

Castle Hills City Council
Agenda Item Summary
August 14, 2018

CONSENT AGENDA

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Consent Agenda

Attachment

Accept the 2nd Quarterly Investment Report.



CITY OF CASTLE HILLS

CITY COUNCIL MEETING DATE:

Although state law requires only a quarterly investment report, the monthly report provided to City Council will show at least a rolling three month period so any quarterly report requirement will always be met.

The City has three investment venues totaling \$

I. International Bank of Commerce (IBC) - Money Market Account

II. Generations FCU - Certificate of Deposit (4)

III. MBIA Municipal Investors Service Corp - Texas CLASS

I. IBC

IBC is the City's banking depository. The Money Market account is instantly accessible and is secured by Governmental National

IBC Money Market Fund transactions are show below.

DATE	DEPOSIT	WITHDRAWAL	INTEREST	BALANCE
2018				
JANUARY				\$ 5,664,090.20
1/15/2018			\$ 4,874.22	\$ 5,668,964.42
1/30/2018		\$ 15.00		\$ 5,668,949.42
FEBRUARY				\$ 5,668,949.42
2/15/2018			\$ 5,558.69	\$ 5,674,508.11
MARCH				\$ 5,674,508.11
3/15/2018			\$ 5,629.43	\$ 5,680,137.54
APRIL				\$ 5,680,137.54
4/15/2018			\$ 6,928.21	\$ 5,687,065.75
MAY				\$ 5,687,065.75
5/15/2018			\$ 7,175.04	\$ 5,694,240.79
JUNE				\$ 5,694,240.79
6/17/2018			\$ 8,344.79	\$ 5,702,585.58

II. GENERATIONS FEDERAL CREDIT UNION

BALANCE

Business Checking & Regular Share Accounts

\$ 725,846.85

Certificate of Deposit

Share 0306 - \$260,000 purchased 6/01/17 @ 1.51% -- matures 6/01/2019

\$ 263,926.93

III. TEXAS CLASS (The following narrative information is from Texas CLASS)

Narrative

Texas CLASS is a local government investment pool emphasizing safety, liquidity, convenience and competitive yield. Since 1996, Texas CLASS has provided Texas public entities a safe and competitive investment alternative. Texas CLASS invests only in securities allowed by the Texas Public Funds Investment Act. The pool is governed by a board of trustees, elected annually by its participants. Texas CLASS is rated 'AAAm' by Standard and Poor's Ratings Services. The 'AAAm' principal stability fund rating is the highest assigned to principal stability government investment pools and is a direct reflection of Texas CLASS's outstanding credit quality and management.

Securities

The City of Castle Hills is invested in the Texas CLASS fund. The portfolio this reporting month contained the following securities by type:

U.S. Treasury	41.83%
U.S. Government Agency Securities	19.30%
Repurchase Agreement	35.90%
Money Market Funds	2.96%
	100%

Texas CLASS average monthly yield:

2018

January	1.56%
February	1.62%
March	1.75%
April	1.95%
May	2.06%
June	2.16%

July	-
August	-
September	-
October	-
November	-
December	-

Castle Hills Texas CLASS balances:

	<u>Month End</u> <u>Balance</u>	<u>Income</u>	<u>YTD Income</u>
2018			
Beginning Balance	\$ 334,310.00		\$ -
January	\$ 334,750.94	\$ 440.94	\$ 440.94
February	\$ 335,166.57	\$ 415.63	\$ 856.57
March	\$ 335,664.60	\$ 498.03	\$ 1,354.60
April	\$ 336,201.54	\$ 536.94	\$ 1,891.54
May	\$ 336,789.98	\$ 588.44	\$ 2,479.98
June	\$ 337,387.78	\$ 597.80	\$ 3,077.78

III. TREASURY DIRECT

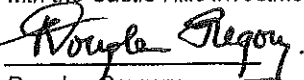
STATEMENTS OF COMPLIANCE OF INVESTMENT PORTFOLIO

Period Ending June 30, 2018

As evidenced by the market valuations and maturities described in this report, the investment of the City for the period ending June 30, 2018 comply with the investment policies and strategies as expressed in the City of Castle Hills Investment Policy. The investment objectives, in descending order of the priorities established by the City are:

Preservation and Safety of Principal Liquidity
Marketability
Diversification
Yield

To the best of my knowledge, the investment portfolio of the City of Castle Hills and the related investment transactions are in compliance with the Castle Hills Investment Policy and the Texas Public Funds Investment Act.



Douglas Gregory
City Treasurer/Investment Officer

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

I

Consider and act upon Resolution No. R18-08-14-A, approving, solely for the purpose of section 147(f) of the internal revenue code, the issuance by the capital trust agency of its senior living revenue bonds (American Eagle Portfolio Project), Series 2018, for the purpose of financing the senior living facilities therein described, one of which is located in the city; and providing an effective date.

RESOLUTION NO. R18-08-14-A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS, APPROVING, SOLELY FOR THE PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE, THE ISSUANCE BY THE CAPITAL TRUST AGENCY OF ITS SENIOR LIVING REVENUE BONDS (AMERICAN EAGLE PORTFOLIO PROJECT), SERIES 2018, FOR THE PURPOSE OF FINANCING THE SENIOR LIVING FACILITIES HEREIN DESCRIBED, ONE OF WHICH IS LOCATED IN THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "City Council") of the City of Castle Hills (the "City"), Texas (the "State"), has been informed that the Capital Trust Agency (the "Issuer") proposes to issue a principal amount not exceeding \$275,000,000 of its Senior Living Revenue Bonds (American Eagle Portfolio Project), Series 2018, in one or more tax-exempt or taxable series (the "Bonds"), the proceeds of which will be loaned to American Eagle Delaware Holding Company LLC, a Delaware limited liability company (the "Borrower"), and/or one or more related and/or affiliated entities (collectively, the "Obligated Group"), for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, construction, renovation, installation and equipping of the Senior Living Facilities (as hereinafter defined) to provide independent living, assisted living and memory care facilities for the elderly, (ii) the funding of an operating and maintenance fund to finance certain capital expenditures and start-up costs related to the Senior Living Facilities, (iii) the funding of one or more debt service reserve funds for the Bonds, and (iv) the payment of certain costs of issuing the Bonds (collectively, the "Project"); and

WHEREAS, the Senior Living Facilities consist of approximately seventeen independent living, assisted living and memory care facilities located in the States of Alabama, Colorado, Florida, Minnesota, Ohio, Tennessee, Texas and Wisconsin (collectively, the "Senior Living Facilities"), one of which is located in Castle Hills, Bexar County, Texas (the "Castle Hills Project"); and

WHEREAS, the Castle Hills Project is a senior living community in the City of Castle Hills, known as Brookdale Castle Hills, located on approximately 11.76 acres at 1207 Jackson Keller Road, Castle Hills, Bexar County, Texas, including land, buildings and equipment, consisting of approximately 136 independent or assisted living units (including approximately 159 beds) to be acquired by American Eagle Castle Hills, LLC, a Texas limited liability company whose sole member is the Borrower, with proceeds of the Bonds not to exceed \$3,985,000; and

WHEREAS, the Borrower and the Issuer have requested the City Council approve the issuance of the Bonds for purposes of Section 147(f) of the Code; and

WHEREAS, the Bonds, when issued by the Issuer, will be special, limited obligations of the Issuer payable solely from the proceeds to be derived from the repayment of the related loan to the Borrower or from the security pledged therefor by the Obligated Group, and the City will not be obligated to pay the Bonds or have any obligation or liability pecuniary or otherwise in any respect whatsoever with respect to the Bonds or the Castle Hills Project;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Castle Hills, Texas:

SECTION 1. Public Hearing. Pursuant to the Notice published in the *San Antonio Express News*, a newspaper of general circulation in the City, not less than fourteen (14) days prior to the date of the hereinafter-described public hearing, a public hearing was held on August 13, 2018 on behalf of the City by a representative of the Issuer (the "Hearing Officer") regarding the purpose for, and the issuance of, the Bonds, as required by Section 147(f) of the Code. A proof of publication of such Notice is attached hereto as Exhibit A, and is hereby incorporated herein by reference.

SECTION 2. Approval for Purposes of Section 147(f) of the Code. Solely for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the City Council hereby approves the issuance of the Bonds by the Issuer in an aggregate principal amount not exceeding \$275,000,000.

SECTION 3. Payment of Fees and Costs by Borrower. The fees and expenses of the City shall be paid by the Borrower at or prior to issuance of the Bonds.

SECTION 4. No Liability or Endorsement. The City shall have no obligation with respect to the Bonds, and the approval given herein by the City Council shall not be deemed or construed to create any obligation or liability, pecuniary or otherwise, of the City, in connection with either the Bonds or the Project in any respect whatsoever and the Issuer shall so provide in the documents related to the issuance of the Bonds. The general credit or taxing power of the City and the State or any political subdivision or public agency thereof shall not be pledged to the payment of the Bonds. No statement, representation or recital made herein shall be deemed to constitute a legal conclusion or a determination by the City that any particular action or proposed action is required, authorized or permitted under the laws of the State or the United States.

No recourse under or upon any obligation, covenant or agreement of this Resolution or the Bonds or any agreement executed in connection with the Bonds, or for any claim based thereon or otherwise in respect thereof, shall be had against any member of the City Council, the Mayor, the City Secretary or the City Attorney or any other staff or professionals retained by the City in connection with the issuance of the Bonds, as such, past, present or future, either directly or through the City, it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the members of the City Council, the

Mayor, the City Secretary or the City Attorney or any other staff or professionals retained by the City in connection with the issuance of the Bonds, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such member of the City Council, the Mayor, the City Secretary or the City Attorney or any other staff or professionals retained by the City in connection with the issuance of the Bonds, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution on the part of the City.

SECTION 5. Limited Scope of Approval. The approval given herein shall not be construed as: (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Castle Hills Project, and the City Council shall not be construed by reason of its adoption of this Resolution to make any endorsement, finding or recommendation or to have waived any right of the City Council or to have estopped the City Council from asserting any rights or responsibilities it may have in such regard.

SECTION 6. Indemnification. The receipt of the Indemnification Certificate and Agreement of the Borrower and the bond underwriter attached hereto as Exhibit B and Exhibit C, respectively, and incorporated hereby by reference, are a material inducement to the City in granting the approvals set forth herein.

[Remainder of Page Intentionally Left Blank]

SECTION 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

DONE AND RESOLVED by the City Council of the City of Castle Hills, Texas, this 14th day of August, 2018.

**CITY COUNCIL OF THE CITY OF CASTLE
HILLS, TEXAS**

(Official Seal)

By: _____
Timothy A. Howell, Mayor

ATTEST:

By: _____
Minerva Gonzales, Secretary

Approved as to form and legality:

By: _____
Michael S. Brennan, City Attorney

Exhibit A: Publisher's Affidavit Regarding Notice of Public Hearing

Exhibit B: Borrower's Certificate and Indemnification Agreement

Exhibit C: Underwriter's Certificate and Indemnification Agreement

EXHIBIT A

PROOF OF PUBLICATION

[Attached]

EXHIBIT B

BORROWER'S CERTIFICATE AND INDEMNIFICATION AGREEMENT

[_____] , 2018

The undersigned hereby certifies that he or she is authorized to execute and deliver this Indemnification Certificate of the Borrower and further represents, on behalf of American Eagle Delaware Holding Company LLC, a Delaware limited liability company (the "Borrower"), and/or one or more related and/or affiliated entities (collectively, the "Obligated Group"), the following (capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in Resolution No. _____ adopted by the City Council (the "City Council") of the City of Castle Hills, Texas (the "City") on August 14, 2018 (the "City Resolution") approving the issuance of the hereinafter defined Bonds:

(1) At the request of the Borrower, the Capital Trust Agency (the "Issuer") proposes to issue a principal amount not exceeding \$275,000,000 of its Senior Living Revenue Bonds (American Eagle Portfolio Project), Series 2018 (the "Bonds"), the proceeds of which will be loaned to the Borrower for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, construction, renovation, installation and equipping of the Senior Living Facilities (as defined in the City Resolution) to provide independent living, assisted living and memory care facilities for the elderly, (ii) the funding of an operating and maintenance fund to finance certain capital expenditures and start-up costs related to the Senior Living Facilities, (iii) the funding of one or more debt service reserve funds for the Bonds, and (iv) the payment of certain costs of issuing the Bonds (collectively, the "Project");

(2) The Senior Living Facilities consist of seventeen independent living, assisted living and memory care facilities located throughout the State of Florida (the "State"), one of which is located in Castle Hills, Bexar County, Texas (the "Castle Hills Project"). The Castle Hills Project is a senior living community in the City, known as Brookdale Castle Hills, located on approximately 11.76 acres at 1207 Jackson Keller Road, Castle Hills, Bexar County, Texas, including land, buildings and equipment, consisting of approximately 136 independent or assisted living units (including approximately 159 beds) to be acquired by American Eagle Castle Hills, LLC to be financed or refinanced from the proceeds of the Bonds in an amount not exceeding \$3,985,000;

(3) The issuance of the Bonds to finance the Project: (i) is appropriate to the needs and circumstances of, and will make a significant contribution to, the

economic growth of the City, (ii) will provide or preserve gainful employment, (iii) will promote commerce within the State, (iv) will provide safe, decent and accessible housing for the elderly, and (iv) will serve a public purpose by advancing the economic prosperity, public health, and the general welfare of the State and its people by providing for an assisted living facility within the meaning of Chapter 159, Part II, Florida Statutes, as amended;

(4) The City will continue to be able to cope satisfactorily with the impact of the Castle Hills Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the operation, repair, and maintenance of the Castle Hills Project and on account of any increases in population or other circumstances resulting therefrom;

(5) In order to finance the costs of the Project from the proceeds of the Bonds on a tax-exempt basis, it is necessary to hold a public hearing and approve the issuance of the Bonds for the purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code");

(6) The Borrower has requested the City Council to hold such public hearing and approve the issuance of the Bonds for purposes of Section 147(f) of the Code; and

(7) The City desires indemnification from the Borrower as a material inducement to the City Council holding such hearing and granting the foregoing approval.

NOW THEREFORE, THE UNDERSIGNED, ON BEHALF OF THE BORROWER, DOES HEREBY: Agree to defend the City and its officials, employees, attorneys and agents and the members of the City Council, and hold the City and its officials, employees, attorneys and agents and the members of the City Council, harmless against any and all claims, losses, liabilities or damages to property or any injury or death of any person or persons occurring in connection with the issuance of the Bonds or the acquisition or operation of the Castle Hills Project by or on behalf of the Borrower, including in the case of any and all negligence of such indemnitee, or in any way growing out of or resulting from the Castle Hills Project or from the issuance, sale or delivery of the Bonds, including, but not limited to, liabilities or costs arising under the Code, the Securities Act of 1933, the Securities Exchange Act of 1934 or any applicable securities law of the State, including, without limitation, all costs and expenses of the City, including reasonable attorneys' fees, incurred in connection therewith.

IN WITNESS WHEREOF, the Borrower has executed this Indemnification Certificate of the Borrower this _____ day of August, 2018.

AMERICAN EAGLE DELAWARE HOLDING
COMPANY LLC, a Delaware limited liability
company

By: _____

Name:

Title:

[Signature Page | Borrower's Certificate and Indemnification Agreement – AE Castle Hills]

EXHIBIT C

UNDERWRITER'S INDEMNITY AGREEMENT

[_____] , 2018

The undersigned on behalf of Piper Jaffray & Co. (the "Underwriter"), hereby proposes to enter into the following agreement, in consideration for the approval pursuant to Section 147(d) of the Internal Revenue Code of 1986, as amended, of the Capital Trust Agency Senior Living Revenue Bonds (American Eagle Portfolio Project), Series 2018 (the "Bonds") by the City of Castle Hills, Texas (the "City"), as follows:

The Underwriter represents to the City that (i) the Bonds will be offered and sold by the Underwriter in accordance with applicable state and federal laws and (ii) the Underwriter will provide access to an Official Statement to purchasers of the Bonds in accordance with applicable laws.

The Underwriter agrees to indemnify and hold harmless the City and its respective members, directors, officers, agents and employees (all of such indemnified parties being herein referred to as "Indemnified Parties") against any and all losses, claims, damages and liabilities (including without limitation the reasonable costs of investigating and defending any such claim or liability and the reasonable counsel fees incurred in connection therewith) (i) arising out of a violation by the Underwriter of its representations made in this Agreement; (ii) arising out of any statement or information contained in the offering document relating to the Bonds (the "Offering Memorandum") which was provided in writing by the Underwriter, or describing therein the Underwriter or its activities with respect to the Bonds, that is untrue in any material respect, or the omission therefrom of any information regarding the Underwriter or its activities with respect to the Bonds which should be contained therein which is necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading in any material respect; or (iii) caused by the failure of the Underwriter to comply with any registration or qualification requirements applicable to the Underwriter of the Bonds under any securities or "Blue Sky" law of any jurisdiction in which such registration or qualification is required; or (iv) caused by the failure of the Underwriter to comply with any applicable rule of the Municipal Securities Rulemaking Board; and to the extent of the aggregate amount, paid in settlement of any litigation commenced or threatened arising from a claim based upon any such violation or failure to comply, if such settlement is effected with the written consent of the Underwriter.

In case any claim shall be made or action brought against the Indemnified Parties, based upon the Offering Memorandum or this Agreement, in respect of which indemnity may be sought against the Underwriter, the Indemnified Parties shall promptly notify the Underwriter in writing setting forth the particulars of such claim or action and the Underwriter shall assume the defense thereof, including the retaining of counsel and the payment of all expenses. The

Indemnified Parties shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Parties unless the retaining of such counsel has been specifically approved by the Underwriter. If the Underwriter shall not have retained counsel for the defense of any such action or if the Indemnified Parties shall be advised and reasonably conclude that there may be defenses available to the City which are different from or additional to those available to the Underwriter, the Underwriter shall not have the right to direct the defense of action on behalf of any of the Indemnified Parties and the Indemnified Parties shall have the right to retain separate counsel in any such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be assumed by the Indemnified Parties.

This Agreement is made solely for the benefit of the Indemnified Parties, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representation and agreements by the undersigned in this Agreement shall survive the delivery of and payment for the Bonds, provided that said representations shall speak only as of the date hereof.

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

This Agreement shall be governed by the laws of the State of Texas.

[The remainder of this page is intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute and delivery this Indemnity Agreement as of the date first written above.

PIPER JAFFRAY & CO.

By: _____

Name: _____

Title: _____

[Signature Page | Underwriter's Indemnity Agreement – AE Castle Hills

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

II

Consider and act upon Resolution No. R18-08-14-B in opposition to the Streamlining the Rapid Evolution and Modernization of Leading-edge Infrastructure Necessary to Enhance (STREAMLINE Act) Small Cell Deployment Act (S. 3157) proposed by Senators of the United States Congress

Summary:

Senators John Thune (R- South Dakota) and Brian Schatz (D – Hawaii) recently introduced the Act. Much like pending Federal Communications System (FCC) rules, it would federalize municipal right-of-way authority and compensation. This proposed action by Congress would federalize municipal rights-of-way which is clearly an over-reach of authority by the federal government regarding rental/lease fees for use of municipal rights-of-way. While the FCC's statutory authority is debatable and would certainly be challenged in court, congressional action could be needlessly and permanently damaging. TML is asking cities to contact Senator Cruz who is a member of the Senate Commerce Committee and in opposition to federal mandates on local property.

Background:

Lobbyist for telecommunication companies managed to get legislation approved during the Texas Legislative Session in 2017. This was the first step in removing authority to negotiate for fair market rates for use of municipal rights-of-way, and authorized the use of municipal facilities for the siting of small cell node technology. This started the over-reach. The proposed congressional over-reach is far more damaging and could open the flood gates to other industries lobbying for more federalization resulting loss of authority and control of municipalities own property and facilities.

Issue:

The proposed congressional over-reach is far more damaging and could open the flood gates to other industries lobbying for more federalization resulting loss of authority and control of municipalities own property and facilities.

Pros:

Supporting this Resolution and following up with Texas Senators Cruz and Cornyn voicing how this legislation would result in municipalities attempting to maintain authority over their rights-of-way.

Cons:

Municipalities lose potential rental/lease funds for use of rights-of-way. Municipal facilities are used without or with limited ability to require concealment or aesthetic features. This is a slippery slope for loss of authority and use fees. Development of uniform regulations across

the nation might result in better telecommunication system infrastructure providing greater access to telecommunication at a lower price for the populous, but becomes subsidized by municipalities.

Attachments:

TML Article "Feds Move in on Small Cells" dated July 6, 2018
Resolution R-18-08-14C

Fiscal Impact:

Unknown at this time. 2018 Annual Budget shows an anticipated revenue from franchise fees for this fiscal year at \$475,000.00 with \$258,050.79 having been collected as of May 31, 2013 (unaudited YTD).

Recommendation:

Approve Resolution R18-08-14C and mail letters of opposition to Senator Cruz and Senator Cornyn.

Submitted by: R. Rapelye, City Manager

Date 08.03.2018



RESOLUTION R18-08-14-B

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE HILLS IN OPPOSITION TO THE STREAMLINING THE RAPID EVOLUTION AND MODERNIZATION OF LEADING-EDGE INFRASTRUCTURE NECESSARY TO ENHANCE (STREAMLINE ACT) SMALL CELL DEPLOYMENT ACT (S. 3157) PROPOSED BY SENATORS OF THE UNITED STATES CONGRESS.

WHEREAS, the City Council opposes legislation that would federalize municipal rights-of-way authority and compensation; and

WHEREAS, the Texas Legislature in 2017 passed Senate Bill 1004 that already preempts many facets of small cell deployment mandating the use of city property for less than fair market value, clearly in violation of Texas law on right-of-way compensation; and

WHEREAS, Senate Bill 1004 limits cities to a rental fee of \$250 per small cell node, which is far less than the \$1,500 to \$2,500 companies must pay on the open market; and

WHEREAS, Cities under the Texas Constitution are mandated to receive fair market rental value for use of public rights-of-way and Senate Bill 1004 subsidizes private companies for this use of public property in the deployment of small cell nodes; and

WHEREAS, the City of McAllen and a coalition of approximately 40 cities in Texas have filed a lawsuit challenging the state law cap; and

WHEREAS, the STREAMLINE Act would likely lower the \$250.00 cap even more; and

WHEREAS, the proposed STREAMLINE Act further degrades municipal control over rights-of-way; and

WHEREAS, the low fee for use of the rights-of-way are a legislatively-mandated taxpayer subsidy to the cellular industry as it allows nearly free use of taxpayer-owned rights-of-way and facilities; and

WHEREAS, the STREAMLINE Act further imposes new requirements such as providing that fees must be "competitively neutral, technology neutral, and nondiscriminatory; and based on actual and direct costs"; and

WHEREAS, the STREAMLINE Act limits local authority over "small wireless facilities (e.g. small cell nodes)" to "objective and reasonable...structural engineering

standards based on generally applicable codes; limits safety requirements; and limits aesthetic or concealment requirements; and

WHEREAS, the City Council finds it troubling that the Texas Legislature passed legislation interfering with the free-markets, and it would be unconscionable for Congress to attempt to do so with the STREAMLINE Act.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Castle Hills, Texas is strongly opposed to any state or federal legislation including the STREAMLINE Act, S. 3157 which federalizes municipal rights-of-way, removing fair market fees for use of municipal rights-of-way, and limits municipal authority in an over-reach which is not constitutionally sound. Furthermore, cellular providers do not have to use city facilities to deploy their networks, but have the financial ability to negotiate a fair market value with private business for a license or lease to use their facilities.

PASSED AND APPROVED, on the 14th day of August, 2018.

Timothy A. Howell, Mayor

ATTEST:

Minerva Gonzales, City Secretary

Castle Hills City Council

Agenda Item Summary

August 14, 2018

AGENDA ITEM

III

Consider and act upon Resolution No. R18-08-14-C, to ratify the appointments on the Crime Prevention District Board, ratify all actions taken by the board on expenditures made from September 1, 2016 through August 14, 2018.

Summary: Certain appointments of CCPD board members were not timely made by the city council. Unaware of the problem, the members concerned continued to serve on the CCPD board in good faith, and the CCPD board proceeded as if the appointments had been properly made. It is now necessary and appropriate to correct and ratify the appointments as of the date the appointments should properly have been made.

Background: CCPD board members are appointed for two-year terms beginning on September 1 and terminating on August 31 two years later. The problem appears to have arisen because of replacement of departing members before the end of their term. The replacements were in some cases appointed to a two-year term beginning on their appointment date, instead of being appointed to fill the remainder of the departing member's term. Alternatively, council may have simply failed to make appointment of CCPD board members when appropriate. While there is a presumption of validity to all legislative actions, questions may remain and should be put to rest.

Issue: The lack of a fully staffed CCPD board and participation of members who lacked proper appointment by City Council calls into question all the budgets, decisions, actions and expenditures of the CCPD board during the time when this situation existed. Therefore, it is appropriate to review the accounting records and expenditures of the CCPD board during this period to ensure that accounts are accurate and that all expenditures comply with the governing statute. Ratification of appointments helps to clarify the issues and remove doubt as to the legitimacy of CCPD Board actions

Pros: Ratification legitimizes appointments as of the time they should have properly been made. Ratification of appointments legitimizes the actions of the board during this period. Further, this proposal includes review of accounts and actions taken by the board to insure compliance with governing law.

Cons: None.

Attachments: Letter of Finance consultant, Lara Feagins, confirming the accuracy of CCPD account figures as well as the current and proposed budget figures. Letter of Police Chief Johnny Siemens, confirming that all CCPD expenditures during the period in question comply with the terms of the governing statute.

Fiscal Impact: None

Recommendation: That Council approve the resolution: 1). ratifying the appointment of Nick Daines to a term on the CCPD board beginning September 1, 2016 and ending August 31, 2018; 2). ratifying the appointment of Patsy Martin to a term on the CCPD board beginning September 1, 2017 and ending August 31, 2019; 3). recognize that during the period since May of 2016, Nick Daines has acted as de facto president of CCPD board despite lack of proper and timely election by the members

Submitted by Clyde R "Skip" McCormick

Date 08.07.2018



CITY OF CASTLE HILLS
RESOLUTION No. R18-08-14-C

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF
CASTLE HILLS TEXAS, TO RATIFY THE
APPOINTMENTS ON THE CRIME PREVENTION
DISTRICT BOARD AND RATIFY OF ALL ACTIONS
TAKEN BY THE BOARD ON EXPENDITURES MADE
FROM SEPTEMBER 1, 2016 THROUGH AUGUST 14, 2018.**

WHEREAS, CCPD board members are appointed for two-year terms beginning on September 1 and terminating on August 31 two years later; and

WHEREAS, Certain appointments of CCPD board members were not timely made by the city council. Unaware of the problem, the members concerned continued to serve on the CCPD board in good faith, and the CCPD board proceeded as if the appointments had been properly made. It is now necessary and appropriate to correct and ratify the appointments as of the date the appointments should properly have been made; and

WHEREAS, it is appropriate to review the accounting records and expenditures of the CCPD board during the period since September 1, 2016 to ensure that accounts are accurate and that all expenditures comply with the governing statute.

NOW, THEREFORE, BE IT RESOLVED THAT BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS, THAT:

SECTION 1. The City Council hereby ratifies the appointment of Nick Daines to a term on the CCPD board beginning September 1, 2016 and ending August 31, 2018.

SECTION 2. The City Council hereby ratifies the appointment of Patsy Martin to a term on the CCPD board beginning September 1, 2017 and ending August 31, 2019.

SECTION 3. The City Council recognizes that, during the period since September 1 2016, Nick Daines has acted as de facto president of CCPD board and that his actions were taken in good faith and with the participation and tacit approval of the CCPD Board. It is Further resolved that the actions of Nick Daines were reasonable and appropriate under the circumstances.

SECTION 4. The City Council has reviewed the letters of Police Chief Siemens and Financial consultant Lara Feagins, attached hereto, and resolves that all CCPD expenditures were properly accounted for and that budgeting and expenditures made by the CCPD board during the period since September 2, 2016 comply with the Texas Statute governing the CCPD.

DULY RESOLVED AND APPROVED by the Castle Hills City Council on this 14th day of August, 2018.

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brennan, City Attorney



Castle Hills Police Department

209 Lemonwood Dr.
Castle Hills, Texas 78213
210-342-2341
Fax 210-342-5358

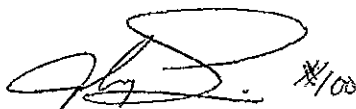


JOHNNY SIEMENS
CHIEF OF POLICE

TO: Councilman McCormick
FROM: Chief. J. Siemens #100
DATE: 08/07/2018
REF: Crime Control Prevention District

Councilman,

I have conducted an internal audit for the last two years of Crime Control budget activity/purchases dating back two years to 08/16. This audit was independent from the external financial audit conducted annually. Although I have only served in my current capacity for approximately 12 months, I was quite familiar with Crime Control budget activity/purchases dating back to 2013. That said, I can say with confidence that all such activity/purchases have been done so as outlined in TEXAS LOCAL GOVERNMENT CODT, TITLE 11. PUBLIC SAFETY, SUBTITLE C. PUBLIC SAFETY PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT, CHAPTER 363. CRIME CONTROL AND PREVENTION DISTRICTS, SUBCHAPTER D. POWERS AND DUTIES, Sec. 363.151. DISTRICT RESPONSIBILITIES; LIMITATIONS ON EXPENDITURES. More aptly, all budget activity/purchases have been consistent with costs associated with personnel, administration, expansion, enhancement, and capital expenditures.


Johnny Siemens
Chief, Castle Hills PD

To: Councilman McCormick

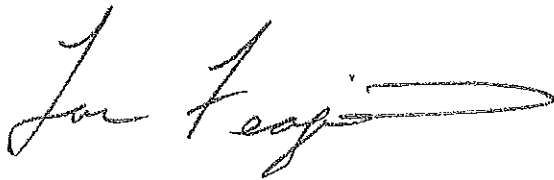
From: Lara Feagins, Finance Consultant

Date: August 10, 2018

REF: Crime Control Prevention District

I created a revenue and expense statements in an excel spreadsheet for the past 5 years out of the City's accounting software known as Asyst. I then reviewed the City's annual financial reports for those same years to ensure that the Fund Balance walked forward. I have prepared a spreadsheet attached hereto, which reflects the audited CCPD account as well as current budget figures and the projected budget for FY 2019. All these figures are accurate and reflect current account balances.

If any further questions or information is needed please do not hesitate to ask.

A handwritten signature in cursive script, appearing to read "Lara Feagins", followed by a long horizontal flourish.

City of Castle Hills

Crime Control and Prevention District (50)

	Audited 12/31/2013	Audited 12/31/2014	Audited 12/31/2015	Audited 12/31/2016	Audited 12/31/2017	5 Year Average	2018 Annual Budget	Un-Audited YTD June 30, 2018	2019 CM Proposed Budget	Change
BEGINNING FUND BALANCE	458,264	330,303	380,791	461,638	444,506		656,181	656,181	700,181	
50-00-4060 Miscellaneous	-	2,250.00	-	-	-	1,547.75	700.00	5,045.54	4,000.00	3,300
50-00-4090 Interest	693.74	1,602.12	738.73	961.32	3,742.84	110.95	-	-	-	-
50-00-4095 Interest - CD	554.77	-	-	-	-	243,065.36	240,000.00	125,402.87	256,250.00	16,250
50-00-4300 Sales and Use Tax	224,504.42	233,930.20	249,550.32	254,079.62	253,262.22	26,560.00	90,000.00	-	208,500.00	118,500
50-00-4500 Sale of Equipment	23,100.00	30,700.00	-	79,000.00	-	-	330,700.00	130,448.41	538,000.00	207,300
50-00-4990 Transfer in From Fund Balance	<u>248,852.93</u>	<u>268,482.32</u>	<u>250,289.05</u>	<u>334,040.94</u>	<u>257,005.06</u>					
50-00-5070 Miscellaneous	372.00	988.00	19,833.02	35.16	388.78	4,319.39	500.00	-	500.00	-
50-00-8105 Patrol Cars - Future	204,900.00	-	43,355.00	255,411.00	21,821.60	105,097.52	60,000.00	-	60,000.00	-
50-00-8106 Purchase - Patrol Cars	-	-	-	-	-	-	-	-	256,000.00	256,000
50-00-8107 Traffic Vehicle - Future	-	-	-	-	-	-	10,000.00	-	15,000.00	5,000
50-00-8108 Purchase - Traffic Vehicle	-	-	-	-	-	-	-	-	-	-
50-00-8110 CID Vehicles - Future	51,009.00	93,183.25	-	-	-	28,838.45	25,000.00	-	25,000.00	-
50-00-8111 Purchase - CID Vehicles	-	-	-	-	-	-	20,000.00	-	20,000.00	-
50-00-8115 Radios - Future	-	-	17,453.50	-	-	3,490.70	110,000.00	-	-	(110,000)
50-00-8116 Purchase - Radios	-	-	-	-	-	2,990.00	-	-	-	-
50-00-8117 Software Upgrade	14,950.00	-	-	-	-	14,832.43	12,500.00	-	12,500.00	-
50-00-8120 Video Equipment - Future	-	44,000.00	27,087.00	3,075.16	-	-	-	-	-	-
50-00-8121 Purchase - Video Equipment	-	-	-	-	-	18,608.18	12,000.00	-	12,000.00	-
50-00-8125 Mobile Data Computers - Future	35,856.32	-	18,708.12	38,476.44	-	-	-	-	36,000.00	36,000
50-00-8126 Purchase - Mobile Data Computers	-	-	-	-	-	5,205.75	25,000.00	1,542.50	25,000.00	-
50-00-9011 Equip/Fuel/Maint	13,212.57	7,506.47	-	-	5,309.72	40.00	-	-	-	-
50-00-9012 Personnel	-	-	-	-	200.00	8,552.94	500.00	-	500.00	-
50-00-9014 Admin Support	-	200.00	16,006.31	26,558.41	-	19,569.41	30,000.00	5,943.40	30,000.00	-
50-00-9015 IT Support	38,299.96	45,911.63	1,000.00	-	12,635.47	600.00	1,000.00	-	2,000.00	1,000
50-00-9021 CID Training	-	1,000.00	-	1,000.00	1,000.00	217.53	2,000.00	1,000.00	2,000.00	-
50-00-9022 SWAT Training	-	-	87.63	-	1,000.00	343.86	500.00	-	500.00	-
50-00-9023 Dispatch Training	-	282.24	943.06	494.00	-	10,863.89	1,200.00	474.46	5,000.00	3,800
50-00-9024 Community Programs	2,012.74	852.79	24,968.39	26,122.94	362.60	8,580.60	36,000.00	25,475.84	36,000.00	-
50-00-9025 Software Support	<u>16,201.50</u>	<u>24,070.00</u>	<u>-</u>	<u>2,631.51</u>	<u>2,631.51</u>		<u>346,200.00</u>	<u>34,436.20</u>	<u>538,000.00</u>	<u>191,800</u>
	<u>376,814.09</u>	<u>217,994.38</u>	<u>169,442.03</u>	<u>351,173.11</u>	<u>45,329.68</u>					
Excess Revenue/(Loss)	(127,961.16)	50,487.94	80,847.02	(17,132.17)	211,675.38		(15,500.00)	96,012.21	-	-
TOTAL ENDING FUND BALANCE	330,303	380,791	461,638	444,506	656,181		640,681	752,193	700,181	

ENDING COMMITTED FUND BALANCE
Assigned - Patrol Cars 268,606
Assigned - Traffic Vehicle 177,500
Assigned - CID Vehicle 30,000
Assigned - Radios 125,000
Assigned - Video Equipment 50,000
Assigned - Mobile Data Computers 39,075

* These line items are not actual expenses but funds being set aside/used for equipment. The true effect on ending fund balance.

636,181*

Castle Hills City Council

Agenda Item Summary

June 12, 2018

AGENDA ITEM

IV

"Consider and act upon Resolution No. R18-08-14-D, confirming up to five members to the CCPD Board to replace those positions that have expired, will be expiring or who have recently resigned and report the irregularities that occurred during the past two years to the State Comptroller's Office.

Summary:

Confirm the Crime Control Prevention District (CCPD) directors to replace the expired and vacant district positions.

Background:

The CCPD has by state law seven directors who serve staggered two-year terms that expire on September 1. Three directors expire one year and four directors the next year. A vacancy in the office of director shall be filled for the unexpired term in the same manner that the vacant position was originally filled. The city council by resolution appoints the directors to CCPD. The state law makes no provisions for cases where a new director is not appointed at the end of a term. The City Attorney advises that typically the practice is for the director to continue to occupy the position until a successor is sworn in (commonly referred to as "holding over in good faith"). LGC 363.101(a-e)

Issue:

The current make-up of the directors:

	Appointed	Start of Term	Term	Expiration of Term
Nick Daines	? 2016	September 2, 2016	2	September 1, 2018
David Olivares	August 9, 2016	September 2, 2016	2	September 1, 2018
Patsy Martin (filling vacated position)	March 8, 2016	September 2, 2017 (original term)	1	September 1, 2017
Tom Hurst	June 13, 2017	September 2, 2017	1	September 1, 2019
Glenn Cross	June 13, 2017	September 2, 2017	1	September 1, 2019
Michael Poole (Filling vacated position) ***	2015; Reappointed July 2017	September 2, 2017	1	September 1, 2019
John Squire (filling vacated position)	July 11, 2017	September 2, 2016	2	September 1, 2018

NOTE Director position VACANT

Pros:

The CCPD directors will be current in appointment. Those directors with expired terms shall cease their positions immediately with new appointments becoming effective September 2nd. The CCPD will function with a full slate of directors duly appointed.

Cons:

None at this time.

Attachments:

None.

Fiscal Impact:

None at this time

Recommendation:

Dismiss the expired directors immediately. Appoint five new directors to fill all vacancies. Appointments will take effect September 2, 2018. Direct the CCPD to schedule their next meeting on or after September 2, 2018.

Submitted by Councilman Gregory **Date** 08.10.2018



CITY OF CASTLE HILLS
RESOLUTION No. R18-08-12-D

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF
CASTLE HILLS TEXAS, CONFIRMING UP TO FIVE
MEMBERS TO THE CCPD BOARD TO REPLACE THOSE
POSITIONS THAT HAVE EXPIRED, WILL BE EXPIRING
OR WHO HAVE RECENTLY RESIGNED AND REPORT THE
IRREGULARITIES THAT OCCURRED DURING THE PAST
TWO YEARS TO THE STATE COMPTROLLER'S OFFICE.**

WHEREAS, The City of Castle Hills desires to confirm up to five members to the Crime Control Prevention District; and

WHEREAS, to fill positions due to resignations and for expiring or expired terms; and

WHEREAS, report the irregularities that occurred during the past two-years to the state comptroller's office.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
CASTLE HILLS, TEXAS THAT:**

SECTION 1. The Castle Hills City Council desires appoint five members to the Crime Control Prevention District.

SECTION 2. Council Member _____, Place ___, motioned to nominate residents

to serve on the "Crime Control Prevention District" term ending May 31, 2020;

seconded by Council Member _____, Place ___. Vote ___;

(Aye _____ Nay _____)

SECTION 3. This resolution shall take effect immediately from and after its adoption.

PASSED AND APPROVED this the 14th day of August, 2018.

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brennan, City Attorney

Castle Hills City Council

Agenda Item Summary

August 14, 2018

AGENDA ITEM



Consider and act on Resolution No. R18-08-14-F to establish and appoint six citizens and one member of the City Council to the "Ad HOC MPO Project Committee" to prepare project proposals responsive to the Alamo Area Metropolitan Planning Organization RFP's for the benefit of our city.

Summary: The AAMPO publishes Requests for Proposals periodically, usually every two years. A submission period of about six months is set, then responses are evaluated. In 2016 the AAMPO received 40 project proposals and 28 were selected to be funded. Two of them were for walking trails in Castle hills. With careful preparation, we can expect to do better. New RFP's are expected in October 2018.

Background: The Alamo Area Metropolitan Planning Organization (AAMPO) has an annual budget of over \$200 million dollars. While their primary focus is directly on transportation, they may also take up projects related to transportation. They have subcommittees that focus on bike and pedestrian travel as well as roadways.

Issue: Whether to establish a committee to take advantage of AAMPO funding resources.

Pros: Ability to focus on local problems, resolve local issues and perhaps take up joint projects with San Antonio. This might allow us to access hitherto untapped funding resources at reduced or no costs to the city. Project proposals could be used to support grant applications.

Cons: None

Attachments: Draft Resolution

Fiscal Impact: Possible very minor expenses in proposal preparation and submission.

Recommendation: Establish and appoint a committee consisting of six citizens and one council member, all selected by the City Council, to constitute the Ad HOC MPO Project committee. This committee is tasked with selecting projects responsive to MPO RFPs, drafting and submission of project responses timely to MPO submission requirements. Submissions to MPO will be presented and reviewed by City Council before submission to AAMPO. This committee may pursue joint projects with other cities if appropriate and approved in advance by city council. Committee will select its own chairperson and may, if appropriate, on its own vote and after notice to City Council, request the participation of up to two additional citizens with needed special competence. Committee may also require participation, from time to time, of City Manager and Director of Public Works. Council will consider this Committee for re-tasking or dissolution by May of 2019.

Submitted by McCormick, Gregory

Date 8/07/2018



CITY OF CASTLE HILLS
RESOLUTION No. R18-08-12-E

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS TEXAS, ESTABLISHING THE METROPOLITAN PLANNING ORGANIZATION (AAMPO) "MPO/RFP PROJECT COMMITTEE"; APPOINTING SIX (6) CITIZENS AND ONE (1) COUNCIL MEMBER TO PREPARE PROJECT PROPOSALS TO BENEFIT OUR CITY; AND SETTING AN EFFECTIVE DATE.

WHEREAS, The Alamo Area Metropolitan Planning Organization (AAMPO) publishes requests for proposals periodically, usually every two years, a submission period of about six months is set, then responses are evaluated; and

WHEREAS, in 2016 the AAMPO received 40 project proposals and 28 were selected to be funded and two of them were for walking trails in Castle Hills; and

WHEREAS, the City Council desires to establish the "Metropolitan Planning Organization RFP Project Committee" comprised of six citizens and one Council member.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS THAT:

SECTION 1. The Castle Hills City Council desires to establish the "Metropolitan Planning Organization RFP Project Committee" to be comprised of six citizens and one Council member.

SECTION 2. This committee is tasked with selecting projects responsive to MPO RFPs and drafting and submission of project responses timely to satisfy MPO submission requirements. Submissions to MPO will be presented and reviewed by City Council before submission to AAMPO.

SECTION 3. This committee may pursue joint projects with other cities if appropriate and approved in advance by city council.

SECTION 4. The Committee will select its own chairperson and may, if appropriate, on its own vote and after notice to City Council, request the participation of up to two additional citizens with needed special competence.

SECTION 5. The Committee may also require participation, from time to time, of City Manager and Director of Public Works. Council will consider this Committee for re-tasking or dissolution by May of 2019.

SECTION 6. Council Member _____, Place ____, motioned to nominate Council Member _____, Place __ to serve on the "Metropolitan Planning Organization RFP Project Committee" term ending May 31, 2019; seconded by Council Member _____, Place __. Vote ____; (*Aye* _____ *Nay* _____)

SECTION 7. The Council Members each nominated a resident to serve on the "Metropolitan Planning Organization RFP Project Committee" term ending May 31, 2019.

SECTION 8. Council Member McCormick, Place 1, motioned to nominate resident _____, Place 1 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 9. Council Member Maretta Scott, Place 2, motioned to nominate resident _____, Place 2 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 10. Council Member Amy McLin, Place 3, motioned to nominate resident _____, Place 3 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 11. Council Member Lesley Wenger, Place 4, motioned to nominate resident _____, Place 4 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 12. Council Member Douglas Gregory, Place 5, motioned to nominate resident _____, Place 5 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 13. Mayor Timothy Howell nominated resident _____, which nomination was moved by Council Member _____, for Place 6 on the MPO/RFP Project Committee; seconded by _____, vote ____ (*Aye* _____ *Nay* _____)

SECTION 15. This resolution shall take effect immediately from and after its adoption.

PASSED AND APPROVED this the 14th day of August, 2018.

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brennan, City Attorney

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

VI

Consider and act on Resolution No. R18-08-14-F, authorizing and directing the Mayor to explore the creation of a North Central Economic Development Alliance, to improve city and area economic activity and enable participation in The Alamo Area Metropolitan Planning Organization and other agencies.

Summary:

Because we are a landlocked small city with limited population, our economic life blood depends largely on good transportation for outside residents to use our local businesses. The Alamo Area Metropolitan Planning Organization (AAMPO) controls a budget of over \$200 Million Dollars annually focused mainly on Transportation and related projects. An alliance with other small cities might help us participate more effectively than our current representation which is only through the Greater Bexar County Council of Cities.

Background:

We have several roads in or abutting our city which are maintained by TXDOT and are a focus for attention because of their import to the transportation issue. For example: IH 410, N.W. Military (FM/UR 1535) and Blanco (FM 2696). Other roads are important because of their impact as feeders to the main transportation routes. In addition, drainage issue may be addressed also. Joint projects with other cities to address nearby roads outside of Castle Hills are often favored because they affect more people. In order for a North Central Alliance to join the AAMPO, it would first need to represent at least 55,000 citizens.

Issue:

Whether to explore the establishment of an alliance of North Central cities located along and between IH 281, IH 10 with possible inclusion of Terrell Hills, Alamo Heights and Olmos Park, and North towards Spring Branch.

Pros:

If the NCA can include as many as 55,000 citizens or more, then voting Membership in the AAMPO may be possible, increasing voting leverage to obtain MPO funds for local projects or joint projects with other cities. Interaction with other cities may afford participation in area or joint projects that favorably impact city economy. This has already been done once by the North East Partnership (NEP), so we at least have their experience to learn from.

Cons:

We will need committed volunteers to explore this possibility. There may be some small expense costs if the concept proceeds to fruition. If the NCA decides to join the MPO, then shared membership costs might be a factor. Since participation would be by volunteers, personnel costs should be minimal.

Attachments:

Draft Resolution

Fiscal Impact:

The initial exploration and consideration of the idea should cost little beyond minimal expenses. Actual organizing costs and initial operating expenses should be small and will be incurred only on a decision to proceed once that stage is reached and found to be desirable and worthwhile.

Recommendation:

Approve Resolution No. R18-07-12-A, to authorize and direct the Mayor to explore the establishment of a North Central Economic Development Alliance (NCA) to improve growth, economic development and more effective participation in State and Federal funding for Transportation and other programs that help build and improve our city; and to report back to council as appropriate, but not later than the January 2019 Council meeting, with his recommendation as to further action. The Mayor is authorized to set up an *ad hoc* committee at his discretion to assist with this project and report.

Submitted by McCormick

Date 07 -02-2018



CITY OF CASTLE HILLS
RESOLUTION No. R18-08-14-F

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS TEXAS, AUTHORIZING AND DIRECTING THE MAYOR TO EXPLORE THE CREATION OF A NORTH CENTRAL ECONOMIC DEVELOPMENT ALLIANCE (NCA), TO IMPROVE CITY AND AREA ECONOMIC ACTIVITY AND ENABLE PARTICIPATION IN THE ALAMO AREA METROPOLITAN PLANNING ORGANIZATION AND OTHER AGENCIES.

WHEREAS, we are a landlocked small city with limited population, our economic life blood depends largely on good transportation for outside residents to use our local businesses; and

WHEREAS, the Alamo Area Metropolitan Planning Organization (AAMPO) controls a budget of over \$200 million dollars annually focused mainly on transportation and related projects; and

WHEREAS, an alliance with other small cities might help us participate more effectively than our current representation which is only through the Greater Bexar County Council of Cities; and

WHEREAS, we have several roads in or abutting our city which are maintained by TxDOT and are a focus for attention because of their import to the transportation issue; Interstate Hwy 410, N.W. Military (FM/UR 1535) and Blanco (FM 2696).

NOW, THEREFORE, BE IT ORDAINED THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS, THAT:

SECTION 1. The City Council hereby authorizes and directs the Mayor to explore the creation of a North Central Economic Development Alliance, to improve city and area economic activity and enable participation in The Alamo Area Metropolitan Planning Organization and other agencies.

SECTION 2. The City would like to explore the establishment of an alliance of North Central cities located along and between Interstate Hwy 281, Interstate Hwy 10 with possible inclusion of Terrell Hills, Alamo Heights and Olmos Park, and North towards Spring Branch.

SECTION 3. We will need committed volunteers to explore this possibility and there may be some expense if the concept proceeds to fruition; if the NCA decides to join the MPO, then shared membership costs might be a factor. Since participation would be by volunteers, personnel costs should be minimal.

SECTION 4. The Mayor is authorized to set up an ad hoc committee at his discretion to assist with this project and report.

SECTION 5. The MPO Ad Hoc Committee is to report back to council as appropriate, but not later than the January 2019 Council meeting, with his recommendation as to further action.

DULY ORDERED AND APPROVED by the Castle Hills City Council on this 14th day of August, 2018.

APPROVED:

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brenan, City Attorney

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

VII

Consider and act upon extending until October 31, 2018, the moratorium on the requirement of a 14-foot vertical clearance between the surface of all portions for such curb, roadway, pavement, or alley. The 14-foot clearance must be maintained under all weather conditions and circumstances as provided in the Code Of Ordinances Chapter 48, Vegetations, Sec. 48-137(b).

Memo

TO: Ryan Rapelye
City Manager

FROM: Douglas Gregory
City Council Member

REF: Moratorium on Sec. 48-137(b) Height and Placement Restrictions

DATE: August 10, 2018

Please include the following item on the August 14, 2018 city council agenda:

A moratorium until October 31, 2018 on the requirement of a 14-foot vertical clearance between the surface of all portions for such curb, roadway, pavement, or alley. The 14-foot clearance must be maintained under all weather conditions and circumstances as required in Chapter 48, Vegetations, Sec. 48-137(b).



10 August 2018.

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

VIII

Consider instructing the City Manager and the City Attorney to prepare and publish a Request for Proposals (RFPs) for the City of Castle Hills Digital Billboard Signage for NW Loop 410 Highway and Northwest Military Highway

Summary:

Direct the City Manager to proceed with the issuance of a Request for Proposals (RFPs) for digital billboard signage on the NW Loop 410 and/or NW Military corridors.

Background:

In 2015, the City of Castle Hills issued RFPs for NW Loop 410 requesting proposals for digital billboard lease agreements. The City entered into lease agreements with Clear Channel Outdoor, Inc. for two digital billboards which resulted in two 25-year leases. The structured lease agreements will generate annual income on a scale ranging from \$95,000 to \$120,509 for the final year.

Issue:

Review the attached RFP and direct the City Manager and the City Attorney to proceed with the issuance of the RFP

Pros:

The City develops a new revenue stream with guaranteed income for 25 years. The City gains free advertising space upon the new billboards for Public Service Announcements promoting events and safety/environmental issues. Revenue generated would provide additional dollars to fund future drainage and street improvements.

Cons:

None identified at this time.

Attachments:

Prepared RFP and Exhibits

Fiscal Impact:

Until the contract is negotiated, the specific financial impact is undetermined. If the contract is similar in value to the current other two leases, a new digital billboard lease will generate approximately \$2.5M over the life of the lease.

Recommendation:

Approve the RFP and proceed with issuance of the proposal.

Submitted by R. Rapelye, City Manager

Date 08.03.2018



REQUEST FOR PROPOSALS (RFP)
DIGITAL BILLBOARDS
CITY OF CASTLE HILLS

REQUEST FOR PROPOSALS (RFP)
DIGITAL BILLBOARDS
FOR THE CITY OF CASTLE HILLS, TEXAS

A PRE-PROPOSAL CONFERENCE WILL BE HELD ON
SEPTEMBER 5, 2018 at 10:00 AM
in the Council Chambers, City Hall,
209 Lemonwood Drive, CASTLE HILLS, Texas 78213

PROPOSALS WILL BE RECEIVED UNTIL THE HOUR OF
12:00 NOON ON OCTOBER 4, 2018
in the office of the City Manager, City Hall,
209 Lemonwood Drive, CASTLE HILLS, Texas 78213

REQUEST FOR PROPOSALS (RFP)
DIGITAL BILLBOARDS
CITY OF CASTLE HILLS

NOTICE OF REQUEST FOR PROPOSALS

NOTICE IS HEREBY GIVEN that sealed Proposals are requested by the City of CASTLE HILLS, Texas (the City) for **Digital Billboards** in strict accordance with the specifications herein.

The City is soliciting Proposals from qualified entities to develop and operate one-sided or two-sided digital billboards on City-Owned or City-Controlled sites located along Northwest Loop 410 and Northwest Military Highway. The digital billboards must conform to the specifications described in this request for Proposals ("RFP"), as well as the requirements of Chapter 34 of the City Code and applicable Texas state requirements. The selected Proposer(s) will be solely responsible for all costs arising from planning, permitting, installing, operating, and maintaining the digital billboards.

A pre-proposal conference will be held on **SEPTEMBER 5, 2018 at 10:00 AM.** in the Council Chambers City Hall, 209 Lemonwood Drive, CASTLE HILLS, Texas 78213.

The Proposal specifications and forms can be obtained from the City's website at <http://www.cityofcastlehills.com> and must be delivered to the Office of the City Manager, City Hall, 209 Lemonwood Drive, CASTLE HILLS, Texas 78213, up to but not later than 12:00 Noon. COST. on **OCTOBER 4, 2018.**

The City reserves the right to reject any and/or all Proposals received.

Information on Technical Data and on Proposal Process/Clarification:

EMAIL: rrapelye@cityofcastlehills.com

DISCLAIMER: The City does not assume any liability or responsibility for errors/omissions in any document transmitted electronically.

Dated: AUGUST 22, 2018

REQUEST FOR PROPOSALS (RFP)
DIGITAL BILLBOARDS
CITY OF CASTLE HILLS

1. INVITATION TO SUBMIT A PROPOSAL

Proposals shall be submitted no later than OCTOBER 4, 2018 at 12:00 NOON in the

Office of: CITY MANAGER
CITY OF CASTLE HILLS
209 LEMONWOOD DRIVE
CASTLE HILLS, TEXAS 78213

ONE (1) original (unbound) and SEVEN (7) bound copies of the Proposal shall be submitted. Additionally, submit ONE (1) CD with an electronic version of the Proposal in PDF format. The Proposal should be firmly sealed in an envelope which shall be clearly marked on the outside, "DIGITAL BILLBOARDS for the City of CASTLE HILLS". Any Proposal received after the due date and time indicated may not be accepted and may be rejected and returned to the Proposer unopened.

2. CONDITIONS OF SUBMISSION OF PROPOSAL

- A. The City shall not be obligated to respond to any Proposal submitted nor be legally bound in any manner by the submission of a Proposal.
- B. Acceptance by the City of a Proposal obligates the Proposer to enter into an agreement with the City.
- C. An agreement shall not be binding or valid on the City unless or until it is executed by the City and the Proposer.
- D. Statistical information contained in these documents is for informational purposes only. The City shall not be responsible for the accuracy of said data. City reserves the right to increase or decrease the project scope.

3. ACCEPTANCE OR REJECTION OF PROPOSAL

The City reserves the right to select the successful Proposal and negotiate a contract for digital billboards in the City with the Proposer whose Proposal(s) is/are most advantageous to the needs of the City. Further, the City reserves the right to reject any and all Proposals, or alternate Proposals, or waive any informality or irregularity in the Proposal that may be in the City's best interest.

The City reserves the right to reject any and all Proposals, or portions thereof, received in response to the Request or to negotiate separately with any source whatsoever, in any manner necessary, to serve the best interests of the City. Additionally, the City may, for any reason, decide not to award an agreement(s) as a result of this Request.

Non-acceptance of any Proposal shall not imply that the Proposal was deficient. Rather, non-acceptance of any Proposal will mean that another Proposal was deemed to be more

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advantageous to the City or that the City decided not to award an agreement as a result of this request.

4. RIGHT TO CHANGE OR AMEND REQUEST

The City reserves the right to change the terms and conditions of this RFP. The City will notify potential Proposer(s) of any material changes by posting on the City's website. No one is authorized to amend any of the Request requirements in any respect, by an oral statement, or to make any representation or interpretation in conflict with its provisions. If necessary, supplementary information and/or clarifications/questions/answers will be posted on the City's website at <http://www.cityofcastlehills.com>. Failure of any Proposer to not have received such information and/or clarifications/questions/answers shall not relieve such Proposer from any obligation under his/her Proposal as submitted.

Any exceptions to this Proposal shall be clearly stated in writing.

5. CANCELLATION

The City reserves the right to rescind award of the contract at any time before execution of the contract by both parties if it is deemed to be in City's best interest. In no event shall City have any liability for the rescission of award. The Proposer assumes the sole risk and responsibility for all expenses connected with the preparation of its Proposal.

6. EXAMINATION OF PROPOSAL MATERIALS

The submission of a Proposal shall be deemed a representation and warranty by the Proposer that it has investigated all aspects of the Request, that it is aware of the applicable facts pertaining to the Request process and its procedures and requirements, and that it has read and understands the Request. No request for modification of the provisions of the Proposal shall be considered after its submission on the grounds the Proposer was not fully informed as to any fact or condition. Statistical information which may be contained in the Request or any addendum is for informational purposes only. The City disclaims any responsibility for this information which may subsequently be determined to be incomplete or inaccurate.

7. ADDENDA AND INTERPRETATION

The City will not be responsible for, nor be bound by, any oral instructions, interpretations, or explanations issued by the City or its representatives. Any request for clarifications/questions/answers of this Request shall be made in writing/e-mail and deliverable to:

The City of CASTLE HILLS/ 209 Lemonwood Drive/ CASTLE HILLS, TX 78213/ Attn: City Manager or email to: rrapelye@cityofcastlehills.com.

Such request for clarifications/questions/answers shall be delivered to the City at least ten (10) calendar days prior to the date for receipt of Proposals. Any City response to a request for clarifications/questions/answers will be posted on the City's website at <http://www.cityofcastlehills.com> (not later than five (5) calendar days prior

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to the due date) and will become a part of this request. The Proposer should await responses to inquiries prior to submitting a Proposal.

8. DISQUALIFICATION

Any of the following may be considered cause to disqualify a Proposer without further consideration:

- A. Evidence of collusion among Proposers.
- B. Any attempt to improperly influence any member of the evaluation panel.
- C. Any attempt to communicate in any manner with a City elected official during the RFP process will, and shall be, just cause for disqualification/rejection of Proposer's Proposal/Proposer's submittal and considered non-responsive.
- D. Existence of any lawsuit, unresolved contractual claim, or dispute between Proposer and the City.

9. INFORMAL PROPOSAL REJECTED

A Proposal shall be prepared and submitted in accordance with the provisions of these instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from, or to a Proposal may be sufficient grounds for rejection of the Proposal. The City has the right to waive any defects in a Proposal if the City chooses to do so, but the City may not accept a Proposal if any document or item necessary for the proper evaluation of the Proposal is incomplete, improperly executed, indefinite, ambiguous, or missing.

10. LICENSING REQUIREMENTS

Any certifications or licenses that may be required will be the sole cost and responsibility of the successful Proposer.

11. INSURANCE REQUIREMENTS

Proposer, at Proposer's sole cost and expense and for the full term of the resultant contract or any extension thereof, shall obtain and maintain at least all of the insurance requirements listed in attached Exhibit A

12. HOLD HARMLESS DEFENSE CLAUSE

THE PROPOSER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS OFFICERS, OFFICIALS, EMPLOYEES, AND VOLUNTEERS FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEY FEES ARISING OUT OF THE PERFORMANCE OF THE PROJECT DESCRIBED HEREIN, CAUSED IN WHOLE OR IN PART BY ANY NEGLIGENT ACT OR OMISSION OF PROPOSER, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, OR

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ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE, EXCEPT WHERE CAUSED BY WILLFUL MISCONDUCT OF THE CITY.

13. APPLICABLE LAW

This agreement shall be governed by the laws of the State of Texas. Venue shall be County of Bexar, Texas.

14. TERM

Twenty-five (25) years.

15. AUDITING OF CONTRACT

The City reserves the right to periodically audit all aspects of the contract between the City and the chosen proposer. Upon request, the Proposer agrees to promptly furnish the City with necessary information and assistance.

16. AWARD

Upon conclusion of the RFP process, a contract may be awarded for DIGITAL BILLBOARDS for the City of CASTLE HILLS.

The City reserves the right to select the successful Proposer and to negotiate terms of a contract with the Proposer(s) who's Proposal(s) is/are most advantageous to the needs of the City. Further, the City reserves the right to reject any and all Proposals, or alternate Proposals, or waive any informality in the Proposal as is in the City's best interest.

17. CONFIDENTIALITY

If a Proposer believes that portions of a Proposal constitute trade secrets or confidential commercial, financial, geological, or geophysical data, then the Proposer must so specify by, at a minimum, stamping in bold red letters the term "**CONFIDENTIAL**" on that part of the Proposal which the Proposer believes to be protected from disclosure. The Proposer must submit in writing specific detailed reasons, including any relevant legal authority, stating why the Proposer believes the material to be confidential or a trade secret. Vague and general claims as to confidentiality will not be accepted. The City will be the sole judge as to whether a claim is general and/or vague in nature. All offers and parts of offers that are not marked as confidential may be automatically considered public information after the contract is awarded. **By submitting a proposal, a proposer acknowledges that the City will likely receive one or more public information requests to obtain copies of proposals made by the proposers. If a proposer wishes to oppose the release of components of a proposal as confidential, the objecting proposer shall be responsible for preparing a request to the attorney general seeking approval to not release the confidential information. If the attorney general determines that the purported confidential information should be released to the public, and the proposer desires to litigate the release, the objecting proposer shall be responsible for and pay for the City's litigation costs. If the City determines that the purported confidential information is not of sufficient significance**

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to merit opposition to its release, the City may release the information on its own volition, and the proposer by the act of submitting a proposal waives any claims and damages against the City for the release of the confidential information.

18. SELECTION OF COMMITTEE

A committee comprised of staff from the City, and selected citizens will evaluate and rank the Proposals using the selection criteria outlined in this RFP, which include the following:

- Revenue generation to the City
- Initial payments upon execution of Agreement
- Design features of the digital billboards
- Conformance with digital display specifications
- Conformance with City ordinances
- Amount of time offered for City messages and public service announcements
- Discounts made available to City businesses and amount of time offered for City businesses to advertise

The committee will present the top-ranked Proposal(s) to the CASTLE HILLS City Council and request authority for the City to negotiate a master license with the selected Proposer(s). The City and the selected Proposer(s) will then negotiate a master license (or similar instrument) outlining terms under which the Proposer(s) will install and operate the digital billboards

In addition to entering into the master license, the selected Proposer(s) must demonstrate a willingness and capability to remove existing billboards (if possible) in conjunction with its Proposal to install the new digital billboards. The terms governing the removal of existing billboards will be specified in a "relocation agreement." At the conclusion of negotiations, both the relocation agreement and the master license will be presented to the City Council for approval.

19. BACKGROUND

The City of CASTLE HILLS sign code is found in Chapter 34 of the Code of Ordinances of the City. Chapter 34 was extensively revised on April 9, 2013 by the adoption of Ordinance No. 1098. Prior to the revision of the sign code on April 9, 2013, off premise digital display signs were not permitted in CASTLE HILLS. There have been two amendments (Ordinance 1105 and Ordinance 1124) to Chapter 34 since April 9, 2013. The revised sign rules now permit off premise digital display signs in any zoning district of the City on property controlled by the City of CASTLE HILLS through ownership, dedication or lease adjacent to Loop 410 or Northwest Military Highway. A copy of the current sign code of the City with all amendments cited is attached to this RFP as Exhibit "B".

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20. LOCATION OF SIGNS

The City will be the sole judge of whether the proposed sign location of a site is suitable, taking into account such factors as type of City control, visibility, size of sign or foundation, and compatibility with on-site and nearby land use potential environmental effects as revealed in an Initial Study. The project Proposer will be responsible for the preparation of an Initial Study and any subsequent environmental documentation, site selection, utility easements if any, and any other encumbrance responsibilities. The City will determine the level of environmental review required. The selected Proposer(s) will be responsible for all costs associated with such review and compliance, if any, including noticing costs, filing fees, staff costs, and consultant fees. To this end, the selected Proposer(s) will be required to deposit funds in advance sufficient to cover such costs.

21. SPECIFICATIONS FOR PROPOSED DIGITAL BILLBOARDS

- A. Current best available digital-billboard technologies are required, including but not limited to the following:
 - 1. Remote diagnostic and maintenance capability
 - 2. "Amber Alert" capability
 - 3. Automatic brightness adjustment to ambient lighting conditions
 - 4. UL and IEC approved
 - 5. Color calibration to ensure consistent image quality
 - 6. Remote shutdown capability
- B. Code Requirements as contained in Exhibits B & C
- C. Construction and operation requirements:
 - 1. Regularly scheduled onsite maintenance
 - 2. Internal service access for safety and improved appearance (no visible catwalks)
 - 3. Constructed to comply with all applicable City codes
 - 4. Engineered foundation, anchoring mechanism and support system
- D. The master license will require the selected Proposer(s) to maintain, repair, and upgrade the digital billboards as needed to provide the best available digital-billboard technologies during the term of the master lease.

22. BUSINESS TERMS

To be considered, a Proposal must meet the following minimum requirements:

- A. The proposed digital billboards must conform to the specifications set out above and must also comply with City ordinances and State and Federal requirements.
- B. The Proposal may include the removal of existing "static" billboards. Proposals may

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also include awards to the City to leave existing static billboards in place.

- C. The Proposal may be for any City-Owned location(s), or other appropriate City-Controlled sites, so long as the proposed location(s) meet the minimum spacing requirement.
- D. Proposed remuneration to the City must include (1) an initial payment consistent with the standard in the outdoor-advertising industry (i.e., "signing bonuses"); and (2) monthly license payments for individual sites. The monthly license payments must have scheduled automatic adjustments for license rate increases. In addition, the Proposal must provide for periodic review and renegotiation of the monthly license payments so that the City's remuneration remains consistent with prevailing market conditions throughout the term of the license.
- E. Proposal must include a "City of Castle Hills" identification sign on each side of the sign structure, which must also be maintained for the term of the agreement.
- F. Proposal must make the sign available for Amber Alert messages, public service announcements, and City messages.
- G. The term of the master license must be for a minimum of 25 years.
- H. The proposed digital billboard must include a replacement schedule.
- I. The master license to be negotiated between the City and the selected Proposer(s) will require the Proposer to do the following:
 - 1. Promptly take all action necessary to investigate and remedy the release of any "hazardous substances" (to be further defined within the license) caused by the Proposer's activities on the City's property.
 - 2. Maintain, at no cost to the City, and in amounts acceptable to the City, both public liability insurance and fire-and-casualty insurance covering improvements placed onsite.

23. SUBMISSION REQUIREMENTS

To be considered, a Proposal must include the following information:

A. Proposer Identification and Experience

- 1. The name, address, and telephone numbers of the Proposer, along with resumes and a description of background experience of each person with whom the City must communicate.
- 2. The type of legal entity with which the City would contract (e.g., individual, corporation, partnership, joint venture, limited-liability company).

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3. Documentation demonstrating that the Proposer is qualified to undertake the proposed project, including but not limited to the following:
 - a) Overall experience with large, multi-site, digital-billboard development
 - b) Experience with public/private development, including references of public partners
 - c) Access to financial resources consistent with project requirements
 - d) A track record of superior design
 - e) The identity of the principal person within the Proposer's business who is authorized to negotiate on its behalf (the "Key Negotiator") and the authority the Key Negotiator possesses. If the Key Negotiator has limited authority, describe the process required to obtain authorization. The Key Negotiator's resume must indicate that he or she is qualified to serve as Key Negotiator, with success in negotiating public/private partnerships and developing the type of development being proposed (include references that can validate the Key Negotiator's role in the prior projects).

B. Development Proposal

1. Submit Proposal for one or multiple sites.
2. A description of the proposed digital-billboard project, including identification of sites and anticipated installation schedule.
3. The individual digital billboard designs, with sufficient detail to illustrate the scale, size, and mix of design elements. Include, at a minimum, the following design information in schematic form:
 - a) Site Plan
 - b) Elevations
 - c) High-resolution graphic renderings
 - d) Animation or video of installation with same quality, technology and scale
4. Information pertaining to each proposed digital billboard in sufficient detail to verify conformance with the specifications and requirements outlined in this RFP.

C. Proposed Development Schedule

A preliminary schedule for development of the proposed digital billboards that addresses, at a minimum, preparation of sealed foundation, structural and design documents, projected approval dates, commencement and completion of construction, and operation of the digital billboards. The City will expect that construction of the digital billboard(s) will commence within six months of execution of any license agreements.

D. Business Proposal and Financing Plan

1. The terms of an offer to license the City-Owned or Controlled sites in accordance with the requirements specified herein, including, but not limited to, a detailed description of the proposed remuneration to the City, i.e., proposed initial payment, monthly license payments, scheduled automatic adjustment, periodic

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2. review and renegotiation, and payments due upon completion of each digital billboard.
3. Proposals that do not identify a compensation annually (not including any initial payments) to the City of Castle Hills may be rejected.
4. Proposal shall also identify if any, the location and square footage of existing billboards to be removed.

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24. EVALUATION SCHEDULE

The anticipated evaluation schedule for this RFP is as follows:

Task	Deadline
Issue RFP	8/22/2018
Pre-Proposal Conference	9/05/2018
Questions Due	9/13/2018
Responses Due	9/20/2018
PROPOSALS DUE	10/04/2018

25. COST DEPOSIT

The Proposer will be required to give the City a non-refundable deposit in an amount equal to the City's estimate of its costs to process project approvals and prepare the required master license and relocation agreement. The cost of preparing and submitting a Proposal is the sole responsibility of the Proposer and shall not be chargeable in any manner to the City of Castle Hills.

26. LIST OF ATTACHMENTS:

Exhibit A - Insurance Requirements
Exhibit B - Digital/Electronic/Moving Off-Premises Displays/Sign Ordinance
Exhibit C - August 13, 2013 Amendment to the Sign Ordinance

27. PROPOSAL GUIDELINES, CONTENT AND FORMAT

In order for the City to properly evaluate the Proposers' Proposal, the Proposals shall include, as a minimum, the following information:

- A. Evidence of the Proposer's ability to be responsive to this project in regard to timeliness and expertise, including availability of staff proposed to be assigned.
- B. Such additional information that the Proposer may feel would be pertinent to assist the City of CASTLE HILLS in making its final decision.
- C. Please submit one (1) original and seven (7) copies of your Proposal/qualifications. Additionally, submit one (1) CD with an electronic version of the Proposal. One of the copies should be unbound to allow us to reproduce your Proposal, as needed.
- D. The Proposal must be submitted, typewritten on 8" X 11" white paper.

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28. COVER LETTER

Submit a letter on your company letterhead addressing the Proposal and format. The letter should be signed by an officer of the firm authorized to bind the firm to all comments made in the Proposal, and shall include the name, address, phone number and e-mail address of the person(s) to contact who will be authorized to represent your firm.

Include your firm's understanding of the work to be performed. In addition, state why your firm believes itself to be the best qualified to perform the services requested by comparing your system with other competitors.

29. FINANCIAL STATEMENT

The Proposer must be able to demonstrate a good record of performance and have sufficient financial resources to ensure that it can satisfactorily perform the project.

Any Proposer who, at the time of submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the Proposer under federal bankruptcy law or any state insolvency, may be declared non-responsive.

30. CORPORATE STRUCTURE ORGANIZATION

Describe how your firm is organized, noting major divisions and any parent/holding companies, as well as brief history of the firm and all personnel potentially to be involved in the project including all sub-consultants. Designate the Principal in Charge and other key personnel. Also provide a description of the experience your firm has had with similar processes.

Provide a conceptual plan for services to the City that you believe are appropriate for the City. Indicate features, skills and/or services which distinguish your firm and make it the best choice for the City. Indicate how the resources of your firm (e.g., number and type of personnel allocated by hours) will be allocated for this project. Submittal of a project schedule is required as part of the Allocation of Resources.

31. ADDITIONAL DATA

Material and data not specifically requested for consideration, but which the Proposer wishes to submit must not appear with the Proposal Form but may appear only in an "Additional Data" section. This has specific reference to the following types of data:

- Generalized narrative of supplementary information; and supplementary graphic material.

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32. EXECUTION OF PROPOSAL

All Proposals must be signed with the full name of the Proposer, if an individual; by an authorized general partner, if a partnership; or by an authorized officer, if a corporation. The original Proposal must have wet ink signatures. Modification to a Proposal after the Proposal submittal deadline will not be accepted by the City.

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PROPOSER'S AGREEMENT

In submitting this Proposal, as herein described, the Proposer agrees that:

1. It has carefully examined the Scope of Work and all other provisions of this document and understand the meaning, intent and requirements of same.
2. It will enter into contract negotiations and perform the project.
3. It has reviewed all clarifications/questions/answers on the City's website at <http://www.cityofcastlehills.com>.

NAME OF PROPOSER: _____

FIRM ADDRESS: _____

SIGNED BY: _____

TITLE: _____

PHONE NO./FAX NO.: _____

E-MAIL ADDRESS: _____

DATE: _____

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EXHIBIT A- INSURANCE REQUIREMENTS

DIGITAL BILLBOARDS- LICENSE & MAINTENANCE

LICENSEE shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the LICENSEE, its agents, representatives, volunteers, or employees.

1. **INSURANCE** Throughout the life of this Contract, the Licensee shall pay for and maintain in full force and effect with an insurance company admitted by the Texas Insurance Commissioner to do business in the State of Texas and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

- A. **COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY** insurance, endorsed for "any auto" with combined single limits of liability of not less than \$1,000,000 each occurrence.
- B. **WORKERS' COMPENSATION** insurance as required under the Texas Labor Code and Employers Liability Insurance with limits not less than \$1,000,000 per accident/injury/disease.
- C. **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE.**

FOR ADDITIONAL REQUIREMENT(S):

- (I) **COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY** insurance which shall include Contractual Liability, Products and Completed Operations coverages, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than \$1,000,000 per occurrence, and if written on an Aggregate basis, \$2,000,000 Aggregate limit. Not excluding the above, the Proposer's minimum insurance coverage requirements by category should be demonstrated to be as follows:

General Liability - \$5MM
Automobile - \$500,000
Builder's Risk - \$500,000
Workman's Comp -
\$500,000 Professional
Liability - \$1MM

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the City. The Policy(s) shall also provide the following:

- 1. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: *City of Castle Hills, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insured.*

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2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of Texas. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date LICENSEE completes its performance of services under this Agreement.
 - a) For any claims related to services or products provided under this contract, the Licensee's insurance coverage shall be primary insurance as respects the City of Castle Hills its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the Licensee's insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.
 - b) Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers' compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the licensee and/or the licensee's insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.
 - c) Regardless of these contract minimum insurance requirements, the Licensee and its insurer shall agree to commit the Licensee's full policy limits and these minimum requirements shall not restrict the Licensee's liability or coverage limit obligations.
 - d) The Company shall furnish the City of Castle Hills with the Certificates and Endorsement for all required insurance, prior to the City's execution of the Agreement and start of work.
 - e) Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Licensee shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the City Council.

If at any time during the life of the Contract or any extension, the Licensee fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Licensee should subcontract all or any portion of the work to be performed in this contract, the Licensee shall cover the sub-Proposer, and/or require each sub-Proposer to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-Proposer's insurance shall have the same impact as described above.

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EXHIBIT B: CHAPTER 34 SIGNS AND OTHER ADVERTISING

City of Castle Hills Code of Ordinances

Chapter 34 - SIGNS AND OTHER ADVERTISING⁽¹⁾

Footnotes:

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Editor's note— Ord. No. 1098, adopted April 9, 2013, amended former Ch. 34, Arts. I, II, in its entirety. Former Ch. 34 pertained to similar subject matter and derived from the Code of 1995, §§ 4.100—4.110, Ord. No. 763, 8-8-1995; Ord. No. 790, 5-14-1996; Ord. No. 806, 9-24-1996; Ord. No. 936, 3-9-2004; Ord. No. 1001, 7-8-2008; Ord. No. 1009, 11-12-2008; Ord. No. 1023, 7-14-2009.

State Law reference— Regulation of signs by municipalities generally, V.T.C.A., Local Government Code § 216.001 et seq.; authority for municipal regulation of signs, V.T.C.A., Local Government Code § 216.901; regulation of political signs by municipality, V.T.C.A., Local Government Code § 216.903; municipal boards on sign control, V.T.C.A., Local Government Code § 216.004; regulation of outdoor advertising generally, V.T.C.A., Transportation Code § 391.031 et seq.; licenses and permits for outdoor advertising, V.T.C.A., Transportation Code § 391.061 et seq.; municipal authority to regulate sign placement, V.T.C.A., Transportation Code § 393.0025.

Sec. 34-1. - Purpose.

- (a) The purpose of this chapter is to create a legal framework for a comprehensive and balanced system of signage to facilitate easy and pleasant communications between people and their environment and to avoid the visual clutter that is potentially harmful to traffic and pedestrian safety, property values, business opportunities and community appearance. With these purposes in mind, it is the intent of this chapter to authorize the use of signage which are:
 - (1) Compatible with their surroundings;
 - (2) Appropriate to the activity that displays them.
 - (3) Expressive of the identity of individual activities and the community as a whole; and
 - (4) Legible in the circumstances in which they are seen.
- (b) Signage is regulated on the basis of the zoning district and street or highway from which they are displayed, the type of activity displaying the signage, and the following five design features:
 - (1) Type of sign;
 - (2) Size of sign;
 - (3) Height of sign;
 - (4) Location of sign;
 - (5) Type of illumination used.

(Ord. No. 1098, Exh. A (§ 4.100), 4-9-2013)

Sec. 34-2. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Animation: Copy or other images that flash or move or otherwise change at intervals of more than once each six seconds.

Area, ground and projecting signs: The total area of the face which is used to display a sign, not including its supporting poles or structures. If a sign has two faces that are parallel and supported by the same poles or structures, the area of the sign is one-half the area of the two faces. If a graphic has two or more faces that are supported by the same poles or structures but are not parallel, the area of the sign is the largest area of all faces visible at one time.

Awning: A cloth, plastic, or other nonstructural covering that either is permanently attached to a building or can be raised or retracted to a position against the building when not in use.

Banner: A sign composed of a logo or design on a lightweight material either enclosed or not enclosed in a rigid frame and secured or mounted to allow movement caused by the atmosphere.

Bare-bulb illumination: A light source which consists of light bulbs with a 20-watt maximum wattage for each bulb.

Billboard: A street sign which advertises products or services not sold or distributed on the premises on which the street sign is located.

Changeable electric variable message sign (CEVMS): A digital display sign composed of electronically illuminated segments and/or a series of grid lights, light emitting diode (LED) display, light crystal display (LCD), fiber optic or other media or technology. A changeable electronic variable message sign does not include a sign located within the right-of-way that functions as a traffic control device and that is described and identified in the Manual on Uniform Traffic Control Devices (MUTCD) approved by the Federal Highway Administrator as the National Standard.

Design factor: The surface, color, illumination, or mechanical movement of a street sign.

Digital conversion: The replacement of a previously installed static sign face with a digital display.

Digital display-off premises: An off premises sign face that will display changing content advertising products or services not sold or distributed on the premises. The digital display is composed of electronically illuminated segments and/or a series of grid lights, light emitting diode (LED) display, light crystal display (LCD), fiber optic or other media or technology.

Digital display-on premises: An on premises sign face that may display changing content through still images, scrolling images or other type images on a fixed display composed of electronically illuminated segments and/or a series of grid lights, light emitting diode (LED) display, light crystal display (LCD), fiber optic or other media or technology.

Directional sign: A street sign providing information for the convenience of the public such as the location of exits, entrances and parking lots.

Dwell time: The interval of change between each individual message. Dwell time shall include the one second or less required to change a message.

Façade: The side of a building below the eaves.

Fascia sign: A sign, usually flat, mounted on the façade of a building.

Flashing: A pattern of changing light illumination where the sign illumination alternates suddenly between fully illuminated and fully non-illuminated, inverse illuminated or operates with transitory bursts, for periods of less than one second. This term shall include, blinking, strobing and twinkling. Animation as defined shall not fall under the definition of flashing.

Foot-candle: A unit of light measurement equal to one lumen per square foot.

Full motion video: The use of live action footage shot with a video camera or similar device that is sized to fit and be displayed by an electronic message sign or similar device.

Height: The vertical distance measured from grade at the edge of the adjacent right-of-way to the highest point of the sign.

Indirect illumination: A light source not seen directly.

Internal illumination: A light source that is concealed and/or contained within the street sign and becomes visible in darkness through a translucent surface.

Movement: Physical movement or revolution up or down, around sideways that completes a cycle of change at intervals of less than six seconds.

Portable sign: A street sign that is not permanently attached to the ground or a building or designed to be permanently attached.

Sign: A lettered, numbered, symbolic, pictorial, or illuminated visual display designed to identify, announce, direct or inform that is visible from the public right-of-way.

Strip center/shopping center/mall/mini mall: A strip or shopping center and mall or mini mall is defined as a series of four or more stores occupying the same building or having common walls between them or a series of buildings with the same motif, a common parking lot, and the same owner, being identified in its original construction as a center.

(Ord. No. 1098, Exh. A (§ 4.101), 4-9-2013 ; Ord. No. 1105, 8-13-2013)

Sec. 34-3. - Digital display-on premises.

On premises digital displays shall be permitted subject to the following requirements:

(1) *Digital display-on premises intensity:*

- a. All digital displays shall be illuminated at a level no greater than 0.3 foot-candles over ambient light levels for the location and time and shall have light cutoff devices such as louvers in order to minimize light escaping above the horizontal plane.
- b. The portion of a freestanding sign that contains a digital display shall only operate during the hours of business associated with the business with the exception of sign zone D Loop 410 in which digital displays may operate 24 hours a day.
- c. A digital display sign must be equipped with both dimmer control and photocell, which automatically adjusts the display's intensity.
- d. The digital display shall contain a default mechanism in the event of a malfunction. The problem and or malfunction shall be corrected within 24 hours.
- e. Any variable color changing component of a digital display-on premises sign shall complete a color changing cycle in not less than eight seconds.

(2) *Digital display-on premises standards:*

- a. Height and size restrictions are set forth in sign zones, subsection 34-106(9).
- b. Use of full motion video, sound, flashing, strobing or scrolling line similar to "ticker-tape" is prohibited.
- c. Digital display signs shall not resemble or simulate traffic lights or official signage in accordance with the state or Federal Highway Administration.
- d. The minimum setback of all digital signs shall be 15 feet from any property line.
- e. Digital signs shall not exceed a maximum of one foot-candle illumination at the property line.
- f. The maximum number of digital signs shall be limited to one per platted lot. No other on premises freestanding signs shall be permitted.

(3) *Digital display-on premises placement:*

- a. Digital displays are permitted in business and industrial zones. Digital displays are prohibited in residential zones.

- b. No digital display shall have more than one two-sided digital display per each freestanding sign structure.
- c. Spacing between digital display signs shall be a minimum of 200 feet measured along the same side of street or highway. Digital display signs shall be located a minimum of 150 feet from residences and residential zones.

(4) *Fee schedule:*

- a. Digital display-on premises sign permits:

Sign inspection fee:	
Less than 32 sq. ft.	\$100.00
Over 32 sq. ft.	\$20.80 +.22 per sq. ft. over 32 sq. ft.
Gas tube/electric	\$20.80
Incandescent signs	\$10.80 + .22/socket
Sign height, per foot	\$4.00
Digital display/electric message center	\$30.00

(Ord. No. 1098, Exh. A(\$ 4.102), 4-9-2013 ; Ord. No. 1105, 8-13-2013)

Sec. 34-4. - Digital display-off premises.

Off premises digital displays shall be permitted subject to the following requirements:

- (1) Digital display-off premises signs may be located in any zoning district of the city on property controlled by the City of Castle Hills through ownership, dedication or lease adjacent to Loop 410 or Northwest Military Highway.
- (2) Digital display-off premises signs must comply with all rules and regulations for electronic signs adopted by the Federal Highway Administration, United States Department of Transportation and the Texas Department of Transportation.
- (3) A digital display-off premises sign may not:
 - a. Be illuminated by flashing, intermittent, or moving lights;
 - b. Contain or display animated, moving video, or scrolling advertising;
 - c. Consist of a static image projected on a stationary object;
 - d. Be a mobile sign located on a truck or trailer; or
 - e. Complete a color changing cycle in less than eight seconds if the sign includes a variable color changing component.

Digital display-off premises sign faces may not be located closer than 1,500 feet apart if facing the same direction of travel.

- (4) A digital display-off premises sign may not exceed 80 feet in height from ground level to the top of the sign and its structure may not have a display surface in excess of 14 feet high and 48 feet wide. All digital display-off premises signs must be constructed on monopole pylons.
- (5) Each message on a digital display-off premises sign shall be displayed for at least eight seconds and a change of message shall be accomplished within two seconds and must occur simultaneously on the entire sign face. Each sign must contain a default mechanism that freezes the sign in one position if a malfunction occurs. A digital display-off premises sign shall not display light of such intensity or brilliance to cause glare or otherwise impair vision of a driver or result in a nuisance to a driver. A digital display-off premises sign must automatically adjust the intensity of its display according to natural ambient light conditions. Digital display-off premises sign light intensity shall not exceed the standard of 0.3 foot candles above ambient light level at a distance of 250 feet as recommended by the Outdoor Advertising Association of America.

A digital display-off premises sign applicant shall provide written certification from its sign manufacturer that the light intensity has been factory pre-set not to exceed the above stated light intensity standard and that the intensity level is protected from end-user manipulation by password-protected software or other method as deemed appropriate by the city council.

- (6) Any agreement with a digital display-off premises sign operator for the installation of a digital display-off premises sign shall contain provisions acceptable to the city council for termination by the city, for indemnifying the city against any claims, liability, damages, injuries, deaths or other liabilities asserted against the city on account of damages approximately caused by the operator, and prohibiting the digital display-off premises sign operator from discriminating against advertisements by businesses located within the city as to rates, terms and other conditions of advertising.
- (7) Subject to the freedom of speech provisions of the United States and Texas Constitutions, any digital display-off premises sign operator shall reject advertising that is misleading, offensive, and in particular, the posting of obscene words or pictures.
- (8) Digital display-off premises sign operators shall display without charge messages sponsored by the city which advertise city or city related events or activities for reasonable intervals between the hours of 6:00 a.m. and midnight. The city, through appropriate personnel, may exercise its police powers to protect public health, safety, and welfare by requiring emergency information to be displayed via digital display-off premises signs. Upon notification, the sign operator shall display in appropriate sign rotations: Amber Alert emergency information, emergency information regarding terrorist attacks or natural disasters. Emergency information messages are to remain in rotation according to the designated issuing agencies' protocols.
- (9) The mayor shall be responsible for the negotiation of any agreement for the installation of digital display-off premises signs and shall submit any proposed agreement for final approval to the city council before a building permit for a digital display-off premises sign may be issued. Any electronic sign operator shall provide all engineering needed to certify the safety and structural integrity of the sign and shall reimburse the city for the cost of reviewing the engineering report furnished to the city. A building permit application for a digital display-off premises sign shall be on forms provided by the city secretary and shall be subject to the payment of a digital display-off premises sign permit fee. The mayor is authorized to engage appropriate experts and engineers to assist the mayor in the evaluation and negotiation of proposals for the installation of digital display-off premises signs.
- (10) Any regulatory requirement of this section which is more stringent than a similar regulatory restriction of the state or federal government shall prevail over the regulatory restriction of the state or federal government, and any regulatory restriction in this section which is less stringent

than a similar regulatory restriction of the state or federal government shall yield to the state or federal government restriction.

(11) Fee schedule:

a. Digital display-off premises sign permits:

Sign inspection fee \$200.00

Permit fee \$3,000.00

Annual inspection fee \$250.00

(Ord. No. 1098, Exh. A(\$ 4.103), 4-9-2013 ; Ord. No. 1105, 8-13-2013)

Sec. 34-5. - Permits.

- (a) The owner or tenant of a business or non-residential property shall apply for a sign permit. The permit application shall be accompanied by engineered drawings and a site plan showing the proposed sign location.
- (b) The application shall be submitted to the city manager who will consult with the chairman of the architectural review committee to determine whether or not the sign permit application meets the conditions and requirements set forth in this chapter.
- (c) Digital sign permit applications will have an affidavit sworn or attested by the land owner, applicant and sign installer attesting to the following: the digital display sign is installed and operates subject to the criteria set forth in this chapter, and the applicant and the land owner will agree to be held liable, separately or collectively, if violation(s) occur after construction or during operation of said digital display sign for any fines or costs incurred by the city for such violations set forth in this chapter.
- (d) The permit fee for a permanent sign will be based on the value of the sign and figured in accordance with the formula in the fee schedule for building permits. The permit fees for digital display signs are set forth in sections 34-3 and 34-4.
- (5) The city manager shall have the building inspector immediately inspect all permitted signs upon completion to determine compliance with the permit.

(Ord. No. 1098, Exh. A(\$ 4.104), 4-9-2013)

Sec. 34-6. - Signage guidelines.

The following guidelines are included to assist the applicant but should not be considered all-inclusive. The final approval of a sign permit is the authority of the city manger. Appeals on a decision of the city manager will be made to the city council.

- (1) Non-residential signage must be designed as an integral part of the architecture of the building (color, materials, design character, size, location, etc.).
- (2) Each site may have no more than one pole sign oriented to each street on which the site has frontage as it relates to on premises signage. A strip center, shopping center, mall and mini malls shall be limited to one directory on premises sign. If the center or mall is oriented on more than one street, it may have a directory on premises sign oriented on each street on which it has frontage. Each business therein may have its own sign, (fascia and on the directory on premises sign), but not a pole sign.
- (3) Moving signs must be referred to and approved by the architectural review committee. The signs shall not make noise, employ blinking lights or have exterior fluorescent lamps. Pennants and flags may be permitted for a period of 30 days for grand openings.

- (4) All painted signs on a building or structure must be approved by the city manager.
- (5) No permits shall be issued for tethered or inflatable balloons.
- (6) Company logos are acceptable but are to be reproduced in conformance to the architectural standards of the building in color and or multiple colors.
- (7) Size and height of on premises signs will be determined in conformance to a reasonable and prudent aesthetic determination based on its relation to the architecture of the building, the size of the property site, and the zoning district requirements.
- (8) The city manager may grant a sign permit for fascia signs for free standing buildings and centers with multiple outlets. Fascia signs may not project above the roof line.
- (9) Zones are established for sign height and size as follows:
 - a. Sign Zone A—West Ave. from Loop 410 to Jackson Keller, Jackson Keller from Gladiola to Loop 410: On premises sign maximum height 40 feet; maximum size is 300 square feet. Digital display-on premises sign is limited to a maximum height of 25 feet and a maximum square footage of 120 square feet.
 - b. Sign Zone B—Northwest Military Highway; Lockhill-Selma from Northcrest Dr. to Blanco Rd.; Blanco Rd. from Lockhill-Selma to Biltmore; Blanco Rd. from Loop 410 to Rector: On premises sign maximum height 20 feet; maximum size 200 square feet. Digital display-on premises sign is limited to a maximum height of 20 feet and a maximum square footage of 100 square feet.
 - c. Sign Zone C—West Ave. from Lockhill-Selma to Loop 410; Blanco Rd. from Rector to Jackson-Keller; Jackson-Keller from Blanco Rd. to Gladiola: On premises sign maximum height 12 feet; maximum size 40 square feet. Digital display-on premises sign is limited to a maximum height of 12 feet and a maximum square footage of 40 square feet.
 - d. Sign Zone D—Loop 410 from Jackson Keller to Blanco Rd. On premises sign and digital display-on premises sign is limited to a maximum height of 40 feet above ground or 15 feet above highway grade, whichever is greater; and a maximum square footage of 300 square feet.
- (10) All signs that require repair or replacement to the extent of more than 50 percent in cost or construction of the sign will be required to be in compliance with this chapter.
- (11) All signs and sign support structures will be required to be properly maintained at all times.

(Ord. No. 1098, Exh. A (§ 4.105), 4-9-2013)

Sec. 34-7. - Signs and bulletin boards for churches, schools and government entities.

- (a) Bulletin boards, signs and digital display-on premises signs are authorized for churches, schools and government entities. All such signs shall require a permit.
- (b) The governing authority of a church, school or government entity shall apply for a sign permit as outlined in sections 34-3, 34-5 and 34-6.

(Ord. No. 1098, Exh. A (§ 4.106), 4-9-2013)

Sec. 34-8. - For sale, for rent and subdivision signs.

- (a) Signs pertaining to the sale or rental of non-residential property must be approved by the city manager in consultation with the chairman of the architectural review committee and shall be removed by the agent or owner immediately upon the sale or rental of the premises. No sign advertising the sale or lease of any premises shall advertise those premises for a purpose for which

it is not legally zoned. The maximum height from ground level of such signs shall not exceed 12 feet. Such signs must be located as outlined in subsection 34-6(2).

- (b) The agent or owner immediately upon the sale or rental of the premises shall remove signs pertaining to the sale or rental of residential property. The maximum height of such signs from ground level shall not exceed six feet. Such signs must be located as outlined in subsection 34-6(2).
- (c) One sign announcing or describing a legally approved subdivision or development may be erected on each approved plat or development. Such sign may not exceed 200 square feet in area. The location of such sign shall be approved by the city manager in consultation with the chairman of the architectural review committee and shall be placed so as not to interfere with the occupancy or use of any lots in the subdivision. Such sign shall be removed upon the completion of 85 percent of the dwelling in the subdivision or upon the sale of 85 percent of the subdivision lots whichever event occurs first.

(Ord. No. 1098, Exh. A(\$ 4.107), 4-9-2013)

Sec. 34-9. - Temporary business signs.

- (a) One "new business" sign may be located on the private property upon which a new business is established for a maximum period of 60 days. Such "new business" signs shall be provided by the city and inserted in frames provided by the city so that such signs shall be uniform in size and shape. Such signs shall be constructed of "coroplast" or other heavy or thick material that will fit securely into the sign frames without using additional means to secure the signs. The content of such signs shall include wording prescribed by the city containing a "new business" notation with the name and location of the new business only. No logos or other unnecessary verbiage shall be included in such signs. A "new business" sign will be furnished to an authorized new business for a \$40.00 fee, of which \$20.00 shall be a temporary sign permit fee and \$20.00 shall be a deposit for use of a sign frame (which will be refunded upon timely return of the frame).
- (b) One "special event" business sign may be located on the private property upon which an existing business is located for a maximum period of 60 days in each calendar year. Such "special event" business sign shall be provided by the city and inserted in frames provided by the city so that such signs shall be of uniform size and shape. Such signs shall be constructed of "coroplast" or other heavy or thick material that will fit securely into the sign frames without using additional means to secure the signs. The content of such signs shall include wording prescribed by the city containing "special event" notation with a brief description of the special event only. No logos or other unnecessary verbiage shall be included in such signs. A "special event" sign will be furnished to an authorized business for a \$40.00 fee, of which \$20.00 shall be a temporary sign permit fee and \$20.00 shall be a deposit for use of a sign frame (which shall be refunded upon timely return of the frame).
- (c) In addition to the foregoing "new business" and "special event" signs, the following temporary business signs are authorized:
 - (1) *Coming soon banner or ground sign:* May be displayed throughout active construction. Ground sign may not exceed nine square feet and five feet in height. Banner or sign is to be removed before issuance of certificate of occupancy.
 - (2) *Grand opening banner, swooper flag, ground sign:* 60 days—Permit may be obtained up to 180 days after obtaining certificate of occupancy. A fee of \$20.00 will be charged for a temporary sign permit.
 - (3) *Special occasion banner, swooper flag, ground sign:* May be displayed for a maximum of 30 days up to four times per year. A fee of \$20.00 will be charged for a temporary sign permit up to four times per year.

- (4) *Change of business banner:* New business name only and placed over old permanent sign while new sign is being constructed may be displayed for a maximum of 90 days. A fee of \$20.00 will be charged for a temporary banner permit.
- (5) *Size and height limitation:*
- a. Banners. Size will be determined in conformance to a reasonable and prudent aesthetic determination based on its relation to the architecture of the building and the size of the property site.
 - b. Ground signs may not exceed nine square feet and five feet in height.
 - c. Swooper flags, may not exceed 36 inches in width and nine feet in height, including stand/base.
- (6) Only one temporary business banner sign may be displayed and affixed to the exterior wall of the building or secured to the exterior screening device of the property; or, one temporary ground sign; or, one swooper flag may be located on the private property upon which a business is established.
- (7) Only commercial manufactured temporary banners or ground signs shall be allowed. Approval of design or materials shall be at the sole discretion of the city manager. At anytime a temporary banner, swooper flag or ground sign becomes a nuisance because of maintenance or traffic hazard the city manager, chief of police or fire chief shall order the sign removed.
- (8) There will be no refunds of permit fees.

(Ord. No. 1098, Exh. A(\$ 4.108), 4-9-2013)

Sec. 34-10. - Political signs.

- (a) It will be unlawful for any person whatsoever to post or place any political, campaign, or electioneering sign or advertisement, of any kind or character at any time, on any public property, whether belonging to the city or any other agency or branch of government, and whether owned in fee or by easement therein, or by prescription or limitation, provided however, political signs not exceeding 36 square feet in area may be placed at city hall and the adjacent common areas in locations delineated therefor by the city manager when the city hall is being used as a polling place for a city, county, state or federal election, with such signs to be installed no more than 48 hours before the commencement of early voting for the applicable election and to be removed within 24 hours after the close of voting for the applicable election. Removal and care of the signs is the sole responsibility of the candidate or the person who installed the sign, including the local campaign manager of the candidate. Any political signs installed prior to the authorized time, placed in a location other than the location delineated by the city manager, or not removed within 24 hours of the close of an election, may be removed by city personnel and destroyed.
- (b) It shall be unlawful for any person, other than the owner thereof, or someone duly authorized by him/her, to place any political signs in or on any private property whatsoever.
- (c) It shall be unlawful for the owner of any private property, or any person acting for him, or with his knowledge, permission or consent, expressed or implied, to post or place any political sign in or on his/her property unless all of the following conditions are met: the sign is no more than 36 square feet in area and the highest point of the sign is no more than eight feet above natural grade; the sign is not located in an easement or other encumbrance that allows a municipality to use the property for public purpose; the sign has no internal or external illumination; the sign has no moving parts; and the sign is not being used on a temporary basis for political advertising while it is generally available for commercial advertising or other messages that are not primarily political.
- (d) Political signs placed or posted in violation hereof are hereby declared to be public nuisances, all city officers and employees are hereby directed and required peremptorily abate the same by

removal and destruction of such signs without delay when found on public property, and to report all instances of violation on private property noted to the city manager or chief of police.

(Ord. No. 1098, Exh. A(\$ 4.109), 4-9-2013)

Sec. 34-11. - Enforcement.

- (a) Billboards, advertising signs, digital display signs, fabric signs, banner signs and bill posters, and signs and advertisements of all kinds hereafter erected or displayed on private property located anywhere in the city not in compliance with this chapter are hereby found and declared to be a public nuisance and the maintenance and display of same is hereby made a penal offense. The city manager is hereby directed and ordered to effect the abatement of every such nuisance now or hereafter existing within the city by physically removing, or having the same removed, except for permitted signs.
- (b) All signs in place on August 8, 1995, which was the date Chapter 34 was adopted, are hereby "grand-fathered" and if not in compliance herewith shall be nonconforming signs and valid as long as continued without material change, provided, however, that no sign shall be changed in any manner that increases its noncompliance with Chapter 34; and provided, further, that the burden of establishing such a sign to be nonconforming under Chapter 34 rests entirely upon the person/entity claiming nonconforming status. In addition, when an on premises sign is considered to be nonconforming due to height only, a sign cabinet located under the allowable height may be added or replaced provided the replacement cabinet does not cause the sign to exceed the allowable message area or otherwise cause the sign to be considered nonconforming for reasons other than height only.
- (c) Any violation of this chapter shall be punished by fine of not less than \$50.00 or more than \$500.00 for each day the violation continues.
- (d) In addition to the foregoing fines, the city manager may institute civil injunctive and other proceedings to enforce the provisions of this chapter.

(Ord. No. 1098, Exh. A(\$ 4.110), 4-9-2013)

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

IX

Consider and act upon directing the City Manager and City Attorney to draft an ordinance allowing short-term rentals of no less than six months and complying with recent court decision in description of residential property.

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

X

Consider and act upon directing the City Manager and City Attorney to draft an ordinance protecting pets from extreme outdoor weather conditions and enforcement of same by Animal Control and by the Police Department.

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XI

Consider and act upon directing the City Manager and City Attorney to draft an ordinance requiring cable companies that receive a city permit to dig or trench in our alleys must to pave the alley after trenching; and requiring all utilities who need to dig or trench in our streets to fill the hole or trench with cement upon completion.

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XII

Consider and act upon directing the City Manager to enter into a contract(s) for the replacement of the exterior doors into the Admin/Court office foyer and consider refinishing the existing wooden and glass doors moving them into the doorway between the Admin/Court foyer and the Council Chambers/Courtroom.

Summary:

Replace the doors from the parking lot into the Admin/Court office foyer with metal and glass doors to enhance security, fire safety, and reduce long-term maintenance costs.

Background:

These doors at city hall have the most use on a daily basis and require the most care and maintenance.

Issue:

The exterior doors were re-finished within the last 3 years and the finish is failing resulting in the wood cracking and chipping off. The doors are beginning to suffer irreparable damages. It is both costly and inconvenient to maintain wooden doors in a commercial application when they are exposed to damaging sun and rain.

The passive door remains secured in place during business hours and meetings. This reduces access in the event of an emergency. The doors are either locked or unlocked with the cylinder lock. This creates a security risk during evening and weekend events in the chambers/courtroom.

Pros:

Replacing the doors with metal and glass doors will be a one-time expense. Aluminum and glass doors are light weight and have little to no maintenance as they are not impacted by sunlight, rain, or repeated exposure to human hands. New doors will function independently allowing for the doors to be secured from ingress, but allow both doors to open with push panic hardware in compliance with fire codes.

After regular business hours, but when court is still in session, the doors can be secured to prevent entry into the building, but allow egress.

Refinishing the current wooden doors and moving them inside will ensure their longevity and significantly reduce the expense of refinishing.

Cons:

The current doors will need to be refinished, so temporary doors must be installed during the refinishing process. The refinishing will need to be done every 2-3 years. The doors are splitting and peeling and eventually will need major restoration or replacement. We continue to have limited security features resulting in greater exposure to potential unwanted intrusion during evening meetings. The steel and glass doors offer a 5-year warranty for the finish which can be purchased separately. This seems to infer that the finish will need care over time due to the heavy use.

Attachments:

Estimates for replacement of the doors with aluminum/glass and steel/glass.

Fiscal Impact:

Approximately \$875.00 - \$1,600 for refinishing the existing doors. If left in their present location, this will reoccur in 2-3 more years, but even with re-finishing the doors will need to be replaced due to splitting. The city will then spend \$6-10K to install new doors.

The estimates range from \$6,302 to \$7,135 for aluminum frame with glass. The wrought iron double doors estimate is \$5,248, but the estimate is not as requested as it still has an inactive door with flush bolts and not compliant with fire code when the council chambers is full. They have been contacted and we are awaiting their response.

There should be \$300-\$500 contingency included in this project in case decaying wood is discovered when the doors are removed and/or if the interior trim cannot be salvaged and re-used.

Recommendation:

Match the other aluminum and glass doors currently installed. Refinish the current doors and either sell/discard them or refinish them and move them to an interior application.

Submitted by Ryan Rapelye **Date** 08.08.2018



**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XIII

**Consider and act upon scheduling the City Manager's evaluation
for early September 2018.**

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XIV

Reconsider and act upon Ordinance No. 2018-07-10-B, amending the Code of Ordinances, Ch. 2 "Administration", Article IV "Departments", Sec. 2-191 "Department Heads" to designate department heads.

Summary:

On Friday, July 13, 2018, Mayor Howell requested to send this Resolution back to Council because it was not consistent with the law.

Background:

Council approved Ordinance No. 2018-07-10-B by majority vote.

Attachments:

Email copy of request to reconsider.
Ordinance No. 2018-07-10-B, pending signatures.

Submitted by Mayor Howell

Date 08/07/2018



Minerva Gonzales

From: Tim Howell <mayortimhowell@gmail.com>
Sent: Friday, July 13, 2018 5:01 PM
To: Minerva Gonzales
Subject: Minnie I am sending these two items back to council for reconsideration both the following ordinance and resolution

2018-07-10-B relating to department heads

and

R18-07-10-A resolution pertaining to the city attorney.

These two items need to be sent back council because they were in constant with state law.

And placed on the August agenda

Thank you

--

Timothy A Howell
Mayor City of Castle Hills Texas
210-535-9094

Facebook Group
<https://www.facebook.com/groups/287646801400976/permalink/682929525206033/>

Cell
210 535 9094

Current survey
<https://www.surveymonkey.com/r/YW2PVH2>

Main Website
www.believeincastlehills.com

Linkedin
<https://www.linkedin.com/in/mayor-howell-b1b0a0a2>

IPadAir2

CITY OF CASTLE HILLS
ORDINANCE No. 2018-07-10-B

AN ORDINANCE BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS TEXAS, AMENDING THE CITY CODE OF ORDINANCES, CHAPTER 2 "ADMINISTRATION", ARTICLE IV "DEPARTMENTS", SECTION 2-191 "DEPARTMENT HEADS" TO DESIGNATE DEPARTMENT HEADS; AND SETTING AN EFFECTIVE DATE.

WHEREAS, City Department Heads are those who hold an especially important position, because they provide guidance and leadership to our employees; and

WHEREAS, it is important to the continued success of our city to maintain consistency in these important positions; and

WHEREAS, the City Council desires to provide stability in government by designating Department Heads and monitoring hiring to allow members of Council to exercise advise and consent in hiring department heads.

NOW, THEREFORE, BE IT ORDAINED THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS, THAT:

SECTION 1. Section 2-191 of Chapter 2 "Administration", Article IV "Departments", of the Code of Ordinances is amended by including the following sentence as the first sentence of Section 2-191:

The city department heads are the Police Chief, Fire Chief, Public Works Director, and Finance Director.

SECTION 2. the ordinance goes into effect upon passage.

DULY ORDERED by the Castle Hills City Council on this 10th day of July, 2018.

APPROVED:

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brennan, City Attorney

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XV

Reconsider and act upon Resolution No. R18-07-10-A, that the legal service contract with Mr. Michael Brennan shall not be renewed after August 31, 2018 and shall terminate on that date. Direct the City Manager to immediately issue and publish an open (anyone may apply) request for qualifications to identify persons to be interviewed for the position of City Attorney.

Summary:

On Friday, July 13, 2018, Mayor Howell requested to send this Resolution back to Council because it was not consistent with the law.

Background:

Council approved Resolution R18-07-10-A by majority vote.

Attachments:

Email copy of request to reconsider.
Resolution R18-07-10-A, pending signatures.

Submitted by Mayor Howell

Date 08.09.2018



Minerva Gonzales

From: Tim Howell <mayortimhowell@gmail.com>
Sent: Friday, July 13, 2018 5:01 PM
To: Minerva Gonzales
Subject: Minnie I am sending these two items back to council for reconsideration both the following ordinance and resolution

2018-07-10-B relating to department heads

and

R18-07-10-A resolution pertaining to the city attorney.

These two items need to be sent back council because they were in constant with state law.

And placed on the August agenda

Thank you

Timothy A Howell
Mayor City of Castle Hills Texas
210-535-9094

Facebook Group
<https://www.facebook.com/groups/287646801400976/permalink/682929525206033/>

Cell
210 535 9094

Current survey
<https://www.surveymonkey.com/r/YW2PVH2>

Main Website
www.believeincastlehills.com

Linkedin
<https://www.linkedin.com/in/mayor-howell-b1b0a0a2>

IPadAir2

CITY OF CASTLE HILLS
RESOLUTION No. 2018-07-10-A

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF CASTLE HILLS TEXAS, THAT THE LEGAL SERVICE CONTRACT WITH MR. MICHAEL BRENNAN SHALL NOT BE RENEWED AFTER AUGUST 31, 2018 AND SHALL TERMINATE ON THAT DATE. DIRECT THE CITY MANAGER TO IMMEDIATELY ISSUE AND PUBLISH AN OPEN (ANYONE MAY APPLY) REQUEST FOR QUALIFICATIONS TO IDENTIFY PERSONS TO BE INTERVIEWED FOR THE POSITION OF CITY ATTORNEY.

WHEREAS, the City Attorney serves at the pleasure of the City Council as an independent contractor providing legal advice and services to the city under the terms of a written contract, as a contract provide of legal services on a part time basis, Mr. Brennan is not a municipal officer; and

WHEREAS, the City Council desires to give notice of Council's decision not to renew his part time contract after August 31, 2018; and

WHEREAS, it is necessary to begin procedures to hire replacements for City Attorney.

NOW, THEREFORE, BE IT ORDAINED THE CITY COUNCIL OF THE CITY OF CASTLE HILLS, TEXAS, THAT:

SECTION 1. The City Council hereby gives Mr. Michael Brennan notice of intent not to renew the contract for part time legal service with Mr. Michael Brennan as City Attorney, after August 31, 2018 in accordance with the terms of his contract with the city; and

SECTION 2. City Manager shall immediately give written notice to Michael Brennan regarding the Council's decision not to renew his contract after August 31, 2018, and

SECTION 3. The City Manager shall immediately issue and publish an open (anyone may apply) Request for Qualifications to identify persons to be interviewed for the position of City Attorney.

DULY ORDERED by the Castle Hills City Council on this 10th day of July, 2018.

APPROVED:

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brennan, City Attorney

**Castle Hills City Council
Agenda Item Summary
August 14, 2018**

AGENDA ITEM

XVI

**Consider and act upon Resolution No. R18-08-14-H, to accept the
Passport Business Plan to meet the first of two required
presentations as per Ordinance No. 2018-06-12-F; tabled on July 10,
2018"**

Summary:

City Council voted at the June 12, 2018 City Council Meeting requesting staff to prepare a business plan for the City of Castle Hills establishment of a Passport Acceptance Facility.

Background:

Last summer, the City Council explored the idea of applying to become a Passport Acceptance Facility for the U.S. Department of State. A position was created in the 2018 budget for a Passport Acceptance Clerk. The City's Application was submitted late last fall (2017) and we received conditional approval of our application in April 2018. Administration is currently working with the U.S. Department of State regarding training of employees and set up of necessary processes and systems to run the Passport Acceptance Facility.

Issue:

City Council would like to have a business plan for the City's Passport Acceptance Facility.

Pros:

The Passport Acceptance Facility provides a convenient service to our citizens and brings in three potential revenue streams - passport acceptance fee of \$35.00 each, passport photo fee of \$15.00 each, and sales tax charged for the passport photo. Over time, this could become a substantial source of revenue for our city.

Cons:

As currently staffed, the Passport Acceptance Facility will be adding responsibilities to current employees. This may have some negative impact on current functions of personnel which may affect the success of the Passport Acceptance Facility.

Attachments:

City of Castle Hills Passport Acceptance Facility - Business Plan

Fiscal Impact:

There will be little fiscal impact on the City at start-up as the costs are \$1,500 or less. However, in the long term this could provide a way to provide significant alternate revenue to the city which could be used to fund specific projects or divided for multiple purposes.

Recommendation:

Staff recommends approval of a business plan in order to ensure the implementation and longevity of the City of Castle Hill's Passport Acceptance Facility.

Submitted by Nora Davis and Lara Feagins

Date 08.09.2018



CITY OF CASTLE HILLS
Office of the City Manager



TO: Mayor Tim Howell
City Councilmembers

FROM: Ryan D. Rapelye, City Manager

SUBJECT: Update on the City's Passport Acceptance Facility

DATE: August 10, 2018

This report entails an update on the status of the City's Passport Acceptance Facility:

I provided to the City Council an update on July 13, 2018 confirming the City of Castle Hill's status as a passport acceptance facility. The US State Department – Houston office had officially notified the City as a passport acceptance facility and we are now able to begin processing passport applications. The City has been listed on the travel.state.gov website as of July 13, 2018.

The U.S. State Department – Houston office provided staff the Passport Agent's Reference Guide (PARG) detailing the necessary steps to accept (or execute) the passport application which provided all materials required to process applications in order to properly submit to the State department.

The PARG provided details on supplies and necessary forms in order to process the application which includes mailing procedures. Since the City has been listed as a Passport Acceptance Facility, we have had numerous phone calls and walk-ins almost on a daily basis requesting a passport. Staff has ordered the necessary forms (*no cost, documents are issued by the US State department*) as indicated in the PARG, staff has ordered the equipment and office supplies for processing applications.

Currently, in the FY 2018 operating budget, there is an allocation of funds under office equipment in the amount of \$2500 which is partially dedicated to the procurement of equipment.

We are going to begin advertising this on our City Website and other social media outlets to indicate the City of Castle Hills is ready begin processing passport applications as a Passport Acceptance Facility. We are proposing a start date of Monday, August 20, 2018.

CITY OF CASTLE HILLS
RESOLUTION No. R18-08-14-G

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF
CASTLE HILLS TEXAS, ACCEPTING THE PASSPORT
BUSINESS PLAN TO MEET THE FIRST OF TWO
REQUIRED PRESENTATIONS AS PER ORDINANCE No.
2018-06-12-F.**

WHEREAS, On September 12, 2017, the City of Castle Hills adopted Ordinance 2017-09-12-D, adopting the fiscal year 2018 budget to begin operating the Passport Office;
and

WHEREAS, on June 12, 2108, the City Council adopted Ordinance No. 2018-06-12-F, requiring the passport staff to prepare and present a business plan for Council review at the first Council Meeting in July 2018; and

WHEREAS, requiring the passport staff to prepare and present a sunset review for Council review at the first Council Meeting in June 2019.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
CASTLE HILLS, TEXAS THAT:**

SECTION 1. The Castle Hills City Council accepts the passport acceptance site business plan as presented.

SECTION 2. Passport staff will present the sunset review for Council review at the first Council Meeting in June 2019.

SECTION 3. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

PASSED AND APPROVED this the 14th day of August, 2018.

Timothy A. Howell, Mayor

ATTEST:

Minerva E. Gonzales, City Secretary

APPROVED AS TO FORM:

Michael S. Brenan, City Attorney



City of Castle Hills

Establishment of a Passport Acceptance Facility

2018 Business Plan

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Executive Summary

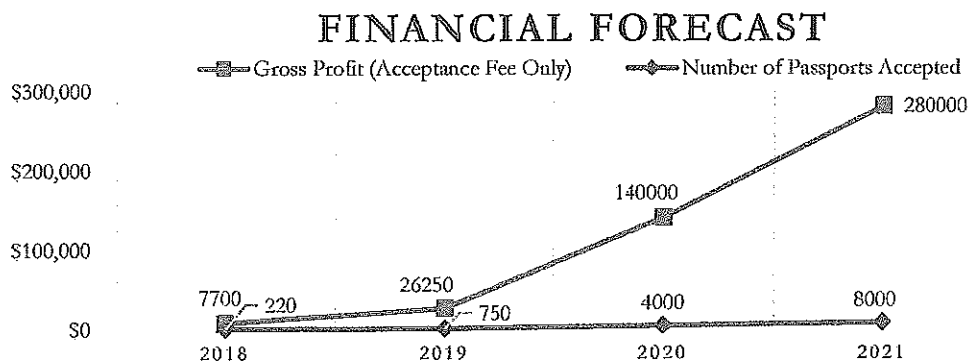
The City of Castle Hills will offer a convenient, handicapped accessible, full service Passport Acceptance Facility with a unique schedule. Of the ten nearest Passport Acceptance Facilities that are handicapped accessible and provide photo services; seven are United States Postal Service sites that require appointments and the other three are all located in downtown San Antonio. There are no full service (photos and photocopying) Passport Acceptance Facilities with open/walk-in hours within six miles of our city and we are located in the middle of San Antonio and its 1.5 million residents. Beyond the ten closest Passport Acceptance Facilities listed above, the next nine facilities are all United States Postal Service facilities located anywhere from 10 – 29 miles from the City of Castle Hills.

Having a Passport Acceptance Facility provides a valuable service for our community and a much needed revenue stream for the City. A few steps remain in the process before the City of Castle Hills will have full implementation and establishment of a Passport Acceptance Facility.

Highlights

The United States Department of State requires Passport Acceptance Facilities to open for at least 20 hours per week. The financial forecast for 2018 and 2019 is based on a 20 hour work week for the City's Passport Acceptance Facility. For 2018, this chart assumes ten passports are processed every week and that the first passport is accepted during first week in August. For 2019, this chart assumes that the City of Castle Hills facility will process passports at the processing rate of 15 per week.

The hours of operation are increased to 40 hours for the years 2020 and 2021 with the processing rate of two passports per hour for 2020 and increasing to processing four passports per hour for 2021. The years 2019, 2020, and 2021 are figured at 50 weeks per year to account for holidays. Picture fees and sales tax are not included in the gross profits listed on this chart and will result in additional revenue for the city.



Objectives

Our objective is to provide full service, convenient, efficient passport acceptance services to the citizens of the City of Castle Hills; surrounding areas including San Antonio and other cities within Bexar County, and into Central and South Texas.

Mission Statement

Our Passport Acceptance Facility will provide residents and non-residents with a full service, convenient location for the acceptance of passport applications for the U.S. Department of State.

Keys to Success

The key to success for our Passport Acceptance Facility is efficiency, convenience, and a unique schedule for the city's passport acceptance services.

Description of Business

The U.S. Department of State is responsible for issuing passports and passport cards in the United States. According to the U.S. Department of State's website, they expect to issue nearly 20 million passport books and passport cards this year alone (2018). The City of Castle Hills submitted an application to become a Passport Acceptance Facility and received word of our approval to accept and execute passport applications on behalf of the U.S. Department of State in April 2018. Our job will be to verify the information presented by applicants and send the verified applications to the U.S. Department of State for processing. All U.S. citizens traveling internationally (even to Canada and Mexico) need to have a passport book or passport card.

In certain situations, you must apply for passports in person. Specifically, according to the U.S. Department of State's website, you must apply in person if at least one of the following is true:

- You are applying for your first U.S. passport
- You are under age 16
- Your previous U.S. passport was issued when you were under age 16
- Your previous U.S. passport was lost, stolen, or damaged
- Your previous U.S. passport was issued more than 15 years ago

Even so, many people prefer to apply for passports in person at a passport acceptance facility that is convenient to home or work rather than by other authorized methods.

The U.S. Department of State sets an execution fee for each passport application which is paid in addition to the fee for the passport itself. The execution fee is retained by the local Passport Acceptance Facility. Currently, this fee is \$35.00 for each passport application. With the growing need

for passports in the coming years, the City of Castle Hills is in a prime location to assist the U.S. Department State with the acceptance of passport applications in the San Antonio area and beyond.

Legal Ownership/Entity

Castle Hills, Texas was incorporated in 1951. The City is an independent municipality with a population of approximately 4,200 residents.

Location

Our 2.5 square mile city is completely surrounded by the City of San Antonio. Castle Hills is located at the southern end of Northwest Military Highway. Northwest Military Highway bisects the city from North to South and provides direct access to Loop 1604 with its northern end at U.S. Army Camp Bullis. Additionally, Loop 410 bisects the City of Castle Hills from East to West and provides convenient access to both Highway 281 and I-H 10. The San Antonio metropolitan area is home to more than 1.5 million people and it is estimated that 280,000 people travel through our city each day. San Antonio is the second largest city in Texas and the seventh largest city in the nation. Additionally, the City of Castle Hills is easily accessible by people from all over Bexar County and surrounding areas throughout Central and South Texas.

Interior

The Passport Acceptance Facility will be handicapped accessible and conveniently located inside Castle Hills City Hall. A desk and photo station will be set up in a corner of Council Chambers. There is plenty of seating and several tables are available for filling out the required passport paperwork.

Hours of Operation

Monday – 8:30am – 1:30pm

Tuesday – Closed

Wednesday – 8:30am – 1:30pm

Thursday – Closed

Friday – 12:00pm – 5:00pm

Saturday – 8:30am – 1:30pm – BY APPOINTMENT ONLY

Sunday – Closed

Products and Services

The City of Castle Hills will offer the following services: Passport application acceptance on behalf of the U.S. Department of State, Passport Photo Services, and copying of supporting documentation (e.g., driver's license) for passport applications.

Suppliers

The U.S. Department of State is the authorizing entity for Passport Acceptance Facilities. All paperwork is developed by them. All employees recommended as passport acceptance agents must meet specific qualification requirements and receive training from Passport Services. Ongoing training

on passport acceptance procedures and e-mail and phone support will be supplied by our Regional Passport Agency or Center.

Service

There are many private and public passport services available to people. Our services are unique because we are a public sector entity. Additionally, our City's location in the middle of the City of San Antonio with direct access to Loop 410 is a key component that sets our Passport Acceptance Facility apart from others in the area.

Management

The City completed the Application for Passport Acceptance Program in January 2018. All employees recommended as passport acceptance agents must meet qualification requirements and then receive advance approval from Passport Services. The City received notice April 6, 2018 that the facility had approval to begin training the new acceptance agents. On our Application to become a Passport Acceptance Facility, we designated certain current employees as passport acceptance agents. The following employees were included in the initial application:

- Nora Davis
- Deborah Kitkowski
- Jeanette Ulmer
- Christina Zelnak

Our passport acceptance agents will receive a certificate of completion issued by the U.S. Department of State once their training is complete. They will be responsible for following all guidance outlined in the "Passport Agents Reference Guide" (PARG). Additionally, passport acceptance agents are expected to read periodic newsletters from the Regional Passport Agency and use the PARG and notices as their main reference for questions.

Once we have all necessary training and approvals, one employee will be designated as the Manager for our Passport Acceptance Facility. They will be responsible for making sure that the hours of operation are staffed, that sufficient supplies are available for the facility to operate, and that a process is in order to schedule Saturday appointments. Further duties may be added once the Passport Acceptance Facility is operational.

Financial Management

It will be important to keep track of the expenses associated with the on-going operation of the Passport Acceptance Facility in order to prepare a break-even analysis after a few months of operation. To do this we will need to keep track of the total number of passports accepted, passport photos

taken, on-going supply costs (e.g., ink, paper, postage), and employee over time or comp-time incurred as a result of their assistance with the additional duties of acting as a passport acceptance agent.

Start-Up/Acquisition Summary

The start-up costs for the Passport Acceptance Office are under \$1,500.

Marketing

Marketing does not have to be a substantial expense for the Passport Acceptance Facility in the short-term. However, as the passport acceptance agents become efficient and processes are stream-lined, a marketing campaign will be very important for the growth of the Passport Acceptance Facility as a revenue stream for the city in the long term.

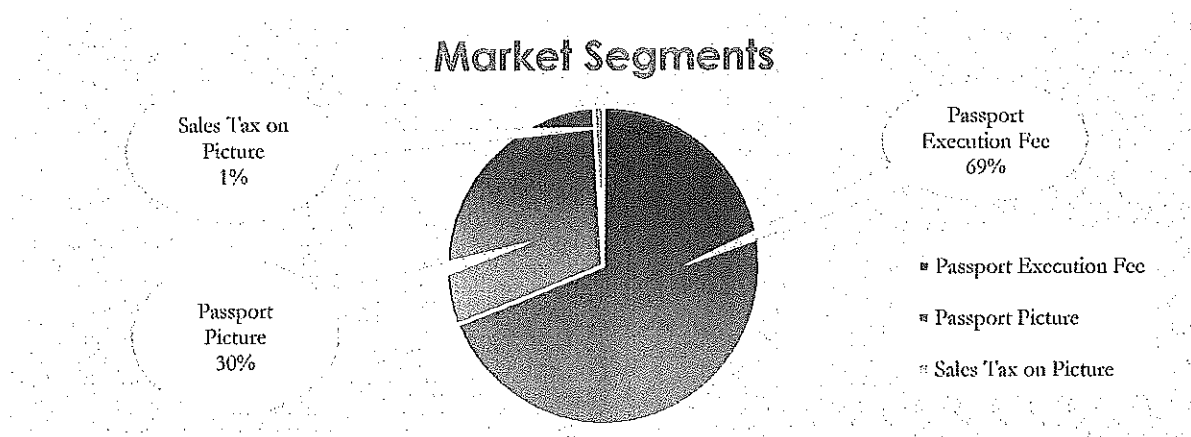
Market Analysis

There are many categories of people who must apply for passports in person. This has to be done at a Passport Acceptance Facility authorized by the U.S. Department of State. There are other people who may choose to renew their passports in person, but do not have too. Marketing to either type of customer is the same. It will be important to be able to let people know the City of Castle Hills is open for business as a Passport Acceptance Facility.

The key will be to set ourselves apart from the main competition which are all located in downtown San Antonio. We are offering some unique hours of operation. The more convenient that we can make our Passport Acceptance Facility, the more appeal it will have in the marketplace.

Market Segmentation

Our revenue from the Passport Acceptance Facility can be broken down into three segments.



Competition

There are many private and public passport services available to people. Similar services are offered by other public sector entities. Specifically, our most direct competition comes from the two Passport Acceptance Facilities operated by the City of San Antonio and the one Passport Acceptance Facility operated by Bexar County.

Private passport services provide some competition, but they cannot assist customers with passport applications that must be done in person.

The City of San Antonio was approved as a Passport Acceptance Facility in 2010. That city has had such success with its two Passport Acceptance Facilities that it authorized the hiring of another Passport Acceptance Clerk for an approximate salary of \$36,452 in its 2018 Budget. Additionally, starting in March 2018 one of the San Antonio locations has extended hours on Wednesdays until 5pm to accommodate the high demand for services. Wait times can be over an hour or two at one of the San Antonio locations. According to the 2018 budget for the City of San Antonio, the revenue generated in 2016 by its two passport offices was \$537,240. The target revenue for 2017 was \$519,645, but the actual revenue for 2017 ended up being \$659,727.

Pricing

Pricing is set by the U.S. Department of State for the Passport Execution Fee. As of April 2, 2018 we may collect \$35.00 per application accepted by our facility.

The price for passport photos is based on a market rate which is currently \$15 in our area.

Sales tax is set by the City of Castle Hills based on multiple factors.

Advertising and Promotion

The first stage of advertising will be done through the City of Castle Hills website, social media outlets such as Facebook and Instagram, City Hall marquee, Reporter, and free advertising time on the city's two digital billboards. The first stage might also include hosting a passport fair or other event at City Hall or The Commons. An efficient way to advertise our new services as a Passport Acceptance Facility would be to reach out to nearby municipalities, such as Shavano Park, Leon Valley, and Balcones Heights to inquire about whether they would be willing to promote our services to their citizens.

The first stage of marketing will also include consultation with an advertising company regarding branding and marketing for the City's Passport Acceptance Facility.

Once there is money available, the second stage of advertising may consist of direct mailers such as the "Valpak" or other bulk mailed coupons or other advertising or promotional techniques suggested by the advertising company hired by the city for branding and creation of a marketing campaign.

Other stages of advertising and promotion will be developed as our office becomes more efficient, demand for services grows, and additional staff is available for processing passport applications.

Strategy and Implementation

If implemented correctly, the Passport Acceptance Facility could result in a substantial new income stream for the City. Making sure that our passport acceptance agents are fully trained, friendly, efficient, and detailed oriented will help make this project a success from the outset. A soft opening of the passport acceptance services available from our City will allow our employees make adjustments in the process and gain proficiency regarding acceptance of passports before demand gets too high.

Our initial success will come from having little to no wait times for walk-ins. Further, no one in the area offers Saturday hours, but the City of Castle Hills will offer Saturday hours by appointment only.

A position for a Passport Acceptance Agent should be included and fully funded in the 2019 city budget. This is intended to be a full time position to allow for the maximum potential for this endeavor. In addition to any requirements for employment with the City of Castle Hills, as part of the hiring process this person will have to be approved by the U.S. Department of State through their qualification process for Passport Acceptance Agents and they will need to participate in all the required training for the position.

The City of Castle Hills needs to be prepared to hire the Passport Acceptance Agent before demand gets too high for our current employees to comfortably handle in addition to their other work duties. Additional consideration needs to be given to the lead time necessary to have the person qualified and trained by the U.S. Department of State.

Long term, we should continue to look for ways to differentiate our services from others. The hours of operation give us the perfect opportunity to develop a niche by offering superior services at convenient times at a convenient central location.

Appendix

Start-Up Expenses

Business Licenses	None
Incorporation Expenses	None
Deposits	None
Bank Account	
Rent	None
Interior Modifications	Repurposed furniture
Equipment/Machinery Required:	
Item 1 – Photo Printer, Digital Camera, Digital Card, Self-Stick Passport Head Template – Starter Kit	\$420.00
Item 2 – Die Cutter	\$89.95
Item 3 – Printer Ink and paper	\$27.97 for 108
Total Equipment/Machinery	\$537.92
Insurance	None
Stationery/Business Cards	\$100.00
Brochures	\$150.00
Pre-Opening Advertising	\$200.00
Opening Inventory	None
Other (list):	
Item 1 – Passport Folders	\$23.95 for 250
Item 2 – Postage	TBD
TOTAL STARTUP EXPENSES	\$1,011.87

Profit and Loss Statement

To be provided once there are at least two calendar months of operations for the Passport Acceptance Facility.

Sales Forecast

Please see the chart under Highlights on Page 2.

Milestones

For experienced Passport Acceptance Agents, they can process a complete application, plus take the picture, and accept payment in about 10 minutes when there are no problems with the paperwork or with another part of the process. An initial goal would be to process three to four applications per hour per person working in the Passport Acceptance Facility. A longer term goal would be to be able to process four to six applications per hour per person working in the Passport Acceptance Facility.

Break-Even Analysis

For now, the expense associated with opening a Passport Acceptance Facility is mostly related to a small amount of equipment that must be purchased (e.g., camera, photo printer, passport picture die cutter) and the ongoing need for specific office supplies (e.g., black pens, photo paper, ink, copy paper). The City currently has some equipment and furniture that will be repurposed and used for operation of the Passport Acceptance Facility (e.g., desk, chair, computer, white photo backdrop). Additionally, the duties of the passport acceptance agents will be performed in addition to current employment duties. There may be some accumulation of overtime/comp-time that will need to be considered when determining the break-even point for this project. Eventually, the salary and benefits for the Passport Acceptance Agent will need to be factored into the break-even analysis.

Miscellaneous Documents

U.S. Department of State – Passport Services – Passport Application Acceptance Program, Application

U.S. Department of State – Notice of Conditional Approval