



**REGULAR MEETING OF THE
SALADO BOARD OF ALDERMEN**

**REGULAR AGENDA
AND WORKSHOP AGENDA
AMENDED JUNE 15, 2015**

**THURSDAY, JUNE 18, 2015 6:30 P.M.
MUNICIPAL BUILDING
301 NORTH STAGECOACH, SALADO TX
BOARD OF ALDERMAN CHAMBERS**

I. CALL TO ORDER

1. Invocation / Moment of Silence
2. Pledge of Allegiance, Texas Pledge of Allegiance

("Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.")

II. REPORTS

Announcements concerning items of community interest. No action will be taken or discussed.

Mayor's Report

Aldermen Updates:

- Environmental Report – Alderman Dankert and Alderman McDougal
- ETJ / Annexation Report – Alderman Dankert and Alderman McDougal
- Ordinance Committee Report – Alderman Williams and Alderman Coachman
- Main Street Report – Mayor Pro Tem Brown
- Street Improvement Report – Alderman McDougal
- Stagecoach / Wastewater Status Report – Alderman Dankert, Alderman McDougal, Alderman Brown, and Village Administrator Foutz
- Public Safety Committee – Alderman Dankert and Alderman Williams

Financial Report

III. PROCLAMATIONS / PRESENTATIONS

3. Presentation by Victor and Modene Marek for a second installment of \$1,000 for the Main Street Beautification Project

IV. PUBLIC COMMENTS

4. Citizens who desire to address the Board of Aldermen on any matter may sign up to do so prior to this meeting. Public comments on issues not listed on the agenda will be received during this portion of the meeting. Comments related to items on the agenda will be received during consideration of the individual agenda item. Please limit comments to 3 minutes. No discussion or final action will be taken by the Board of Aldermen.

V. CONSENT AGENDA

All items listed under this section, Consent Agenda, are considered to be routine by the Board of Aldermen and may be enacted by one motion. If discussion is desired by the Council, any item may be removed from the Consent Agenda at the request of any Alderman and will be considered separately.

5. Consider approving the Consent Agenda item:
 - (A) Minutes, Regular Meeting, June 4, 2015

VI. REGULAR AGENDA

Resolutions –

6. Presentation, discussion, and possible action on Resolution R-2015-119, establishing an Economic Development Policy.
7. Presentation, discussion, and possible action on Resolution R-2015-120, establishing Guidelines and Criteria for Granting Tax Abatement.
8. Presentation, discussion, and possible action on Resolution R-2015-118 designating the West Amity Bridge of Interstate Highway 35 as the “Clark Davis Memorial Bridge”.

Public Hearings / Ordinances –

9. Hold a Public Hearing and consider adopting Ordinance 2013.08.14, amending Ordinance 2013.08, Zoning Procedures and Administration, Section 2.1 Nonconforming Uses and Structures, as it relates to lots platted prior to September 18, 2003, that do not meet the minimum lot size

Miscellaneous –

10. Consideration and possible action on a Services Agreement with James Construction Group, LLC, for police officers to provide traffic control services and use of police vehicles on and around the I-35 reconstruction project.

VII. WORKSHOP SESSION

Attendees please note that Workshop Sessions are open to the public as mandated by the Open Meetings Act, but are not participatory. The Board will discuss Agenda items but will not accept public comments or questions. Please make any comments to the Board during the Public Comments portion of the Regular Agenda.

11. Landscape Ordinance
12. Proposed Wastewater Collection Lines
13. Control Measures for the Deer Population

VIII. EXECUTIVE SESSION

14. Discuss economic development projects as authorized by Texas Government Code § 551.087, Economic Development.
15. Discuss real estate as authorized by Texas Government Code § 551.072, Deliberations about Real Property.

IX. REGULAR SESSION

16. Presentation, discussion, and possible action on: 1) a Master Development Agreement with 4T-LFT Ventures, LP, for redevelopment of Stagecoach Inn and Restaurant; and 2) a Tourism Marketing Agreement with 4T-LFT Ventures, LP.

The Village of Salado reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the Village Secretary's office at (254) 947-5060 for further assistance.

I hereby certify that a true and correct copy of this Notice of Meeting was posted in a public place at 5:06 p.m. on Monday, June 15, 2015.

Mary Ann Ray, Village Secretary

Removed from display: _____

Village of Salado
Profit & Loss Budget Performance
October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4400 · Fines and Forfeitures					
4425 · Court Fines	79,005.50	29,400.00	49,605.50	268.73%	44,100.00
4426 · Court Fines- NSFs and Overpmts	-435.52				
4427 · Court Costs- State Comptroller	-22,122.28				
4428 · Court Costs- COLAGY	-2,664.57				
Total 4400 · Fines and Forfeitures	53,783.13	29,400.00	24,383.13	182.94%	44,100.00
4100 · Tax Receipts -					
4115 · Property Taxes	333,267.96	303,000.00	30,267.96	109.99%	315,000.00
4120 · Sales Tax Earned	256,004.73	247,000.00	9,004.73	103.65%	375,000.00
4130 · Mixed Beverages	7,630.39	6,000.00	1,630.39	127.17%	8,000.00
Total 4100 · Tax Receipts -	596,903.08	556,000.00	40,903.08	107.36%	698,000.00
4150 · Franchise Fee -					
4160 · Electric Franchise	117,831.72	120,000.00	-2,168.28	98.19%	120,000.00
4165 · Telephone Franchise	25,704.01	37,500.00	-11,795.99	68.54%	50,000.00
4170 · Waste Disposal Franchise Fee	5,445.38	7,500.00	-2,054.62	72.61%	10,000.00
4175 · Cable Franchise	1,327.97	1,320.00	7.97	100.6%	1,760.00
4180 · Water Franchise	20,881.88	12,000.00	8,881.88	174.02%	16,000.00
Total 4150 · Franchise Fee -	171,190.96	178,320.00	-7,129.04	96.0%	197,760.00
4200 · Licenses, Permits, and Fees					
4210 · Sign Permit / Misc	1,068.26				
4220 · Subdivision	140.00	375.00	-235.00	37.33%	500.00
4230 · Building Permit Fees	28,985.43	5,332.00	23,653.43	543.61%	8,000.00
4260 · Certificate of Occupancy	540.00				
4270 · Contractor Registration	3,285.00	2,400.00	885.00	136.88%	3,000.00
4277 · Development Fees	1,840.00				
Total 4200 · Licenses, Permits, and Fees	35,858.69	8,107.00	27,751.69	442.32%	11,500.00
4700 · Investment and other income					
4705 · P.P. Rental Fees	1,906.00	3,000.00	-1,094.00	63.53%	4,000.00
4750 · Tourism Dept. Administration	0.00	2,250.00	-2,250.00	0.0%	3,000.00
4752 · LEOSE	911.63				

Village of Salado
Profit & Loss Budget Performance
October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
4755 · Crash report fees	205.00				
4760 · Service Fees (Burn, Itinerant)	885.00	1,000.00	-115.00	88.5%	1,500.00
4775 · Insurance Claim Income	5,193.00				
4780 · Interest Income	2,777.51	2,000.00	777.51	138.88%	3,000.00
4790 · Other Income	1,572.46	500.00	1,072.46	314.49%	1,000.00
Total 4700 · Investment and other income	13,450.60	8,750.00	4,700.60	153.72%	12,500.00
Total Income	871,186.46	780,577.00	90,609.46	111.61%	963,860.00
Expense					
66000.1 · Payroll Expenses- SUTA	0.00				
11000 · Special Projects	14,400.00	14,400.00	0.00	100.0%	14,400.00
5000 · General government					
5100 · Administrative Salary	78,732.45	83,264.00	-4,531.55	94.56%	124,900.00
5102 · Administrative Hourly Wages	19,204.70	28,328.00	-9,123.30	67.79%	42,500.00
5103 · Administrative Overtime	3,785.01				
5105 · Alderman Compensation	0.00	1.00	-1.00	0.0%	60.00
5110 · Benefits	17,575.79	16,912.00	663.79	103.93%	25,379.00
5121 · Payroll Taxes	5,820.55	1,560.00	4,260.55	373.11%	2,343.00
5181 · Meeting expense	767.74	736.00	31.74	104.31%	1,100.00
5205 · Health services contract	2,438.00	4,876.00	-2,438.00	50.0%	4,876.00
5209 · Cell Phone	392.36				
5210 · Printing Expense	133.50	900.00	-766.50	14.83%	1,000.00
5211 · Telephone	2,094.31	2,200.00	-105.69	95.2%	3,300.00
5214 · Utilities	5,585.61	4,000.00	1,585.61	139.64%	6,000.00
5213 · Equipment - Leased / Rented	3,145.70	3,064.00	81.70	102.67%	4,600.00
5215 · Janitorial	2,302.00				
5216 · Professional Fees					
5216-1 · Profess Fees - Planning	2,132.21	3,150.00	-1,017.79	67.69%	4,200.00
5216-2 · Profess Fees - Engineering	12,686.62	8,000.00	4,686.62	158.58%	12,000.00
5216-3 · Profess Fees - Accounting	12,691.25	14,000.00	-1,308.75	90.65%	14,000.00
5216-4 · Profess Fees - Inspections	9,523.49	5,664.00	3,859.49	168.14%	8,500.00
5216-5 · Profess. Fees - Legal	17,949.92	13,320.00	4,629.92	134.76%	20,000.00
5216-6 · Prof Fees - Special Studies	15,285.00	15,000.00	285.00	101.9%	15,000.00

Village of Salado
Profit & Loss Budget Performance
October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Total 5216 · Professional Fees	70,268.49	59,134.00	11,134.49	118.83%	73,700.00
5244 · Election Expenses	5,722.43	12,000.00	-6,277.57	47.69%	12,000.00
5250 · Emergency Operations	1,562.51				
5255 · Fire Department - expense					
5255-1 · Burn Fees	-20.00	845.00	-865.00	-2.37%	1,125.00
5255-2 · Contract	36,000.00	36,000.00	0.00	100.0%	36,000.00
Total 5255 · Fire Department - expense	35,980.00	36,845.00	-865.00	97.65%	37,125.00
5286 · Discretionary Fund	0.00	200.00	-200.00	0.0%	200.00
5316 · Office Supplies	2,855.13	2,664.00	191.13	107.18%	4,000.00
5318 · Postage	1,013.99	1,300.00	-286.01	78.0%	1,300.00
5321 · Building supplies	442.92	700.00	-257.08	63.27%	1,000.00
5328 · Equipment - R & M	2,054.40	2,000.00	54.40	102.72%	3,000.00
5402 · Advertising	3,038.00				
5403 · Web-site	0.00	225.00	-225.00	0.0%	300.00
5415 · Public Notices	2,248.00	3,200.00	-952.00	70.25%	4,000.00
5416 · Insurance	20,130.70	22,050.00	-1,919.30	91.3%	22,050.00
5421 · Dues and Subscriptions	3,896.27	5,861.00	-1,964.73	66.48%	5,861.00
5436 · Training & Travel	1,771.94	1,700.00	71.94	104.23%	2,275.00
5452 · Code Enforcement					
5452-1 · Salary /Wages	13,490.50	12,430.00	1,060.50	108.53%	18,645.00
5452-3 · Benefits	668.95	758.00	-89.05	88.25%	1,137.00
5452-4 · Payroll tax	197.35				
Total 5452 · Code Enforcement	14,356.80	13,188.00	1,168.80	108.86%	19,782.00
5467 · Interest Exp/Bank Fees	198.56				
5505 · Leadership Salado	2,482.20	2,000.00	482.20	124.11%	2,000.00
5510 · Keep Salado Beautiful Expense	5,000.00	2,500.00	2,500.00	200.0%	5,000.00
5600 · Capital outlay					
5601 · Equipment	7,926.24	5,000.00	2,926.24	158.53%	7,500.00
5603 · Building	18,625.15	23,928.00	-5,302.85	77.84%	35,900.00
Total 5600 · Capital outlay	26,551.39	28,928.00	-2,376.61	91.78%	43,400.00
Total 5000 · General government	341,551.45	340,336.00	1,215.45	100.36%	453,051.00
9000 · Municipal Court					

Village of Salado Profit & Loss Budget Performance October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
9100 · Judge Services	4,500.00	4,000.00	500.00	112.5%	6,000.00
9121 · Municipal Court Payroll Taxes	206.84				
9150 · Salary Municipal Court Clerk	12,449.24	15,504.00	-3,054.76	80.3%	23,257.00
9214 · Utilities	138.00				
9216 · Prof. Fees - Legal, Court	7,255.65	8,000.00	-744.35	90.7%	12,000.00
9282 · Technology Fee	0.00	800.00	-800.00	0.0%	1,200.00
9283 · Judge Expense	0.00	800.00	-800.00	0.0%	800.00
9316 · Supplies	279.00	400.00	-121.00	69.75%	600.00
9317 · Security Fee	0.00	675.00	-675.00	0.0%	900.00
9328 · Maintenance and Repair	1,564.50				
9421 · Dues and Subscriptions	268.00				
9436 · Travel and Training	646.75				
9000 · Municipal Court - Other	0.00	0.00	0.00	0.0%	0.00
Total 9000 · Municipal Court	27,307.98	30,179.00	-2,871.02	90.49%	44,757.00
6000 · Police Department					
6100 · Salary - Chief of Police	36,796.28	37,520.00	-723.72	98.07%	56,275.00
6101 · Salary / Wages - Officers	100,617.77	100,984.00	-366.23	99.64%	151,472.00
6102 · Officers - Hourly	0.00	0.00	0.00	0.0%	0.00
6103 · Officers - Overtime	2,455.08	2,600.00	-144.92	94.43%	3,900.00
6106 · Longevity & Certif pay	3,708.00	3,960.00	-252.00	93.64%	3,960.00
6110 · Benefits	29,292.45	28,976.00	316.45	101.09%	43,320.00
6111 · Reserve Officer / Chaplin	0.00	1,664.00	-1,664.00	0.0%	2,496.00
6121 · Payroll Taxes	2,451.65	2,903.00	-451.35	84.45%	4,315.00
6209 · Cell Phones / Communications	3,078.71	3,680.00	-601.29	83.66%	5,520.00
6214 · Utilities	297.93				
6301 · Ammunition	414.81	800.00	-385.19	51.85%	1,000.00
6302 · Crime Prevention Supplies	0.00	600.00	-600.00	0.0%	1,000.00
6314 · Auto expenses (fuel, etc)	10,752.59	14,000.00	-3,247.41	76.8%	20,988.00
6316 · Supplies	394.76	2,800.00	-2,405.24	14.1%	4,200.00
6328 · Building R & M	23.99				
6421 · Dues & Subscriptions	415.80	800.00	-384.20	51.98%	1,000.00
6436 · Training & Travel	163.55	664.00	-500.45	24.63%	1,000.00

Village of Salado

Profit & Loss Budget Performance

October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
6455 · Animal Control	60.00	1,672.00	-1,612.00	3.59%	2,508.00
6600 · Police - Capital outlay					
6603 · Officer Equipment	1,678.07	18,750.00	-17,071.93	8.95%	25,000.00
Total 6600 · Police - Capital outlay	<u>1,678.07</u>	<u>18,750.00</u>	<u>-17,071.93</u>	<u>8.95%</u>	<u>25,000.00</u>
Total 6000 · Police Department	192,601.44	222,373.00	-29,771.56	86.61%	327,954.00
66000 · Payroll Expenses	0.00				
7000 · Maintenance Dept.					
7100 · Maint. - Salary / wages	20,288.52	20,712.00	-423.48	97.96%	31,068.00
7103 · Maint. - Overtime	560.26	800.00	-239.74	70.03%	1,200.00
7110 · Maint. - Benefits	5,321.80	5,248.00	73.80	101.41%	7,872.00
7121 · Payroll tax	314.05	416.00	-101.95	75.49%	621.00
7209 · Cell phone	182.42				
7214 · Utilities	291.81				
7300 · Maint. - Supplies	322.12	6,600.00	-6,277.88	4.88%	7,400.00
7314 · Maint. - Fuel	460.52	960.00	-499.48	47.97%	1,440.00
7328 · Maint - R & M	2,479.87				
7329 · Deer Disposal Fee	49.49				
Total 7000 · Maintenance Dept.	<u>30,270.86</u>	<u>34,736.00</u>	<u>-4,465.14</u>	<u>87.15%</u>	<u>49,601.00</u>
8000 · Parks					
8214 · Parks - Utilities	1,982.55	1,600.00	382.55	123.91%	2,400.00
8300 · Supplies	358.45				
8314 · Auto expenses (fuel)	91.56				
8328 · Parks - R & M	3,058.58	3,000.00	58.58	101.95%	4,500.00
Total 8000 · Parks	<u>5,491.14</u>	<u>4,600.00</u>	<u>891.14</u>	<u>119.37%</u>	<u>6,900.00</u>
10000 · Streets Dept					
10283 · Contract labor	0.00	1,600.00	-1,600.00	0.0%	2,400.00
10301 · Signage	150.81	800.00	-649.19	18.85%	1,200.00
10314 · Auto expense (fuel)	414.73	600.00	-185.27	69.12%	900.00
10328 · Street R & M	271.12				
6645 · Public Facility Rental	3,395.00				
6650 · Utilities - street	8,294.55	8,664.00	-369.45	95.74%	13,000.00
6670 · Pace Park	335.00				

Village of Salado
Profit & Loss Budget Performance
 October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Total 10000 · Streets Dept	12,861.21	11,664.00	1,197.21	110.26%	17,500.00
Total Expense	624,484.08	658,288.00	-33,803.92	94.87%	914,163.00
Net Ordinary Income	246,702.38	122,289.00	124,413.38	201.74%	49,697.00
Other Income/Expense					
Other Expense					
10600 · Streets - Capital Outlay					
10650 · Main Street Improvements	22,305.72	25,000.00	-2,694.28	89.22%	50,000.00
10600 · Streets - Capital Outlay - Other	47,888.58	200,000.00	-152,111.42	23.94%	400,000.00
Total 10600 · Streets - Capital Outlay	70,194.30	225,000.00	-154,805.70	31.2%	450,000.00
Total Other Expense	70,194.30	225,000.00	-154,805.70	31.2%	450,000.00
Net Other Income	-70,194.30	-225,000.00	154,805.70	31.2%	-450,000.00
Net Income	176,508.08	-102,711.00	279,219.08	-171.85%	-400,303.00

4:40 PM

06/11/15

Accrual Basis

Village of Salado
Balance Sheet
As of May 31, 2015

	<u>May 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1001 · Cash In Bank FSBxxx3002	141,759.21
1050 · FSB CC Holding Acct	53,842.26
1099 · Petty Cash	100.00
Total Checking/Savings	<u>195,701.47</u>
Accounts Receivable	
11001 · *Accounts Receivable	85.00
Total Accounts Receivable	<u>85.00</u>
Other Current Assets	
1100 · Investments	
1116 · Texas Star MM	115,290.37
1117 · MMF - Union State Bank	207,878.40
1120 · TexPool	4,152.07
1122 · CD, First State	550,000.00
Total 1100 · Investments	<u>877,320.84</u>
1200 · Other receivables	
1213 · Credit Card Payments Receivable	7,274.23
1215 · Property Tax Receivable	163,196.02
1217 · Franchise Fee Receivable	60,654.45
1218 · Sales Tax Receivable	31,898.57
Total 1200 · Other receivables	<u>263,023.27</u>
1205 · Due To/From Other Funds	
1206 · Due From Fund 200 - Hotel/Motel	2,820.00
1206.1 · Due To/From Hotel/Motel Payroll	52,712.96
1207 · Due To/From Chamber	1,875.00
1207.1 · Due To/From Chamber- Payroll	10,352.36
1208 · Due To/From Utilities	29,098.68
Total 1205 · Due To/From Other Funds	<u>96,859.00</u>
Total Other Current Assets	<u>1,237,203.11</u>
Total Current Assets	<u>1,432,989.58</u>
Fixed Assets	
1700 · Land	45,576.83
1705 · Building	344,324.51
1710 · Vehicles	116,588.23
1720 · Park Equipment	72,861.61
1725 · Furniture & Fixtures	14,646.20

Village of Salado
Balance Sheet
 As of May 31, 2015

	<u>May 31, 15</u>
1730 · Machinery & Equipment	93,439.31
1740 · Infrastructure	326,147.48
1799 · Accumulated Depreciation	<u>-336,175.60</u>
Total Fixed Assets	677,408.57
Other Assets	
1900 · Cash and Investments - Restrict	
1903 · Restricted Funds, Equipment	<u>48,000.00</u>
Total 1900 · Cash and Investments - Restrict	48,000.00
Total Other Assets	48,000.00
TOTAL ASSETS	<u>2,158,398.15</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts payable	<u>511.63</u>
Total Accounts Payable	511.63
Other Current Liabilities	
2100 · Payroll Liabilities	
2106 · State unemploy payable (TWC)	78.39
2105 · FICA / Fed. WH Payable	-608.92
2120 · Aflac Payable	700.14
2140 · TMRS payable	<u>3,808.01</u>
Total 2100 · Payroll Liabilities	3,977.62
2700 · Deferred Revenue	
2704 · Deferred Revenue - Ad Valorem	<u>17,885.11</u>
Total 2700 · Deferred Revenue	17,885.11
2800 · Reserve for Special Projects	118,733.64
Total Other Current Liabilities	140,596.37
Total Current Liabilities	141,108.00
Long Term Liabilities	
2910 · Compensated Absences	<u>90,564.60</u>
Total Long Term Liabilities	90,564.60
Total Liabilities	231,672.60
Equity	

Village of Salado
Balance Sheet
As of May 31, 2015

	<u>May 31, 15</u>
1730 · Machinery & Equipment	93,439.31
1740 · Infrastructure	326,147.48
1799 · Accumulated Depreciation	<u>-336,175.60</u>
Total Fixed Assets	677,408.57
Other Assets	
1900 · Cash and Investments - Restrict	
1903 · Restricted Funds, Equipment	<u>48,000.00</u>
Total 1900 · Cash and Investments - Restrict	48,000.00
Total Other Assets	48,000.00
TOTAL ASSETS	<u>2,158,398.15</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts payable	<u>511.63</u>
Total Accounts Payable	511.63
Other Current Liabilities	
2100 · Payroll Liabilities	
2106 · State unemploy payable (TWC)	78.39
2105 · FICA / Fed. WH Payable	-608.92
2120 · Aflac Payable	700.14
2140 · TMRS payable	<u>3,808.01</u>
Total 2100 · Payroll Liabilities	3,977.62
2700 · Deferred Revenue	
2704 · Deferred Revenue - Ad Valorem	<u>17,885.11</u>
Total 2700 · Deferred Revenue	17,885.11
2800 · Reserve for Special Projects	<u>118,733.64</u>
Total Other Current Liabilities	140,596.37
Total Current Liabilities	141,108.00
Long Term Liabilities	
2910 · Compensated Absences	<u>90,564.60</u>
Total Long Term Liabilities	90,564.60
Total Liabilities	231,672.60
Equity	

4:40 PM
06/11/15
Accrual Basis

Village of Salado
Balance Sheet
As of May 31, 2015

	<u>May 31, 15</u>
30000 · Opening Balance Equity	28,256.83
3110 · Investments in Fixed Assets	630,186.16
32000 · Retained Earnings	1,091,774.48
Net Income	176,508.08
Total Equity	<u>1,926,725.55</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,158,398.15</u></u>

Hotel-Motel Fund
Balance Sheet
As of May 31, 2015

	<u>May 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash in Bank	128,567.62
Total Checking/Savings	128,567.62
Other Current Assets	
1100 · Investments	
1120 · TexPool	53,857.12
1121 · CD	50,000.00
Total 1100 · Investments	103,857.12
1300 · Accounts Receivable	5,064.29
Total Other Current Assets	108,921.41
Total Current Assets	237,489.03
TOTAL ASSETS	237,489.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll Liabilities	118.28
2200 · Due to other funds	
2201 · Due to GF	55,532.96
Total 2200 · Due to other funds	55,532.96
2400 · Reserve For Special Projects	6,675.00
Total Other Current Liabilities	62,326.24
Total Current Liabilities	62,326.24
Total Liabilities	62,326.24
Equity	
32000 · Retained Earnings	134,814.39
Net Income	40,348.40
Total Equity	175,162.79
TOTAL LIABILITIES & EQUITY	237,489.03

Hotel-Motel Fund
Profit & Loss Budget Performance
 October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4135 · Occupancy Tax	138,318.20	143,328.00	-5,009.80	96.51%	215,000.00
4700 · Other Income					
4710 · Trolley Rental	0.00	64.00	-64.00	0.0%	100.00
4700 · Other Income - Other	608.99	1,328.00	-719.01	45.86%	2,000.00
Total 4700 · Other Income	<u>608.99</u>	<u>1,392.00</u>	<u>-783.01</u>	<u>43.75%</u>	<u>2,100.00</u>
4800 · Interest Income	312.68	250.00	62.68	125.07%	500.00
4901 · Income from Chamber					
4902 · Utility Income from Chamber	888.00	1,200.00	-312.00	74.0%	1,800.00
4901 · Income from Chamber - Other	3,180.00	4,800.00	-1,620.00	66.25%	7,200.00
Total 4901 · Income from Chamber	<u>4,068.00</u>	<u>6,000.00</u>	<u>-1,932.00</u>	<u>67.8%</u>	<u>9,000.00</u>
4903 · Special Events					
4904 · Chocolate Festival income	900.00	0.00	900.00	100.0%	2,000.00
4905 · Brochure	4,350.00	4,200.00	150.00	103.57%	6,300.00
4908 · Salado on the Rocks	6,581.70	6,000.00	581.70	109.7%	6,000.00
4909 · Salado Swirl	0.00	0.00	0.00	0.0%	4,000.00
4910 · Dog Daze	375.00				
Total 4903 · Special Events	<u>12,206.70</u>	<u>10,200.00</u>	<u>2,006.70</u>	<u>119.67%</u>	<u>18,300.00</u>
Total Income	<u>155,514.57</u>	<u>161,170.00</u>	<u>-5,655.43</u>	<u>96.49%</u>	<u>244,900.00</u>
Expense					
5000 · General					
5100 · Salary	48,123.90	60,586.00	-12,462.10	79.43%	90,879.00
5110 · Benefits	4,429.59	12,064.00	-7,634.41	36.72%	18,103.00
5121 · Payroll Taxes	693.79	1,172.00	-478.21	59.2%	1,758.00
5210 · Printing	70.95	6,000.00	-5,929.05	1.18%	12,000.00
5211 · Telephone	1,626.81	2,000.00	-373.19	81.34%	3,000.00
5213 · Rent	15,400.00	12,800.00	2,600.00	120.31%	19,200.00
5214 · Utilities	2,648.12	2,328.00	320.12	113.75%	3,500.00
5215 · Janitorial Services	500.00	1,000.00	-500.00	50.0%	2,000.00
5216 · Professional Fees					
5216-3 · Legal Fees	0.00	500.00	-500.00	0.0%	1,000.00

Hotel-Motel Fund
Profit & Loss Budget Performance
October 2014 through May 2015

	<u>Oct '14 - May 15</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
5216-5 · Accounting Fees	5,520.00	2,700.00	2,820.00	204.44%	2,700.00
Total 5216 · Professional Fees	5,520.00	3,200.00	2,320.00	172.5%	3,700.00
5283 · Contract Labor	2,496.50	4,664.00	-2,167.50	53.53%	7,000.00
5316 · Office Supplies	1,084.44	1,000.00	84.44	108.44%	2,000.00
5318 · Postage	293.00	4,000.00	-3,707.00	7.33%	8,000.00
5328 · Equipment - R & M					
5328-1 · Trolley Maintenance	243.14	150.00	93.14	162.09%	300.00
5328 · Equipment - R & M - Other	626.61	0.00	626.61	100.0%	0.00
Total 5328 · Equipment - R & M	869.75	150.00	719.75	579.83%	300.00
5402 · Advertising					
5402-1 · Public Relations	20,702.00	27,500.00	-6,798.00	75.28%	55,000.00
5402-2 · Trade Shows	322.00	2,000.00	-1,678.00	16.1%	4,000.00
5402-3 · Website	192.88	2,750.00	-2,557.12	7.01%	5,500.00
Total 5402 · Advertising	21,216.88	32,250.00	-11,033.12	65.79%	64,500.00
5416 · Insurance	0.00	462.50	-462.50	0.0%	925.00
5421 · Dues & Subscriptions	905.00	1,360.00	-455.00	66.54%	2,040.00
5436 · Training & Travel	3,109.42	6,000.00	-2,890.58	51.82%	9,000.00
5440 · Visitor Services	2,612.23	8,000.00	-5,387.77	32.65%	10,000.00
5450 · Special Events Expense					
5450-1 · Salado Swirl event	0.00	0.00	0.00	0.0%	2,000.00
5450-2 · Salado on the Rocks event	3,241.61	2,500.00	741.61	129.66%	2,500.00
5450-3 · Chocolate Festival	312.24	0.00	312.24	100.0%	2,000.00
Total 5450 · Special Events Expense	3,553.85	2,500.00	1,053.85	142.15%	6,500.00
5490 · Grants Expense					
5490-1 · Grant 1	0.00	13,131.00	-13,131.00	0.0%	13,131.00
5490-2 · Grant 2	0.00	11,007.00	-11,007.00	0.0%	11,007.00
Total 5490 · Grants Expense	0.00	24,138.00	-24,138.00	0.0%	24,138.00
5495 · Village Admin. Fee	0.00	1,500.00	-1,500.00	0.0%	3,000.00
5498 · Contingency (For budget only)	0.00	178.50	-178.50	0.0%	357.00
5601 · Office Equipment	11.94	1,500.00	-1,488.06	0.8%	3,000.00
Total 5000 · General	115,166.17	188,853.00	-73,686.83	60.98%	294,900.00
Total Expense	115,166.17	188,853.00	-73,686.83	60.98%	294,900.00

Hotel-Motel Fund
Profit & Loss Budget Performance
October 2014 through May 2015

	Oct '14 - May 15	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Net Ordinary Income	40,348.40	-27,683.00	68,031.40	-145.75%	-50,000.00
Net Income	<u>40,348.40</u>	<u>-27,683.00</u>	<u>68,031.40</u>	<u>-145.75%</u>	<u>-50,000.00</u>

Village of Salado, TX
Regularly Scheduled Board of Aldermen
Meeting Minutes
Municipal Building, 301 N. Stagecoach Rd.
Thursday, June 4, 2015 6:30 p.m.

Members present: Mayor Skip Blancett, Mayor Pro Tem Fred Brown, Alderman Frank Coachman, Alderman Michael McDougal, Alderman Amber Preston Dankert, Alderman David Williams

Members Absent: None

Others Present: Christina Lee, Acting Village Secretary; Jack Hensley, Chief of Police; Debbie Charbonneau, Executive Director, Salado Chamber of Commerce; Kim Foutz, Village Administrator; Mary Ann Ray, new City Secretary

I. Call To Order : Mayor Blancett called the meeting to order at 6:30 p.m., quorum present.

1. David Reeves, Youth Minister from First Baptist Church, led the invocation.
2. Pledge of Allegiance and Texas Pledge were recited.

II. Reports:

Mayor's Report: The Mayor said that a meeting with Texas Department of Transportation has been set for June 15, 2015. The Chamber of Commerce, the Board of Aldermen, and citizens have sent letters to TxDOT regarding the lack of progress on completion of Interstate 35 through the Village. He acknowledged that extensive rain has slowed progress.

Police Report: Chief Jack Hensley reported that even with the extreme rainfall of the past few weeks, the Village incurred no flood damage nor loss of life. He said the Police Department put up additional signage to notify drivers of high water on roads. He also reported that the renovations of the new Police Headquarters are progressing, but there are issues with information technology that are being addressed. The Department will schedule an open house once the move-in is complete. TxDOT has approved the route for the Midnight Madness fun run on July 31. He reported that officers who have completed various trainings, and also reported that the Interstate 35 northbound access road has been opened and trucks will longer use Main Street as a detour. (See attached.)

Fire Report: Fire Chief Shane Berrier reported that construction on Firehouse No. 2 on FM 2484 is progressing. Firefighters have done most of the work themselves. The flooring will be installed Monday, with cabinetry to follow, and meetings and training will commence there in about two months. (See attached.)

Chamber of Commerce/Tourism Board: Debbie Charbonneau reported that a survey was sent to all 230 members of the Salado Chamber of Commerce; 76 responses were received. Results indicated that members are generally satisfied with their membership and plan to renew in 2016. A Walk-the-Village event is planned for 8:30 a.m. Thursday, June 25, to meet with members on a

one-on-one basis. A general membership gathering will take place from 5:30 p.m. to 7:30 p.m. July 7, and all businesses are invited, members or not. Plans continue for upcoming events: Dog Days June 20, Salado Swirl July 11, and the Art Fair August 8 & 9. Charley Ayres of the Temple Economic Development Commission will present at the July 7 membership meeting. (See attached.)

III. Proclamations

None.

IV. Public Comments:

3. Linda Reynolds spoke about the sewer bond election. She expressed concern regarding the difference between the map used to promote the bond election and current maps that indicate a proposed development will be included in the sewer plan, whereas her home is not.

V. Consent Agenda

4. Consider approving the Consent Agenda items:
 - a. Minutes, Regular Meeting, May 21, 2015
 - b. Consider approving an amendment to the maintenance agreement between the Village of Salado and Jani-King of Austin for commercial cleaning services, adding the police department building located at 313 North Stagecoach to the current agreement and increasing the total contract amount by \$150.00 per month.
 - c. Consider and take action on an exemption to Fireworks Ordinance No. 2008.23 declaring the use, possession, and discharge of fireworks sponsored by Mill Creek as part of a Village approved event, subject to Bell County burn and/or drought status.

Motion was made by Alderman McDougal to approve the Consent Agenda as presented. Alderman Coachman seconded. The motion passed unanimously (5,0).

VI. Regular Agenda:

Resolutions: None

Public Hearings/Ordinances: None

Miscellaneous: None

VII. Workshop Session:

Mayor opened the Workshop Session at 7:00 p.m.

- 5. Policy for employment of off-duty police officers.** Village Administrator Kim Foutz explained a proposal for James Construction to employ off-duty Salado police officers to provide traffic control along Interstate 35 in Bell County during the construction process. She presented a contract between the City of Temple and James Construction for a similar agreement. The Village would assume both workman's comp and liability insurance. James Construction would compensate the Village \$65 per hour per officer, with a minimum of four hours per shift, and \$20 per hour per vehicle within the Village limits and \$30 per hour per vehicle outside the Village limits. The officers would then be compensated double-time by the city at an average rate of about \$36 per hour. If an emergency arises in Salado, the officers would leave their traffic posts to attend to the emergency. Ms. Foutz was asked to find out if police chiefs from other departments are participating. This item will be placed for action on the June 18, 2015, agenda.

- 6. Chapter 380 Economic Development Policy.** Ms. Foutz discussed the need for a Chapter 380 Economic Developmental Policy. She said that if the Village wants to offer incentives for development, a policy must be in place per state law. She will start working with the Chamber for business recruitment. This item will be placed for action on the June 18, 2015, agenda.

- 7. Tax Abatement Policy.** Ms. Foutz explained that before forming any economic developmental policy, the Village must determine what type of business it wants to attract because it's more difficult to revise a tax abatement than an economic development policy. She said there are two types of tax abatements: 1) real estate, which includes building, permanent fixtures, and equipment intended to be used for 10 years minimum; and 2) personal property. She said some communities offer abatements on one type or both, but the developer must select only one type of abatement. She asked for input by June 11, as this item will be placed for action on the June 18, 2015, agenda.

Mayor closed the Workshop Session at 7:56 p.m.

VIII. Executive Session

Mayor opened the Executive Session at 8:06 p.m.

Mayor closed the Executive Session at 9:11 p.m.

Ms. Foutz reported that no action was to be taken on Item IX, Letter of Intent with the Sanctuary Development.

The mayor invited public comment. Hans Fields, former member of the Board of Aldermen, advised the Board to talk to citizens. He said the citizens think they voted for the sewer project to help Main Street, not the Sanctuary or Belton.

Motion was made by Alderman Dankert to adjourn. Alderman McDougal seconded.

There being no further business, the meeting was adjourned at 10:30 p.m.

APPROVED: _____
Skip Blancett, Mayor

ATTEST: _____
Mary Ann Ray, Village Secretary

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/18/15
Item # 6
Regular Agenda
Page 1 of 2

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator

ITEM DESCRIPTION: Presentation, discussion, and possible action on Resolution R-2015-119, establishing an Economic Development Policy.

STAFF RECOMMENDATION: Staff recommends approval.

ITEM SUMMARY AND ANALYSIS: This resolution establishes a Chapter 380 Economic Development Policy for the Village. Chapter 380 of the Local Government Code is the primary vehicle for cities to provide incentives to economic development prospects. The statute reads:

CHAPTER 380. MISCELLANEOUS PROVISIONS RELATING TO MUNICIPAL PLANNING AND DEVELOPMENT

Sec. 380.001. ECONOMIC DEVELOPMENT PROGRAMS.

(a) The governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. For purposes of this subsection, a municipality includes an area that:

- (1) has been annexed by the municipality for limited purposes; or
- (2) is in the extraterritorial jurisdiction of the municipality.

(b) The governing body may:

- (1) administer a program by the use of municipal personnel;
- (2) contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other entity for the administration of a program; and
- (3) accept contributions, gifts, or other resources to develop and administer a program.

Without a policy/program, the BOA is not authorized to provide incentives to economic development prospects. This policy should be reviewed every two years in conjunction with the Tax Abatement Policy.

The resolution addresses the following topics:

- Eligibility criteria
 - Target Industries – 2 categories
 - Located within city limits
 - Direct payback of 5 or less years
 - Construction may not have commenced
 - Other criteria

- Application process and procedures
- Types and thresholds for incentives
- Procedures
- Compliance and recapture of incentives in event of default
- Recruitment
- Assignment of agreements

FISCAL IMPACT: Fiscal impact is established on a case-by-case basis. According to this policy, all incentives should have a direct payback of 5 or less years. In addition, an incentive fund should be discussed during the FY 2015-16 budget process.

ATTACHMENTS:

- Proposed resolution
- Economic Development Policy
- Event space information

RESOLUTION R-2015-119

A RESOLUTION OF THE VILLAGE OF SALADO BOARD OF ALDERMEN ESTABLISHING AN ECONOMIC DEVELOPMENT INCENTIVE POLICY; PROVIDING ELIGIBILITY CRITERIA; PROVIDING CRITERIA FOR DETERMINING THE AMOUNT OF AN INCENTIVE; PROVIDING FOR AN APPLICATION PROCEDURE; ESTABLISHING TYPES OF INCENTIVES; PROVIDING FOR A COMPLIANCE PROCEDURE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Village of Salado desires to establish and provide for a policy under Chapter 380 of the Texas Local Government Code designed to promote economic development in the Village; and

WHEREAS, such a policy will benefit the citizens of the Village by creating new jobs and stimulating business and commercial activity in the Village; and

WHEREAS, the Board of Aldermen has determined that it is appropriate to establish criteria for the granting of economic incentives under the policy and a procedure for making application for such incentives;

WHEREAS, the Board of Aldermen has determined that is it appropriate to establish types of incentives that may be offered; and

WHEREAS, the Board of Aldermen has determined that it is appropriate to establish compliance procedures and provisions for recapture of incentives in the event of default.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS, THAT:

Part 1: The Economic Development Incentive Policy be and is hereby adopted, and shall be effective upon passage.

PASSED AND APPROVED this, the 18th day of June 2015, by a vote of ___ (ayes) to ___ (nays) to ___ (abstentions) of the Board of Aldermen of Salado, Texas.

VILLAGE OF SALADO

Skip Blancett, Mayor

ATTEST:

Mary Ann Ray, Village Secretary

ECONOMIC DEVELOPMENT POLICY

I. GENERAL PURPOSE AND OBJECTIVES

The Village is committed to the promotion of high-quality commercial and business development in all areas of the Village and ongoing improvement of the quality of life of its citizens. These objectives may be served by the enhancement and expansion of the local economy. The Village will consider providing incentives as a stimulus for economic growth and economic stabilization. This will be accomplished in accordance with the criteria and guidelines established herein and in accordance with state law. Nothing herein shall imply or suggest that the Village is under any obligation to provide economic development incentives including tax abatement or reimbursement to any applicant, or that any applicant has a property right nor interest in economic development incentives including tax abatement or reimbursement, or that the Village is precluded from considering other options which may be in the best interest of the Village.

Goals of this policy are to expand retail sales and development, attract new tourism venues, create new jobs, expand capital investment, expand hotel/motel tax growth, and foster redevelopment in identified Targeted Industries. Each applicant's project will be evaluated for potential incentives on a case by case basis.

II. DEFINITIONS

- A. **"Abatement"** means the full or partial exemption of ad valorem taxes on eligible real or personal property improvements in a reinvestment zone designated as such for economic development purposes.
- B. **"Agreement"** means a contractual agreement between a property owner or lessee and the Village for the purpose of providing tax abatement or other incentives.
- C. **"Designated Area"** means a specified region in the Village of Salado that has been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that region. The map found in **Exhibit C** identifies the current Designated Areas in the Village of Salado.
- D. **"Expansion"** means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity or increasing convention or tourism facility event capacity or entertainment facility capacity.
- E. **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.

- F. **"Full-time Job"** means a job that requires a minimum of forty (40) hours of work per week; or eighty (80) hours of work per two weeks, receives benefits, and is hired to work full-time year-round (2080 hours per year).
- G. **"Lease"** means a relationship whereby the business applying for tax abatement or other incentives has a contract for exclusive possession of either the real property on which improvements are to be made and/or of movable personal property to be used for the operation of the business for a defined period of time.
- H. **"Modernization"** means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment, or both. Modernization in a Redevelopment Area includes painting of exterior walls, restoring, removing or installing a façade, adding balconies or decorative art, and related exterior improvements designed to visually improve the exterior of a building or block.
- I. **"New Facility"** means a previously undeveloped property that is placed into service by means other than, or in conjunction with, expansion and modernization.
- J. **"Personal Property"** means equipment and/or tools used or bought for use in the operation Category One business applying for tax abatement.
- K. **"Real Property"** means the area of land defined by legal description as being owned or leased by the business applying for a tax abatement, including buildings, structures, fixed (permanently attached) machinery and equipment, site improvements, related fixed improvements necessary to the operation and administration of the Facility, and valued for property tax purposes, and which are to be included in the Reinvestment Zone.
- L. **"Redevelopment"** means the removal and replacement, rehabilitation, or adaptive reuse of an existing structure or structures, or of land from which previous improvements have been removed including construction of residential, commercial, industrial, public, or other uses as well as provisions for streets, parks, and other public facilities.
- M. **"Redevelopment Area"** means specific geographic locations in Salado that have been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that location. The map found in **Exhibit A** identifies the current Redevelopment Areas in the Village of Salado.
- N. **"Reinvestment Zone"** or Tax Abatement District is an area designated as such for the purpose of tax abatement as authorized by the Village of Salado in accordance with State law.
- O. **"Target Area"** means specified geographic locations in Salado that have been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that location. The map found in **Exhibit B** identifies the current target areas in the Village of Salado.

III. ELIGIBILITY CRITERIA:

A. Proposed developments or redevelopments must be in one or more of the following Target Industries:

Category One

Research & Development
Advanced Technology
Information Technology
Information & Data Center
Corporate and Regional Offices
Bioscience
Medical

Category Two

Major Tourism Attractions/Entertainment Venues
Major Retail Sales and Shopping Centers
Meeting / Event Space
Hotel, Motel, and Bed and Breakfast
Large, Mixed Use Developments

- B. Projects must be entirely within the corporate limits of the Village of Salado, or the proposed site must be contiguous with the Village limits and Applicant is willing to submit a petition for voluntary annexation prior to platting or issuance of a building permit, whichever occurs first.
- C. Project benefits must result in a calculated direct payback of 5 or less years unless the project is on the Top 20 Recruitment List.
- D. The Village shall not provide incentives if it finds that the request for the incentives were filed after the commencement of construction of a New Facility, or the Modernization, Redevelopment, or Expansion of an existing Facility.
- E. Eligible projects must meet at least two of the following criteria for an applicant to be considered eligible for incentives. Additional criteria for specific incentives are listed under the individual incentive type description. Nothing herein prevents the Village to provide higher incentive levels based on the individual case. Project criteria includes projects that:
1. are located in or substantially contribute to Designated Areas, Redevelopment Areas, or Target Areas;
 2. result in at least 25,000 square feet of newly constructed facilities (at new or existing business locations);
 3. result in at least \$500,000 of new taxable appraised value to the tax rolls;
 4. result in at least 50 new, permanent full time jobs;
 5. result in at least 10 new, permanent full time jobs in Redevelopment Areas; or
 6. Result in new minimum annual local sales tax of at least \$50,000 annually
 7. Result in new minimum annual hotel motel tax of at least \$100,000 annually; or in the case of a project to be located in a Redevelopment Area, a new minimum annual hotel motel tax of at least \$25,000.
 8. Meet two of the criteria established in Section III.F(1-4) herein.

- F. Projects which substantially contribute to one or more of the following criteria may be eligible for additional incentives exceeding minimum guidelines.
1. The redevelopment or rehabilitation of building has been vacant for at least two years.
 2. The project will create improvements in the Historic Downtown District
 3. Investment results in redevelopment or rehabilitation of an existing, declining building in a Redevelopment Area
 4. The investment will result in additional development in the surrounding area.

IV. TYPES OF ECONOMIC DEVELOPMENT INCENTIVES:

A. Chapter 380 Incentives:

1. **Expedited Plans Review and Permitting:** The Village of Salado will provide a single point of contact for development services. Expedited permitting and plans review will also be considered.
2. **Small Business Development Center:** The Regional Small Business Development Center provides counseling services for existing and start-up businesses including market research, financial analysis, and business plan development assistance.
3. **Hotel/Motel Tax:** The Village will consider entering into Tourism Marketing Agreements with qualified hotels, motels, and bed and breakfasts that offer meeting space accommodating groups of 25 or more persons and have 10 or more hotel rooms. Agreements will allow these facilities to reinvest a portion of the hotel/motel tax that is generated specifically by their facility to market their accommodations, meeting space, and other attractions. Agreements will specify that marketing plans must be approved by the Board of Aldermen. Hotel/motel thresholds and reimbursements are as follows:

Annual Amount of Hotel/Motel Tax Generated Above Base Year	Reimbursement Schedule
\$25,000-\$99,999 <i>Only applies in Redevelopment Area</i>	year 1 – 30% year 2 – 25% years 3 through 5 – 20% years 6 through 7 – 15%
\$100,000-\$274,999	year 1 – 40% year 2 - 35% year 3 - 30% year 4 - 25% years 5 through 7 - 20% years 8 through 10 - 15%,
\$275,000-\$500,000	year 1 - 70% year 2 - 65% year 3 - 55% year 4 - 50% years 5 through 7 - 45% years 8 through 10 – 40%,

4. **Development Fee Waivers:** The Village will consider reducing or waiving fees including building permit fees, inspection fees, site development permit fees, and platting, zoning, and land use application fees.
5. **Sales tax incentive grant:** Sales tax incentive reimbursements will be considered by the Village on a limited basis. Other entities charging sales tax are encouraged to participate.

Annual Amount of Sales Tax (Village only) Generated Above Base Year	Reimbursement Schedule
\$50,000-\$99,999	5 years at 15%
\$100,000-\$249,999	5 years at 25%
\$250,000+	5 years at 30%

6. **Land grant:** The Village of Salado owns tracts of land, right-of-way, and alleyways in various areas of Salado. Grants of land will be considered.

7. **Façade Improvement Grants.** Façade grants will be considered for properties located in a Strategic Investment Zone, Overlay District, I-35 Corridor, or on Main Street. The Village will consider making grants between \$1,000- \$7,000 on a 1:1 matching basis for the replacement of an existing façade with an eligible masonry product or to remove an existing façade to expose the original façade (if historic). Eligible masonry materials for a replacement façade under this subsection include brick and stone. In the Historic District, eligible materials will be approved based upon the original material used for the building's construction. Façade improvement costs eligible for reimbursement with a façade improvement grant include demolition costs (including labor), landfill costs, and material and construction (including labor) costs, but specifically exclude design costs.
8. **Landscaping and Irrigation grants:** Landscaping grants will be considered for properties located in a Strategic Investment Zone, Overlay District, I-35 Corridor, or on Main Street. Landscaping and irrigation grants will be considered only for properties that meet special overlay district requirements or exceed minimum ordinance standards. To be eligible for a landscape grant, the project must include irrigation. The Village will consider grants up to \$2,500 on a 1:1 matching basis for the installation of new or additional landscaping to an eligible property. Landscaping may include live plants and decorative hardscape such as pavers, arbors, art, etc. Landscaping improvement costs eligible for reimbursement with a landscaping improvement grant include ground preparation costs (including labor), materials (trees, shrubs, soil) and other decorative features.
9. **Sign Improvement Grants:** Sign improvement grants will be considered for properties located in a Strategic Investment Zone, Overlay District, I-35 Corridor or on Main Street. The Village will consider making grants of up to \$1,000 on a 1:1 matching basis for the installation of a new sign or replacement of a dilapidated sign. Only ground-mounted, monument type signs may be funded with a grant unless the sign contributes architecturally to the charm and brand of the Village, as determined in the sole discretion by the Village. Sign improvement costs eligible for reimbursement with a sign improvement grant include demolition costs (including labor), landfill costs, and material and construction (including labor) costs, but specifically exclude design costs.
10. **Historic Preservation Tax Credits:** Historic Preservation Tax Credits are available in the downtown area. The owner of a historic building can receive a federal income tax credit of 20% of the amount spent to rehabilitate a certified historic structure. There is also a 10% credit for older, non-historic buildings. Properties must be income-producing and must be rehabilitated according to standards set by the Secretary of the Interior.
11. **Public infrastructure:** The Village will consider partnering with developers on oversized sidewalks and trails if they are noted on the Village's Trails Master Plan.

12. **Asbestos/lead surveys and abatement:** The Village will consider a grant of up to \$1,000 on a 1:1 matching basis for owner-initiated asbestos survey of a building and up to \$1,000 on a 1:1 matching basis for asbestos abatement for a building on eligible property. Asbestos survey and abatement grant eligible costs include professional fees, labor costs, and replacement materials.
13. **Environmental Protection Agency Brownfield incentives:** The Village will coordinate with the EPA for grants for asbestos assessment surveys and Phase I environmental surveys. Qualified projects may be eligible for abatement grants and EPA Revolving Loan Funds. In addition, EPA Brownfield Tax Incentives allow environmental cleanup costs at eligible properties to be fully deductible in the year incurred, rather than capitalized and spread over a period of years.

B. Tax Abatement Incentives

1. **Property Tax Abatement:** The Village will consider granting tax abatement on the new value of real and personal property improvements including buildings, structures, fixed machinery and equipment, site improvements, related fixed improvements, and personal property (excluding inventory or supplies) with a productive life of ten years or more. See **Tax Abatement Guidelines and Policy Statement** for details.
2. Tax Abatement is granted by a separate Tax Abatement Agreement approved by the Village Board of Aldermen. The Chamber of Commerce Business Growth and Development Committee will assist applicants with the application process and will facilitate abatement agreements with other taxing authorities if they are sought.

C. Public Infrastructure Assistance

1. **Public Improvement District (PID):** A PID may be formed to provide public infrastructure or services such as health and sanitation, water and wastewater, public safety, etc. PIDs allow the Village to levy and collect special assessments on property within the Village. PIDs are subject to creation of a PID plan and market analysis. The Village will only consider TIFs for very large, mixed use developments. Generally, the Village will only consider PIDs if other incentives or funding mechanisms are requested and there is a minimum capital investment of \$15,000,000.
2. **Tax Increment Financing;** Tax increment financing is a tax reinvestment tool that allows local governments to fund public infrastructure improvements within a defined area. TIFs work by allowing taxing entities to repay the costs of public improvements to a designated area with the future tax revenues generated by increased property values. TIF financing

will be considered on Main Street, the I-35 Corridor, or for very large, special or mixed use projects only. TIF and PID financing may not be utilized in conjunction with one another for a project. Tax Increment Reinvestment Zone plans are required for analysis, and, generally, the Village will only consider TIFs if they include County participation and no other incentives or funding mechanisms are requested and there is a minimum capital investment of \$15,000,000.

V. RECRUITMENT

- A. The Chamber of Commerce Business Growth and Development Committee serves as the marketing, recruitment, evaluation, and recommendation arm for prospective Target Businesses. The Committee is comprised of the Chamber of Commerce President, two Chamber of Commerce Board of Directors, two retail representatives at large, a banker or financial advisor, a County representative, a Board of Aldermen representative, and the Village Administrator. The Committee will primarily focus its recruitment efforts on a *Top 20 Recruitment List* established, and amended from time to time, by the Committee. This policy does not prevent recruitment of other businesses in the listed Target Industries. A Recruitment Subcommittee will be established and prospective businesses will be encouraged to discuss their proposed projects with the Subcommittee early in the site selection and development stage process.

VI. APPLICATION PROCESS

- A. Application Submission
1. Applicants must submit a completed Application for Incentives to the Village of Salado Village Administrator's Office. Incomplete applications will not be considered. The complete application shall consist of the following detailed information:
 - a. Information that addresses Part III.E and Part III.F above and Part VI.A.1.d below
 - b. a map and property description;
 - c. a site plan and building elevations;
 - d. a time schedule for undertaking and completing the planned improvements;
 - e. a project for Modernization or Redevelopment requires a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application;
 - f. a project for leased property requires signatures by the owner(s) and the lessee(s) on the application, proof of ownership for all applicants operating a business in a third-party owned facility, or third-party owners of a business facility and a joint application third-party property

- owner. Copies of a lease agreement (financial terms may be whited out) and proof of ownership will be required; and
- g. Any additional information requested by the Village

[†] All documents received by the Village of Salado (physically or electronically) may be subject to public disclosure under certain circumstances.

[†] The Village of Salado reserves the right to request/review/verify the applicant's financial statements and any additional information in determining the economic feasibility, the financial capacity, and long-term benefit of the overall project.

VII. PROCEDURE

- A. The Village of Salado Business Growth and Development Committee will evaluate an application to determine if the project meets the requirements for consideration under this policy as well as coordinate with the applicant:
 - Type of operation
 - Eligibility criteria
 - Minimum standards
 - Minimum thresholds
 - The merit and value of the proposed project
- B. The Salado Business Growth and Development Committee will forward their findings and recommendations to the Village Administrator. Based on the outcome of the evaluation, the Village Administrator may present the application to the Board of Aldermen for consideration.
- C. The Board of Aldermen will consider approving a Development Agreement and/or a Chapter 380 Agreement as applicable, and authorizing the Mayor to execute the agreement(s).
 - 1. All projects brought to the Board of Aldermen for consideration will be presented at meetings conducted pursuant to the Open Meetings Act.
 - 2. The Board of Aldermen retain sole authority to approve in whole or in part or deny any Incentive or Development Agreement.
- D. The following criteria will be considered in determining whether a business should be recruited, and if and at what level incentives may be offered to an applicant:
 - 1. Expansion of the local tax base/new capital investment;
 - 2. Creation of permanent jobs, including the number, type, and average wage of jobs to be created;
 - 3. New annual local sales tax to be directly generated; the project must generate a minimum of \$50,000 annually in direct local Village sales tax;

4. Result in new minimum annual hotel motel tax of at least \$100,000 annually, or in the case of a project to be located in a Redevelopment Area, a new minimum annual hotel motel tax of at least \$25,000.
5. Whether the project substantially contributes to or is located in a Redevelopment or Targeted Area or is a historic building;
6. Whether the project can serve as a prototype and catalyst for other development of a higher standard;
7. Whether the quality of architecture and site design improves the aesthetic appearance, including landscaping and public amenities which exceed the minimum requirements of the Village code;
8. Whether the project increases the amount of green space, public plazas, public parks or landscaping;
9. Impact on quality of life and quality of place;
10. The financial capacity of the applicant to undertake and complete the proposed project;
11. The extent to which the proposed project carries out the goals and objectives of the Village's Comprehensive Plan, Strategic Plan, and Master plans;
12. Extent to which local contractors and suppliers will be used during construction and business operation;
13. The types and value of public improvements, especially public parking and restrooms, to be constructed and paid for by the applicant;
14. Whether the project will attract other new business in the area;
15. Whether the project is environmentally compatible with the community or expands on eco-tourism;
16. The project has high visibility, and brand and image impact;
17. The project is an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.; and
18. Any other factors that the Village determines to be relevant to accomplishing economic development objectives.

VIII. No Vested Right to Receive an Incentive

- A. Nothing herein shall imply or suggest that the Village is under any obligation to provide any incentive to any applicant, or that any applicant has a property right or interest in an incentive, or that the Village is precluded from considering other options which may be in the best interest of the Village. The award or denial of an incentive shall be at the discretion of the Village.
- B. The Village Board of Aldermen will annually appropriate funds for the administration of the incentive program and the granting of funds under the programs established by ordinance and this policy and are subject to the availability

of funds appropriated for that purpose in any given fiscal year. All applications are considered on an individual case-by-case basis.

IX.COMPLIANCE VERIFICATION

A. Initial Inspection

1. After the initial requirements of the agreement have been completed (i.e. construction/installation of improvements), the Owner must submit an executed Certificate of Compliance to the Village.
2. After receipt of an executed Certificate of Compliance, Village staff shall make an inspection to verify that all initial contract requirements are complete.

B. Annual Certification

1. Standard Annual Certification: On a date specified in the Development or Chapter 380 Agreement, the Owner must submit a statement to the Village which provides information about the project's achievement during the prior calendar year regarding the improvements and other agreement obligations.

C. Village's Right to Inspect

1. The Village of Salado reserves the right to send representatives from the Village to inspect the facilities and records of the Owner during the term of the agreement to verify the accuracy of the information provided.

D. Default

1. If during the term of the Agreement, the Village determines that the Applicant is not in compliance with the terms and conditions of the Agreement and fails to cure, and/or allows its ad valorem taxes owed the Village to become delinquent and fails to timely and properly follow the legal procedures for a protest or contest; and
2. If during the term of the agreement, the Village determines the Applicant is in default of the terms and conditions of the Agreement and the default is not cured pursuant to the Agreement, the Village reserves the right to cancel/modify the agreement and/or require repayment of all incentives including the value of in-kind incentives received under the agreement.

X. ASSIGNMENT OF DEVELOPMENT OR CHAPTER 380 AGREEMENTS.

- A. Incentives may be transferred and assigned by the holder to a new owner or lessee of the same Facility upon the approval by resolution of the Village subject to the financial capacity of the assignee and provided that all conditions and obligations in the Agreement are guaranteed by the execution of a new contractual Agreement with the Village. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations. Approval of assignments will not be unreasonably withheld.

CONVENTION/MEETING/EVENT FACILITIES

Best Western (254-947-4001)
41 rooms ; 4 meeting rooms (25)
www.bestwestern.com

Holiday Inn Express (254-947-4004)
79 rooms; 2 meeting rooms (30); 1 large (100)
www.hieexpress.com

Inn on the Creek (254-947-5554)
14 rooms; 1 meeting room (30) plus library
www.innonthecreek.com

Jack's Barn (254-947-8003 or 254-947-1299 B&B)
Barn (225); 3 cabins
www.weatherstone@touringtexas

The Venue (254-947-5554)
B&B (up to 25); Celebration Center up to 250
www.innonthecreek.com

Johnny's Texas Banquet Hall (254-947-4663)
Accommodates up to 80
www.johnnysteaksandbbq.com

Stagecoach Inn (254-947-5111)
82 rooms; between 35-120 classrooms (3 meeting rooms)
www.stagecoachinn.com

Stone Creek Settlement (254-947-9090)
7 cottages, 2 quests rooms, meetings (60)
www.stonecreeksettlement.com

Summers Mill (254-939-6194)
Lodging groups (small to large) conference center full service (200)
www.info@summersmill.com

Tenroc Event Center (254-947-9218)
3 centers for celebrations (200-400); larger groups at Chisholm casual center
www.tenroc.com

The Inn at Salado (254-947-0027)
11 individual guests rooms, 1 cottage, chapel (90) meeting room (100) garden (200)
www.rooms-at-inn-salado.com

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/18/15
Item # 7
Regular Agenda
Page 1 of 2

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator

ITEM DESCRIPTION: Presentation, discussion, and possible action on Resolution R-2015-120, establishing Guidelines and Criteria for Granting Tax Abatement.

STAFF RECOMMENDATION: Staff recommends approval.

ITEM SUMMARY AND ANALYSIS: Chapter 212 of the Texas Tax Code authorizes municipalities to provide tax abatement under certain conditions. This resolution establishes guidelines and criteria to establish a tax abatement policy and program to encourage economic growth within the Village of Salado.

Abatements may potentially be offered for real and personal property improvements including buildings, structures, fixed machinery and equipment, site improvements, related fixed improvements, and personal property (excluding inventory or supplies) with a productive life of ten years or more.

These guidelines establish priorities, address designation of tax abatement reinvestment zones, eligibility criteria, standards for tax abatement, eligibility thresholds, application process, procedures, content of tax abatement agreements, compliance procedures, and assignment provisions.

Under the proposed policy, tax abatement for real and personal property improvements may be offered to the following target industries:

- Research and development
- Advanced technology
- Information technology
- Information and data center
- Corporate and regional offices
- Bioscience medical

Under the proposed policy, tax abatement for real property improvements only may be offered to the following target industries:

- Major tourism attractions
- Major retail sales and shopping centers
- Meeting/event space and entertainment venues
- Hotel, motel and bed and breakfast
- Large, mixed use developments

FISCAL IMPACT: To be determined on a case-by-case basis.

ATTACHMENTS:

- Proposed Resolution
- Tax Abatement Policy

RESOLUTION R-2015-120

A RESOLUTION OF THE VILLAGE OF SALADO BOARD OF ALDERMEN ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT; AND ESTABLISHING GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT AGREEMENTS.

WHEREAS, the attraction of long-term investment and establishment of new jobs in the Village would enhance the economic base of the Village; and

WHEREAS, the Village of Salado has certain governmental powers that enable it to take affirmative and effective action to stimulate such growth; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within the community; and

WHEREAS, tax incentives offered must be strictly limited in application to those new or existing industries or commercial enterprises that bring new wealth into the community to avoid reducing the needed revenues of the Village; and

WHEREAS, in addition to keeping the protection of the environment and other natural resources as high priority, any attempts to stimulate the economy should be relatively assured of eventual positive economic effects on the Village of Salado revenue-raising capabilities; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act") codified in Chapter 312 of the Texas Tax Code authorizes the Village to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires taxing jurisdictions to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said guidelines to be unchanged for a two (2) year period unless amended or repealed by a three-fourths majority vote of the Board of Aldermen; and

WHEREAS, the Act also requires that the taxing jurisdiction elect to become eligible to participate in tax abatement; and

WHEREAS, this document adopts guidelines and criteria that the Village will utilize to assert positive economic development, but should not be read to imply or suggest that the Village of Salado, Texas, is under an obligation to afford these opportunities to any applicant; and

WHEREAS, these Guidelines and Criteria are designed to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the Village to respond to the changing needs of the community;

NOW, THEREFORE, BE IT RESOLVED, BY THE VILLAGE OF SALADO, TEXAS, THAT:

Part 1: That the Village of Salado elects to become eligible to participate in tax abatement.

Part 2: That the Village of Salado Guidelines and Criteria Governing Tax Abatement Agreements is hereby adopted.

PASSED AND APPROVED this, the 18th day of June, 2015, by a vote of ___ (*ayes*) to ___ (*nays*) to ___ (*abstentions*) of the Board of Aldermen of Salado, Texas.

VILLAGE OF SALADO

Skip Blancett, Mayor

ATTEST:

Mary Ann Ray, Village Secretary



**VILLAGE OF SALADO
GUIDELINES AND POLICY STATEMENT**

**TAX ABATEMENT FOR REAL AND PERSONAL
PROPERTY**

I. GENERAL PURPOSE AND OBJECTIVES

The Village is committed to the promotion of high-quality commercial and industrial development in all areas of the Village, and ongoing improvement of the quality of life of its citizens. These objectives may be served by the enhancement and expansion of the local economy. The Village will consider granting property tax abatement as a stimulus for economic growth and economic stabilization. This will be accomplished in accordance with the criteria and guidelines established herein and in accordance with state law. Nothing herein shall imply or suggest that the Village is under any obligation to provide tax abatement to any applicant, or that any applicant has a property right nor interest in tax abatement, or that the Village is precluded from considering other options which may be in the best interest of the Village.

Certain types of business investment which result in the creation of new jobs, new income, and provide for positive economic growth and economic stabilization are beneficial to the Village as a whole. This Tax Abatement Policy provides the general guidelines for all real and personal property tax abatement projects. Each applicant's project will be evaluated for potential tax abatement on a case by case basis.

This policy applies to real and personal property for Category One and real property only for Category Two for the following types of operations:

A. Category One

Research & Development
Advanced Technology
Information Technology
Information & Data Center
Corporate and Regional Offices
Bioscience
Medical

Category Two

Major Tourism Attractions
Major Retail Sales and Shopping Centers
Meeting / Event Space, Entertainment Venues
Hotel, Motel, and Bed and Breakfast
Large, Mixed Use Developments

Nothing in the policy shall be construed as an obligation by the Village of Salado to approve any tax abatement application.

- B. It is the policy of the Village of Salado to give priority consideration to projects that:
1. are located in or substantially contribute to Enterprise zones, designated areas; redevelopment areas, or target areas;
 2. result in a development with little or no additional cost to the Village;
 3. result in at least 25,000 square feet of newly constructed facilities (at new or existing business locations);
 4. result in at least \$500,000 of new taxable appraised value to the tax rolls;
 5. result in at least 50 new, permanent jobs;
 6. result in at least 10 new, permanent jobs in Designated or Target Areas;
 7. Result in new minimum annual local sales tax of at least \$50,000 annually
 8. Result in new minimum annual hotel motel tax of at least \$100,000 annually; and
 9. result in a calculated direct payback of 5 or less years.
- C. It is further the policy of the Village of Salado to encourage the use of disadvantaged business enterprises. For this, and other reasons, a final tax abatement contract may include specific goals and objectives relative to disadvantaged business enterprises, such as utilization of Village-based firms, prospective employment commitments for Village residents, and other specific criteria.

II. DEFINITIONS

- A. **"Abatement"** means the full or partial exemption of ad valorem taxes on eligible real or personal property improvements in a reinvestment zone designated as such for economic development purposes.
- B. **"Agreement"** means a contractual agreement between a property owner or lessee and the Village for the purpose of tax abatement.
- C. **"Base Year Value"** means the assessed value of either the applicant's real and/or personal property improvements located on the real property as of January 1st of the year of the execution of the agreement plus the agreed upon value of any property improvements made after January 1 of that year but before execution of the agreement.
- D. **"Deferred Maintenance"** means those improvements necessary for continued operation but which do not improve productivity or alter any process technology. Exterior improvements (e.g., painting, installing, repairing, removing or replacing a facade) to the exteriors of buildings in a Redevelopment Area which are designed to improve visual appearance of property are not deferred maintenance.
- E. **"Designated Area"** means an Enterprise Zone or a specified region in the Village of Salado that has been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that region. The map found in *Exhibit C* identifies the current Designated Areas in the Village of Salado.

- F. **“Disadvantaged Business Enterprises”** means a for-profit small business concern where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged.
- G. **“Economic Life”** means the number of the years a property improvement is expected to be in service in a facility; provided, however, in no event shall the number of years exceed the depreciation allowance specified in the Federal Internal Revenue Service Code.
- H. **“Enterprise Zone”** means an area that is defined by the most recent federal decennial census available at the time of designation, in which at least 20 percent of the residents have an income at or below 100 percent of the federal poverty level; or an area currently designated by the federal government as a renewal community, a federal empowerment zone, or a federal enterprise community; or an area located in a distressed county.
- I. **“Expansion”** means the addition of buildings, structures, fixed machinery, or equipment for the purpose of increasing production capacity, addition of building square footage, or increasing convention or tourism facility event capacity.
- J. **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
- K. **“Full-time job”** means a job that requires a minimum of forty (40) hours of work per week; or eighty (80) hours of work per two weeks, receives benefits, and is hired to work full-time year-round (2080 hours per year).
- L. **“Lease”** means a relationship whereby the business applying for tax abatement has a contract for exclusive possession of either the real property on which improvements are to be made and/or of movable personal property to be used for the operation of the business for a defined period of time.
- M. **“Modernization”** means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment, or both. Modernization in a Redevelopment Area includes painting of exterior walls, restoring, removing or installing a façade, adding balconies or decorative art, and related exterior improvements designed to visually improve the exterior of a building or block.
- N. **“New facility”** means a previously undeveloped property that is placed into service by means other than, or in conjunction with Expansion or Modernization.
- O. **“Personal Property”** means equipment and/or tools used or bought for use in the operation of the Category One business applying for tax abatement.

- P. **"Real Property"** means the area of land defined by legal description as being owned or leased by the business applying for a tax abatement, including buildings, structures, fixed (permanently attached) machinery and equipment, site improvements, related fixed improvements necessary to the operation and administration of the Facility, and valued for property tax purposes, and which are to be included in the Reinvestment Zone.
- Q. **"Redevelopment"** means the removal and replacement, rehabilitation, or adaptive reuse of an existing structure or structures, or of land from which previous improvements have been removed including construction of residential, commercial, industrial, public, or other uses as well as provisions for streets, parks, and other public facilities.
- R. **"Redevelopment Area"** means specific geographic locations in Salado that have been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that location. The map found in Exhibit "A" identifies the current Redevelopment Areas in the Village of Salado.
- S. **"Reinvestment Zone"** or Tax Abatement District is an area designated as such for the purpose of tax abatement as authorized by the Village of Salado in accordance with State law.
- T. **"Target Area"** means specified geographic locations in Salado that have been selected by the Board of Aldermen to receive special consideration in order to encourage economic development in that location. The map found in Exhibit "B" identifies the current target areas in the Village of Salado.

III. DESIGNATION OF TAX ABATEMENT REINVESTMENT ZONES

The Village will consider designating areas within the Village limits as commercial-industrial tax abatement reinvestment zones which meet one or more of the criteria for designation of a reinvestment zone under Section 312.202 of the Tax Code, and where the property owner meets the minimum qualifications to qualify for a tax abatement under Sections I.A, I.B, and V.A of this Policy. Designation of an area as a tax abatement reinvestment zone is a prerequisite to entering into a tax abatement agreement with the owner of the property in a particular area.

- A. Property located within a Village created (and State-approved) Enterprise Zone is eligible for consideration for tax abatement agreements without the necessity of separate designation as a tax abatement reinvestment zone. Reinvestment zones in Designated Areas, Redevelopment Areas, and Target Areas are subject to less stringent criteria to qualify for tax abatement.

IV. ELIGIBILITY CRITERIA

- A. **Eligible Property:** Tax abatement may only be granted to the owners of real property improvements, personal property improvements, and taxable leasehold interests in tax-exempt real property located in a reinvestment zone to the extent allowed by state law. Real property improvements include the construction of a new facility and the expansion/modernization/redevelopment of an existing facility.
- B. **Ineligible Property:** Any property that is not specifically identified in the tax abatement agreement will not receive tax abatement. Inventory, supplies, deferred maintenance and/or office equipment, and property with a productive life of less than 10 years, are not eligible for tax abatement. Personal property that was located on the real property at any time before the execution of the abatement agreement will not be eligible for abatement. Any property that is in a Tax Increment Financing Zone or Public Improvement District will not be eligible for abatement.
- C. **Commencement of Construction:** The Village shall not establish a reinvestment zone for the purpose of Abatement if it finds that the request for the abatement was filed after the commencement of construction of a New Facility, or the Modernization, Redevelopment, or Expansion of an existing Facility.
- D. **Abatement Periods:** Eligible real personal property improvements may qualify for abatement periods lasting between 2 to 10 years. Eligible personal property improvements may qualify for abatement periods lasting between 2 to 7 years. The economic life of the eligible property must exceed the abatement period.
- E. **Premium Opportunity Bonus:** An additional 10% abatement is available throughout the abatement period if two-thirds (66.7%) of the newly created jobs are filled with employees who reside (additional employees in the case of a qualifying expansion) within the Village of Salado limits. The eligibility of the Premium Opportunity Bonus shall be determined on a yearly basis.
- F. **Exceptional Cases:** Where the project will substantially contribute to one or more of the following criteria, the Board of Aldermen may consider terms and/or percentages that exceed these guidelines. However, the maximum period for any tax abatement agreement is limited to 10 years in accordance with state law.
1. A building has been vacant for at least two years
 2. The project will create improvements in the Historic Downtown District
 3. Investment results in redevelopment or rehabilitation of an existing, declining building in a Redevelopment Area
 4. The investment will result in additional development in the surrounding area

V. STANDARDS FOR TAX ABATEMENT.

A. **Minimum Standards:** The Village will consider tax abatement only on eligible facilities which meet at least two of the following criteria. As per Section VI, Eligibility Thresholds apply.

1. The project involves a minimum increase in property value of three hundred percent (300%) for construction of a new facility, or fifty percent (50%) for expansion of an existing facility, with an overall new investment of at least \$1 million in taxable assets.
2. For eligible facilities in any reinvestment zone within the Redevelopment Area, the project must involve either a minimum increase in property value of one hundred and fifty percent (150%) for construction of a new facility, or twenty-five percent (25%) for expansion of an existing facility, with an overall new investment of at least \$500,000 in taxable assets.
3. The project makes a substantial contribution to redevelopment efforts, special area plans, or strategic economic development programs by enhancing either functional or visual characteristics, e.g., historical structures, traffic circulation, parking facades, materials, signs.
4. The project has high visibility, image impact, or is of a significantly higher level of development quality.
5. The project is an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.
6. The project can serve as a prototype and catalyst for other development of a higher standard.
7. The project stimulates desired concentrations of employment or commercial activity.
8. The project generates greater employment than would otherwise be achieved, e.g., commercial/industrial versus manufacturing versus warehousing.
9. For eligible facilities in any reinvestment zone within the Redevelopment Area, the project improves the aesthetic appearance of the neighborhood, brings new jobs to the Redevelopment Area, increases the availability of public parking, or increases the amount of green space (landscaping).

VI. ELIGIBILITY THRESHOLDS

A. Real Property Abatement

1. Real Property Improvements:

To qualify for real property tax abatement (10 year maximum), the project must meet one or more of the following minimum threshold eligibility requirements in regard to square footage of new construction, job creation, or the value of the improvements as valued by the Bell County Appraisal District. The highest threshold (New Construction, Creation of Full-Time Jobs, and Real Property Improvement Value), regardless of category shall apply.

Creation of Full-time Jobs (# jobs)	Real Property Improvement Value - New Construction (\$ Value per BCAD)	Real Property Improvement Value - Expansion/Modernization (\$ Value per BCAD)	Abatement %	Years
100 or more	\$10,000,000 or more	\$5,000,000 or more	80, 80, 80, 80, 80, 70, 70%	7
50-99	\$5,000,000 to \$9,999,999	\$2,500,000 to \$4,999,999	80, 80, 70, 70, 60, 60, 50%	7
10-49	\$1,000,000 to \$4,999,999	\$500,000 to \$2,499,999	80, 70, 60, 50, 40%	5
BONUS: Any project in a Target or Designated Area may receive an additional 10% in abatement per year				
Redevelopment Area Only – Higher Values/Jobs Qualify as Above				
5-9	\$500,000+	\$250,000+	90, 90, 80, 80, 70%	5

B. Personal Property Abatement

1. Personal Property Improvement:

To qualify for personal property tax abatement (7 year maximum), the project must meet the following minimum threshold eligibility requirements in regard to the value of new construction as valued by the Bell County Appraisal District and job creation and must be classified as a **Category One** Target Industry.

Creation of Full-time Jobs (# jobs)	Personal Property Improvement Value - New Construction (\$ Value per BCAD)	Personal Property Improvement Value - Expansion/Modernization (\$ Value per BCAD)	Abatement %	Years
100 or more	\$10,000,000 or more	\$5,000,000 or more	60, 60, 60, 60, 50, 40, 30%	7
50-99	\$5,000,000 to \$9,999,999	\$2,500,000 to \$4,999,999	60, 60, 50, 50, 40, 40, 30%	7
10-49	\$1,000,000 to \$4,999,999	\$500,000 to \$2,499,999	60, 50, 40, 30, 20%	5
BONUS: Any project in a Target or Designated Area may receive an additional 5% in abatement per year to the above				
Redevelopment Area Only – Higher Values/Jobs Qualify as Above				
5-9	\$500,000+	\$250,000+	70, 70, 60, 60, 50%	5

[†] If a request for tax abatement is justified on the basis of the purchase and maintenance of eligible personal property or on the creation of jobs, the applicant must agree to maintain the personal property or jobs for a period of not less than twice the period for which tax abatement is granted. For example, if an applicant requests and receives 75% tax abatement for five years based on the purchase and maintenance of eligible personal property, the applicant must agree in the tax abatement agreement, subject to recapture of all abated taxes, to maintain the personal property on the property tax roll for not less than ten years.

[†] As used herein, the creation of jobs refers to the creation of a job paying not less than \$10 per hour, the approximate median salary for employees in Bell County. To qualify for a level of tax abatement, e.g., 25%, based on the creation of a specific number of jobs, you must commit to hiring the required effective number of employees by the end of year 2 of the agreement. To calculate the effective number of jobs created: (1) calculate the total annual payroll created (based on the number of employees you will hire at various annual salaries); (2) divide this annual payroll by \$20,800 (our calculated annual salary for a \$10/hr employee); and (3) round this figure to the nearest whole integer.

C. Leasehold Interest Tax Abatement

1. A taxable leasehold interest in tax-exempt property may receive tax abatement if it is located in a reinvestment zone.
2. The eligibility thresholds for tax abatement of a taxable leasehold interest in tax-exempt real property will be determined on a case-by-case basis.

c. Additional or Enhancement Factors. In addition to the minimum investment or job creation criteria listed in (2) above, the following factors, among others, shall be considered in determining whether to grant Tax Abatement, and if so, in what percentage of value to be abated and the duration:

- (1) amount of local sales taxes to be generated directly;
- (2) the costs, if any, to be incurred by the Village to provide facilities or services directly resulting from the new improvements;
- (3) population growth that occurs directly as a result of new improvements;
- (4) the types and value of public improvements, if any, to be constructed and paid for by the applicant seeking Abatement;
- (5) the attraction of other new businesses to the area;
- (6) the overall compatibility with the Village's zoning and subdivision regulations, and over-all comprehensive plan; and
- (7) the environmental compatibility of the project with the community (no appreciable negative impact on quality-of-life perceptions).

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

VII. APPLICATION PROCESS

A. Application Submission

1. Applicants must submit a completed Application for Tax Abatement to the Village of Salado Village Administrator's Office. Incomplete applications will not be considered. The complete application shall consist of the following detailed information:
 - a. Information that addresses Part I.A, I.B, and V.A above
 - b. a map and property description;
 - c. a site plan and building elevations;
 - d. a time schedule for undertaking and completing the planned improvements
 - e. a statement for a Modernization or Redevelopment project of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application
 - f. a signature by the owner(s) and the lessee(s) for an application involving leased property. Proof of ownership will be required by applicants operating a business in an owned facility or owners of a business facility. An applicant operating in a leased facility must apply jointly with the property owner. Copies of a lease agreement (financial terms may be whited out) and proof of ownership will be required.
 - g. Any additional information requested by the Village

† All documents received by the Village of Salado (physically or electronically) may be subject to public disclosure under certain circumstances.

† The Village of Salado reserves the right to request/review/verify the applicant's financial statements and any additional information in determining the economic feasibility, the financial capacity, and long-term benefit of the overall project.

VIII. PROCEDURE

- A. The Village of Salado Business Growth and Development Committee will evaluate an application to determine if the project meets the requirements for consideration under this policy as well as coordinate with the applicant:
 - Type of operation
 - Eligibility criteria
 - Minimum standards
 - Minimum thresholds

- The merit and value of the proposed project
- B. The Salado Business Growth and Development Committee will forward their findings and recommendations to the Village Administrator. Based on the outcome of the evaluation, the Village Administrator may present the application to the Board of Aldermen for consideration.
- C. Notification of Public Hearing on designation of a Reinvestment Zone for the purpose of tax abatement:
- a. Publication in Village newspaper of record no later than seven days prior to hearing.
 - b. Written notice to presiding officers of each taxing entity no later than seven days prior to hearing.
 - c. Public posting no later than seven days prior to hearing.
- D. Simultaneous with Notification of Public Hearing on designation of a Reinvestment Zone, notice is sent to the presiding officers of each taxing entity, as to the Village's intent to consider entering into a Tax Abatement Agreement. The proposed abatement agreement will be included with the notice.
- E. Conduct a Public Hearing on designation of a reinvestment zone for the purpose of tax abatement. If the subject property is in an existing reinvestment zone, no public hearing is necessary.
- G. Adoption of Ordinance designating an area a reinvestment zone. Board of Aldermen considers a Resolution authorizing the Tax Abatement Agreement and authorizes the Mayor to execute the agreement.
1. All projects brought to the Board of Aldermen for consideration will be presented at meetings conducted pursuant to the Open Meetings and Property Redevelopment and Tax Abatement Acts.
 2. The Board of Aldermen retain sole authority to approve in whole or in part or deny any tax abatement agreement.

IX. TAX ABATEMENT AGREEMENTS

- A. If approved, the Village shall formally pass a resolution authorizing an Agreement with the owner (and lessee, where applicable) of the Facility, which Agreement shall include, but not be limited to:
1. The kind, number, and location of all proposed improvements of the property;

2. A provision for access to and authorize inspection of the property by municipal employees to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement;
 3. Limits for the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period the property tax exemptions are in effect;
 4. Provide for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement;
 5. Each term agreed to by the owner of the property;
 6. A requirement that the owner of the property annually certify to the governing body of each taxing unit that the owner is in compliance with each applicable term of the Agreement;
 7. Provide that the Board of Aldermen may cancel or modify the Agreement if the property fails to comply with the Agreement;
 8. Provide that the Improvements are made in accordance with project drawings, specifications, and/or information provided in the application and as approved by the Village, including a provision that any modifications must first receive the written approval the Village.
 9. A requirement that all applicable federal, state, and local codes must be met and all applicable permits must be obtained.
 10. The percentage of value to be abated each year; and
 11. The commencement date and the termination date of Abatement.
- B. To be effective, a tax abatement agreement must be approved by the affirmative vote of a majority of the members of the Board of Aldermen at a regularly scheduled meeting of the Board of Aldermen.
- C. Agreements shall normally be approved or disapproved within sixty (60) days from the date the applicant filed a properly completed application for tax abatement with the Village Administrator.

X. COMPLIANCE VERIFICATION

- A. Initial Inspection
 1. Certificate of Compliance: After the initial requirements of the agreement

have been completed (i.e. construction/installation of improvements), the Owner must submit an executed Certificate of Compliance to the Village.

2. Village Staff Inspection: After receipt of an executed Certificate of Compliance, Village staff shall make an inspection to verify that all initial contract requirements are complete. Upon verification the Village Administrator will approve the Certificate of Compliance, authorize the commencement of the tax abatement, and notify the Bell County Appraisal District.

B. Annual Certification

1. Standard Annual Certification: On or before January 31st of every year, the Owner must submit a statement to the Village which provides information about the project's achievement during the prior calendar year regarding the improvements and/or job creation covered by the tax abatement agreement. The following items must be included in the statement:
 - a. The added square footage and/or improvement value made;
 - b. The value of the construction/installation (most recent value by the Bell County Appraisal District);
 - c. The total number of jobs created (full-time), to date;
 - d. The amount of property taxes paid on the facility during the prior year; and
 - e. Any tax protests that have been filed regarding ad valorem taxes and a description of the reasons for the tax protest.
2. Premium Opportunity Bonus Certification: If the Owner is pursuing the Premium Opportunity Bonus, then on January 31st of every year, the following information must be submitted, in addition to the Standard Annual Certification:
 - a. Number of jobs created;
 - b. Each employee's name or identification number;
 - c. Each employee's home address;
 - d. Each employee's job type or classification; and
 - e. Each employee's pay rate.
3. Upon completion of construction, the designated representative of the Village shall annually evaluate each Facility receiving Abatement to insure compliance with the agreement, and a formal report shall then be made to the Village regarding the findings of the evaluation.

C. Village's Right to Inspect

1. Facilities and Records: The Village of Salado reserves the right to send

representatives from the Village and the Bell County Appraisal District to inspect the facilities and records of the Owner during the term of the agreement to verify the accuracy of the information provided for the tax abatement.

2. Compliance with other laws: The Village will hold and process any information that is received or viewed in accordance with all applicable United States laws and regulations.

D. Default

1. If during the term of the Agreement, the Village determines that the Applicant is not in compliance with the terms and conditions of the Agreement and fails to cure, and/or allows its ad valorem taxes owed the Village to become delinquent and fails to timely and properly follow the legal procedures for a protest or contest; and
2. If during the term of the agreement, the Village determines the Applicant is in default of the terms and conditions of the Agreement and the default is not cure pursuant to the agreement, the Village reserves the right to cancel/modify the agreement and/or require repayment of all incentives including the value of in-kind incentives received under the agreement.

E. Administration.

1. The Chief Appraiser of the Bell County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the Village of the amount of the assessment.

XI. ASSIGNMENT OF TAX ABATEMENT AGREEMENTS.

- A. Abatement may be transferred and assigned by the holder to a new owner or lessee of the same Facility upon the approval by resolution of the Village subject to demonstration of the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of a new contractual Agreement with the Village. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations. Approval of assignments will not be unreasonably withheld.

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/18/15
Item #8
Regular Agenda
Page 1 of 1

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator

ITEM DESCRIPTION: Presentation, discussion, and possible action on Resolution R-2015-118 designating the West Amity Bridge of Interstate Highway 35 as the “Clark Davis Memorial Bridge”.

STAFF RECOMMENDATION: This agenda item was submitted by Alderman Dankert.

ITEM SUMMARY AND ANALYSIS: At the May 7, 2015 regular Board of Aldermen meeting, the board discussed the possibility of naming the West Amity bridge, damaged earlier this spring, after the gentleman who lost his life, Clark Davis. Alderman Dankert had spoken with TXDOT officials and found that in order to accomplish this, the Village would be required to pass a resolution, and purchase and install the sign through TXDOT. In addition, it was noted that TXDOT allows for a naming ceremony at the bridge and that the family of the deceased could attend.

FISCAL IMPACT: Alderman Dankert will report at the meeting the final estimated cost. It was discussed at the May 7 workshop that the Village could raise funds for this project or accept donations. Alderman Coachman suggested any additional funds raised could be used to finish the fire department building. Alderman Dankert also suggested that additional funds could be used for a scholarship for the victim’s seven year old daughter.

ATTACHMENTS:

- Resolution

RESOLUTION NO. R-2015-118

A RESOLUTION OF THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS, DESIGNATING THE F.M. 2484 BRIDGE OF INTERSTATE HIGHWAY 35 AS CLARK DAVIS MEMORIAL BRIDGE.

WHEREAS, a major accident that occurred March 26, 2015 on Interstate 35 injured 3 people and claimed the life of Clark Davis, a resident of Arlington, Texas. The 32-year-old man left behind family, including a daughter.

WHEREAS, the Village desires to recognize and honor the life of Clark Davis.

WHEREAS, the Village wishes to rename the F.M. 2484 Bridge as Clark Davis Memorial Bridge;

WHEREAS, the Village wishes for Texas Department of Transportation to erect signage on both the northbound and southbound lanes of Interstate 35 below the bridge, indicating the bridge is named Clark Davis Memorial Bridge;

WHEREAS, the Village acknowledges that the cost of the signs will be approximately \$2,000 and that the Village will be responsible for its cost:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:

- Part 1.** The Board of Aldermen wishes to designate the F.M. 2484 Bridge of Interstate Highway 35 within the city limit boundaries of Salado as a memorial bridge for Clark Davis as Clark Davis Memorial Bridge.
- Part 2.** The Board of Aldermen authorizes the Village Administrator to sign any documentation or take any necessary action to execute this resolution.
- Part 3.** The Village shall raise funds through donations from the general public to purchase and maintain the signs.
- Part 4.** This resolution shall be in full force and effect immediately from and after its passage.
- Part 5.** The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

PASSED & APPROVED this, the 18th day of June, 2015, by a vote of ____ (ayes) to ____ (nays) to ____ (abstentions) of the Board of Aldermen of Salado, Texas.

VILLAGE OF SALADO:

By: _____
Skip Blancett, Mayor

ATTEST:

By: _____
Mary Ann Ray, Village Secretary

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/04/15
Item # 9
Regular Agenda
Page 1 of 1

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator

ITEM DESCRIPTION: Hold a Public Hearing and consider adopting Ordinance 2013.08.14, amending Ordinance 2013.08, Zoning Procedures and Administration, Section 2.1 Nonconforming Uses and Structures, as it relates to lots platted prior to September 18, 2003, that do not meet the minimum lot size.

STAFF RECOMMENDATION: Staff recommends approval.

ITEM SUMMARY AND ANALYSIS: At the May 21, 2015, BOA meeting, the Board heard a variance request from applicants desiring to build on a lot that was platted prior to the enactment of the Village of Salado Zoning Ordinance. The lot is zoned SF-21 which requires a minimum lot size of 21,780 square feet. The lot did not meet this minimum lot size as set forth in the Ordinance.

In the preparation of the variance request, staff learned there were multiple lots throughout the Village that having been platted prior to September 2003, which would not meet the minimum lot requirements. Most of these lots are infill lots throughout the Village. As such, staff informed the BOA we would be seeking an amendment to the Zoning Ordinance, specifically Section 2.1 Nonconforming Uses and Structures, to clearly allow construction of homes on these lots if approval was obtained by the Bell County Health District for an On-Site Septic Facility or if these lots are served by a public wastewater system. Additionally, this amendment requires that any lot that falls under this provision meet a minimum front yard setback of 25'.

If this amendment is approved, future development meeting this criteria would not be required to obtain a variance.

FISCAL IMPACT: N/A

ATTACHMENTS:

- Ordinance 2013.08.14

**Ordinance No. 2013.08.14
Village of Salado
County of Bell
State of Texas**

ZONING ORDINANCE AMENDMENT

AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS, AMENDING THE ZONING ORDINANCE, SECTION 2.1: NONCONFORMING USES AND STRUCTURES; PROVIDING FOR SPECIAL EXCEPTION OF NONCONFORMING LOTS; AND PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT; ENACTMENT; SEVERABILITY; REPEALER; CODIFICATION; EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS, the Board of Aldermen of the Village of Salado, Texas (“Board”), seeks to amend the Zoning Ordinance; and

WHEREAS, the Board finds that the community contains lots that were lawfully platted prior to the adoption of the Zoning Ordinance and do not conform to minimum area standards set forth in the Zoning Ordinance; and

WHEREAS, the Board strives to further the community’s future development by allowing construction to occur on nonconforming lots; and

WHEREAS, the Board seeks to protect the health, safety and general welfare of the public by enforcing zoning regulations; and

WHEREAS, pursuant to Chapter 51 of the Texas Local Government Code, the Board has determined that the authority granted through this Ordinance is reasonable and necessary;

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Village of Salado, Texas, that:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

2. ENACTMENT

Ordinance No. 2013.08 is hereby amended so to read in accordance with **Exhibit A**, which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any underlined text shall be inserted into the Ordinance and any struck-through text shall be deleted from the Ordinance, as stated on **Exhibit A**.

3. REPEALER

To the extent reasonably possible, ordinances are to be read together in harmony. However, all ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. CODIFICATION

The Village Secretary is hereby directed to record and publish the attached rules, regulations and policies in the Village's Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication of caption.

7. PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED AND APPROVED this the _____ day of _____ 2015, by a ___ (ayes) to ___ (nays) to ___ (abstentions) vote of the Board of Aldermen of the Village of Salado, Texas.

THE VILLAGE OF SALADO, TEXAS:

by: _____
Mayor Skip Blancett

ATTEST:

Mary Ann Ray, Village Secretary

Exhibit A

VILLAGE OF SALADO VILLAGE ORDINANCES

Section 2.1: Nonconforming Uses and Structures

A. Intent of Provisions:

1. Within the districts established by this Ordinance or amendments thereto, there may exist lots, structures, uses of land and structures, and characteristics of use which were lawfully in existence and operating before this Ordinance was enacted, amended or otherwise made applicable to such lots, structures or uses, but which do not now conform to the regulations of the district in which they are located. It is the intent of this Ordinance to permit such nonconforming uses to continue, as long as the conditions within this Section and other applicable sections of the Ordinance are met, **except as otherwise provided herein.**
2. **Lots platted prior to the adoption of this Ordinance do not have to meet minimum lot size as set out in applicable sections of this Ordinance provided that on-site sanitary facilities or public wastewater is approved. The lots set out in this subsection shall meet a minimum twenty-five feet (25') front yard setback, where applicable.**
3. Nonconforming uses shall not be enlarged upon, expanded or extended, and shall not be used as a basis for adding other structures or uses prohibited elsewhere in the same district, except as otherwise provided herein.
4. Nonconforming uses are hereby declared to be incompatible with the permitted uses in the districts involved.
5. Other than in the case of a fire or natural disaster, the owner of a manufactured home may remove the manufactured home from its location and place another manufactured home on the same property only once, provided that the replacement is a newer manufactured home and the new manufactured home is at least as large in living space as the prior manufactured home.

**Ordinance No. 2013.08.14
Village of Salado
County of Bell
State of Texas**

ZONING ORDINANCE AMENDMENT

AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS, AMENDING THE ZONING ORDINANCE, SECTION 2.1: NONCONFORMING USES AND STRUCTURES; PROVIDING FOR SPECIAL EXCEPTION OF NONCONFORMING LOTS; AND PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT; ENACTMENT; SEVERABILITY; REPEALER; CODIFICATION; EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS, the Board of Aldermen of the Village of Salado, Texas (“Board”), seeks to amend the Zoning Ordinance; and

WHEREAS, the Board finds that the community contains lots that were lawfully platted prior to the adoption of the Zoning Ordinance and do not conform to minimum area standards set forth in the Zoning Ordinance; and

WHEREAS, the Board strives to further the community’s future development by allowing construction to occur on nonconforming lots; and

WHEREAS, the Board seeks to protect the health, safety and general welfare of the public by enforcing zoning regulations; and

WHEREAS, pursuant to Chapter 51 of the Texas Local Government Code, the Board has determined that the authority granted through this Ordinance is reasonable and necessary;

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Village of Salado, Texas, that:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

2. ENACTMENT

Ordinance No. 2013.08 is hereby amended so to read in accordance with **Exhibit A**, which is attached hereto and incorporated into this Ordinance for all intents and purposes. Any highlighted text shall be inserted into the Ordinance as stated on **Exhibit A**.

3. REPEALER

To the extent reasonably possible, ordinances are to be read together in harmony. However, all ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

5. CODIFICATION

The Village Secretary is hereby directed to record and publish the attached rules, regulations and policies in the Village's Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication of caption.

7. PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED AND APPROVED this the ____ day of _____ 2015, by a ____ (ayes) to ____ (nays) to ____ (abstentions) vote of the Board of Aldermen of the Village of Salado, Texas.

THE VILLAGE OF SALADO, TEXAS:

by: _____
Mayor Skip Blancett

ATTEST:

_____ Mary Ann Ray, Village Secretary

Exhibit A

VILLAGE OF SALADO

VILLAGE ORDINANCES

Section 2.1: Nonconforming Uses and Structures

A. Intent of Provisions:

1. Within the districts established by this Ordinance or amendments thereto, there may exist lots, structures, uses of land and structures, and characteristics of use which were lawfully in existence and operating before this Ordinance was enacted, amended or otherwise made applicable to such lots, structures or uses, but which do not now conform to the regulations of the district in which they are located. It is the intent of this Ordinance to permit such nonconforming uses to continue, as long as the conditions within this Section and other applicable sections of the Ordinance are met, **except as otherwise provided herein.**
2. **Lots platted prior to the adoption of this Ordinance do not have to meet minimum lot size as set out in applicable sections of this Ordinance provided that on-site sanitary facilities or public wastewater is approved. The lots set out in this subsection shall meet a minimum twenty-five feet (25') front yard setback, where applicable.**
3. Nonconforming uses shall not be enlarged upon, expanded or extended, and shall not be used as a basis for adding other structures or uses prohibited elsewhere in the same district, except as otherwise provided herein.
4. Nonconforming uses are hereby declared to be incompatible with the permitted uses in the districts involved.
5. Other than in the case of a fire or natural disaster, the owner of a manufactured home may remove the manufactured home from its location and place another manufactured home on the same property only once, provided that the replacement is a newer manufactured home and the new manufactured home is at least as large in living space as the prior manufactured home.

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/18/15
Item # 10
Miscellaneous Agenda
Page 1 of 2

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator
Jack Hensley, Chief of Police

ITEM DESCRIPTION: Consideration and possible action on a Services Agreement with James Construction Group, LLC, for police officers to provide traffic control services and use of police vehicles on and around the I-35 reconstruction project.

STAFF RECOMMENDATION: Staff recommends approval of the Services Agreement as presented.

ITEM SUMMARY AND ANALYSIS: James Construction Group, LLC (James) is the general contractor on TXDOT's I-35 Reconstruction Project. James has requested the services of the Salado Police Department, specifically traffic control services and use of police vehicles, be provided on the I-35 project.

This item was on the agenda at the June 4th workshop: The following questions were discussed:

1. Contract with James and the Village or Officers working as independent contractors
2. Ramifications for insurance coverage
3. Financial implication
4. Which cities/counties allow chiefs / department head to participate in the program

Legal counsel has reviewed the agreement and the Village Administrator recommended the contract method between the Village and James Construction. Under this approach, the police officers and vehicles are covered under the Village's general liability and worker's compensation policies. The Company will reimburse the Village for any deductible payments the Village must make to its carrier in the event a police vehicle is damaged while being used on the Project.

The following Cities / Counties are providing services on the I-35 project: Burnet, Marble Falls, Bell County, Temple, and Morgan's Point Resort. All of these agencies allow the chief / department head to work this project at the discretion of the chief / department head. (No policies were found on this topic.) The attached, proposed contract does not specifically address the chief participating in the program, but does address all other potential department employee titles.

FISCAL IMPACT: Use of vehicle: The Village will be compensated on an hourly basis (not less than 4 hours) at \$65.00 per hour for each officer; plus \$20.00 per hour per vehicle within the Village Limits; and \$30.00 per hour outside of the Village Limits.

Officer Compensation: Out of the \$65.00 per hour, staff recommends that Officers be compensated double time plus all benefits. Average officer pay is \$17.85 per hour; therefore compensation to the officer would be approximately \$36.00 per hour plus approximately \$10.00 per hour in benefits. The Village would net approximately \$19.00 per hour per officer and \$20-\$30 per hour for use of the vehicle.

ATTACHMENTS: Copy of contract

**VILLAGE OF SALADO
SERVICES AGREEMENT**

STATE OF TEXAS § **Description of Services: Provide Traffic
Control Services and Use of Police Vehicles**

COUNTY OF BELL §

Date: June 9, 2015

This Agreement is made and entered into by and between **James Construction Group, LLC** (“Company”) and the Village of Salado, Texas (“Village”) a Texas General Law City, acting by and through its duly authorized agent, Kim Foutz, Village Administrator, who agrees as follows:

1. PURPOSE OF THE AGREEMENT

Company desires to contract with the Village for the provision of traffic control services and vehicle usage on and around the I-35 Reconstruction Project (the “Project”). The Village has agreed to provide such services but will not provide services outside Bell County.

The parties to this Agreement enter into this present Agreement in order to clarify the anticipated scope and nature of Company’s request.

2. TERM OF AGREEMENT; TERMINATION

2.1 This Agreement shall be effective from June 9, 2015 through June 8, 2016. *Either party may terminate this agreement for any reason with 30 days written notice to the other party.*

2.2 The Parties reserve the right to enforce the performance of this Agreement in any manner prescribed by law or deemed to be in the best interest of such Party in the event of breach or default of any provision of this Agreement, including immediate termination of this Agreement.

3. ENTIRE AGREEMENT

This Agreement represents the entire agreement between Company and the Village and no prior or contemporaneous oral or written agreement shall be construed to alter its terms. No additional terms shall become part of this Agreement without the written consent of both parties and compliance with relevant state law.

4. ASSIGNMENT

Company shall not assign or subcontract its obligations under this Agreement without the prior written consent of the Village.

5. INDEMNITY

IT IS AGREED FOR ALL PURPOSES HEREUNDER, THAT VILLAGE IS AND SHALL BE AN INDEPENDENT CONTRACTOR AND SHALL NOT, WITH RESPECT TO ITS ACTS OR OMISSIONS, BE DEEMED AN AGENT OR EMPLOYEE OF COMPANY.

THE INDEMNITY OBLIGATIONS HEREIN SHALL SURVIVE THE TERMINATION OF THE CONTRACT FOR ANY REASON AND SHALL SURVIVE THE COMPLETION OF THE WORK ON THE PROJECT.

COMPANY AGREES TO INDEMNIFY AND HOLD HARMLESS AND DEFEND VILLAGE, ITS OFFICERS, AGENTS AND EMPLOYEES, FROM AND AGAINST LIABILITY FOR ANY AND ALL CLAIMS, LIENS, SUITS, DEMANDS AND/OR ACTIONS FOR INJURIES TO THIRD PERSONS (INCLUDING DEATH), AND THIRD PARTY PROPERTY DAMAGE (INCLUDING LOSS OF USE), AND RELATED EXPENSES, INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES, AND OTHER REASONABLE COSTS TO THE EXTENT ARISING OUT OF OR RESULTING FROM COMPANY'S NEGLIGENCE OR WILLFUL MISCONDUCT UNDER THIS AGREEMENT, INCLUDING ALL SUCH CAUSES OF ACTION BASED UPON THE NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY, INCLUDING BUT NOT LIMITED TO ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, AND INVITEES.

COMPANY FURTHER AGREES THAT IT SHALL AT ALL TIMES EXERCISE REASONABLE PRECAUTIONS ON BEHALF OF, AND BE SOLELY RESPONSIBLE FOR, THE SAFETY OF COMPANY, INCLUDING BUT NOT LIMITED TO ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, INVITEES, AS WELL AS THEIR PROPERTY. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT VILLAGE SHALL NOT BE LIABLE OR RESPONSIBLE FOR THE NEGLIGENCE OF COMPANY, INCLUDING BUT NOT LIMITED TO ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES, AND INVITEES.

TO THE EXTENT ALLOWED BY LAW, VILLAGE AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND COMPANY AND ITS AFFILIATES, SUBCONTRACTORS, LICENSEES, INVITEES, AGENTS AND EMPLOYEES, FROM AND AGAINST LIABILITY FOR ANY AND ALL CLAIMS, LIENS, SUITS, DEMANDS AND/OR ACTIONS FOR INJURIES TO THIRD PERSONS (INCLUDING DEATH), AND THIRD PARTY PROPERTY DAMAGE (INCLUDING LOSS OF USE), AND RELATED EXPENSES, INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES, AND OTHER REASONABLE COSTS TO THE EXTENT ARISING OUT OF OR RESULTING FROM VILLAGE'S NEGLIGENCE OR WILLFUL MISCONDUCT UNDER THIS AGREEMENT, INCLUDING ALL SUCH CAUSES OF ACTION BASED UPON THE NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF

VILLAGE, INCLUDING BUT NOT LIMITED TO ITS OFFICERS, AGENTS, AND EMPLOYEES.

VILLAGE FURTHER AGREES THAT IT SHALL AT ALL TIMES EXERCISE REASONABLE PRECAUTIONS ON BEHALF OF, AND BE SOLELY RESPONSIBLE FOR, THE SAFETY OF ITS OFFICERS, AGENTS, EMPLOYEES, AS WELL AS THEIR PROPERTY. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT COMPANY SHALL NOT BE LIABLE OR RESPONSIBLE FOR THE NEGLIGENCE OF VILLAGE, INCLUDING BUT NOT LIMITED TO ITS OFFICERS, AGENTS, AND EMPLOYEES.

IT IS FURTHER AGREED, WITH RESPECT TO THE ABOVE INDEMNITIES, THAT VILLAGE AND COMPANY WILL PROVIDE THE OTHER PROMPT AND TIMELY NOTICE OF ANY EVENT COVERED WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, CONTINGENTLY OR OTHERWISE, AFFECTS OR MIGHT AFFECT COMPANY OR VILLAGE, AND VILLAGE AND COMPANY SHALL HAVE THE RIGHT TO COMPROMISE AND DEFEND THE SAME TO THE EXTENT OF THEIR OWN INTERESTS.

6. OBLIGATION OF COMPANY

6.1 Traffic Control Services

Company will reimburse the Village for the actual overtime salary and benefits of the police officers carrying out scheduled traffic control services on the Project. The Parties agree that the base hourly rate that Company may be charged for a Police Officer assigned to perform the traffic control services will not exceed Sixty-Five Dollars (\$65.00) per hour. The base hourly rate does not include amounts required to cover the payment of employee benefits and such amounts will be calculated and added to the base hourly rate.

Company understands and agrees that it will be charged a minimum of 4 hours for each officer providing traffic control services even if the officer works for less than 4 hours on any given day.

6.2 Vehicle Usage

Company will pay to the Village \$20.00 per hour, per vehicle for each police vehicle used on any portion of the Project that lies in whole or in part within the Salado City Limits. Company will pay to the Village \$30.00 per hour, per vehicle for each police vehicle used on any portion of the Project that lies completely outside of the Salado City Limits. The Village will not provide services outside Bell County.

Company understands and agrees that it will be charged a minimum of 4 hours for each vehicle used on the project even if the vehicle is not used 4 hours on any given day.

7. OBLIGATIONS OF VILLAGE

The Village will provide the officers, supervisors and vehicles necessary to carry out the traffic control services on the Project; however, Village is not required to provide such services or vehicle usage if, in the sole discretion of the Village, it determines the resources are required to carry out other Village business. The schedule for such services shall be determined by mutual agreement between the Parties.

8. SUPERVISION OF POLICE OFFICERS

The police officers providing traffic control services under this Agreement will work under the direct supervision and control of the Village Police Department through their direct supervisor and the Chief of Police or his designee.

9. INSURANCE

The police officers providing traffic control services and police vehicles will be covered under the Village's general liability and worker's compensation policies. Company agrees to reimburse the Village for any deductible payment(s) Village must make to its insurance carrier in the event a police vehicle is damaged while being used on the Project.

10. VENUE; RECOVERY OF FEES; DISPUTE RESOLUTION; CHOICE OF LAW

Any suit or claim or cause of action regarding this Agreement shall be brought in Bell County, Texas, as the choice of venue and jurisdiction and site of performance by the Parties. The prevailing party in such an action may recover reasonable costs, including cost of court and attorney's fees. The Parties are encouraged to enter into mediation should a dispute arise during the term of this Agreement, the costs being shared equally by the Parties. The Parties further agree that the law of the State of Texas shall govern any interpretation of the terms of this Agreement without regard to conflicts of law provisions therein.

11. ETHICAL CERTIFICATION

Company certifies that neither it nor any of its agents or employees have or will offer or accept gifts or anything of value, or enter into any business arrangement, with any employee, official, or agent of the Village

12. NOTICES

Any written notice provided under this Agreement or required by law shall be deemed to have been given and received on the next day after such notice has been deposited by Registered or Certified Mail with sufficient postage affixed thereto and addressed to the other party to the Agreement; provided, that this shall not prevent the giving of actual notice in any manner.

Notice to Company may be sent to the following address:

VP Texas Division
James Construction Group, LLC
5880 West Hwy 190
Belton, Texas 76513

13. CONTRACT ADMINISTRATOR

This Agreement shall be administered on the Village's behalf by Kim Foutz, Village Administrator, and all notices, questions, or documentation, arising under this Contract shall be addressed to the contract administrator at:

Village of Salado
P.O. Box 219
Salado, Texas 76571

14. MODIFICATION

This Agreement may be amended or modified by the mutual agreement of both Parties hereto in writing, such writing being attached hereto and incorporated into this Agreement.

15. SEVERABILITY

In case any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such fact shall not affect any other provision thereof and this Agreement shall be construed as if the stricken provision had never been contained herein.

16. EXECUTION OF AGREEMENT

The execution of this Agreement shall proceed as follows: signature of Company (and the Corporate Secretary and seal, if applicable) shall be affixed hereto. The Agreement shall then be signed by the Village Administrator. After such approval, an executed original of this Agreement shall be kept on file in the Village Secretary's Office.

THE VILLAGE OF SALADO, TEXAS

Skip Blancett,
Mayor, Village of Salado

James Construction Group, LLC
By: _____
Title: VP Texas Division

ATTEST:

Mary Ann Ray
Village Secretary

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on the _____ day of _____,
2015, by Skip Blancett, Mayor, Village of Salado, Texas.

Notary Public, State of Texas

BOARD OF ALDERMAN

AGENDA ITEM MEMORANDUM

06/18/15
Item #16
Regular Agenda
Page 1 of 1

DEPT/DIVISION REVIEW: Kim Foutz, Village Administrator

ITEM DESCRIPTION: Presentation, discussion, and possible action on: 1) a Master Development Agreement with 4T-LFT Ventures, LP, for redevelopment of Stagecoach Inn and Restaurant; and 2) a Tourism Marketing Agreement with 4T-LFT Ventures, LP.

STAFF RECOMMENDATION: Staff recommends approval.

ITEM SUMMARY AND ANALYSIS: 4T-LFT Ventures has proposed to redevelop the Historic Stagecoach Inn, restaurant, and site. Below is a description of the proposed development:

Phase I - Mixed-Use Development: The redevelopment of the existing restaurant and coffee shop in a manner so as to re-build the brand and reputation of the Stagecoach Inn restaurant as a dining destination; renovation of the existing 5,000 square feet of meeting space, and renovation of the existing retail space of along the west side of Main Street.

Phase II - Hotel Redevelopment: The renovation of the existing 82 hotel rooms and addition of 38 hotel rooms for a total of 120 boutique 4-star hotel rooms. Hotel amenities to be newly constructed include: a full service fitness center, a mineral pool with spa services, addition of 5,000 square feet of meeting space, lounge, landscaped courtyard including outdoor event and activity spaces, extensive landscape improvements especially along I-35 for buffering. Hotel amenities to be renovated include 5,000 square feet of existing meeting space, two swimming pools with new family areas, a parking facility near the existing wastewater treatment plant, and private park improvements to open the view to Salado Creek and connect to the trail system.

An overview of the incentives contained in the Master Development Agreement will be provided at the meeting.

In addition to the Master Development Agreement provisions, staff will provide a summary of the proposed Tourism Marketing Agreement which is a contract for promotional services, programs, and activities to promote hotel, tourism, and convention attendance in the Salado Marketing Area.

FISCAL IMPACT: A variety of incentives are included in the Master Development Agreement. Staff will provide an overview of the total incentives and related value.

ATTACHMENTS:

- Master Development Agreement
- Tourism Marketing Agreement