NOTICE OF REGULAR COUNCIL MEETING
CITY OF TOMBALL, TEXAS

Monday, December 20, 2021
6:00 PM

Notice is hereby given of a Regular meeting of the Tomball City Council, to be held on Monday, December 20, 2021 at 6:00 PM, City Hall, 401 Market Street, Tomball, Texas 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball City Council reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR DECEMBER 20, 2021, 6:00 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT: *HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38;* A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location)**: +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 878 0634 5359, Passcode: 004973.** The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

A. Call to Order

B. Invocation - Led by Pastor Brenda Rodgers, Anointed Faith Family Church, Tomball

C. Pledges to U.S. and Texas Flags

D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*

E. Reports and Announcements

1. Announcements

I. December 23-24, 2021 – **Christmas Holidays** – City offices closed

II. December 31, 2021 – **New Year's Day Holiday** – City offices closed

2. Reports by City staff and members of council about items of community interest on which no action will be taken:

F. Approval of Minutes

1. Approve the Minutes of the December 6, 2021 Regular Tomball City Council Meeting

G. Old Business Consent Agenda: *[All matters listed under Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, the item in question will be removed from the Consent Agenda and will be considered separately. Information concerning Consent Agenda items is available for public review.]*

1. Approve, on Second Reading, Resolution No. 2021-41-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and GK Hospitality Development, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 6,530 square foot commercial facility to be located on the west side of SH 249, northerly of FM 2920 Road, Tomball, Texas 77377. The estimated amount of expenditures for such Project is an amount not to exceed $107,500.00.

2. Approve, on Second Reading, Resolution No. 2021-42-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Silver Accounting Group, LLC, to make direct incentives to, or expenditures for, rental assistance for new or expanded enterprise to be located at 1431 Graham Drive, Suite 150, Tomball, Texas 77375. The estimated amount of expenditures for such Project is an amount not to exceed $8,236.00.

3. Approve, on Second Reading, Resolution No. 2021-43-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and the Friends of Tomball Community Library for expenditures required or suitable for the promotion of new or expanded business development. The estimated amount of expenditures for such Project is an amount not to exceed $47,614.00.

H. New Business

1. Conduct Public Hearing of the City Council of the City of Tomball to consider Proposed Assessments against Alexander Estates Section Two properties in the City of Tomball, Public Improvement District Number Four, established by City Council Resolution No. 2019-04

2. Adopt, on First Reading, Ordinance No. 2021-40, an Ordinance of the City Council of Tomball, Texas, Levying the Assessment against Section Two properties within the City of Tomball Public Improvement District Four (Alexander Estates Subdivision); and Making Certain Findings Related Thereto

3. Approve Amendment to Administrative Policy No. 17, entitled ***"General Fixed Assets Policies and Procedures"***

4. Award Contract for Bid No. 2022-01 for the Roof Replacement for the Administrative Services Building to Parich Roofing & Construction, LLC for a total amount of $86,500.00

5. Approve Purchase of a Mini-Excavator from Waukesha-Pearce Industries, LLC through the HGAC BuyBoard Contract, contract number EM06-19, totaling $60,100.00

6. Approve Final Payment to Thirkettle Corporation for the Flexnet Pilot Program for the Purchase of the Required Components for the Fixed Based Pilot Program for the City's Meter Reading System, in the Amount of $137,521.14

I. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 16th day of December 2021 by 5:00 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Doris Speer, City Secretary, TRMC, MMC

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 6, 2021

Topic:
December 23-24, 2021 – **Christmas Holidays –** City offices closed

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Doris Speer, City Secretary

Signed	Doris Speer	11-30-2021	Approved by		
	Staff Member	Date		City Manager	Date

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 6, 2021

Topic:
December 31, 2021 – **New Year's Day Holiday –** City offices closed

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Doris Speer, City Secretary

Signed	Doris Speer	11-30-2021	Approved by		
	Staff Member	Date		City Manager	Date

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Approve the Minutes of the December 6, 2021 Regular Tomball City Council Meeting

Background:

Origination: City Secetary

Recommendation:

Approve

Party(ies) responsible for placing this item on agenda: Doris Speer, City Secretary

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: ______ No: ________ If yes, specify Account Number: # ____________

If no, funds will be transferred from account # ____________ To account # ____________

Signed Doris Speer 12-8-2021 Approved by ____________

Staff Member Date City Manager Date

MINUTES OF REGULAR COUNCIL MEETING
CITY OF TOMBALL, TEXAS

Monday, December 6, 2021
6:00 PM

The City Council of the City of Tomball, Texas, conducted the meeting scheduled for December 6, 2021, 6:00 PM, at 401 Market Street, Tomball, Texas 77375, via video/telephone conference.

A. Mayor Fagan called the meeting of the Tomball City Council to order at 6:00 p.m.

PRESENT:
Mayor Gretchen Fagan
Council 1 John Ford
Council 2 Mark Stoll
Council 3 Chad Degges
Council 4 Derek Townsend, Sr.
Council 5 Lori Klein Quinn

OTHERS PRESENT:
City Manager – David Esquivel
Assistant City Manager – Jessica Rogers
City Secretary – Doris Speer
City Attorney – Loren B. Smith
Police Chief – Jeff Bert
Director of Public Works – Beth Jones
Marketing Director – Mike Baxter
Finance Director – Katherine Dubose
Director of Community Development – Nathan Dietrich
CSO Administrative Assistant – Sasha Luna
Community Center Manager – Rosalie Dillon
Executive Director-TEDC – Kelly Violette

B. The invocation was led by Pastor Steven Staten – Fellowship @ Tomball

C. Pledges to U.S. and Texas Flags were led by Scouts from Pack 469, Arrow of Light Den

D. The following public comments were received:

Bruce Hillegeist President, GTACC	-	Introduced 2022 Miss Tomball, Breleigh Rose and expressed the Chamber's appreciation for City Council's support of the 56^{th} Annual Tomball Holiday Parade

E. Reports and Announcements

1. Announcements
   I. December 10-12, 2021 – ***German Christmas Market*** – Depot Plaza and Market Street

   II. December 23-24, 2021 – **Christmas Holidays –** City offices closed

   III. December 31, 2021 – **New Year's Day Holiday –** City offices closed

2. Reports by City staff and members of council about items of community interest on which no action will be taken:

   I. Mike Baxter reported on the success of the City's ***"Deck the Depot"*** event.

F. Approval of Minutes

1. Motion made by Council 4 Townsend, Sr., Seconded by Council 2 Stoll, to approve the Minutes of the November 15, 2021 Special and Regular Tomball City Council Meetings and the November 29, 2021 Special Tomball City Council Meeting

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

G. Old Business Consent Agenda: *[All matters listed under Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, the item in question will be removed from the Consent Agenda and will be considered separately. Information concerning Consent Agenda items is available for public review.]*

Councilman Klein Quinn requested the removal of Item 4 from the Old Business Consent Agenda.

1. Adopt, on Second Reading, Ordinance No. 2021-37, an Ordinance of the City of Tomball, Texas, Extending the City Limits of Said City to Include All of the Territory Within Certain Limits and Boundaries and Annexing to the City of Tomball All of the Territory Within Such Limits and Boundaries; Approving a Service Plan for All of the Area Within Such Limits and Boundaries; Containing Other Provisions Relating to the Subject; and Providing a Savings and Severability Clause (Being a Tract or Parcel Containing 240.075 Acres or 10,457,658 Square Feet of Land Situated in the Auguste Senerchal Survey, Abstract No. 722, Harris County, Texas, Being a Residue of a Called 314.8179 Acres Described in Deed to Exxon Mobile Corporation, as Recorded under Harris County Clerk's File (H.C.C.F.) No. W883345, with Said 240.075-Acre Tract Being More Particularly Described by Metes and Bounds Provided Herein, Harris County, Texas) [0 Boudreaux Road, Lovett Industrial; HCAD No. 0450260000004]

2. Adopt, on Second Reading, Ordinance No. 2021-38, an Ordinance of the City of Tomball, Texas, Amending Chapter 50 (Zoning) of the Tomball Code of Ordinances by Changing the Zoning District Classification of Approximately 240 Acres of Land Legally Described as Tract 1E, Situated in the Auguste Senerchal Survey, Abstract 722, from Undeveloped Land within the ETJ, to 231.6 Acres of Land to the Light Industrial District and 8.4 Acres of Land to the General Retail District, said Property being Generally Located at the Southwest Corner of Grand Parkway 99 and Rocky Road, Harris County, Texas; Providing for the Amendment of the Official Zoning Map of the City; Providing for Severability; Providing for a Penalty of an Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof, Making Findings of Fact; and Providing for Other Related Matters.

3. Adopt on Second Reading, Ordinance No. 2021-39, an Ordinance of the City Council of the City of Tomball, Texas; Creating the “Tax Increment Reinvestment Zone Number Three” over the Area Generally Located at the Southwest Corner of Grand Parkway 99 and Rocky Road, Harris County, Texas; Designating the Boundaries of the Zone; Creating a Board of Directors for the Zone; Establishing a Tax Increment Fund for the Zone; Making Certain Findings; Repealing Ordinances Inconsistent or in Conflict Herein; Providing a Severability Clause; and, Providing an Effective Date

   Motion made by Council 4 Townsend, Sr., Seconded by Council 5 Klein Quinn, to approve Items 1, 2, and 3 of the Consent Agenda.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

Motion carried unanimously.

G. Old Business (Removed from Consent Agenda)

4. Motion made by Council 4 Townsend, Sr., Seconded by Council 2 Stoll, to adopt, on Second Reading, Ordinance No. 2021-35, an Ordinance of the City of Tomball, Texas, Requesting to Amend Chapter 50 (Zoning) of the Tomball Code of Ordinances Official Zoning Map for Property that is Approximately 18 Acres of Land, Legally Described as Tracts 1B & 2C, Abstract 311 C Goodrich within the City of Tomball, Harris County, Texas; from Commercial District to the Planned Development District (PD-18); being generally located at the Northwest Corner of the Intersection of FM 2920 and Tomball Cemetery Road; Providing for Severability; Providing for a Penalty of an Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof, Making Findings of Fact; and Providing for Other Related Matters

The following public comments were received:

Jason Ahrendt 22315 Pine Tree Dr.	-	Expressed his opposition to the zoning change.
Michelle Gutierrez 22507 Tomball Cemetery Rd.	-	Expressed her opposition to the zoning change.
Kyle Keith 22407 Pine Tree Dr.	-	Expressed his opposition to the zoning change.
Richard Hill 22213 Tomball Cemetery Rd.	-	Expressed his opposition to the zoning change.
Mike Clark 22307 Pine Tree Dr.	-	Expressed his opposition to the zoning change.
Joe Rowton 15907 Pine Country Blvd.	-	Expressed his opposition to the zoning change.
Andrew Hamilton 22414 Pine Tree	-	Expressed his opposition to the zoning change.
Tola Akindele 2500 Wilcrest, #300, 77042	-	Provided additional information regarding the project

Sean Ratterree 854 Sprucewood Ln, 77024	-	Provided additional information regarding the project
Kyle Keith 22407 Pine Tree	-	Expressed his opposition to the zoning change.
Colleen Pye 207 Florence	-	Expressed her support of the zoning change.
Jason Ahrendt 22315 Pine Tree Dr.	-	Expressed his opposition to the zoning change.
Jessica Young 22319 Pine Tree Dr.	-	Expressed her opposition to the zoning change.
Lauren Ahrendt 22315 Pine Tree Dr.	-	Expressed her opposition to the zoning change.
Michelle Gutierrez 22507 Tomball Cemetery Rd.	-	Expressed her opposition to the zoning change.
Edward Mikolajewski 22203 Pine Tree Dr.	-	Expressed his opposition to the zoning change.
Bill Rigney 15815 Pine Bark Ln.	-	Expressed his opposition to the zoning change.

Motion to AMEND Ordinance No. 2021-35 made by Council 4 Townsend, Sr., Seconded by Council 2 Stoll, to adopt, on Second Reading, Ordinance No. 2021-35, an Ordinance of the City of Tomball, Texas, Requesting to Amend Chapter 50 (Zoning) of the Tomball Code of Ordinances Official Zoning Map for Property that is Approximately 18 Acres of Land, Legally Described as Tracts 1B & 2C, Abstract 311 C Goodrich within the City of Tomball, Harris County, Texas; from Commercial District to the Planned Development District (PD-18); being generally located at the Northwest Corner of the Intersection of FM 2920 and Tomball Cemetery Road; Providing for Severability; Providing for a Penalty of an Amount Not to Exceed $2,000 for Each Day of Violation of Any Provision Hereof, Making Findings of Fact; and Providing for Other Related Matters by Including a Requirement to Add Security Cameras, and Ensure that Lighting on the Property is in Compliance with the City’s Current Lighting Ordinance/Standards.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 4 Townsend, Sr., Council 5 Klein Quinn

Voting Nay: Council 3 Degges

Motion to AMEND Ordinance No. 2021-35 carried, 4 votes Aye, 1 vote Nay.

Vote on Motion, as AMENDED:

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 4 Townsend, Sr., Council 5 Klein Quinn
Voting Nay: Council 3 Degges

Motion, as AMENDED, carried, 4 votes Aye, 1 vote Nay.

H. New Business

1. Motion made by Council 3 Degges, Seconded by Council 5 Klein Quinn, to amend the Contract between the City of Tomball and Tomball Farmers Market to Enable Tomball Farmers Market to hold Special Farmers Market Events on Wednesday Evenings, December 22, 2021 and December 29, 2021 and to provide in-kind support by the City of the use of two light towers.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

2. Motion made by Council 4 Townsend, Sr., Seconded by Council 5 Klein Quinn, to approve, on First Reading, Resolution No. 2021-42-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Silver Accounting Group, LLC, to make direct incentives to, or expenditures for, rental assistance for new or expanded enterprise to be located at 1431 Graham Drive, Suite 150, Tomball, Texas 77375. The estimated amount of expenditures for such Project is an amount not to exceed $8,236.00.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

3. Motion made by Council 4 Townsend, Sr., Seconded by Council 5 Klein Quinn, to approve, on First reading, Resolution No. 2021-43-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball

Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and the Friends of Tomball Community Library for expenditures required or suitable for the promotion of new or expanded business development. The estimated amount of expenditures for such Project is an amount not to exceed $47,614.00.

Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

Motion carried unanimously.

4. Motion made by Council 4 Townsend, Sr., Seconded by Council 2 Stoll, to approve, on First Reading, Resolution No. 2021-41-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and GK Hospitality Development, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 6,530 square foot commercial facility to be located on the west side of SH 249, northerly of FM 2920 Road, Tomball, Texas 77377. The estimated amount of expenditures for such Project is an amount not to exceed $107,500.00.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

5. Motion made by Council 3 Degges, Seconded by Council 4 Townsend, Sr., to approve, as a Project of the Tomball Economic Development Corporation, an agreement with Techsico to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the development of a 10,000 square foot office/warehouse facility to be located on Lot 9 of the Tomball Business and Technology Park. The estimated amount of expenditures for such Project is and amount not to exceed $20,529.00.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

6. Motion made by Council 4 Townsend, Sr., Seconded by Council 3 Degges, to approve Changes to Spirit of Texas Bank Entity Signer.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

7. Motion made by Council 3 Degges, Seconded by Council 1 Ford, to approve a Contract with B&C Constructors for an LED Lighting Upgrade to All City Facilities, in the Amount of $82,089.42, to be Completed through a 1GPA Contract, with Partial Funding through the State Energy Conservation Office (SECO).

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

I. Motion made by Council 4 Townsend, Sr., Seconded by Council 3 Degges, to adjourn.

   Voting Yea: Council 1 Ford, Council 2 Stoll, Council 3 Degges, Council 4 Townsend, Sr., Council 5 Klein Quinn

   Motion carried unanimously.

   Meeting adjourned at 8:26 p.m.

PASSED AND APPROVED this the 20th day of December 2021.

Doris Speer City Secretary, TRMC, MMC	Gretchen Fagan Mayor

Regular City Council Agenda Item Data Sheet

Meeting Date: December 20, 2021

Topic:

Approve, on Second Reading, Resolution No. 2021-41-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and GK Hospitality Development, LLC, to make direct incentives to, or expenditures for, assistance with infrastructure costs required or suitable for the promotion of new or expanded business enterprise related to the construction of a 6,530 square foot commercial facility to be located on the west side of SH 249, northerly of FM 2920 Road, Tomball, Texas 77377. The estimated amount of expenditures for such Project is an amount not to exceed $107,500.00.

Background:

On November 9, 2021, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, a performance agreement with GK Hospitality Development, LLC for assistance with infrastructure costs related to the development of a proposed 6,530 square foot commercial facility to be located on the west side of SH 249, northerly of FM 2920 Road, Tomball, Texas 77377.

Targeted infrastructure projects that will promote or develop new or expanded business enterprises are authorized expenditures under the Development Corporation Act.

The Tomball City Council has final approval authority over all programs and expenditures of the TEDC. Final approval of this project requires the adoption of Resolution No. 2021-41-TEDC after two separate readings.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2021-41-TEDC on First Reading

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: ______ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # ______ To account # ______

Signed ______________________ Approved by ______________________

Staff Member-TEDC Date Executive Director-TEDC Date

RESOLUTION NO. 2021-41-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION'S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BY AND BETWEEN THE CORPORATION AND GK HOSPITALITY DEVELOPMENT, LLC, TO PROMOTE AND DEVELOP NEW OR EXPANDED BUSINESS ENTERPRISES; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the "TEDC"), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the "Act"), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of One Hundred and Seven Thousand and Five Hundred Dollars ($107,500.00), found by the Board to be required or suitable to promote a new business development by GK Hospitality Development, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business enterprises and is in the best interests of the citizenry; now, therefore,

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

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of One Hundred and Seven Thousand and Five Hundred Dollars ($107,500.00), to GK Hospitality Development, LLC, in accordance with an economic development agreement by and between the TEDC and GK Hospitality Development, LLC, to promote and develop a new or expanded business enterprises, to be located at the northwest corner of Hwy 249 and FM 2920, Tomball, Texas.

Section 3. In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this _____ day of ________________, 202__.

PASSED, APPROVED, AND RESOLVED on second and final reading this _____ day of _____________________, 202__.

Gretchen Fagan, Mayor

ATTEST:

Doris Speer, City Secretary

AGREEMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **GK Hospitality Development LLC.** (the “Company”), 4606 FM 1960 W. Suite 640, Houston, TX 77069.

W I T N E S S E T H :

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the “City”), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to develop a .75-acre tract of land within the City, generally located near the northwest corner or FM 2920 and State Highway 249, Tomball, Texas 77375 (the “Property”), more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, such development shall include the construction of a 6,580 square foot commercial building and gasoline facility with an estimated capital investment of Three Million Dollars ($3,000,000) on the site, more particularly described in Exhibit “B,” attached hereto and made a part hereof; and

WHEREAS, the Company also proposes to create nineteen (19) new full-time employment positions in Tomball within the first two years in conjunction with the opening of its business operations on the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of One Hundred and Five Thousand One Hundred Dollars ($105,100.00), or an amount equal to up to twenty percent (20%) of the actual construction costs if less than the sum stated above, to assist in the construction of infrastructure necessary to promote and develop new business enterprises on the Property. The infrastructure found by the Board of Directors of TEDC to be required to develop the Property are certain drainage facilities and related improvements, site improvements, water, sanitary sewer, gas, and electric utilities to the exterior of the buildings (the "Infrastructure Improvements"), identified and described in Exhibit "C," attached hereto and made a part hereof; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will construct and maintain on the Property a 6,580 square-foot commercial building and gasoline facility (the "Improvements") identified and described in Exhibit "B," attached hereto and made a part hereof. In conjunction with the development of the Property, the Company further agrees to construct the Improvements contemplated by this Agreement, in accordance with the requirements of the ordinances of the

City and the plans and specifications approved by the City. The Company further represents and agrees that it will certify the costs of the construction of such Infrastructure Improvements to the TEDC prior to construction.

2.

Construction of the Improvements on the Property, including construction of the Infrastructure Improvements, must commence within 180 days from the date of this Agreement (the "Start Date"), and the Company shall notify the TEDC of such Start Date. The construction of the Improvements to the Property, including construction of the Infrastructure Improvements, shall be completed, and all necessary occupancy permits from the City shall be obtained within eighteen (18) months from the Effective Date of this agreement. Extensions of these deadlines due to extenuating circumstances or uncontrollable delay may be granted by the Board of Directors of the TEDC at its sole discretion.

3.

The Company further covenants and agrees that the Improvements described in Paragraph 1 hereof will be occupied and that the commercial building will be maintained on the property for a term of at least five (5) years.

4.

The Company further covenants and agrees that the Company or any owner or leasee of the Improvements does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States.

5.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to reimburse the Company for the actual cost of the Infrastructure Improvements up to the amount of One Hundred and Five Thousand One Hundred Dollars ($105,000.00), or an amount equal to twenty percent (20%) of actual construction costs if less than the sum stated above upon completion of construction and occupancy of each commercial space. The TEDC agrees to reimburse the Company for such amount within thirty (30) days of receipt of a letter from the Company requesting such payment and including: (a) certification of the cost of constructing the Infrastructure Improvements; (b) a copy of the City's occupancy permit for the improvements to the Property; (c) certification that the Infrastructure Improvements have been constructed in accordance with the approved plans and specifications; (d) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released; and (e) Proof of payment to all vendors, contractors and subcontractors providing work and/or materials in the construction of the Improvements, proof of payment must include copies of canceled checks and/or credit card receipts and copies of paid invoices from all vendors, contractors and subcontractors.

6.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the

Company of the default. It is further understood and agreed by the parties that if the Company, or any owner or lessee of the Improvements, is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½%) per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, lessees, affiliates, and subsidiaries, and shall remain in force whether the Company sells, leases, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: GK Hospitality Development, LLC
4606 FM 1960 W. Suite 640
Houston, Texas 77069
Attn: Ali Khan,
Principal, GK Hospitality Development, LLC

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this ______ day of ________________ 2022 (the "Effective Date").

GK Hospitality Development, LLC.

By: ______________________________
Name: Ali Khan
Title: Principal

ATTEST:

By: ______________________________
Name: ______________________________
Title: ______________________________

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: ______________________________
Name: ______________________________
Title: President, Board of Directors______________

ATTEST:

By: ______________________________
Name: ______________________________
Title: Secretary, Board of Directors_______

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of ________________ 2022, by Ali Khan, Principle, GK Hospitality Development, LLC. for and on behalf of said company.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of ________________ 2021, by _________________________, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

Exhibit A

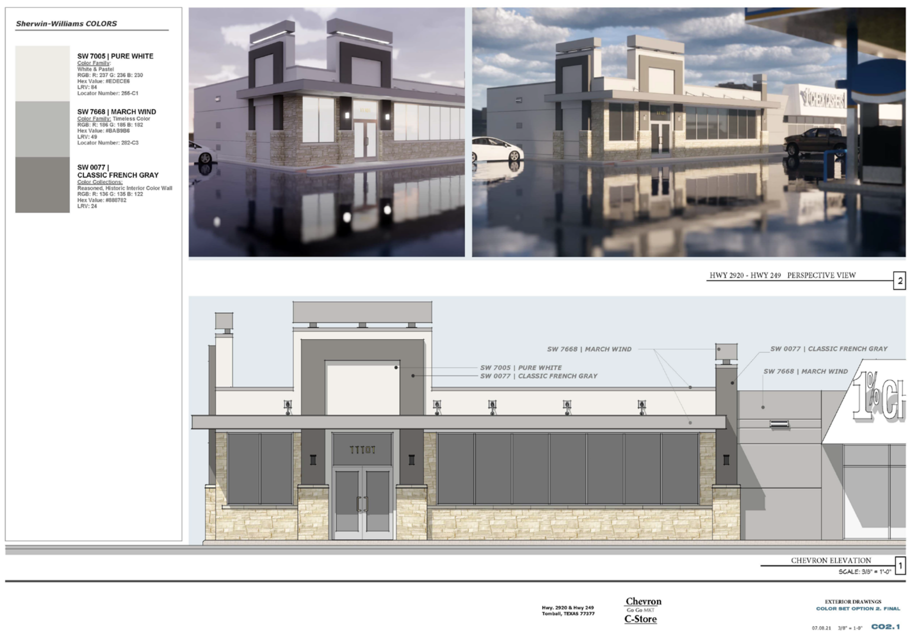
Legal Description of Property

0.75 ACRE TRACT 3D, ABST 34 J House and RES F Block 1 Tomball Center R/P

Exhibit B

<u>Description of Improvements</u>

Construction of a 6,580 square foot commercial building
near the Northwest Corner of FM 2920 and SH 249, Tomball, TX 7737.



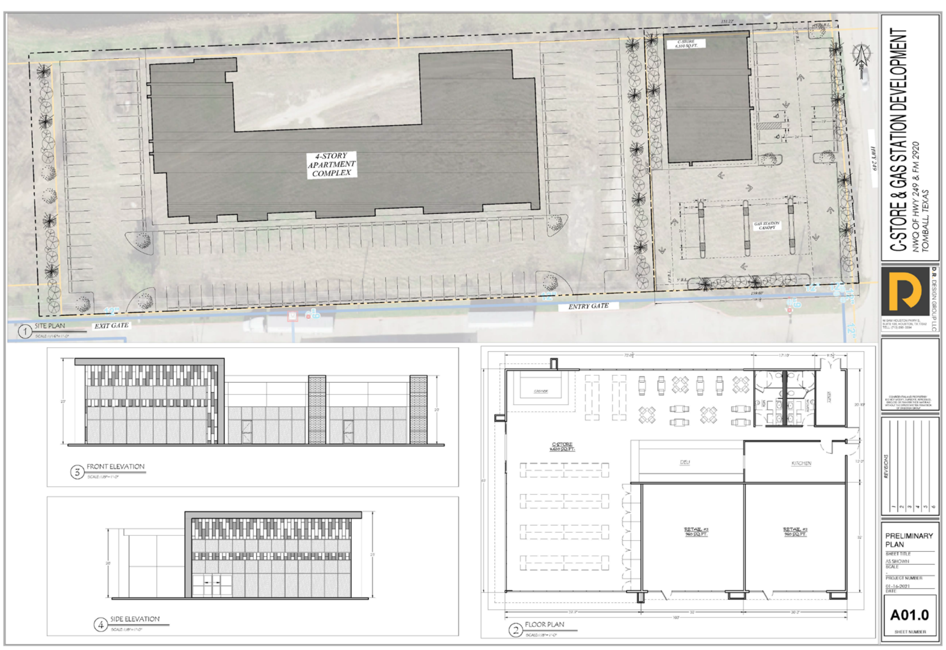


Exhibit C

Description of Infrastructure Improvements

Tomball Chevron Center Development:		
NE Corner of FM 2920 and Hwy 249		
Eligible infrastructure		
Soil Density Testing		$ 5,500
Site Survey/Topography		$ 7,500
Clear, Cut/Fill to Grade & Stabilization		$ 77,500
Water Line Infrastructure		$ 28,000
Gas Line Infrastructure		$ 22,000
Wastewater infrastructure		$ 107,500
Storm Sewer/Water drainage infrastructure		$ 79,000
Infrastructure work for underground Storage Tanks		$ 27,500
Telecommunication /Conduit Infrastructure		$ 18,000
Underground communication & electrical wiring to storage tanks		$ 16,000
Electrical Power Distribution infrastructure		$ 65,000
Architectural, Drawings and Design		$ 44,000
Engineering and project management		$ 28,000
Total		**$ 525,500**

TOMBALL
ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: December 6, 2021

SUBJECT: GK Hospitality Development, LLC

ITEM TYPE: Action

The Tomball Economic Development Corporation has received a request from Ali Khan, Principal, GK Hospitality Development, LLC, for assistance with infrastructure costs related to the construction of a commercial building and gas station to be developed on the west side of SH 249, north of the Lowe's center.

The proposed development will consist of an approximately 6,530 square foot building and Chevron gasoline service station on approximately 0.75 acres. The building will house a convenience store and provide two retail lease spaces. The estimated capital investment for the project is $3,092,500.00. GK Hospitality Development also desires to develop the adjacent tract as a multi-family project in the future.

The eligible infrastructure improvements include water, sanitary, gas, storm sewer, telecommunications, electric utilities and related site improvements totaling approximately $525,500.00.

Targeted infrastructure that will promote the development and expansion of business enterprise is a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis is included with the agreement to show the impact of this project of Tomball's economy. Per the analysis, the 5-year net benefit of this project on Tomball's economy is $281,042.00.

If the agreement between the TEDC and GK Hospitality Development, LLC is approved as a Project of the Corporation, the grant funding amount will not exceed $105,100.00, based on 20% of the actual expenditures for the eligible infrastructure improvements.

GK Hospitality Development, LLC

4606 FM 1960 W. Suite 640
Houston, Texas 77069
Phone 281-895-7773

September 10, 2021

Tomball Economic Development Corporation (‘TEDC”)
Attn: Board of Directors
29201 Quinn Rd., Suite B
Tomball, TX 77377

RE: Grant Request – New Chevron Retail Center Development
Hwy. 2920 and Hwy 249 directly behind Lowes Department Store
Tomball, TX 77377

Dear TEDC Board of Directors:

On behalf of GK Hospitality Development, LLC. (“Owner”). I would like to request grant funding from the TEDC for the development and construction of a new 6,580 sq. ft. Chevron Retail Building (includes Grocery, Deli/Restaurant and Retail rental spaces) to be located on the northwest corner of FM 2920 and Hwy 249 directly behind Lowes Department Store. The legal description of the site are 3D, ABST 34 J House and RES F BLOCK 1 Tomball Center R/P.

This project involves the improvement of a raw .75 acre tract of land. Construction will include all requirements to complete the Chevron Center, underground utilities, water and waste water to be brought in to the property for connections, underground storage tanks, fuel pumps, canopy, parking and driveways.

We are also working on some pre-construction commitments for the remaining other rental spaces who will also be new employers in the City of Tomball and would create new employment opportunities and generate sales tax revenues. We expect the remaining two spaces to be leased before the building is finalized.

GK Hospitality Development and it owners are partners in several other Holding Companies, that has developed Commercial and Residential holdings in several Texas Cities, Houston, Orange, Pearland, Beaumont, Silsbee and Port Arthur to name a few.

GK Hospitality Development has a strong interest in the Development of the Chevron Center in Tomball with plans to develop a Multi-Family Complex directly behind the Chevron Center. Our company values and appreciates the City of Tomball and would like for GK Hospitality to be involved long term with the City and its growth potential with current and future developments. Our request for grant funding is driven by different challenges in that the site does not have any waste water connection along with the development cost that has increased drastically over the last year creating greater expenses than we anticipated. Our plan as well is to seek grant funding for signage, lighting, landscaping and irrigation system

The Development and Construction of the improvements will take six to eight months due to all the supply delays. Our current estimate costs are as follows:

1. Development Services – none charged by GK …….$00.00
2. Land Current Basis ……..$675,000
3. Hard Costs – Construction of Infrastructure ……..$870,170
4. Hard Cost – Building Construction ……..$1,115,000
5. Soft Cost – Architect & Engineering ………$65,255
6. Soft Cost –other 3rd party, Bank, Title, Survey, etc.,.$170,575
7. Pylon Sign for Chevron and 2 tenants . …….$41,000
8. Landscaping & Irrigation ………$48,000

Other: Rental Space Allowance for interior Build-out

9. T.I. Allowance from owner to tenant $88,000

We have provided Kelly Violette, the Executive Director with preliminary architectural plans and drawings of the development and also included preliminary site plans, survey, aerial pictures of the development site, turnkey construction cost, IMST feasibility projection report on the Chevron Station and the TEDC grant application form duly filled out.

We are open to answer questions that you may have about the Chevron Center project and on the future Multi-Family Apartment Development. Thank you for your consideration regarding these Development Projects in the City of Tomball, Texas

Kind regards,

Ali Khan
Principal – GK Hospitality Development, LLC
Contact Telephone: 713-703-4649

IMPACT REPORT

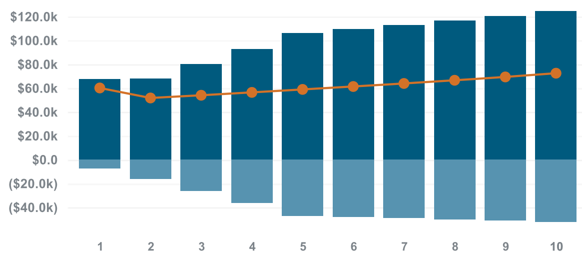
GK HOSPITALITY TOMBALL CHEVRON

10.28.2021

New Construction - Retail

City of Tomball

BENEFITS	COSTS	NET BENEFITS
$998,448	($383,843)	$614,605



JOBS

65.7 Total
52.0 Direct
13.7 Spin-off

SALARIES

$28,388 Avg
$26,000 Direct
$37,459 Spin-off

CAPITAL INVEST.

$2.4M
Buildings + FF&E

RESIDENTIAL DEV.

0.3 Homes
1.8 Relocations

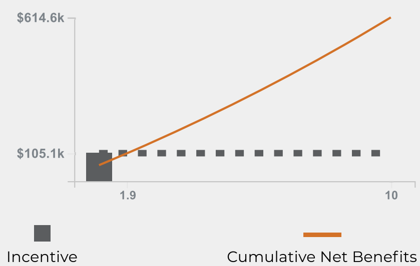
NET BENEFITS	$614,605
Present Value	$468,669

BENEFITS	
Sales Taxes	$501,072
Real Property Taxes	$97,944
FF&E Property Taxes	$8,420
Inventory Property Taxes	$3,187
New Residential Property Taxes	$1,739
Hotel Occupancy Taxes	$201
Building Permits and Fees	$0
Utility Revenue	$279,417
Utility Franchise Fees	$17,494
Miscellaneous Taxes and User Fees	$88,975
Benefits Subtotal	**$998,448**

COSTS	
Cost of Government Services	($102,954)
Cost of Utility Services	($280,889)
Costs Subtotal	**($383,843)**

INCENTIVE ANALYSIS

$105,100 Total Incentive	**$2,021** Per Job
58.5% Rate of Return	**1.9 Yrs** Payback Period



NET BENEFITS OVER 10 YEARS

CITY	$614,605
COUNTY	$110,260
SCHOOL DISTRICT	$121,915
OTHER	$151,955

GK Hospitality Tomball Chevron - Impact Report

TOMBALL
ECONOMIC DEVELOPMENT CORPORATION

10.28.2021

Project Type: New Construction - Retail
Prepared By: Tomball EDC

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Tomball EDC using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Tomball EDC.

This report, generated by the Impact DashBoard application, has been prepared by Tomball EDC to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Tomball EDC made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Tomball EDC and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF TOMBALL

IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	52.0	13.7	**65.7**
Annual Salaries/Wages at Full Ops (Yr 5)	$1,463,448	$555,020	**$2,018,468**
Salaries/Wages over 10 Years	$11,912,249	$4,517,777	**$16,430,025**
Taxable Sales/Purchases in City of Tomball	$24,995,984	$56,472	**$25,052,457**

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF TOMBALL

IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Tomball	1.5	0.4	**1.8**
New residents in City of Tomball	3.8	1.0	**4.8**
New residential properties constructed in City of Tomball	0.2	0.1	**0.3**
New students to attend local school district	0.7	0.2	**0.9**

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF TOMBALL

YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	$10,109	$675,000	$1,972,500	$445,000	$75,000	*$3,167,500*	**$3,177,609**
2	$21,768	$688,500	$2,011,950	$400,500	$78,750	*$3,179,700*	**$3,201,468**
3	$35,057	$702,270	$2,052,189	$356,000	$82,688	*$3,193,147*	**$3,228,204**
4	$48,870	$716,315	$2,093,233	$311,500	$86,822	*$3,207,870*	**$3,256,740**
5	$63,221	$730,642	$2,135,097	$267,000	$91,163	*$3,223,902*	**$3,287,123**
6	$64,485	$745,255	$2,177,799	$222,500	$95,721	*$3,241,275*	**$3,305,760**
7	$65,775	$760,160	$2,221,355	$178,000	$100,507	*$3,260,022*	**$3,325,797**
8	$67,090	$775,363	$2,265,782	$133,500	$105,533	*$3,280,178*	**$3,347,268**
9	$68,432	$790,870	$2,311,098	$89,000	$110,809	*$3,301,777*	**$3,370,210**
10	$69,801	$806,687	$2,357,320	$89,000	$116,350	*$3,369,357*	**$3,439,158**

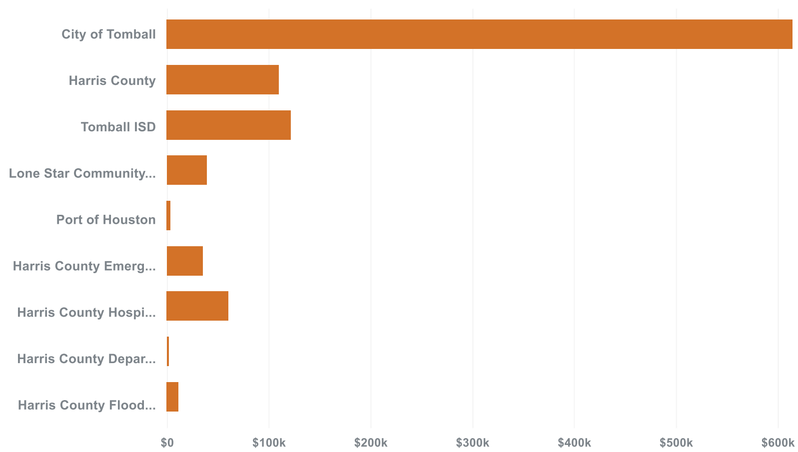
Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Tomball	$998,448	($383,843)	$614,605	$468,669
Harris County	$182,377	($72,118)	$110,260	$85,572
Tomball ISD	$465,134	($343,219)	$121,915	$93,582
Lone Star Community College	$39,204	$0	$39,204	$30,036
Port of Houston	$3,604	$0	$3,604	$2,761
Harris County Emergency Services District 8	$35,276	$0	$35,276	$27,027
Harris County Hospital District	$60,628	$0	$60,628	$46,449
Harris County Department of Education	$1,816	$0	$1,816	$1,391
Harris County Flood Control	$11,427	$0	$11,427	$8,754
Total	**$1,797,915**	**($799,180)**	**$998,735**	**$764,241**

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 10 Years



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	$105,100	$105,100
Harris County	$0	$0
Tomball ISD	$0	$0
Lone Star Community College	$0	$0
Port of Houston	$0	$0
Harris County Emergency Services District 8	$0	$0
Harris County Hospital District	$0	$0
Harris County Department of Education	$0	$0
Harris County Flood Control	$0	$0
Total	**$105,100**	**$105,100**

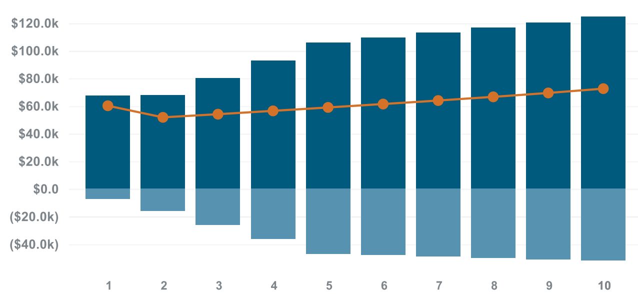
City of Tomball Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Tomball over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	$496,964	$4,108	$501,072
Real Property Taxes	$97,944	$0	$97,944
FF&E Property Taxes	$8,420	$0	$8,420
Inventory Property Taxes	$3,187	$0	$3,187
New Residential Property Taxes	$0	$1,739	$1,739
Hotel Occupancy Taxes	$201	$0	$201
Building Permits and Fees	$0	$0	$0
Utility Revenue	$256,113	$23,304	$279,417
Utility Franchise Fees	$16,036	$1,459	$17,494
Miscellaneous Taxes and User Fees	$81,553	$7,422	$88,975
Benefits Subtotal	**$960,418**	**$38,030**	**$998,448**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	($94,382)	($8,573)	($102,954)
Cost of Utility Services	($257,488)	($23,401)	($280,889)
Costs Subtotal	**($351,869)**	**($31,974)**	**($383,843)**
Net Benefits	**$608,548**	**$6,057**	**$614,605**

Annual Fiscal Net Benefits for City of Tomball

BENEFITS	COSTS	NET BENEFITS
$998,448	($383,843)	$614,605



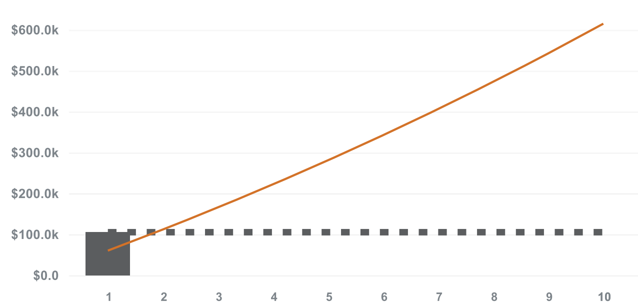
City of Tomball Public Support

Non-Tax Incentives

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to City of Tomball. The intersection indicates the length of time until the incentives are paid back.

Non-Tax Incentive vs. Net Benefits for City of Tomball

$105,100	$2,021	58.5%	1.9 Yrs
Non-Tax Incentive	Per Job	Rate of Return	Payback Period



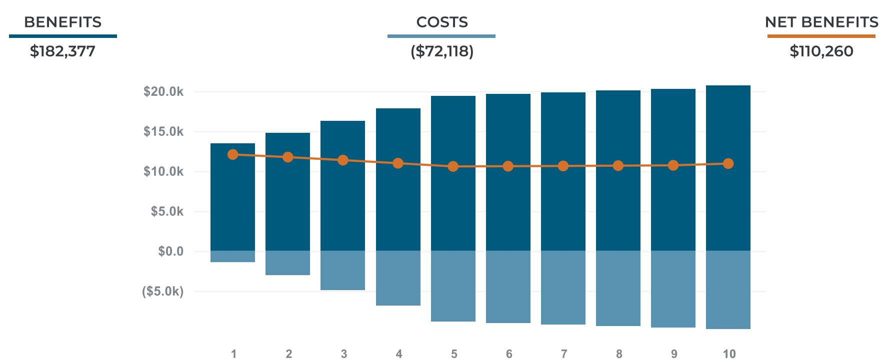
Incentive   Cumulative Net Benefits   Total Incentive

Harris County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$113,395	$0	$113,395
FF&E Property Taxes	$9,748	$0	$9,748
Inventory Property Taxes	$3,690	$0	$3,690
New Residential Property Taxes	$0	$15,422	$15,422
Hotel Occupancy Taxes	$57	$0	$57
Miscellaneous Taxes and User Fees	$20,617	$19,448	$40,065
Benefits Subtotal	**$147,507**	**$34,870**	**$182,377**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	($37,111)	($35,006)	($72,118)
Costs Subtotal	**($37,111)**	**($35,006)**	**($72,118)**
Net Benefits	**$110,396**	**($136)**	**$110,260**

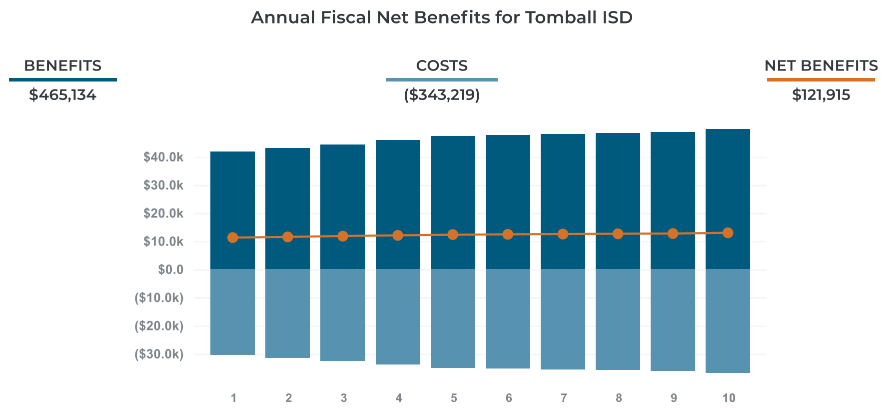
Annual Fiscal Net Benefits for Harris County



Tomball ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Tomball ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: TOMBALL ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$373,963	$0	$373,963
FF&E Property Taxes	$32,147	$0	$32,147
Inventory Property Taxes	$12,169	$0	$12,169
New Residential Property Taxes	$0	$21,072	$21,072
Addtl. State & Federal School Funding	$0	$25,783	$25,783
Benefits Subtotal	**$418,279**	**$46,855**	**$465,134**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	$0	($22,932)	($22,932)
Reduction in State School Funding	($304,925)	($15,361)	($320,287)
Costs Subtotal	**($304,925)**	**($38,294)**	**($343,219)**
Net Benefits	**$113,354**	**$8,561**	**$121,915**

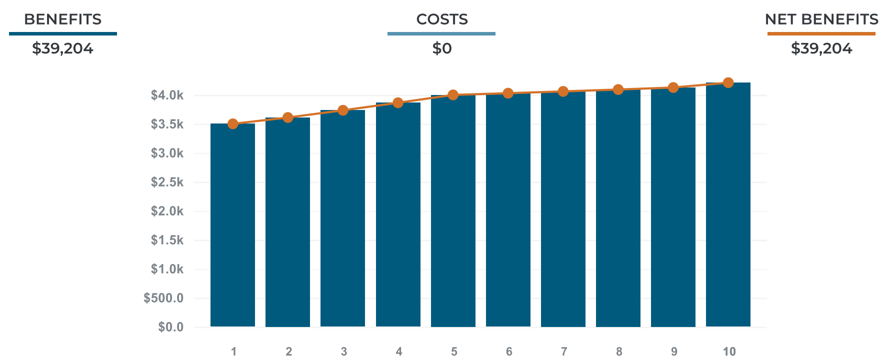


Lone Star Community College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Lone Star Community College over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: LONE STAR COMMUNITY COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$31,251	$0	$31,251
FF&E Property Taxes	$2,686	$0	$2,686
Inventory Property Taxes	$1,017	$0	$1,017
New Residential Property Taxes	$0	$4,250	$4,250
Benefits Subtotal	**$34,954**	**$4,250**	**$39,204**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$34,954**	**$4,250**	**$39,204**

Annual Fiscal Net Benefits for Lone Star Community College

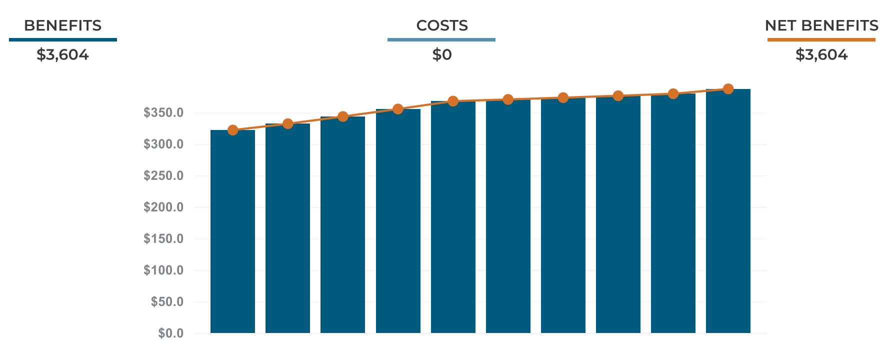


Port of Houston Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Port of Houston over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: PORT OF HOUSTON			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$2,873	$0	$2,873
FF&E Property Taxes	$247	$0	$247
Inventory Property Taxes	$93	$0	$93
New Residential Property Taxes	$0	$391	$391
Benefits Subtotal	**$3,213**	**$391**	**$3,604**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$3,213**	**$391**	**$3,604**

Annual Fiscal Net Benefits for Port of Houston

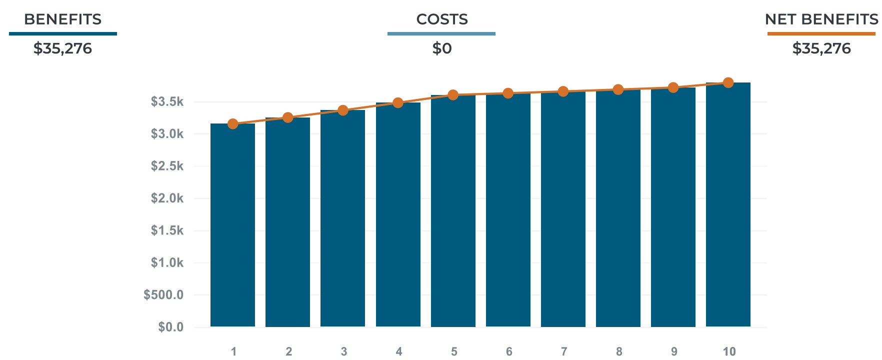


Harris County Emergency Services District 8 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Emergency Services District 8 over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY EMERGENCY SERVICES DISTRICT 8			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$28,120	$0	$28,120
FF&E Property Taxes	$2,417	$0	$2,417
Inventory Property Taxes	$915	$0	$915
New Residential Property Taxes	$0	$3,824	$3,824
Benefits Subtotal	**$31,452**	**$3,824**	**$35,276**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$31,452**	**$3,824**	**$35,276**

Annual Fiscal Net Benefits for Harris County Emergency Services District 8

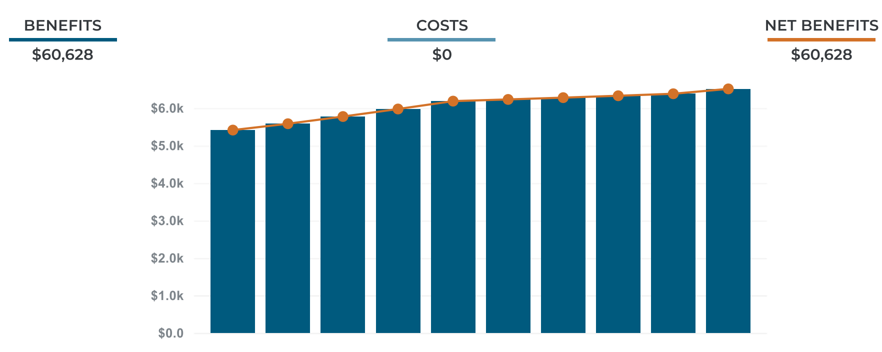


Harris County Hospital District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Hospital District over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY HOSPITAL DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$48,328	$0	$48,328
FF&E Property Taxes	$4,154	$0	$4,154
Inventory Property Taxes	$1,573	$0	$1,573
New Residential Property Taxes	$0	$6,573	$6,573
Benefits Subtotal	**$54,055**	**$6,573**	**$60,628**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$54,055**	**$6,573**	**$60,628**

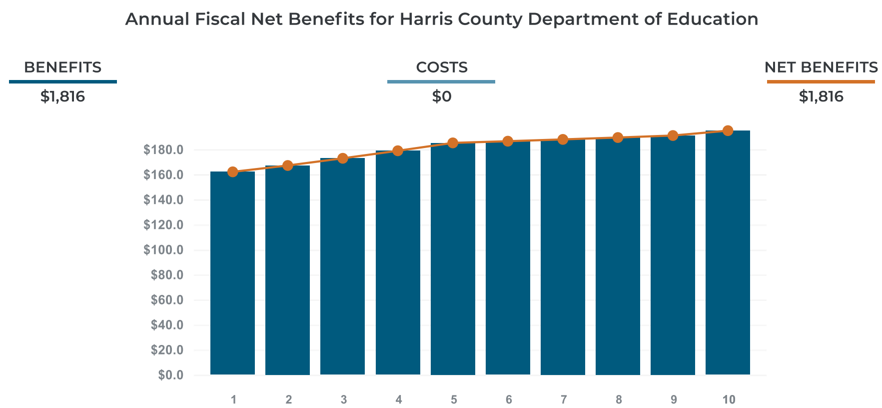
Annual Fiscal Net Benefits for Harris County Hospital District



Harris County Department of Education Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Department of Education over the next 10 years of the Project.

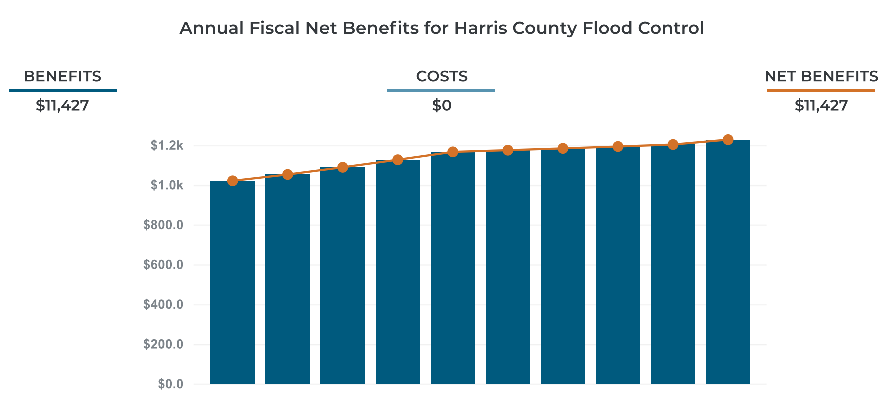
NET BENEFITS OVER 10 YEARS: HARRIS COUNTY DEPARTMENT OF EDUCATION			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$1,447	$0	$1,447
FF&E Property Taxes	$124	$0	$124
Inventory Property Taxes	$47	$0	$47
New Residential Property Taxes	$0	$197	$197
Benefits Subtotal	**$1,619**	**$197**	**$1,816**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$1,619**	**$197**	**$1,816**



Harris County Flood Control Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Flood Control over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY FLOOD CONTROL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	$9,108	$0	$9,108
FF&E Property Taxes	$783	$0	$783
Inventory Property Taxes	$296	$0	$296
New Residential Property Taxes	$0	$1,239	$1,239
Benefits Subtotal	**$10,188**	**$1,239**	**$11,427**
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	$0	$0	$0
Costs Subtotal	**$0**	**$0**	**$0**
Net Benefits	**$10,188**	**$1,239**	**$11,427**



Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

447110 GASOLINE STATIONS WITH CONVENIENCE STORES		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.2632
Earnings Multiplier	(Type II Direct Effect)	1.3793

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com

Regular City Council
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Approve, on Second Reading, Resolution No. 2021-42-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and Silver Accounting Group, LLC, to make direct incentives to, or expenditures for, rental assistance for new or expanded enterprise to be located at 1431 Graham Drive, Suite 150, Tomball, Texas 77375. The estimated amount of expenditures for such Project is an amount not to exceed $8,236.00.

Background:

On November 9, 2021, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, an economic development performance agreement with Silver Accounting Group, LLC for rental assistance for new or expanded business enterprise. The Tomball City Council has final approval authority over all programs and expenditures of the Corporation.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2021-42-TEDC

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: ______ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # ______ To account # ______

Signed ______________________ Approved by ______________________

Staff Member-TEDC Date Executive Director-TEDC Date

RESOLUTION NO. 2021-42-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, AUTHORIZING AND APPROVING THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION'S PROJECT TO EXPEND FUNDS IN ACCORDANCE WITH AN ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CORPORATION AND SILVER ACCOUNTING GROUP, LLC TO PROMOTE AND DEVELOP A NEW OR EXPANDED BUSINESS ENTERPRISE; CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the Tomball Economic Development Corporation (the "TEDC"), created pursuant to the Development Corporation Act, now Chapter 501 of the Texas Local Government Code, as amended (the "Act"), desires to adopt projects and provide incentives for economic development within the City; and

WHEREAS, the Board of Directors of the TEDC had adopted as a specific project the expenditure of the estimated amount of Eight Thousand Two Hundred and Thirty Six Dollars ($8,236.00), found by the Board to be required or suitable to promote a new business development by Silver Accounting Group, LLC; and

WHEREAS, pursuant to the Act, the TEDC may not undertake such project without the approval of Tomball City Council; and

WHEREAS, City Council finds and determines that such project promotes new or expanded business development and is in the best interests of the citizenry; now, therefore,

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

<u>Section 1</u>. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

<u>Section 2.</u> The City Council hereby authorizes and approves the adoption, by the Board of Directors of the Tomball Economic Development Corporation, as a specific project for the economic development of the City, an expenditure of the estimated amount of Eight Thousand Two Hundred and Thirty Six Dollars ($8,236.00), to Silver Accounting Group, LLC in accordance with an economic development agreement by and between the TEDC and Silver Accounting Group, LLC to promote and develop a new or expanded business enterprise, to be located at 1431 Graham Drive, Suite 150, Tomball, Texas 77375.

<u>Section 3.</u> In the event any clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Tomball, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED on first reading this _____ day of ________________, 202__.

PASSED, APPROVED, AND RESOLVED on second and final reading this _____ day of _____________________, 202__.

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

AGREEMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

This Agreement (the "Agreement") is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the "TEDC"), and **Silver Accounting Group, LLC** (the "Company"), 1420 FM 1960, Byp Rd E, Suite 108, Humble, TX 77338

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to promote local economic development and stimulate business and commercial activity within the City of Tomball (the "City"); and

WHEREAS, the Company proposes to lease a 2,534 square foot existing office space located at 1431 Graham Drive, Suite 150, Tomball, Texas 77375 (the "Property"), and more particularly described in Exhibit "A," attached hereto and made a part hereof; and

WHEREAS, the Company currently provides a full range of accounting, bookkeeping, consulting, payroll, and business services and proposes to expand its business operations by opening a full-service CPA office at the Property; and

WHEREAS, the Company proposes to create three (3) full-time jobs in Tomball in conjunction with the new location; and

WHEREAS, the TEDC agrees to provide to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Eight Thousand Two Hundred Thirty-Six Dollars ($8,236.00), in accordance with an established Rental Assistance Incentive; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

Except as provided by paragraph 3, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least three (3) years within the City of Tomball.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the three (3) new employees, and obtaining all necessary occupancy permits from the City shall occur within twelve (12) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Eight Thousand Two Hundred Thirty-Six Dollars ($8,236.00). The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Property; (b) proof that the Company has added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; and, (c) an affidavit from the landlord of the Property stating that all rents have been paid in accordance with the terms of the lease agreement for the first twelve consecutive months of operation.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within thirty (30) days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds.

6.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

7.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: Silver Accounting Group, LLC
1420 FM 1960 Byp Rd. E, Suite 108
Humble, TX 77338
Attn: Brian Silver, Owner

8.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

9.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

10.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance. This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

11.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this ______ day of _________________ 2021 (the "Effective Date").

SILVER ACCOUNTING GROUP, LLC

By: ________________________________

Name: Brian Silver

Title: Owner

ATTEST:

By: ________________________________

Name: ________________________________

Title: ________________________________

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: ________________________________

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: ________________________________

Name: Bill Sumner Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _________________ 2021, by Brian Silver, Owner of Silver Accounting Group, LLC, for and on behalf of said company.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _14th____ day of ___September___ 2021, by Gretchen Fagan, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

____
Notary Public in and for the State of Texas

My Commission Expires: __________

(SEAL)

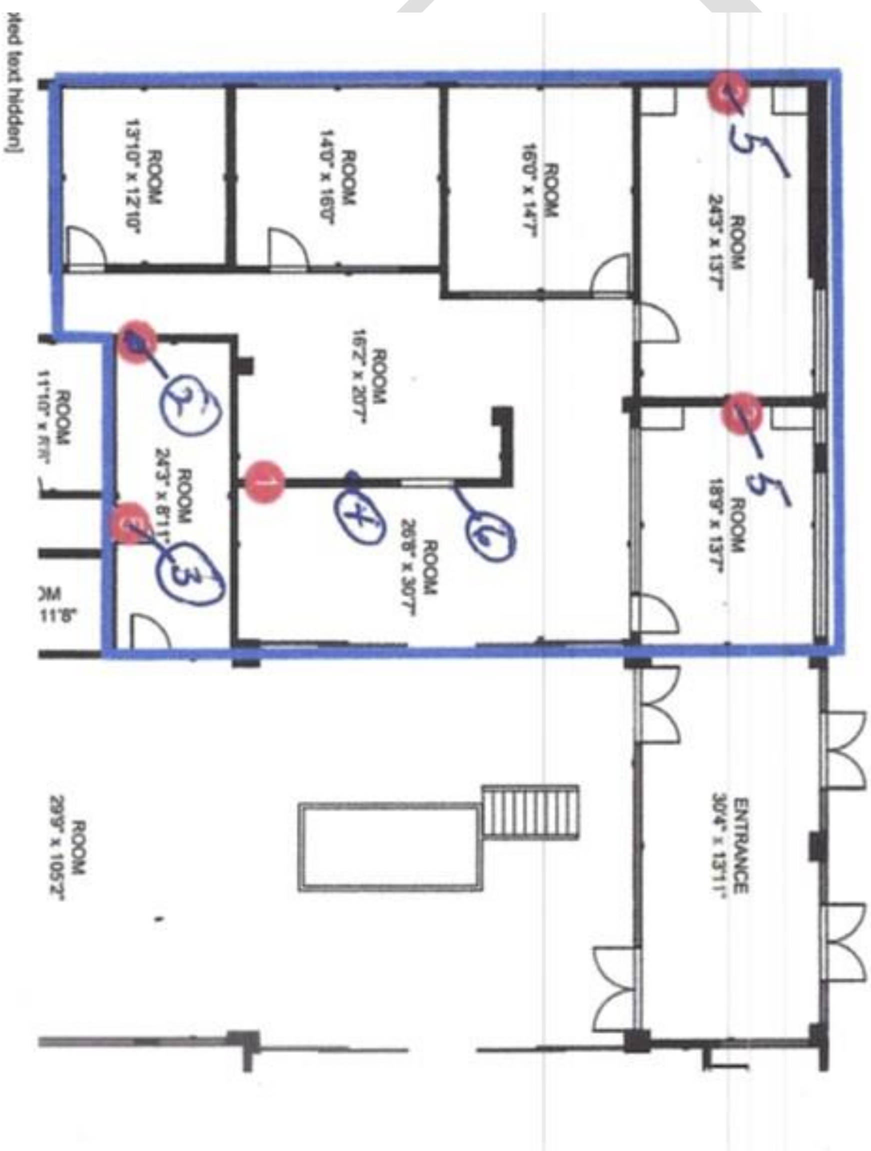
Exhibit "A"

Legal Description of Property

Legal Description: A TRACT OR PARCEL CONTAINING 3.749 ACRES OR 163,311 SQUARE FEET OF LAND SITUATED IN THE J.M. HOOPER SURVEY, ABSTRACT NUMBER (NO.) 375 AND W. HURD SURVEY, ABSTRACT 378, HARRIS COUNTY, TEXAS, BEING ALL OF A CALLED 3.7512 ACRE TRACT AS DESCRIBED IN DEED TO GRAHAM ROAD INVESTMENTS, LTD AS RECODED UNDER HARRIS COUNTY CLERK'S FILE (H.C.C.F.) NO V494896, WITH SAID 0.0000 ACRE TRACT BEING MORE PARTICULARLY COORDINATE SYSTEM SOUTH CENTRAL ZONE (NAD82):

Headquarters Too, LLC Building

Property Address: 1431 Graham Road, Suite 150, Tomball, TX 77375



TOMBALL
ECONOMIC DEVELOPMENT CORP.

TO:	Honorable Mayor and City Council
FROM:	Kelly Violette Executive Director
MEETING DATE:	December 6, 2021
SUBJECT:	Silver Accounting Group, LLC
ITEM TYPE:	Action

The Tomball Economic Development Corporation has received a request from Brian Silver, Founder of Silver Accounting Group, LLC, for funding assistance through the TEDC's Rental Incentive Program for an accounting firm.

Silver Accounting Group, LLC was established in 2019 and provides a variety of accounting services to small and medium sized businesses. Services provided include tax preparation, bookkeeping, payroll, business consulting, and entity services.

The location is a 2,534 square foot lease space located within the Bank of America building on Graham Drive.

The goal of the TEDC's Rental Incentive Program is to assist in the establishment of new businesses in existing vacant spaces and to stimulate commercial investment in the City of Tomball. In accordance with the Rental Incentive Program Policy, the proposed performance agreement is for 25% of the base monthly rent for the first year of operation only.

The lease agreement that was submitted in conjunction with the request letter shows a five-year lease commitment with a monthly rent amount of $2,745.17. The proposed grant amount is $8,236, payable after the first year of operation based on landlord verification of rents paid and meeting the performance agreement criteria.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

Silver Accounting Group, LLC

Certified Public Accountants

1420 Fm 1960 Bypass Rd E STE 108, Humble, TX 77338
Phone (281) 446-5959 ● Fax (281) 446-3833

September 9, 2021

Kelly Violette, CEcD, PCED, AICP
Executive Director
Tomball Economic Development Corporation

Dear Kelly,

Silver Accounting Group LLC helps individuals, small businesses and non-profits with their tax planning, tax preparation, IRS representation, bookkeeping, payroll, entity services, and business advisory needs. We provide quality personal service at reasonable prices to a wide variety of clients. The firm has been in business since July 2019 and has grown rapidly by attracting new clients and acquiring two other firms. We currently serve over 2,000 clients mostly in the North Houston area.

Our only permanent office has been in Humble, TX but with our clientele growing in the Tomball area we are excited to establish a permanent office in Tomball. This will allow us to better serve our large existing local client base as well as become an active participant in the Tomball community and further grow our clientele. This new office will allow us to have client meetings, educational sessions, networking activities and add permanent employees in a professional office setting.

We have found a 2,534 square foot vacant space in the building at 1431 Graham Dr. that is being renovated. The size of the space will support our need to hire several new positions in the near future and will allow us to immediately place three of our staff there full time. In the coming months we will need to hire a receptionist and other positions for this upcoming tax season. In the future we will add more tax preparers, bookkeepers, and other staff as needed to support the growth.

We are funding the initial expenses of the move from our existing operations and those are primarily furniture, computers, and office supplies. We are requesting assistance from the Tomball EDC to offset some of the expenses which will allow us to speed up hiring the initial positions we need to add in preparation for the upcoming tax season.

Thank you for your consideration.

Sincerely,

Brian Silver
Silver Accounting Group LLC
brian@silveraccountinggroup.com

TOMBALL
ECONOMIC DEVELOPMENT CORPORATION

NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART A –BUSINESS OWNER APPLICATION

The New Business Rental Incentive Program seeks to reduce area vacancies and facilitate the establishment of new businesses in previously underutilized areas of the City. The intent of the program is to facilitate business growth and expansion by assisting businesses in leasing space. All grant award decisions of the Tomball Economic Development Corporation (TEDC) Board of Directors are discretionary and final. Through the Program, the TEDC will provide up to 25% of the base monthly rent for the first year of operation only, not to exceed $10,000 per business.

Business Owner Applicant Information

Name of Business: Silver Accounting Group LLC

Current Business Physical Address: 1420 FM 1960 Byp Rd E, Suite 108

City, State & Zip Humble, TX 77338

Mailing Address: 1420 FM 1960 Byp Rd E, Suite 108

City, State & Zip Humble, TX 77338

Business Phone: 281-446-5959

Business Website: www.SilverAccountingGroup.com

Business Owner Name: Brian Silver

Applicant's Name (if different): ______

Position /Title: Owner

Phone and Email: 281-446-5959 / brian@silveraccountinggroup.com

Nature of Business: CPA Firm

Legal Form of Business

- ☐ Sole Proprietor
- ☐ Partnership Number of Partners ______
- ☐ Corporation
- ☒ Limited Liability Corp
- ☐ Other ______

Days and Hours of Operation

Days Open: Monday - Friday

Hours Open: 8am - 5pm

Business Start/Opening Date July 1, 2019

Employees

Full Time Employees (40 hours per week): 10

Part Time Employees (less than 40 hours per week): 1

Does the Business Owner Have any Relationship to the Property Owner/Landlord?

No ■ Yes □ (please explain)

Moving and Space Improvement Cost and Funding Information

Investment Data

Tenant Space Improvement (finish)	$ 1,000
Landlord Space Improvement (finish)	$ 5,000
Equipment and Display	$ 30,000
Product Stock (for Opening)	$ 0
Marketing (First Year)	$ 5,000

Sources of Funding for Move/Expansion

Funds invested by owner	$ 0
Funds from other sources*	$ 35,000
Total estimated cost to move/expand	$ 35,000

* Source of Funding and Amounts Current business operations

New Lease Property Information

Address of space to be leased: 1431 Graham Dr, Suite 120, Tomball, TX 77375

Total amount of square feet to be leased and occupied: 2534

Term of lease (minimum 3 years): 5 years

Gross rental rate $4117.75 per month $19.50 per s.f.

Additional lease terms and other monthly charges: Base rent is $13/sqft per year and NNN expenses are estimated at $6.50/sqft per year.

Indicate any rate increases: No rate increases in base rent

FINANCIAL NEED DEMONSTRATION: Acceptance into the Rental Incentive Program requires an acceptable explanation of financial need. Use the lines below to explain why and how the rent subsidy is an important factor in opening your business.

Silver Accounting Group LLC is a CPA firm currently located in Humble, TX and is looking to expand into the Tomball area with the same high quality service and reasonable prices. We offer tax preparation, tax planning, bookkeeping, payroll and business advisory services.

As we open a new location in the Tomball area we will be able to have 3 employees located in the office immediately. To service the number of customers we already have in the Tomball area and the growth we project in the near future we need to add more staff to the office and invest in more office furniture and equipment. We are self funding the initial expenses but this rental assistance would allow us to hire more employees from the Tomball area much sooner and get the equipment they need. Without the assistance we will have to wait longer to hire more staff and we won't be able to service as many customers.

The ability to hire more staff as soon as possible will directly impact our ability to service individuals, small businesses, and non-profits in the Tomball area as we have done in the Humble area. We help small business owners get their businesses started and grow. With the economic turmoil of the past 2 years we have dedicated ourselves to helping small businesses not only survive but thrive and grow. We have also been able to help many individuals navigate the financial impacts of COVID.

Explain how your business will benefit and enhance the area in which you are locating and how your business will complement other businesses within the area:

As a professional services firm we work closely with related local business such as banks, attorneys, insurance agents, realtors, marketing agencies and community organizations such as the Chamber of Commerce. As we open the Tomball office we will become active members of the Chamber of Commerce and build a network of related businesses to recommend to customers.

We will look for opportunities to sponsor Chamber of Commerce events and other local events as well as find opportunities to support the community through educational sessions and other activities. As active members of the community we are open to ideas on how we can best support and benefit the community for the long term.

Certification

By signing below, the Business Owner of record (applicant) understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the business owner's knowledge. Business owner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.

2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.

3. All tax obligations to the City of Tomball are current.

4. The business is currently in good standing with the City, and has no pending municipal code violations.

5. The business is not currently occupying the space with or without a lease in place.

6. The APPLICANT hereby certifies that the APPLICANT does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the TEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the TEDC. The form of such payment shall be a cashier's check or money order, made payable to the Tomball Economic Development Corporation. The TEDC has the right to recover court costs and reasonable attorney's fees as a result of any civil action required to recover such repayment.

Brian Silver

Printed Name of Principal Owner

Signature

09/09/2021

Date

Please submit the completed application along with a copy of the Proposed Lease Agreement to:

Kelly Violette

Tomball Economic Development Corporation

29201 Quinn Road, Suite B

Tomball, TX 77375

For further questions about the Program, please contact Kelly Violette, Executive Director, at 281.401.4086 or kviolette@tomballtxedc.org.

TOMBALL
ECONOMIC DEVELOPMENT CORPORATION

NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART B – PROPERTY OWNER/LANDLORD APPLICATION

Complete all items carefully and accurately to the best of your knowledge and return with a copy of Proof of Ownership to:

Kelly Violette
Tomball Economic Development Corporation
29201 Quinn Road, Suite B
Tomball, TX 77375

Property Address: 1431 Graham Dr, Tomball, TX 77375

Property Owner of Record: Headquarters Too, LLC
Mailing Address: 3302 Canal
City, State & Zip Houston TX 77003
Phone: 281 602 3600 Email: PETER@TPC-RE.com
Name(s) of Authorized Signatories: Peter Licata

Name of Management Company: TPC Real Estate
Name of Representative/Contact Person: Peter Licata
Management Company Address: 3302 Canal
City, State & Zip Houston, TX 77003
Phone: 281 602 3600 Email: PETER@TPC-RE.COM

Name of proposed business at site:

Silver Accounting Group LLC

Name of business owner:

Brian Silver

DOES THE BUSINESS OWNER OR THE BUSINESS HAVE ANY RELATIONSHIP TO THE PROPERTY OWNER/LANDLORD? NO ■ YES □ Please explain

SITE & LEASE INFORMATION

Total amount of square feet to be leased and occupied by business: 2534

Term of lease: 5 years

Gross rental rate $4117.75 per month $19.50 per s.f.

Additional lease terms and other monthly charges: Base rent is $13/sqft per year and NNN expenses are estimated at $6.50/sqft per year.

Indicate any rate increases: No rate increases in base rent

Is the subject space currently vacant? Yes ■ No □

If yes, how long has the space been vacant? unknown months

Name of previous tenant: Title Company

Previous Rental Rate: $ unknown Per Month $ unknown Per Square Foot

CERTIFICATIONS

Are all real estate and personal property taxes due the City of Tomball paid in full?

Subject Property: YES ☑ NO □ (Please explain on supplemental sheet)

Other Properties: YES ☑ NO □ N/A □

Are all City of Tomball water and sewer bills due paid in full?

Subject Property: YES ☑ NO □ (Please explain on supplemental sheet)

Other Properties: YES ☑ NO □ N/A □

Have you been cited for any existing zoning, building or property maintenance code violations that remain uncorrected?

Subject Property: YES □ NO ☑ (Please explain on supplemental sheet)

Other Properties: YES □ NO ☑ N/A □

Are you involved in any litigation with the City of Tomball?

□ YES (Please explain on supplemental sheet)

☑ NO

By signing below, the Landlord/Property Owner of record understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the land owner's knowledge. Land-owner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The property is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.

HEADQUARTERS Too LLC

Printed Name of Property Owner/Landlord

Signature

9-8-21

Date

1431 Graham Road Tomball Texas

OFFICE LEASE

THIS LEASE is made this 19th day of July 2021 by and between Headquarters Too, LLC a Texas limited liability company ("Landlord"), and Silver Accounting Group, LLC, ("Tenant").

1. **Rent**. Landlord hereby leases to Tenant Suite 150 on the first floor of the office building located at 1431 Graham Road Tomball Texas (the "Building"), consisting of 2534 square feet of rentable space (the "Premises") beginning on the Rental Commencement Date (defined below) for a term of 60 full calendar months (the "Term"). During the Term, Tenant shall pay rent to Landlord in (the "Base Rent") as follows:

Year 1-5
$13.00sf annually ($2,745.17 per month)

The Rental Commencement Date shall be the date 1 day after Landlord delivers to Tenant the Premises with the alterations shown on Exhibit A substantially completed. If the Rental Commencement Date occurs on a date other than the first day of any month, then the Rent for such partial month shall be prorated. The Term of the Lease will for 60 full calendar months staring on the first day of the following month. See Exhibit A for a description of the alterations and any special provisions. Upon execution of this Lease Tenant shall pay to Landlord $5,490.34 for the first month's rent ($2,745.17) and the Security Deposit ($2,745.17).

In addition to the Base Rent, Tenant shall pay to Landlord Tenant's Pro Rata Share of the cost of maintenance of the Building and Common Area. The Common Area is defined as that part of the Building intended for the common use of all tenants, including among other facilities hallways, bathrooms, lobby areas, private streets and alleys, parking lots, landscaping, curbs, loading areas, sidewalks, lighting facilities, and related areas. Common Area Maintenance Costs include, among other costs, all costs and expenses of maintaining, replacing and repairing the Building and Common Areas such as lighting, painting, cleaning, policing, inspecting, repairing and replacing, maintaining and repairing the roof, all HVAC units utility mains, lines, grease traps, conduits and other facilities located on, above or under the Common Area, and a reasonable management fee for the management of the Building. In addition, Common Area Maintenance Charges shall include (i) all real estate taxes owing as a result of the ownership of the Property including all assessments, impositions, levies, charges, excise fees, licenses, and other sums (whether now existing or hereafter arising, whether foreseen and whether made under the present

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system of real estate taxation, or some other kind or system of taxation, whether current or future), levied, assessed, charged, or imposed by any governmental authority or other taxing authority, or which accrue on the Building and the Property and (ii) all insurance premiums, costs and expenses, on all fire and extended coverage insurance, boiler insurance, public liability and property damage insurance, rent insurance, and any other insurance which, from time to time, may, at Landlord's election, be carried by Landlord with respect to the Building and the Property.

The Common Area Maintenance Charges will be estimated each year by the Landlord for the following year, and one-twelfth of which shall be payable by Tenant with the Base Rent each month. At the end of each year Landlord will provide Tenant with a statement of comparing the actual Common Are Maintenance Charges for thew prior year to the estimated amount paid by Tenant Common Area Maintenance charges for the such year (the "CAM Comparison"). If the CAM Comparison shows that Tenant has overpaid Tenant's Pro Rata Share of the Common Area Maintenance Charges such overage shall be applied offset Tenant's Pro Rata Share of the Maintenance Charges for the following year. If the CAM Comparison shows that Tenant has underpaid Tenant's Share of the Common Area Maintenance Charges then Tenant shall immediately, upon demand, pay such difference to Landlord. "Tenant's Pro Rata Share" of the Common Area Maintenance Charges shall mean the ratio that the total gross square footage of the Premises bears to the total square footage of all premises located within the Building. The Common Area Maintenance Charges and the Base Rent are referred to as the "Rent."

Tenant hereby covenants with the Landlord that Tenant will pay the Rent as described above and should the Rent remain due and unpaid for a period of five (5) days after the Rent is due Landlord may, at Landlord's option, consider the said Tenant in default and a tenant at will and immediately re-enter the Premises and the entire rent for the remainder of the Term shall at once be due and payable.

2. **Use.** Tenant will use the Premises as office space for its accounting business and for no other purpose. Tenant will not use or permit the Premises to be used for any illegal or improper purposes, nor permit the disturbance, noise or annoyance whatsoever, detrimental to the Premises or to the comfort of the other tenants of the Building nor will Tenant sublet or assign this lease nor any part hereof without the prior written consent of Landlord. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord.

3. **Tenant Obligations**. Tenant will keep the interior of the Premises, and all windows, doors, fixtures, interior walls, pipes, and other fixtures in good condition and repair and in clean condition. Tenant will (i)exercise all reasonable care in the use of halls, stairs, bathrooms, closets, and other fixtures and parts of the Common Areas; (ii) permit Landlord or Landlord's agents or employees, at all reasonable times, to enter the Premises and inspect the conditions thereof, and make such repairs as may be necessary; and (iii) at the expiration of the Term, without demand, quietly and peaceably deliver the possession of the Premises to Landlord in good condition, reasonable wear and tear excepted.

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4. **Landlord Obligations**. Landlord hereby covenants with Tenant that upon the performance by Tenant of the covenants herein, that the Landlord will, during the Term, (i) keep all the external parts of the Premises in good repair; (ii) that in case the Building or any part thereof, shall at any time be destroyed or so damaged by fire or storm as to render same unfit for occupation or use, Landlord shall have the option to terminate this Lease, or to repair and rebuild the Premises, prorating Tenant's Rent until the Premises are repaired and fit for occupancy and use; and (iii) ensure that the Tenant may quietly hold and peacefully enjoy the Premises without any interruption by Landlord or any person claiming under Landlord.

5. **Landlord's Lien**. Tenant hereby pledges and assigns to Landlord all furniture, fixtures, goods and chattels of Tenant located at the Premises, as security for the payment of the Rent and Tenant agrees that the lien may be enforced by foreclosure or otherwise, at the election of Landlord. If Tenant fails to pay the Rent or other charges due herein, and same is collected by suit or through an attorney, Tenant agrees to pay Landlord reasonable attorney's fees, together with all costs incurred.

6. **Insurance**. Tenant shall procure and maintain throughout the Term of this Lease a policy or policies of insurance, at its sole cost and expense, insuring both Landlord and Tenant against all claims, demands or actions arising out of or in connection with Tenant's use or occupancy of the Premises, or by the condition of the Premises. The limits of such policy or policies shall be in an amount not less than $1,000,000 combined single limit for bodily injury and/or property damage for each occurrence. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least 30 days prior to cancellation of such insurance. Such policies or duly executed certificates of insurance shall be promptly delivered to Landlord and renewals thereof as required shall be delivered to Landlord at least 30 days prior to the expiration of the respective policy terms. If Tenant should fail to comply with the foregoing requirements relating to insurance, Landlord may obtain such insurance and Tenant shall pay to Landlord on demand, as additional Rent hereunder, the premium cost thereof.

Landlord and Tenant each waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant their respective property, the Premises or its contents, or to other portions of the Premises arising from any liability, loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this Lease.

7. **Default**. If Tenant fails to pay any Rent, when due, or Tenant shall fail to comply with any term, provision or covenant of this Lease, and shall not cure such failure within thirty days after written notice thereof to Tenant, Landlord may, at Landlord's option, without any further notice or demand whatsoever (any such notice and demand being expressly waived by Tenant) in addition to any other remedy or right given hereunder or by law or equity do any one or more of the following:

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(a) Terminate this Lease by written notice to Tenant, in which event Tenant shall immediately surrender possession of the Premises to Landlord.

(b) Enter upon and take possession of the Premises and expel or remove Tenant and any other occupant therefrom, with or without having terminated this Lease.

(c) Alter locks and other security devices at the Premises.

8. **Estoppel**. Tenant and Landlord shall promptly upon request from the other execute and acknowledge a certificate containing such information as may be reasonably requested for the benefit of Landlord or Tenant, any prospective purchaser or any current or prospective mortgagee of all or any portion of the Building.

9. **Guaranty**. The obligations of Tenant under this Lease shall be guaranteed by Brian Silver, the Guarantor (s), pursuant to the separate Guaranty executed by such Guarantor. Any claim or lawsuit may be brought against Guarantor(s) or any claim settled with Guarantor(s) without impairing or releasing the rights of Landlord against Tenant or any other Guarantor.

10. **Assigns**. This lease shall bind Landlord and Tenant and their respective heirs, assigns, administrators, legal representatives and executors. Tenant shall not assign this Lease without Landlord's prior written consent.

11. **Security Deposit**. Tenant agrees to pay a Security Deposit of $2,745.17 to secure Tenant's pledge of full compliance with the terms of this agreement.

12. **Miscellaneous**. This Lease shall be governed by and construed in accordance with the laws of the State of Texas. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor. This Lease, including all Exhibits attached hereto, contains the entire agreement between Landlord and Tenant with respect to the subject matter hereof.

In the event Tenant or Landlord defaults in the performance of any of the terms, agreements or conditions contained in this Lease and Landlord or Tenant places the enforcement of this Lease, in the hands of any attorney who files suit upon the same, the non-prevailing party shall pay the reasonable attorney's fees and costs of court of the prevailing party.

EXECUTED as of the date hereinabove stated.

LANDLORD:
Headquarters Too, LLC

By: Peter Licata, **its Manager**

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TENANT: Silver Accounting Group LLC

Brian Silver (Jul 21, 2021 14:30 CDT)

By: Brian Silver, **its** Member

Exhibit A

Special Provisions

1. At no cost to Tenant, Landlord will use commercially reasonable efforts to substantially complete the renovation of the Premises shown on the attached diagram, on or before September 1, 2021.
2. Tenant shall have the option to renew the term of the Lease for an additional term of 5 years exercisable by Tenant upon at least 180 days prior written notice to Landlord before the end of the initial Term. The Rent during the option period shall be the market rate for comparable buildings in Tomball.
3. Tenant, at its sole cost, shall have the right to add its name to the existing monument sign, using 1 full panel. Signage to be approved by Landlord prior to installation.

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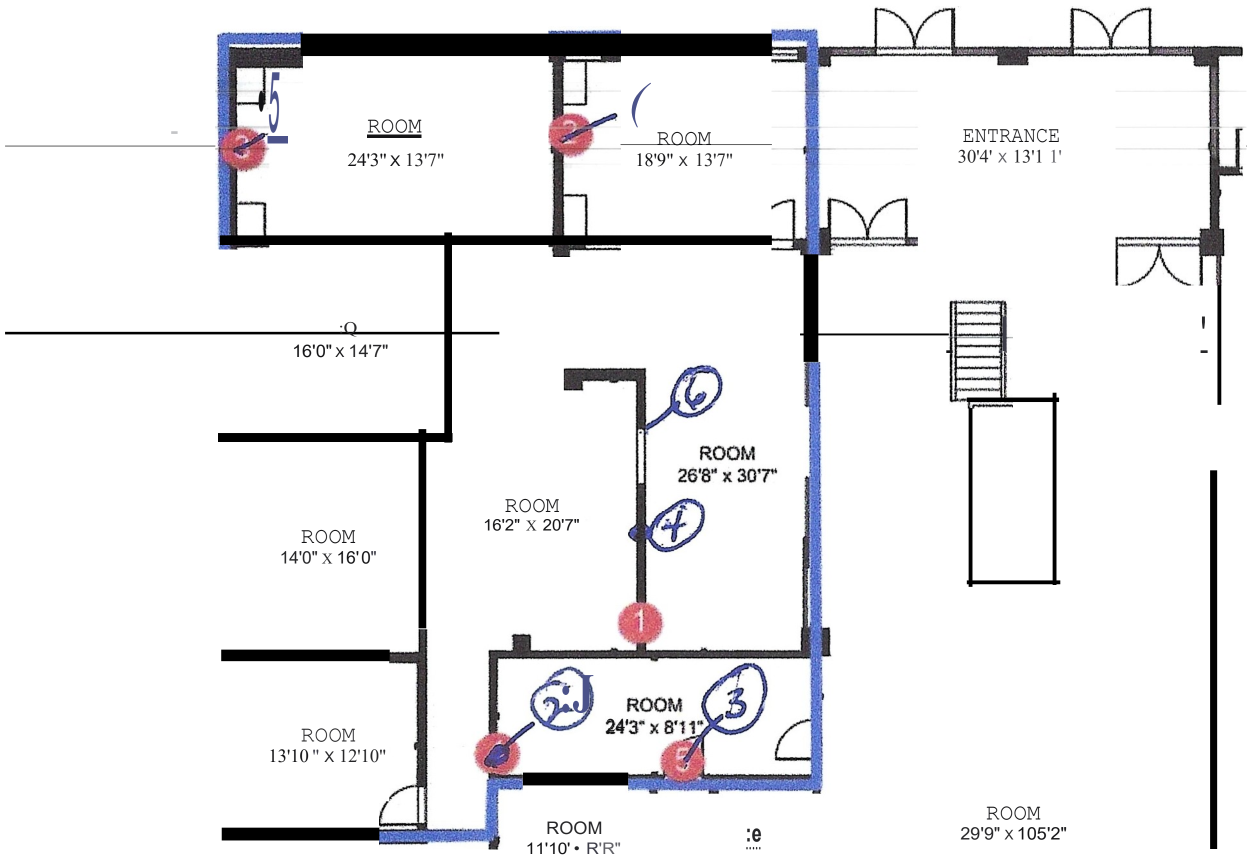

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Silver Accounting Group LLC Lease

Final Audit Report 2021-07-21

Created:	2021-07-21
By:	Peter Licata (peter@tpc-re.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAADoGENx8oeetgupAwhy3q3SeVoAf3q-AW

"Silver Accounting Group LLC Lease" History

Document created by Peter Licata (peter@tpc-re.com)
2021-07-21 - 6:00:26 PM GMT- IP address: 66.249.107.222

Document emailed to Brian Silver (brian@silveraccountinggroup.com) for signature
2021-07-21 - 6:02:58 PM GMT

Email viewed by Brian Silver (brian@silveraccountinggroup.com)
2021-07-21 - 7:21:31 PM GMT- IP address: 98.195.171.174

Document e-signed by Brian Silver (brian@silveraccountinggroup.com)
Signature Date: 2021-07-21 - 7:30:32 PM GMT - Time Source: server- IP address: 98.195.171.174

Document emailed to Peter Licata (peter@tpc-re.com) for signature
2021-07-21 - 7:30:34 PM GMT

Email viewed by Peter Licata (peter@tpc-re.com)
2021-07-21 - 7:32:35 PM GMT- IP address: 66.249.80.185

Document e-signed by Peter Licata (peter@tpc-re.com)
Signature Date: 2021-07-21 - 7:33:21 PM GMT - Time Source: server- IP address: 66.249.107.222

Agreement completed.
2021-07-21 - 7:33:21 PM GMT

TOMBALL ECONOMIC DEVELOPMENT CORP.

IMPACT REPORT

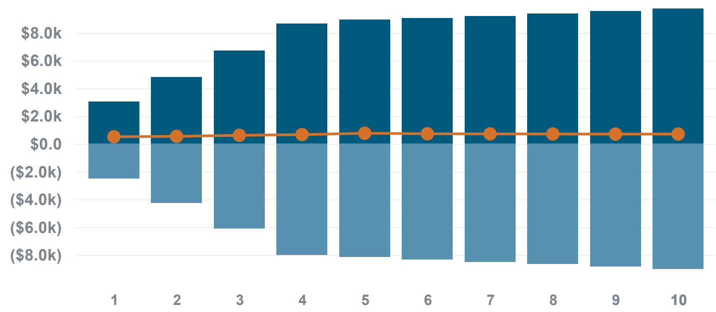
SILVER ACCOUNTING GROUP, LLC

Scenario 1 with Client Data

Recruitment | Scientific Research and Development Services

City of Tomball

BENEFITS	COSTS	NET BENEFITS
$79,062	($72,507)	$6,555



JOBS

11.6 Total
9.0 Direct
2.6 Spin-off

SALARIES

$38,412 Avg
$40,000 Direct
$32,958 Spin-off

CAPITAL INVEST.

$70,000
Buildings + FF&E

RESIDENTIAL DEV.

0.0 Homes
0.3 Relocations

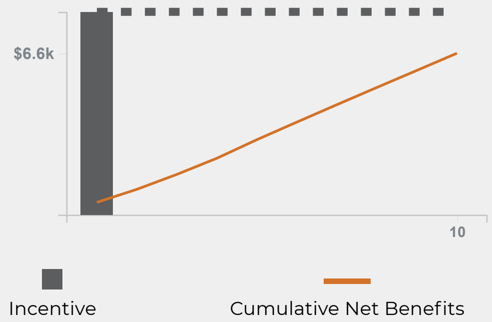
NET BENEFITS	$6,555
Present Value	$4,994

BENEFITS	
Sales Taxes	$4,563
Real Property Taxes	$138
FF&E Property Taxes	$1,134
Inventory Property Taxes	$0
New Residential Property Taxes	$335
Hotel Occupancy Taxes	$0
Building Permits and Fees	$0
Utility Revenue	$52,781
Utility Franchise Fees	$3,305
Miscellaneous Taxes and User Fees	$16,807
Benefits Subtotal	**$79,062**

COSTS	
Cost of Government Services	($19,448)
Cost of Utility Services	($53,059)
Costs Subtotal	**($72,507)**

INCENTIVE ANALYSIS

$8,236 Total Incentive	**$915** Per Job
8.0% Rate of Return	**12.3 Yrs** Payback Period



NET BENEFITS OVER 10 YEARS

CITY	$6,555
COUNTY	($1,665)
SCHOOL DISTRICT	$2,965
OTHER	$4,791

Regular City Council
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Approve, on Second Reading, Resolution No. 2021-43-TEDC, a Resolution of the City Council of the City of Tomball, Texas, authorizing and approving the Tomball Economic Development Corporation's Project to Expend Funds in accordance with an Economic Development Performance Agreement by and between the Corporation and the Friends of Tomball Community Library for expenditures required or suitable for the promotion of new or expanded business development. The estimated amount of expenditures for such Project is an amount not to exceed $47,614.00.

Background:

On November 9, 2021, the Tomball Economic Development Corporation (TEDC) Board of Directors unanimously approved, as a Project of the Corporation, a performance agreement with the Friends of Tomball Community Library for assistance with developing a Young Adult Space to serve area youth.

The goal of the project is to create a space that will provide learning and development experiences for youth, including workforce education initiatives, bridging technology gaps, and provide various skills to prepare them for the future.

This is a permissible project as outlined in Texas Economic Development Legislation which permits funding of projects that promote new or expanded business development.

The Tomball City Council has final approval authority over all programs and expenditures of the TEDC. Final approval of this project requires the adoption of Resolution No. 2021-43-TEDC after two separate readings.

Origination: Tomball Economic Development Corporation Board of Directors

Recommendation: Approval of Resolution No. 2021-43-TEDC on Second Reading

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: ______ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # ____________ To account # ____________

Signed ____________________ Approved by ____________________

Staff Member-TEDC Date Executive Director-TEDC Date

RESOLUTION NO. 2021-43-TEDC

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, APPROVING A PROJECT OF THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION UNDER TEXAS LOCAL GOVERNMENT CODE SECTION 505.158.

* * * * *

WHEREAS, the City Council of the City of Tomball, Texas (the "Council") finds that Tomball Economic Development Corporation (the "TEDC") is a duly-formed organization in the State of Texas and that its purpose is to enhance the economic well being of the City of Tomball (the "City") and its citizens; and

WHEREAS, the Council finds that the TEDC's proposed project that includes the TEDC's provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to the Friends of Tomball Community Library would promote new or expanded business development (the "Project") in and around the City, with a description of the Project being included in the Performance Agreement attached to this Resolution as "Exhibit A"; and **NOW THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TOMBALL:

THAT the City Council of the City of Tomball hereby finds and approves the Tomball Economic Development Corporation's project, as such project is described in the Performance Agreement attached to this Resolution as "Exhibit A".

PASSED, APPROVED, and RESOLVED on first reading on __________________________.

PASSED, APPROVED, and RESOLVED on second reading on _______________________.

____

GRETCHEN FAGAN, MAYOR

ATTEST:

____

Doris Speer, City Secretary

EXHIBIT A

PERFORMANCE AGREEMENT – TEDC & FRIENDS OF TOMBALL COMMUNITY LIBRARY

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
PROJECT AGREEMENT

This Project Agreement (this "Agreement") is made by and between the Tomball Economic Development Corporation, a State of Texas Type B Economic Development Corporation (the "TEDC"), and Friends of Tomball Community Library, a 501c3 nonprofit organization (the "Organization") and is entered into by the Parties on the date of execution below (the "Effective Date").

RECITALS

WHEREAS, the TEDC's Board of Directors (the "Board"), at its meeting on September 14, 2021, after conducting a public hearing that was published on September 10, 2021, found that a project that included the TEDC's provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to the Lone Star College- Tomball Community Library would promote new or expanded business development (the "Project"); and

WHEREAS, through the Project, the TEDC will assist the Organization in promoting and expanding business development in the City of Tomball, Texas (the "City") by providing $47,614.00 to the Organization to remodel and refurnish a youth space and for the purchase of Technology Programs and Equipment (the "Equipment"), with a description of the Equipment being attached to this Agreement as "Exhibit B"; and

WHEREAS, the Organization, in partnership with the Lone Star College–Tomball, a branch of the Lone Star College System, a State of Texas public community college (the "College"), the Harris County Public Library (the "HCPL"), and Harris County Precinct 4 (the "Precinct"), will use the Equipment to provide improved access to advanced technology, resources, educational opportunities and other relevant services to promote educational and job training opportunities for the College and the HCPL as well as residents of the City and the Precinct (the "Training"); and

WHEREAS, in addition to the Training, the City and the Precinct will use the Equipment at an Young Adults Space at the HCPL that will be open to the public and be focused on promoting and expanding business development in the City and the Precinct (the "Lab"), with a more detailed description of the Training and the space being attached to this Agreement as "Exhibit A"; and

WHEREAS, as consideration for the TEDC's provision of funding to the Organization for the Improvements and Equipment through the Project, the Organization has agreed to satisfy and comply with certain terms and conditions provided in this Agreement; and

NOW, THEREFORE, in consideration of mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Organization agree as follows:

AGREEMENT

Section 1. Term.

This Agreement shall become enforceable upon the Effective Date and shall remain in effect for five (5) years, unless terminated or cancelled earlier (the "Term"). The Term may be extended through a written amendment to this Agreement executed by the Parties.

Section 2. Organization Obligations.

A. *Continued Operation*. The Library hereby covenants and agrees that it will continue to operate and develop its Young Adult Space in the City throughout the Term.

Section 3. TEDC Obligations.

A. *Project Payment*. In consideration of the Organization representations, promises, and covenants, the TEDC agrees to grant to the Organization $47,614.00 to remodel and refurnish the space and for the purchase of Technology Programs and Equipment (the "Equipment"), with a description of the Equipment being attached to this Agreement as "Exhibit B".

B. *Additional Incentive Payment*. To the extent allowed by law, the Board may amend this Agreement to allow for additional provisions of land, buildings, equipment, facilities, expenditures, targeted infrastructure, or improvements to the Library that would promote new or expanded business development.

C. *Contingency*. The Parties understand and acknowledge that the funding of this Agreement is contained in the TEDC's annual budget and is subject to the approval of the Board in each fiscal year. The Parties further agree that should the Board fail to approve a budget which includes sufficient funds for the continuance of this Agreement, or should the Board fail to certify funds for any reason, then and upon the occurrence of such event, this Agreement shall terminate as to the TEDC and the TEDC shall then have no further obligation to the other Party. When the funds budgeted or certified during any fiscal year by the TEDC to discharge its obligations under this Agreement are expended, the library's sole and exclusive remedy shall be to terminate this Agreement.

Section 4. Termination.

A. This Agreement shall terminate upon the expiration of the Term, unless terminated earlier as the result of a default by the Organization under one of the following provisions:

1. *General Default*. Either Party may terminate this Agreement during the Term as provided in this paragraph if the other Party is in default by failing to comply with the obligations of this Agreement. The Party alleging the default will give the other Party notice of the default in writing. If the Party in default fails to cure the default within sixty (60) days of the date of the notice, then the Party giving the notice may terminate this Agreement by written notice to the other Party, specifying the date of termination. However, neither Party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of any act of God, war, earthquake, fire, strike, accident, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the Parties (the "force majeure") during the Term, but only for so long as the event of force majeure reasonable prevents performance.

2. *Funding Agreement Default*. In the event Organization enters into any type of funding agreement with the City and such funding agreement terminates because of default of the Organization, then this Agreement shall terminate.

3. *Undocumented Worker Employment Default*. According to Chapter 2264 of the Texas Government Code (the "Code"), the Library will not knowingly employ an individual who, at the time of employment: (i) is an undocumented workers as that term is defined in the Code; and, (ii) is not lawfully admitted for permanent residence to the United States or, is not authorized under the law to be employed in that manner in the United States. Additionally, if the is convicted of a violation under 8 U.S.C. Section 1324a(f), then the conviction is a breach of this Agreement and the TEDC will send the Library written notice that the Library has violated this paragraph and that the Agreement terminates thirty (30) days from the date of the notice.

B. It is understood and agreed by the Parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Library 's sole and exclusive remedy shall be limited to either the termination of this Agreement, or a suit for specific performance.

Section 5. Reimbursement For Default.

If this Agreement terminates because of the Organizations' default, then the Organization shall reimburse the TEDC for all expenses that the TEDC has made to the Organization related to this Agreement, excluding any previous reimbursement payments made by the Organization under this Agreement (the "Reimbursement"). The Reimbursement shall be in accordance with the following provisions:

1. The Reimbursement shall be made for all direct expenses paid by the TEDC to the Organization along with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½ %) per annum, within one hundred twenty (120) days after the TEDC notifies the Organization of the default;

2. The Reimbursement shall include any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to enter into this Agreement and to obtain the Reimbursement; and,

3. The Reimbursement obligation survives termination of this Agreement.

Section 6. Miscellaneous.

A. *Liability*. To the extent permitted by law, no director, officer, employee, or agent of the TEDC, and no officer, employee, or agent of the City, shall be personally responsible for any liability arising under or related to this Agreement.

B. *Assignability*. This Agreement may not be assigned by the Organization to any other person or entity unless the TEDC consents in writing to such assignment.

C. *Jurisdiction and Venue*. This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

D. *Amendment*. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only in writing, and by the signatures and mutual consent of the Parties.

E. *Notice*. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by: (i) depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid, registered or certified mail, return receipt requested; (ii) by delivering the same in person to such Party; (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or, (iv) by facsimile or other electronic transmission; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the Parties for the purpose of notice under this Agreement shall be as follows:

***To the TEDC*:**
Tomball Economic Development Corporation
Attn: President, Board of Directors
401 West Market Street
Tomball, Texas 77375

***Friends of Tomball Community Library*:**
Friends of Tomball Community Library
Attn: Lain Hopwood
____
____

F. *__No Waiver__*. The failure of either Party to insist in any one or more instances on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance. However, the TEDC hereby reserves and retains any and governmental immunities that it might now have or possess in the future.

G. *__Severability__*. In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity, or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

SIGNATURES

THIS AGREEMENT is hereby executed by the Parties on this ______ day of ______________ 2021.

FOR: THE TEDC

By: ______________________________

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: ______________________________

Name: ___________________________

Title: Secretary, Board of Directors

FOR: FRIENDS OF TOMBALL COMMUNITY LIBRARY

By: ___________________________________

Name: _________________________________

Title: __________________________________

ATTEST:

By: ___________________________________

Name: _________________________________

Title: __________________________________

ACKNOWLEDGMENT – FOR THE ORGANIZATION

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of __________________ 2021,
Day Month

by _________________________, _________________________ of _____________________________,
Name Position/Title Entity Name

for and on behalf of said Entity.

____
Notary Public in and for the State of Texas

My Commission Expires: ___________

(SEAL)

ACKNOWLEDGMENT – FOR THE TEDC

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _______ day of __________________ 2021,
Day Month
by Gretchen Fagan, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

____
Notary Public in and for the State of Texas

My Commission Expires: ___________

(SEAL)

EXHIBIT A – TRAINING PROGRAM & INNOVATION LAB DESCRIPTION

The Young Adult (YA) space reorganization represents Phase 2 of the Tomball Innovation Lab initiative that started in 2019 and had its grand opening on January 28, 2020. This initiative was supported by the Tomball Chamber of Commerce, the Tomball Economic Development Corporation, Tomball ISD, HCA-Houston Healthcare Tomball and the city of Tomball.

The YA space will provide educational opportunities for teens, job preparation and career development, technological literacy, social literacy and leadership experiences.

Teen-Focused Furniture:

It is essential to provide teens with appealing décor, age-appropriate furniture and specialized librarian services. To this end we have researched furniture that is appealing, mobile and encourages project collaboration and ease of use for YA Space resources.

- Minimalistic service desk
    - Specialized, non-invasive or intimidating young adult librarian presence in the young adult space
        - Increases young adult reference and guidance for technology use
        - Librarians can supervise the YA Space, secure YA Space technology while not appearing invasive
- Modern furniture
    - Multi-functional furniture
        - Mobile chairs and tables are easily arranged for focused programming as well as casual collaboration and socialization
        - Chairs with power sources for charging wireless devices, moveable footstools with storage for backpacks and textbooks, mobile side tables for holding devices and books
        - Dividers in order to section off the room for programs while still allowing access to the YA space for casual use.

Estimated Cost for space remodel and refurnish: $17,674

EXHIBIT B – DESRIPTION OF EQUIPMENT

Featured Technology and Related Programs/Activities:

- Digital Table – an interactive smart table with a touch screen interface. It has access to the internet and multiple activities via downloadable applications on several topics (I.e., education prep – Acellus Student; resume building – Resume Maker Professional 20; language learning – DuoLingo, art – Sketchbook Pro, Animation Desk Classic, Adobe Creative Cloud; design and drawing CorelCAD, Inkscape; and others). The table is compatible with multiple devices. Planned programs to use the digital table include Teen Tech Tuesdays, Career Workshops, and Robotics/Engineering Challenges.

- Digital Wall - a large screen display on one of the space's walls. (I.e., hosting virtual visits from local to international guests, virtual seminars, public speaking and presentations opportunities, collaborative learning and gaming) Planned programs to use the digital wall include special virtual events, Teen Anime Club, and Teen Advisory Group.

- Virtual reality headsets – wireless with realistic virtual experiences through downloadable apps or via Internet connection (cognitive and well-being applications – VRHealth Portal, Appility; interactive interview practice – VirtualSpeech Training; education - virtual tours of worldwide historical locations and museums; health – Human Anatomy VR to explore the human body) Planned programs to use virtual reality include special Quest, Focus on Art, and Teen Tech Tuesday.

Estimated Cost for Technology and Equipment: $29,940

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
PROJECT AGREEMENT

This Project Agreement (this "Agreement") is made by and between the Tomball Economic Development Corporation, a State of Texas Type B Economic Development Corporation (the "TEDC"), and Friends of Tomball Community Library, a 501c3 nonprofit organization (the "Organization") and is entered into by the Parties on the date of execution below (the "Effective Date").

RECITALS

WHEREAS, the TEDC's Board of Directors (the "Board"), at its meeting on September 14, 2021, after conducting a public hearing that was published on September 10, 2021, found that a project that included the TEDC's provision of land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to the Lone Star College- Tomball Community Library would promote new or expanded business development (the "Project"); and

WHEREAS, through the Project, the TEDC will assist the Organization in promoting and expanding business development in the City of Tomball, Texas (the "City") by providing $47,614.00 to the Organization to remodel and refurnish a youth space and for the purchase of Technology Programs and Equipment (the "Equipment"), with a description of the Equipment being attached to this Agreement as "Exhibit B"; and

WHEREAS, the Organization, in partnership with the Lone Star College–Tomball, a branch of the Lone Star College System, a State of Texas public community college (the "College"), the Harris County Public Library (the "HCPL"), and Harris County Precinct 4 (the "Precinct"), will use the Equipment to provide improved access to advanced technology, resources, educational opportunities and other relevant services to promote educational and job training opportunities for the College and the HCPL as well as residents of the City and the Precinct (the "Training"); and

WHEREAS, in addition to the Training, the City and the Precinct will use the Equipment at an Young Adults Space at the HCPL that will be open to the public and be focused on promoting and expanding business development in the City and the Precinct (the "Lab"), with a more detailed description of the Training and the space being attached to this Agreement as "Exhibit A"; and

WHEREAS, as consideration for the TEDC's provision of funding to the Organization for the Improvements and Equipment through the Project, the Organization has agreed to satisfy and comply with certain terms and conditions provided in this Agreement; and

NOW, THEREFORE, in consideration of mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Organization agree as follows:

AGREEMENT

Section 1. Term.

This Agreement shall become enforceable upon the Effective Date and shall remain in effect for five (5) years, unless terminated or cancelled earlier (the "Term"). The Term may be extended through a written amendment to this Agreement executed by the Parties.

Section 2. Organization Obligations.

A. *Continued Operation*. The Library hereby covenants and agrees that it will continue to operate and develop its Young Adult Space in the City throughout the Term.

Section 3. <u>TEDC Obligations</u>.

A. *<u>Project Payment</u>*. In consideration of the Organization representations, promises, and covenants, the TEDC agrees to grant to the Organization $47,614.00 to remodel and refurnish the space and for the purchase of Technology Programs and Equipment (the "Equipment"), with a description of the Equipment being attached to this Agreement as "Exhibit B".

B. *<u>Additional Incentive Payment</u>*. To the extent allowed by law, the Board may amend this Agreement to allow for additional provisions of land, buildings, equipment, facilities, expenditures, targeted infrastructure, or improvements to the Library that would promote new or expanded business development.

C. *<u>Contingency</u>*. The Parties understand and acknowledge that the funding of this Agreement is contained in the TEDC's annual budget and is subject to the approval of the Board in each fiscal year. The Parties further agree that should the Board fail to approve a budget which includes sufficient funds for the continuance of this Agreement, or should the Board fail to certify funds for any reason, then and upon the occurrence of such event, this Agreement shall terminate as to the TEDC and the TEDC shall then have no further obligation to the other Party. When the funds budgeted or certified during any fiscal year by the TEDC to discharge its obligations under this Agreement are expended, the library's sole and exclusive remedy shall be to terminate this Agreement.

Section 4. <u>Termination</u>.

A. This Agreement shall terminate upon the expiration of the Term, unless terminated earlier as the result of a default by the Organization under one of the following provisions:

> **1.** *<u>General Default</u>*. Either Party may terminate this Agreement during the Term as provided in this paragraph if the other Party is in default by failing to comply with the obligations of this Agreement. The Party alleging the default will give the other Party notice of the default in writing. If the Party in default fails to cure the default within sixty (60) days of the date of the notice, then the Party giving the notice may terminate this Agreement by written notice to the other Party, specifying the date of termination. However, neither Party may be deemed to be in default of this Agreement if performance of this Agreement is delayed, disrupted, or becomes impossible because of any act of God, war, earthquake, fire, strike, accident, civil commotion, epidemic, act of government, its agencies or offices, or any other cause beyond the control of the Parties (the "force majeure") during the Term, but only for so long as the event of force majeure reasonable prevents performance.
>
> **2.** *<u>Funding Agreement Default</u>*. In the event Organization enters into any type of funding agreement with the City and such funding agreement terminates because of default of the Organization, then this Agreement shall terminate.
>
> **3.** *<u>Undocumented Worker Employment Default</u>*. According to Chapter 2264 of the Texas Government Code (the "Code"), the Library will not knowingly employ an individual who, at the time of employment: (i) is an undocumented workers as that term is defined in the Code; and, (ii) is not lawfully admitted for permanent residence to the United States or, is not authorized under the law to be employed in that manner in the United States. Additionally, if the is convicted of a violation under 8 U.S.C. Section 1324a(f), then the conviction is a breach of this Agreement and the TEDC will send the Library written notice that the Library has violated this paragraph and that the Agreement terminates thirty (30) days from the date of the notice.

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> **1.** The Reimbursement shall be made for all direct expenses paid by the TEDC to the Organization along with interest at the rate equal to the 90-day Treasury Bill plus one-half percent (½ %) per annum, within one hundred twenty (120) days after the TEDC notifies the Organization of the default;
>
> **2.** The Reimbursement shall include any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to enter into this Agreement and to obtain the Reimbursement; and,
>
> **3.** The Reimbursement obligation survives termination of this Agreement.

Section 6. Miscellaneous.

A. *Liability*. To the extent permitted by law, no director, officer, employee, or agent of the TEDC, and no officer, employee, or agent of the City, shall be personally responsible for any liability arising under or related to this Agreement.

B. *Assignability*. This Agreement may not be assigned by the Organization to any other person or entity unless the TEDC consents in writing to such assignment.

C. *Jurisdiction and Venue*. This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

D. *Amendment*. Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only in writing, and by the signatures and mutual consent of the Parties.

E. *Notice*. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by: (i) depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid, registered or certified mail, return receipt requested; (ii) by delivering the same in person to such Party; (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or, (iv) by facsimile or other electronic transmission; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the Parties for the purpose of notice under this Agreement shall be as follows:

***To the TEDC*:**	***Friends of Tomball Community Library*:**
Tomball Economic Development Corporation	**Friends of Tomball Community Library**
Attn: President, Board of Directors	**Attn: Lain Hopwood**
401 West Market Street	________________________
Tomball, Texas 77375	________________________

F. *No Waiver*. The failure of either Party to insist in any one or more instances on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance. However, the TEDC hereby reserves and retains any and governmental immunities that it might now have or possess in the future.

G. *Severability*. In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity, or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

SIGNATURES

THIS AGREEMENT is hereby executed by the Parties on this ______ day of ______________ 2021.

FOR: THE TEDC

By: ______________________________

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: ______________________________

Name: ___________________________

Title: Secretary, Board of Directors

FOR: FRIENDS OF TOMBALL COMMUNITY LIBRARY

By: ___________________________________

Name: _________________________________

Title: __________________________________

ATTEST:

By: ___________________________________

Name: _________________________________

Title: __________________________________

ACKNOWLEDGMENT – FOR THE ORGANIZATION

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of __________________ 2021,
Day Month

by _________________________, _________________________ of _____________________________,
Name Position/Title Entity Name

for and on behalf of said Entity.

____
Notary Public in and for the State of Texas

My Commission Expires: ___________

(SEAL)

ACKNOWLEDGMENT – FOR THE TEDC

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _______ day of __________________ 2021, by Gretchen Fagan, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

Day Month

____
Notary Public in and for the State of Texas

My Commission Expires: ___________

(SEAL)

EXHIBIT A – TRAINING PROGRAM & INNOVATION LAB DESCRIPTION

The Young Adult (YA) space reorganization represents Phase 2 of the Tomball Innovation Lab initiative that started in 2019 and had its grand opening on January 28, 2020. This initiative was supported by the Tomball Chamber of Commerce, the Tomball Economic Development Corporation, Tomball ISD, HCA-Houston Healthcare Tomball and the city of Tomball.

The YA space will provide educational opportunities for teens, job preparation and career development, technological literacy, social literacy and leadership experiences.

Teen-Focused Furniture:

It is essential to provide teens with appealing décor, age-appropriate furniture and specialized librarian services. To this end we have researched furniture that is appealing, mobile and encourages project collaboration and ease of use for YA Space resources.

- Minimalistic service desk
  - Specialized, non-invasive or intimidating young adult librarian presence in the young adult space
    - Increases young adult reference and guidance for technology use
    - Librarians can supervise the YA Space, secure YA Space technology while not appearing invasive
- Modern furniture
  - Multi-functional furniture
    - Mobile chairs and tables are easily arranged for focused programming as well as casual collaboration and socialization
    - Chairs with power sources for charging wireless devices, moveable footstools with storage for backpacks and textbooks, mobile side tables for holding devices and books
    - Dividers in order to section off the room for programs while still allowing access to the YA space for casual use.

Estimated Cost for space remodel and refurnish: $17,674

EXHIBIT B – DESRIPTION OF EQUIPMENT

Featured Technology and Related Programs/Activities:

- Digital Table – an interactive smart table with a touch screen interface. It has access to the internet and multiple activities via downloadable applications on several topics (I.e., education prep – Acellus Student; resume building – Resume Maker Professional 20; language learning – DuoLingo, art – Sketchbook Pro, Animation Desk Classic, Adobe Creative Cloud; design and drawing CorelCAD, Inkscape; and others). The table is compatible with multiple devices. Planned programs to use the digital table include Teen Tech Tuesdays, Career Workshops, and Robotics/Engineering Challenges.

- Digital Wall - a large screen display on one of the space's walls. (I.e., hosting virtual visits from local to international guests, virtual seminars, public speaking and presentations opportunities, collaborative learning and gaming) Planned programs to use the digital wall include special virtual events, Teen Anime Club, and Teen Advisory Group.

- Virtual reality headsets – wireless with realistic virtual experiences through downloadable apps or via Internet connection (cognitive and well-being applications – VRHealth Portal, Appility; interactive interview practice – VirtualSpeech Training; education - virtual tours of worldwide historical locations and museums; health – Human Anatomy VR to explore the human body) Planned programs to use virtual reality include special Quest, Focus on Art, and Teen Tech Tuesday.

Estimated Cost for Technology and Equipment: $29,940

TOMBALL
ECONOMIC DEVELOPMENT CORP.

TO: Honorable Mayor and City Council

FROM: Kelly Violette
Executive Director

MEETING DATE: December 6, 2021

SUBJECT: Friends of Tomball Community Library

ITEM TYPE: Action

Staff has received an official request for grant funding assistance from Janna Hoglund, Director, LSC-Tomball Community Library for assistance with developing a Young Adult Space to serve area youth.

In the attached letter, Ms. Hoglund provides an overview of the project, which includes remodeling a second-floor space at the Tomball Library and purchasing technology programs and equipment to provide improved access to advanced technology, resources, educational opportunities, and other relevant services. The goal of the project is to create a space that will provide learning and development experiences for youth, including workforce education initiatives, bridging technology gaps, and provide various skills to prepare them for the future.

The Young Adult space reorganization represents Phase 2 of the Tomball Innovation Lab initiative that started in 2019 and had its grand opening on January 28, 2020. This initiative was supported by the Tomball Chamber of Commerce, the Tomball Economic Development Corporation, Tomball ISD, HCA-Houston Healthcare Tomball and the city of Tomball.

Goal 5 of the TEDC Strategic Plan (Education and Workforce Development) is to partner with Local/Regional Educational institutions to further develop youth workforce initiatives in the city.

Dear Tomball Economic Development Corporation,

The LSC-Tomball Community Library is committed to providing innovative services within the greater Tomball area for all age groups including the local youth. One of our current goals is to improve services for the local teens and to create an efficient teen space via its very much needed reorganization. The purpose of the reorganization is to provide the teens with the improved access to advanced technology, resources, educational opportunities and other relevant services. The goal is to create the space that will provide teens' development through their guidance into adulthood, workforce education initiatives, improving their quality of life, and various experiences to prepare them for the future. These resources will be also applicable to different age groups.

We are excited for the opportunity to partner with the Tomball Economic Development Corporation and thankful for the support.

Problem Statement and Needs Assessment

There are few free spaces in the Tomball area where teens can go to. We would like our teens space to become one of the teens' destinations.

"The allotment of space in public buildings clearly illustrates which groups matter and which do not," (Velasquez, 2016)[1]. Currently the LSC-Tomball Community Library does not provide an adequate space for the teens in our community. The current YA space has the following service obstacles:

- Lack of the regular and advanced equipment appealing to this age group
- Lack of the services for teens due to the lack of the above stated equipment
- Outdated and unappealing décor
- No librarian service point (inability to offer specialized teen services, difficulty offering programs, inability to provide consistent technical support in the YA Space and to secure the space)

Research shows that teens from low-income households have limited access to technology, resulting in fewer opportunities to become technologically literate. Studies from the Pew Research Center have found that households that make less than $30,000 a year are unlikely to have smartphones, computers, tablets or access to the internet at home, which leaves them "more likely to face obstacles in navigating this increasingly digital environment" (Vogels, 2021)[2]. The updated YA Space can bridge this economic gap to improve career readiness and quality of life by providing access to advanced technology and related services.

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[1] Velasquez, J. (2016, August 31). A place of their own. American Libraries Magazine. https://americanlibrariesmagazine.org/2016/09/01/library-teen-spaces-place-of-their-own/.

[2] Vogels, E. A. (2021, June 22). Digital divide persists even as Americans with lower incomes make gains in tech adoption. Pew Research Center. https://www.pewresearch.org/fact-tank/2021/06/22/digital-divide-persists-even-as-americans-with-lower-incomes-make-gains-in-tech-adoption/

Teen spaces reorganization have been proven to be successful in other public libraries (I.e., Logan Library in Philadelphia, the Los Angeles Public Library, the Orland Park Library and several others)[3]. The results of the on the Chicago Public Library reported that:

> *...youth of all participation types reported more involvement with their chosen interest(s) than they had when they first came...teens claimed they had improved in at least one digital media skill...participants reported that their participation had improved their academic skills...helping them communicate better with adults and improve their writing skills...finally, participants had reported [that the project] had helped them understand more about the opportunities available to them after high school (Sebring)[4].*

The Teens space reorganization represents Phase 2 of the Tomball Innovation Lab initiative that started in 2019 and had its grand opening on January 28, 2020. This initiative was supported by the Tomball Chamber of Commerce, the Tomball Economic Development Corporation, Tomball ISD, HCA-Houston Healthcare Tomball and the city of Tomball. The investment between HCPL and outside agencies totaled over $45,000 (funds were used to purchase advanced technical equipment such as a laser cuter, 3D printers, laptops, and other). The addition of the TIL showed significant increase in community engagement and participation in technology-focused classes and programs*:

	January 2019-February 2019	January 2020-February 2020
Technology related programs	40	53
Average attendance	69	363
Average technology classes offered	43	70
Average technology focused contact hours	187	785

*Statistics are prior March 2020 (due to the pandemic).

The Space

The YA space will provide educational opportunities to our teens, jobs preparation and career development, technological literacy, social literacy and leadership experiences.

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[3] Kozlowicz, C. (2020, January 26). Menomonee falls public library plans to create a teen center. Milwaukee Journal Sentinel. https://www.jsonline.com/story/communities/northwest/news/menomonee-falls/2020/01/23/menomonee-falls-public-library-include-teen-center-improvements/4530436002/
Renewing our story. Orland Park Public Library. (2021, January 11). https://www.orlandparklibrary.org/renewing-our-story-blog/
Teen'scape: The origin story. Teen'Scape: The Origin Story. (2015, November 12). https://www.lapl.org/collections-resources/blogs/lapl/teen%E2%80%99scape-origin-story
Hahn, A. (2018, December 18). At rejuvenated Logan Library, room for the noisy joy of teenage kicks. https://whyy.org/. https://whyy.org/articles/at-rejuvenated-logan-library-room-for-the-noisy-joy-of-teenage-kicks/
Lange, A. (2018, May 24). Young adult architecture. Curbed. https://archive.curbed.com/2018/5/24/17389648/library-architecture-teens-public-space

[4] Sebring, P. A., Brown, E. R., Julian, K. M., Ehrlich, S. B., Sporte, S. E., Bradley, E., & Meyer, L. (2013). Teens, digital media, and the Chicago public library. University of Chicago Consortium on Chicago School Research

Teen-Focused Furniture:

It is essential to provide teens with appealing décor, age-appropriate furniture and specialized librarian services. To this end we have researched furniture that is appealing, mobile and encourages project collaboration and ease of use for YA Space resources.

- Minimalistic service desk
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  - Multi-functional furniture
    - Mobile chairs and tables are easily arranged for focused programming as well as casual collaboration and socialization
    - Chairs with power sources for charging wireless devices, moveable footstools with storage for backpacks and textbooks, mobile side tables for holding devices and books
    - Dividers in order to section off the room for programs while still allowing access to the YA space for casual use.

Estimated Cost for space remodel and refurnish: $17,674

Featured Technology and Related Programs/Activities

The teen space must remain up-to-date with technology and equipment that is attractive and engaging with teens. Digital literacy is crucial for success in today's workforce, and access to these advanced technologies will also support learning and development in problem solving, health and wellness, and social skills.

Some of the proposed equipment:

- Digital Table – an interactive smart table with a touch screen interface. It has access to the internet and multiple activities via downloadable applications on several topics (I.e., education prep – Acellus Student; resume building – Resume Maker Professional 20; language learning – DuoLingo, art – Sketchbook Pro, Animation Desk Classic, Adobe Creative Cloud; design and drawing CorelCAD, Inkscape; and others). The table is compatible with multiple devices. Planned programs to use the digital table include Teen Tech Tuesdays, Career Workshops, and Robotics/Engineering Challenges.
- Digital Wall - a large screen display on one of the space's walls. (I.e., hosting virtual visits from local to international guests, virtual seminars, public speaking and presentations opportunities, collaborative learning and gaming) Planned programs to use the digital wall include special virtual events, Teen Anime Club, and Teen Advisory Group.
- Virtual reality headsets – wireless with realistic virtual experiences through downloadable apps or via Internet connection (cognitive and well-being applications – VRHealth Portal, Appility; interactive interview practice – VirtualSpeech Training; education - virtual tours of worldwide historical locations and museums; health – Human Anatomy VR to explore the human body) Planned programs to use virtual reality include special Quest, Focus on Art, and Teen Tech Tuesday.

Estimated Cost for Technology and Equipment: $29,940

Total estimated cost: $47,614

Desired Outcomes and Measurements

Desired Outcomes

Program: Teen Space Reorganization

Situation: Currently the LSC-Tomball Community Library does not provide an adequate space for the teens in our community

Inputs (What we invest)	Outputs (What we do and who we do it to) Activities	Participation	Outcomes – Impact (The incremental events/changes that occur as a result of the outputs) Short	Medium	Long
Funding Advanced technology Engaged and creative staff TEDC support	Marketing and outreach Programs and events Career Workshops Creative Writing Group Technology and computer programs Professional visits Art and design programs Teen Advisory Group	Customers (teens) Community Teens Community Partners Families Teens School groups Other libraries	Improved access to advanced technology in the library Increased participation in a variety of library programs Increased connection with peers Increased creative expression Increased literacy: general, technology, health	Increased creative and practical application of technology skills Increased social skills and confidence with others Increased skills with particular creative expression (more skilled at digital drawing, for example) Forward thinking attitude towards career opportunities	Improved quality of life due to increased literacy skills Engagement with job-skill and education related activities Solid social skills and social confidence Decreased anxiety and uncertainty toward shift to adulthood Lifelong library users Independent learners Increased collaboration with partners

Assumptions	External Factors
A dedicated teen space in the library is an ideal space for teens to gain career development skills, technological literacy, social literacy and educational experiences	Covid has delayed reorganization, and re-introducing the teen space will be challenging after a long time

Performance Indicators of Success:

Quantitative:

- Increase in teen usage of the YA Space
- Increase in attendance/participation of teen programs
- Increased variety of teen programs offered
- Increased teen usage of advanced technology and TIL equipment

Qualitative:

- Positive public feedback of the YA Space services via
  - surveys,
  - teen advisory group feedback
  - comment cards
  - impact stories

Sample of Planned YA Space Programs

- **Bi-Weekly Career Workshops**: Centered around job and career relate themes, these workshops can help to focus career goals, write resumes, practice interview skills, and can use the available technology (iPad, touch table, ect) to boost teens' technical skills. Guest speakers and professional contacts would be a great option here as well.
- **Weekly Teen Writers' Group**: Creative focus, writing, utilizing library resources to learn about publishing. Writing and language skills are extremely important for young people entering the workforce, and this program will help to increase competence and confidence.
- **Weekly Teen Tech Tuesdays**: Teens will focus on learning technology skills through lessons and free experimentation with interactive smart table, robotics kits, VR, and more. The goal is to develop confidence with technical applications and critical thinking skills.
- **Weekly Teen Anime Club:** In this club, teens can interact and develop social skills around a shared interest in anime and Japanese art/culture. Here, they can utilize the iPad and smart table to create their own art and animation projects, and also connect with other Innovation Lab equipment such as the 3D printer and laser cutter.
- **Weekly Teen Gaming Fridays**: Through collaborative and educational gaming we can encourage literacy activities like reading, writing & creating, as well as co-operative play and problem solving. Many games are themed around creating and learning, as well as being entertaining to play.
- **Bi-weekly Family Saturday**: Allow for the community to come in and use YA Room technology with guidance from YA Room staff. Getting parents and families of teens involved with activities in the Teen Space is important to maintain long-term engagement.
- **Weekly Homeschool groups**: A specific time to accommodate homeschooled teens during the day. The Teen Space will give homeschooled teens an opportunity to socialize, access new technology, and develop life and job-related skills.
- **Special events**: Through outreach to YA authors, other teen groups, and career professionals, the Teen Space will become a hub for teens to gain new information and perspectives on career options, how to improve their quality of life, and how to enhance their education and vocational opportunities.
- **Monthly Robotics Basics Build**: Go over the basics of building robots using the Mindstorm kits. This would cover basic builds that help understand different motor functions and coding to utilize those tools.
- **Quarterly Robotics Challenge**: Create challenges that must be completed by a robot built from these kits. Participants would have multiple days to design and build a robot that will then have to be tested by the challenges laid out ahead of time.
- **Weekly Free Build**: Allow kits to be checked out by patrons for use in the YA room with supervision. This allows free flow creative building and design.
- **Monthly Arduino Kit Projects**: Create programs that will focus on different aspects of the tools available in the Arduino kit to showcase how they can be used to create control devices and be implemented in other projects
- **Quarterly Arduino Kit Design Challenge**: Create a program that tasks participants with creating a control device that will be able to do specific tasks and allow them to design and create the final product.
- **Weekly Quests**: Find applications or experiences that promote a theme (exploration, health, careers, etc). Provide those experiences to those who may not otherwise be able to enjoy them in the real world (Tours of faraway places, walks through art museums, new takes on history through first person perspective). Integrate the quests into the game day programs by using VR games that are team focused (Keep Taking and Nobody Explodes, etc.)

- **Weekly Focus on Art**: Art and design sessions using iPad and interactive table to encourage creativity and connect art with technology. Can also be combined with VR technology to create interactive sculpture and displays.
- **Teen Advisory Group**: A group for teens to communicate and give feedback on library programs, help other in the community, and develop teamwork and collaboration skills. TAG activities include teen organized and led clubs and programs, volunteers, and connections with other teen groups around the world via our digital wall.

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Conduct Public Hearing of the City Council of the City of Tomball to consider Proposed Assessments against Alexander Estates Section Two properties in the City of Tomball, Public Improvement District Number Four, established by City Council Resolution No. 2019-04.

Background:

Pursuant to Chapter 372 of the Local Government Code, a single public hearing will be conducted to establish the levy assessment for each lot in Section Two of Alexander Estates located within Public Improvement District Number Four.

The first reading of the ordinance to levy the assessment may immediately follow the public hearing.

Notice of the Public Hearing was provided to the property owners, as required, and proper publication was made in the official newspaper and the City's website.

The first reading of the Ordinance will follow the public hearing; the second reading of the ordinance will be presented to Council at the regular Council meeting on January 3, 2021.

Origination: Scott Bean, Hawes Hill Calderon, LLP

Recommendation:

Conduct Public Hearing

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Coordinator

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: ______ No: ________ If yes, specify Account Number: # ____________

If no, funds will be transferred from account # ____________ To account # ____________

Signed Meagan Mageo 12/14/2021 Approved by ____________

Staff Member Date City Manager Date

NOTICE OF PUBLIC HEARING
CITY OF TOMBALL, TEXAS

MONDAY, DECEMBER 20, 2021

6:00 P.M.

NOTICE OF PUBLIC HEARING OF THE CITY COUNCIL OF THE CITY OF TOMBALL TO CONSIDER PROPOSED ASSESSMENTS AGAINST ALEXANDER ESTATES SECTION TWO PROPERTIES IN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER FOUR ESTABLISHED BY CITY COUNCIL RESOLUTION NO. 2019-04.

In accordance with Chapter 372.005 Local Government Code, the Assessment Roll for Alexander Estates Section Two properties in the City of Tomball Public Improvement District Number Four has been prepared and is on file and open for public inspection in the office of the City Secretary. A public hearing on the assessment will be held by the City Council as follows:

DATE & TIME: Monday, December 20, 2021, 6:00 p.m.
PLACE: City Council Chambers, 401 Market Street, Tomball, Texas 77375
COST OF IMPROVEMENTS: $3,382,238.10

GENERAL NATURE OF THE IMPROVEMENTS: The public improvements include the construction of water lines, sanitary sewers, storm sewers and drainage, gas lines, street paving, detention facilities, open space and amenities, erosion control, as well as engineering, contingency provisions, financing, and administrative costs.

BOUNDARIES: The boundaries are described in the Alexander Estates Replat No. 3, a Subdivision of 69.8866 Acres of Land Being a Part of the Elizabeth Smith Survey, A-70, Harris County, Texas. Also Being a Partial Replat of Alexander Estates For the Reason of Easement Modifications as Recorded in CF No. RP-2019-117075 and CF No. RP-2020-170771, H.C.M.R.

Written and oral objections will be considered at the hearing. All interested persons are hereby notified of the described hearing, and of their right to appear and be heard on the matter.

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 1st day of December 2021 by 5:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meetings.

Doris Speer
Doris Speer
City Secretary, TRMC, MMC

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please feel free to contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information. AGENDAS MAY ALSO BE VIEWED ONLINE AT www.ci.tomball.tx.us.

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Adopt, on First Reading, Ordinance Number 2021-40, an Ordinance of the City Council of Tomball, Texas, Levying the Assessment against Section Two properties within the City of Tomball Public Improvement District Four, Alexander Estates Subdivision.

Background:

Public infrastructure improvements are nearly complete for Section Two (87 lots) of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan was already approved and the assessment roll for Section One was approved by City Council in 2020 that levied the assessment on each of the lots in Section One (164 lots) . It is requested that the assessment roll for Section Two be approved in the same manner as Section One. This will complete the assessments for each of the 251 total lots in Alexander Estates.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories and are the same in Section One and Section Two. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

Payment	Principal	Interest	Payment	Payments collected	Principal Balance
					$26,052.50
1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
3	$1,368.84	$1,057.01	$2,425.85		$22,120.29

4	$1,430.43	$995.41	$2,425.85	$20,689.85
5	$1,494.80	$931.04	$2,425.85	$19,195.05
6	$1,562.07	$863.78	$2,425.85	$17,632.98
7	$1,632.36	$793.48	$2,425.85	$16,000.61
8	$1,705.82	$720.03	$2,425.85	$14,294.79
9	$1,782.58	$643.27	$2,425.85	$12,512.21
10	$1,862.80	$563.05	$2,425.85	$10,649.41
11	$1,946.62	$479.22	$2,425.85	$8,702.79
12	$2,034.22	$391.63	$2,425.85	$6,668.57
13	$2,125.76	$300.09	$2,425.85	$4,542.81
14	$2,221.42	$204.43	$2,425.85	$2,321.39
15	$2,321.39	$104.46	$2,425.85	$0.00
TOTAL	$26,052.50	$10,335.21	$36,387.71	

Origination: Scott Bean, Hawes Hill Calderon, LLP

Recommendation:

Adopt Ordinance Number 2021-40, levying an assessment against Section Two properties with the City of Tomball Public Improvement District Number Four, Alexander Estates Subdivision, on First Reading.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Coordinator

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: ______ No: ________ If yes, specify Account Number: # ____________

If no, funds will be transferred from account # ____________ To account # ____________

Signed Meagan Mageo ____________ Approved by ____________

Staff Member Date City Manager Date

ORDINANCE NO. 2021-40

AN ORDINANCE OF THE CITY COUNCIL OF TOMBALL, TEXAS, LEVYING AN ASSESSMENT AGAINST SECTION TWO PROPERTIES (87 LOTS) WITHIN THE CITY OF TOMBALL PUBLIC IMPROVEMENT DISTRICT NUMBER FOUR (ALEXANDER ESTATES SUBDIVISION); AND MAKING CERTAIN FINDINGS RELATED THERETO.

* * * * * * * * * *

WHEREAS, the City of Tomball (the "City") is authorized pursuant to TEX. LOCAL GOV'T CODE, ch. 372, as amended ("Chapter 372") to create public improvement districts for the purposes described therein, and to levy and collect an assessment in furtherance of the purposes thereof; and

WHEREAS, the City has created City of Tomball Public Improvement District Number Four (the "PID"), adopted a Service and Assessment Plan (the "Plan") for the PID, all in accordance with the applicable provisions of Chapter 372; and

WHEREAS, the City Council filed a proposed assessment roll with the City secretary which roll was available for public inspection, and following notice thereof by mail and publication as required by Chapter 372, the City Council held a public hearing at which written or oral objections to the proposed assessments were considered and passed on by the City Council; and

WHEREAS, the City Council has determined that the levy of a special assessment for and on behalf of the PID is necessary and advisable, and that the proposed assessment roll apportions the cost of the subject improvements in the PID on the basis of special benefits accruing to the property because of the improvement, **NOW THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOMBALL, TEXAS, that:

Section 1. The facts recited in the preamble hereto are found to be true and correct.

Section 2. The assessment roll attached hereto is hereby approved and the special assessments described therein are hereby levied on the subject property in accordance with the terms of the Plan, which Plan determines, *inter alia*, the method of payment of the assessments, and makes provision for the payment thereof in periodic installments, interest thereon and the collection thereof. The Mayor, City Secretary and any other appropriate officials of the City are hereby authorized to take all necessary actions on behalf of the City to implement the terms thereof in accordance therewith.

Section 3. There is hereby created a first and prior lien securing payment of the assessment levied, effective as of the date of this Ordinance as provided in the Plan and Chapter 372.

Section 4. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

FIRST READING:

READ, PASSED AND APPROVED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 20TH DAY OF DECEMBER 2021.   .

COUNCILMAN FORD	______
COUNCILMAN STOLL	______
COUNCILMAN DEGGES	______
COUNCILMAN TOWNSEND	______
COUNCILMAN KLEIN QUINN	______

SECOND READING:

READ, PASSED, APPROVED AND ORDAINED AS SET OUT BELOW AT THE MEETING OF THE CITY COUNCIL OF THE CITY OF TOMBALL HELD ON THE 3RD DAY OF JANUARY 2022.   .

COUNCILMAN FORD	______
COUNCILMAN STOLL	______
COUNCILMAN DEGGES	______
COUNCILMAN TOWNSEND	______
COUNCILMAN KLEIN QUINN	______

____
Gretchen Fagan, Mayor

ATTEST:

____
Doris Speer, City Secretary

Public Improvement District Number Four
Alexander Estates Section Two Assessment Roll (Alexander Estates Replat No. 3)
City of Tomball, Texas

Owner	Lot	Block	Lot Size	principal	annual payment	term	annual admin fee	total annual payment
Triple LE, LLC	23	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	24	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	25	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	26	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Lennar Homes of Texas Land & Construction LTD	27	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Lennar Homes of Texas Land & Construction LTD	28	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	29	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	30	1	60'	$ 31,263.00	$ 2,911.02	15 years	$ 121.29	$ 3,032.31
Triple LE, LLC	36	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	37	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	38	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Lennar Homes of Texas Land & Construction LTD	39	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Lennar Homes of Texas Land & Construction LTD	40	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Lennar Homes of Texas Land & Construction LTD	41	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	42	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	43	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	44	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Lennar Homes of Texas Land & Construction LTD	45	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Lennar Homes of Texas Land & Construction LTD	46	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	47	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	48	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	49	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	50	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	51	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	52	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	53	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	54	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	55	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	56	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	57	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	58	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	59	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	60	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	61	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	62	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	63	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	64	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	65	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	66	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	67	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	68	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	69	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	70	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	71	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	72	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	73	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	74	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	75	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	76	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14
Triple LE, LLC	77	4	50'	$ 26,052.50	$ 2,425.85	15 years	$ 121.29	$ 2,547.14

Triple LE, LLC	78	4	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	79	4	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	80	4	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Lennar Homes of Texas Land & Construction LTD	26	6	50'	$	26,052.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Lennar Homes of Texas Land & Construction LTD	27	6	50'	$	26,053.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Lennar Homes of Texas Land & Construction LTD	28	6	50'	$	26,054.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	29	6	50'	$	26,055.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	30	6	50'	$	26,056.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	31	6	50'	$	26,057.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Lennar Homes of Texas Land & Construction LTD	32	6	50'	$	26,058.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Lennar Homes of Texas Land & Construction LTD	33	6	50'	$	26,059.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	34	6	50'	$	26,060.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	35	6	50'	$	26,061.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	36	6	50'	$	26,062.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	37	6	50'	$	26,063.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	38	6	50'	$	26,064.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	39	6	50'	$	26,065.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	40	6	50'	$	26,066.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	41	6	50'	$	26,067.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	42	6	50'	$	26,068.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	43	6	50'	$	26,069.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	44	6	50'	$	26,070.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	45	6	50'	$	26,071.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	46	6	50'	$	26,072.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	47	6	50'	$	26,073.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	48	6	50'	$	26,074.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	49	6	50'	$	26,075.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	50	6	50'	$	26,076.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	51	6	50'	$	26,077.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	52	6	50'	$	26,078.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	53	6	50'	$	26,079.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	54	6	50'	$	26,080.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	55	6	50'	$	26,081.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	56	6	50'	$	26,082.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	57	6	50'	$	26,083.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	58	6	50'	$	26,085.50	$	2,425.85	15 years	$	121.29	$	2,547.14
Triple LE, LLC	59	6	50'	$	26,086.50	$	2,425.85	15 years	$	121.29	$	2,547.14

<u>Council Item Information Sheet</u> – Section Two (87 Lots) Assessment Roll for Public Improvement District Number Four (Alexander Estates Subdivision)

<u>Action Requested</u>
Approval of the Section Two Assessment Roll for Public Improvement District Number Four.

<u>Information</u>
Public infrastructure improvements are nearly complete for Section Two (87 lots) of Alexander Estates Subdivision within Public Improvement District Number Four created by the City in 2019. Per Chapter 372 of the Local Government Code, a service and assessment plan was already approved and the assessment roll for Section One was approved by City Council in 2020 that levied the assessment on each of the lots in Section One (164 lots) . It is requested that the assessment roll for Section Two be approved in the same manner as Section One. This will complete the assessments for each of the 251 total lots in Alexander Estates.

The assessments prescribed in the Plan are by lot and for two (2) different lot categories and are the same in Section One and Section Two. The total, one-time assessment per lot is specified in the plan as well as the annual installment (financed assessment rate at 4.5% annual interest) as follows:

50-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 26,052.50	$2,425.85	15 years	$ 121.29	$ 2,547.14

60-Foot Lots

Total Assessment	Annual Assessment Installment	Financed Assessment Term	Annual Administrative Cost	Total Annual Payment
$ 31,263.00	$2,911.02	15 years	$ 121.29	$ 3,032.31

The annual payment, principal, and interest are demonstrated on the attached example amortization schedule for a 50-foot lot which will be kept for each property covered by the assessment. The principal amount of the assessment is payable at any time by each homeowner which would terminate the assessment.

The assessments are formulated to reimburse the developer for the public infrastructure costs of the development plus interest while staying around the equivalent of a $0.75 tax rate. For illustration, the attached amortization schedule details the amortization for each lot in Section One. It is estimated that the average price of the homes in the 50-fot lot category to be constructed will be $315,000. The annual assessment payment $2,425.85 is the equivalent of a $0.77 tax rate on a $315,000 home.

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the homebuilders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

Future Actions

The District Administrator will work with City staff on the collection of the assessments. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund. A reimbursement report will be performed by an independent CPA firm prior to reimbursement to the developer. The revenues will be disbursed to the developer once a year after administrative costs have been deducted.

Amortization Schedule

Duration (in years)	15
Interest Rate	4.50%
Annual Payment Amount	$2,425.85
Total Lifetime Payments	$36,387.71
Total Principal	$26,052.50
Total Interest	$10,335.21

	Payment	Principal	Interest	Payment	Payments collected	Principal Balance
						$\boxed{\underline{\textit{\$26,052.50}}}$
	1	$1,253.48	$1,172.36	$2,425.85		$24,799.02
	2	$1,309.89	$1,115.96	$2,425.85		$23,489.12
	3	$1,368.84	$1,057.01	$2,425.85		$22,120.29
	4	$1,430.43	$995.41	$2,425.85		$20,689.85
	5	$1,494.80	$931.04	$2,425.85		$19,195.05
	6	$1,562.07	$863.78	$2,425.85		$17,632.98
	7	$1,632.36	$793.48	$2,425.85		$16,000.61
	8	$1,705.82	$720.03	$2,425.85		$14,294.79
	9	$1,782.58	$643.27	$2,425.85		$12,512.21
	10	$1,862.80	$563.05	$2,425.85		$10,649.41
	11	$1,946.62	$479.22	$2,425.85		$8,702.79
	12	$2,034.22	$391.63	$2,425.85		$6,668.57
	13	$2,125.76	$300.09	$2,425.85		$4,542.81
	14	$2,221.42	$204.43	$2,425.85		$2,321.39
	15	$2,321.39	$104.46	$2,425.85		$0.00
TOTAL		$26,052.50	$10,335.21	$36,387.71		

City Council Meeting
Agenda Item
Data Sheet

Meeting Date:____________________

Topic:

Approve Amendment to Administrative Policy No. 17, entitled "General Fixed Assets Policies and Procedures"

Background:

Administrative Policy No. 17 – "General Fixed Assets Policies and Procedures" was amended by City Council on September 20, 2021. The amendment changed the capitalization threshold, both the minimum useful life and cost of the asset. The useful life was increased from one to three years and the cost was increased from $5,000 to $50,000.

Staff recommends changing the capitalization threshold cost from $50,000 to $20,000. Decreasing the threshold to $20,000 will ensure that items above the threshold are tracked by Finance and the respective department. This will allow for improved financial reporting and increased transparency for capital purchases. It will also provide for better budgeting of the future replacement of capital items.

For consistency in financial reporting, this change will be retroactively effective September 30, 2021. The General Fixed Assets Policies and Procedures will be reviewed and updated in its entirety later this fiscal year.

Origination: Finance

Recommendation:

Approve the changes to Administrative Policy No. 17

Party(ies) responsible for placing this item on agenda: Katherine DuBose, Finance Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # __________

If no, funds will be transferred from account # __________ To account # __________

Signed Katherine DuBose Approved by __________

Staff Member Date City Manager Date

CITY OF TOMBALL
ADMINISTRATIVE POLICIES, RULES AND PROCEDURES

<table>
<tr><td rowspan="3">SUBJECT

GENERAL FIXED ASSET POLICY AND PROCEDURES</td><td>NUMBER:
17</td><td>EFFECTIVE DATE:
2/17/2003</td><td>PAGE 1 OF 50</td></tr>
<tr><td>REVISED:
December 20, 2021</td><td colspan="2">APPROVED BY CITY MANAGER:
December 20, 2021</td></tr>
<tr><td>SUPERSEDES:
September 20, 2021</td><td colspan="2">APPROVED BY CITY COUNCIL:
December 20, 2021</td></tr>
</table>

Attached is the General Fixed Asset Policy and Procedures Manual.

CITY OF TOMBALL

GENERAL FIXED ASSET

POLICY AND PROCEDURES MANUAL

Finance Department
November 2002

CONTENTS

Chapter 1 - Overview

Goal
Fixed Asset System
Controlled Property
Capitalization Policy
Custody and Accountability
Personal Property of Employees
Physical Inventories
    Frequency and Type of Inventories
Depreciation
Classification & Coding
    Coding
Classes of Property
    Type 1
    Type 2
    Type 3
    Sources of Funding
Reporting Requirements
    Annual Reporting
    Periodic Reporting

Chapter 2 - Guidelines for Accounting for Assets

Land
Buildings
Improvements Other Than Buildings/
    Infrastructure Improvements
Machinery Equipment and Accessories
Pumps and Motors
Park Equipment
Park Improvements
Furniture
    Unit Cost Over $500
    Unit Cost Between $200 & $500
    Unit Cost Under $200
    Furnishings Attached to the Building
Specialty Items
    Police Department Examples
    Fire Department Examples

CONTENTS

Chapter 2 - (Cont'd)

Computers/Software
Art Pieces
Controllable Assets - Type 2
General Policy
Examples

Chapter 3 - Acquisition, Modifications, Retirements and Transfers

Standardized Forms Required
Required Authorizations
Additions/Purchases
Changes
Transfers
Auction Disposal Items
Disposals
Additions
Current Year Additions
Prior Year Additions
Tagging of Assets
Procedures
Additions/Purchases Form
Changes
Procedures
Changes Form
Transfers
Procedures
Accounting For Transfers
Transfers between an Enterprise Fund and the General Fixed Asset Group of Accounts
Transfer from an Enterprise Fund to the General Fund
Transfer from the General Fund to an Enterprise Fund
Transfers between Enterprise Funds
Transfers within the same Fund
Transfers Form
Disposals
Auction Disposal Items
Disposal
Procedures

CONTENTS

Chapter 3 (cont'd)

Auction Disposal Form
Disposals Form

Chapter 4 - Departmental Property Managers

Administration
Public Works Department
Fire Department
Police Department

Chapter 5 - Departmental Policies

Administration Department
Public Works Department
Fire Department
Police Department
Purchasing Auction Procedures

Chapter 6 - Forms

Additions/Purchases
Changes
Transfers
Disposals Thru Auction
Disposals

Chapter 7 - Appendix
Appendix 1 - Tagging-Identifying Numbers
Appendix 2 - Asset Listing Information

CHAPTER 1- OVERVIEW

OVERVIEW

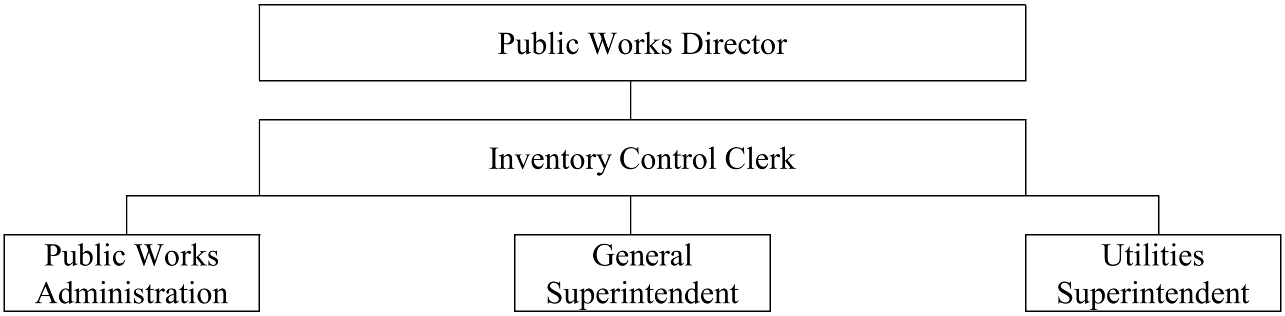
Goal: The goal in preparing this manual is to define and describe a set of standard procedures and policies to record and control changes in the fixed asset system in accordance with generally accepted accounting principles and to define a system of communication that coupled with cooperation between departments allows for effective control of assets entrusted to the City Staff.

Fixed Asset System: The City's fixed asset system is defined as a collection of the relevant information on assets owned, including the procedures used to report the data, the defined responsibilities of those participating in administering the system, the paper work and forms used in reporting the additions, deletions, transfers and changes, and the various reports generated from the input of the above data. A centralized listing of capital assets is maintained in the Finance Department. Adjustments to the records are recorded when supporting documentation is received from the originating departments with the appropriate authorization signatures. Assets are categorized by type. Controlled assets are required to be maintained in the centralized system.

Controlled Property: Assets maintained in the City's asset system consist of property that meets the capitalization criteria and certain other assets that are highly mobile and susceptible to loss or theft.

Capitalization Policy: The capitalization policy determines at what level the City will classify assets for inclusion into the fixed asset system as a capital asset. The criteria for capitalizing an asset is determined by two factors: 1) the cost of the asset, and 2) its useful life. Assets with a useful life greater than 3 years with a cost equal to or greater than $20~~50~~,000.00 and that are not considered to be maintenance items are capitalized by the City of Tomball. Assets are capitalized in their respective funds.

Custody and Accountability: A clear definition of who has the authority, accountability and responsibility for maintenance of the property issued to the various departments is outlined by each department (see departmental charts). The Accounting Supervisor will act as liaison for the Finance Department. **RESPONSIBILITY AND ACCOUNTABILITY FOR ASSETS REST WITH EACH DEPARTMENT HEAD**. Within each of the four departments there is one person assigned to act as a Liaison with the Finance Department. The Department Head is responsible for all property purchased for, assigned to or otherwise provided to his/her department. The person within the department designated by the Department Head to be responsible for the custody and control of property is the Property Manager. A department may have more than one Property Manager. Each department shall have a clearly defined structure. An example may be as follows:



Personal Property of Employees: Each department shall include in their departmental policies, a statement of policy relating to personal property owned by City employees and is used in their work or located on City premises. The City does not assume any responsibility for loss or damage to personal property. Personal property is not covered by City insurance.

Physical Inventories

The objectives of a physical inventory are to ensure the fixed assets recorded in the system physically exist, to determine whether unrecorded or improperly recorded transactions have occurred, and to identify any excess, defective, or obsolete assets on hand. An effective periodic inventory results in an accurate accounting of fixed assets and indicates the reliability of the accountability system for the acquisition, use and disposal of fixed assets.

Frequency and Type of Inventories: Not less than annually, the Finance Department will provide to each department a current fixed asset listing. An inventory of the listed property shall be conducted and discrepancies resolved. The listing shall be signed by the Department Head verifying the property on hand. Once completed, the original signed copy of the asset listing and any corrections are to be returned to the Finance Department. The Finance department will enter the changes and return a corrected listing to the department.

Periodically the Finance Department will conduct physical inventories. Particular categories of items may be selected. A written report will be provided to the Department Head and City Manager upon completion of these inventories. Noncompliance with the procedures will be noted.

When a Property Manager is to be replaced for any reason, the Department Head shall notify the Director of Finance to provide a current fixed asset listing so that joint inventory may be conducted by the outgoing and incoming Property Manager. The completed and verified joint inventory shall be forwarded to the Finance Department within 10 days after the appointment of the new Property Manager.

Depreciation

Depreciation will be recorded in the fixed asset program. The maintenance of depreciation schedules will be handled by the Finance Department and will be used in the evaluation of all future budget submissions.

Classification and Coding

Coding: A standardized classification and coding system will be used. Adherence to standardized classification and coding promotes uniformity, consistency and systematic compilation of data. These standards are concerned primarily with asset classification, source of funds, property identification numbers and other coding considerations. A unique number is assigned to each asset. The number remains with the asset regardless of its location. When an asset is transferred from one fund to another, the original asset is retired. The transferred asset is added using the original asset number with an extension of A, B, C, etc. The acquisition date of the transferred asset will be the transfer date. There are three types of assets maintained in the asset records system. Type 2 and type 3 assets are not included in the Financial Reports as fixed assets, but are expensed in the year of purchase.

Classes of Property

Type 1 - Controlled assets that meet the capitalization criteria. Type 1 Assets cost $20~~5~~,000 or more, are not maintenance items, and have an estimated life of more than ~~1~~ 3 years.

Type 2 - Controlled assets with a cost of $500 or more but less than $~~5~~20,000 with an estimated life of more than ~~one~~ 3 years that are susceptible to loss. Type 2 assets may include calculators, typewriters, computer equipment, T.V.s, VCRS, lawn mowers, line trimmers, radios, pagers, and small electrical tools, etc. After 5 years assets may be transferred to a type 3 asset.

Type 3 - Assets that do not meet the above criteria. The Department Head decides whether to include these assets in the centralized reporting system or maintain records within the department.

Source of Funding:

01	Operating Funds
02	Lease Purchase
03	Certificates of Obligation (CO)
04	Issue of Debt
05	Revenue Sharing
06	Contributions
07	Grants
08	Other

Assets are categorized by type using a category table maintained in the Fixed Asset Program.

Reporting Requirements

Annual Reporting

Annually, the Finance Department will provide to each department a current fixed asset listing of capitalized assets. An inventory of the listed property shall be conducted and discrepancies resolved. The listing shall be signed by the Department Head verifying the property on hand. Once completed, the original signed copy of the asset listing and any corrections are to be returned to the Finance Department. Changes will be entered and a corrected listing sent to the department.

At least annually the following departments will conduct inventories of Type 2 assets including specialty items and forward a copy to the Finance Department. Written departmental policy outlines the record keeping system and procedures to be followed.

- Parks Department - Inventory and status of condition of park equipment (playground equipment, picnic tables, etc.)

- Police Department - Inventory of specialty equipment such as light bars/sirens, barrier cages, articles of clothing, cell phones etc.

- Fire Department - Inventory of hoses, adapters, nozzles, etc. by truck. Inventory of specialty items such as articles of clothing, cell phones, and radios.

- Management Information Services (M.I.S.) - Details of P.C.'s and their component parts.

- Cultural Services - Works of art. **Policy recommends an appraisal be done every five years on art pieces with an acquisition value of more than $1,000 (See Chapter 5).**

Periodic Reporting

Periodically the Finance Department will conduct physical inventories of assets. Particular categories of items may be selected. A written report will be provided to the Department Head and City Manager upon completion of these inventories. Noncompliance with the procedures will be noted and taken into consideration in yearly personnel reviews.

When a Property Manager is to be replaced for any reason, the Department Head shall notify the Director of Finance to provide a current fixed asset listing so that joint inventory may be conducted by the outgoing and incoming Property Manager. The completed and verified joint inventory shall be forwarded to the Finance Department within 10 days after the appointment of the new Property Manager.

CHAPTER 2-

GUIDELINES FOR ACCOUNTING FOR ASSETS

Guidelines for Accounting for Assets

Land: The land account includes land purchased or otherwise acquired by the City. Purchased land is carried in the records at cost. Donated land is recorded at the appraised market value of the land at the time of its donation. Deeds and land purchases, easements and right-of-way records are maintained by the City Secretary.

Buildings: The buildings account includes the value of buildings at purchase price or construction cost, plus improvements made to the buildings.

Improvements Other Than Buildings/Infrastructure Improvements: The "improvements other than buildings" accounts are used to record such items as infrastructure (e.g., parking lots, sidewalks) and site improvements (e.g., fences). Usually, values are recorded on a "cost-of-construction basis." Items not included are landscaping, demolition and land acquisition **(**included in the land section), and movable equipment such as park equipment (included in the equipment classification). The City records infrastructure improvements at original cost. Infrastructure improvements include streets, sidewalks, drainage, signalization street lighting, park development, water lines, sewer lines, etc. Infrastructure improvements shall be grouped. Street improvements, water lines, sewer lines, etc. will be cumulative. Depreciation will be recorded in the proper fund.

Machinery Equipment and Accessories: The machinery and equipment account consists of property that does not lose its identity when removed from its location and is not changed materially or expended in use. This property is recorded at cost, including freight, installation and other charges incurred to place the asset in use. If an asset is acquired through donation, an appraised value is established as of the donation date and assigned to the asset. Machinery and equipment is categorized in several different general ledger codes. The categories are used to group "like" assets. Accessories for vehicles including tool boxes, etc., when purchased at the time the vehicle is purchased, will be included in the cost of the vehicles. Accessories added later follow the regular capitalization policy.

Pumps and Motors: Pumps and motors that are component parts of a facility are included in the cost of the facility. Portable pumps and motors are capitalized according to the capitalization policy.

Park Equipment: Playground Equipment at the parks follows general capitalization rules. The Parks Department shall maintain a reporting system that identifies the condition of the equipment. At least annually, an inventory and status of condition of equipment report will be prepared.

Park Improvements: Park Improvements include improvements-to-land and improvements- on-land and do not include buildings. Improvements-to-land will be cumulatively grouped by park. Cost of improvements including lighting and fencing are added to the combined cost per park.

Furniture: Accountability for all furniture is the responsibility of the Property Manager and Department Head of the department to which an asset is assigned.

The following classifications are used:

Unit Cost Over $~~5~~20,000 -	Must be included as a Type 1 Capital Asset. After 5 years, the item may be classified as a Type 2 asset. When fully depreciated, the asset may be classified as a Type 2 asset.
Unit Cost Between $500 & $~~5~~20,000-	Must be included as a Type 2 asset. After five years, the item may be classified as a Type 3 asset.
Unit Cost Under $500 -	Department discretion as to whether or not to include the asset on the centralized reporting system.
Furnishings Attached to the Building -	Shelves, files, tables, etc., shall not be included on the asset listing.

Classification as a Type 3 asset in no way negates obligation of accountability. If the Department elects not to include furniture as a Type 3 asset in the centralized reporting system, an alternative method of accountability must be established at the department level.

Specialty Items: Accountability for all specialty items, is the responsibility of the Property Manager and Department Head of the department to which an asset is assigned. The capitalization policy in no way negates obligation of accountability. If a Department Head elects not to include assets on the centralized reporting system, alternative methods of accountability must be established at the department level. A written departmental policy is required.

Police Department Examples:
- Light bars/sirens
- Barrier cages
- Articles of clothing

Fire Department Examples:
- Hoses
- Adapters
- Nozzles, etc.

The Police and Fire Departments shall maintain an internal record keeping system for control of assets costing less than $~~5~~20,000. A written departmental policy outlines the record keeping system and procedures to be followed. At least once annually, all departments shall independently verify the correctness of the list and report its findings to the Finance Department.

Management Information System (MIS) or person serving in such a capacity will work in conjunction with the Purchasing Agent and will adhere to the following policies concerning departmental purchases. For asset purposes it is assumed that a computer system consists of the "processor box."

- All computer descriptions on the asset system will be very generic (e.g. PC-486).

- M.I.S./Purchasing will continue to maintain a database and files for computers with specific purchase information and historical data.

- Normal maintenance parts for an existing computer will not change the asset value. If the part significantly enhances the system an ADD asset sheet will be initiated to show the value change and the existing asset number will be referenced. The adjustment will be recorded as an improvement to the original asset in the system.

- Any purchase of a computer system over $~~5~~20,000 will be coded to the 6402 code with an asset Type 1. Purchases less than $~~5~~20,000 will be coded to the 6103 code with an asset Type 2. Both will be assigned a new asset number. Printers and other external peripherals will adhere to the same coding guidelines.

- Commonly transferred equipment, including personal computers, printers and other external peripherals, will be accounted for in a central department (i.e. 111-General Administration, 112-Permits, 151 – Public Works).

  All fully depreciated assets may be transferred to the General Fund centralized department~~.~~

  Transfers of assets not fully depreciated should not routinely occur between funds.

- All asset forms concerning computers and related equipment shall be initiated or reviewed by M.I.S./Purchasing before any changes are made to an existing asset.

- Listings of software licenses held by the City will be maintained by the Purchasing Department and will be included on the fixed asset listing if the capitalization criteria is met.

- Computer equipment bought for a specific department's needs, will be assigned to that department. Ex. Engineering computers and Finance computers.

- Computer equipment bought in the Enterprise Funds shall be depreciated over three years.

- All General Fund computers will be bought out of the departmental computer budget. If the money is budgeted in another department, a budget transfer will be done.

The M.I.S./Purchasing Department shall maintain an independent tracking system that details P.C.'s and their component parts. Annually, M.I.S. will verify the correctness of their records with a list signed by the designated Property Managers and forward a copy to the Finance Department for reconciliation to the centralized listing for capitalized assets. A written departmental policy is available. It will be the responsibility of the Department Head and Property Manager to monitor compliance with this departmental policy.

Art Pieces: Art pieces with a value of $~~5~~20,000 or more when received will be included as a Type 1 asset. Art not meeting the capital criteria will be accounted for by the General Administration Department following the departmental policy.

C H A P T E R 3 -

ACQUISITIONS, MODIFICATIONS, RETIREMENTS and TRANSFERS

Acquisitions, Modifications, Retirements and Transfers

Accurate reporting of the changes to the fixed asset system is the cornerstone of the maintenance procedure. These changes include the recording of new assets, changes, transfers and disposals. A key to a usable system is the recognition that the system is not static. Lack of attention to maintenance of the records will result in overstatement or understatement of the investment in assets and lack of control of assets which may lead to loss of assets.

Standardized Forms Required

Standardized forms are provided to report updates to the fixed asset system.

Use of the following forms is required:

- Additions/Purchases
- Changes
- Transfers
- Disposals
- Auction Disposal Items

Required Authorizations

Before transactions are recorded, specific authorizations are required.

- Additions/Purchases: Property Manager and Department Head or their designees of the Department to which the asset is assigned and the Purchasing Agent.
- Changes: Property Manager and Department Head or their designees of the Department to which the asset is assigned.
- Transfers: Property Manager and Department Head or their designees of both the "transfer to" and "transfer from" department.
- Disposals : Property Manager and Department Head or their designees of the department to which the asset is assigned.
- Auction Disposal Items: Property Manager and Department Head or their designees of the department to which the asset is assigned <u>and</u> the Purchasing Agent.

Additions

Current Year Additions: All assets acquired during the current fiscal year are defined as current year additions. These include purchases of new as well as used assets, donated assets and assets acquired through capitalized lease-purchase agreements.

To submit additions to the existing property record, it is necessary to indicate the account number and type of asset, quantity, description of the asset, original cost including all associated charges (e.g., freight, or other fees) and date of acquisition. When recording the description, it is important to include the manufacturer's name, serial number, and model number, if applicable. For assets which have no identification numbers, a description of the assets in terms of sizes or capacities shall be indicated. Brand names as opposed to vendor names shall be used.

Prior Year Additions: Any asset acquired in a period prior to the current fiscal reporting period is a prior year addition. These assets can be added to the asset system. These additions will utilize the same basic addition report form as used for current year additions. The purchase date will reflect year added. Original date is included in the description.

Tagging of Assets: Responsibility for the proper tagging of all assets rests with the department.

Procedures:

1. <u>Use the correct standardized form.</u>
2. Asset Numbers will be assigned by the Finance Department.
3. Complete form in detail.
4. Unit Numbers for vehicles and certain equipment shall be assigned/maintained by the City Secretary or their designee. The City Secretary or their designee shall complete the information section for assets that have been assigned a unit number.
5. Properly tag the asset- indicating the tag # on the form.
6. The ADD Form should be sent to the Finance Department when the payment authorization is sent to Accounting. The form shall be attached to the <u>front</u> of the receiving report/P.O.
7. General Explanation of form.
   - Indicate from which general ledger account the asset was purchased.
   - Make sure your purchase is correctly coded. Check with accounting if there is a question.
   - Indicate the department to which the asset is assigned and the department from which the asset is purchased.
   - Indicate the date of purchase and cost.
   - List the asset type. <u>Remember that only Type 1 assets should have been coded to the 6400 series of accounts. Compare your asset type with your cost to make sure both are correct.</u>
   - Attach a copy of the Invoice/P.O. to the form.
   - Give an accurate and sufficiently detailed description that will allow you to identify this asset in future years. The model and serial number should be included here. Include any tagging information in the description.
   - Use the location field and the room number fields in a manner that will assist you when you do your physical inventories.
   - Make sure all authorization signatures are on the form.

CITY OF TOMBALL
ADDITION/PURCHASE OF FIXED ASSET

DATE OF PURCHASE: ____________________________ COST: ______________________

ASSET TYPE: (Circle One) 1 2 3 VENDOR NAME:

(Attach copy of invoice)

DESCRIPTION: ____

DEPARTMENT ASSET ASSIGNED: ________ LOCATION: _______________________

GENERAL LEDGER ACCOUNT PURCHASED FROM: ________________________

Is this a budgeted item? Y N If no, was a budget transfer done? Y N

SPECIAL NOTE: ____

(Limited to 25 characters)

****TO BE COMPLETED BY CITY SECRETARY ON ASSETS WITH UNIT #'S ****

Send *original* to FINANCE

UNIT #: ______________ MAKE: _______________ YEAR/MODEL: ____________________

LICENSE #: ___________________ VIN#:____

TYPE OF FUEL: **Regular Unleaded Diesel** OFF ROAD: **yes no** LEV: **yes no**

VEHICLE MAINTENANCE TYPE CODE:

AUTHORIZATION:

Fleet Maintenance Superintendent/Date DRIVER:

AUTHORIZATION:

_____________________________________ _____________________________

Department Head/Date Property Manager/Date

****FOR FINANCE DEPARTMENT USE ONLY****

Asset # Assigned: _______________ Date Posted to System: _______________ By: __________

CAFR Category: ________________ Detail Category: __________________ DEPR: _______________

Capitalize: Y N Spreadsheet: Y N Funding Source: _____ DEPR Cost Center : _____________

Rev 11-02

Changes

Often, changes are made to an existing record. Usually, these changes are corrections to the original recording. Changes may include, but not necessarily be limited to the following:

- Error in classification of asset.
- Correction of description.
- Serial Number or Model number to correct typographical error.
- Location or series number changes (excluding change to transfer to another department. This change would require TRANSFER FORM).

Procedures:

1. Use the correct standardized form.
2. Complete form in detail.
3. Forward the form to the Finance Department.
4. Make sure all authorization signatures are on the form.

CITY OF TOMBALL
CHANGES TO FIXED ASSET

ASSET# TO BE CHANGED: ____

__DEPARTMENT ASSET ASSIGNED TO: _______________________________________

__DESCRIPTION: ____

CHANGES TO BE MADE: ____

____

____

____

AUTHORIZATION:

______________________________ ______________________________

Department Head/Date Property Manager/Date

Directions for Completing This Form

1. Complete this form for any changes to an asset description, with the following ***exceptions***:
   a. Location in another department (**do Transfer of Fixed Asset form)**
   b. Model number and/or Serial number changes other than to correct typographical errors or warranty replacement
2. Send original form to Finance Department.
3. Make sure all authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Date Posted to System: __________________ NOTE: ________________________________

By: ____

Rev 11-02

Transfers

Transfers are defined as any movement of an asset between departments. A transfer may be a full or complete transfer or a partial transfer of an item. Changes of a location or room number within a department should be done on a change form.

Procedures:

1. Use the correct standardized form.
2. Complete form in detail.
3. Forward the form to the Finance Department.
4. Make sure all authorization signatures are on form.

Transfers must be approved and accepted by both the Department Heads and Property Managers of the transferring and receiving Departments.

CITY OF TOMBALL
TRANSFER OF FIXED ASSET

ASSET # OF ITEM TRANSFERRED: _____________ DATE OF TRANSFER: _________

DESCRIPTION: (Include model #, serial #, etc.)____

____

____

____

DEPT. # TRANSFERRED FROM: __________DEPT # TRANSFERRED TO: ____________

_____AUTHORIZATION: **(Transferring Department)**

_______________________________ _______________________________

Department Head/Date   Property Manager/Date

AUTHORIZATION: **(Receiving Department)**

_______________________________ _______________________________

Department Head/Date   Property Manager/Date

Directions for Completing This Form

1. Complete this form on every asset transferred from one department to another department.
2. Make sure ***both*** the transferring and receiving authorization signatures are on form.
3. ***If the transfer is on a vehicle, send a copy of form to the City Secretary. This is important for vehicle maintenance records.***
4. Send original form to Finance Department.

****FOR FINANCE DEPARTMENT USE ONLY****

Asset # Assigned: _________________ Date Posted to System: _________________ By: ___________

CAFR Category: __________________ Detail Category: ____________________ Type Code: 1 2 3

Fund to Fund: Y N Acq Value: _____________ Book Value: _____________ Prev DEPR: ___________

CAFR Class: _____________ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev11-02 Journal Entry# ______ Pkt # _______

Disposals

Disposal of Items Through Auction

It is the policy of the City to dispose of items through public auction if there is potential use for an asset that is being disposed of.

- The Property Manager shall prepare a "DISPOSAL THROUGH AUCTION FORM" that is to be signed by the Property Manager and Department Head. A copy of the form shall be sent to the Finance Department noting when the asset will be transferred to the Purchasing Agent for safekeeping. The asset will not be removed from the fixed asset records until verification from the Purchasing Agent that the asset has been sold or properly disposed.

- This original form shall be sent to the Purchasing Agent at the time the asset item for auction is delivered to the Purchasing agent.

- The Purchasing Agent shall send the completed original Disposal through Auction form to the Finance Department.

- The Purchasing Agent shall determine if there are alternative uses for the asset. If not, the asset is to be disposed of as soon as possible.

- A detailed list of items to be sold shall be sent to the Finance Department before each auction. The asset shall be removed from the asset report at this time.

- The Purchasing Agent/Finance Department shall establish a control system to assure all assets that have been accepted for safekeeping are disposed of properly. At the end of each fiscal year, the Purchasing Agent shall prepare and send a report to the Finance Department, detailing assets received during the fiscal year and the disposition of these assets.

Disposal

All items that are not sold at public auction but that are otherwise disposed of including items that are traded-in, scrapped, abandoned or in any way removed from service during the current fiscal reporting period are classified as disposals. Disposals can be either full or partial.

- Property shall not be transferred, turned-in or disposed of without prior approval of the Department Head.

- A disposal form should be completed by the Property Manager and sent to the Finance Department.

Procedures:

1. Use the correct standardized form. There are two forms. Determine the correct form. Disposals through auction must be completed on the correct form.
2. Complete form in detail.
3. Forward the form to the Finance Department.
4. Make sure all authorization signatures are on the form.

CITY OF TOMBALL
FIXED ASSET DISPOSAL THRU AUCTION

ASSET # OF AUCTION ITEM: ______________ DATE TRANSFERRED TO PURCHASING: ____________
(Date Asset will be retired)

DESCRIPTION: (Include model #, serial #, etc.)____

____

____

Dept. Asset Assigned:________________________

IS ITEM IN WORKING CONDITION? Yes No

AUTHORIZATION: **(Transferring Department)**

_____________________________________ _____________________________________

Department Head/Date Property Manager/Date

****TO BE COMPLETED BY PURCHASING DEPARTMENT****

STORAGE LOCATION: ____

ACKNOWLEDGMENT OF RECEIPT OF ITEM:

___________________________ ____________________________

Purchasing Department/Date Auction Date **(Date Item Sold)**

Directions for Completing This Form

1. Complete this form on ***every*** item sent for auction. This form should be completed prior to the item being sent to Purchasing for storage.
2. Purchasing will acknowledge receipt of item and a ***copy*** of form is sent to Finance Department.
3. Once item is sold at auction, ***original form*** will be completed with date of sale and send to Finance Department.
4. Make sure authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Retire Date: ___________________ Date Posted to System: __________________ By: _____________________

CAFR Category: ___________________ Detail Category: ____________________ Type Code: 1 2 3

Dept #:________ Acq Value: _____________ Book Value: _____________ Prev DEPR: ________________

CAFR Class: ________ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev 11-02 Journal Entry #____________ Packet #_________________

CITY OF TOMBALL
DISPOSAL OF FIXED ASSET

ASSET # OF DISPOSED ITEM: ______________ DATE OF DISPOSAL: __________
(Date Asset will be retired)

DESCRIPTION: (Include Model #, serial #, etc.)____

____

REASON FOR DISPOSAL: ____

____

DEPARTMENT ASSET ASSIGNED:

METHOD OF DISPOSAL: ____

AUTHORIZATION:

______________________ ______________________________

Department Head/Date Property Manager/Date

Directions for Completing This Form

1. Complete this form on ***every*** asset ***physically*** disposed of. (U**SE FIXED ASSET DISPOSAL THRU AUCTION FORM for auction items**)
2. Send original form to Finance Department.
3. Make sure authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Retire Date: _________________ Date Posted to System: _________________ By: ________________

CAFR Category: __________________ Detail Category: ___________________ Type Code: 1 2 3

Acq Value: ____________ Book Value: ____________ Prev DEPR: ____________

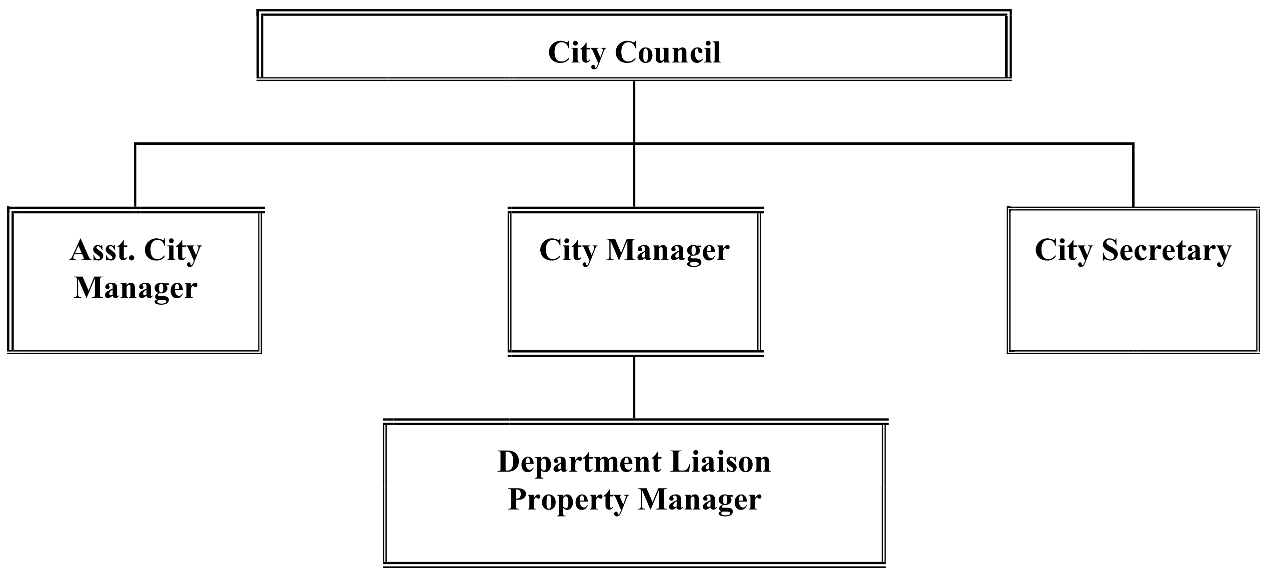
CAFR Class: ________ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev 11-02 Journal Entry # ____________ Packet # _______________

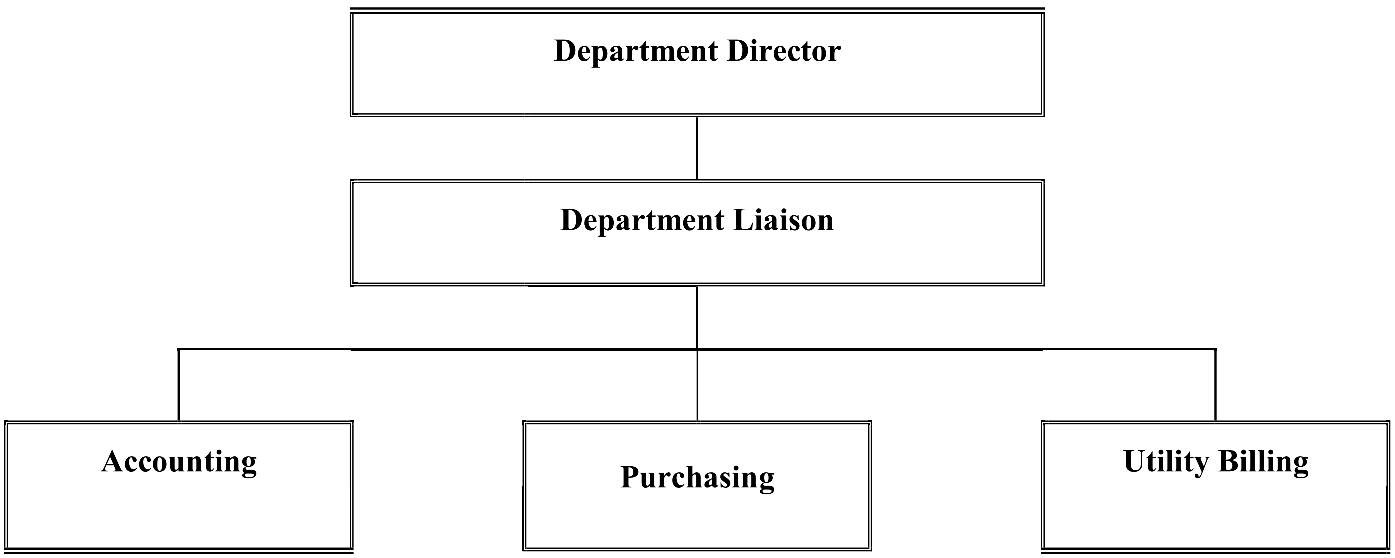
CHAPTER 4 -

DEPARTMENTAL PROPERTY MANAGERS

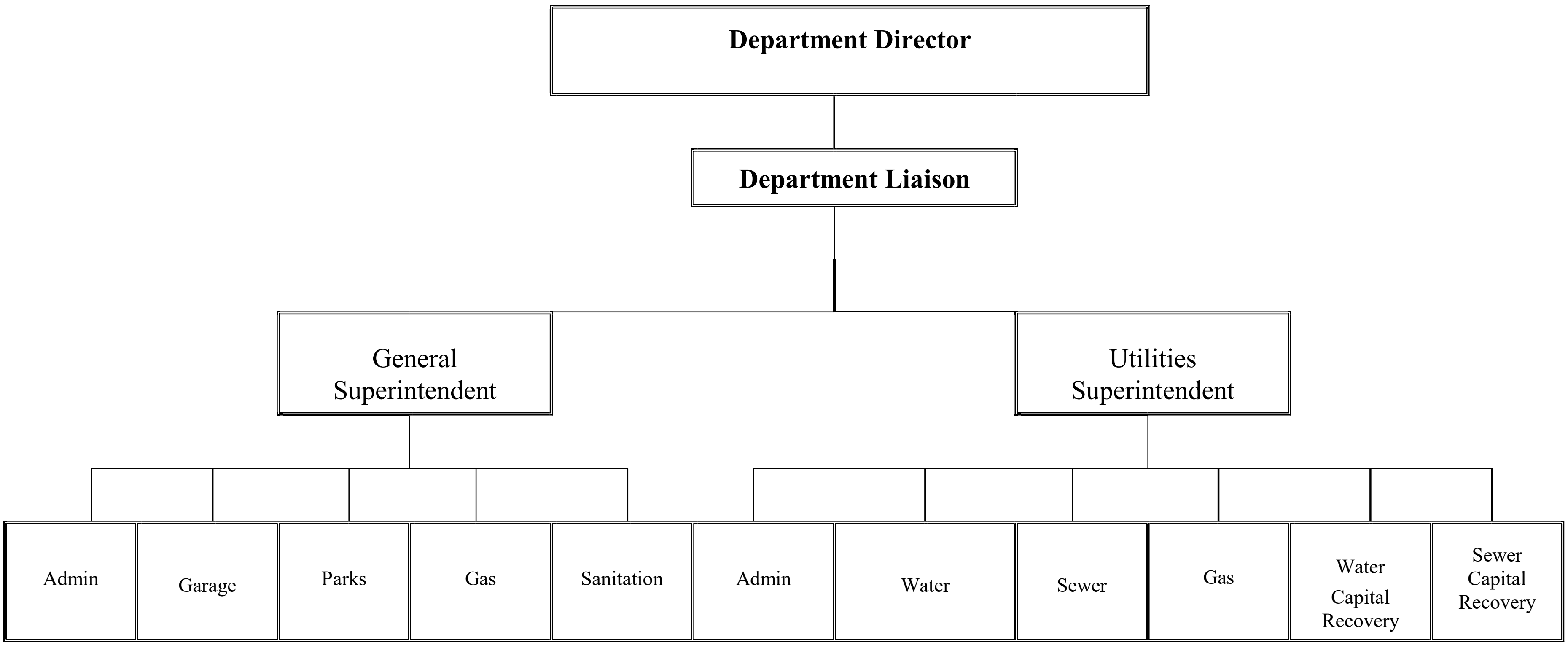
CITY COUNCIL/ADMINISTRATION



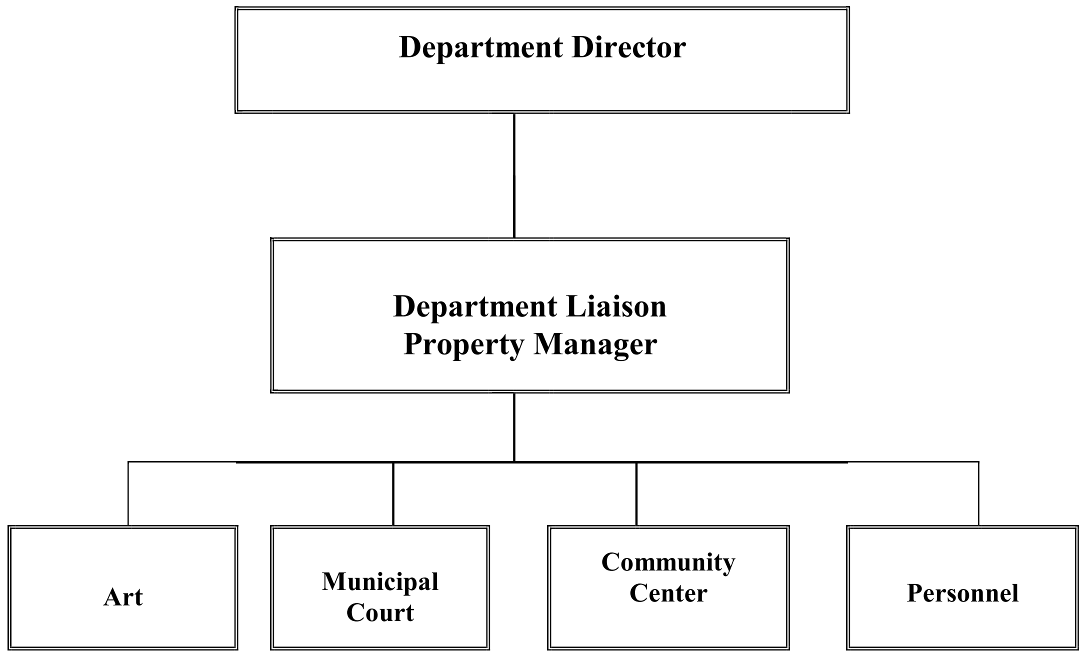
FINANCE DEPARTMENT



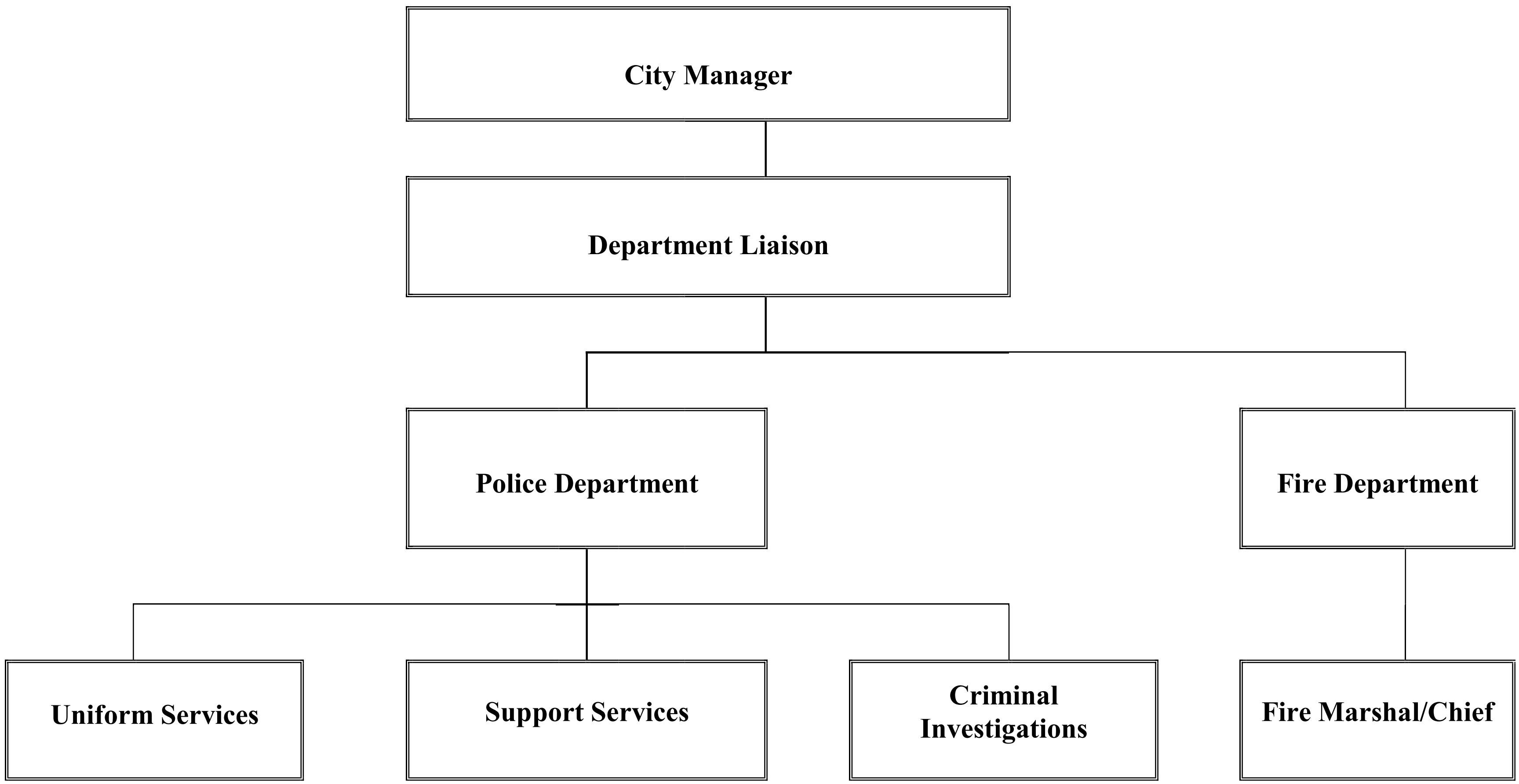
PUBLIC WORKS DEPARTMENT



ADMINISTRATION DEPARTMENT



PUBLIC SAFETY DEPARTMENTS



CHAPTER 5 -

DEPARTMENTAL POLICIES

ADMINISTRATION DEPARTMENT

DEPARTMENTAL POLICY

Type 3 Assets: Type 3 assets will not be maintained as part of the centralized reporting system. A separate listing will be maintained within the department. The Department Liaison will maintain the list.

Personal Property: The Department Liaison will maintain a listing of personal property that the employees within the Administration Department have on City property. The department will assume no responsibility for loss or damage to personal property.

____
Signature/Date

Type 3 Assets: Type 3 assets will be maintained as part of the centralized reporting system. The Department Liaison will maintain the list. Property that would otherwise be classified as a Type 2 asset except for cost will be included on the centralized list.

Personal Property: The Department Liaison will maintain a listing of personal property that employees within the Finance Department have on City property. The department will assume no responsibility for loss or damage to personal property.

____
Signature/Date

PUBLIC WORKS DEPARTMENT

DEPARTMENTAL POLICY

Type 2 Assets Costing between $500 and $~~5~~20,000: Assets that would otherwise be classified as controllable assets will be accounted for using the centralized reporting system. An inventory will be conducted at least once annually.

Furniture: Furniture items will be accounted for using the centralized reporting system maintained by the Finance Department. An inventory will be conducted at least once annually.

Items Costing Less than $500: Department will include the asset on the departmental inventory list.

Personal Property: The department liaison will maintain a listing of personal property that the employees within the Public Works Department have on City property. The department will assume no responsibility for loss or damage to personal property.

____
Signature/Date

Type 2 Assets Costing between $500 and $~~5~~20,000: Assets that would otherwise be classified as controllable assets will be accounted for using the centralized reporting system. An inventory will be conducted at least once annually.

Furniture: Furniture items will be accounted for using the centralized reporting system maintained by the Finance Department. An inventory will be conducted at least once annually.

Items Costing Less than $100: Department will include the asset on the departmental inventory list.

Management Information Systems (M.I.S.)

M.I.S. or the person designated as such by the city will maintain an internal record of all maintenance and components parts in each system. M.I.S. will preserve warranty cards, component histories, serial numbers, etcetera, concerning all computers. M.I.S. will adhere to the Purchasing/MIS policy concerning the coding of Type 2 assets for computer related items. However, printers and some other peripherals with a cost less than $200 will be coded a Type 3 and listed on the centralized fixed asset listing.

Art Pieces

The City of Tomball currently owns works of art which are listed in fixed assets records. The works were acquired through commissions, purchases, gifts, and grants. The typical art should increase in value with increasing years. Works of art should be inventoried according to the following guidelines:

1. All art pieces should have a Code 4 designation.

2. Care should be taken in attaching any inventory identification to the art itself; gummed labels or other separate identifying attachments, if necessary to be affixed, should be affixed to the backs of frames only. (No attachments should be made to pottery, sculpture, or two dimensional art.)

3. Information recorded may include:
   - Type of Art;
   - Title of Work;
   - Artist;
   - Medium;
   - Location and Size;

- Fund Source/Gift or Grant Source;
- Acquisition Date;
- Acquisition Cost, Acquisition Value, Current Value, if applicable;
- Any other special information including maintenance references, if applicable.

4. Recommended: Appraise every five years any art piece with an acquisition value of more than $1000; consider appraisal of other works as appropriate.

5. At least once annually a complete physical inventory shall be taken.

Personal Property: All employees in the Purchasing/MIS Department shall make a list of all personal property that is used or stored on City property. This list should include a complete description of the property. Personal property could include but is not limited to the following items: tools, furniture, books, photos, pictures, prints, plaques, wall hangings, radios, clocks, pens, pencils, computers, calculators, plants, and so forth. Personal property is not covered by the City insurance and should a loss occur by fire, theft or any other calamity, the City of Tomball accepts no responsibility. This list shall be furnished to the supervisor and a physical inventory shall be made at the same time the City assets are inventoried. Each employee will be responsible for revising their own personal property inventory list when changes occur and providing the revised inventory list to their supervisor. In addition to the list it would be advisable to stencil or label all items of personal property to avoid any confusion at the time of inventory.

Signature/Date

POLICE/FIRE DEPARTMENTS

DEPARTMENTAL POLICY

Specialty Equipment: Specialty equipment including light bars, sirens, prisoner transport wire barriers, clothing/uniforms, protective vests, fire hoses, nozzles, adapters, etc., will be accounted for by use of an internal reporting system. Department Captains will be responsible for assets in the Police Department. The Fire Chief will be responsible for items in the Fire Department. An inventory by fire truck will be maintained in the Fire Department. Equipment not included in the centralized reporting system will be inventoried at least once annually.

Furniture/Fixtures: Furniture/fixtures classified as Type 2 assets will be maintained through the centralized reporting system. At least once annually an inventory will be conducted.

Small Equipment: Small items costing less than $200 including cameras, calculators, etc., will be included in the centralized reporting system maintained by the Finance Department.

Personal Property: The Tomball Police Department reserves the right to inspect all items removed from the Police Department by an employee upon the time of their resignation or termination from employment.

Employees, who use personal items in their employment over the value of $100.00 dollars, must register this equipment with their Department Captain. An Officer's firearms are an exception to this rule.

____
Signature/Date

Auction Procedures

Departments having items to be disposed of by auction need to fill out "**DISPOSAL THROUGH AUCTION FORM**" with complete description including serial and model numbers. Form must include the Department Head signature. The item and auction form is taken to City Hall on the second Thursday of each month at 3:00 p.m. to meet with the Purchasing Agent. These items are verified and then stored in a designated locked area in the department (Police, Fire etc) awaiting City auction. (If for some reason an item cannot be taken to the warehouse, department supervisor must contact the Purchasing Agent for inspection and verification at present location.). The Purchasing Agent determines if there are alternative uses for the asset.

The Purchasing Agent will sign the auction form verifying receipt of property. A copy will be sent to the Finance Department and the original filed in the Purchasing Agent's office until auction date.

A list of items to be auctioned will be sent to all departments. If no other department can use any of the items, all will be placed on auction list for disposal. If any items can be used by other City offices, an asset transfer sheet must be processed and sent to the Finance Department.

Once auction has taken place and a completed list of items sold is received from auctioneer, the original auction forms will be completed with auction date and sent to the Finance Department for processing. A copy of the list of auctioned items will also be sent to the Finance Department.

Procedures:

1. Fill out "DISPOSAL THROUGH AUCTION FORM" completely and obtain Department Head signature for approval.

2. Take item and form to purchasing on the 2nd Thursday of each month at 3:00 p.m. to be turned over to Purchasing Agent.

3. Items are stored in a locked designated storage are awaiting auction date.

4. Copies of auction forms are sent to Finance Department and warehouse manager by the Purchasing Agent.

5. List of items to be auctioned are sent to each department confirming items to be sold and examination of list in case any other department can use any of the items.

6. Items are turned over to auctioneer for disposal. Once auction has occurred and list of items sold is sent to Purchasing Agent, auction forms are completed and forwarded to Finance for final processing. A copy of the auctioneer's list of items sold will also be sent to the Finance Department.

CHAPTER 6-

FORMS

CITY OF TOMBALL
ADDITION/PURCHASE OF FIXED ASSET

DATE OF PURCHASE: ____________________________ COST: ______________________

ASSET TYPE: (Circle One) 1 2 3 VENDOR NAME: _________________________________
(Attach copy of invoice)

DESCRIPTION: ____

DEPARTMENT ASSET ASSIGNED: _________ LOCATION: ________________________

GENERAL LEDGER ACCOUNT PURCHASED FROM: _____________________________

Is this a budgeted item? Y N If no, was a budget transfer done? Y N

SPECIAL NOTE: ____
(Limited to 25 characters)

****TO BE COMPLETED BY CITY SECRETARY ON ASSETS WITH UNIT #'S ****
Send *original* to Finance Department

UNIT #: _______________ MAKE: ________________ YEAR/MODEL: ______________________

LICENSE #: ____________________ VIN#: ____

TYPE OF FUEL: **Regular Unleaded Diesel** OFF ROAD: **yes no** LEV **: yes no**

VEHICLE MAINTENANCE TYPE CODE: ______________________

AUTHORIZATION:

Fleet Maintenance Superintendent/Date Driver:

AUTHORIZATION:

_________________________________ _________________________________
Department Head/Date Property Manager/Date

****FOR FINANCE DEPARTMENT USE ONLY****

Asset # Assigned: ________________ Date Posted to System: ________________ By: ___________

CAFR Category: _________________ Detail Category: ___________________ DEPR: ________________

Capitalize: Y N Spreadsheet: Y N Funding Source: ______ DEPR Cost Center : ________

Rev 11-02

CITY OF TOMBALL
CHANGES TO FIXED ASSET

ASSET# TO BE CHANGED: ______________________________

DEPARTMENT ASSET ASSIGNED TO: ______________________________

DESCRIPTION: ______________________________

CHANGES TO BE MADE: ______________________________

____

____

AUTHORIZATION:

______________________ Department Head/Date

______________________ Property Manager/Date

Directions for Completing This Form

1. Complete this form for any changes to an asset description, with the following ***exceptions***:
   a. Location in another department/department (**do Transfer of Fixed Asset form)**
   b. Model number and/or Serial number changes other than to correct typographical errors or warranty replacement
2. Send original form to Finance Department.
3. Make sure all authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Date Posted to System: ________________ NOTE: ______________________________

By: ______________________________

Rev 11-02

CITY OF TOMBALL
TRANSFER OF FIXED ASSET

ASSET # OF ITEM TRANSFERRED: ______________ DATE OF TRANSFER: _________

DESCRIPTION: (Include model #, serial #, etc.) ____

DEPT # TRANSFERRED FROM: ________ DEPT # TRANSFERRED TO: _________

AUTHORIZATION: **(Transferring Department)**

Department Head/Date	Property Manager/Date

AUTHORIZATION: **(Receiving Department)**

Department Head/Date	Property Manager/Date

Directions for Completing This Form

1. Complete this form on every asset transferred from one department/department to another department/department.
2. Make sure ***both*** the transferring and receiving authorization signatures are on form.
3. ***If the transfer is on a vehicle, send a copy of form to the Receptionist. This is important for vehicle maintenance records.***
4. Send original form to Finance Department.

****FOR FINANCE DEPARTMENT USE ONLY****

Asset # Assigned: _________________ Date Posted to System: _________________ By: ____________

CAFR Category: __________________ Detail Category: ____________________ Type Code: 1 2 3

Fund to Fund: Y N Acq Value: _____________ Book Value: _____________ Prev DEPR: ___________

CAFR Class: _____________ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev 11-02 Journal Entry # __________ Packet # _____________

CITY OF TOMBALL
FIXED ASSET DISPOSAL THRU AUCTION

ASSET # OF AUCTION ITEM: ______________ DATE TRANSFERRED TO PURCHASING: ____________
(Date Asset will be retired)

DESCRIPTION: (Include model #, serial #, etc.)______________________________

____

____

Dept. Asset Assigned: ________________________

IS ITEM IN WORKING CONDITION? Yes No

AUTHORIZATION: **(Transferring Department)**

________________________ ________________________
Department Head/Date Property Manager/Date

****TO BE COMPLETED BY PURCHASING DEPARTMENT****

STORAGE LOCATION: ______________________________

ACKNOWLEDGMENT OF RECEIPT OF ITEM:

________________________ ________________________
Purchasing Department/Date Auction Date **(Date Item Sold)**

Directions for Completing This Form

1. Complete this form on ***every*** item sent for auction. This form should be completed prior to the item being sent to Purchasing for storage.
2. Purchasing will acknowledge receipt of item and a ***copy*** of form is sent to Finance Department.
3. Once item is sold at auction, ***original form*** will be completed with date of sale and send to Finance Department.
4. Make sure authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Retire Date: ________________ Date Posted to System: ________________ By: ____________

CAFR Category: ________________ Detail Category: ________________ Type Code: 1 2 3

Dept #: __________ Acq Value: ____________ Book Value: ____________ Prev DEPR: ____________

CAFR Class: _______ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev 11-02 Journal Entry # ______________ Packet # ______________

CITY OF TOMBALL
DISPOSAL OF FIXED ASSET

ASSET # OF DISPOSED ITEM: _______________ DATE OF DISPOSAL: ______________
(Date Asset will be retired)

DESCRIPTION: (Include model #, serial #, etc.) ____

____

Reason for Disposal:____

____

DEPARTMENT ASSET ASSIGNED: ________________

METHOD OF DISPOSAL: ____

AUTHORIZATION:

_________________________ _____________________________

Department Head/Date Property Manager/Date

Directions for Completing This Form

1. Complete this form on ***every*** asset ***physically*** disposed of. **(USE FIXED ASSET DISPOSAL THRU AUCTION FORM FOR AUCTION ITEMS)**
2. Send original form to Finance Department.
3. Make sure authorization signatures are on form.

****FOR FINANCE DEPARTMENT USE ONLY****

Retire Date: _________________ Date Posted to System: _________________ By: ________________

CAFR Category: __________________ Detail Category: ____________________ Type Code: 1 2 3

Dept #:_________ Acq Value: _____________ Book Value: _____________ Prev DEPR: _________________

CAFR Class: _________ Spreadsheet Updated: Y N Journal Entry Done: Y N

Rev 11-02 Journal Entry # ______________ Packet # _______________

CHAPTER 7-

APPENDIX

Appendix 1

TAGGING - IDENTIFYING NUMBERS

In general, the tagging method of an asset is to be a joint effort by Finance with the assistance of the Property Manager of the department. Tags should be in a prominent place.

There are two exceptions; Motor Vehicles and Computer Equipment.

- Motor Vehicles - The City Secretary will assign a unit #. The number shall be prominently displayed.

- Computer Equipment - numbers assigned by M.I.S or such person designated by the City.

Tags are premade by the Finance Department. They will be placed in an easily accessible spot and are not to be removed.

Appendix 2

CITY OF TOMBALL

ASSET LISTING INFORMATION

Asset Number
Primary Location Identification
Secondary Location Identification
Asset Description
Fund that Asset is Assigned
Department that Asset is Assigned
Category or Type of Asset
Original Cost of Asset
Date Asset was Acquired
Date Asset was Disposed
Method of Asset Disposal
If the Asset is Depreciable
Number of Units on Hand for Assets in the Aggregate
Notation to be Applied to Asset
Asset Tag Number
Asset Serial Number
Accounts Payable Vendor Number Documenting where the Asset was Purchased
Accounts Payable Invoice Number of Asset Purchase
Purchase Order Number used to obtain the Asset
General Ledger Asset and Depreciation Account Numbers
Depreciation Method for the Asset
Depreciation Accumulated to Date
Date of the Last Depreciation Entry
Life of the Asset in Months
Any Salvage Value Assigned to the Asset
Any Replacement Costs Assigned to the Asset
General, Acquisition and Disposition Notes to keep on file about the Asset

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: December 20, 2021

Topic:

Consideration to award contract for bid number 2022-01 for the Roof Replacement for the Administrative Services Building to Parich Roofing & Construction, LLC for a total amount of $86,500.00.

Background:

Staff had a roof inspection completed prior to the completion of the FY2021 budget, which revealed the need to have the roof at the Administrative Services Building completed. The anticipated project cost was greater than the available budgeted funds and the project was placed on hold until the appropriate amount could be budgeted for fiscal year 2022.

The proposed project will replace the first layer of the current roof which will extend the life by ten years and avoid the need for a full roof replacement at this time. In an effort to obtain the most favorable pricing, sealed bids were solicited for the completion of the roofing project. Bid packets were available at the City Administration Building or could be electronically delivered by request. A total of four (4) vendors received information on the bid specifications, of which three (3) qualifying bids were received.

The lowest responsible bidder was determined to be Parich Roofing & Construction, LLC for a total bid of $86,500.00, which is below our budgeted funds for this project of $100,000.00.

Origination: Public Works Department

Recommendation:

Staff recommends awarding the contract to Parich Roofing & Construction, LLC in the amount of $86,500.00.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Coordinator

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: x No: If yes, specify Account Number: #100-157-6206 & 600-611-6206

If no, funds will be transferred from account # ______ To account # ______

Signed Meagan Mageo Approved by ______

Staff Member Date City Manager Date

Bid 2022-01 Roofing Replacement - Administrative Services Building		Bidder No. 1 Parich Roofing & Construction, LLC	Bidder No. 2 Engineered Roofing Systems, LLC	Bidder No. 3 B&C Constructors LP
	Base Price Table			
Item	Description	Total	Total	Total
1	Remove existing aluminum coping cap and set aside to be reused	$2,500.00	$2,352.00	$2,400.00
2	Installation of 1/2" HD cover board insulation over entire roof surface	$20,000.00	$32,078.40	$31,630.00
3	Installation of 60mil TPO membrane over installed insulation. Heat weld all sides and end laps.	$30,350.00	$42,669.60	$31,200.00
4	Installation of 45mil TPO membrane base flashing in a solid layer of TPO bonding adhesive, along perimeter parapet walls and curb mouted roof equipment	$12,000.00	$0.00	$5,960.00
5	Removal of existing expansion joint flashing along the base of the upper roof wall section Installation of new foam backer rod along existing building transition Installation of 45mil TPO membrane base flashing over installed backer rod Reuse of existing wall counter flashing	$8,000.00	$2,352.00	$3,100.00
6	Installation of new TPO T-Joint patches along membrane intersections	$600.00	$0.00	$2,970.00
7	Installation of new TPO universal corners to all inside and outside corner details	$600.00	$0.00	$3,150.00
8	Installation of new TPO cut edge sealant to all cut non-factory membrane edges	$600.00	$0.00	$2,850.00
9	Installation fo new TPO membrane pipe boots to all pipe penetrations	$750.00	$480.00	$3,120.00
10	Instllation of new TPO retrofit roof drain assemblies at existing roof drain details along upper roof section	$2,000.00	$660.00	$6,290.00
11	Reuse the existing gutter and downspouts along the low sloped edge of the roof Clean existing gutter assemly and seal all gutter joints with new polyurethane sealant	$1,250.00	$540.00	$2,170.00

12	Fabricare and install new 24-gauge TPO metal edge flashing along existing gutter edges. Strip in metal edge flashing flange into the installed TPO field membrane with new TPO cover-strip	$3,700.00	$0.00	$2,700.00
13	Installation of new TPO walk pads around existing exhaust ventilator and roof access ladder landing	$1,400.00	$900.00	$2,350.00
14	Reinstallation of original metal wall coping cap	$0.00	$2,352.00	$3,000.00
15	Clean-p and disposal of all roofing related debris (roll off to be provided by City)	$500.00	$600.00	$2,925.00
16	Cost for required Bonds (Performance Bond, Payment Bond, 2 year Maintenance Bond)	$750.00	$3,076.61	$4,890.00
17	Cost for 20 year material warranty (for TPO)	$1,500.00	$3,096.00	$2,350.00
	Total Bid with proposed Additional Work	$86,500.00	$91,156.61	$113,055.00

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: 12/20/2021

Topic:

Approve purchase of a mini-Excavator from Waukesha-Pearce Industries, LLC through the HGAC BuyBoard Contract, contract number EM06-19, totaling $60,100.00.

Background:

The Fiscal Year 2021-2022 budget included a request for a replacement excavator for the Utilities Department based on the recommendation through our fleet replacement program.

Staff recommends replacing the existing Komatsu PC27 mini-excavator with a PC35 mini-excavator for a total purchase price of $60,100.00.

Origination: Public Works Department

Recommendation:

Staff recommends approving the purchase of a replacement mini-excavator through the HGAC BuyBoard contract number EM06-19, from Waukesha-Pearce Industries, LLC for a total of $60,100.00.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Coordinator

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: ______ If yes, specify Account Number: #650-652-6403

If no, funds will be transferred from account # ______ To account # ______

Signed Meagan Mageo ______ Approved by ______

Staff Member Date City Manager Date

HGACBuy	**CONTRACT PRICING WORKSHEET** **For Catalog & Price Sheet Type Purchases**	**Contract No.:**	**EM06-19**	**Date Prepared:**	12/8/2021

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	City of Tomball	**Contractor:**	Waukesha-Pearce Industries, LLC
Contact Person:	Will Goff	**Prepared By:**	Mark Rickett
Phone:	281-290-1427	**Phone:**	713-906-4461
Fax:		**Fax:**	
Email:	wgoff@tomballtx.gove	**Email:**	markric76@att.net

Catalog / Price Sheet Name:	Earth Moving & Construction Equipment Contract No: EM06-19
General Description of Product:	**Excavator**

A. Catalog / Price Sheet Items being purchased - Itemize Below - Attach Additional Sheet If Necessary

Quan	Description	Unit Pr	Total
1	PC35MR-5 Excavator	57661	57661
1	BOOM 8'4"	3065	3065
1	ARM 5'8"	2914	2914
			0
			0
			0
			0
			0
1	Discount Percentage 24.00%	-15273.6	-15273.6
		0	0
			0
			0
		Subtotal A:	48366.4

B. Unpublished Options, Accessory or Service items - Itemize Below - Attach Additional Sheet If Necessary
(Note: Unpublished Items are any which were not submitted and priced in contractor's bid.)

Quan	Description	Unit Pr	Total
			0
1	24" Bucket	1700	1700
1	HYD Quick Coupler	6500	6500
			0
		Total From Other Sheets, If Any:	
		Subtotal B:	8200

Check: Total cost of Unpublished Options (B) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	**For this transaction the percentage is:**	17%

C. Trade-Ins / Special Discounts / Other Allowances / Freight / Installation / Miscellaneous Charges

Freight & 2.5% Price Increase	3091
Bucket & Coupler Install	1500
One time Dicount	-1057.4
Subtotal C:	[illegible]

Delivery Date:	**TBD**	**D. Total Purchase Price (A+B+C):**	[illegible]

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: 12/20/2021

Topic:

Approve Final Payment to Thirkettle Corporation for the Flexnet Pilot Program for the Purchase of the Required Components for the Fixed Based Pilot Program for the City's Meter Reading System, in the Amount of $137,521.14

Background:

Council approved the City to enter into an agreement with Thirkettle Corporation in August of 2020, to begin a pilot program for the fixed based meter reading system after our previous manufacturer stopped supplying our transmitters for gas meters.

The original Council item approved the initial payment of $73,306.25 to begin the pilot program and the deferred invoice of $142,946.51. The final invoice for the pilot program has been received, and staff is seeking approval to submit the final invoice of $137,521.14 for payment.

Origination: Public Works Department

Recommendation:

Staff recommends approving the final payment for the Flexnet Pilot Program to Thirkettle Corporation in the amount of $137,521.14

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Coordinator

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: ______ If yes, specify Account Number: #400-615-6409

If no, funds will be transferred from account # ______ To account # ______

Signed Meagan Mageo Approved by ______

Staff Member Date City Manager Date

Aqua Metric

Aqua-Metric Sales Company
Chris Newville
16914 Alamo Parkway, Building 2 | Selma, TX 78154
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

Deferred Pilot Price

December 14, 2021

Quote for:	City of Tomball, Texas
Attention:	Beth Jones
Address:	501 James Street
City, State, ZIP:	Tomball, Texas 77375
Phone:	
Email:	

Quantity	Description	Unit Price	Line Total
	System Deployment		
1	M400B Base Station	$26,333.75	$26,333.75
1	M400B Base Station Installation	$20,000.00	$20,000.00
1	Base Station Magnetic Antenna Mount	$5,000.00	$5,000.00
1	Supply 20-Amp Breaker for Control Panel at City Water Tower	$325.00	Waived
1	Communication Backhaul	$1,000.00	$1,000.00
1	Regional Network Interface SaaS Setup	$7,956.25	$7,956.25
1	RNI Core Education	$5,500.00	$5,500.00
1	Sensus Analytics Software Setup	$3,750.00	$3,750.00
1	Sensus Analytics Basic Integration with CIS	$4,000.00	$4,000.00
1	Sensus Analytics Training	$2,500.00	$2,500.00
1	Professional Services	$20,000.00	$20,000.00
1	Annual Hosted RNI SaaS - Water and Gas	$8,240.00	$8,240.00
1	Annual Sensus Analytics Enhanced Water (300 Services)	$6,031.25	$6,031.25
1	Annual Sensus Analytics Enhanced - Gas (300 Services)	$6,031.25	$6,031.25
1	Aqua-Metric Annual Support	$17,500.00	$17,500.00
1	Annual Basestation Extended Warranty	$1,609.38	$1,609.38
6	5/8" x 3/4" SRII TR/PL USG	$144.34	$866.04
6	SmartPoint 520M Pit Mount Single Port Touch Coupled	$138.99	$833.94
2	SmartPoint 520M Pit Mount Dual Port Port Touch Coupled	$184.64	$369.28

Deferred Total $137,521.14

This quote for the product and services named above is subject to the following terms:

1. All quotes are subject to the Aqua-Metric Terms of Sale.
2. Quote is valid for thirty days.
3. Freight allowed on single orders exceeding $10,000.00.
4. Net Thirty Days to Pay
5. Returned product may be subject to a 25% restocking fee.
6. Sales Tax and/or Freight charges are not included.

Aqua Metric

Full System Deployment

Aqua-Metric Sales Company
Chris Newville
16914 Alamo Parkway, Building 2 | Selma, TX 78154
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

December 14, 2021

Quote for: City of Tomball, Texas
Attention: Beth Jones
Address: 501 James Street
City, State, ZIP: Tomball, Texas 77375
Phone:
Email:

Quantity	Description	Unit Price	Line Total
	Full System Deployment		
1	M400B Base Station	$26,333.75	$26,333.75
1	M400B Base Station Installation	$20,000.00	$20,000.00
1	Base Station Magnetic Antenna Mount	$5,000.00	$5,000.00
1	Basestation Certification	$1,750.00	$1,750.00
1	Communication Backhaul	$1,000.00	$1,000.00
1	Network Implementation (Full Deployment)	$10,000.00	$10,000.00
1	FlexNet AMI Core Training (Full Deployment)	$5,500.00	$5,500.00
1	Annual Hosted RNI SaaS - Water and Gas	$15,321.25	$15,321.25
1	Annual Sensus Analytics Enhanced Water (5,000 Services)	$8,961.25	$8,961.25
1	Annual Sensus Analytics Enhanced - Gas (3,500 Services)	$7,031.25	$7,031.25
1	Annual Sensus Analytics Text Message Fee, Water Only	$1,275.00	$1,275.00
1	Aqua-Metric Annual Support	$22,500.00	$22,500.00
2	Annual Basestation Extended Warranty	$1,609.38	$3,218.76
4000	5/8" x 3/4" SRII TR/PL USG	$144.33	$577,320.00
1400	SmartPoint 520M Pit Mount Single Port Touch Coupled	$139.99	$195,986.00
1200	SmartPoint 520M Pit Mount Dual Port Port Touch Coupled	$184.64	$221,568.00
3500	R275 Gas Index Only, Direct Read 11-Tooth	$26.39	$92,365.00
3500	100GM-A Gas SmartPoint for R275 Gas Meters	$131.25	$459,375.00
1	NovusCenter WOMS Setup Fee	$7,500.00	$7,500.00
4000	5/8" x 3/4" Water Meter Replacement with SmartPoint Installation and Activatio	$66.73	$266,920.00
2600	In-Field Lid Modification: Drill Hole in Plastic Meter Box Lid, Estimated Quantity	$5.00	$13,000.00
3500	Residential Gas Index Replacement with SmartPoint Installation and Activation	$30.48	$106,680.00
3500	Gas Meter Survey	$14.56	$50,960.00
1	Recommended Contingency Fund for Installation Incidentals	$7,500.00	$7,500.00
	Installation Incidental: In-Field Lid Modification: Drill Hole in Metal Meter Box Lid	$15.00	
	Installation Incidental: Water Meter Box Adjustment, Removal, or Replacement	$56.25	
	Installation Incidental: Curb Stop Replacement	$93.75	
	Installation Incidental: Meter Tail Replacement	$31.25	
	Installation Incidental: Meter Box Lid Replacement	$3.75	
	Installation Incidental: Replacement or Removal of Bushing Adapters (5/8" - 1" Or	$2.50	
	Installation Incidental: Meter Resetter/Riser Replacement	$31.25	
	Installation Incidental: Door Hanger Distribution (In advance of initial visit), Labor	$7.69	
	Installation Incidental: Water Meter Survey for Residential Meters	$17.06	
	Installation Incidental: Site Visit Fee	$25.00	
	Installation Incidental: Special Job Hourly Rate, Price per Technician per Hour	$100.00	
	Installation Incidental: Daily Rate, Price per Technician per Day	$1,000.00	

Total $2,127,065.26

Full System Deployment

Aqua-Metric Sales Company
Chris Newville
16914 Alamo Parkway, Building 2 | Selma, TX 78154
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

December 14, 2021

Quote for: City of Tomball, Texas
Attention: Beth Jones
Address: 501 James Street
City, State, ZIP: Tomball, Texas 77375
Phone:
Email:

Quantity	Description	Unit Price	Line Total

This quote for the product and services named above is subject to the following terms:

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2. Quote is valid for thirty days.
3. Freight allowed on single orders exceeding $10,000.00.
4. Net Thirty Days to Pay
5. Returned product may be subject to a 25% restocking fee.
6. Sales Tax and/or Freight charges are approximated and may vary on final invoice.