



MEETING AGENDA
City Council
REGULAR SESSION CITY COUNCIL
March 7, 2017

HAL BALDWIN MUNICIPAL COMPLEX COUNCIL CHAMBERS
1400 SCHERTZ PARKWAY BUILDING #4
SCHERTZ, TEXAS 78154

City of Schertz Core Values

Do the right thing

Do the best you can

Treat others the way you would want to be treated

Work together cooperatively as a team

AGENDA
TUESDAY, MARCH 7, 2017 AT 6:00 P.M.

Call to Order – Regular Session

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas. (Councilmember Kiser)

New Employee Recognitions:

- Business Office – Utility Billing Clerk I, Fancy Woods (B. James/J. Walters/R. Rosales)
- Fire Department – Firefighter Kevin Hoes (D. Wait/D. Covington/K. Long)
- Park, Recreation & Community Services Department– Full-Time Park Worker I Eric Hernandez and Part-Time Park Worker I David Hall (B. James/C. VanZandt)
- Police Department – Patrol Officer Ryan Gabbard, Police Records Clerk Adriane Gniech (D. Wait/M. Hansen/M. Casas/M. Carey)

City Events and Announcements

- Announcements of upcoming City Events (B. James/D. Wait/S. Gonzalez)
- Announcements and recognitions by City Manager (J. Kessel)

Presentations

- Presentation regarding the Texas Recreation and Parks Society awards. (B. James/C. VanZandt/L. Shrum)
 - Lone Star Programing Award
 - Maintenance Award
- Presentation regarding the City of Schertz support for the 7th Annual Selma/Schertz Salute To Service Members 5K Operation Comfort Run. (Councilmembers Thompson/Gutierrez)

Workshops

- 2016 Schertz Economic Development Corporation Annual Report. (J. Kessel/K. Kinateder)
- Update on the FY2016 Annual Development Incentive Compliance and Certification Process. (J. Kessel/K. Kinateder)

Hearing of Residents

This time is set aside for any person who wishes to address the City Council. Each person should fill out the speaker's register prior to the meeting. Presentations should be limited to no more than 3 minutes.

All remarks shall be addressed to the Council as a body, and not to any individual member thereof. Any person making personal, impertinent, or slanderous remarks while addressing the Council may be requested to leave the meeting.

Discussion by the Council of any item not on the agenda shall be limited to statements of specific factual information given in response to any inquiry, a recitation of existing policy in response to an inquiry, and/or a proposal to place the item on a future agenda. The presiding officer, during the Hearing of Residents portion of the agenda, will call on those persons who have signed up to speak in the order they have registered.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the Regular Meeting of February 28, 2017. (J. Kessel/B. Dennis)
2. **Ordinance No. 17-M-10** – Consideration and/or action approving an Ordinance amending the City of Schertz Code of Ordinances Chapter 24, Article 11, Food Establishments, Section 34-22, regarding the adoption of the Texas Food and Beverage Establishment rule. *Final Reading* (D. Wait/M. Harris/J. Hamilton)
3. **Boards, Committees and Commission resignations and appointments** – Consideration and/or action ratifying the resignation of Lisa Locken from the Parks & Recreation Board and appointing Elizabeth Strong as a regular member to the Schertz Historical Preservation Committee. (B. Dennis/Mayor-Council)

Discussion Items

4. **Ordinance No. 17-C-06** – Conduct a Public Hearing and and/or action approving an Ordinance amending the Schertz Code of Ordinances Chapter 18, Buildings and Building Regulations, Article IV, National Electrical Code, Section 18-81, Article 210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms. *First Reading* (B. James/L. Wood/G. Durant)

PH

Roll Call Vote Confirmation

Requests and Announcements

5. Announcements by City Manager.
6. **Future Agenda Item Request for City Council:** This is an opportunity for City Council members to request that items be placed on a future agenda. No discussion of the merits of the item may be taken at this time. Should a Council Member oppose placement of the requested item on a future agenda, the Mayor, without allowing discussion, shall ask for the consensus of the other City Council members to place or not place the item on a future agenda.
7. Announcements by Mayor and Councilmembers
 - City and community events attended and to be attended
 - City Council Committee and Liaison Assignments (see assignments below)
 - Continuing education events attended and to be attended
 - Recognition of actions by City employees
 - Recognition of actions by community volunteers
8. Information available in City Council Packets - **NO DISCUSSION TO OCCUR**
 - Update regarding Development. (B. James/L. Wood)
 - Schertz Economic Development Corporation (J. Kessel/K. Kinateder)
 - 2016 Tax Year reimbursement per the Development Agreement with Capital Group, Inc.
 - 2016 Tax Year reimbursement per the Development Agreement with Caterpillar, Inc.
 - Mayor and Council Compensation. (B. James/J. Walters)

Adjournment

CERTIFICATION

I, BRENDA DENNIS, CITY SECRETARY OF THE CITY OF SCHERTZ, TEXAS, DO HEREBY CERTIFY THAT THE ABOVE AGENDA WAS PREPARED AND POSTED ON THE OFFICIAL BULLETIN BOARDS ON THIS THE 3rd DAY OF MARCH 2017 AT 5:10 P.M. WHICH IS A PLACE READILY ACCESSIBLE TO THE PUBLIC AT ALL TIMES AND THAT SAID NOTICE WAS POSTED IN ACCORDANCE WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

Brenda Dennis

Brenda Dennis, City Secretary

I CERTIFY THAT THE ATTACHED NOTICE AND AGENDA OF ITEMS TO BE CONSIDERED BY THE CITY COUNCIL WAS REMOVED BY ME FROM THE OFFICIAL BULLETIN BOARD ON ____ DAY OF _____, 2017.

Title: _____

This facility is accessible in accordance with the Americans with Disabilities Act. Handicapped parking spaces are available. If you require special assistance or have a request for sign interpretative services or other services please call 210-619-1030.

The City Council for the City of Schertz reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

Executive Sessions Authorized: This agenda has been reviewed and approved by the City’s legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion.

COUNCIL COMMITTEE AND LIAISON ASSIGNMENTS

<p><u>Mayor Carpenter</u> Audit Committee Interview Committee for Boards and Commissions Investment Advisory Committee TIRZ II Board</p>	<p><u>Councilmember Davis– Place 1</u> Schertz Housing Authority Board Interview Committee for Boards and Commissions</p>
<p><u>Councilmember Gutierrez – Place 2</u></p>	<p><u>Councilmember Larson – Place 3</u></p>
<p><u>Mayor Pro-Tem Edwards – Place 4</u> Audit Committee Hal Baldwin Scholarship Committee Interview Committee for Boards and Commissions Cibolo Valley Local Government Corporation</p>	<p><u>Councilmember Thompson – Place 5</u> Audit Committee Investment Advisory Committee</p>
<p><u>Councilmember Kiser – Place 6</u> Schertz Animal Services Advisory Commission</p>	<p><u>Councilmember Crawford – Place 7</u> Schertz-Seguin Local Government Corporation Interview Committee for Boards and Commissions</p>

CITY COUNCIL MEMORANDUM

City Council Meeting: **March 7, 2017**
Department: **Economic Development**
Subject: **2016 SEDC Annual Report**

BACKGROUND

In connection with the City Council's role in approving the City of Schertz Economic Development Corporation (SEDC) program and expenditures and annual review the financial statements, the SEDC presents the following annual report.

The SEDC 2016 Annual Report provides a brief overview of current agreements, projects, and major activities that were undertaken or completed during the 2016 calendar year. Please note that the SEDC 2016 Annual Report includes a review of active agreements for the 2015 calendar year.

FISCAL IMPACT

None

RECOMMENDATION

No action to be taken.

ATTACHMENTS

City of Schertz Economic Development Corporation 2016 Annual Report

City of Schertz Economic Development Corporation

2016 Annual Report

On August 9, 1997, Schertz residents voted to establish the City of Schertz Economic Development Corporation (“SEDC”). The SEDC was created under the Development Corporation Act of 1979 which gives cities the ability to finance new and expanding business enterprises for the purpose of stimulating new and expanding business activity within the City of Schertz. The SEDC collects a half cent of sales tax to be used for eligible projects under Chapters 501, 502 and 505 of the Local Government Code. Each project must be found by the SEDC to promote economic development.

Since its inception, the SEDC has been influential in achieving its purpose of attracting and retaining primary jobs and bringing new money into the City. Significant SEDC projects have included the strategic investment of infrastructure within our industrial parks, loans to expand our medical industry, and grants to both small and large companies to promote new or expanded business enterprises within Schertz.

The SEDC works in unity with the City of Schertz to develop our city into a premier Texas community that is business friendly, promotes a family atmosphere sustained by foresight and innovation, and continues a long-standing commitment to economic prosperity.

The SEDC will continue to seek out opportunities to further our economic development by investing into our local economy. In effort to spur continued investment into the City of Schertz that directly supports community, opportunity, and continued service for the City’s future.

2016 Overview

During 2016, the City of Schertz experienced strong growth. The year began with a historic amount of speculative industrial space under construction throughout the Tri County business area. The speculative industrial space was driven by large institutional developers like Robinson Weeks Partners, Connor Commercial and Industrial Group Southwest putting up buildings that ranged between 175,000 – 360,000 square feet. In addition to the large facilities, Schertz also saw smaller speculative buildings ranging in size between 7,000 – 12,000 square feet being built on Guada Coma Drive and Windy Meadows Drive.

The new commercial growth was not limited to the industrial sector. New retail product was added along Interstate 35 at the 17155 IH 35 retail center, where the Bank of San Antonio and Chicago Title office. Pollo Tropical restaurant also built a new building next to Walmart. Schertz also experienced infill retail and office projects along Roy Richard Drive and Schertz Parkway helping to diversify our commercial development and strengthen the city’s economic engine.

The SEDC was successful in closing out many several outstanding projects including the demolition of 1300 Schertz Parkway and the completion of the David Lack Boulevard extension. Additionally, the SEDC welcomed Major Wire Texas which added new manufacturing jobs to the City of Schertz.

Behind the Scenes, SEDC staff worked to formalize many of the standard operating practices of the SEDC through formalized practices such as the Professional Services Agreement and the implementation of the finance ladder system for SEDC reserves.

The SEDC increased its marketing efforts through the update of the SEDC website which allows for measurable marketing campaigns that will allow the SEDC to increase its effectiveness in business recruitment. Lastly, the SEDC has renewed its focus on strengthening existing Schertz businesses through the business retention efforts and setting the stage for a formalized business retention and expansion plan in 2017.

Scheduled Events

SAMA Luncheons - Each month the San Antonio Manufacturing Association (SAMA) hosts industry leaders for industry specific discussions on local issues. The monthly luncheons also provide opportunity for attendees to network with other San Antonio region manufactures. As part of the SEDC's attendance each month, we invite one local manufacturer to attend so they can gain exposure to the organization and increase their network with other area manufactures.

Pre-NEP Group - In partnership with Cibolo, Converse, Kirby, Live Oak, Selma, and Universal City, the SEDC meets every other month to promote economic development throughout our region. The group utilizes the Northeast Partnership for Economic Development (NEP) group that is hosted by the NEP mayors. During the 2016 calendar year, our Executive Director served as the group's Chair. The Chair is responsible for unifying the group and planning bimonthly meetings. This year, the group elected to focus on one signature event. The 2016 signature event was a familiarization tour.

GVEC Roundtable - As an effort to unify the various economic development offices throughout the Guadalupe Valley Electric Cooperative (GVEC) service area, GVEC hosted the group in Austin. While in Austin, the group met with the State's economic development office and various state agencies as a way to help each economic development office become more familiar with state programs and personnel.

STEP Collaboration - The South Texas Excellence Partnership (STEP) is a process improvement group consisting of the City of Cibolo, City of Schertz, the Schertz-Cibolo-Universal City Independent School District, Region 20, and Methodist Hospital. The group meets strategically to strengthen our region while improving each individual organization. Many of the principles taught at each meeting have been implemented into SEDC staff's daily practices.

TexasOne - As part of the SEDC's membership to TexasOne, staff participates in quarterly meetings and receptions. As part of the meetings TexasOne provides updates on the organizations activities. Over the past year, TexasOne has placed increased focus in two major areas: corporate involvement and international recruitment. The 2016 focus has allowed TexasOne to increase its connections with Texas businesses and to leverage them for recruitment purposes. The new focus of international recruitment has shifted the focus from domestic recruitment trips to international trips. The SEDC is committed to the partnership of TexasOne with the purpose of increasing awareness to Schertz by utilizing notoriety of TexasOne and its connection with the Governor. In 2016, the SEDC elected to only participate with the domestic recruitment trips.

The Chamber Events - The Chamber of Schertz, Cibolo and Selma hosts a variety of activities that are targeted to improve awareness, network with other businesses, and celebrate individual business

successes. The SEDC staff participates in monthly luncheons, mixers, and ribbon cuttings to connect with Schertz businesses and to help them become aware of our abilities to serve them. Additionally, the SEDC participated in The Chamber's Leadership CORE program which included six months of gaining exposure to various components of the local community while gaining personal connections to help strengthen individual relations with Schertz businesses and organizations.

AMP Consortium – The Alamo Manufacturing Partnership (AMP) consortiums led by the University of Texas at San Antonio, is an eight-county region that makes up the San Antonio-New Braunfels metro area. The AMP is focused on Transportation and Equipment manufacturing sector which has its strengths in three major product lines: aerospace manufacturing, motor vehicle and parts manufacturing and heavy/industrial vehicle manufacturing. The AMP is a federally-recognized "Investing in Manufacturing Communities Partnership" (IMCP) manufacturing community. As such, the consortium seeks to increase the regions manufacturing sector through the receipt of federal grants for workforce, infrastructure, and research and development assets. As part of the monthly consortium meetings the group met with local and federal leaders for many of the federal departments that offer grants. The SEDC participated in AMP meetings and submitted potential projects within the City of Schertz. The AMP is seen by staff as a key regional group with a primary focus that aligns with the overall objectives of the SEDC.

SEDC PROJECTS

Under Chapters 501, 502, and 505 of the Texas Local Government Code, the SEDC is authorized to spend funds for authorized Projects. In addition to following all applicable laws, each project must be approved by the SEDC Board of Directors through the creation of a performance agreement. Lastly, the program and funds must be authorized by the Schertz City Council.

The following are a current SEDC Projects:

GE Oil & Gas Inc. – In 2014, the City of Schertz and the SEDC entered an economic development incentive agreement with GE Oil & Gas Inc. ("GE") to expand their operations in Schertz. As part of the agreement, GE agreed to retain 225 jobs and add an additional 175 manufacturing jobs at its Schertz facility. Additionally, GE agreed to invest an additional \$8 million at the facility. In return, the City of Schertz and SEDC agreed to assist with permitting and extend a portion of David Lack Boulevard.

At the January 2016 SEDC Board of Directors regular monthly meeting, the SEDC Board of Directors entered an agreement with The Yantis Company ("Yantis") to construct the extension of David Lack Boulevard. Yantis completed the project on April 22, 2016.

At the April 2016 SEDC Board of Directors regular monthly meeting, the SEDC Board of Directors approved an amendment to the incentive agreement. The amendment altered the reporting requirement for GE such that they are required to use an Annual Certification Report, that was specified in the amendment. As part of the Annual Certification Report, GE will submit an affidavit for their annual employee and payroll figures. The amendment still allows the SEDC to seek third party verification of the information if the need arises. The amendment simplifies the reporting process while continuing to ensure that the community receives the full benefits of the original agreement.

Major Wire Texas, Inc. – At the January 2016 SEDC Board of Directors Meeting, the SEDC entered an incentive agreement to have Major Wire Texas, Inc. (“Major Wire”) establish operations in Schertz.

Major Wire is a Canadian company that manufactures screen media used to sort aggregate. Major Wire’s Schertz facility is in approximately 50,000 square feet at the 17745 Lookout Road facility. As part of their operations they will create 58 new manufacturing jobs and maintain nearly \$5 million of machinery and other personal property.

As part of the economic development incentive, Major Wire received \$100,000 to offset start up and workforce training costs. Major Wire started operations on July 8, 2016. Under the agreement, Major Wire must maintain a minimum number of jobs and taxable value for 5 years; however, they have committed to the Schertz facility for 10 years as part of their lease. In addition to the SEDC incentive, Major Wire will also receive a property tax reimbursement from Comal County.

1300 Schertz Parkway – In 2015, the SEDC purchased the property located at 1300 Schertz Parkway. The property was purchased with the intent of being used for SEDC office space. The existing structure was found not suitable for SEDC office space and was planned to be demolished. At the April 2016 SEDC Board of Directors regular meeting, the Board of Directors entered an agreement with KMAC Construction Services, Inc. to demolish the existing structures and to stabilize and revegetate the site in accordance to construction plans developed by Ford Engineering. Following a 90-day extension of the contract, KMAC Construction Services, Inc. completed the project on October 5, 2016.

Currently, the property is being held until a permanent plan is adopted. Staff has recommended that they maintain their current office arrangement but continue to monitor any changes that might result from the completion of the City of Schertz Master Facilities Plan.

Schertz Incentive Agreements

Each year the Economic Development Department reviews economic development incentives for their compliance to the respective agreements. As customary, the 2015 calendar year is used to determine a company’s compliance for the 2016 report. The Economic Development Department found all company’s to be in compliance. The follow is an overview of the individual incentive agreements for the 2016 calendar year:

Closner Equipment Co. - In 2007, Closner Equipment Co. Inc. (Closner) agreed to construct a 15,000-square foot facility costing approximately \$750,000. In addition, the company generates sales tax revenue. In consideration, Closner received a 90% tax abatement for nine years and 35% for the tenth year. Closner’s tax abatement will expire on December 31, 2016. Closner continues to operate in Schertz.

Caterpillar - In 2010, Caterpillar agreed to invest \$25 million of taxable value at its Schertz facility as part of its first phase and \$20 million for each additional phase of its four-phase development. The total facility will amount to just over 1 million square feet. In consideration,

the City provided a 75% tax reimbursement for eight years for each phase of the project. Today, Caterpillar has constructed two of its four phases and continues its operation in the City of Schertz.

Capital Group - In 2010, Capital Group agreed to construct a 50,000-square foot facility costing approximately \$35 million and employs at least two people with an average annual salary of \$150,000. In return, the City agreed to provide a 75% tax reimbursement and allocate \$100,000 to pay for electrical infrastructure. The Tax reimbursement will expire on December 31, 2019. Today, Capital Group is fully operational and has completed all aspects of its agreement.

Sysco Foods Central Texas - In 2010, Sysco agreed to construct an approximate 635,000 square foot facility costing approximately \$55 million for both the real and personal property. Sysco also agreed to employ 600 full-time employees with an average annual payroll of \$50,000. In addition, Sysco agreed to maintain the jobs and investment until 2021. In consideration, the City agreed to construct roadway improvements. Today, Sysco is fully operational and has completed all aspects of its agreement.

Amazon.com - In 2012, Amazon.com.kydc (Amazon) agreed to construct a 1,261,980-square foot facility with a minimum taxable value of \$124 million. Additionally, Amazon agreed to employ 380 full-time jobs with an annual payroll of \$12 million. In consideration, the SEDC provided \$500,000 and the City agreed to provide a phased reimbursement on property taxes. The reimbursement will expire on December 31, 2024. Amazon is fully operational at its Schertz facility.

GE Oil and Gas - In 2014, GE Oil and Gas (GE) agreed to expand its operations in Schertz by adding 175 full-time jobs while maintaining its 225 full-time jobs and paying an annual payroll of \$16 million and make a capital investment of \$8 million. GE must maintain the jobs and investment levels until 2020. In return, the SEDC agreed to extent David Lack Boulevard. GE continues to operate in Schertz.

Major Wire Texas - In 2016, Major Wire Texas, Inc. (Major Wire) agreed to create occupy approximately 53,000 square feet in Schertz and create 58 full-time jobs and pay a minimum annual payroll of \$1,892,000 and maintain a minimum of \$4.9 million of personal property. In consideration, the SEDC provided a \$100,000 grant to be used for relocation and training costs at the facility. Additionally, Major Wire must maintain the investment levels until December 31, 2020.

BUSINESS RETENTION

During the 2016 calendar year, the SEDC approached business retention in a way unmatched in recent history. Staff devoted significant time and resources to engaging with Schertz businesses to address complex problems. Deeply connected in the SEDC business retention efforts was the focus on workforce development and working with partners to address our business' workforce needs.

The SEDC's business retention efforts focused on the Schertz businesses that create primary jobs that bring new money into our community and that align with state definitions. As staff worked with

businesses ranging from a small three-person manufacturing operation to fortune 100 companies it became apparent that our community has a significant need to work with our employers on local regulations, infrastructure improvements, workforce training, and business expansion issues.

In October 2016, the SEDC added a Business Retention Manager. The Business Retention Manager works with existing businesses, workforce development initiatives and represents the SEDC at various chamber and business related meetings.

Retention Projects

Roadway Conditions - One of the primary issues that was identified as staff met with Schertz businesses was the need to improve and maintain our existing roadways. Staff received numerous comments on the impact of potholes and other road problems for Schertz Businesses. The SEDC is working with the City of Schertz to identify an improvement plan and financing for roadway projects.

David Lack Boulevard Truck Parking – GE Oil & Gas and Sysco Foods Central Texas identified a long-term issue where semi-trucks were blocking portions of David Lack Boulevard creating problems for the businesses and safety hazards. Through the help of the businesses and city departments, a new parking solution was authorized by the Schertz Transportation Safety Advisory Committee to allow for a multipurpose lane. The new lane took advantage of existing roadway that was being underutilized.

Vestal Subdivision Drainage – Staff was made aware of a significant drainage issue affecting multiple businesses in the Vestal Subdivision near FM 3009 and Red Iron. Rather than addressing the targeted problem, staff met with all business owners and found that the problem was much more significant than first appeared. The SEDC was able to bring together the affected businesses, city staff, and the Texas Department of Transportation to identify a long term solution. Through the efforts multiple issues have been addressed resulting in improved maintenance by property owners and the Texas Department of Transportation is working on half-million dollar drainage improvement which will significantly improve conditions for the area.

SCUC-ISD CTE Program – Schertz businesses are challenged to find a trained workforce, especially since our regional unemployment rate has been so low for such a long period of time. As result, businesses are looking to high schools to help address workforce issues. With this in mind, the SEDC sought out to assist the Schertz-Cibolo Universal City Independent School District to develop a workforce academy. Over several months, staff met with district leaders and area businesses to identify the best solution for our local school district. The SEDC was able to introduce the district to regional partners and other programs that have been successful in addressing the issue. Ultimately, the district elected to participate with the Alamo Academies for the upcoming school year while they continue to evaluate additional programs that can be managed by the district.

Job Shadow Day – On February 2, 2016, the City of Schertz and other area businesses hosted junior and senior high school students from area schools as part of Junior Achievement's annual "Job Shadow Day". The event was sponsored by SA Works and HEB and organized by Junior Achievement, the half-day event was geared toward providing career awareness opportunity for over 1700 students throughout the San Antonio region. The event was well participated by public, private and non-profit employers. The criminal justice class from Samuel Clemens High School was hosted by the City of Schertz to experience how city departments work together to provide community services. The students gained

exposure to potential careers in municipal government, court, law enforcement, and other supporting departments. Throughout the day, the students were taught how to find, apply and interview for jobs. As part of the Job Shadow Day, the Samuel Clements-Culinary Art class was hired to prepare lunch for the event. Through this opportunity students were hired to create a menu, provide a competitive cost estimate, and deliver the order at a specified time.

Businesses Visited

Shook Mobile Technology – In November, staff visited the Shook Mobile Technology (Shook) plant in Schertz. Staff was received by the owner and executive staff. Shook is a Texas based mobile operation specializing in design, manufacturing, engineering and system integration since 1977. Their abilities are diverse and able to adapt to each customer's specific requirements. They produce an assortment of Broadcast Trucks and Vans, Mobile Command Vehicles, Buses and Trailers, Mobile Satellite Uplink Vehicles, ENG, SNG and EPP Vehicles. They also construct Homeland Security Vehicles such as Mobile X-Ray and Communication Units. Owner offered a full tour of the facilities. www.shook-usa.com

Caterpillar Inc. – In November, staff visited the Caterpillar Inc. (Caterpillar) facility. Staff was received by the Factory Manager, the Master Black Belt, and by phone the Global Economic Development Manager. Caterpillar's Schertz facility is currently 530,500 square feet with ability to double its current footprint on their 53 acre site. The Schertz facility operates in connection with the other San Antonio region facilities under the Caterpillar Large Power Systems Division. At the Schertz facility Caterpillar manufactures engine components for electrical generators, industrial equipment, marine power systems, and some oil and gas equipment. Caterpillar has over 170 employees at its Schertz facility. www.cat.com

Texas Utility Engineering – In October, staff visited with the Vice President and Human Resources Manager from Texas Utility Engineering, Inc. (TXUE) at their Schertz location. TXUE is a small San Antonio based electric-utility engineering firm with 82 employees. Their Schertz location is located the Tri-County Business Park. The company is rapidly growing, adding 27 people last year. Because of TXUE's rapid growth they have expanded their Schertz operation and are in the process of adding additional parking. TXUE attended the SEDC small business workforce event to learn about available workforce training opportunities. www.txue-inc.com

The River Whey Creamery – In October, staff visited with the owner of River Whey Creamery. River Whey Creamery is a small artisan creamery located on Bell North Drive. River Whey Creamery makes three fine aged cheese, Keystone, Caldera España, and The Welshman that are sold locally at The Pearl Farmers Market on Saturdays and Sundays and also available through local restaurants. River Whey Creamery also offers tours and classes. River Whey Creamery was featured in the January 2015 Schertz Magazine. www.riverwheycreamery.com

XPO Logistics formerly Menlo Logistics – In November, staff visited with XPO Logistics (XPO) at their facility located on Tri-County Parkway. XPO moved to Schertz in April, backfilling the 132,000 square foot Tri-County building which was recently vacated by CST Brands. Staff was received by the Site, Operations and Office Managers. XPO, formerly Menlo Logistics is a top ten global provider of transportation and logistics solutions. They provide services for truck brokerage and transportation, less-than-truckload, intermodal, highly-engineered supply chain solutions, contract logistics, last mile,

expedite, global forwarding and managed transportation. XPO serves more than 50,000 customers with a highly integrated network of 1,469 locations in 32 countries. The Schertz operation provides fulfillment services to many national customers. XPO has 25 employees at its Schertz location. www.xpo.com

Closner Equipment Co. – In January, Staff visited the Closner Equipment Co. Inc. (Closner) facility on FM 2252. Staff was received by the President and Comptroller and discussed the positive economic impacts that Closner has had on the City of Schertz. Staff also discussed potential local workforce development opportunities. Closner began in 1946 and has had 3 generations of family leadership. In 2007, Closner moved its headquarters to its 8 acre Schertz site. Closner sells and services large construction equipment for customers in the San Antonio, West Texas, the Rio Grande Valley and Mexico. www.closner.com

Republic National Distributing Company - Staff met with the managers and owners of Republic National Distributing Company (RNDC) to provide an update and to tour the facility. RNDC is one of the nation's leading wholesale beverage alcohol distributors. They distribute premium wine and spirits. RNDC has had a Schertz location since 2006. RNDC's facility is approximately 370,000 square feet and employs over 380 people. The Schertz facility services Central and South Texas from Waco to Del Rio. In addition to housing RNDC's warehouse and distribution operations, the Schertz facility also includes many of corporate administrative, accounting and regional sales operations.

Armortex – Armortex designs and builds products that protect lives. Armortex offers a variety of bullet and blast resistant products for windows, doors and walls. Many of their products are manufactured here in Schertz. Armortex has been in operations for over 30 years and has been located in Schertz for over 10 years. Armortex has approximately 35 employees in their 65,810 square foot facility.

T&F Construction Co. – T&F Construction Co. (T&F) is a general contractor for residential and commercial projects. The company was originally founded in Cibolo and moved to Schertz over 10 years ago to office out of the family homestead property. T&F has completed projects throughout the region including projects like GE Oil and Gas and Randolph Brooks Federal Credit Union right in their own back yard. T&F is a multi-generational business with under 10 employees.

Vestal Steel - The Company was founded in December 1980 to do structural, miscellaneous and custom steel fabrication, custom shearing & forming. Vestal Steel Specialties, employs about twenty-three people and have a client base in excess of 250 companies. While the majority of their work is within a one hundred mile radius, they have shipped jobs all over the United States and overseas.

Thisis Distribution – In May, staff was made aware of excessive flooding at the Thesis Distribution facility. Videos were sent showing several inches of flowing water in the facility. Staff met with the company to help facilitate the situation and develop a long-term solution. It was discovered that the problem included multiple properties. The project is still ongoing, SEDC and City staff are helping where possible. Thisis Distribution is a warehousing company that specializes in Wholesale Pet Supplies/freight shipping and trucking. The company provides several hundred-thousand products to local retailers. Thisis Distribution was established in 1958 and incorporated in Texas. Thisis Distribution recently underwent an expansion at their Schertz facility, continuing to solidify their commitment to the City of Schertz.

Technos Corporation – As part of the flooding noted above, staff met with the owner and other office staff to help with facilitate the project. Technos Corporation manufactures industrial fan equipment and provides rotating equipment field services for all heavy industry such as: cement, steel, power, paper,

and glass. Technos Corporation is located on approximately 10 acres with over 40,000 square feet of fabrication and repair space. Technos has the manufacturing capability to meet any industrial fan equipment demands. The supervisors and crews are full-time employees trained and certified to repair, replace, and analyze rotating equipment in the field.

Hollingsworth Logistics Group - Staff met with Mike Penn, the Plant Manager for Hollingsworth Logistics Group (HLG) to address the company's workforce needs. HLG serves as a warehouse and distribution point for automotive products manufactured in Mexico and then sent throughout the United States. Initially, HLG began its operations in Schertz with approximately 100,000 square feet of space. Over the past five years, HLG has expanded to over 200,000 square feet of space. HLG currently employs 260 people and are looking to hire an additional 105 people. During our visit, Staff introduced a representative from the Workforce Solutions Alamo who discussed the many workforce training opportunities that are available within our region. Multiple programs were identified that HLG plans to pursue. Staff will continue to facilitate these meetings in effort to help HLG find the workforce that they need and to ensure HLG's long-term success in Schertz.

KEACO – Staff met with President and Owner of the company in September 2016. Keaco, Inc., located in Schertz Texas, was founded in 1991 to provide packaging products designed for surface mount electronic components for the electronics industry. Since then, they have grown along with the industry and widened their product offerings which has successfully expanded into the medical, manufacturing and food industries. They have outgrown their current facility and will be moving into a brand new 10K sq. ft. building located behind the old one. Keaco is now recognized as a leader in creating and providing innovative automated packaging solutions. Keaco produces corporation taping systems/taping/packages services.

AER Manufacturing – Staff met with the Warehouse Manager in September 2016. AER Manufacturing is an authorized remanufacturer of Ford engine components that moved from a 7,000 sq. ft. building in San Antonio to a brand new 28,000 sq. ft. facility in Schertz back in 1998. AER began operations in the early 1940s in the back of a local automobile dealership in Texas. With steel and iron supplies in short supply, and the country and production lines focused on WWII, Henry Ford sought ways to keep the automobile industry alive and cars and trucks running at home. The idea for remanufactured engines and engine parts was born. Ford contracted trusted suppliers who could recycle and remanufacture crucial parts to Ford Motor Co. specifications. As a result, AER became one of the first Ford authorized engine remanufacturers in the country. Today, AER is a relatively flat organization with few management tiers. The expertise of top management, combined with a strong group of managers from across the organization, combine to make AER a leader in engine remanufacturing.

FedEx Ground – Staff met with the facility's Senior Manager in September 2016. Built in 2014, the Schertz logistics facility is a 202,763 square foot class-A property within two miles of the new 1.2 million-squarefoot Amazon fulfillment center. The facility is located on Doerr Lane in the tri-county area. FedEx Ground relocated its operations to

RECRUITMENT

The Economic Development Department oversees recruitment efforts for the SEDC. As part of our approach, the SEDC has utilized multiple channels to promote the City of Schertz and attract new jobs and development.

The SEDC partnered with two state-wide organizations, TexasOne and Team Texas, as a way to reach a broader audience and to leverage the name recognition that comes with these organizations. As part of the partnership the SEDC participated in recruitment events and advertising campaigns that generated exposure to targeted companies and site selectors. Through the SEDC's participation project referrals and leads were generated.

During the 2016 calendar year, the SEDC placed significant efforts to promote the City of Schertz through digital channels. At the heart of this effort was the redesign of the www.SchertzEDC.com website which was unveiled at the April 2016 SEDC Board meeting. The new SEDC website, referred by staff as version 1.0, features a modern look and feel with targeted community and recruitment information. The new website features five main sections that focus on the community and living here, important information for essential city services, market updates and reports, and an available properties section showcasing selected properties around the City. In addition to the visual appeal of the website, behind the scenes our website connects with marketing and advertising campaigns which will provide valuable information. The information allows staff to evaluate the effectiveness of each campaign and make strategic adjustments as needed.

The SEDC follows up on each lead that is generated by creating customized informational packets. The packets include a full list of Schertz sites that meet the project requirements, community information, Schertz area labor information, and a list of potential incentive programs. The SEDC staff works on each project as it progresses through the site selection process and leverages other city departments and partner organizations to aggressively work to locate the project in Schertz.

Recruitment Trips

TexasOne – Invest in Texas | February 24th | San Antonio, TX

The Office of the Governor, Economic Development and Tourism and TexasOne each year host a group of Mexican business owners on a business exploration trip to San Antonio. This year approximately 50 different businesses were represented. The event showcased participating communities throughout Texas to Mexican businesses considering investment and or expansion into the Texas market.

2016 American Manufacturing Summit | February 29th – March 1st | Chicago, IL

The American Manufacturing Summit was an intimate gathering of manufacturing industrial professionals from the United States, Mexico and Canada. The event included over 150 delegates from manufactures in the auto/transportation, aerospace, medical device, and furniture industries. The two day event included networking opportunities with companies interested in relocating or expanding into new markets. The event also included industry training sessions that highlighted the latest trends, state, and outlook of manufacturing in North America.

SAMA 2016 Tradeshow | May 11th | San Antonio, TX

The SEDC exhibited at the South Central Texas Manufacturing Trade Show & Conference presented by the San Antonio Manufacturers Association. The tradeshow provides a forum for the manufacturing community in the greater San Antonio area to show casing their products and capabilities to purchasing decision makers; to provide vendors offering goods and services to the manufacturing community with an opportunity to present their capabilities.

BISNOW Networking Roundtable | May 16th | Atlanta, GA

Staff attended and sponsored this event to participate in a discussion of one of Atlanta's fastest growing markets... the Industrial sector! The event was attended by area real estate professionals. During the event, Schertz was highlighted by Robinson Weeks partner David Welsh along with McShane Construction and Seefried that built the Amazon.com facility. While in Atlanta, staff met with other companies that are considering expanding or relocating to Schertz.

ICSC – SPREE RECon/Marketplace Mall | May 24th | Las Vegas, NV

Staff attended the International Council of Shopping Centers (ICSC) RECon global convention for the shopping center industry which provides networking, deal making and educational opportunities for retail real estate professionals from around the world. Over 36,000 attendees and 1,000 exhibitors. The event provides opportunity to meet retailers to discuss new or existing leases in their centers, view the latest industry products and services that are critical to their business, attend educational sessions or find the next deal.

TexasOne – 2016 Tech Mission & Bio International | June 7th – 9th | San Francisco, CA

Staff attended the joint TexasOne-BIO trade show mission. TexasOne sponsored several events that targeted companies looking to relocate to Texas, site consultants, and international delegates. As part of the events, the group hosted an event at the San Francisco Giants vs. Boston Red Sox baseball game. Staff attended the BIO International Convention (BIO) which attracts over 15,000 biotechnology and pharma leaders who come together for one week of intensive networking to discover new opportunities and promising partnerships. This event covers a wide spectrum of life science and application areas including drug discovery, bio manufacturing, genomics, biofuels, nanotechnology and cell therapy.

Northeast San Antonio FAM Tour | August 10th | Live Oak, TX

The SEDC in partnership with the cities of Cibolo, Converse, Kirby, Live Oak, Selma and Universal City put on a familiarization tour for local commercial brokers and developers. The event focused on promoting the development opportunities within the northeast region. We brought Mick Normington from the Texas Workforce Commission to speak about up and coming jobs within the region. The event was a tremendous success with over 100 people in attendance. As result of the event, multiple meetings have been set up with brokers that represent companies who are interested in Schertz.

2016 Retail Live Trade Show | August 18th | Austin, TX

Retail Live is a local retail event for retailers, developers, real estate brokers, and cities. At the event, retailers exhibit in effort to promote their business for new or expanded locations. There were over 65 retailers at the event. Staff was able to meet with multiple retailers as well as regional retail developers.

Team Texas Roadshow | August 29th -30th | Atlanta, GA and Greenville, SC

Team Texas is a statewide membership marketing association dedicated to the promotion of job creation and capital investment for its member cities and organizations. Team Texas gives the SEDC a way to aggressively leverage our marketing resources, expand our access to growing industries, develop relationships with consultants and site selectors. During the roadshow, a delegation of cities and utility providers met with over 15 different companies and site selectors.

Austin-San Antonio Growth Summit | September 16th | San Marcos, TX

The Austin Business Journal and San Antonio Business Journal hosted the 2016 Austin-San Antonio Growth Summit to unveil new regional research followed by a mayors' panel discussion on vision and partnership along the corridor. The SEDC marketed the city at the annual event with over 600 attendees.

TexasOne - Chicago Business Recruitment Mission | September 19th | Chicago, IL

Staff attended a recruitment trip that was organized by TexasOne and the Governor's Office. The two-way trip focused on carrying the message that Texas is "Wide Open for Business" to corporate executives, site selectors and others involved in expanding and relocating businesses. The Chicago business recruitment mission included a reception for corporate executives, an international roundtable with consulates and investment promotion agencies responsible for foreign trade and investment and a panel discussion, luncheon and meetings with site selection consultants, who are estimated to impact 40% of all corporate relocations and expansions involving 100 or more jobs.

Governor's Business Forum for Women | September 28th | San Antonio, TX

The Alamo Area Council of Governments and the Office of Texas Governor Greg Abbott hosted the Inaugural Governor's Business Forum for Women at the Whitley Conference Center in San Antonio. The event featured a wide range of instructive seminars and expert speakers offering vital information on both public and private resources, the forum provided a great opportunity to network and connect with industry specialists, government officials, service providers, and other regional businesses.

BISNOW State of the Market | September 29th | San Antonio, Texas

San Antonio's Development Culture and the Red Hot Building Climate. The event was conducted by expert panelists exploring the challenges, excitement, and market forces behind the gigantic rise of business growth in San Antonio and surrounding cities.

ICSC | October 5th | Dallas, TX

The International Council of Shopping Centers (ICSC) Texas Conference & Deal Making event is a regional event for Texas retailers and developers. Attendees are focused on Texas projects making this one of the best events for Texas cities. While attending the event, Staff met with developers and retailers that are exploring retail developments in north and south Schertz.

CITY COUNCIL MEMORANDUM

City Council Meeting: March 7, 2017
Department: Economic Development
Subject: Update on annual certification process for active economic development incentives

As of December 31, 2016 the City of Schertz and the City of Schertz Economic Development Corporation (SEDC) had economic development agreements with seven companies. Each year companies are required to certify their compliance to the incentive agreements. Staff has reviewed each of the agreements, except Amazon.com who has until April 15, 2017 to report, and found that all of the agreements are in compliance.

The following is an overview of each agreement and their reporting for the 2016 calendar year:

Closner Equipment Co., Inc. (Closner) – In 2007, Closner agreed to construct a 15,000 square foot facility costing approximately \$750,000. In consideration Closner received a 10 year tax abatement worth 90% for the first 9 years and 35% for the final year.

Closner reported its compliance to the incentive agreement by making approximately \$750,000 of capital improvements at the facility in accordance with the terms of the agreement. Closner received a 35% tax abatement for the 2016 tax year. Because Closner’s agreement has expired they will no longer receive an annual abatement.

In addition to the annual report, Closner reported that they have 15 full time employees, two of which are Schertz residents. Closner also reported that the average 2016 annual payroll was \$111,430. Closner has been a great company for the City of Schertz and staff continues to work with them on workforce development issues.

Sysco Central Texas, Inc. (Sysco) – In 2010, Sysco agreed to construct an approximate 635,000 square foot facility costing approximately \$55 million, with approximately \$10 million in personal property and approximately \$25 million of inventory. Sysco will be required to employ 600 full-time employees with an average annual payroll of \$50,000.

Sysco reported its compliance to its incentive agreement. Sysco had \$22,768,538 of personal property, \$43,836,405 of inventory. Sysco also reported that they currently

employ 815 full-time facility based employees with an average annual payroll of \$75,500.

Capital Group Companies, Inc. (Capital Group) – In August 2010, the City and SEDC approved an incentive agreement with Capital Group which established a performance-based tax incentive to develop their data center facility. As part of the agreement, Capital Group was required to employ at least 2 facility based employees with an average annual payroll of \$150,000 by full operations (July 1, 2012). In consideration, Capital Group is eligible to receive an annual reimbursement of up to 75% of the real and personal property ad valorem taxes paid for a period of eight years.

Capital Group reported its compliance to the incentive agreement. Capital Group's total assessed taxable value for building, fixtures and personal property for the 2015 Tax year was \$23,941,026. As a result of Capital Group's compliance they are eligible for a reimbursement on the personal property worth \$88,180.78 for the 2016 tax year.

Caterpillar Inc. (Caterpillar) – In 2010 Caterpillar agreed to located in Schertz. As part of the economic development agreement, Caterpillar agreed to a four phased development which would include \$25 million of taxable value for the first phase and \$20 million for each additional phase. The total facility will amount to just over 1 million square feet. For the first two phases, Caterpillar agreed to employ at least 80 full-time employees (60 from phase 1 and 20 from phase 2) with a monthly payroll of \$300,000 (\$225,000 from phase 1 and \$75,000 from phase 2). In consideration, the City would provide a 75% tax reimbursement on all personal property located at the property for eight years for each phase of the project.

For the 2016 tax year Caterpillar had a total taxable personal property value of \$108,489,800. Additionally, Caterpillar reported 159 full-time employees at an average wage of \$51,000. Because of Caterpillar's compliance, they are eligible for a reimbursement on the Personal Property worth \$399,595.06 for the 2016 tax year.

GE Oil & Gas, Inc. (GE) – In 2014, GE agreed to enhance and expand its operations in Schertz. As part of a development agreement with the City and SEDC, GE agreed to make an \$8 million capital investment at their 400,000-square foot facility on Schwab Road. Additionally, GE agreed to retaining 225 primary jobs and create an additional 175 primary jobs with minimum annual payroll of \$16 million. In consideration the City and SEDC agreed to construct an extension of David Lack Drive and to Fast Track the permits associated with the project.

GE reported its compliance to the agreement through the retention and creation of 552 primary jobs \$33,023,359 which exceeds the requirements stated in the agreement.

Amazon.com.kydc LLC (Amazon) – In 2014, Amazon agreed to construct a 1.26 million-square foot fulfillment center in Schertz. As part of an incentive agreement between the City, SEDC and Guadalupe County, Amazon agreed to create and maintain 380 full-time jobs with a minimum annual payroll of \$12 million. Additionally, Amazon would maintain a minimum taxable value of \$125 million until December 31, 2024. In consideration, the SEDC will provide a City Fees Incentive and the City will provide six annual Property Tax Grants; if certain metrics are met, Amazon may also qualify for a City Sales Tax Incentive from the City and SEDC.

Amazon has not yet submitted their 2016 annual report. Amazon has until April 16, 2016 to submit the 2016 Annual Development Incentive Compliance and Certification Report. Staff will present this information as it becomes available.

Major Wire Texas (Major Wire) – In 2016, Major Wire agreed to locate its manufacturing operations in Schertz. As part of an economic development incentive, Major Wire agreed to create 58 full time jobs with a minimum annual payroll of \$1,892,000 and to maintain \$4.9 million in taxable personal property. In consideration, the SEDC provided a \$100,000 grant.

Major Wire was not required to report for the 2016 calendar year, next year will be their first of five years that they are required to report their compliance to the agreement. In July of 2016, Major Wire commenced operations in Schertz; a grand opening celebration was held in January 2017.

CITY COUNCIL MEMORANDUM

City Council Meeting: **March 7, 2017**
Department: **City Secretary**
Subject: **Minutes**

BACKGROUND

The City Council held a Regular meeting on February 28, 2017.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends Council approve the minutes of the Regular meeting on February 28, 2017.

ATTACHMENTS

Regular Meeting of February 28, 2017

MINUTES
REGULAR MEETING
February 28, 2017

A Regular Meeting was held by the Schertz City Council of the City of Schertz, Texas, on February 28, 2017, at 6:00 p.m. in the Hal Baldwin Municipal Complex Council Chambers, 1400 Schertz Parkway, Building #4, Schertz, Texas. The following members present to-wit:

Mayor Michael Carpenter
Councilmember Mark Davis
Councilmember Scott Larson
Councilmember Angelina Kiser

Mayor Pro-Tem Cedric Edwards
Councilmember Ralph Gutierrez
Councilmember Robin Thompson
Councilmember Bert Crawford

Staff Present:
Executive Director Brian James
Assistant to the City Manager Sarah Gonzalez
City Secretary Brenda Dennis

City Manager John Kessel
Executive Director Dudley Wait
City Attorney Charles Zech

Call to Order – City Council Regular Session

Mayor Carpenter called the meeting to order at 6:00 p.m.

Opening Prayer and Pledges of Allegiance to the Flags of the United States and State of Texas.
(Councilmember Thompson)

Councilmember Thompson provided the opening prayer followed by the pledges of allegiance to the flags of the United States and the State of Texas.

Presentations

- Presentation and briefing regarding the Historical Preservation Committee Annual Report. (B. James/D. Weirtz)

Mayor Carpenter recognized Chair Dean Weirtz who provided the Council with the Historical Preservation Committee's Annual Report. Some of the highlights included:

- Executive Summary
- Membership
- Resource Management and Controls
- Committee Goals and Objectives – 2016
- Fiscal Matters
- Impacts
- 2017 Committee Calendar Year Objective statement
- Resource Inventory/Audit Report, dated January 28, 2016
- Aviation Heights Heritage Neighborhood Banner Depictions

Mayor Carpenter complimented Mr. Weirtz and his team on the work they have done, particularly with the school district and the children. He stated that before this group no one had been collecting archive materials of what was going on in the city.

Mayor Carpenter stated that he wanted to let Mr. Weirtz know that the son of Mayor Bueker found in his house, and Mayor Bueker has allowed him to share with us, a large scrapbook of his years, not only from war time, but lots of newspaper clippings and political advertisements from his tenure as Mayor from 1973 to 1980. He has shared this with us and we are allowed to make copies of everything and he will get to them as soon as he can.

City Events and Announcements

- Announcements of upcoming City Events (B. James/D. Wait/S. Gonzalez)

Mayor Carpenter recognized Executive Director Dudley Wait who provided the following announcements:

- **Thursday, March 2 8th Annual Race to the Taste Event 5:00 pm – 8:00 pm** at Retama Park. Tickets are \$20 There is an annual food festival featuring 40 plus food and beverage vendors from Schertz, Cibolo, Selma and surrounding areas. Attendees are given unlimited sampling opportunities.
- **Saturday, March 4 9th Annual Wilenchik Walk for Life-registration 8:00 a.m.** Back parking lot of Clemens High School. 5K begins at 9:00 a.m.
- **Tuesday, March 7 City Council Meeting at 6:00 pm** Council Chambers
- **Thursday, March 9 Northeast Partnership Meeting, 11:30 am**
Olympia Hills Golf and Conference Center
- **March 13 – 17 SCUCISD Spring Break**

SAVE THE DATE:

- **Monday, March 20 Employee Remembrance Day Lunch Hour** will be held at 10 Commercial Place
- **Friday, March 24 City Council Pre-Budget Retreat,** Fairfield Inn and Suites, Schertz
- **TML Legislative Update Webinars**
City Conference room and time to be updated soon. No need to register for the three webinars. Submit your RSVP to Brenda, X 1030 or Donn, X 1031
Friday, March 10th
Friday, April 7th
Friday, May 12th
Friday, June 30 - TML Legislative Wrap-up 7:45am – 2:30pm

Please contact Brenda or Donna to register for this event. Event takes place at the Double Tree by Hilton Austin.

- Announcements and recognitions by City Manager (J. Kessel)

Mayor Carpenter recognized City Manager John Kessel who stated that he wanted to highlight two (2) letters we received from other governmental agencies: (1) signed by the Mayor of Cibolo, (2) County Judge of Kenny County along with all the Commissioners and Sheriff who were praising our EMS and the Regional efforts they have. Mr. Kessel passed the letters out to members of Council.

Hearing of Residents

- Mr. Danny Sale, 3812 Hunters Glen who spoke in favor of Resolution 17-R-16 – regarding approval authorizing contracts with Pape Dawson Engineers, Inc., for the Main Street Improvement Project.

Workshop

- Discussion, summary and recommendations regarding the Schertz Incentive Policy. (K. Kinatader)

Mayor Carpenter recognized Economic Development Director Kyle Kinatader who stated the Policy has three major programs: The Assistance Center, SEDC Incentive Policy, and Chapter 380 Incentive Policy. The first two programs are managed by the SEDC and utilize SEDC funds. The Chapter 380 Incentive Policy utilizes the City's General Fund. Some of the highlights included:

- Primary Job - A job that is:
 - (i) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy; and
 - (ii) included in one of the defined North American Industry Classification System (NAICS):
- Schertz Primary Job Growth
- Schertz Population Growth
- Incentive Funding
 - City of Schertz – General Chapter 312 Tax Abatement, Chapter 380
 - City of Schertz Economic Development Corporation – SEDC Reserves, Performance agreements
- Schertz Incentive Policy – Assistance Center
 - SEDC (Restricted Reserves) – Company Direct Incentives, Infrastructure Incentives, other authorized projects
 - Existing Businesses, Small Businesses, Large Impact Businesses, Extra-Large Impact Businesses
 - City of Schertz (General Fund) – Real & Personal Property Investment, Gross Sales & Use Tax

Mr. Kinatader answered questions from Council. Mayor Carpenter recognized Councilmember Thompson who suggested that the EDC Corporation may want to consider a three year grant.

- Discussion and update regarding quiet zones. (D. Wait/D. Letbetter)

Mayor Carpenter recognized Public Works Manager Doug Letbetter who provided a Power Point presentation with the following highlights:

What is a Quiet Zone?

- Rail segment where train horns are not routinely sounded at crossings.
- Can only be established by a public entity.
- Railroad must comply:
 - if federal requirements are met
 - Exception: **only in emergency**

Federal Regulations

- The Federal Railroad Administration (FRA) requires for all Quiet Zones:
 - ½ mile minimum track length
 - All street crossings must have gates and flashing lights
 - Constant Warning Time systems must be installed
 - The Quiet Zone crossings must be safer than the national average
 - Supplemental Safety Measures (SSMs)
 - Engineering improvements, which would reduce the risk of a collision at the crossing. SSMs are installed to reduce the risk level below the Nationwide Significant Risk Threshold.
- Four quadrant gates
Medians or channelization devices
One-way streets equipped with gates

Steps to Implementation

- City and FRA conduct a feasibility site visit
- City conducts traffic study
- Public meetings conducted seeking resident input
- Implementation “task force” between the various City departments and FRA assembled to plan construction

1st Street & FM 78

- Railroad suggests this to be a south bound exit only
- \$75,000 for new arms, including installation & wiring
- \$50,000+ (approximate) for striping, concrete, & asphalt work
- TxDOT would have to agree

Randolph Blvd & FM 78

- Railroad suggests this to be a north bound exit only
- \$75,000 for new arms, including installation & wiring
- \$50,000+ (approximate) for striping, concrete, & asphalt work

Schertz Pkwy & FM 78

- Railroad suggests using a quad gate at this location
- \$1,000,000 quad gate
- \$50,000+ (approximate) for striping, concrete, & asphalt work

FM 3009 & FM 78

- Railroad suggests extending the island on FM 3009 100 ft.
- \$75,000 for (2) new arms, including installation & wiring (unless quad gate required by engineer)
- \$100,000+ (approximate) for striping, concrete, & asphalt work

Combined Totals for Four (4) Locations

- All four (4) locations approximate totals combined = \$1,475,000+
- Engineering = ?
- All prices listed are approximate until the agreement and hiring of engineering firm.

Mr. Letbetter answered questions from Council.

Consent Agenda Items

The Consent Agenda is considered self-explanatory and will be enacted by the Council with one motion. There will be no separate discussion of these items unless they are removed from the Consent Agenda upon the request of the Mayor or a Councilmember.

1. **Minutes** – Consideration and/or action regarding the approval of the minutes of the Regular Meeting of February 14, 2017, and minutes of the Special Meeting of February 21, 2017. (J. Kessel/B. Dennis)
2. **Ordinance No. 17-M-10** – Consideration and/or action approving an Ordinance amending the City of Schertz Code of Ordinances Chapter 24, Article 11, Food Establishments, Section 34-22, regarding the adoption of the Texas Food and Beverage Establishment rule. *First Reading* (D. Wait/M. Harris/J. Hamilton)

The following was read into record:

ORDINANCE NO. 17-M-10

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE CITY OF SCHERTZ CODE OF ORDINANCES CHAPTER 34, ARTICLE 11. FOOD ESTABLISHMENTS, SECTION 34-22, REGARDING THE ADOPTION OF THE TEXAS FOOD AND BEVERAGE ESTABLISHMENT RULES; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Mayor Pro-Tem Edwards to approve consent agenda items 1 and 2. **The vote was unanimous with**

Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.

Discussion and Action Items

PH

3. **Ordinance No. 17-S-01** – Conduct a public hearing and consideration and/or action approving an amendment to the Crossvine PDD in order to incorporate a new Garden Home configuration in Module IIA, along with new street cross-sections and other associated development standards. The property is approximately 375 acres of land located at the intersection of Lower Seguin Road and FM 1518. (*Final reading*) (B. James/L. Wood/C. Gould)

The following was read into record:

ORDINANCE NO. 17-S-01

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE OFFICIAL ZONING MAP BY REZONING APPROXIMATELY 375 ACRES OF LAND FROM PLANNED DEVELOPMENT DISTRICT TO PLANNED DEVELOPMENT DISTRICT (PDD).

Mayor Carpenter recognized Fire Marshal John Perry who provided information regarding working with the Planning Department and the Developer to address earlier concerns raised. Marshal Perry stated those concerns have been met and he recommends approval as written.

Mayor Carpenter recognized Planner I Channary Gould who stated on January 10, 2017 City Council conducted a public hearing and approved the first reading for Ordinance 17-S-01 to amend the Crossvine PDD in order to incorporate a new Garden Home configuration in Module IIA, along with new street cross-sections and other associated development standards. At this meeting, City Council requested that staff provide more information about how the new garden home configuration compares to the previously approved garden home configurations. City Council also requested more information related to the overall concerns raised by residents, particularly the subject areas of lighting, sewer capacity, status of Heritage Oaks Park, and Fire Department's review of the proposed PDD Amendment.

City Council held a workshop and conducted a public hearing at the January 24, 2017 meeting. During the January 24th meeting, City staff members gave presentations to provide City Council information about street lights in the Sedona and Crossvine communities, status of the Heritage Oaks Park, progress on the second package treatment sewer plant, drainage conditions around the Sedona and Crossvine communities, and more specific information about garden home configurations associated with the Crossvine PDD. The issues raised related to existing street lighting or lack thereof, the development of Heritage Oaks Park, sewer capacity for future development, existing drainage concerns along FM 1518, and crime are City issues and unrelated to the zoning case.

Since the January 24, 2017 meeting, staff has met with and coordinated with the applicant to discuss revisions to the Crossvine PDD 3rd Amendment document. Below is a summary of the key elements and related revisions that have been incorporated into the document to address fire related concerns.

1. The minimum separation between adjacent structures is ten feet (10'), with the exception of eaves that may protrude eighteen inches (18") into the building separation area and window sills and other architectural features which may protrude twelve inches (12"). In the previous version of the draft ordinance bay windows were allowed to extend eighteen inches (18") into the building separation area.
2. A two-hour rated firewall shall be required for the walls of any zero lot line home that are less than five feet (5') from the side property line. Homes centered on the lot, one of the exterior side walls shall have a two-hour rated firewall. The developer is required to submit a plan showing locations of two-hour rated firewalls for the Fire Marshal to approve prior to filing a plat for the Garden Home GH(3) area. The previous version did not require one of the walls of centered homes to be a two-hour rated firewall.
3. No fences or other obstructions, except as specifically provided for HVAC units/pads, shall be allowed between houses. Fences will be allowed from the front corner of the houses to the front corner of the adjacent house and from the back corner of the houses to the back corner of the adjacent house so long as gates are provided in the fences. A fence exhibit has been added to the document to illustrate this revised standard. The previous version allowed fences between centered homes.
4. One HVAC unit/pad may be located between homes, and is subject to approval by the Fire Marshal prior to filing a plat.
5. Alleys will be private to allow the HOA to enforce towing in designated fire lanes.

Minor wording changes that do not substantively alter the previous version involve changes to walkways in the greenspace and fire hydrant spacing. The Common Area Greenspace shall include a concrete sidewalk that is at least four feet (4') wide that provides access to each home. This standard has not changed, however the language was revised for clarification purposes. Fire hydrant spacing shall be no more than three-hundred feet (300'). This standard has not changed, however the language was revised for clarification purposes.

Concerns were raised with regard to parking along Trellis Walk, the central road through the project and the Proposed Local Road. These roads will all have a minimum right-of-way of fifty-six and one-half feet (56.5') and a minimum pavement cross-section of forty-two feet (42'). This cross-section allows for standard eight feet (8') wide parallel parking on both sides while maintaining thirteen feet (13') wide drive lanes. The pavement will be striped to designate the parking areas. Staff does not have a concern about parallel parking on these roads as traffic volumes and proposed speeds do not pose an issue.

City staff has reviewed the revisions and has no objections. The changes have been incorporated into the exhibit attached to Ordinance 17-S-01. As part of the review staff worked to determine where the disconnect occurred that allowed the previous draft of the ordinance to be presented for approval in light of the Fire Department's concerns. It was determined that the Fire Department did not realize the extent of changes to the draft when they reviewed it and indicated they did not have concerns.

Schertz 1518, Ltd. is requesting to amend the Crossvine PDD to allow for a new garden home configuration, referred to as GH(3), new street cross-sections and design standards associated with the GH(3) product. The new garden home configuration is proposed to be located south of Lower Seguin Road, within Module IIA of the Crossvine PDD. Staff recommends approval

of the amendment request with the revisions that have been incorporated since City Council's approval during the first reading on January 10, 2017.

Mayor Carpenter opened the public hearing and recognized the following who spoke in favor of this item:

- Mr. Glen Outlaw, 3729 Forsyth Park, who thanked City Staff and the Developer who worked together on this project to address his earlier concerns.

As no one else spoke, Mayor Carpenter closed the public hearing for Council comments.

Mayor Carpenter recognized Councilmember Davis who addressed concerns regarding traffic on lateral streets and also stated that he has a problem with decreasing the lot size and going against our UDC standards, stating that we had already changed the GH1 and GH2 designations.

Mayor Carpenter recognized Councilmember Thompson who stated he wanted to thank staff and the developer for working together to resolve earlier issues that were raised.

Mayor Carpenter recognized Councilmember Crawford who asked for clarification regarding the width of the alley way. Ms. Gould answered that the alley will be 22 1/2 in width with no parallel parking on the street. Ms. Gould continued to address questions and comments from Council.

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Councilmember Larson to approve Ordinance No. 17-S-01 final reading. **The vote was 6-1-0 with Mayor Pro-Tem Edwards, Councilmembers Gutierrez, Larson, Thompson, Kiser and Crawford voting for and Councilmember Davis voting no. Motion passed.**

4. **Resolution No. 17-R-11** – Consideration and/or action approving a Resolution authorizing the acceptance of the 2016 Racial Profiling Report. (D. Wait/M. Hansen)

The following was read into record:

RESOLUTION NO. 17-R-11

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING THE ACCEPTANCE OF THE 2016 RACIAL PROFILING REPORT, AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Carpenter recognized Police Chief Michael Hansen who stated the Texas Code of Criminal Procedure Article 2.134 requires the chief administrator of the law enforcement agency to submit an annual report concerning data obtained on traffic stops to the governing body of the municipality served.

The legislation does not offer any details concerning how the data should be evaluated by local officials or how it will be evaluated by state officials, it has been commonly accepted that the diversity of traffic stop data should be similar to the demographic profile of the jurisdiction it is reporting on. He stated the attached in the Profiling Report letter of

explanation is a review of the percentage of total of the three largest racial groups detained from the 2016 report compared to the City's 2010 census population percentages.

Additionally, in the attached presentation document 2016 is compared to 2013, 2014 and 2015 data. Information presented included:

Racial Profiling Report

Total detained 6,535
Race/Ethnicity
Black 840 12.9%
Hispanic 1301 24.4%
White 4234 60.8%

Racial Profiling Report

Comparison to demographic
Race/Ethnicity
Detained Population*
Black 12.9% 10%
Hispanic 19.9% 28%
White 64.8% 53%

Racial Profiling Report

Comparison to previous years
Race/Ethnicity
2016 2015 2014 2013
Black 12.9% 12.9% 11.1% 11.0%
Hispanic 19.9% 24.4% 24.3% 22.5%
White 64.8% 60.8% 62.3% 64.6%

Racial Profiling Report

Reminder of report
Race/Ethnicity known 3%
Search conducted 5%
Search consented 8%
Complaints 0

Racial Profiling Report

Conclusion

Data supports the recognition that the Schertz Police Department continues to ethically and impartially enforce the laws and ordinances.

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Councilmember Kiser to approve Resolution No. 17-R-11. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

5. **Resolution No. 17-R-15** – Consideration and/or action approving a Resolution authorizing a First Amendment to the Mutual Regional Water Supply Contract between Schertz-Seguin Local Government Corporation and the San Antonio Water System. (D. Wait)

The following was read into record:

RESOLUTION NO. 17-R-15

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS
AUTHORIZING A FIRST AMENDMENT TO MUTUAL REGIONAL WATER
SUPPLY CONTRACT BETWEEN SCHERTZ/SEGUIN LOCAL GOVERNMENT
CORPORATION AND SAN ANTONIO WATER SYSTEM, AND OTHER MATTERS
IN CONNECTION THEREWITH**

Mayor Carpenter recognized Executive Director Dudley Wait who stated the SSLGC Board and the San Antonio Water Systems approved a First Amendment to Mutual Regional Water Supply Contract between SSLGC and SAWS. The contract also requires approval by the City of Schertz and the City of Seguin Councils. The amendment will be for a three-year commitment of 500 ac-ft. of surplus water. This amendment also notes operational changes that will improve reporting.

The SSLGC and SAWS contract provided significant financial benefits to the corporation and to both owner cities. This amendment further adds benefit for commitment of excess water. Staff recommends Council approve the First Amendment to Mutual Regional Water Supply Contract. This amendment is effective January 1, 2017. Mr. Wait addressed questions and comments from Council.

Mayor Carpenter recognized Councilmember Kiser who moved, seconded by Councilmember Crawford to approve Resolution No. 17-R-15. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

6. **Resolution No. 17-R-16**– Consideration and/or action approving a Resolution authorizing an On-Call contract with Pape Dawson. (B. James)

The following was read into record:

RESOLUTION NO. 17-R-16

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS
AUTHORIZING CONTRACTS WITH PAPE DAWSON ENGINEERS, INC.,
TOTALING NO MORE THAN \$195,000, FOR THE DESIGN OF THE MAIN
STREET IMPROVEMENT PROJECT DURING THE 2016-2017 FISCAL YEAR AND
OTHER MATTERS IN CONNECTION THEREWITH**

Mayor Carpenter recognized Executive Director Brian James who stated Pape Dawson Engineers, Inc. was awarded a three-year agreement for On-Call Engineering Services via Resolution 14-R-57. The City's practice is to seek authorization from Council when

expenditures with a vendor exceed \$50,000 in one fiscal year. The City is proposing to begin the Main Street bond project and is proposing to contract with Pape Dawson Engineer, Inc. for this project.

In 2010 voters approved a series of bond propositions, one of which, Proposition 4 allocated \$1,000,000.00 for “the purpose of making permanent public improvements, or for other public purposes, to wit; designing, constructing, reconfiguring, demolishing, renovating and equipping revitalization and beautification improvements to downtown City of Schertz in the area of FM 78 and Main Street (with priority given to constructing features welcoming persons to the City, including but not limited to decorative paving, crosswalks, curbing and decorative poles, utilities relocation, lighting, bollards, bike racks, trash receptacles, benches, sidewalk and trail improvements, fences, and landscaping) and acquiring any necessary real property therefore...”. This is the last of the 2010 bond projects. City Staff had been hoping to add funds to this project from remaining street bond funds, but those are needed for the improvements to Schertz Parkway.

The City’s adopted “Sector Plan” which is part of the City’s Comprehensive Plan, outlines the vision for the Main Street area in Part 4 Historic Downtown Schertz [http://216.45.71.196/Weblink/1/edoc/210903/Ordinance%2013-S-21%20Comprehensive%20Plan%20\(Schertz%20Sector%20Plan\)%20-%207.16.2013.pdf](http://216.45.71.196/Weblink/1/edoc/210903/Ordinance%2013-S-21%20Comprehensive%20Plan%20(Schertz%20Sector%20Plan)%20-%207.16.2013.pdf).

This vision will serve as the basis for the use of the Main Street Bond program. The Main Street Bond improvements are one of several efforts underway by the City to bring about the revitalization of this area. Others include the fee waiver program, the Main Street Grant, UDC changes including the Main Street Mixed Use District, and efforts by the Schertz Historic Preservation Committee (SHPC).

Key challenges involved with this project that expand the scope impacting the preliminary stage and significantly the design phase have to do with the age of the infrastructure and a likely lack of accurate records which creates more unknown conditions than other projects. The other challenge common to developed commercial areas involves keeping adjacent local businesses “open for business” during the project and developing an accurate schedule that takes into consideration their needs.

Staff plans to work closely with the SHPC and local property owners to keep them informed and solicit their input while moving at a fast pace.

Funds are budgeted and available for the not-to-exceed amount of \$195,000 for the known proposed projects as part of the 2010 bond funds.

Staff recommends that Council authorize the use of Pape Dawson Engineers, Inc. for engineering and surveying services as needed for the 2016-2017 Fiscal Year in an amount not to exceed \$195,000. Mr. James addressed questions and comments from Council.

Mayor Carpenter recognized Mayor Pro-Tem Edwards who moved, seconded by Councilmember Thompson to approve Resolution No. 17-R-16. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

7. **Resolution No. 17-R-12** – Consideration and/or action approving a Resolution approving a list of brokers for use by the City of Schertz. (B. James/J. Walters)

The following was read into record:

RESOLUTION NO. 17-R-12

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AUTHORIZING INVESTMENT BROKERS, AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Carpenter recognized Finance Director James Walters who stated in order to purchase securities as investment opportunities, the City must go through an investment broker. These firms purchase investment securities in the market on the City's behalf and provide detail research to help us make better decisions that fit our needs.

If the City wanted to purchase a security as an investment it would contact Capital One, our investment management firm, and give them our criteria on the type of security the City wants. Capital One would go to an authorized broker who would make the actual purchase on our behalf. Brokers act as middle-men between the buyers and sellers of the investment securities.

The Texas Government Code Sec. 2256.025, part of the Public Funds Investment Act, requires City Council to adopt a list of authorized investment brokers annually. Based on a review of the Act and current practices by the Finance Director it was determined this needed to be brought before council going forward. The City needs to be in compliance with this act and has submitted a list of brokers used by our investment management firm, Capital One.

Capital One, acting as the City's investment management firm, carries out the review process that is required of the firms. They work with the Finance Department to organize and structure our investment portfolio. The Finance Department reviews investment transactions monthly to make sure the City's investment policy and strategy is being followed.

To review the Public Funds Investment Act please use the following link: <http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2256.htm>. Staff recommends Council approve the Resolution 17-R-12 authorizing certain investment brokers to be used by the City and its financial advisors. Mr. Walters addressed questions from Council.

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Councilmember Gutierrez to approve Resolution No. 17-R-12. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

8. **Resolution No. 17-R-13** – Consideration and/or action approving a Resolution designating Investment Officers for the City of Schertz. (B. James/J. Walters)

The following was read into record:

RESOLUTION NO. 17-R-13

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS DESIGNATING INVESTMENT OFFICERS, AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Carpenter recognized Finance Director James Walters who stated in a review of the Texas Government Code Sec. 2256.005, part of the Public Funds Investment Act by the new Finance Director, it was brought to light that the City Council needs to designate investment officers for the City. These individuals will be responsible for the investment of City funds. The Public Funds Investment Act, the Investment Policy & Strategy, and the investment committee will guide the officers in their investment decisions.

The Public Funds Investment Act and the council approved Investment Policy & Strategy limit the types of investments the City can use. Their purpose is to ensure city funds are kept safe and can easily be returned in the event of an emergency.

The resolution designates City Manager John Kessel; Executive Directors Brian James, Dudley Wait, and Kyle Kinateder; and Finance Director James Walters as Investment Officers for the City of Schertz. These designations are in compliance with what is required in the City's Investment Policy & Strategy document approved December 20, 2016.

This designation does not need to be renewed each year. If the investment officers need to be changed due a reorganization or employee status change, council will be asked to designate the new employees and remove the designation of the old employees.

To review the Public Funds Investment Act please use the following link: <http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2256.htm> Staff recommends Council approve the Resolution 17-R-13 designating investment officers for the City of Schertz in compliance with the Public Funds Investment Act and the City's Investment Policy and Strategy. Mr. Walters addressed questions from Council.

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Mayor Pro-tem Edwards to approve Resolution No. 17-R-13. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

9. **Resolution No. 17-R-14** – Conduct a public hearing and consideration and/or action approving the semi-annual report for October 1, 2015 through March 31, 2016 and April 1, 2016 through September 30, 2016, evaluating the progress of the City on achieving the Capital Improvements Program and identifying any problems in implementing the plans or administering the capital recovery fees. (B. James/J. Walters)

PH

The following was read into record:

RESOLUTION NO. 17-R-14

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS ACCEPTING THE SEMIANNUAL REPORTS WITH RESPECT TO THE

PROGRESS OF THE CAPITAL IMPROVEMENTS PLAN, AND OTHER MATTERS IN CONNECTION THEREWITH

Mayor Carpenter recognized Finance Director James Walters who stated Section 395.058 (c) (4) of the Texas Local Government Code requires the Capital Improvements Advisory Committee (CIAC) to file semi-annual reports with respect to the progress of the capital improvements plan and report to City Council any perceived inequities in implement the plan or imposing impact fees. Section 90-158 of the City's Code of Ordinance includes this same requirement. The CIAC is a citizen group made up of our current Planning and Zoning Commission, a real estate-type representative and a resident in the Extraterritorial Jurisdiction, all of whom are appointed by the City Council.

Impact fees can only be charged to new development and used in compliance with a specific adopted plan. Projects in the plan must be designed to increase the capacity of our water and sewer un-fractured to accommodate our growth. General maintenance or replacing old pipes would not be acceptable uses of these funds.

The attached report includes capital recovery balance reports for October 1, 2015 through March 31, 2016 and from April 1, 2016 through September 30, 2016 and the draft CIAC minutes from January 11, 2017. \$3 million is allocated as part of the Corbett elevated tank and associated line project and the waterline for the new sewer treatment plant.

Due to changes in personnel the report to the committee and to the council was delayed. This action tonight will approve the previous 2 reports. Going forward, the report submissions will be done on a semi-annual basis.

The goal is to accept the Semi-annual Reports on the revenue and expenditures relating to the water and wastewater impact fees as filed by the City of Schertz Capital Improvements Advisory Committee (CIAC). Staff recommends approval.

Mayor Carpenter opened the public hearing and as no one spoke; closed the public hearing for Council comments. There were no comments.

Mayor Carpenter recognized Councilmember Thompson who moved, seconded by Mayor Pro-Tem Edwards to approve Resolution No. 17-R-14. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

Roll Call Vote Confirmation

Mayor Carpenter recognized City Secretary Brenda Dennis who provided the roll call votes for agenda items 1-9.

Executive Session

13. City Council will meet in closed session under section 551.074 of the Texas Government Code, Personnel Matters to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of the City Manager.

Mayor Carpenter recessed into Executive Session at 7:58 p.m.

Reconvene into Regular Session

Mayor Carpenter reconvened into regular session at 10:05 p.m.

13a. Take any action based on discussions held in closed session under Agenda Item 13.

Mayor Carpenter stated as Chair he moved, seconded by Councilmember Larson to retain the services of the City Manager and will re-evaluate his performance at his regular annual review in the summer time frame. **The vote was unanimous with Mayor Pro-Tem Edwards, Councilmembers Davis, Gutierrez, Larson, Thompson, Kiser and Crawford voting for and no one voting no. Motion passed.**

Requests and Announcements

10. Announcements by City Manager.

No further announcements were made.

11. **Future Agenda Item Request for City Council:** This is an opportunity for City Council members to request that items be placed on a future agenda. No discussion of the merits of the item may be taken at this time. Should a Council Member oppose placement of the requested item on a future agenda, the Mayor, without allowing discussion, shall ask for the consensus of the other City Council members to place or not place the item on a future agenda.

No requests were provided.

12. Announcements by Mayor and Councilmembers

- City and community events attended and to be attended
- City Council Committee and Liaison Assignments (see assignments below)
- Continuing education events attended and to be attended
- Recognition of actions by City employees
- Recognition of actions by community volunteers

Mayor Carpenter recognized Mayor Pro-Tem Edwards who said he had an opportunity to attend the San Antonio Rodeo this month with the Rodeo Committee and he really enjoyed it.

Mayor Carpenter recognized Councilmember Davis who attended the Fire Fighters Awards Banquet. He said you really learn to appreciate our emergency services personnel. It is quite a group we got there.

Mayor Carpenter recognized Councilmember Gutierrez who thanked Lowe's for hosting the home improvement expo held this past weekend.

Mayor Carpenter recognized Councilmember Thompson who thanked the public relations crew and whoever was responsible for producing the city video that was recently debuted at The Chamber luncheon. It was very well done. The idea to include Randolph AFB and the SCUCISD was very commendable and speaks well of the city and staff.

Mayor Carpenter recognized Councilmember Kiser who said Executive Director Brian James and herself went out Saturday to view the trail at the Heritage Parks. She also really loved the Schertz Magazine this week – it just happens to be her niece on the front cover!

Mayor Carpenter recognized Councilmember Crawford who said he also attended the Fire Fighters Awards Banquet. He also thanked the city for allowing him to attend the Elected Officials training hosted by TML earlier this month.

Adjournment

Mayor Carpenter adjourned the meeting at 10:08 p.m.

Michael R. Carpenter, Mayor

ATTEST:

Brenda Dennis, City Secretary

CITY COUNCIL MEMORANDUM

City Council Meeting: March 7, 2017

Department: Marshal's Office: Environmental Health

Subject: **Ordinance No. 17-M-10** Adoption of Texas Food and Beverage Establishment Rules *Final Reading*

BACKGROUND:

Currently the City's Health Code for Food Establishments references what had been the applicable sections of the Texas Administrative Code. The State restructured the Texas Administrative Code necessitating that the City update the references in the City's Code of Ordinances. The State did not make any substantive changes and thus this change by the City does not alter the requirements on Food Establishments.

The following is the current outdated reference:

The City of Schertz hereby adopts Title 25 of the Texas Administrative Code, as amended, Chapter 229, Sections 161 through 171 and 173 through 175, as amended from time to time regarding the regulation of food and/or beverage establishments within the City of Schertz.

The following is the proposed reference:

A person operating a food establishment, vending machine, mobile food establishment, temporary event, farmers market, or farmers market vendor booth shall comply with this chapter and, the City adopts the Texas Administrative Code Title 25, Part 1, Chapter 228 (Texas Food Establishment Rules) and Chapter 229, Subchapter N (Current Good Manufacturing Practice And Good Warehousing Practice In Manufacturing, Packing And Holding Human Food).

Council approved this on first reading at their meeting of February 28, 2017.

FISCAL IMPACT:

None

RECOMMENDATION:

It is recommended that the City of Schertz adopt this change to reference the applicable section of the Texas Administrative Code.

ATTACHMENTS

Ordinance No. 17-M-10

ORDINANCE NO. 17-M-10

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE CITY OF SCHERTZ CODE OF ORDINANCES CHAPTER 34, ARTICLE 11. FOOD ESTABLISHMENTS, SECTION 34-22, REGARDING THE ADOPTION OF THE TEXAS FOOD AND BEVERAGE ESTABLISHMENT RULES; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Section. 34-22. - Adoption of Texas Food and Beverage Establishment Rules currently references Chapter 229, Section 161 through 171 and 173 through 175 of the Texas Administrative Code, and

WHEREAS, the Texas Administrative Code has been restructured and the applicable portions of the Code have been renumbered, and

Whereas, The City Council of the City of Schertz has found that in order to protect the health, safety and welfare must update the reference in Section 34-22 to the applicable sections of the Texas Administrative Code.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS:

Section 1. That Section. 34-22 be amended as follows:

A person operating a food establishment, vending machine, mobile food establishment, temporary event, farmers market, or farmers market vendor booth shall comply with this chapter and, the City adopts the Texas Administrative Code Title 25, Part 1, Chapter 228 (Texas Food Establishment Rules) and Chapter 229, Subchapter N (Current Good Manufacturing Practice And Good Warehousing Practice In Manufacturing, Packing And Holding Human Food).

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 3. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 4. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 5. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of

such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 7. This Ordinance shall be effective upon the date of final adoption hereof and any publication required by law.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS, THAT THIS ORDINANCE WAS PASSED and APPROVED on first reading this the 28th day of February, 2017.

PASSED, APPROVED and ADOPTED on second reading this the 7th day of March, 2017.

APPROVED:

Michael R. Carpenter, Mayor

ATTEST:

City Secretary, Brenda Dennis

CITY COUNCIL MEMORANDUM

City Council Meeting: March 7, 2017
Department: City Secretary
Subject: Boards, Commissions and Committee
Member Resignations and Appointments

BACKGROUND

The City Secretary's Department recently received an application from Ms. Elizabeth Strong who is interested in serving on the Schertz Historical Preservation Committee. There is currently one regular position available. We also received a resignation from Ms. Lisa Locken from the Parks & Recreation Advisory Board.

Staff vetted the application of Ms. Strong through the Interview Committee and they were in concurrence to appoint her to the vacant position.

FISCAL IMPACT

None

RECOMMENDATION

Staff recommends ratifying the resignation of Ms. Lisa Locken and ratify the appointment of Ms. Elizabeth Strong as a regular member to the Schertz Historical Preservation Committee.

CITY COUNCIL MEMORANDUM

City Council Meeting:

Department:

Planning and Community Development

Subject:

Ordinance No. 17-C-06 – Conduct a public hearing and consideration and/or action approving an Ordinance amending the Schertz Code of Ordinances Chapter 18, Buildings and Building Regulations, Article IV, National Electrical Code, Section 18-81, Article 210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms. *First Reading* (B. James/L. Wood/G. Durant)

BACKGROUND

Goal

Staff has determined a need to revise the current building code, Chapter 18 Buildings and Building Regulation, Section 18-81 Amendments with regard to the separation of electrical outlets and showers and bathtubs in residential bathrooms. The amendment proposed would allow switches and receptacle outlets in a bathroom closer to a shower or bathtub provided certain safety requirements are met.
(Ordinance 15-C-20)

In October 2015 the City adopted updates to the building codes, including adopting the 2014 National Electrical Code (NEC) along with a number of local amendments. One of these amendments modified Section 210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms. The City included a provision that prohibited outlets, light and fan switches, and receptacle outlets from being located with five feet of edge of a shower or bathtub. This provision is intended to reduce the likelihood of someone being electrocuted while in the bathtub or shower.

Current code (Ordinance No. 15-C-20) requires:

210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms. No outlet, light or fan switch, or receptacle outlet shall be closer than 5 feet to a shower or bathtub from the inside edge of the fixture.

City Staff meets regularly with home builders in the City and representatives of the Greater San Antonio Builders Association (GSABA) to discuss issues and improve the permitting and inspections process. As part of those meetings, the builders brought up challenges in complying

with this provision. The small size of some bathrooms made it virtually impossible to comply with the minimum 5 foot separation requirement. As a result of the meeting the following proposed amendment was drafted to provide the building community flexibility in the installation of receptacles in bathrooms while maintaining safety and integrity of the electrical system for the consumer.

Proposed code amendment requires:

210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms. No light or fan switch, or receptacle outlet shall be closer than 3 feet to a shower or bathtub from the inside edge of the fixture. Exception: Where a Combination Ground Fault Circuit Interrupter/Arc Fault Circuit Interrupter over-current protective device is installed for the circuit supplying luminaires, switches, receptacles, and other electrical equipment located in the same room, and not directly associated with a bathtub or shower, no minimum clearances shall be required; but these devices shall be installed in accordance with the requirements of Chapters 1 through 4 of the National Electrical Code covering the installation of that equipment in bathrooms.

Community Benefit

Provide greater flexibility for placement of these devices and receptacle outlets within a bathroom while maintaining the safety aspects for the public.

Summary of Recommended Action

This building code amendment was presented in a presentation and discussion at the February 22, 2017 Planning and Zoning Commission Meeting where the Commission had no objections to the amendment.

Staff recommends that the public hearing be conducted and the first reading of the Ordinance be approved.

RECOMMENDATION

Approval of Ordinance on first reading.

ATTACHMENT

Ordinance No. 17-C-06

ORDINANCE NO. 17-C-06

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS AMENDING THE CODE OF ORDINANCES OF THE CITY OF SCHERTZ CHAPTER 18, BUILDINGS AND BUILDING REGULATIONS, ARTICLE IV, NATIONAL ELECTRICAL CODE, SECTION 18-81. AMENDMENTS. 210.52 DWELLING UNIT RECEPTACLE OUTLETS (D) BATHROOMS.

WHEREAS, the Texas Local Governmental Code empowers the cities to enact building codes and regulations and provide for their administration, enforcement, and amendment; and

WHEREAS, the regulation of building and building construction by the City of Schertz (the "City") is necessary to protect the public health and welfare; and

WHEREAS, the City Council of the City desires to protect the safety and welfare of the citizens of the City through regulation of construction activities in the City; and

WHEREAS, the City has recently updated the building codes by adopting the international codes and local amendments; and

WHEREAS, City Staff has continued to evaluate the need for local amendments related the electrical requirements in bathrooms; and

WHEREAS, City Staff sought input from the Planning and Zoning Commission on February 22, 2017 on this local amendment; and

WHEREAS, the City Council has determined that local amendments with regard to the electrical requirements of bathroom outlets, light or fan switches, or receptacle outlets, as set forth herein, is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SCHERTZ, TEXAS:

Section 1. Amendments.

Chapter 18, "Buildings and Building Regulations", Article IV, "National Electrical Code", Section 18-81. Amendments, "210.52 Dwelling Unit Receptacle Outlets (D) Bathrooms", is hereby amended to read as follows:

In dwelling units, at least one receptacle outlet shall be installed in bathrooms with 900 mm (3 ft.) of the outside edge of each basin. The receptacle outlet shall be located on a wall or partition that is adjacent to the basin or basin countertop, location the countertop, or installed on the side or face of the basin cabinet. In no case shall the receptacle be located more than 300 mm (12 in.) below the top of the basin. Receptacle outlet assemblies listed for the application shall be permitted to be installed in the countertop.

No light or fan switch, or receptacle outlet shall be closer than 3 feet to a shower or bathtub from the inside edge of the fixture.

Exception:

Where a Combination Ground Fault Circuit Interrupter/Arc Fault Circuit Interrupter over-current protective device is installed for the circuit supplying luminaires, switches, receptacles, and other electrical equipment located in the same room, and not directly associated with a bathtub or shower, no minimum clearances shall be required; but these devices shall be installed in accordance with the requirements of Chapters 1 through 4 of the National Electrical Code covering the installation of that equipment in bathrooms.

Section 2. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 3. All ordinances and codes, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters resolved herein.

Section 4. That all rights and privileges of the City are expressly saved as to any and all violations of the provision of any ordinances repealed by this ordinance which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violation and all pending litigation, both civil and criminal, whether pending in court or not, under such Ordinances, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

Section 5. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 6. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 7. This Ordinance shall be effective upon the date of final adoption hereof and any publication required by law.

PASSED, AND APPROVED on first reading the 7th day of March, 2017.

PASSED, APPROVED AND ADOPTED on final reading the 14th day of March, 2017.

Michael R. Carpenter, Mayor

ATTEST:

Brenda Dennis, City Secretary
(SEAL OF THE CITY)

CITY COUNCIL MEMORANDUM

City Council Meeting: March 7, 2017

Department: Planning & Community Development
(L. Wood)

Subject: Development Update

BACKGROUND

The Planning and Zoning Department has recently made changes to the department's financial and activity reports to better inform the Planning and Zoning Commission of new development projects in the City. The new monthly report includes financials, applications received, applications approved as well as the number of applications that are currently under review in the department. In the past staff has provided the Commission with a monthly financial report and a separate quarterly report of development projects as prescribed by the UDC. In an effort to better inform the commission staff determined that a single comprehensive monthly report of activity would better inform the commission and City Council of development activity.

ATTACHMENTS

December 2016 – Planning and Zoning Department report
January 2017 – Planning and Zoning Department report

Department Report

Month:	December 2016		
Department:	Planning & Community Development		
Division:	Planning and Zoning		
Department Head:	Lesa Wood		
Prepared By:	Bryce Cox		
Planning Activity	DEC 16	2016-17 YTD	2016-17 Budget
Applications Submitted			
Plats	\$5,500	\$22,500	\$57,000
Site Plans & Master Plans	\$1,500	\$7,500	\$37,500
BOA Variance and Appeals	\$0	\$0	\$3,000
Specific Use/Zone Change	\$6,000	\$13,000	\$12,600
Other (Zoning Verification Letters, etc.)	\$300	\$600	\$1,500
Totals	\$13,300	\$43,600	\$111,600
Plats - Received	3	15	36
Bindseil Farms - Final Plat			
Schertz Retail Center - Preliminary Plat			
Cal Stone Subdivision - Replat			
Site Plans/ Master Development Plans - Received	2	8	25
OJR RWRP - Site Plan			
Rose Garden Elementary - Site Plan			
BOA Variance and Appeals - Received	0	0	6
Specific Use/Zone Change - Received	2	5	8
611 & 615 Main Street - Rezone to MSMU			
Crossvine 3rd Amendment - PDD Amendment			
Applications Approved	Date Approved	Address	
Platform Warehouse Suites - Minor Plat	12/6/2016	7637 FM 3009	
Southeastern Freightlines Truck Maintenance Facility - Site Plan	12/6/2016	17454 Campus Drive	
Castilla Subdivision - Final Plat	12/14/2016	11670 Ware Seguin	
Cypress Point Unit 4 - Final Plat	12/14/2016		
Rose Garden Elementary Replacement - Preliminary Plat	12/14/2016	10414 E FM 1518	
Mobile Villa Estates Unit 1, Lot 64 - Replat	12/14/2016	17160 IH-35	
Ryder Truck Rental - Site Plan	12/20/2016	9993 Doerr Lane	
Southeastern Freightlines Dock Expansion - Site Plan	12/28/2016	7431 FM 3009	
Cottonwood Lots 2&3 Block 1 - Amending Plat	12/29/2016		

Department Report

Month:	January 2017		
Department:	Planning & Community Development		
Division:	Planning and Zoning		
Department Head:	Lesa Wood		
Prepared By:	Bryce Cox		
Planning Activity	JAN 17	2016-17 YTD	2016-17 Budget
Applications Submitted			
Plats	\$5,000	\$27,500	\$57,000
Site Plans & Master Plans	\$1,500	\$9,000	\$37,500
BOA Variance and Appeals	\$0	\$0	\$3,000
Specific Use/Zone Change	\$0	\$13,000	\$12,600
Other (Zoning Verification Letters, etc.)	\$500	\$1,100	\$1,500
Totals	\$7,000	\$50,600	\$111,600
Plats - Received	3	18	36
Sigma Subdivision - Replat			
Rose Garden Elementary Replacement - Final Plat			
Kutza Subdivision - Preliminary Plat			
Site Plans/ Master Development Plans - Received	1	9	25
Cottonwood Lot 7 (1996 Schertz Pkwy) - Site Plan			
BOA Variance and Appeals - Received	0	0	6
Specific Use/Zone Change - Received	0	5	8
Total Number of Applications Currently Under Review - 28			
Applications Approved	Date Approved	Address	
Comal ISD Middle School 6 - Site Plan	1/9/2017	370 Hubertus Rd.	
Verde Enterprise Business Park Unit 11, Lot 1, Block 13 (Staybridge Suites) - Site Plan	1/9/2017	5601 Schertz Pkwy	
O'Reilly Parking Lot Expansion - Revised Site Plan	1/18/2017	2751 FM 3009	
Riedel Subdivision - Minor Plat	1/20/2017	1050 & 1052 FM 78	
We Rent It - Site Plan	1/20/2017	18115 IH-35	
Bindseil Farms - Final Plat	1/25/2017		
The Crossvine Module 1, Unit 3 - Preliminary Plat	1/25/2017		
Platform Warehouse Suites - Site Plan	1/25/2017	7637 FM 3009	

MEMORANDUM

City Council Meeting: March 7, 2017

Department: Economic Development

Subject: The Capital Group Inc. 2016 tax reimbursement according to the Development Agreement

BACKGROUND

History: In August 2010, the City Council approved a Development Agreement among the City of Schertz, Texas, the City of Schertz Economic Development Corporation, and The Capital Group Companies, Inc. (“Capital Group”) (the “Agreement”). The Agreement established a performance-based tax incentive for the development of a data center facility. In consideration Capital Group would be eligible to receive an annual reimbursement of 75% of the taxable real and personal property of a period of eight years.

On January 10, 2017, Capital Group reported their compliance to the Agreement for the 2016 tax year. In accordance to the Agreement Capital Group has:

- Constructed a 50,000 square foot data center costing approximately \$35 million.
- Employed at least 2 full-time employees with an average annual payroll of approximately \$150,000.

Capital Group has paid all real and personal property taxes for the 2016 tax year. A copy of the 2016 statement of accounts is attached for verification.

FISCAL IMPACT

Capital Group’s 2016 total real and personal property tax value was \$23,941,026 (real property \$12,490,000 + personal property \$11,451,026). According to the Agreement, Capital Group will receive \$88,180.78 which is a 75% tax reimbursement for their real and personal property. The methodology for the reimbursement is noted below:

- $(\text{Total tax value} * 2016 \text{ Schertz tax rate}) / 100 = \text{total taxes paid} * 75\% = \text{Capital Group's 2016 tax reimbursement}$
- $(\$23,941,026 * 0.4911\%) / 100 = \$117,574.38 * 75\% = \$88,180.78$

STAFF RECOMMENDATION

Staff has evaluated the Agreement and found that Capital Group is compliant for the 2016 tax year. Staff recommends that the City Council authorize the reimbursement in accordance with the Agreement.

ATTACHMENT(S)

2016 Statement of Accounts (R663633 and P327932)

Statement Of Account

Office of Tavie Murphy Tax Assessor-Collector

Guadalupe Tax Office
 307 W. Court
 Seguin, TX 78155
 Ph: (830) 379-2315 Fax: (830) 303-3421

This is a statement of taxes paid and due as of 2/16/2017 based upon the tax records of the Office of Tavie Murphy Tax Assessor-Collector.

This document is not a tax certificate and does not absolve a taxpayer from tax liability in any way. Should this document be found to be in error, it may be corrected by the collections office. Responsibility to pay taxes remains with the taxpayer as outlined in the Texas Property Tax Code.

Property Information		Owner Information	
Property ID : 1G3383-6A09-00300-0-00		Owner ID : O0161498	
Quick-Ref ID : R663633		CAPITAL GROUP COMPANIES INC	
	Value Information	3500 WISEMAN BLVD	
5700 MID-CITIES PKWY	Land HS : \$0.00	SAN ANTONIO, TX 78251	
	Land NHS : \$553,849.00	Ownership: 100.00%	
	Imp HS : \$0.00		
	Imp NHS : \$11,936,151.		
VERDE ENTERPRISE	Ag Mkt : \$0.00		
BUSINESS PARK UNIT #6A	Ag Use : \$0.00		
BLOCK 9 LOT 3 GCO ABT	Tim Mkt : \$0.00		
75% THROUGH 2019 6.616	Tim Use : \$0.00		
AC GCO ABT 75%	HS Cap Adj : \$0.00		
THROUGH 2019	Assessed : \$12,490,000.		

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
CSC	2016	61,338.39	0.00	0.00	0.00	0.00
GGU	2016	11,713.94	0.00	0.00	0.00	0.00
RLT	2016	6,744.60	0.00	0.00	0.00	0.00
SCS	2016	183,603.00	0.00	0.00	0.00	0.00

Total for current bills if paid by 2/28/2017 : \$0.00
 Total due on all bills 2/28/2017 : \$0.00
 2016 taxes paid for entity CSC \$61,338.39
 2016 taxes paid for entity GGU \$11,713.94
 2016 taxes paid for entity RLT \$6,744.60
 2016 taxes paid for entity SCS \$183,603.00
 2016 Total Taxes Paid : \$263,399.93
 Date of Last Payment : 01/26/17

Statement Of Account

Office of Tavie Murphy Tax Assessor-Collector

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Property Information		Owner Information	
Property ID : 1G3383-6A09-00300-3-12		Owner ID : O0199128	
Quick-Ref ID : P327932		CAPITAL GROUP COMPANIES INC	
Value Information		ATTN: ESSH/M-3100	
		3500 WISEMAN BLVD	
5700 MID-CITIES PKWY	Land HS : \$0.00	SAN ANTONIO, TX 78251	
	Land NHS : \$0.00	Ownership: 100.00%	
	Imp HS : \$0.00		
	Imp NHS : \$0.00		
FURN FIXT & EQUIP GCO	Ag Mkt : \$0.00		
ABT 75% THROUGH 2019	Ag Use : \$0.00		
	Tim Mkt : \$0.00		
	Tim Use : \$0.00		
	HS Cap Adj : \$0.00		
	Assessed : \$11,451,026.		

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
CSC	2016	56,235.99	0.00	0.00	0.00	0.00
GGU	2016	9,478.59	0.00	0.00	0.00	0.00
RLT	2016	6,183.55	0.00	0.00	0.00	0.00
SCS	2016	168,330.08	0.00	0.00	0.00	0.00

Total for current bills if paid by 2/28/2017 : \$0.00
 Total due on all bills 2/28/2017 : \$0.00
 2016 taxes paid for entity CSC \$56,235.99
 2016 taxes paid for entity GGU \$9,478.59
 2016 taxes paid for entity RLT \$6,183.55
 2016 taxes paid for entity SCS \$168,330.08
 2016 Total Taxes Paid : \$240,228.21
 Date of Last Payment : 01/26/17

MEMORANDUM

City Council Meeting: March 7, 2017

Department: Economic Development

Subject: Caterpillar's 2016 tax reimbursement according to the Development Agreement

BACKGROUND

History: In October 2010, the City Council approved a Development Agreement among the City of Schertz, Texas, the City of Schertz Economic Development Corporation, and Caterpillar, Inc. ("Caterpillar") (the "Agreement"). The Agreement established a performance-based tax incentive for Caterpillar's multi-phased manufacturing facility. In consideration Caterpillar would be eligible to receive an annual reimbursement of 75% of all taxable personal property for a period of eight years.

On February 14, 2017, Caterpillar reported their compliance to the Agreement for the 2016 tax year. In accordance to the Agreement Caterpillar has:

- Constructed at least 400,000 square feet in connection with phase 1 and 2
- Employed at least 80 full-time employees with a minimum monthly payroll of \$300,000.

Caterpillar failed to pay the property taxes for Caterpillar Property ID 329842 which had a balance of \$56.85. According to Section 1 (iii) Caterpillar will only be reimbursed for the property taxes paid to the city. All other real and personal property taxes for the 2016 tax year were paid. A copy of the 2016 statement of accounts is attached for verification.

FISCAL IMPACT

Caterpillar's 2016 total personal property tax value was \$108,489,800 (machinery and equipment \$106,724,330 + computer and supplies \$1,765,470 + inventory \$0¹). According to the Agreement, Caterpillar will receive \$399,595.06 which is a 75% tax reimbursement for the taxable personal property paid to the City of Schertz. The methodology for the reimbursement is noted below:

¹ Caterpillar Property ID P329842 was excluded because the taxes have not been paid.

- $(\text{Total tax value} * 2016 \text{ Schertz tax rate}) / 100 = \text{total taxes paid} * 75\% = \text{Caterpillar's 2016 tax reimbursement}$
- $(\$108,489,800 * 0.4911\%) / 100 = \$532,793,41 * 75\% = \$399,595.06$

STAFF RECOMMENDATION

Staff has evaluated the Agreement and found that Caterpillar is compliant for the 2016 tax year. Staff recommends that the City Council authorize the reimbursement in accordance with the Agreement.

ATTACHMENT(S)

2016 Statement of Accounts (R631343, P328571, P328580, P3229842)

Statement Of Account

Office of Tavie Murphy Tax Assessor-Collector

Guadalupe Tax Office
 307 W. Court
 Seguin, TX 78155
 Ph: (830) 379-2315 Fax: (830) 303-3421

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Property Information		Owner Information	
Property ID : 2000050000020		Owner ID : O0154892	
Quick-Ref ID : P328571		CATERPILLAR INC	
		dba TEXAS MACHINING %THE	
		ARMSTRON CO	
		100 NE ADAMS ST AB4295	
		PEORIA, IL 61629	
		Ownership: 100.00%	
Value Information			
6800 DOERR LN SCHERTZ 78154	Land HS	:	\$0.00
	Land NHS	:	\$0.00
	Imp HS	:	\$0.00
	Imp NHS	:	\$0.00
MACHINERY & EQUIPMENT 6800 DOERR LN	Ag Mkt	:	\$0.00
	Ag Use	:	\$0.00
	Tim Mkt	:	\$0.00
	Tim Use	:	\$0.00
	HS Cap Adj	:	\$0.00
	Assessed	:	\$106,724,330.

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
CSC	2016	524,123.19	0.00	0.00	0.00	0.00

Total for current bills if paid by 2/28/2017 : \$0.00
 Total due on all bills 2/28/2017 : \$0.00
 2016 taxes paid for entity CSC \$524,123.19
 2016 Total Taxes Paid : \$524,123.19
 Date of Last Payment : 02/01/17

Statement Of Account

Office of Tavia Murphy Tax Assessor-Collector

Guadalupe Tax Office
 307 W. Court
 Seguin, TX 78155
 Ph: (830) 379-2315 Fax: (830) 303-3421

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Property Information		Owner Information	
Property ID : 420628000100		Owner ID : O0154892	
Quick-Ref ID : R631343		CATERPILLAR INC	
	Value Information	dba TEXAS MACHINING %THE	
6800 DOERR LN SCHERTZ	Land HS : \$0.00	ARMSTRON CO	
78154	Land NHS : \$1,621,150.00	100 NE ADAMS ST AB4295	
	Imp HS : \$0.00	PEORIA, IL 61629	
	Imp NHS : \$33,238,590.	Ownership: 100.00%	
PROLOGIS PARK TRI	Ag Mkt : \$0.00		
COUNTY, BLOCK 1, LOT 1	Ag Use : \$0.00		
	Tim Mkt : \$0.00		
	Tim Use : \$0.00		
	HS Cap Adj : \$0.00		
	Assessed : \$34,859,740.		

Entity	Year	Tax	Discount	P&I	Atty Fee	TOTAL
CSC	2016	171,196.19	0.00	0.00	0.00	0.00

Total for current bills if paid by 2/28/2017 : \$0.00
 Total due on all bills 2/28/2017 : \$0.00
 2016 taxes paid for entity CSC \$171,196.19
 2016 Total Taxes Paid : \$171,196.19
 Date of Last Payment : 02/01/17

Date: 3/01/2017

From: Finance Department

To: Mayor and Councilmembers

Subject: Mayor and Council Compensation

Ordinance 08-G-31 provides for annual pay adjustments based on the January Consumer Price Index (CPI) for the South Urban area. The CPI report for January was released mid-February.

Below is a table show the CPI percentage change and the compensation amounts per pay period.

	2016	2017
Mayor	\$ 233.24	\$ 239.30
Council	\$ 142.54	\$ 146.25
CPI		2.6%

For the pay date of March 24, 2017, Mayor and Councilmember pay will be set to the 2017 amounts shown in the table. There will be no retroactive adjustment to the pay amount.

Ordinance 08-G-31 allows for the Mayor or Councilmembers to opt out of the pay change by submitting a letter with this intent to the City Manager. If you would like to remain at your current pay level please notify the City Manager by March 14, 2017.

Thank you,

James Walters
Director of Finance