all accidents arising out of or in connection with the Work which cause death, personal injury, or property damage, giving full details and statement of any witnesses. In addition, if death, serious personal injuries, or serious property damages are caused, the accident shall be reported immediately by telephone or messenger to City and Architect.

1.12.2.10 The Contractor shall be responsible for the protection and security of the Work and the Project, until it receives written notification that the Substantial Completion of the Work has been accepted by the City unless otherwise provided in the Certificate of Substantial Completion.

1.12.3 Hazardous Materials.

1.12.3.1 Contractor agrees that it shall not transport to, use, generate, dispose of, or install at the Project site any Hazardous Substance (as defined in 1.12.3.1.3.), except in accordance with applicable Environmental Laws. Further, in performing the Work, Contractor shall not cause any release of Hazardous Substances into, or contamination of, the environment, including the soil, the atmosphere, any water course or ground water, except in accordance with applicable Environmental Laws (as hereafter defined at Paragraph 1.12.3.1.3). In the event Contractor engages in any of the activities prohibited in this Paragraph 1.12.3.1. **to the fullest extent permitted by law, Contractor hereby indemnifies and holds City, Architect and all of their respective officers, agents and employees harmless from and against any and all claims, damages, losses, causes of action, suits, and liabilities of every kind, including, but not limited to, expenses of litigation, court costs, punitive damages and attorneys' fees, arising out of, incidental to or resulting from the activities prohibited in this Paragraph 1.12.3.**

1.12.3.1.1 In the event Contractor encounters on the Project site any Hazardous Substance, or what Contractor may reasonably believe to be a Hazardous Substance, and which is being introduced to the Work, or exists on the Project site, in a manner violative of any applicable Environmental Laws, Contractor shall immediately stop work in the area affected and report the condition to City and Architect in writing. The Work in the affected area shall not thereafter be resumed except by written authorization of City if in fact a Hazardous Substance has been encountered and has not been rendered harmless. In the event Contractor fails to stop the Work upon encountering a Hazardous Substance at the Project site, **to the fullest extent permitted by law, Contractor hereby indemnifies and holds City, Architect and all of their respective officers, agents and employees harmless from and against any and all claims, damages, losses, causes of action, suits, and liabilities of every kind, including, but not limited to, expenses of litigation, court costs, punitive**

damages and attorneys' fees, arising out of, incidental to or resulting from Contractor's failure to stop the Work.

1.12.3.1.2 City and Contractor may enter into a separate agreement and/or Change Order for Contractor to remediate and/or render harmless the Hazardous Substance, but Contractor shall not be required to remediate and/or render harmless the Hazardous Substance absent such agreement. Contractor shall not be required to resume work in any area affected by the Hazardous Substance until such time as the Hazardous Substance has been remediated and/or rendered harmless.

1.12.3.1.3 For purposes of this Agreement, the term "Hazardous Substance" shall mean and include any element constituent, chemical, substance, compound, or mixture, which are defined as a hazardous substance by any local, state or federal law, rule, ordinance, by-law, or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), The Resource Conservation and Recovery Act ("RCRA"), The Toxic Substances Control Act ("TSCA"), The Clean Water Act ("CWA"), The Clean Air Act ("CAA"), the Marine Protection Research and Sanctuaries Act ("MPRSA"), The Occupational Safety and Health Act ("OSHA"), The Superfund Amendments and Reauthorization Act of 1986 ("SARA"), or other state superlien or environmental clean-up or disclosure statutes including all state and local counterparts of such laws (all such laws, rules and regulations being referred to collectively as "Environmental Laws"). It is the Contractor's responsibility to comply with Paragraph 1.12.3.1 based on the law in effect at the time its services are rendered and to comply with any amendments to those laws for all services rendered after the effective date of any such amendments.

1.12.4 Emergencies.

1.12.4.1 In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Paragraph 1.6.3. and Paragraph 1.9.

1.13 Insurance And Bonds.

1.13.1 Contractor's Liability Insurance.

1.13.1.1 The Contractor shall purchase and maintain insurance as shown in Exhibit B to the Agreement.

1.13.2 Certificates of Insurance.

1.13.2.1 **Certificates of Insurance** shall be prepared and executed by the insurance company or its authorized agent and must be provided as Exhibit D.

1.13.3 Property Insurance.

1.13.3.1 Partial occupancy or use in accordance with Paragraph 1.11.9. shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The City and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

1.13.3.2 Loss of Use Insurance. The City, at the City's option, may purchase and maintain such insurance as will insure the City against loss of use of the City's property due to fire or other hazards, however caused.

1.13.3.3 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the City shall, at City's option, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

1.13.3.4 If during the Project construction period the City insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the City shall waive all rights for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

1.13.3.5 A loss insured under City's property insurance shall be adjusted by the City and made payable to the City for the insureds, as their interests may appear, subject to requirements of Paragraph 1.13.3. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

1.13.3.6 If after such loss no other special agreement is made and unless the City terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Paragraph 1.9.

1.13.3.7 The Owner shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the City's exercise of this power; if such objection is made, the dispute shall be resolved as provided in Paragraph 1.6.3.

1.13.4 Performance Bond And Payment Bond.

1.13.4.1 Pursuant to Chapter 2253 of the Texas Government Code, for all public works contracts with governmental entities, a payment bond is required if the Contract Amount exceeds \$25,000, and a performance bond is required if the Contract

Amount exceeds \$100,000. Below those amounts, the City may require payment and/or performance bonds. In the event a performance or payment bond or both is required either by law or in the City's discretion, such bonds shall be executed in accordance with all requirements of Article 7.19-1 of the Texas Insurance Code, all other applicable law, and the following:

(a) The Contractor shall execute performance and payment bonds for the full Contract Amount in the forms attached hereto as Exhibit C.

(b) The bond surety shall be authorized under the laws of the State of Texas to provide a performance and payment bond and shall have attached proof of authorization of the surety to act in the performance and payment of bonds.

(c) The Contractor shall provide original, sealed, and complete counterparts of the executed bonds in the forms required by the Contract Documents, which are attached as Exhibit C, together with valid original powers of attorney, at the time of execution of this Agreement and prior to the commencement of Work. Copies of the executed bonds shall be attached hereto as Exhibit C.

(d) The performance and payment bonds shall remain in effect for a period of one (1) year after Final Completion of the Work and shall be extended for any warranty work to cover the warranty period.

(e) If at any time during the execution of this Agreement in the required period thereafter, the bond or bonds become invalid or ineffective for any reason, the Contractor shall promptly supply within ten (10) days such other bond or bonds, which bond or bonds shall assure performance or payment as required.

1.13.4.2 The Contractor may make such changes and alterations as the City may require in the Work or any part thereof without affecting the validity of this Agreement and any accompanying bond. If such changes or alterations diminish the quantity of the Work to be done, they shall not constitute the basis for any claim for damages or anticipated profits. If the City makes changes or alterations that render useless any Work already done or material already used in said Work, then the City shall compensate the Contractor for any material or labor so used, and for any actual loss occasioned by such change due to actual expenses incurred in preparation for the work as originally planned.

1.14 Uncovering And Correction Of Work.

1.14.1 Uncovering Of Work.

1.14.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

1.14.1.2 If a portion of the Work has been covered which the Architect has not specifically requested to examine prior to its being covered, the Architect may

request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the City's expense. If such Work is not in accordance with the Contract Documents, correction shall be at the Contractor's expense.

1.14.2 Correction Of Work.

1.14.2.1 Before Or After Substantial Completion.

1.14.2.1.1 The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

1.14.2.2 After Substantial Completion.

1.14.2.2.1 In addition to the Contractor's obligations under Paragraph 1.5.7., if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Paragraph 1.11.9.1., or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the City to do so unless the City has previously given the Contractor a written acceptance of such condition. The City shall give such notice promptly after discovery of the condition. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the City or Architect, the City may correct it in accordance with Paragraph 1.4.5. The "prompt" correction of defective work by the Contractor after receipt of notification from the City as described above shall be defined as follows:

(a) The Contractor shall make written response to the City within twenty-four (24) hours of receipt of the City's notice acknowledging receipt of the notice and providing the proposed schedule to conduct corrective work. Corrective work shall not interfere with the City's normal operation and use of the Project, unless expressly approved by the City;

(b) For corrective work which is not a life safety issue or which will not, by the nature of the defect, cause subsequent damage to the Project, corrective work shall be completed within fourteen (14) calendar days;

(c) For corrective work which by its nature may cause subsequent damage to the Project, corrective work required to prevent subsequent damage shall be completed within twenty-four (24) hours, and if such work is a temporary repair, permanent repair of the corrective work shall be completed within

seven (7) calendar days. The Contractor shall also correct all subsequent damage caused by such corrective work;

(d) For corrective work which affects services to, and ordinary use of the Project, corrective work shall be completed within twenty-four (24) hours, and if such work is a temporary repair, permanent repair of the corrective work shall be completed within seven (7) calendar days; and

(e) The time frames stated above for completion of permanent corrective work shall be equitably adjusted as required for legitimate delays caused by weather delays, material acquisition and other factors beyond the Contractor's direct control.

1.14.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

1.14.2.2.3 These obligations under Subparagraph 1.14.2.2. shall survive acceptance of the Work under the Contract and termination of the Contract. The period for any Work corrected pursuant to Paragraph 1.14.2. shall be extended for a period of one year after the date said corrective work is completed.

1.14.2.3 The Contractor shall remove from the site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the City.

1.14.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the City or separate contractors caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

1.14.2.4.1 Where non-conforming Work is found, the entire area of Work involved shall be corrected unless the Contractor can completely define the limits to the Architect's satisfaction. Additional testing, sampling, or inspecting needed to define nonconforming Work shall be at the Contractor's expense, and performed by the City's testing laboratory if such services are reasonably required by the Architect. All corrected Work shall be retested at the Contractor's expense. Extra architectural or other services required to analyze non-conforming Work shall be paid for by the Contractor.

1.14.2.5 Nothing contained in Paragraph 1.14.2. shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Nothing contained in Paragraph 1.14.2. is intended to limit or modify any obligations under the law or under the Contract Documents, including any warranty obligations, expressed or implied.

1.14.3 Acceptance Of Nonconforming Work.

1.14.3.1 If the Owner prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the City may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

1.15 Miscellaneous Provisions.

1.15.1 Governing Law.

1.15.1.1 This Contract and any disputes related to the Work shall be governed by the law of the State of Texas, and any disputes shall be resolved in Brazos County, Texas.

1.15.2 Successors And Assigns.

1.15.2.1 The City and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract Documents. Contractor shall not assign the Contract as a whole, or in part, without written consent of the City. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

1.15.3 Written Notice.

1.15.3.1 Written notice shall be deemed to have been served only if the writing is delivered to the addressees set out below, or to such other address as has been previously clearly identified in writing by the addressee, or if delivered by mail or in form of electronic transmission to that office, or sent by registered or certified mail to that address.

City: City of College Station
Erica Wozniak, Project Manager
PO Box 9960
1101 Texas Ave
College Station, Texas 77842

Contractor: J.T. Vaughn Construction, LLC
Attn: Judd Blume, Project Manager
2421 Earl Rudder Freeway
College Station, Texas 77845

1.15.4 Rights And Remedies.

1.15.4.1 No action or failure to act by the City, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such

action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

1.15.5 Tests And Inspections.

1.15.5.1 Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at appropriate times. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory employed by the City for this purpose, or with the appropriate public authority. City shall bear the normal costs of these services, but not any excess costs attributable to Contractor-caused scheduling problems, or other Contractor error. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so the Architect may observe such procedures.

1.15.5.2 If the Architect, City or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Paragraph 1.15.5.1., the Architect will, upon written authorization from the City, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the City, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Paragraph 1.15.5.3., shall be at the City's expense.

1.15.5.3 If such procedures for testing, inspection or approval under Paragraphs 1.15.5.1 and 1.15.5.2. reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

1.15.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

1.15.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

1.15.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

1.16 Termination Or Suspension Of The Contract.

1.16.1 Termination By The Contractor.

1.16.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of ninety (90) consecutive days through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or

entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

(a) issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped;

(b) an act of government, such as a declaration of national emergency which requires all Work to be stopped; or

(c) because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Paragraph 1.11.4.1., or because the City has not made payment on a Certificate for Payment within the time stated in the Contract Documents, provided notice is given as required under Subparagraph 1.11.4.1.

1.16.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the City as described in Paragraph 1.16.3. constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

1.16.1.3 If the Work is stopped for ninety (90) consecutive days for any reason described in Paragraph 1.16.1.1. or 1.16.1.2., the Contractor may, upon fourteen (14) days' written notice to the City and Architect, terminate the Contract and recover from the City payment for Work.

1.16.1.4 Notwithstanding anything to the contrary contained herein or in the other Contract Documents, the City shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination described in Subparagraphs 1.16.1.1., 1.16.1.2., and 1.16.1.3.

1.16.2 Termination By The Owner For Cause.

1.16.2.1 The City may terminate the Contract if the Contractor:

(a) refuses or fails to supply enough properly skilled workers or proper materials;

(b) fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

(c) disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction;

(d) otherwise is guilty of substantial breach of a provision of the Contract Documents;

(e) fails to furnish the City, upon request, with assurances satisfactory to the City evidencing the Contractor's ability to complete the Work in compliance with all the requirements of the Contract Documents;

(f) fails to proceed continuously and diligently with the construction and completion of the Work, except as permitted under the Contract Documents; or

(g) fails to provide all required policies of insurance and/or bonds.

1.16.2.2 When any of the above reasons exist, the City may without prejudice to any other rights or remedies of the City and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

(a) take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;

(b) accept assignment of subcontracts pursuant to Paragraph 1.7.4.;

(c) Make demand upon Contractor's surety to complete the Work; and

(d) finish the Work by whatever reasonable method the City may deem expedient.

1.16.2.3 When the City terminates the Contract for one of the reasons stated in Paragraph 1.16.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

1.16.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the City and not expressly waived, including attorney's fees, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the City. This obligation for payment shall survive termination of the Contract.

1.16.2.5 If a Performance Bond has been furnished and the Contractor is declared by the City to be in default under the Contract, the Surety shall promptly, in no event to exceed 30 days, remedy the default by commencing and continuing to perform the remaining work of the Contract in accordance with its terms and conditions, or by obtaining a bid or bids in accordance with its terms and conditions. At City's election, upon determination by the City and the Surety of the lowest responsible bidder, the Surety will

complete the Work or will arrange for a Contract between such bidder and the City, and make available sufficient funds to pay the cost of completion less the balance of the Contract Sum, but not exceeding the Penal Sum of the bond. The phrase "balance of the Contract Sum" as used herein shall mean the total amount payable by the City to the Contractor under the Contract, including any adjustments thereto made in accordance with the terms and conditions of this Contract, and amendments thereto less the amount previously paid by the City to the Contractor.

1.16.3 Suspension By The Owner For Convenience.

1.16.3.1 The City may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the City may determine.

1.16.3.2 If City suspends the Contractor's performance for convenience, an adjustment shall be made to the Contract Sum as calculated under Paragraph 1.9 and shall include profit. No adjustment shall be made to the extent:

- (a) that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- (b) that an equitable adjustment is made or denied under another provision of the Contract.

1.16.4 Termination By The Owner For Convenience.

1.16.4.1 The City may, at any time, terminate the Contract, in whole or in part, for the City's convenience and without cause.

1.16.4.2 Upon receipt of written notice from the City of such termination for the City's convenience, the Contractor shall:

- (a) cease operations as directed by the City in the notice;
- (b) take actions necessary, or that the City may direct, for the protection and preservation of the Work; and
- (c) except for Work not so terminated and/or directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

1.16.4.3 In the event of a termination under Paragraph 1.16.4, the Contractor shall be paid the value of its Work to the date of termination plus such sums as are reasonably required to cover the cost to Contractor, its Subcontractors and suppliers, to shut down the Project. City shall not be responsible for damages for loss of anticipated profits on Work not performed on account of any termination.

1.16.4.4 Upon determination by a court of competent jurisdiction that termination of the Contract, pursuant to Paragraph 1.16.2 was wrongful, such termination will be deemed converted to a termination for convenience pursuant to Paragraph 1.16.4, and Contractor's remedy for wrongful termination shall be limited to the recovery of the payments permitted for termination for convenience as set forth in Paragraph 1.16.4.

END OF GENERAL PROVISIONS

2. CONSTRUCTION MANAGER'S RESPONSIBILITIES.

The Construction Manager shall perform the services described in this Paragraph. The services to be provided under Paragraphs 2.1 and 2.2 constitute the Preconstruction Phase services. If the City and Construction Manager agree, the Construction Phase may commence before the Preconstruction Phase is completed, in which case both phases will proceed concurrently.

2.1 Preconstruction Phase.

2.1.1 Preliminary Evaluation. The Construction Manager shall provide a preliminary evaluation of the City's program and Project budget requirements, each in terms of the other.

2.1.2 Consultation. The Construction Manager with the Architect shall jointly schedule and attend regular meetings with the City. The Construction Manager shall consult with the City and Architect regarding site use and improvements and the selection of materials, building systems and equipment. The Construction Manager shall provide recommendations on construction feasibility; actions designed to minimize adverse effects of labor or material shortages; time requirements for procurement, installation and construction completion; and factors related to construction cost, including estimates of alternative designs or materials, preliminary budgets and possible economies.

2.1.3 Preliminary Project Schedule. When Project requirements described in Paragraph 3.1.1 have been sufficiently identified, the Construction Manager shall prepare, and periodically update, a preliminary Project schedule for the Architect's review and the City's approval. The Construction Manager shall coordinate and integrate the preliminary Project schedule with the services and activities of the City, Architect and Construction Manager. As design proceeds, the preliminary Project schedule shall be updated to indicate proposed activity sequences and durations, milestone dates for receipt and approval of pertinent information, submittal of a Guaranteed Maximum Price proposal, preparation and processing of shop drawings and samples, delivery of materials or equipment requiring long-lead-time procurement, City's occupancy requirements showing portions of the Project having occupancy priority, and proposed date of Substantial Completion. If preliminary Project schedule updates indicate that previously approved schedules may not be met, the Construction Manager shall make appropriate recommendations to the City and Architect.

2.1.4 Phased Construction. The Construction Manager shall make recommendations to the City and Architect regarding the phased issuance of Drawings and Specifications to facilitate phased construction of the Work, if such phased construction is

appropriate for the Project, taking into consideration such factors as economies, time of performance, availability of labor and materials, and provisions for temporary facilities.

2.1.5 Preliminary Cost Estimates. When the City has sufficiently identified the Project requirements and the Architect has prepared other basic design criteria, the Construction Manager shall prepare, for the review of the Architect and approval of the City, a preliminary cost estimate utilizing area, volume or similar conceptual estimating techniques.

2.1.5.1 When Schematic Design Documents have been prepared by the Architect and approved by the City, the Construction Manager shall prepare, for the review of the Architect and approval of the City, a more detailed estimate with supporting data. During the preparation of the Design Development Documents, the Construction Manager shall update and refine this estimate at appropriate intervals agreed to by the City, Architect and Construction Manager.

2.1.5.2 When Design Development Documents have been prepared by the Architect and approved by the City, the Construction Manager shall prepare a detailed estimate with supporting data for review by the Architect and approval by the Owner. During the preparation of the Construction Documents, the Construction Manager shall update and refine this estimate when the Construction Documents are fifty percent (50%) complete, ninety percent (90%) complete (unless the Guaranteed Maximum Price has been established), and at any other appropriate intervals agreed to by the City, Architect and Construction Manager.

2.1.5.3 If any estimate submitted to the City exceeds previously approved estimates or the City's budget, the Construction Manager shall make appropriate recommendations to the City and Architect.

2.1.6 Subcontractors And Suppliers. The Construction Manager shall seek to develop subcontractor interest in the Project and shall furnish to the City and Architect for their information a list of possible subcontractors, including suppliers who are to furnish materials or equipment fabricated to a special design, from whom proposals will be requested for each principal portion of the Work. The Architect will promptly reply in writing to the Construction Manager if the Architect or City know of any objection to such subcontractor or supplier. The receipt of such list shall not require the City or Architect to investigate the qualifications of proposed subcontractors or suppliers, nor shall it waive the right of the City or Architect later to object to or reject any proposed subcontractor or supplier.

2.1.7 Long-Lead-Time Items. The Construction Manager shall recommend to the City and Architect a schedule for procurement of long-lead-time items which will constitute part of the Work as required to meet the Project schedule. If such long-lead-time items are procured by the City, they shall be procured on terms and conditions acceptable to the Construction Manager. Upon the City's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, all contracts for such items shall be assigned by the City to the Construction Manager, who shall accept responsibility for such items as if procured by the Construction Manager. The Construction Manager shall expedite the delivery of long-lead-time items.

2.1.8 Extent Of Responsibility. The Construction Manager does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The recommendations and advice of the Construction Manager concerning design alternatives shall be subject to the review and approval of the City and the City's professional consultants. It is not the Construction Manager's responsibility to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, building codes, rules and regulations. However, if the Construction Manager recognizes that portions of the Drawings and Specifications are at variance therewith, the Construction Manager shall promptly notify the Architect and City in writing.

2.1.9 Equal Employment Opportunity And Affirmative Action. The Construction Manager shall comply with applicable laws, regulations and special requirements of the Contract Documents regarding equal employment opportunity and affirmative action programs.

2.2 Guaranteed Maximum Price Proposal And Contract Time.

2.2.1 When the Drawings and Specifications are sufficiently complete, the Construction Manager shall propose a Guaranteed Maximum Price, which shall be the sum of the estimated Cost of the Work and the Construction Manager's Fee. Provided, however, Construction Manager understands such estimates are relied upon by the City in making various Project determinations, and, therefore, should Construction Manager's Guaranteed Maximum Price proposal exceed the City's applicable budget by more than 10%, all pre-construction services rendered thereafter to render the Project within 10% of the budget by Construction Manager shall be at its cost.

2.2.2 As the Drawings and Specifications may not be finished at the time the Guaranteed Maximum Price proposal is prepared, the Construction Manager shall provide in the Guaranteed Maximum Price for further development of the Drawings and Specifications by the Architect that is consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

2.2.3 The estimated Cost of the Work shall include the Construction Manager's contingency, a sum established by the Construction Manager for the Construction Manager's exclusive use to cover costs arising under Paragraph 2.2.2 and other costs which are properly reimbursable as Cost of the Work but not the basis for a Change Order.

2.2.4 Basis Of Guaranteed Maximum Price. The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include:

(a) A list of the Drawings and Specifications, including all addenda thereto and the Conditions of the Contract, which were used in preparation of the Guaranteed Maximum Price proposal.

(b) A list of allowances and a statement of their basis.

(c) A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal to supplement the information contained in the Drawings and Specifications.

(d) The proposed Guaranteed Maximum Price, including a statement of the estimated cost organized by trade categories, allowances, contingency, and other items and the Fee that comprise the Guaranteed Maximum Price.

(e) The Date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based, and a schedule of the Construction Documents issuance dates upon which the date of Substantial Completion is based.

2.2.5 The Construction Manager shall meet with the City and Architect to review the Guaranteed Maximum Price proposal and the written statement of its basis. In the event that the City or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

2.2.6 Unless the City accepts the Guaranteed Maximum Price proposal in writing on or before the date specified in the proposal for such acceptance and so notifies the Construction Manager, the Guaranteed Maximum Price proposal shall not be effective without written acceptance by the Construction Manager.

2.2.7 Prior to the City's acceptance of the Construction Manager's Guaranteed Maximum Price proposal and issuance of a Notice to Proceed, the Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work, except as the City may specifically authorize in writing.

2.2.8 Upon acceptance by the City of the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price and its basis shall be set forth in Amendment No. 1. The Guaranteed Maximum Price shall be subject to additions and deductions by a change in the Work as provided in the Contract Documents, and the Date of Substantial Completion shall be subject to adjustment as provided in the Contract Documents.

2.2.9 The City shall authorize and cause the Architect to revise the Drawings and Specifications to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in Amendment No. 1. Such revised Drawings and Specifications shall be furnished to the Construction Manager in accordance with schedules agreed to by the City, Architect and Construction Manager. The Construction Manager shall promptly notify the Architect and City if such revised Drawings and Specifications are inconsistent with the agreed-upon assumptions and clarifications.

2.3 Construction Phase.

2.3.1 General.

2.3.1.1 The Construction Phase shall commence on:

- (a) the City's acceptance of the Construction Manager's Guaranteed Maximum Price proposal and issuance of a Notice to Proceed, and
- (b) the City's first authorization to the Construction Manager to:
 - (i) award a subcontract, or
 - (ii) undertake construction Work with the Construction Manager's own forces, or
 - (iii) issue a purchase order for materials or equipment required for the Work.

2.3.2 Administration.

2.3.2.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or by other appropriate agreements with the Construction Manager. The Construction Manager shall obtain bids in accordance with the applicable requirements of Chapter 2269 of the Texas Government Code from Subcontractors and from suppliers of materials or equipment fabricated to a special design for the Work from the list previously reviewed and, after analyzing such bids, shall deliver such bids to the City and Architect. The City will then determine, with the advice of the Construction Manager, which bids will be accepted. The City may designate specific persons or entities from whom the Construction Manager shall obtain bids; however, if the Guaranteed Maximum Price has been established, the City may not prohibit the Construction Manager from obtaining bids from other qualified bidders. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

2.3.2.2 If the Guaranteed Maximum Price has been established and a specific bidder among those whose bids are delivered by the Construction Manager to the City and Architect (1) is recommended to the City by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid which conforms to the requirements of the Contract Documents without reservations or exceptions, but the City requires that another bid be accepted, then the Construction Manager may require that a change in the Work be issued to adjust the Contract Time and the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the City by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the City.

2.3.2.3 Subcontracts and agreements with suppliers furnishing materials or equipment fabricated to a special design shall conform to the payment provisions of Paragraphs 7.1.8 and 7.1.9 and shall not be awarded on the basis of cost plus a fee without the prior consent of the City.

2.3.2.4 The Construction Manager shall schedule and conduct meetings with appropriate Subcontractors at which the City, Architect, Construction Manager and appropriate Subcontractors can discuss the status of the Work. The Construction Manager shall prepare and promptly distribute meeting minutes.

2.3.2.5 Promptly after the City's acceptance of the Guaranteed Maximum Price proposal, the Construction Manager shall prepare a schedule in accordance with Paragraph 1.5.11, General Conditions, including the Owner's occupancy requirements.

2.3.2.6 The Construction Manager shall provide monthly written reports to the City and Architect on the progress of the entire Work. The Construction Manager shall maintain a daily log containing a record of weather, Subcontractors working on the site, number of workers, Work accomplished, problems encountered and other similar relevant data as the City may reasonably require. The log shall be available to the City and Architect. The Construction Manager shall promptly inform City in writing of any circumstance or development that is likely to delay Substantial Completion of the Project in accordance with the schedule.

2.3.2.7 The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the City and Architect at regular intervals.

2.4 Professional Services. Paragraph 1.5.14.10, General Conditions shall apply to both the Preconstruction and Construction Phase.

2.5 Hazardous Materials. Paragraph 1.12.3, General Conditions shall apply to both the Preconstruction and Construction Phases.

3. OWNER'S RESPONSIBILITIES.

3.1 Information And Services.

3.1.1 The Owner shall provide information in a timely manner regarding the requirements of the Project, including a program which sets forth the City's objectives, constraints and criteria, including space requirements and relationships, flexibility and expandability requirements, special equipment and systems, and site requirements.

3.1.2 The City shall establish and update an overall budget for the Project, based on consultation with the Construction Manager and Architect, which shall include contingencies for changes in the Work and other costs which are the responsibility of the City.

3.1.3 Structural And Environmental Tests, Surveys And Reports. In the Preconstruction Phase, the City shall furnish the following with reasonable promptness and at the City's expense. Except to the extent that the Construction Manager knows of any inaccuracy, or should have reasonably discovered such error or inaccuracy, the Construction Manager shall be entitled to rely upon the accuracy of any such information, reports, surveys, drawings and tests

described in Paragraphs 3.1.3.1 through 3.1.3.4 but shall exercise customary precautions relating to the performance of the Work.

3.1.3.1 Reports, surveys, drawings and tests concerning the conditions of the site which are required by law.

3.1.3.2 Surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site.

3.1.3.3 The services of a geotechnical engineer when such services are requested by the Construction Manager and are reasonably required by the scope of the Project, as determined by the City or Architect. Such services may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, including necessary operations for anticipating subsoil conditions, with reports and appropriate professional recommendations.

3.1.3.4 Structural, mechanical, chemical, air and water pollution tests, tests for hazardous materials, and other laboratory and environmental tests, inspections and reports which are required by law.

3.1.3.5 The services of other consultants when such services are reasonably required by the scope of the Project, as determined by the City or Architect, and are requested by the Construction Manager.

3.2 Owner's Designated Representative. The City shall designate in writing City's Representative who shall have express authority, subject to the limitations set forth in the General Conditions, to bind the City with respect to all matters requiring the City's approval or authorization. This City's Representative shall have the authority to make decisions on behalf of the City concerning estimates and schedules, construction budgets, and changes in the Work, and shall render such decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Paragraph 1.6.2.1, General Conditions, the Architect does not have such authority.

3.3 Architect. The City shall retain an Architect to provide Basic Services, including normal structural, mechanical and electrical engineering services. The City must authorize, in writing, and cause the Architect to provide additional service, requested by the Construction Manager which must necessarily be provided by the Architect for the Preconstruction and Construction Phases of the Work. Construction Manager has no authority to request services from the Architect on the City's behalf. Such services shall be provided in accordance with time schedules agreed to by the City, Architect and Construction Manager. Upon request of the Construction Manager, the City shall furnish to the Construction Manager a copy of the City's Agreement with the Architect.

4. COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES.

The City shall compensate and make payments to the Construction Manager for Preconstruction Phase services as follows:

4.1 Compensation.

4.1.1 For the services described in Paragraphs 2.1 and 2.2, the Construction Manager's compensation shall be calculated as follows:

See Contractors Proposal

(State basis of compensation, whether a stipulated sum, multiple of Direct Personnel Expense, actual cost, etc. Include a statement of reimbursable cost items as applicable.)

4.1.2 If compensation is based on a multiple of Direct Personnel Expense, Direct Personnel Expense is defined as the direct salaries of the Construction Manager's personnel engaged in the Project and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

4.2 Payments.

4.2.1 Payments shall be made monthly following presentation of the Construction Manager's invoice and, where applicable, shall be in proportion to services performed.

4.2.2 Payments are due and payable thirty (30) calendar days from the date the Construction Manager's invoice is received by the Owner.

4.2.3 The City stipulates that it is an exempt organization as defined by the Limited Sales, Excise and Use Tax Act and, as such, is exempt from the payment of the sales tax on materials and supplies used in the performance of this Contract. The Construction Manager shall issue exemption certificates to its Subcontractors and suppliers in lieu of said sales tax for all such materials and supplies, complying with all applicable State Comptroller's Rulings.

5. COMPENSATION FOR CONSTRUCTION PHASE SERVICES.

The City shall compensate the Construction Manager for Construction Phase services as follows:

5.1 Compensation.

5.1.1 For the Construction Manager's performance of the Work as described in Paragraph 2.3, the City shall pay the Construction Manager in current funds the Contract Sum

consisting of the Cost of the Work as defined in Paragraph 7 and the Construction Manager's Fee determined as follows:

See Contractors Proposal

(State a lump sum, percentage of actual Cost of the Work or other provision for determining the Construction Manager's Fee, and explain how the Construction Manager's Fee is to be adjusted for changes in the Work.)

5.2 Guaranteed Maximum Price.

5.2.1 The sum of the Cost of the Work and the Construction Manager's Fee for the Work are guaranteed by the Construction Manager not to exceed the amount provided in Amendment No. 1, subject to additions and deductions by changes in the Work as provided in the Contract Documents. Such maximum sum as adjusted by approved changes in the Work is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the City. In the event the Cost of Work plus the Construction Manager's Fee is less than the Guaranteed Maximum Price ("GMP"), the savings shall accrue one hundred percent (100%) to City.

(Insert specific provisions if the Construction Manager is to participate in any savings.)

5.3 Changes In The Work.

5.3.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of Amendment No. 1 may be determined by any of the methods listed in Paragraph 1.9.2.2, General Conditions, subject to the limitations provided in the General Conditions.

5.3.2 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Paragraph 1.9.2.2 (c), General Conditions and the term "costs" as used in Paragraph 1.9.3.6, General Conditions shall have the meanings assigned to them in the General Conditions and shall not be modified by this Paragraph 5. Adjustments to subcontracts awarded with the City's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

5.3.3 In calculating adjustments to the Contract, the terms "cost" and "costs" as used in the above-referenced provisions of the General Conditions shall mean the Cost of the Work as defined in Paragraph 6 of this Agreement, and the term "and a reasonable allowance for overhead and profit" shall mean the Construction Manager's Fee as defined in Paragraph 5.1.1 of this Agreement.

5.3.4 If no specific provision is made in Paragraph 5.1.1 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes

is such, in the aggregate, that application of the adjustment provisions of Paragraph 5.1.1 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the basis of the Fee established for the original Work.

6. COST OF THE WORK FOR CONSTRUCTION PHASE.

6.1 Costs To Be Reimbursed.

6.1.1 The term "Cost of the Work" shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. Such costs shall be at rates not higher than those customarily paid at the place of the Project except with prior consent of the City. The Cost of the Work shall include only the items set forth in this Paragraph 6.

6.1.2 Labor Costs.

6.1.2.1 Wage Rates. Pursuant to Section 2258.023(a) of the Texas Government Code, wage rates paid by the Contractor and any subcontractor on this Project shall be not less than the general prevailing rate of per diem wages for work of a similar character in this locality as specified in the schedule of general prevailing rates of per diem wages attached hereto as Exhibit A.

6.1.2.2 Statutory Penalty. Pursuant to Section 2258.023(b) of the Texas Government Code, if the Contractor or any subcontractor violates the requirements of this section the Contractor or subcontractor as the case may be shall pay the City **Sixty Dollars (\$60.00)** for each worker employed for each calendar day or part of the day that the worker is paid less than the stipulated wage rates.

6.1.2.3 Wages of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's agreement, at off-site workshops.

6.1.2.4 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site with the Owner's agreement.

See Contractors Proposal

(If it is intended that the wages or salaries of certain personnel stationed at the Construction Manager's principal office or offices other than the site office shall be included in the Cost of the Work, such personnel shall be identified below.)

6.1.2.5 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work. Further, the time for performance does not necessitate overtime work and the City shall not be required to reimburse the "premium time" portion of any overtime payments by Contractor, unless otherwise approved, in writing, in advance by the City.

6.1.2.6 Costs paid or incurred by the Construction Manager for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements, and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided that such costs are based on wages and salaries included in the Cost of the Work under Paragraphs 6.1.2.1 through 6.1.2.4.

6.1.3 Subcontract Costs. Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts.

6.1.4 Costs Of Materials And Equipment Incorporated In The Completed Construction.

(a) Costs, including transportation, of materials and equipment incorporated or to be incorporated in the completed construction.

(b) Costs of materials described in the preceding Paragraph 6.1.4.(a) in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage. Unused excess materials, if any, shall be handed over to the City at the completion of the Work or, at the City's option, shall be sold by the Construction Manager; amounts realized, if any, from such sales shall be credited to the City as a deduction from the Cost of the Work.

6.1.5 Costs Of Other Materials And Equipment, Temporary Facilities And Related Items.

(a) Costs, including transportation, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by the construction workers, which are provided by the Construction Manager at the site and fully consumed in the performance of the Work; and cost less salvage value on such items if not fully consumed, whether sold to others or retained by the Construction Manager. Cost for items previously used by the Construction Manager shall mean fair market value.

(b) Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by the construction workers, which are provided by the Construction Manager at the site, whether rented from the Construction Manager or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the City's prior approval.

(c) Costs of removal of debris from the site.

(d) Reproduction costs, costs of telegrams, facsimile transmissions and long-distance telephone calls, postage and express delivery charges, telephone at the site and reasonable petty cash expenses of the site office.

(e) That portion of the reasonable travel and subsistence expenses of the Construction Manager's personnel incurred while traveling in discharge of duties connected with the Work.

6.1.6 Miscellaneous Costs.

(a) That portion directly attributable to this Contract of premiums for insurance and bonds.

(If charges for self-insurance are to be included, specify the basis of reimbursement.)

(b) Fees and assessments for the building permit and for other permits, licenses and inspections for which the Construction Manager is required by the Contract Documents to pay.

(c) Fees of testing laboratories for tests required by the Contract Documents, except those related to nonconforming Work other than that for which payment is permitted by Paragraph 6.1.8.

(d) Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent or other intellectual property rights arising from such requirement by the Contract Documents; payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims and payments of settlements made with the City's consent; provided, however, that such costs of legal defenses, judgment and settlements shall not be included in the calculation of the Construction Manager's Fee or the Guaranteed Maximum Price and provided that such royalties, fees and costs are not excluded by the last sentence of Paragraph 1.5.19.1, General Conditions or other provisions of the Contract Documents.

(e) Data processing costs related to the Work.

(f) Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility to the City set forth in this Agreement.

6.1.7 Other Costs. Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the City.

6.1.8 The costs described in Paragraphs 6.1.1 through 6.1.7 shall be included in the Cost of the Work notwithstanding any provision of General Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Paragraph 6.2.

6.2 Costs Not To Be Reimbursed.

6.2.1 The Cost of the Work shall not include:

(a) Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Paragraphs 6.1.2.1 and 6.1.2.2.

(b) Expenses of the Construction Manager's principal office and offices other than the site office, except as specifically provided in Paragraph 6.1.

(c) Overhead and general expenses, except as may be expressly included in Paragraph 6.1.

(d) The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work.

(e) Rental costs of machinery and equipment, except as specifically provided in Paragraph 6.1.5(b).

(f) Costs due to the negligence of the Construction Manager or to the failure of the Construction Manager to fulfill a specific responsibility to the City set forth in this Agreement.

(g) Costs incurred in the performance of Preconstruction Phase Services.

(h) Except as provided in Paragraph 6.1.7, any cost not specifically and expressly described in Paragraph 6.1.

(i) Costs which would cause the Guaranteed Maximum Price to be exceeded.

6.3 Discounts, Rebates And Refunds.

6.3.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the City if (1) before making the payment, the Construction Manager included them in an Application for Payment and received payment therefor from the City, or (2) the City has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the City, and the Construction Manager shall make provisions so that they can be secured.

6.3.2 Amounts which accrue to the City in accordance with the provisions of Paragraph 6.3.1 shall be credited to the City as a deduction from the Cost of the Work.

6.4 Accounting Records.

6.4.1 The Construction Manager shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract; the accounting and control systems shall be satisfactory to the City. The City and the City's accountants shall be afforded access to the Construction Manager's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Project, and the Construction Manager shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

7. CONSTRUCTION PHASE.

7.1 Progress Payments.

7.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, in a form acceptable to City and the Architect, and Certificates for Payment issued by the Architect, the City shall make progress payments on account of the Contract Sum to the Construction Manager as provided below and elsewhere in the Contract Documents.

7.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

7.1.3 Provided an Application for Payment is received by the Architect not later than the 30th day of a month, the City shall make payment to the Construction Manager not later than the 30th day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the City not later than thirty (30) days after the Architect receives the Application for Payment.

7.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached and any other evidence required by the City or Architect to demonstrate that cash disbursements already made by the Construction Manager on account of the Cost of the Work equal or exceed (1) progress payments already received by the Construction Manager; less (2) that portion of those payments attributable to the Construction Manager's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

7.1.5 Each Application for Payment shall be based upon the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Construction Manager's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the City and Architect may require. This schedule, unless objected to by the City or Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

7.1.6 Applications for Payment shall show the percentage completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage completion shall be the lesser of (1) the percentage of that portion of the Work which

has actually been completed or (2) the percentage obtained by dividing (a) the expense which has actually been incurred by the Construction Manager on account of that portion of the Work for which the Construction Manager has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

7.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

(a) Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the City of changes in the Work, amounts not in dispute may be included as provided in Paragraph 1.9.3.7, General Conditions, even though the Guaranteed Maximum Price has not yet been adjusted by Change Order.

(b) Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work or, if approved in advance by the City, suitably stored off the site at a location agreed upon in writing.

(c) Add the Construction Manager's Fee, less retainage of: (i) ten percent (10%) where the GMP is less than \$400,000; or (ii) five percent (5%) where the GMP is \$400,000 or more. The Construction Manager's Fee shall be computed upon the Cost of the Work described in the two preceding Paragraphs at the rate stated in Paragraph 5.1.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Paragraph, shall be an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work in the two preceding Paragraphs bears to a reasonable estimate of the probable Cost of the Work upon its completion.

(d) Subtract the aggregate of previous payments made by the City.

(e) Subtract the shortfall, if any, indicated by the Construction Manager in the documentation required by Paragraph 7.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the City's accountants in such documentation.

(f) Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 1.11.5, General Conditions.

7.1.8 Except with the City's prior approval, payments to Subcontractors shall be subject to retention of not less than five percent (5%). The City and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments and retention for subcontracts.

7.1.9 Except with the City's prior approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

7.1.10 In taking action on the Construction Manager's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Paragraph 7.1.4 or other supporting data, that the Architect has made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the City, will be performed by the City's accountants acting in the sole interest of the City.

7.2 Final Payment.

7.2.1 Final payment shall be made by the City to the Construction Manager when (1) the Contract has been fully performed by the Construction Manager except for the Construction Manager's responsibility to correct punch list items or nonconforming Work, as provided in Paragraph 1.14.2.2, General Conditions, and to satisfy other requirements, if any, which necessarily survive final payment; (2) a final Application for Payment and a final accounting for the Cost of the Work have been submitted by the Construction Manager and reviewed by the City's accountants; and (3) a final Certificate for Payment has then been issued by the Architect; such final payment shall be made by the City not more than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

7.2.2 The amount of the final payment shall be calculated as follows:

(a) Take the sum of the Cost of the Work substantiated by the Construction Manager's final accounting and the Construction Manager's Fee, but not more than the Guaranteed Maximum Price.

(b) Subtract amounts, if any, for which the Architect withholds or the City is entitled to withhold under this Agreement, in whole or in part, a final Certificate for Payment as provided in Paragraph 1.11.5.1, General Conditions or other provisions of the Contract Documents.

(c) Subtract the aggregate of previous payments made by the Owner.

If the aggregate of previous payments made by the City exceeds the amount due the Construction Manager, the Construction Manager shall reimburse the difference to the City.

7.2.3 The City's accountants will review and report in writing on the Construction Manager's final accounting within 30 days after delivery of the final accounting to the Architect by the Construction Manager, together with all backup documentation reasonably required by the City. Based upon such Cost of the Work as the City's accountants report to be

substantiated by the Construction Manager's final accounting, and provided the other conditions of Paragraph 7.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's accountants, either issue to the City a final Certificate for Payment with a copy to the Construction Manager or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Paragraph 1.11.5.1, General Conditions. The time periods stated in this Paragraph 7.2 supersede those stated in Paragraph 1.11.4.1, General Conditions.

7.2.4 If the City's accountants report the Cost of the Work as substantiated by the Construction Manager's final accounting to be less than claimed by the Construction Manager, the Construction Manager shall be entitled to proceed in accordance with Paragraph 8 without a further decision of the Architect. Unless agreed to otherwise, a demand for mediation of the disputed amount shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to make such demand within this 30-day period shall result in the substantiated amount reported by the City's accountants becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the City shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

7.2.5 If, subsequent to final payment and at the City's request, the Construction Manager incurs costs described in Paragraph 6.1 and not excluded by Paragraph 6.2 (1) to correct nonconforming Work or (2) arising from the resolution of disputes, the City shall reimburse the Construction Manager such costs and the Construction Manager's Fee, if any, related thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Construction Manager has participated in savings, the amount of such savings shall be recalculated and appropriate credit given to the City in determining the net amount to be paid by the City to the Construction Manager.

8. MISCELLANEOUS PROVISIONS.

8.1 Dispute Resolution.

8.1.1 During both the Preconstruction and Construction Phases, claims, disputes or other matters in question between the parties to this Agreement shall be resolved as provided in Paragraph 1.6.3., General Conditions, except that, during the Preconstruction Phase, no decision by the Architect shall be a condition precedent to mediation.

8.2 Other Provisions.

8.2.1 Extent Of Contract. This Contract, which includes this Agreement and the other documents incorporated herein by reference, represents the entire and integrated agreement between the City and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the City and Construction Manager. If anything in any document incorporated into this Agreement is inconsistent with this Agreement, this Agreement shall govern.

8.2.2 Ownership And Use Of Documents. Paragraph 1.3.4, General Conditions, shall apply to both the Preconstruction and Construction Phases.

8.2.3 Governing Law. The Contract shall be governed by the laws of the State of Texas. Performance and all matters related thereto shall be in Brazos County, Texas, United States of America.

8.2.4 Assignment. The City and Construction Manager respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

9. TERMINATION OR SUSPENSION.

9.1 Termination Prior To Establishing Guaranteed Maximum Price.

9.1.1 Prior to execution by both parties of Amendment No. 1 establishing the Guaranteed Maximum Price, the City may terminate this Contract at any time without cause, and the Construction Manager may terminate this Contract for any of the reasons described in Paragraph 1.16.1.1, General Conditions.

9.1.2 If the City or Construction Manager terminates this Contract pursuant to Paragraph 9.1 prior to commencement of the Construction Phase, the Construction Manager shall be equitably compensated for Preconstruction Phase Services performed prior to receipt of notice of termination; provided, however, that the compensation for such services shall not exceed the compensation set forth in Paragraph 4.1.1.

9.1.3 If the City or Construction Manager terminates this Contract pursuant to Paragraph 9.1 after commencement of the Construction Phase, the Construction Manager shall be paid , in addition to the compensation provided in Paragraph 9.1.2,, an amount calculated as follows:

(a) Take the Cost of the Work incurred by the Construction Manager.

(b) Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Paragraph 5.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Paragraph, an amount which bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion.

(c) Subtract the aggregate of previous payments made by the City on account of the Construction Phase.

The City shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the City, for any equipment owned by the Construction Manager which the City elects to retain and which is not otherwise included in the Cost of the Work under Paragraph 9.1.3.(a). To the extent that the City elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in Paragraph 9, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the City may require for the purpose of fully vesting in the City the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

Subcontracts, purchase orders and rental agreements entered into by the Construction Manager with the City's written approval prior to the execution of Amendment No. 1 shall contain provisions permitting assignment to the City as described above. If the City accepts such assignment, the City shall reimburse the Construction Manager with respect to all valid and properly payable costs arising under the subcontract, purchase order or rental agreement except those which would not have been reimbursable as Cost of the Work if the contract had not been terminated. If the City elects not to accept the assignment of any subcontract, purchase order or rental agreement which would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager shall terminate such subcontract, purchase order or rental agreement and the City shall pay the Construction Manager the costs necessarily and reasonably incurred by the Construction Manager by reason of such termination, but in no event to include any overhead or profit on work not performed.

9.2 Termination Subsequent To Establishing Guaranteed Maximum Price.

Subsequent to execution by both parties of Amendment No. 1, the Contract may be terminated as provided in Paragraph 1.16, General Conditions.

9.2.1 In the event of such termination by the Owner, the amount payable to the Construction Manager pursuant to Paragraph 1.16.1.3, General Conditions shall not exceed the amount the Construction Manager would have been entitled to receive pursuant to Paragraphs 9.1.2 and 9.1.3 of this Agreement.

9.2.2 In the event of such termination by the Construction Manager, the amount to be paid to the Construction Manager under Paragraph 1.16.1.3, General Conditions shall not exceed the amount the Construction Manager would have been entitled to receive under Paragraphs 9.1.2 and 9.1.3 above. In no event shall Construction Manager nor any supplier or subcontractor be entitled to any fee or lost profits for work not performed.

9.3 Suspension. The Work may be suspended by the City as provided in Paragraph 1.16, General Conditions; in such case, the Guaranteed Maximum Price, if established, shall be increased as provided in Paragraph 1.16.3.2, General Conditions, except that the term "cost of performance of the Contract" in that Paragraph shall be understood to mean the Cost of the Work and the term "profit" shall be understood to mean the Construction Manager's Fee as described in Paragraphs 5.1.1 and 5.3.4 of this Agreement.

10. OTHER CONDITIONS AND SERVICES.

10.1 Construction Manager represents to the City that it has, and will keep in effect at all times during the term of this Contract, any licenses, permits, and approvals which are legally required for the Construction Manager to practice its trade.

10.2 Authority to do business. The Construction Manager represents that it has a certificate of authority authorizing it to do business in the State of Texas, a registered agent and registered office during the duration of this Contract.

10.3 Authority to Contract. Each party has the full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective corporations.

10.4 Severability. In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision herein and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

10.5 Presumption Against Waiver. No waiver by either party hereto of any one or more defaults by the other party hereto in the performance of this Contract shall be construed as a waiver of any future defaults whether of a like or different character.

10.6 Owner's Reserved Rights. The City shall have the rights by its officers, employees or agents to examine and inspect the Construction Manager's Work at any time to verify Construction Manager's compliance with the terms of this Contract. Any approval by City or acceptance of Construction Manager's Work shall not waive any obligation of Construction Manager to correct defective work.

10.7 Benefit. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns where permitted by Contract. Nothing in this Paragraph shall be construed to waive the conditions elsewhere contained in this Contract applicable to assignment by the Construction Manager. Nothing contained in this Contract shall be construed to confer any benefit upon any subcontractor or any other third party.

10.8 Headings, Gender, Number. The headings are used in this Agreement for convenience and reference purposes only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement and shall have no meaning or effect upon its interpretation. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

10.9 Agreement Read. The parties acknowledge that they have had opportunity to consult with counsel of their choice, have read, understand and intend to be bound by the terms and conditions of this Agreement.

10.10 Liquidated Damages. The amount of liquidated damages for the Construction Manager's failure to meet the deadlines for Substantial and/or Final Completion are fixed and agreed on by the Construction Manager because of the impracticability and extreme difficulty in fixing and ascertaining the actual damages that the City would in such an event sustain. The amounts to be charged are agreed to be damages the City would sustain and shall be retained by the City from current periodic estimates for payment or from final payment. As a result of the difficulty in estimation, calculation and ascertainment of City's damages due to a failure of Construction Manager to achieve timely completion of the Work, if the Construction Manager should neglect, fail, or refuse to either Substantially Complete or Finally Complete the Work within the time herein specified, or any proper extension thereof granted by the City's Representative pursuant to the terms of the Contract Documents, then the Construction Manager does hereby agree as part of the consideration for the awarding of this Agreement that the Owner may permanently withhold from the Construction Manager's total compensation the sum of **Four Thousand Nine Hundred Eighty-Five and 75/100 DOLLARS (\$4,985.75)** for each and every calendar day that the Construction Manager shall be in default after the time stipulated for Substantial Completion not as a penalty, but as liquidated damages for the breach of this Agreement. It being specifically understood that the assessment of liquidated damages may be made for any failure to meet either or both of the deadlines specified for Substantial Completion and/or Final Completion.

10.11 Final Completion. Contractor shall achieve Final Completion within 30 calendar days of the date of Substantial Completion, failing which, Contractor shall provide a full time on site superintendent until Final Completion at its own cost and not as a cost of the Work.

10.12 Verification No Boycott Israel. To the extent this Contract is considered a contract for goods or services subject to § 2270.002 Texas Government Code, Contractor verifies that it i) does not boycott Israel; and ii) will not boycott Israel during the term of this Contract.

List of Exhibits

- A. Wage Rates**
- B. Insurance Requirements**

- C. Performance & Payment Bonds
- D. Certificates of Insurance
- E. Specifications & Plans

J.T. Vaughn Construction, LLC

CITY OF COLLEGE STATION

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
City Manager: _____
Date: _____

APPROVED:

City Attorney
Date: _____

Assistant City Manager/CFO
Date: _____

EXHIBIT A

DAVIS BACON WAGE RATES

General Decision Number: TX180016 01/05/2018 TX16

Superseded General Decision Number: TX20170016

State: Texas

Construction Types: Heavy and Highway

Counties: Atascosa, Bandera, Bastrop, Bell, Bexar, Brazos, Burleson, Caldwell, Comal, Coryell, Guadalupe, Hays, Kendall, Lampasas, McLennan, Medina, Robertson, Travis, Williamson and Wilson Counties in Texas.

HEAVY (excluding tunnels and dams, not to be used for work on Sewage or Water Treatment Plants or Lift / Pump Stations in Bell, Coryell, McClellon and Williamson Counties) and HIGHWAY Construction Projects

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.35 for calendar year 2018 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.35 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2018. The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/05/2018

* SUTX2011-006 08/03/2011

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER (Paving and Structures).....	\$ 12.56	
ELECTRICIAN.....	\$ 26.35	

FORM BUILDER/FORM SETTER

Paving & Curb.....\$ 12.94
Structures.....\$ 12.87

LABORER

Asphalt Raker.....\$ 12.12
Flagger.....\$ 9.45
Laborer, Common.....\$ 10.50
Laborer, Utility.....\$ 12.27
Pipelayer.....\$ 12.79
Work Zone Barricade
Servicer.....\$ 11.85

PAINTER (Structures).....\$ 18.34

POWER EQUIPMENT OPERATOR:

Agricultural Tractor.....\$ 12.69
Asphalt Distributor.....\$ 15.55
Asphalt Paving Machine.....\$ 14.36
Boom Truck.....\$ 18.36
Broom or Sweeper.....\$ 11.04
Concrete Pavement
Finishing Machine.....\$ 15.48
Crane, Hydraulic 80 tons
or less.....\$ 18.36
Crane, Lattice Boom 80
tons or less.....\$ 15.87
Crane, Lattice Boom over
80 tons.....\$ 19.38
Crawler Tractor.....\$ 15.67
Directional Drilling
Locator.....\$ 11.67
Directional Drilling
Operator.....\$ 17.24
Excavator 50,000 lbs or
Less.....\$ 12.88
Excavator over 50,000 lbs...\$ 17.71
Foundation Drill, Truck
Mounted.....\$ 16.93
Front End Loader, 3 CY or
Less.....\$ 13.04
Front End Loader, Over 3 CY.\$ 13.21
Loader/Backhoe.....\$ 14.12
Mechanic.....\$ 17.10
Milling Machine.....\$ 14.18
Motor Grader, Fine Grade....\$ 18.51
Motor Grader, Rough.....\$ 14.63
Pavement Marking Machine...\$ 19.17
Reclaimer/Pulverizer.....\$ 12.88
Roller, Asphalt.....\$ 12.78
Roller, Other.....\$ 10.50
Scraper.....\$ 12.27
Spreader Box.....\$ 14.04
Trenching Machine, Heavy....\$ 18.48

Servicer.....\$ 14.51

Steel Worker
 Reinforcing.....\$ 14.00
 Structural.....\$ 19.29

TRAFFIC SIGNAL INSTALLER
 Traffic Signal/Light Pole
 Worker.....\$ 16.00

TRUCK DRIVER
 Lowboy-Float.....\$ 15.66
 Off Road Hauler.....\$ 11.88
 Single Axle.....\$ 11.79
 Single or Tandem Axle Dump
 Truck.....\$ 11.68
 Tandem Axle Tractor w/Semi
 Trailer.....\$ 12.81

WELDER.....\$ 15.97

 WELDERS - Receive rate prescribed for craft performing
 operation to which welding is incidental.

1. Payment greater than prevailing wage rate as listed within this document not prohibited per Texas Government Code, Chapter 2258, Prevailing Wage Rates, Subchapter A. General Provisions.
2. Not less than the following hourly rates shall be paid for the various classifications of work required by this project. Workers in classifications where rates are not identified shall be paid not less than the general prevailing rate of "laborer" for the various classifications of work therein listed.
3. The hourly rate for legal holiday and overtime work shall not be less than one and one-half (1 & 1/2) times the base hourly rate.
4. The rates listed are journeyman rates. Helpers may be used on the project and may be compensated at a rate determined mutually by the worker and employer, commensurate with the experience and skill of the worker but not at a rate less than 60% of the journeyman's wage as shown. Apprentices (enrolled in a federally certified apprentice program) may be used at the percentage rates of the journeyman scale stipulated in their apprenticeship agreement. At no time shall a journeyman supervise more than two (2) apprentices or helpers. All apprentices or helpers shall be under the direct supervision of a journeyman working as a crew.
5. Except for Heavy/Highway Construction, building construction wage rates shall be paid to all workers except those workers engaged in site work and construction beyond five feet of buildings.

EXHIBIT B

INSURANCE REQUIREMENTS

During the term of this Agreement Contractor's insurance policies shall meet the following requirements:

- I. Standard Insurance Policies Required:
 - A. Commercial General Liability
 - B. Business Automobile Liability
 - C. Umbrella / Excess Liability
 - D. Workers' Compensation
 - E. Builder's Risk – provides coverage for contractor's labor and materials for a project during construction that involves a structure such as a building or garage. builder's risk policy shall be written on "all risks" form.
- II. General Requirements Applicable to All Policies:
 - A. Only Insurance Carriers licensed and admitted to do business in the State of Texas will be accepted.
 - B. Deductibles shall be listed on the Certificate of Insurance and are acceptable only on a per occurrence basis for property damage only.
 - C. "Claims Made" policies are not accepted.
 - D. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City of College Station.
 - E. Upon request, certified copies of all insurance policies shall be furnished to the City of College Station.
 - F. The City of College Station, its officials, employees and volunteers, are to be named as "Additional Insured" to the Commercial General, Umbrella and Business Automobile Liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
- III. Commercial General Liability
 - A. General Liability insurance shall be written by a carrier with a "A:VIII" or better rating in accordance with the current Best Key Rating Guide.
 - B. Limit of \$1,000,000.00 per occurrence for bodily injury and property damage with an annual aggregate limit of \$2,000,000.00 which limits shall be endorsed to be per Project.

- C. Coverage shall be at least as broad as ISO form GC 00 01.
- D. No coverage shall be excluded from the standard policy without notification of individual exclusions being attached for review and acceptance.
- E. The coverage shall include but not be limited to the following: premises/operations with separate aggregate; independent contracts; products/completed operations; contractual liability (insuring the indemnity provided herein) Host Liquor Liability, Personal & Advertising Liability; and Explosion, Collapse, and Underground coverage.

IV. Business Automobile Liability

- A. Business Automobile Liability insurance shall be written by a carrier with a "A:VIII" or better rating in accordance with the current Best Key Rating Guide.
- B. Minimum Combined Single Limit of \$1,000,000.00 per occurrence for bodily injury and property damage.
- C. Coverage shall be at least as broad as Insurance Service's Office Number CA 00 01.
- D. The Business Auto Policy must show Symbol 1 in the Covered Autos Portion of the liability section in Item 2 of the declarations page.
- E. The coverage shall include owned autos, leased or rented autos, non-owned autos, any autos and hired autos.
- F. Pollution Liability coverage shall be provided by endorsement MCS-90, with a limit of \$1,000,000.00.

V. Excess Liability

Umbrella form excess liability coverage following the form of the underlying coverage with a minimum limit of \$5,000,000.00 or the total value of the contract, whichever is greater, per occurrence/aggregate when combined with the lowest primary liability coverage.

- VI. Those policies set forth in Paragraphs III, IV, and V shall contain an endorsement naming the City as Additional Insured and further providing that the Contractor's policies are primary to any self-insurance or insurance policies procured by the City. The additional insured endorsement shall be in a form at least as broad as ISO form GC 2026. Waiver of subrogation in a form at least as broad as ISO form 2404 shall be provided in favor of the City on all policies obtained by the Contractor in compliance with the terms of this Agreement. Contractor shall be responsible for all deductibles which may exist on any policies obtained in compliance with the terms of this Agreement. All coverage for subcontractors shall be subject to the requirements stated herein. All Certificates of Insurance and endorsements shall be furnished to the City's Representative at the time of execution of this Agreement, attached hereto as Exhibit D, and approved by the City before work commences.

VII. Workers Compensation Insurance

- A. Pursuant to the requirements set forth in Title 28, Section 110.110 of the Texas Administrative Code, all employees of the Contractor, all employees of any and all subcontractors, and all other persons providing services on the Project must be covered by a workers compensation insurance policy: either directly through their employer's policy (the Contractor's or subcontractor's policy) or through an executed coverage agreement on an approved Texas Department of Insurance Division of Workers Compensation (DWC) form. Accordingly, if a subcontractor does not have his or her own policy and a coverage agreement is used, contractors and subcontractors must use that portion of the form whereby the hiring contractor agrees to provide coverage to the employees of the subcontractor. The portion of the form that would otherwise allow them not to provide coverage for the employees of an independent contractor may not be used.
- B. Workers compensation insurance shall include the following terms:
1. Employer's Liability minimum limits of \$1,000,000.00 for each accident/each disease/each employee are required.
 2. "Texas Waiver of Our Right to Recover From Others Endorsement, WC 42 03 04" shall be included in this policy.
 3. Texas must appear in Item 3A of the Workers Compensation coverage or Item 3C must contain the following: All States except those listed in Item 3A and the States of NV, ND, OH, WA, WV, and WY.
- C. Pursuant to the explicit terms of Title 28, Section 110.110(c) (7) of the Texas Administrative Code, the bid specifications, this Agreement, and all subcontracts on this Project must include the following terms and conditions in the following language, without any additional words or changes, except those required to accommodate the specific document in which they are contained or to impose stricter standards of documentation:

"A. *Definitions:*

Certificate of coverage ("certificate") – An original certificate of insurance, a certificate of authority to self-insure issued by the Division of Workers Compensation, or a coverage agreement (DWC-81, DWC-83, or DWC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the Contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractors" in § 406.096 [of the Texas Labor Code]) - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent Contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons

to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.*
- C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.*
- D. If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.*
- E. The Contractor shall obtain from each person providing services on a project, and provide to the governmental entity:*
 - (1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and*
 - (2) no later than seven calendar days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.*
- F. The Contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.*
- G. The Contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the Contractor knew or should have known, or any change that materially affects the provision of coverage of any person providing services on the project.*
- H. The Contractor shall post on each project site a notice, in the text, form and manner prescribed by the Division of Workers Compensation, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.*
- I. The Contractor shall contractually require each person with whom it contracts to provide services on a project, to:*

- (1) *provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, that meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;*
 - (2) *provide to the Contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;*
 - (3) *provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;*
 - (4) *obtain from each other person with whom it contracts, and provide to the Contractor:*
 - (a) *A certificate of coverage, prior to the other person beginning work on the project; and*
 - (b) *A new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;*
 - (5) *retain all required certificates of coverage on file for the duration of the project and for one year thereafter;*
 - (6) *notify the governmental entity in writing by certified mail or personal delivery, within 10 calendar days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and*
 - (7) *Contractually require each person with whom it contracts to perform as required by paragraphs (a) - (g), with the certificates of coverage to be provided to the person for whom they are providing services.*
- J. *By signing this contract, or providing, or causing to be provided a certificate of coverage, the Contractor is representing to the governmental entity that all employees of the Contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project; that the coverage will be based on proper reporting of classification codes and payroll amounts; and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.*

- K. *The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor that entitles the governmental entity to declare the contract void if the Contractor does not remedy the breach within ten calendar days after receipt of notice of breach from the governmental entity."*

VIII. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent, and shall contain the following provisions and warranties:

- A. The company is licensed and admitted to do business in the State of Texas.
- B. The insurance policies provided by the insurance company are underwritten on forms that have been provided by the Texas State Board of Insurance or ISO.
- C. All endorsements and insurance coverages according to requirements and instructions contained herein.
- D. The form of the notice of cancellation, termination, or change in coverage provisions to the City of College Station.
- E. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

Exhibit C

PERFORMANCE AND PAYMENT BONDS

Project No. _____

PERFORMANCE BOND

PERFORMANCE BOND

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
THE COUNTY OF BRAZOS §

THAT WE, _____, as Principal, hereinafter called "Contractor" and the other subscriber hereto _____, as Surety, do hereby acknowledge ourselves to be held and firmly bound to the City of College Station, a municipal corporation, in the sum of Twenty-Five Million and NO/100 (\$25,000,000.00) for the payment of which sum, well and truly to be made to the City of College Station and its successors, the said Contractor and Surety do bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, the Contractor has on or about this day executed a Contract in writing with the City of College Station for Construction Manager at Risk Services for the Construction of the College Station Police Department Headquarters, all of such work to be done as set out in full in said Contract Documents therein referred to and adopted by the City Council, all of which are made a part of this instrument as fully and completely as if set out in full herein.

NOW THEREFORE, if the said Contractor shall faithfully and strictly perform Contract in all its terms, provisions, and stipulations in accordance with its true meaning and effect, and in accordance with the Contract Documents referred to therein and shall comply strictly with each and every provision of the Contract, including all warranties and indemnities therein and with this bond, then this obligation shall become null and void and shall have no further force and effect; otherwise the same is to remain in full force and effect.

It is further understood and agreed that the Surety does hereby relieve the City of College Station or its representatives from the exercise of any diligence whatever in securing compliance on the part of the Contractor with the terms of the Contract, including the making of payments thereunder and, having fully considered its Principal's competence to perform the Contract in the underwriting of this Performance Bond, the Surety hereby waives any notice to it of any default, or delay by the Contractor in the performance of his Contract and agrees that it, the Surety, shall be bound to take notice of and shall be held to have knowledge of all acts or omissions of the Contractor in all matters pertaining to the Contract. The Surety understands and agrees that the provision in the Contract that the City of College Station shall retain certain amounts due the Contractor until the expiration of thirty days from the acceptance of the Work is intended for the City's benefit, and the City of College Station shall have the right to pay or withhold such retained amounts or any other amount owing under the Contract without changing or affecting the liability of the Surety hereon in any degree.

It is further expressly agreed by Surety that the City of College Station or its representatives are at liberty at any time, without notice to the Surety, to make any change in the Contract

Documents and in the Work to be done thereunder, as provided in the Contract, and in the terms and conditions thereof, or to make any change in, addition to, or deduction from the work to be done thereunder; and that such changes, if made, shall not in any way vitiate the obligation in this bond and undertaking or release the Surety therefrom.

It is further expressly agreed and understood that the Contractor and Surety will fully indemnify and hold harmless the City of College Station from any liability, loss, cost, expense, or damage arising out of or in connection with the work done by the Contractor under the Contract. In the event that the City of College Station shall bring any suit or other proceeding at law on the Contract or this bond or both, the Contractor and Surety agree to pay to the City the actual amounts of attorneys' fees incurred by the city in connection with such suit.

This bond and all obligations created hereunder shall be performable in Brazos County, Texas. This bond is given in compliance with the provisions of Chapter 2253 of the Texas Government Code, as amended, which is incorporated herein by this reference. However, all of the express provisions hereof shall be applicable whether or not within the scope of said statute.

Notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United State Postal Service post office or receptacle, with proper postage affixed (certified mail, return receipt requested), addressed to the respective other party at the address prescribed in the Contract Documents, or at such other address as the receiving party may hereafter prescribe by written notice to the sending party.

IN WITNESS THEREOF, the said Contractor and Surety have signed and sealed this instrument on the respective dates written below their signatures and have attached current Power of Attorney.

ATTEST, SEAL: (if a corporation)

WITNESS: (if not a corporation)

(Name of Contractor)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST, WITNESS (SEAL)

(Full Name of Surety)

By: _____

Name: _____

(Address of Surety for Notice)

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

:

REVIEWED:

THE FOREGOING BOND IS ACCEPTED
ON BEHALF OF
THE CITY OF COLLEGE STATION,
TEXAS:

City Attorney's Office

City Manager

Project No. _____

PAYMENT BOND

TEXAS STATUTORY PAYMENT BOND

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
THE COUNTY OF BRAZOS §

THAT WE, _____, as Principal, hereinafter called “Principal” and the other subscriber hereto _____, a corporation organized and existing under the laws of the State of _____, licensed to business in the State of Texas and admitted to write bonds, as Surety, herein after called “Surety”, do hereby acknowledge ourselves to be held and firmly bound to the City of College Station, a municipal corporation, in the sum of Twenty-Five Million and NO/100 (\$25,000,000.00) for payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, Principal ahs entered into a certain contract with City of College Station dated the ____ day of _____, 20____, for Construction Manager at Risk Services for the Construction of the College Station Police Department Headquarters, which contract is hereby referred to and made aparty hereof as fully and to the same extent as if copied at length herein.

NOW THEREFORE, the condition of this obligation is such that if Principal shall pay all claimants supplying labor and material to him or a subcontractor in the prosecution of the work provided for in said contract, then, this obligation shall be null and void; otherwise to remain in full force and effect;

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of said Code to the same extent as if it were copied at length herein.

IN WITNESS THEREOF, the said Principal and Surety have signed and sealed this instrument on the respective dates written below their signatures.

ATTEST, SEAL: (if a corporation)

WITNESS: (if not a corporation)

(Name of Contractor)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTEST, WITNESS (SEAL)

(Full Name of Surety)

By: _____

(Address of Surety for Notice)

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

:

REVIEWED:

THE FOREGOING BOND IS ACCEPTED
ON BEHALF OF
THE CITY OF COLLEGE STATION,
TEXAS:

City Attorney's Office

City Manager

Exhibit D

CERTIFICATES OF INSURANCE AND ENDORSEMENTS

Exhibit E

TECHNICAL SPECIFICATIONS AND PLANS



Legislation Details (With Text)

File #: 18-0281 **Version:** 1 **Name:** RVP Appointment
Type: Appointment **Status:** Agenda Ready
File created: 4/16/2018 **In control:** City Council Regular
On agenda: 4/26/2018 **Final action:**
Title: Presentation, possible action, and discussion regarding an appointment to the Research Valley Partnership (RVP).
Sponsors: Tanya Smith
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Presentation, possible action, and discussion regarding an appointment to the Research Valley Partnership (RVP).

Relationship to Strategic Goals:

- Good Governance

Recommendation(s): None

Summary: Jim Jett currently serves as College Station's appointee on the RVP Board. Mr. Jett term expires June 2018, but he would like to step down earlier. The new appointee would fill Mr. Jett's unexpired term and would be eligible to be reappointed for two additional three-year terms.

Budget & Financial Summary: None

Attachments: None