



**NOTICE OF MEETING  
OF THE  
GOVERNING BODY OF  
COPPERAS COVE, TEXAS**

*An agenda information packet is available for public inspection  
in the Copperas Cove Public Library, City Hall and  
on the City's Web Page, [www.ci.copperas-cove.tx.us](http://www.ci.copperas-cove.tx.us)*

Notice is hereby given that a **Regular Council Meeting** of the City of Copperas Cove, Texas, will be held on the **1st day of December 2009** at **7:00 p.m.** in the City Hall Council Chambers at 507 South Main Street, Copperas Cove, Texas 76522, at which time the following subjects will be discussed:

**A. CALL TO ORDER**

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

**C. ROLL CALL**

**D. ANNOUNCEMENTS**

**E. PUBLIC RECOGNITION**

1. Employee Service Awards: Mark Summerlin, Operator II Wastewater Department – 10 years. **Andrea M. Gardner, City Manager**
2. Proclamation: 125th Anniversary – Mount Hiram Lodge No. 595. **John Hull, Mayor**

**F. CITIZENS FORUM** – At this time, citizens will be allowed to speak for a length of time not to exceed five minutes per person. Thirty minutes total has been allotted for this section.

**G. CONSENT AGENDA** – All matters listed under this item are considered to be routine by the City Council and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.

1. Consideration and action on approving the minutes from the workshop council meeting on November 17, 2009. **Jane Lees, City Secretary**

2. Consideration and action on approving the minutes from the regular council meeting on November 17, 2009. **Jane Lees, City Secretary**
3. Consideration and action on the appointment of an alternate City Secretary. **Jane Lees, City Secretary**
4. Consideration and action on authorizing the City Manager to enter into an agreement with the Hill Country Community Action Association for use of the Head Start Building at, 1008 North Drive, to provide a Head Start preschool program for the youth of Copperas Cove. **Ken Wilson, Director of Community Services**
5. Consideration and Action on authorizing the City Manager to enter into an agreement with Oncor Electric Delivery company LLC (“Oncor”) for permission to construct, operate and maintain a paved parking area located in the Oncor easement at Kate Street Park. **Ken Wilson, Director of Community Services**
6. Consideration and action on authorizing the City Manager to enter into an agreement with Oncor Electric Delivery Company LLC (“Oncor”), for Encroachment on Easement of Playscapes located at Kate Street Park. **Ken Wilson, Director of Community Services**

**H. PUBLIC HEARINGS/ACTION – None.**

**I. ACTION ITEMS**

1. Consideration and action to approve “Copperas Cove EDC Performance Agreement/Clawback Agreement with CCAL, L.L.C. for the Stoney Brook facility.” **Dan Yancey, Chairman, CCEDC Board of Directors**
2. Consideration and action on an ordinance amending Chapter 3 of the Code of Ordinances Article V. Animals At-Large Sec. 3-51. Adoption, transfer, or euthanization of unredeemed animals; providing for a savings clause; and providing for an effective date. **Mike Heintzelman, Deputy Police Chief**
3. Discussion and possible action on Hill Country Transit District (The HOP) bus stop shelter location. **Wesley Wright, P.E., City Engineer**

**J. REPORTS FROM OUTSIDE ENTITIES, ADVISORY COMMITTEES AND BOARDS – None.**

1. CCEDC digital sign update. **Dan Yancey, Chairman, CCEDC Board of Directors**

**K. ITEMS FOR FUTURE AGENDAS**

## **L. EXECUTIVE SESSION**

1. Pursuant to §551.087 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to deliberate the offer of a financial or other incentive to a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations – Stoney Brook Assisted Living Center.
2. Pursuant to §551.071 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to consult with its attorney regarding legal issues associated with the purchase of the digital sign and the resignation of the CCEDC Executive Director.
3. Pursuant to §551.072 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to deliberate the purchase, exchange, lease, or value of real property.

## **M. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ANY ITEMS POSTED AND LEGALLY DISCUSSED IN EXECUTIVE SESSION**

## **N. ADJOURNMENT**

The City Council reserves the right to adjourn into Executive Session at any time regarding any issue on this agenda for which it is legally permissible.

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (254) 547-4221, (254) 547-6063 TTY, or FAX (254) 547-5116 for information or assistance.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Governing Body of the City of Copperas Cove was posted at \_\_\_\_\_, November 25, 2009, on the glass front door of City Hall, a place convenient and readily accessible to the general public at all times.

\_\_\_\_\_  
Jane Lees, TRMC, CMC, City Secretary



## PROCLAMATION

**WHEREAS,** Freemasonry is a worldwide fraternity whose foundation is formed upon a belief in God, brotherhood, relief and truth; and

**WHEREAS,** Freemasonry is the oldest continuous organization in Texas, predating even The Republic of Texas; and

**WHEREAS,** Each member of the Masonic fraternity is sworn to uphold all moral and ethical teachings; and

**WHEREAS,** Mount Hiram Masonic Lodge No. 595, AF & AM has been in existence since December 12, 1884, providing a place for good men of like mind to gather together to grow in their desire to become even better men; and

**WHEREAS,** It is appropriate that the City of Copperas Cove recognize the contributions of the membership of Mount Hiram Lodge and to celebrate with them the 125th Anniversary of said lodge.

**NOW, THEREFORE, I,** John Hull, Mayor of the City of Copperas Cove, Texas do hereby proclaim December 12, 2009 as

### *Mount Hiram Lodge No. 595 Day*

in the City of Copperas Cove and urge all citizens to pay tribute to the contributions of its membership to our community.

**IN WITNESS WHEREOF,** I have hereunto set my hand and caused the seal of the City of Copperas Cove to be affixed this 1st day of December 2009.

\_\_\_\_\_  
John Hull, Mayor

**ATTEST:** \_\_\_\_\_  
Jane Lees, City Secretary

**CITY OF COPPERAS COVE  
CITY COUNCIL WORKSHOP MEETING MINUTES  
November 17, 2009 – 6:00 P.M.**

**A. CALL TO ORDER**

Mayor John Hull called the workshop meeting of the City Council of the City of Copperas Cove, Texas to order at 6:00 p.m.

**B. ROLL CALL**

John Hull  
Cheryl L. Meredith  
Charlie D. Youngs  
Chuck Downard  
Danny Palmer  
Bill L. Stephens  
Willie C. Goode  
Frank Seffrood

Andrea M. Gardner, City Manager  
Charles E. Zech, City Attorney  
Jane Lees, City Secretary

**C. WORKSHOP ITEMS**

1. Discussion and possible action on traffic light cameras. **Andrea M. Gardner, City Manager.**

Andrea M. Gardner, City Manager, discussed recent legislation that was passed in the 80th Legislative Session that has a tremendous impact and creates a big difference on the capabilities available to Copperas Cove versus what many of you see taking place and reading about in the media that goes on in the City of Killeen. The City will have different legislation to deal with versus what Killeen was able to implement their system under. Ms. Gardner turned the meeting over to Lt. Eddie Wilson. Lt. Wilson gave a presentation and discussed the following:

- What the cameras look like and the enforcement system
- The system capabilities and how it works
- Use as a resource for accident investigation
- Texas Transportation Code, Chapter 707
- City requirements for installation of red light cameras
- City crash data from May 2008 to October 2009
- Civil penalty and the process after a violation is detected
- Fee breakdown

2. Provide direction to city staff regarding traffic light cameras. **Andrea M. Gardner, City Manager.**

The Council concurred to not pursue this program.

3. Presentation and discussion on tax abatement application and the proposed project identified as Stoney Brook of Copperas Cove. **Mike Beevers, Developer Representative, Stoney Brook Assisted Living Center.**

Mike Beevers stated that the development for this assisted living center has been going on for about two and a half years. The facility will house 60 apartment residential assisted living and memory care facility rooms and will be a single story wood-framed rock/brick veneered building, located on 5.02 acres. The total project will be around \$8.2M. He said that the facility will have a potential for about \$46,000 a year for ad valorem tax.

Mr. Beevers said that construction should begin in December 2009 and the facility should be open in November 2010. The request is for the City of Copperas Cove to consider a tax abatement package as follows:

95% for taxes due January 2012 – cash flow offset estimate \$44,289

90% for taxes due January 2013 – cash flow offset estimate \$41,958

85% for taxes due January 2014 – cash flow offset estimate \$39,627

Mr. Beevers stated that property tax abatements are critical to new business until such time as it has achieved a stabilized cash flow. He said that in this particular industry that time is around three years. He said that there would be approximately 20-25 employees in the initial phase and later up to the high twenties or low thirties.

#### **D. ADJOURNMENT**

There being no further business, Mayor Hull adjourned the meeting at 6:50 p.m.

\_\_\_\_\_  
John Hull, Mayor

ATTEST:

\_\_\_\_\_  
Jane Lees, City Secretary

**CITY OF COPPERAS COVE  
CITY COUNCIL REGULAR MEETING MINUTES  
November 17, 2009 – 7:00 P.M.**

**A. CALL TO ORDER**

Mayor John Hull called the regular meeting of the City Council of the City of Copperas Cove Texas to order at 7:00 p.m.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

Rev. Thomas Edwards, Clear Creek Baptist Church, gave the Invocation and Mayor Hull led the Pledge of Allegiance.

**C. ROLL CALL**

John Hull  
Cheryl L. Meredith  
Charlie D. Youngs  
Chuck Downard  
Danny Palmer  
Bill L. Stephens  
Willie C. Goode  
Frank Seffrood

**ALSO PRESENT**

Andrea M. Gardner, City Manager  
Charles E. Zech, City Attorney  
Jane Lees, City Secretary

**D. ANNOUNCEMENTS**

Council Member Youngs said that the October 26, 2009 council agenda contained an item on the consent agenda stating that the City had received a Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year End September 30, 2008 from the Government Finance Officers Association (GFOA). He said that the item went unnoticed because it was on the consent agenda and he wished at this time to congratulate the City, Finance Director Wanda Bunting, and the Finance staff for a fine job.

Council Member Downard announced the City Wide Fall Clean-Up event on Saturday, November 21, 2009 at the Solid Waste Department at 2605 South FM 116. He encouraged everyone to take advantage of this opportunity to get rid of unwanted items for free.

Council Member Seffrood said that we are fast approaching the season of giving and asked everyone to remember those who are less fortunate.

Mayor Hull announced a workshop entitled City Government 101 on Wednesday, November 18, 2009 at 6:00 p.m. in the Council Chambers. The subjects to be discussed include ABC's of Local Government: The Role of the Mayor, City Council and City Manager; Creating Community Wealth: Economic Development Options; Heads in Beds: Hotel Occupancy Tax; and Getting What You Want from Your Municipal Government.

**E. PUBLIC RECOGNITION – None.**

**F. CITIZENS' FORUM** At this time, citizens will be allowed to speak for a length of time not to exceed five minutes per person. Thirty minutes total has been allotted for this section. – None.

**G. CONSENT ITEMS**

1. Consideration and action on approving the minutes from the regular council meeting on November 3, 2009. **Stefanie Brown, Deputy City Secretary**

2. Consideration and action on approving the minutes from the workshop council meeting on November 3, 2009. **Stefanie Brown, Deputy City Secretary**

3. Consideration and action on authorizing the City Manager to enter into a depository agreement with The National Banks of Central Texas. **Wanda Bunting, Director of Financial Services**

6. Consideration and action on authorizing the City Manager to submit a ballot form for the election of the Cities Aggregation Power Project, Inc. (CAPP) 2010 Board of Directors. **Wanda Bunting, Director of Financial Services**

Council Member Youngs requested that items G-4, G-5, and G-7 be removed from the Consent Agenda for discussion.

Council Member Palmer made a motion to approve consent items G-1, G-2, G-3, and G-6. Council Member Stephens seconded the motion, and with a unanimous vote, motion carried.

4. Consideration and action on an emergency purchase for the west clarifier and miscellaneous modifications at the South Wastewater Treatment Plant. **Wanda Bunting, Director of Financial Services**

Bob McKinnon, Director of Public Works and Wanda Bunting, Director of Financial Services, gave an overview of agenda item G-4.

Council Member Youngs made a motion to approve agenda item G-4 as presented. Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

5. Consideration and action on a resolution authorizing the City Manager to execute documents in support of an application to the Texas Emergency Shelter Grants Programs by the Refuge Corporation. **Andrea M. Gardner, City Manager**

Andrea M. Gardner, City Manager, gave an overview of agenda item G-5.

Council Member Youngs made a motion to approve agenda item G-5 as presented. Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

The resolution caption is as follows:

**RESOLUTION NO. 2009-54**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ACT ON THE CITY COUNCIL'S BEHALF BY THE SIGNING OF A LOCAL GOVERNMENT CERTIFICATION FORM IN SUPPORT OF A GRANT APPLICATION BY THE REFUGE CORPORATION TO THE TEXAS EMERGENCY SHELTER GRANTS PROGRAM.**

7. Consideration and action on authorizing the City Manager to execute an agreement with Calence, LLC, of Austin, Texas for the installation of the communications, security, and data package for the new police facility. **Tim Molnes, Police Chief**

Tim Molnes, Police Chief, gave an overview of agenda item G-7.

Council Member Goode made a motion to approve agenda item G-7 as presented. Council Member Stephens seconded the motion, and with a unanimous vote, motion carried.

**H. PUBLIC HEARINGS/ACTION**

1. Public hearing on designating a reinvestment zone for purposes of granting a tax abatement per the Texas Property Tax Code. **Andrea M. Gardner, City Manager**

Mayor Hull opened the public hearing at 7:24 p.m.

Andrea M. Gardner, City Manager, gave an overview of agenda item H-1.

Speaking for: None.

Speaking Against: None.

Mayor Hull closed the public hearing at 7:26 p.m.

**I. ACTION ITEMS**

1. Consideration and action on approving a contract between the City of Copperas Cove and the Copperas Cove Country Opry concerning the use of hotel occupancy tax. **Wanda Bunting, Director of Financial Services**

Wanda Bunting, Director of Financial Services, gave an overview of agenda item I-1.

Council Member Goode made a motion to approve agenda item I-1 as presented. Council Member Palmer seconded the motion, and with a unanimous vote, motion carried.

2. Consideration and action on a resolution setting the public hearing dates and times for the annexation of a 20.51 acre tract of land known as Taylor Creek Elementary School to the City of Copperas Cove, Texas. **Andrea M. Gardner, City Manager**

Andrea M. Gardner, City Manager, gave an overview of agenda item I-2.

Council Member Downard made a motion to approve Resolution No. 2009-53, setting the public hearing dates on December 10, 2009 at 7:00 pm in Council Chambers at City Hall and December 14, 2009 at 7:00 pm in Council Chambers at City Hall. Council Member Stephens seconded the motion, and with a unanimous vote, motion carried.

The resolution caption is as follows:

**RESOLUTION NO. 2009-53**

**A RESOLUTION TO SET THE PUBLIC HEARING DATES AND TIMES FOR THE ANNEXATION OF A 20.51 ACRE TRACT OF LAND IN LAMPASAS COUNTY, TEXAS BEING THE TAYLOR CREEK ELEMENTARY SCHOOL.**

3. Consideration and action on a resolution calling for the election of a candidate(s) to serve on the Coryell County Appraisal District Board of Directors. **Wanda Bunting, Director of Financial Services**

Wanda Bunting, Director of Financial Services, gave an overview of agenda item I-3.

Council Member Meredith made a motion to cast 834 votes for Jay Manning and 185 votes for Al Castillo, and approve Resolution No. 2009-51 as presented. Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

The resolution caption is as follows:

**RESOLUTION NO. 2009-51**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, CALLING FOR THE ELECTION OF A MEMBER OR MEMBERS OF THE BOARD OF DIRECTORS OF THE CORYELL COUNTY APPRAISAL DISTRICT.**

4. Consideration and action on a resolution calling for the election of a candidate(s) to serve on the Lampasas County Appraisal District Board of Directors. **Wanda Bunting, Director of Financial Services**

Wanda Bunting, Director of Financial Services, gave an overview of agenda item I-4.

Council Member Palmer made a motion to cast 59 votes for Robert M. McKinnon, and approve Resolution No. 2009-52 as presented. Council Member Downard seconded the motion, and with a unanimous vote, motion carried.

The resolution caption is as follows:

**RESOLUTION NO. 2009-52**

**A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS, CALLING FOR THE ELECTION OF A MEMBER OR MEMBERS OF THE BOARD OF DIRECTORS OF THE LAMPASAS COUNTY APPRAISAL DISTRICT.**

5. Consideration and action on an ordinance adding Section 18-17 (12) to the City Code of Ordinances and establishing a school zone on Big Divide Road for Taylor Creek Elementary School. **Wesley Wright, P.E., City Engineer**

Wesley Wright, City Engineer, gave an overview of agenda item I-5.

Council Member Stephens made a motion to approve Ordinance No. 2009-42 as presented. Council Member Seffrood seconded the motion, and with a unanimous vote, motion carried.

The ordinance caption is as follows:

**ORDINANCE NO. 2009-42**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, TEXAS ADDING SECTION 18-17 (12); REPEALING ALL ORDINANCES IN CONFLICT WITH THIS AMENDMENT; PROVIDING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE.**

6. Consideration and action on establishing and appointing members to a Hotel/Motel Tax Committee. **Andrea M. Gardner, City Manager**

Andrea M. Gardner, City Manager, gave an overview of agenda item I-6.

Council Member Downard made a motion to appoint the following individuals to the Hotel/Motel Tax Committee:

Sarah Kindler  
Daniel James Loomis  
Samuel Banks  
Eric R. Armstrong  
James Stockman  
Sandor Vegh

Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

7. Consideration and action on authorizing the City Manager to enter into an agreement with Pattillo, Brown, and Hill for the fiscal year 2008-09 audit engagement. **Wanda Bunting, Director of Financial Services**

Wanda Bunting, Director of Financial Services, gave an overview of agenda item I-7.

Council Member Downard made a motion to approve agenda item I-7 as presented. Council Member Stephens seconded the motion, and with a unanimous vote, motion carried.

8. Consideration and action upon authorizing the City Manager to enter into an Agreement with the Lampasas Independent School District for signage on Big Divide Road. **Wesley Wright, P.E., City Engineer**

Wesley Wright, City Engineer, gave an overview of agenda item I-8.

Council Member Youngs made a motion to approve agenda item I-8 as presented. Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

9. Consideration and action on approving the updated Copperas Cove Economic Development Corporation bylaws. **Andrea M. Gardner, City Manager**

Andrea M. Gardner, City Manager, gave an overview of agenda item I-9.

Council Member Downard made a motion to approve agenda item I-9 as presented and with the following changes:

- Section 4.14 to read: The City Manager or designee or the Unit designee may attend all meetings of the Board of Directors, including executive, private or public. These representatives shall not have the power to vote in the meetings they attend. Their attendance shall be for the purpose of ensuring the flow of information occurs to assist project movement.
- Section 7.03 to read: The Executive Director position shall be posted with the following desired/preferred minimum qualifications for certification requirements: Certified Economic Developer (CEcD), as outlined by the International Economic Development Council, is required within two years from date of employment.
- Add the following requirement to Section 7.03: The Executive Director must reside in the corporate City limits of Copperas Cove within six months from date of employment.

Council Member Goode seconded the motion.

During discussion, Dan Yancey, Chairman of the CCEDC Board of Directors, requested one change in Section 7.03 under Executive Director. He requested to strike the requirement for a CEcD, and in its place put that the requirement be a “graduate of the Economic Development Institute (EDI).”

Council Member Downard made a motion to amend the main motion and strike the requirement for a CEcD and replace it with the requirement to be a graduate of the Economic Development Institute (EDI). Council Member Goode seconded the motion, and with a unanimous vote, motion carried.

A vote on the main motion as amended was taken, and with a unanimous vote, motion carried.

**J. REPORTS FROM OUTSIDE ENTITIES, ADVISORY COMMITTEES AND BOARDS – None.**

**K. ITEMS FOR FUTURE AGENDAS**

Council Member Youngs requested that the CCEDC update the City Council on the status on the digital sign at each regularly scheduled Council Meeting, beginning December 1, 2009, and until the sign situation is resolved and/or is standing in the City. The Council concurred.

**L. EXECUTIVE SESSION**

1. Pursuant to §551.087 of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to deliberate the offer of a financial or other incentive to a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations – Stoney Brook Assisted Living Center.

The Council adjourned to Executive Session at 7:59 p.m.

**M. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ANY ITEMS POSTED AND LEGALLY DISCUSSED IN EXECUTIVE SESSION**

The Council reconvened the open meeting at 8:50 p.m. Mayor Hull announced that there was no action to be taken as a result of the Executive Session.

**N. ADJOURNMENT**

There being no further business, Mayor Hull adjourned the meeting at 8:50 p.m.

**ATTEST:**

\_\_\_\_\_  
John Hull, Mayor

\_\_\_\_\_  
Jane Lees, City Secretary

# City of Copperas Cove

## City Council Agenda Item Report

December 1, 2009

### Agenda Item No. G-3

Contact – Jane Lees, TRMC, CMC, City Secretary, 547-4221  
jlees@ci.copperas-cove.tx.us

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**SUBJECT: Consideration and action on the appointment of an alternate City Secretary.**

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**1. BACKGROUND/HISTORY**

The City of Copperas Cove City Charter, Section 2.12 - City Secretary states: *“The City Council shall also appoint an alternate City Secretary to serve in the absence of the city secretary.”*

**2. FINDINGS/CURRENT ACTIVITY**

Since March 22, 2005, the position of alternate City Secretary has been held by Lisa Wilson.

Stefanie Brown has been employed as the Deputy City Secretary since November 29, 2007. During Ms. Brown’s first year of employment, she was unable to gain the experience needed to be named alternate City Secretary as a large portion of the job duty requirements included assisting the previous City Attorney. With the change in the City Attorney, the job duties have changed and allowed Ms. Brown the time and opportunity to gain the needed experience, including preparation for and attendance of Council meetings, and an understanding of the election process. Should the City Secretary be absent, Ms. Brown is properly trained and qualified to serve in that capacity.

**3. FINANCIAL IMPACT**

None.

**4. ACTION OPTIONS/RECOMMENDATION**

The City Council needs to appoint an alternate City Secretary to serve in the absence of the City Secretary.

# **City of Copperas Cove**

## **City Council Agenda Item Report**

**December 1, 2009**

### **Agenda Item No. G-4**

**Contact –Ken Wilson Director of Community Services, 542-2719**  
kwilson@ci.copperas-cove.tx.us

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**SUBJECT: Consideration and action on authorizing the City Manager to enter into an agreement with the Hill Country Community Action Association for use of the Head Start Building at, 1008 North Drive, to provide a Head Start preschool program for the youth of Copperas Cove.**

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**1. BACKGROUND/HISTORY**

The City of Copperas Cove and the Hill Country Community Action Association has an on going partnership in providing services to the citizens of Copperas Cove. The Hill Country Community Action Association has provided Head Start preschool programs located at 1008 North Drive for several years. Hill Country Community Action has the personnel and knowledge to provide specific services to the community and the City believes that providing quality social services for pre-school, youth, adult, senior citizens and people with special needs are essential for the well-being and growth of the community.

**2. FINDINGS/CURRENT ACTIVITY**

The agreement defines the terms and conditions of the Hill Country Community Action Association and the City of Copperas Cove. The attached contract will be effective December 1, 2009 and be for a term of 2 years, commencing on December 1, 2009 and ending on December 1, 2011. The agreement has been reviewed by City Staff, the City Attorney and the Hill Country Community Action Association.

**3. FINANCIAL IMPACT**

The City of Copperas Cove Parks Department will maintain the grounds surrounding the Head Start Building for a fee of \$2400/year.

**4. ACTION OPTIONS/RECOMMENDATION**

City staff recommends that the City Council authorize the City Manager to enter into the attached agreement with the Hill Country Community Action Association to provide for use of the Head Start Building located at 1008 North Drive.

LEASE AGREEMENT

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CORRYEL §

WHEREAS, the City of Copperas Cove and the Hill Country Community Action Association, Inc. mutually agree that space is needed for a Head Start preschool program providing services to the youth of Copperas Cove;

WHEREAS, the City of Copperas Cove owns the Head Start Building at, 1008 North Drive, which has adequate space to provide the Head Start Program;

WHEREAS, the Hill country Community Action Association, Inc. has the personnel and knowledge to provide specific services to the community;

WHEREAS, the City Council of the City of Copperas Cove finds that providing quality social services for pre-school, youth, adult, senior citizens and those people with special needs are essential for the well-being and growth of the community;

NOW, THEREFORE, this Lease Agreement is made and entered into this 1<sup>st</sup> day of December, 2009, by and between the City of Copperas Cove, a home rule municipal corporation, acting by and through its City Manager, Andrea Gardner, as Lessor, and the Hill country Community Action Association, Inc., a non-profit organization, with its principal office at PO Box 846, San Saba, Tx 76877, Texas, acting by and through its Chief Executive Officer, Tama Shaw as Lessee.

WITNESSETH:

I.

The City of Copperas Cove, in consideration of the rent and the covenants and conditions hereinafter set out, does by these presents lease unto the Association, the following described property (hereinafter referred to as “Premises”):

[PROPERTY DESCRIPTION]

together with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the Property.

II.

The term of this lease shall be for a period of two years commencing on December 1, 2009, and ending on December 1, 2011. This lease may be terminated at any time, by either party, by giving written notice at least ninety (90) days in advance. However, in the event Lessee fails to establish or continue to operate programs acceptable to Lessor, then Lessor shall have the option of immediately terminating this agreement.

III.

The purpose for which the Premises are leased is for the operation of Head Start programs.

IV.

The consideration for this lease shall be the performance of the conditions and covenants hereinafter set forth.

V.

Said lease is made upon the following covenants and conditions:

- (a) Lessee will, in the use and operation of the Premises and improvements comply with the City Building Code;
- (b) Lessee will, in the use and operation of the Premises, comply with all City and State health and sanitary rules and regulations;
- (c) Lessee shall not engage in any activities on the Premises, which are in violation of any existing state, federal or local law;
- (d) Lessee shall establish and operate a Head Start program for the Copperas Cove area at the Premises;
- (e) Lessee shall not engage in the sale or rental of any goods or services on the Premises without prior written consent of the Lessor;

- (f) Lessee shall be responsible for all utilities necessary in the operation of the Premises;
- (g) Lessee shall not assign or sublet the whole or any part of the Premises;
- (h) Lessor shall provide fire insurance on the building.
- (i) The Lessee shall maintain and keep in force liability insurance and shall protect Lessor from claims which may arise out of or in connection with any operations at the Premises: The minimum amounts of liability insurance required are as follows:

Bodily Injury:

Per Person	\$500,000.00
Per Accident	\$1,000,000.00

Property Damage Liability:

Per Accident	\$250,000.00
Aggregate	\$250,000.00

The required insurance shall be written so that Lessor will be notified in writing, in the event of cancellation, restrictive amendment or non-renewal at least thirty (30) days prior to action. Certificates of Insurance shall be filed with Lessor. All required insurance shall be written with the Lessor as an additional insured. In any event, Lessee is fully responsible for all losses arising out of, resulting from or connected with operations under this Lease whether or not the losses are covered by insurance. The Lessor's acceptance of Certificates of Insurance that in any respect do not comply with the Lease requirements does not release Lessee from compliance herewith. All insurance required under this section shall be primary over any other insurance coverage the Lessor may have. Lessee shall maintain liability insurance coverage not less than amounts prescribed in Section 101.023 of the Texas Civil Practice and Remedies Code as it may be amended from time to time. In the event such amounts increase beyond the limits set forth herein, Lessee shall obtain such

increased coverage and provide Lessor a certificate therefore. The burden of maintaining proper insurance coverage and compliance with this subsection lies solely with Lessee;

- (j) Lessee shall, within 30 days of termination of this lease and at the request of Lessor, remove any and all improvements placed upon the Premises by Lessee, and that in the removal of said improvements; Lessee shall fill all excavation holes and remove all debris from the Premises. Upon the expiration of the 30 day removal period, all improvements remaining on the Premises will become the property of the Lessor. The Lessor shall not be liable for any payment, reimbursement, compensation or consideration of any kind for such improvements. Subject to the forgoing, Lessor may retain, destroy, or dispose of any property left on the Premises after the removal period and Lessee shall be liable for all of Lessor's costs for removal and disposal of Lessee's improvements left on the Premises;
- (k) Lessee shall not make any improvements to the Premises without the prior written consent of Lessor;
- (l) Lessee shall indemnify and defend Lessor and save it harmless from any and all claims, actions, damages, liabilities, and expenses of any kind or nature resulting in the loss of life; personal bodily and/or damage to property arising from or out of any occurrence in, upon, or at said leased premises, regardless of who asserts such claim. In the event Lessor is made a party to any litigation commenced by or against Lessee, then Lessee shall protect and hold Lessor harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid by Lessor in connection with such litigation;
- (m) Lessor reserves the right to enter upon the Premises at all reasonable times for the purpose of inspecting and examining same and for any other public purpose; and
- (n) Lessor shall maintain the grounds surrounding the Head Start Building and Agency shall pay \$2400/year for maintenance and landscaping of the Head Start Building.

VI.

It is understood and agreed that Lessee shall have complete supervision and control of the Premises and right to operate programs and the overall supervision of these programs at the designated on the Premises during the term of this lease.

VII.

In the event of default by Lessee in any of the covenants and conditions set out herein, Lessor will notify Lessee of such default in writing, and Lessee will have thirty (30) days in which to correct same. In the event Lessee fails or refuses to correct such default, then Lessor may terminate this lease and re-enter the Premises, and upon such termination, Lessee agrees to surrender the Premises without further notice. However, in the event Lessee fails to establish or continue to operate programs acceptable to Lessor, then Lessor shall have the option of immediately terminating this agreement.

VIII.

This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created under this agreement are performable in Coryell County, Texas.

IX.

Wherever notice is required or permitted, the notice shall be in writing and deposited in the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the parties at the respective addressed set out below, or at other addressed they have specified by written notice delivered in accordance.

Lessor :

City of Copperas Cove  
Attn: City Manager's Office  
P.O. Drawer 1449  
Copperas Cove, TX 76522

Lessee:

Hill Country Community Action  
Attention: Tama Shaw  
P.O. Box 846  
San Saba, TX 76877

**EXECUTED** on this the 1st day of December 2009, to be effective as of December 1, 2009.

**Lessor:**

CITY OF COPPERAS COVE

By: \_\_\_\_\_  
ANDREA M. GARDNER,  
City Manager

**Lessee:**

HILL COUNTRY COMMUNITY  
ACTION, INC.

By: \_\_\_\_\_  
TAMA SHAW,  
Chief Executive Officer

ATTEST:

\_\_\_\_\_  
JANE LEES, City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
DENTON, NAVARRO, ROCHA  
& BERNAL, City Attorney

# City of Copperas Cove City Council Agenda Item Report

December 1, 2009

## Agenda Item No. G-5

Contact – Ken Wilson, Director of Community Services, 542-2719  
kwilson@ci.copperas-cove.tx.us

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**SUBJECT: Consideration and Action on authorizing the City Manager to enter into an agreement with Oncor Electric Delivery company LLC (“Oncor”) for permission to construct, operate and maintain a paved parking area located in the Oncor easement at Kate Street Park.**

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### 1. BACKGROUND/HISTORY

Since the early 1960's the City has maintained and operated Kate Street Park. In fiscal year 2008/2009 a new parking lot at Kate Street Park was constructed to alleviate congestion along Kate Street during peak park usage times. The parking area allows park patrons to park off of Kate Street and walk to the play ground area.

### 2. FINDINGS/CURRENT ACTIVITY

On August 13, 2009, City Staff met with Oncor regarding encroaching facilities and identified that a new easement was required. The easement identifies the location of the facility, the restriction on use of the area, and the maintenance of encroaching facility.

### 3. FINANCIAL IMPACT

N/A

### 4. ACTION OPTIONS/RECOMMENDATION

City staff recommends that the City Council authorize the City Manager to enter into the attached agreement with Oncor Electric Delivery Company LLC (Oncor”) for the Encroachment on easement at Kate Street Park.

## ENCROACHMENT ON EASEMENT

WHEREAS, **Oncor Electric Delivery Company LLC (“Oncor”)**, is the owner of easements in Coryell County, Texas, which are recorded in Volume 106, Page 304 and Volume 224, Page 167 of the Deed Records of Coryell County, Texas (“**Easement**”); and

WHEREAS, the **City of Copperas Cove, (“User”)**, desires permission to construct, operate and maintain a paved parking area (“**Encroaching Facility**”) within the area or boundaries of the Easement (“**Easement Area**”).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Oncor and User do hereby agree as follows:

1. **Location of Encroaching Facility.** User may locate the Encroaching Facility in the Easement Area, but only as described and shown on the attached drawing marked **Exhibit "A"**, incorporated herein. User may not relocate the Encroaching Facility within the Easement Area without the consent and approval of Oncor, which consent and approval shall be at Oncor’s sole discretion. User acknowledges and agrees that Oncor holds easement rights on the Easement Area; therefore, User shall obtain whatever rights and permission, other than Oncor’s, that are necessary.
2. **Restrictions on Use of Easement Area.** User shall use only so much of the Easement Area as may be necessary to construct, maintain, operate and repair the Encroaching Facility. User shall, at its own cost and expense, comply with all applicable laws, including but not limited to existing zoning ordinances, governmental rules and regulations enacted or promulgated by any governmental authority and shall promptly execute and fulfill all orders and requirements imposed by such governmental authorities for the correction, prevention and abatement of nuisances in or upon or connected with said Encroaching Facility. At the conclusion of any construction, User shall remove all debris and other materials from the Easement Area and restore the Easement Area to the same condition it was in prior to the commencement of User’s construction thereon or in proximity thereto.

User shall not place trash dumpsters, toxic substances or flammable material in the Easement Area. Further, if the Easement Area has transmission or distribution facilities located thereon, User shall not place upon the Easement Area any improvements, including but not limited to, buildings, light standards, fences (excluding barriers installed around transmission towers), shrubs, trees or signs unless approved in advance in writing by Oncor. Additional general construction limitations on encroachments are described and listed in **Exhibit "B"**, attached hereto and by reference made a part hereof.

3. **Maintenance of Encroaching Facility.** User, at User’s sole expense, shall maintain and operate the Encroaching Facility. Oncor will not be responsible for any costs of construction, reconstruction, operation, maintenance or removal of User's Encroaching Facility.

4. **Risk and Liability.** User assumes all risks and liability resulting or arising from or relating to User's use, the existing condition or location, or existing state of maintenance, repair or operation of the Easement Area. It is further agreed that Oncor shall not be liable for any damage to the Encroaching Facility as a result of Oncor's use or enjoyment of its Easement. Any Oncor property damaged or destroyed by User or its agents, employees, invitees, contractors or subcontractors shall be repaired or replaced by Oncor at User's expense and payment is due upon User's receipt of an invoice from Oncor.

5. **Indemnification.** User, to the extent allowable by law, agrees to defend, indemnify and hold harmless Oncor, its officers, agents and employees, from and against any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including attorney's fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, for personal injury (including death), property damage or other harm for which recovery of damages is sought or suffered by any person or persons that may arise out of, or be occasioned by, the negligence, misconduct or omission of User, its officers, agents, associates, employees, contractors, subcontractors, subconsultants, or any other person entering onto the Easement Area or may arise out of or be occasioned by the use of the Encroaching Facility, except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of Oncor, its officers, agents, or employees or separate contractors, and in the event of joint and concurrent negligence of both Oncor and User, responsibility and indemnity, if any, shall be apportioned comparatively. Nothing contained herein shall ever be construed so as to require User to assess, levy and collect any tax to fund its obligations under this paragraph. Article XI Section 7 of the Texas Constitution provides that a city is prohibited from creating a debt unless the city levies and collects a sufficient tax to pay the interest on the debt and provides a sinking fund. The **City of Copperas Cove** has not and will not create a sinking fund or collect any tax to pay any obligation created under this section.

6. **High Voltage Restrictions.** Use of draglines or other boom-type equipment in connection with any work to be performed on the Easement Area by User, its employees, agents, invitees, contractors or subcontractors must comply with Chapter 752, Texas Health and Safety Code, the National Electric Safety Code and any other applicable safety or clearance requirements. Notwithstanding anything to the contrary herein, in no event shall any equipment be within fifteen feet of the Oncor power lines situated on the aforesaid property. User must obtain Oncor's approval and notify the **Temple Transmission Department at (254) 770 - 3906 or (254) 770 - 3903**, 48 hours prior to the use of any boom-type equipment on the Easement Area.

7. **Relocation of Facilities.** User shall not place its facility within 25 feet of any pole or tower leg. User agrees that in the event that Oncor determines that User's Facility interferes with Oncor's facilities, User will relocate User's Facility at User's expense. User will be entitled to relocate User's Facility on the encroachment area granted hereunder if reasonably possible without further interference with Oncor's facilities. If User's Facility cannot be relocated on the encroachment area, then, if reasonably possible, Oncor agrees to grant User an encroachment near the encroachment granted hereunder so that User's facility can continue to operate as originally intended.

8. **Default and Termination.** It is understood and agreed that, in case of default by User or its agents in any of the terms and conditions herein stated and such default continues for a period of thirty (30) days after Oncor notifies User of such default in writing, Oncor may at its election forthwith terminate this agreement and upon such termination all of User's rights hereunder shall cease and come to an end. This agreement shall also terminate upon the abandonment of the Encroaching Facility.

This agreement shall extend to and be binding upon User and its successors and assigns, and is not to be interpreted as a waiver of any rights held by Oncor under its Easement.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2009.

**APPROVAL:**

**Oncor Electric Delivery Company LLC**

By: \_\_\_\_\_

Thomas F. Newsom, Attorney-In-Fact

**ACCEPTANCE:**

**City of Copperas Cove**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS                   §  
  §  
COUNTY OF TARRANT           §

BEFORE ME, the undersigned authority, on this day personally appeared Thomas F. Newsom, as Attorney-In-Fact of **Oncor Electric Delivery Company LLC**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and he is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2009.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF CORYELL           §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, as the \_\_\_\_\_ of the **City of Copperas Cove**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and he/she is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2009.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**CONSTRUCTION LIMITATIONS**  
**ON Oncor ELECTRIC DELIVERY COMPANY RIGHT OF WAY**  
**EXHIBIT "B"**

1. You are notified, and should advise your employees, representatives, agents, and contractors, who enter the property that they will be working in the vicinity of high voltage electrical facilities and should take proper precautions, included but not limited to the following stipulations and in compliance, at all times, with Chapter 752, V.T.C.A., Health & Safety Code.
2. Blasting is not to be permitted on Oncor right-of-way or under Oncor lines.
3. Construction on electric transmission line easements acquired by Oncor after January 1,2003 shall comply with the requirements of Public Utility Commission Substantive Rules §25.101, as amended from time to time.
4. Grading will be done in order to leave the right-of-way as near as possible to present condition. Spoil dirt will be removed from the right-of-way and no trash is to be left on right-of-way. Slopes shall be graded so that trucks can go down the right-of-way when required and such that the slopes can be mechanically maintained.
5. Equipment and materials will not be stored on the right-of-way during construction without written approval of the Supervisor of Regional Transmission.
6. Street or road crossings are to be based on drawings submitted. Any change in alignment or elevation will be resubmitted for approval.
7. No signs, lights or guard lights will be permitted on the right-of-way.
8. Equipment shall not be placed within fifteen (15) feet of the power lines.

9. Any pre-approved fencing will not exceed eight (8) feet in height, and if metal in nature, will be grounded, at ten (10) feet intervals, with an appropriate driven ground. Gates should be at least sixteen (16) feet in width to allow Oncor access to the right-of-way.
10. No dumpsters will be allowed on Oncor right-of-way or fee owned property.
11. Draglines will not be used under the line or on Oncor right-of-way.
12. The existing grade shall not be disturbed, excavated or filled within 25 feet of the nearest edge of any tower.
13. Right-of-way will be protected from washing and erosion by Oncor approved method before any permits are granted. No discharging of water will be allowed within any portion of the right of way.
14. No obstruction shall be installed on the right-of-way that would interfere with access to Oncor structures or prevent mechanical maintenance.
15. Before any work is done under Oncor lines or by Oncor structures notify the Region Transmission Department, (254) 770 - 3906 or (254) 770 - 3903.
16. No hazardous materials will be stored on the right of way.
17. For purposes of this document, "Hazardous Materials" means and includes those substances, including, without limitation, asbestos-containing material containing more than one percent (1%) asbestos by weight, or the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity and includes any items included in the definition of hazardous or toxic waste, materials or substances under any Hazardous Material Law. "Hazardous Material Laws" collectively means and includes any present and future local, state and federal law relating to the environment and environmental conditions including, without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, ("CERCLA"), 42 U.S.C. §§9601-9657, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Material Transportation Act, 49 U.S.C. §6901 et seq., the

Federal Water Pollution Control Act, 33 U.S.C. §1251, et seq., the Clean Air Act, 42 U.S.C. §741 et seq., the Clean Water Act, 33 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §§2601-2629, the Safe Drinking Water Act, 42 U.S.C. §§300f-330j, and all the regulations, orders, and decrees now or hereafter promulgated thereunder.

18. Brush and cut timber will not be piled or stacked on Oncor right-of-way or will not be burned upon or in close proximity to the conductors or towers.
19. No structures or obstructions, such as buildings, garages, barns, sheds, guard houses, etc., will be permitted on the right-of-way.
20. Landscaping on Oncor right-of-way is permitted when Oncor approves landscaping plans in writing. No lighting or sprinkler systems are allowed on the right-of-way.

# City of Copperas Cove City Council Agenda Item Report

December 1, 2009

## Agenda Item No. G-6

Contact – Ken Wilson, Director of Community Services, 542-2719  
kwilson@ci.copperas-cove.tx.us

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**SUBJECT: Consideration and action on authorizing the City Manager to enter into an agreement with Oncor Electric Delivery Company LLC (“Oncor”), for Encroachment on Easement of Playscapes located at Kate Street Park.**

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### 1. BACKGROUND/HISTORY

The City of Copperas Cove has maintained and operated Kate Street Park since the early 1960's. In fiscal year 2008/09 the City installed a new playscape at Kate Street Park. After the installation of the new playscape, Oncor requested a new encroachment on easement .

### 2. FINDINGS/CURRENT ACTIVITY

In August 2009, City staff met with Oncor Electric Delivery Company LLC (“Oncor”) and discussed the encroachment on easement, since Oncor currently plans to raise the lines located at Kate Street Park.

During the process of Oncor raising the electric lines, the City will be required to temporarily take the playscapes out of service by fencing off the structure. Once the construction is complete the playscapes will be placed back in service and remain there throughout the useful life. When the playscapes reach the useful life, removal will occur and no new play structures will be allowed in the park.

### 3. FINANCIAL IMPACT

N/A

### 4. ACTION OPTIONS/RECOMMENDATION

City staff recommends that the City council authorize the City Manager to enter into the attached agreement with Oncor Electric Delivery Company LLC (“Oncor”) for the Encroachment on Easement at Kate Street Park.

## ENCROACHMENT ON EASEMENT

WHEREAS, **Oncor Electric Delivery Company LLC (“Oncor”)**, is the owner of easements in Coryell County, Texas, which are recorded in Volume 106, Page 304 and Volume 224, Page 167 of the Deed Records of Coryell County, Texas (**“Easement”**); and

WHEREAS, the **City of Copperas Cove, (“User”)**, desires permission to operate and maintain two existing playscape facilities (**“Encroaching Facility”**) within the area or boundaries of the Easement (**“Easement Area”**).

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Oncor and User do hereby agree as follows:

1. **Location of Encroaching Facility.** User may locate the Encroaching Facility in the Easement Area, but only as described and shown on the attached drawing marked **Exhibit "A"**, incorporated herein. User may not relocate the Encroaching Facility within the Easement Area without the consent and approval of Oncor, which consent and approval shall be at Oncor’s sole discretion. User acknowledges and agrees that Oncor holds easement rights on the Easement Area; therefore, User shall obtain whatever rights and permission, other than Oncor’s, that are necessary.

2. **Restrictions on Use of Easement Area.** User shall use only so much of the Easement Area as may be necessary to construct, maintain, operate and repair the Encroaching Facility. User shall, at its own cost and expense, comply with all applicable laws, including but not limited to existing zoning ordinances, governmental rules and regulations enacted or promulgated by any governmental authority and shall promptly execute and fulfill all orders and requirements imposed by such governmental authorities for the correction, prevention and abatement of nuisances in or upon or connected with said Encroaching Facility. At the conclusion of any construction, User shall remove all debris and other materials from the Easement Area and restore the Easement Area to the same condition it was in prior to the commencement of User’s construction thereon or in proximity thereto.

User shall not place trash dumpsters, toxic substances or flammable material in the Easement Area. Further, if the Easement Area has transmission or distribution facilities located thereon, User shall not place upon the Easement Area any improvements, including but not limited to, buildings, light standards, fences (excluding barriers installed around transmission towers), shrubs, trees or signs unless approved in advance in writing by Oncor. Additional general construction limitations on encroachments are described and listed in **Exhibit "B"**, attached hereto and by reference made a part hereof.

3. **Maintenance of Encroaching Facility.** User, at User’s sole expense, shall maintain and operate the Encroaching Facility. Oncor will not be responsible for any costs of construction, reconstruction, operation, maintenance or removal of User's Encroaching Facility.

4. **Risk and Liability.** User assumes all risks and liability resulting or arising from or relating to User's use, the existing condition or location, or existing state of maintenance, repair or operation of the Easement Area. It is further agreed that Oncor shall not be liable for any damage to the Encroaching Facility as a result of Oncor's use or enjoyment of its Easement. Any Oncor property damaged or destroyed by User or its agents, employees, invitees, contractors or subcontractors shall be repaired or replaced by Oncor at User's expense and payment is due upon User's receipt of an invoice from Oncor.

5. **Indemnification.** User, to the extent allowable by law, agrees to defend, indemnify and hold harmless Oncor, its officers, agents and employees, from and against any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including attorney's fees and court costs) of any and every kind or character, known or unknown, fixed or contingent, for personal injury (including death), property damage or other harm for which recovery of damages is sought or suffered by any person or persons that may arise out of, or be occasioned by, the negligence, misconduct or omission of User, its officers, agents, associates, employees, contractors, subcontractors, subconsultants, or any other person entering onto the Easement Area or may arise out of or be occasioned by the use of the Encroaching Facility, except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of Oncor, its officers, agents, or employees or separate contractors, and in the event of joint and concurrent negligence of both Oncor and User, responsibility and indemnity, if any, shall be apportioned comparatively. Nothing contained herein shall ever be construed so as to require User to assess, levy and collect any tax to fund its obligations under this paragraph. Article XI Section 7 of the Texas Constitution provides that a city is prohibited from creating a debt unless the city levies and collects a sufficient tax to pay the interest on the debt and provides a sinking fund. The **City of Copperas Cove** has not and will not create a sinking fund or collect any tax to pay any obligation created under this section.

6. **High Voltage Restrictions.** Use of draglines or other boom-type equipment in connection with any work to be performed on the Easement Area by User, its employees, agents, invitees, contractors or subcontractors must comply with Chapter 752, Texas Health and Safety Code, the National Electric Safety Code and any other applicable safety or clearance requirements. Notwithstanding anything to the contrary herein, in no event shall any equipment be within fifteen feet of the Oncor power lines situated on the aforesaid property. User must obtain Oncor's approval and notify the **Temple Transmission Department at (254) 770 - 3906 or (254) 770 - 3903**, 48 hours prior to the use of any boom-type equipment on the Easement Area.

7. **Relocation of Facilities.** User shall not place additional facilities on Oncor's Easement Area without consent. Should the Encroaching Facility need to be replaced for any reason, User agrees to relocate off Oncor's Easement Area. User agrees that in the event that Oncor determines that User's Facility interferes with Oncor's facilities, User will relocate User's Facility at User's expense. User will not be entitled to relocate User's Facility on the encroachment area granted hereunder.

8. **Default and Termination.** It is understood and agreed that, in case of default by User or its agents in any of the terms and conditions herein stated and such default continues for a period of thirty (30) days after Oncor notifies User of such default in writing, Oncor may at its election forthwith

terminate this agreement and upon such termination all of User's rights hereunder shall cease and come to an end. This agreement shall also terminate upon the abandonment of the Encroaching Facility.

This agreement shall extend to and be binding upon User and its successors and assigns, and is not to be interpreted as a waiver of any rights held by Oncor under its Easement.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2009.

**APPROVAL:**

**Oncor Electric Delivery Company LLC**

By: \_\_\_\_\_

Thomas F. Newsom, Attorney-In-Fact

**ACCEPTANCE:**

**City of Copperas Cove**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF TEXAS                   §  
  §  
COUNTY OF TARRANT         §

BEFORE ME, the undersigned authority, on this day personally appeared Thomas F. Newsom, as Attorney-In-Fact of **Oncor Electric Delivery Company LLC**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and he is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2009.

\_\_\_\_\_  
Notary Public in and for the State of Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF CORYELL         §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, as the \_\_\_\_\_ of the **City of Copperas Cove**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and he/she is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 2009.

\_\_\_\_\_  
Notary Public in and for the State of Texas

**CONSTRUCTION LIMITATIONS**  
**ON Oncor ELECTRIC DELIVERY COMPANY RIGHT OF WAY**  
**EXHIBIT "B"**

1. You are notified, and should advise your employees, representatives, agents, and contractors, who enter the property that they will be working in the vicinity of high voltage electrical facilities and should take proper precautions, included but not limited to the following stipulations and in compliance, at all times, with Chapter 752, V.T.C.A., Health & Safety Code.
2. Blasting is not to be permitted on Oncor right-of-way or under Oncor lines.
3. Construction on electric transmission line easements acquired by Oncor after January 1, 2003 shall comply with the requirements of Public Utility Commission Substantive Rules §25.101, as amended from time to time.
4. Grading will be done in order to leave the right-of-way as near as possible to present condition. Spoil dirt will be removed from the right-of-way and no trash is to be left on right-of-way. Slopes shall be graded so that trucks can go down the right-of-way when required and such that the slopes can be mechanically maintained.
5. Equipment and materials will not be stored on the right-of-way during construction without written approval of the Supervisor of Regional Transmission.
6. Street or road crossings are to be based on drawings submitted. Any change in alignment or elevation will be resubmitted for approval.
7. No signs, lights or guard lights will be permitted on the right-of-way.
8. Equipment shall not be placed within fifteen (15) feet of the power lines.

9. Any pre-approved fencing will not exceed eight (8) feet in height, and if metal in nature, will be grounded, at ten (10) feet intervals, with an appropriate driven ground. Gates should be at least sixteen (16) feet in width to allow Oncor access to the right-of-way.
10. No dumpsters will be allowed on Oncor right-of-way or fee owned property.
11. Draglines will not be used under the line or on Oncor right-of-way.
12. The existing grade shall not be disturbed, excavated or filled within 25 feet of the nearest edge of any tower.
13. Right-of-way will be protected from washing and erosion by Oncor approved method before any permits are granted. No discharging of water will be allowed within any portion of the right of way.
14. No obstruction shall be installed on the right-of-way that would interfere with access to Oncor structures or prevent mechanical maintenance.
15. Before any work is done under Oncor lines or by Oncor structures notify the Region Transmission Department, (254) 770 - 3906 or (254) 770 - 3903.
16. No hazardous materials will be stored on the right of way.
17. For purposes of this document, "Hazardous Materials" means and includes those substances, including, without limitation, asbestos-containing material containing more than one percent (1%) asbestos by weight, or the group of organic compounds known as polychlorinated biphenyls, flammable explosives, radioactive materials, chemicals known to cause cancer or reproductive toxicity and includes any items included in the definition of hazardous or toxic waste, materials or substances under any Hazardous Material Law. "Hazardous Material Laws" collectively means and includes any present and future local, state and federal law relating to the environment and environmental conditions including, without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, ("CERCLA"), 42 U.S.C. §§9601-9657, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Material Transportation Act, 49 U.S.C. §6901 et seq., the

Federal Water Pollution Control Act, 33 U.S.C. §1251, et seq., the Clean Air Act, 42 U.S.C. §741 et seq., the Clean Water Act, 33 U.S.C. §7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §§2601-2629, the Safe Drinking Water Act, 42 U.S.C. §§300f-330j, and all the regulations, orders, and decrees now or hereafter promulgated thereunder.

18. Brush and cut timber will not be piled or stacked on Oncor right-of-way or will not be burned upon or in close proximity to the conductors or towers.
19. No structures or obstructions, such as buildings, garages, barns, sheds, guard houses, etc., will be permitted on the right-of-way.
20. Landscaping on Oncor right-of-way is permitted when Oncor approves landscaping plans in writing. No lighting or sprinkler systems are allowed on the right-of-way.

# **City of Copperas Cove**

## **City Council Agenda Item Report**

**December 1, 2009**

### **Agenda Item No. I-1**

**Contact – Dan Yancey, Chairman, CCEDC Board of Directors, (254) 681-3575**  
dan.yancey@1stnb.com

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**SUBJECT: Consideration and action to approve “Copperas Cove EDC Performance Agreement/Clawback Agreement with CCAL, L.L.C. for the Stoney Brook facility.”**

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#### **1. BACKGROUND/HISTORY**

The Copperas Cove Economic Development Corporation (CCEDC) Board of Directors has determined the financial assistance provided to Copperas Cove A.L., L.L.C. (CCAL) for the Stoney Brook assisted living facility to construct targeted infrastructure, and other qualified expenditures for construction and maintenance of a site upon which the Stone Brook facility, located in the City of Copperas Cove, Texas, will promote or develop new or expanded business enterprises, and meets the definition of “project” as contained in Sections 2(11)(C) of the Act.

CCAL (Stoney Brook) submitted a request to the CCEDC Board of Directors for reimbursement for atypical infrastructure expenses associated with the Stoney Brook of Copperas Cove assisted living facility in the amount of \$403,409 on June 25, 2009. The CCEDC Board of Directors approved the request in the amount of \$224,000 on September 24, 2009, pending approval of the Copperas Cove City Council.

#### **2. FINDINGS/CURRENT ACTIVITY**

On October 23, 2009, the CCEDC Board of Directors approved the attached revised version of the Copperas Cove Economic Development Guidelines to remove tax abatement language from the guidelines. Additionally, the CCEDC Board of Directors ratified the approval of the infrastructure reimbursement for Copperas Cove A.L., LLC.

Section II (Due Diligence and Assessment of Applicants) requirements of the CCEDC Economic Development Guidelines are attached for review by the Council.

**3. FINANCIAL IMPACT**

There is no financial impact to the City of Copperas Cove. The financial impact to the CCEDC is \$224,000 and is a projected expenditure in the 2009-2010 budget.

**4. ACTION OPTIONS/RECOMMENDATION**

The CCEDC Board of Directors requests City Council approval of the infrastructure reimbursement and the associated Performance Agreement/Clawback Agreement between CCAL and CCEDC for the Stoney Brook of Copperas Cove assisted living facility.

# Economic Development Guidelines

## Copperas Cove Economic Development Corporation

Community incentives will be equally available to qualifying existing businesses and those recruited from outside Coryell County. Both existing and new businesses must qualify for incentives based on capital investment that would increase the ad valorem value and/or gross payroll and/or number of jobs added in Copperas Cove and a time requirement for maintaining a physical location and conducting business in Coryell County.

- (A.) Value added agriculture projects such as food processors or natural fiber processors might be examined as for their “technology transfer” potential.
- (B.) Decisions on requests for any companies relocating from one city to another in Coryell County will be referred to the appropriate City Councils.
- (C.) All recipients of community incentives will sign a mutually agreed-upon performances agreement based on increase ad valorem value by capital investment and/or gross payroll, in addition to a requirement for the company to maintain a business location and conduct business in Copperas Cove and Coryell County for a specified period of time.
- (D.) An economic and fiscal impact analysis will be conducted for each applicant for community incentives. The community return on investment (pay-back) time period projected by the impact analysis will, in all cases, be no more than ten (10) years. **Approval authorities**, at their discretion, **may require shorter return or investment time periods**. This analysis should be completed before the County Commissioners Court or the City of Copperas Cove grants any formal approval of tax abatement.
- (E.) A health and environmental risk assessment may be conducted for each applicant for community incentives, as requested by the Economic Development Corporation Board of Directors or City of Copperas Cove.
- (F.) After presentation of community incentive proposals to a prospect, the prospect will have a specified period of time to respond with acceptance, rejection or suggested changes to the proposal when feasible, the time period will be 30 days. The proposal will become null and void if not acted upon by the prospect within the specified time frame.

## II. Due Diligence and Assessment of Applicants:

All applicants and/or prospects for community incentives will use the same guidelines despite the fact that industrial, manufacturing, and added value applicants will induce higher levels of ad valorem values and personal income. Given this scenario, applicants that meet or exceed eligibility requirements in a given category may well represent different economic development alternatives. Due diligence will be required of each prospect and/or applicant for community incentives as follows:

As a part of the review process, each applicant should provide the following, if applicable:

- 1) A project description, which should include a description of the company, its products, the capital investment, increased ad valorem value, payroll, size of the building, acreage, inventory levels and so forth.
- 2) An application, request or proposal for incentives in a written format, describing the incentives and/or concessions being requested or considered.
- 3) A professionally - prepared business plan to include but not limited to, executive summary, company history, historical and pro forma financial information and company principal(s) resumes.
- 4) An annual report of the company, if available.
- 5) A professionally prepared economic and fiscal impact analysis (City, County, School).
- 6) Statement(s)/evidence of credit worthiness,
- 7) A copy or description of contracts related to the firm's new or expanding business, including real estate leases, purchase agreements, build-to-suit agreements, as well as banking and financial agreements.
- 8) A summary report outlining major factors and impacts, both positive and negative, on the community and taxing units, especially the impact on the school district. \*

**\*Note:** These guidelines also recommend that the Copperas Cove Independent School District be **exempted** from any tax abatement policy/guidelines to be considered. The impact analysis will be from a standpoint of additional students and/or requirements that any prospect or applicant would require of the district.

Due diligence packages will be reviewed by the local economic development staff and EDC Board of Directors. The County Commissioners and City Council members should also review it. The entire Board of Directors of the Economic Development Corporation and the Executive Director may want to sit as the Prospect Review Committee. The Board Chairman may, also appoint a Prospect Review Committee of at least three (3) individuals including the Executive Director of the Corporation.

### **III. Proposal Presentation**

No prospect report or proposal will be submitted to a decision making authority without being first reviewed and approved by all preceding authorities. Proposals impact analysis, and other material related to the decision-making process will be delivered to the appropriate individuals at least three (3) days prior to the meeting at which decisions are to be made regarding the proposal. **A typical prospect presentation and approval process will flow as follows:**

- 1) EDC Staff
- 2) EDC Prospect Review Committee
- 3) EDC Board of Directors
- 4) Copperas Cove City Council and/or Coryell County Commissioners Court.

### **IV. Approval Authority**

Authority to approve a project for receipt of community incentives will be vested as follows:

- (1) Up to \$25,000.00 - EDC Board of Directors
- (2) Over \$25,000.00 -- The Copperas Cove City Council

### **VI. Other Community Incentives**

The following are negotiable on a case analysis basis by the appropriate authority:

- Developed Land.
- Undeveloped Land.
- Infrastructure Improvements
- Speculative Building
- Building Modifications
- One-stop municipal permitting.
- Waiver of municipal fees.
- Rental Subsidy
- Hiring and Job Training Assistance
- Chamber of Commerce Membership

### **VII. Section 380 Agreements**

In accordance with Section 380 of the Local Government Code, the City of Copperas Cove may, from time to time, provide loans and grants of public money to promote state or local economic development to stimulate business and commercial activity in the municipality. All agreements made pursuant to Section 380 of the Local Government Code must be approved by the City Council.

***Adopted by Copperas Cove EDC on October 23, 2009***



## Economic Development Guidelines Checklist

Date: \_\_\_\_\_

Company: \_\_\_\_\_

Project: \_\_\_\_\_

Incentives/Infrastructure Reimbursement Requested \_\_\_\_\_

Incentives/Infrastructure Reimbursement Approved \_\_\_\_\_

All applicants and/or prospects for community incentives and/or infrastructure reimbursement will use the same guidelines despite the fact that industrial, manufacturing, and added value applicants will induce higher levels of ad valorem values and personal income. Given this scenario, applicants that meet or exceed eligibility requirements in a given category may well represent different economic development alternatives. Due diligence will be required of each prospect and/or applicant for community incentives and/or infrastructure reimbursement as follows.

As a part of the review process, each applicant should provide the following, if applicable:

- A project description, which should include a description of the company, its products, the capital investment, increased ad valorem value, payroll, size of the building, acreage, inventory levels and so forth. \_\_\_\_\_
- An application, request or proposal for incentives in a written format, describing the incentives and/or concessions being requested or considered. \_\_\_\_\_
- A professionally - prepared business plan to include but not limited to, executive summary, company history, historical and pro forma financial information and company principal(s) resumes. \_\_\_\_\_
- An annual report of the company, if available. \_\_\_\_\_
- A professionally prepared economic and fiscal impact analysis (City, County, School). \_\_\_\_\_
- Statement(s)/evidence of credit worthiness \_\_\_\_\_
- A copy or description of contracts related to the firm's new or expanding business, including real estate leases, purchase agreements, build-to-suit agreements, as well as banking and financial agreements. \_\_\_\_\_
- A summary report outlining major factors and impacts, both positive and negative, on the community and taxing units, especially the impact on the school district. \_\_\_\_\_

**NOTE: Award of community incentives and/or infrastructure reimbursement by the Copperas Cove Economic Development Corporation is contingent on Copperas Cove City Council approval.**

## PERFORMANCE AGREEMENT/CLAWBACK AGREEMENT

**THIS AGREEMENT** between **Copperas Cove A.L., LLC.**, a Texas Limited Liability Company, (“**CCAL**”) and the **COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (“**CCEDC**”), is made and executed on the following recitals, terms and conditions.

**WHEREAS**, the **CCEDC** is an economic development corporation operating pursuant to section 4A of the Development Corporation Act of 1979, article 5190.6 of the Texas Revised Civil Statutes, as amended, now located in Section 501 et seq. of the Local Government Code (hereinafter referred to as the “Act”), and the Texas Non-Profit Corporation Act, article 1396-1.01 et seq. of the Texas Revised Civil Statutes, as amended; and

**WHEREAS**, the Act prohibits the provision of a direct incentive unless the **CCEDC** enters into a performance agreement with **CCAL** providing at a minimum a schedule of additional payroll or jobs to be created or retained by **CCAL's** investment **at the STONEY BROOK facility**; or a schedule of capital investments to be made as consideration for any direct incentives provided by **CCEDC** to **CCAL**; and a provision specifying the terms and conditions upon which repayment must be made should **CCAL** fail to meet the agreed to performance requirements specified in this Agreement; and

**WHEREAS**, **CCAL** has applied to **CCEDC** for assistance to locate its business in the City of COPPERAS COVE, Texas; and

**WHEREAS**, **CCAL** understands and agrees that: (a) in granting, renewing, or extending any assistance, **CCEDC** is relying upon **CCAL's** representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any assistance by **CCEDC** at all times shall be subject to **CCEDC's** sole judgment and discretion; and (c) all such assistance shall be and shall remain subject to the terms and conditions as set forth in this Agreement; and

**WHEREAS**, the Board of Directors of the **CCEDC** has determined the financial assistance provided to **CCAL for the STONEY BROOK facility** to construct Targeted Infrastructure, and other Qualified Expenditures for construction and maintenance of a site upon which the **STONEY BROOK facility**, located in the City of Copperas Cove, Texas, will promote or develop new or expanded business enterprises, and meets the definition of “project” as contained in sections 2(11)(C) of the Act; and

**WHEREAS**, **CCAL** agrees and understands that the Act requires the City Council of the City of Copperas Cove to approve all programs and expenditures of the **CCEDC**, and accordingly this Performance Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

## SECTION 1. TERM.

This Agreement shall be effective for one (1) year from the Effective Date (as such term is defined in Section 10(h) of this Agreement), unless terminated sooner under the provisions hereof.

## SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- (a) **Agreement.** The word "Agreement" means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement, if any.
- (b) **CCAL** The word "**CCAL**" means the **Copperas Cove A.L., LLC**. For the purposes of this Agreement, **STONEY BROOK'S CCAL** address is, 7800 Southwest Pkwy, #713, Austin, Texas 78735. The telephone number is 512-474-5470.
- (c) **CITY.** The word "**CITY**" means the City of Copperas Cove, Coryell County, Texas.
- (d) **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- (e) **CCEDC.** The word "**CCEDC**" means the **COPPERAS COVE ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, its successors and assigns. **CCEDC'S** address is 210 South First Street, Copperas Cove, Texas 76522.
- (f) **Targeted Infrastructure.** The words "Targeted Infrastructure" are defined to mean infrastructure required or suitable to promote or develop new or expanded business enterprises.

## SECTION 3. COMPLIANCE WITH THE ACT.

The **CCAL** requested that the **CCEDC** provide certain financial assistance for the construction of the **Stoney Brook** Assisted Living Facility pursuant to Section 501 et seq. of the Local Government Code, formerly Article 5190.6 of the Texas Revised Civil Statutes, as amended. Following the approval of the **CCEDC** Board of Directors and the City Council of the **CITY**, this project will be in compliance with said Act, and therefore the **CCEDC** may provide certain financial assistance to the **CCAL's** facility named **STONEY BROOK** subject to the provisions of this Agreement, and the Act.

## SECTION 4. OBLIGATIONS OF CCAL.

**STONEY BROOK** covenants and agrees with **CCEDC** that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Certificate of Occupancy.** **CCAL** agrees to provide to **CCEDC** written verification that **STONEY BROOK** obtained a Certificate of Occupancy from the **CITY** for approximately 50,000 square feet to be used as an assisted living facility, which is open by March, 2011 (date).
- (b) **Taxable Value.** **CCAL** agrees to provide to **CCEDC** confirmation that it has been assessed by the Coryell Central Appraisal District the taxable value of its real property, real property improvements, furniture, fixtures and equipment used in the assisted living facility of at least **EIGHT MILLION and No/100 dollars (\$8,000,000.00)** as determined by the Coryell Central Appraisal District.
- (c) **Minimum Number of Employees.** The **CCAL's Stoney Brook facility** , within one year after it opens for business, employ a minimum of twenty (20) full-time-equivalent employees, with an annual minimum gross payroll, including benefits, of \$732,000.00. Evidence shall be furnished to the **CCEDC** not less than 450 days after opening.
- (d) **Performance.** **CCAL** agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between **CCAL** and **CCEDC**, and any related agreements between **CCAL** and **CITY**. This agreement is binding on **CCAL's** successors and assigns. The **CCAL** shall continue to have liability under this agreement until completion.

#### **SECTION 5. OBLIGATIONS OF CCEDC.**

During the term of this Agreement and so long as **CCAL** is not in default of this Agreement, **CCEDC** shall comply with the following terms and conditions:

- (a) **Payment.** The **CCEDC** agrees to reimburse infrastructure costs to **CCAL for the Stoney Brook facility** in the amount of **TWO HUNDRED TWENTY-FOUR THOUSAND and No/100 Dollars (\$224,000.00)**, due and payable when the Assisted Living Center opens for business.

#### **SECTION 6. EVENTS OF DEFAULT.**

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **Construction of STONEY BROOK Assisted Living Facility.** Failure of **CCAL** to construct or cause to be constructed the Assisted Living Facility consisting of a minimum of 50,000 square feet.
- (b) **Commencement of Construction.** Failure of **CCAL** to commence construction of the Assisted Living Center within 6 (six) months of the effective date of this Agreement,

- (c) **Certificate of Occupancy.** Failure of **CCAL** to provide **CCEDC** verification that the **STONEY BROOK** facility obtained a Certificate of Occupancy from the **CITY** for 50,000 square feet of Assisted Living Center open to the public by **March, 2011**.
- (d) **False Statements.** Any warranty, representation, or statement made or furnished to **CCEDC** by or on behalf of **CCAL** under this Agreement or any related documents that is false or misleading in any material respect, either now or at the time made or furnished.
- (e) **Insolvency.** **CCAL's** insolvency, appointment of receiver for any part of **STONEY BROOK'S** property, any assignment for the benefit of creditors of **STONEY BROOK**, any type of creditor workout for **STONEY BROOK**, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against **CCAL**.
- (f) **Failure to Pay Ad Valorem Taxes.** Failure of **CCAL** to pay, prior to delinquency, all taxes and assessments levied or assessed upon **STONEY BROOK'S** land, real property improvements or business personal property.
- (g) **Other Defaults.** Failure of **CCAL** to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any related documents, or failure of **CCAL** to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between **CCEDC** and **CCAL**, and specifically, should **CCAL** lease, sell or transfer, any of its interests in any portion of the Property to any unrelated or unaffiliated entity. However, permission by **CCEDC** to allow the sale of the **STONEY BROOK** facility shall not be unreasonably withheld.

## **SECTION 7. EFFECT OF AN EVENT OF DEFAULT.**

In the event of the occurrence of a default described under Section 6, the non-defaulting party may give written notice to the other party of such default, and the defaulting party shall have: (i) thirty (30) days thereafter to cure said default; or (ii) if the defaulting party is diligently pursuing the cure of such default but such default is not reasonably curable within thirty (30) calendar days, then the defaulting party shall have such additional amount of time as is reasonably necessary to cure such default. Should said default remain uncured after such cure period and the non-defaulting party is not otherwise in default hereunder, then the non-defaulting party shall have the right to give the defaulting party a notice (the "Second Notice") that this Agreement shall immediately terminate if such default is not cured within fifteen (15) days after the Second Notice is given and, if such default is not cured within such additional fifteen (15) day period, regardless of the amount of time reasonably necessary to cure, then this Agreement shall terminate without further action by either party. If the default is by the **CCAL**, then the **CCEDC** shall have the right to demand repayment of all or part of the incentives and consideration paid to **CCAL** under this agreement. The prevailing party in any action to enforce this Agreement shall be entitled to receive reasonable attorney's fees from the non-prevailing party.

## SECTION 8. INDEMNIFICATION.

CCAL shall indemnify, save, and hold harmless CCEDC, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnities") from and against: (i) any and all claims, demands, actions or causes of action that are asserted against any Indemnities if the claim, demand, action or cause of action directly or indirectly relates to tortious interference with contract or business interference, or wrongful or negligent use of CCEDC'S payments by CCAL or its agents and employees; (ii) any administrative or investigative proceeding by any governmental authority directly or indirectly related, to a claim, demand, action or cause of action in which CCEDC is a disinterested party; (iii) any claim, demand, action or cause of action which directly or indirectly contests or challenges the legal authority of CCEDC or CCAL to enter into this Agreement; and (iv) any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnities suffers or incurs as a result of any of the foregoing; provided, however, that CCAL shall have no obligation under this Section to CCEDC with respect to any of the foregoing arising out of the gross negligence or willful misconduct of CCEDC or the breach by CCEDC of this Agreement. If any claim, demand, action or cause of action is asserted against any Indemnities, such Indemnities shall promptly notify CCAL, but the failure to so promptly notify CCAL shall not affect CCAL's obligations under this Section unless such failure materially prejudices CCAL's right to participate in the contest of such claim, demand, action or cause of act CCAL, as hereinafter provided. If requested by CCAL in writing, so long as no Default or Event of Default shall have occurred and be continuing, such Indemnities shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit CCAL to participate in such contest. Any Indemnities that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which CCAL may be liable for payment of indemnity hereunder shall give CCAL written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain CCAL concurrence thereto.

## SECTION 9. CCAL REPRESENTATIONS.

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and any related documents and that the representations made herein, and in the related documents, are true and accurate in all respects.

## SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement, together with any related documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or

parties sought to be charged or bound by the alteration or amendment.

- (b) **Applicable Law and Venue.** This Agreement has been delivered to **CCEDC** and accepted by **CCEDC** in the State of Texas. **CCAL** agrees to submit to the jurisdiction of the courts of Coryell County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable Federal laws.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. **CCEDC** warrants and represents that the individual executing this Agreement on behalf of **CCEDC** has full authority to execute this Agreement and bind **CCEDC** to the same. **CCAL** warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **CCAL's, Stoney Brook facility Audit.** **CCAL** agrees to allow **CCEDC** to audit all of **STONEY BROOK facility's** records, documents, agreements and other instruments in furtherance of the following purposes:
  - (1) To ensure **CCAL** compliance with the affirmative obligations set forth in Section 4 of this Agreement;
  - (2) To determine the existence of an Event of Default set forth in Section 6 of this Agreement; and
  - (3) To ensure compliance with any other term or condition of this Agreement or any related documents.
- (h) **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the execution this Agreement by **CCEDC** and **CCAL**. The effective date of the time for the minimum number of employees shall be one (1) year from the date operations begin.
- (i) **Execution of Agreement.** **CCEDC** shall authorize the Chairman of the Board of Directors to execute this Agreement on behalf of **CCEDC**.
- (j) **Notices.** All notices required to be given under this Agreement shall be given in

writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown in Section 2 of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, **CCAL** agrees to keep **CCEDC** informed at all times of **CCAL** current address.

- (k) **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the **CITY**, whether now existing or in the future arising. This Agreement shall confer no vested rights on **CCAL** unless specifically enumerated herein.
- (m) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (n) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (o) **Undocumented Worker Violation.** The **CCAL** certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, **CCAL** is convicted of a violation under 8 U.S.C. § 1324a(f), **CCAL** shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of Wall Street prime plus four percent (4%), not later than the 120th day after the date the city or economic development corporation notifies **CCAL** of the violation.





# Canyon Creek Developers LLC

7800 Southwest Parkway, Escondera 713, Austin, TX 78735

## *Stoney Brook of Copperas Cove*



**Project Description**  
**September 24, 2009**



## Canyon Creek Developers LLC

7800 Southwest Parkway, Escondera 713, Austin, TX 78735

### Overview

The proposed project is a 60-unit / 64-bed assisted living facility located in Copperas Cove, Texas. The facility will occupy approximately 5 acres and consist of an approximately 52,000 square foot main building housing all administrative functions and residents, with a separate shed of approximately 1,000 sqft. The main building is comprised of three major "neighborhood" wings arranged around a central core housing the administrative, service, and activity functions. Two of the wings will be joined by boxing around a central open courtyard and serve as the wander garden for memory care residents. The facility will accommodate 64 residents in an array of room configurations:

### Unit Configuration

- 8 x studio units 335 sqft
- 20 x one bedroom units 440 sqft
- 8 x one bedroom large units 600 sqft
- 4 x 2-bedroom units 725 sqft
- 20 x studio Dementia units 335 sqft

Each unit will be furnished with a kitchenette and small refrigerator lifted off the ground for handicap access, closet space, bathroom with handicap shower, and independent climate control units. Some units will have doorways providing direct access to the courtyard and covered walkway.

The model is based upon a similar design and operating platform that the developers proved successful in Iowa, i.e. similar floorplans, operating ratios, service levels, budget guidelines, and quality control procedures, with the exception of the exterior and rooflines, which will be adapted for prevailing Central Texas style through the use of stone and stucco facing with wood accents in common areas.

### Resident Wings

Each of the resident wings will contain between 14 and 18 residents, common living room, kitchenette, dining room, and outdoor portico/sitting area. Additionally, each wing will have a Staff Room/Nurse station, housekeeping/storage closets and an eat-in Bistro setting. Residents will furnish their own dwellings.

### Central Core

The central core of the main building will include a communal dining room, private dining room for parties and meetings, outdoor sitting area, social parlor, exercise room, physical therapy room with whirlpool, resident mailboxes, beauty salon, main activities room with TV, library, entertainment, and sofas and armchairs. Additionally, the central area will house three administrative offices, staff lounge, meeting room, medication set-up room, mechanical room, kitchen and delivery area, maintenance room, and public restrooms as follows:

## Grounds

The boxed in courtyard will serve as a common outdoor space accessible by the residents. A separate wander garden will be located off the Dementia care unit wing. Both grounds will provide residents and guests with secure areas to walk, exercise, visit, and otherwise enjoy the outdoors. Emphasis will be placed on providing ample shaded areas with the placement of outdoor structures and the planting of quick growing shade trees. Ample parking will be provided for visitors and to allow independent residents the freedom to travel on their own. An onsite maintenance person will be in charge of the ground building maintenance. A high level of attention to detail will ensure that the design and completion of the facility will exceed expectations.

## Resident Services

Copperas Cove Assisted Living will provide for the following services and amenities to its residents:

### Services

Full activities program  
Three meals daily with table or room service  
24-hour supervision by dedicated and trained staff  
Weekly housekeeping service  
Weekly laundry service  
Emergency call system  
Individual climate units  
Paid utilities (except cable & telephone)  
Year round building and grounds maintenance

### Amenities

Social / Ice Cream Parlor  
Physical Wellness program  
Exercise room with equipment  
Private family dining room and service  
Outdoor courtyard and activity areas  
Gardening space  
Outreach programs - visiting lectures  
Neighborhood living rooms  
Neighborhood bistro dining

Additionally, Copperas Cove Assisted Living will provide physical therapy, occupational therapy, speech therapy, and massage services in the spa and therapy rooms. These services will be contracted through either local hospitals or private providers.

## Space Usage

- Entry Area: Single wide door handicap access leads into the main foyer. Receptionist console is located immediately upon entry with sitting lounge and administrative offices for administrator, nursing director and support staff arrayed around the main entrance.
- Offices: Executive managers will have resident accessible offices in the central core.
- Laundry: One central laundry room with five washers and five dryers. A separate sorting room and folding counter will be installed. Residents will have access to their clothes and washing facilities at all times. Resident service includes laundry twice per week.
- Kitchen: All meals will be prepared in the main kitchen, which will feature a serving counter, walk-in storage and refrigeration. All meals will feature table delivery.
- Dining Room: Main dining chamber will accommodate up to 100 guests. Private dining chamber will accommodate 25 people and have access to covered outdoor dining on one of the two decks.

- Social / Ice Cream: This space will create a casual social gathering spot with 4-seat tables, and offer amenities such as a separate refrigerator, granite countertop, music system and table-top entertainment.
- Beauty Salon: The Spa will serve both men and women as a full service hair salon. The design will incorporate elements from leading spas to create a relaxing atmosphere.
- Activity Room: The Main Lounge and Activity area will serve as the primary center for most activities and offer a fireplace, featured guests and lectures, movies, and event space for special events.
- Medical Prep Room: A secure medication preparation and storage site that can be used an for examination, therapy and massage.
- Exercise Room: For physical therapy and general exercise. Will have several cardio vascular machines, free weights and tension devices as well as massage table.
- Wing Commons: Each wing will have a large common room with a kitchenette and space for activities and dining. Outside will be a small garden area to provide outdoor access.



**Design Alliance Inc.**  
 1421 University Ave  
 Suite 100, Room 2000  
 P.O. Box 2000  
 Dallas, TX 75201  
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**PROGRESS PRINT**  
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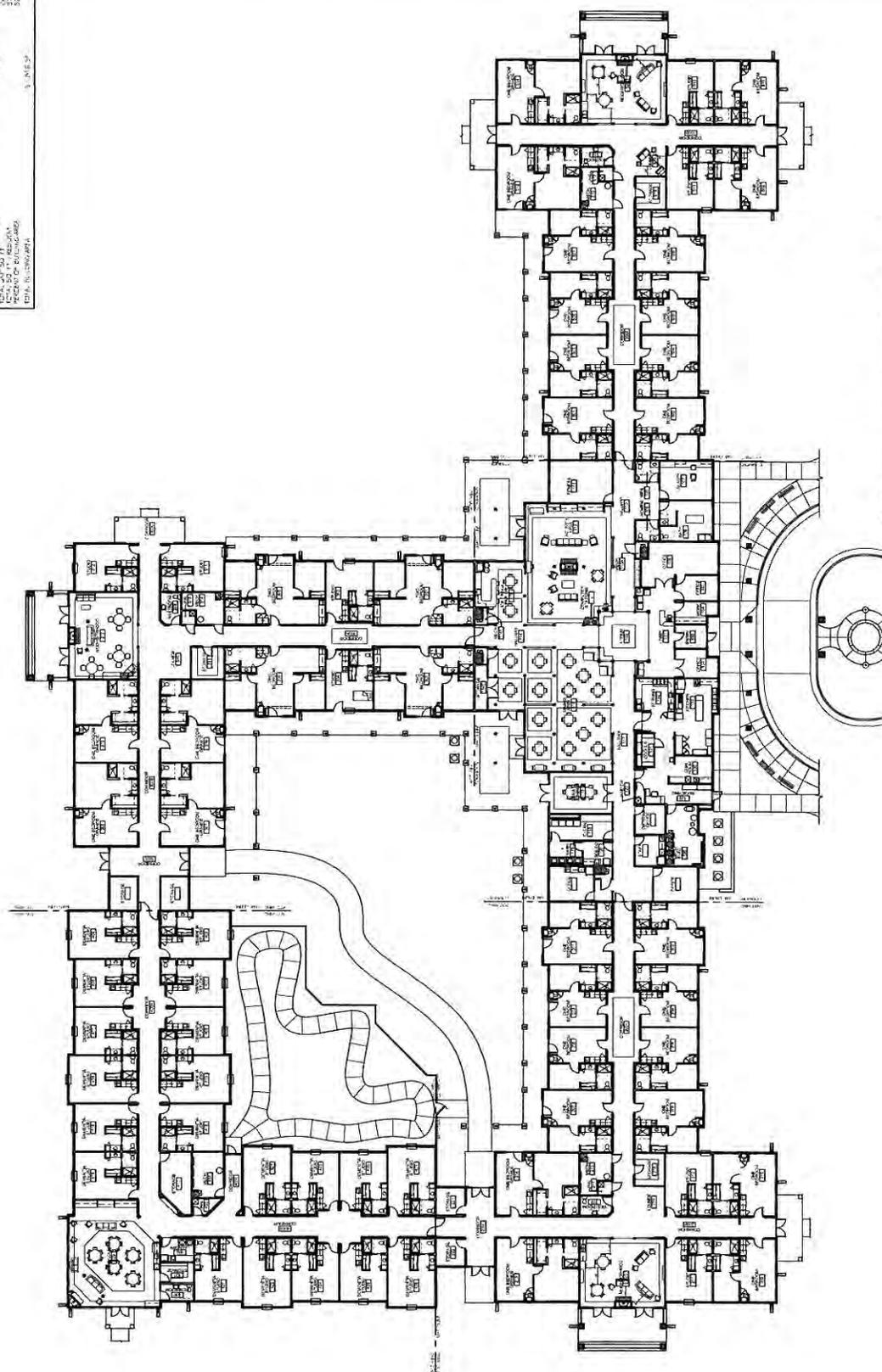
**STONEY BROOK OF COPPERAS COVE**  
 M.L.K. JR. DRIVE  
 COPPERAS COVE, TEXAS 76522

**OVERALL FLOOR PLAN**  
 Project Number: 208019  
 Date: 11/11/08

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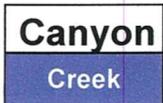
**BUILDING AREA SCHEDULE**

LIVING UNITS - RENTABLE AREA		TOTAL AREA	
NO. OF UNITS	SQ. FT.	SQ. FT.	SQ. FT.
1	1,100	1,100	1,100
2	1,100	2,200	2,200
3	1,100	3,300	3,300
4	1,100	4,400	4,400
5	1,100	5,500	5,500
6	1,100	6,600	6,600
7	1,100	7,700	7,700
8	1,100	8,800	8,800
9	1,100	9,900	9,900
10	1,100	11,000	11,000
11	1,100	12,100	12,100
12	1,100	13,200	13,200
13	1,100	14,300	14,300
14	1,100	15,400	15,400
15	1,100	16,500	16,500
16	1,100	17,600	17,600
17	1,100	18,700	18,700
18	1,100	19,800	19,800
19	1,100	20,900	20,900
20	1,100	22,000	22,000
21	1,100	23,100	23,100
22	1,100	24,200	24,200
23	1,100	25,300	25,300
24	1,100	26,400	26,400
25	1,100	27,500	27,500
26	1,100	28,600	28,600
27	1,100	29,700	29,700
28	1,100	30,800	30,800
29	1,100	31,900	31,900
30	1,100	33,000	33,000
31	1,100	34,100	34,100
32	1,100	35,200	35,200
33	1,100	36,300	36,300
34	1,100	37,400	37,400
35	1,100	38,500	38,500
36	1,100	39,600	39,600
37	1,100	40,700	40,700
38	1,100	41,800	41,800
39	1,100	42,900	42,900
40	1,100	44,000	44,000
41	1,100	45,100	45,100
42	1,100	46,200	46,200
43	1,100	47,300	47,300
44	1,100	48,400	48,400
45	1,100	49,500	49,500
46	1,100	50,600	50,600
47	1,100	51,700	51,700
48	1,100	52,800	52,800
49	1,100	53,900	53,900
50	1,100	55,000	55,000
51	1,100	56,100	56,100
52	1,100	57,200	57,200
53	1,100	58,300	58,300
54	1,100	59,400	59,400
55	1,100	60,500	60,500
56	1,100	61,600	61,600
57	1,100	62,700	62,700
58	1,100	63,800	63,800
59	1,100	64,900	64,900
60	1,100	66,000	66,000
61	1,100	67,100	67,100
62	1,100	68,200	68,200
63	1,100	69,300	69,300
64	1,100	70,400	70,400
65	1,100	71,500	71,500
66	1,100	72,600	72,600
67	1,100	73,700	73,700
68	1,100	74,800	74,800
69	1,100	75,900	75,900
70	1,100	77,000	77,000
71	1,100	78,100	78,100
72	1,100	79,200	79,200
73	1,100	80,300	80,300
74	1,100	81,400	81,400
75	1,100	82,500	82,500
76	1,100	83,600	83,600
77	1,100	84,700	84,700
78	1,100	85,800	85,800
79	1,100	86,900	86,900
80	1,100	88,000	88,000
81	1,100	89,100	89,100
82	1,100	90,200	90,200
83	1,100	91,300	91,300
84	1,100	92,400	92,400
85	1,100	93,500	93,500
86	1,100	94,600	94,600
87	1,100	95,700	95,700
88	1,100	96,800	96,800
89	1,100	97,900	97,900
90	1,100	99,000	99,000
91	1,100	100,100	100,100
92	1,100	101,200	101,200
93	1,100	102,300	102,300
94	1,100	103,400	103,400
95	1,100	104,500	104,500
96	1,100	105,600	105,600
97	1,100	106,700	106,700
98	1,100	107,800	107,800
99	1,100	108,900	108,900
100	1,100	110,000	110,000



**OVERALL FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"





## Canyon Creek Developers LLC

Escondera 713, 7800 Southwest Parkway, Austin, TX 78735

May 29, 2009

Mr. Jerry Connor  
Copperas Cove Economical Development Corporation  
210 South First Street  
Copperas Cove, TX 76522

RE: Infrastructure funds

Dear Jerry,

We are excited to inform you that we will be submitting our application for funding for our Copperas Cove Facility next week. This should allow us to break ground possibly in July, definitely early August. As you know, it is our intention to create a leading edge facility – both with respect to the design and services, reflecting our philosophy that elder care should be predicated and practiced on an active platform that stimulates the emotional, intellectual, physical and spiritual well-being of our resident versus simply warehousing the elderly.

We continue to face challenges on the macro-level, given the credit environment and uncertain future. This is sure to impact our lease-up rates. In light of this, we would like you and the City of Copperas Cove to consider providing infrastructure funds for the Stoney Brook of Copperas Cove Assisted Living Facility. These funds would be used to off-set the additional costs we are facing due to the extended entry drive (and subsequent additional landscaping), retaining walls and the wrap around fire lane.

We are optimistic about the project and are excited to bring our quality of care to Copperas Cove, and thank you for your and your office's amazing support. You will be pleased with our vision for Stoney Brook, and the commitment we have in bringing this project to fruition. We look forward to being a part of your community.

Thank you for taking the time to review our request. We look forward to meeting with you soon.

Kindest Regards,

A handwritten signature in blue ink that reads "Christopher Han".

Christopher Han  
Kerry Ready  
Canyon Creek Developers

## Infrastructure Costs, Stoney Brook of Copperas Cove

	Cost	
<b>Fire lane/turnaround and parking</b>		
Subgrade Prep & Paving	\$44,478	2,519 SY
Site Grading Changes	\$12,946	Changes in grade due to addition of fire lane
Striping	\$562	13 stalls
Sidewalks	\$1,685	625 SF
Retaining Walls	\$52,071	2,772 SF
Staking	\$2,809	1 lump sum
<b>Cost</b>	<b>\$114,551</b>	
<b>Grass Pavers</b>		
Pavers	\$12,213	1,900 SF
Seed at Pavers	\$128	1,900 SF
Grading left down @ Pavers	\$2,562	1,900 SF
<b>Cost</b>	<b>\$14,903</b>	
<b>Fire Hydrant Water Loop</b>		
Haul Utility Spoils	\$4,370	985 LF fire line
Fire Loop Piping/Hydrants	\$52,534	1085 LF of 8" fire line, 3 fire hydrants
<b>Cost</b>	<b>\$56,904</b>	
<b>Access Drive</b>		
Subgrade Prep & Paving	\$26,033	1,033 SY
Curb & Gutter	\$7,853	600 LF
Sidewalks	\$4,045	1,500 SF
Water Main Adjacent	\$9,038	310 LF 8" water main
Staking	\$3,370	1 lump sum
Retaining Walls	\$11,857	572 SF
<b>Cost</b>	<b>\$62,197</b>	
<b>Detention Pond</b>		
Staking	\$2,022	1 lump sum
Grading	\$15,393	2,600 CY
Improvements	\$21,240	30 LF of 30" HDPE w/sloped end, 275 LF of 18" HDPE with inlet, 167 LF of Concrete Pilot Chanel, 20 LF of Weir Structure, Intake Structure
Security Fence	\$18,537	285 LF
<b>Cost</b>	<b>\$57,193</b>	
<b>Sewer Line Work</b>	<b>Cost</b>	<b>\$32,000</b>
<b>Subtotal</b>		<b>\$337,747</b>
<b>Associated General Conditions</b>	<b>Contractor Margin 15%</b>	<b>\$50,662</b>
<b>Engineering for Special Solutions</b>	<b>Cost</b>	<b>\$15,000</b>
<b>TOTAL</b>		<b>\$403,409</b>

A Report of the  
Economic Impact from  
Stoney Brook of Copperas Cove  
in Copperas Cove, Texas

September 24, 2009

Prepared for:

Copperas Cove Economic Development Corporation  
210 South First Street  
Copperas Cove, TX 76522

Prepared by:

Impact DataSource  
4709 Cap Rock Drive  
Austin, Texas 78735

(512) 892-0205  
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**ImpactDataSource**

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## A Report of the Projected Economic Impact from Stoney Brook of Copperas Cove

### Introduction

This report presents the results of an economic impact analysis performed by Jerry Walker, Impact DataSource, Austin, Texas. The analysis was to determine the impact that Stoney Brook of Copperas Cove will have on the economy of the Copperas Cove area and costs and benefits for the City of Copperas Cove, Coryell County, Copperas Cove ISD and Central Texas College over the next ten years.

### Description of the Possible Facility and its Operations

Stoney Brook of Copperas Cove is a planned assisted living and memory care facility. The facility will have 60 apartments for residents.

An estimated \$8.2 million on the project: \$483,000 for land, \$6.3 million for buildings and other real property improvements and furniture, fixtures and equipment and another \$1,417,000 for engineering, architectural fees and other soft costs.

The facility will have an estimated 20 workers with estimated annual payroll plus benefits of \$732,000.

How the firm and its workers will impact the Copperas Cove area economy is discussed next.

### Economic Impact of the Facility and Its Employees

The facility, its employees and workers in spin-off jobs created in the community will have the following economic impact on the Copperas Cove area over the next ten years:

<b>Economic Impact Over the First Ten Years of Operations</b>	
Total number of new direct and indirect jobs to be created	27
Number of people who will move to the City	13
Number of new residential properties to be built in the city	1
Number of new students expected in Copperas Cove ISD	4
Salaries to be paid to direct and indirect workers	\$13,153,719
Taxable sales expected in the City	\$3,919,095
The value, in Year 10, of new residential property to be built for direct and indirect workers who move to the City	\$119,509
Taxable assets at the facility in Year 10	\$8,262,940

How the economic impact of the facility translates into additional costs and benefits for local taxing entities is shown below.

**Costs and Benefits for Local Taxing Entities Over the First 10 Years**

The City, County, School District and CTC can expect to receive the following net benefit over the first 10 years from the facility, its employees and workers in indirect jobs created in the community:

<b>Net Benefits Over the First Ten Years of Operations</b>					
	City of Copperas Cove	Coryell County	Copperas Cove ISD	CTC	Total
<u>Additional revenues:</u>					
Sales and use taxes	\$58,786	\$19,599			\$78,385
Property taxes	\$554,262	\$298,905	\$884,572	\$105,609	\$1,843,349
Utilities	\$98,360				\$98,360
Utility franchise fees	\$66,407				\$66,407
Other taxes and user fees	\$2,628				\$2,628
Additional state and federal school funding			\$174,251		\$174,251
<b>Total additional revenues</b>	<b>\$780,443</b>	<b>\$318,503</b>	<b>\$1,058,823</b>	<b>\$105,609</b>	<b>\$2,263,380</b>
<u>Additional costs:</u>					
Costs of services to new residents	\$8,760				\$8,760
Costs of providing monthly utility services	\$91,475				\$91,475
Costs of educating new students			\$75,328		\$75,328
Reduction in state school funding from new property being added to the district's tax rolls			\$798,002		\$798,002
<b>Total additional costs and reduction in state school funding</b>	<b>\$100,235</b>	<b>\$0</b>	<b>\$873,329</b>	<b>\$0</b>	<b>\$973,564</b>
<b>Net benefits</b>	<b>\$680,208</b>	<b>\$318,503</b>	<b>\$185,494</b>	<b>\$105,609</b>	<b>\$1,289,815</b>

The discounted cash flow over the first ten years for each taxing entity is as follows:

<b>Discounted Cash Flow Over the First Ten Years of Operations</b>	
City of Copperas Cove	\$495,060
Coryell County	\$232,062
Copperas Cove ISD	\$151,151
Central Texas College	\$76,863

Discounted cash flow or present value of net benefits is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each

taxing district's discount rate. This analysis uses a discount rate of 6% to make the dollars comparable -- by expressing them in today's dollars or in present value.

**Analysis of Incentives that May be Offered to the Firm**

This analysis calculated possible average annual rate of return on investment for each year over the first 10 years and payback periods.

Rate of return on investment is the City's average annual rate of return from additional net revenues that the City will receive on the investment of incentives that the City will be making in the firm's facility. Payback period is the number of years that it will take the City to recover the costs of incentives from the additional net revenues that it will receive from the project.

Possible levels of incentives and corresponding average annual rates of return on investment over the next three years and the investment payback periods on the possible CCEDC/City investment in the facility are shown below.

Return on Possible Incentives		
Incentive	Rate of Return on Investment	Payback Period, in Years
\$100,000	68%	1.6
\$150,000	45%	2.4
\$200,000	34%	3.2
\$250,000	27%	4.0
\$300,000	23%	4.7
\$325,000	21%	5.1
\$350,000	19%	5.5
\$400,000	17%	6.2
\$450,000	15%	6.9
\$500,000	14%	7.6
\$550,000	12%	8.3
\$600,000	11%	8.9
\$688,435	10%	10.1
\$700,000	10%	10.3
\$750,000	9%	10.9

**Conduct of the Analysis**

This analysis was conducted by Impact DataSource using data, rates and information supplied by the Copperas Cove Economic Development Corporation, local taxing entities and Impact DataSource estimates and assumptions.

Using this data, the economic impact from the facility and the costs and benefits for the City of Copperas Cove, Coryell County, Copperas Cove ISD and Central Texas College were calculated for a ten year period. Impact DataSource used generally accepted economic analysis techniques in conducting this study.

In addition to the direct economic impact of the firm and its employees, spin-off or indirect and induced

benefits were also calculated. Indirect jobs and salaries are created in new or existing area firms, such as parts suppliers, that may supply goods and services to the firm. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to workers and their families. To estimate the indirect and induced economic impact of the facility and its employees on the Copperas Cove area, regional economic multipliers were used. Regional economic multipliers for Texas are included in the US Department of Commerce's Regional Input-Output Modeling System (RIMS II).

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier.

An employment multiplier was used to estimate the number of indirect and induced jobs created and supported in the Copperas Cove area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The multipliers show the estimated number of indirect and induced jobs created for every one direct job at the facility and the amount of salaries paid to these workers for every dollar paid to a direct worker at the facility. The multipliers used in this analysis are below:

Employment multiplier	0.3262
Earnings multiplier	\$0.5318

### **About Impact DataSource**

Impact DataSource is a fifteen-year-old Austin economic consulting, research and analysis firm. The firm has conducted economic impact analyses of numerous projects in Texas and fifteen other states. In addition, the firm has developed economic impact analysis computer programs for several clients.

The firm's principal, Jerry Walker, performed this economic impact analysis. He is an economic consultant and Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

Data used in the analysis, along with schedules of the results of calculations, are on the following pages.

**Data and Rates Used in the Analysis**

## Data and Rates Used in the Analysis

### Community information and rates:

City of Copperas Cove sales tax rate, including an ED tax of .5%	1.5%
Coryell County sales tax rate	0.5%
Property tax rates:	
City of Copperas Cove	0.7400
Coryell County	0.39907
Copperas Cove ISD	1.1810
Central Texas College	0.1410
Expected inflation rate over the next 10 years	3.5%
Discount rate used in analysis to compute discounted cash flows	6%
Average taxable value of a new single family residence in the community that will be built for individuals moving to Copperas Cove	\$100,000
Percent annual increase in the taxable value of residential and commercial property on local tax rolls over the next 10 years	2%
Marginal cost of providing municipal services, excluding utilities, to each new household	\$200
Estimated other city revenues per new household -- those revenues in addition to sales, hotel/motel and property taxes, utilities, sanitation and utility franchise fees	\$60
Annual increase expected in other city revenues and marginal costs	2%
Estimated average annual utility billings and sanitation, per household, by city-owned or city-provided utilities	\$1,104
The city's annual cost of providing water, wastewater and sanitation collection per household (93% of billings)	\$1,027
Annual increase expected in utility billings	2%
Annual utility franchise fees collected from each household in the city	\$76.65
Annual increase expected in utility franchise fee collections	2%

Utility franchise fee percentages for utilities provided by outside service providers:

Electricity	4%
Natural gas	3%
Cable	3%
Telephone, per line per month:	
Residential	\$0.43
Nonresidential	\$0.83

Copperas Cove ISD rates:

Annual state aid for each new child enrolled in the school district	\$3,800
Estimated average annual cost of providing services to each child in the school district	\$7,500
Estimated marginal cost of providing services to each new student for a small number of new students -- estimated at 30% of average costs for existing students	\$2,250

**Information on the Facility and its Employees:**

Value of assets at the facility to be added to local tax rolls:

	Land	Business	
	Buildings and	Personal	
	Related	Property	Total
	Improvements		
Year 1	\$6,468,000	\$315,000	\$6,783,000
Year 2	\$0	\$0	\$0
Year 3	\$0	\$0	\$0
Year 4	\$0	\$0	\$0
Year 5	\$0	\$0	\$0
Year 6	\$0	\$0	\$0
Year 7	\$0	\$0	\$0
Year 8	\$0	\$252,000	\$252,000 *
Year 9	\$0	\$0	\$0
Year 10	\$0	\$0	\$0
<b>Total</b>	<b>\$6,468,000</b>	<b>\$567,000</b>	<b>\$7,035,000</b>

\*Estimated replacement equipment or improvements

Depreciation schedule used to calculate the taxable value of furniture, fixtures and equipment:

*According to the Coryell County Appraisal District, furniture, fixtures and equipment are depreciated using a 10 year life and a 30% residual value. Therefore, the depreciable or taxable value of the firm's FF&E assets will be as follows:*

	Percent of Asset Cost that will be Taxed
Year 1	90%
Year 2	80%
Year 3	70%
Year 4	60%
Year 5	50%
Year 6	40%
Year 7	30%
Year 8	30%
Year 9	30%
Year 10	30%

The facility's utilities:

	Annual Usage	Monthly Usage
Water and wastewater	\$3,600	\$300
Solid waste	\$3,600	\$300
Electricity	\$100,800	\$8,400
Natural gas	\$12,000	\$1,000
Total	\$120,000	\$10,000

Estimated annual increase in utility rates and usage:

Water	3%
Wastewater	3%
Solid waste	3%
Electricity	3%
Natural gas	3%

Estimated number of telephone lines for calculating line access fees that will be collected by the City:

Year 1	65
--------	----

The facility's estimated local taxable purchases of supplies, materials and services \$48,000

Annual increase in local taxable purchases of supplies, materials and services after the first year	3%
---	----

Number of FTE workers at the facility:

	New Workers Employed	Total Workers at the Facilities
Year 1	20	20

Estimated number of workers who will move to Copperas Cove to work at the facility	3
--	---

Total annual payroll and fringe benefits	\$732,000
--	-----------

Percent of expected increase in average salaries and wages after the first year	3.5%
---	------

Multipliers for calculating the number of indirect and induced jobs and earnings in the community:

Earnings	\$0.5318
Employment	\$0.3262

*This cost-benefit analysis uses the above multipliers to calculate the number of spin-off jobs created in the community and their earnings.*

Percent of the employees to be hired in spin-off jobs created in the community who will move to Copperas Cove	10%
---	-----

Percent of workers who move to the community that will require the building of new residential property in the first ten years	20%
--	-----

The number of people in a typical worker's household	3.25
--	------

The number of school children in a typical worker's household:	1
--	---

Percent of retail shopping by a typical worker in the city	33%
--	-----

**Spending during construction and purchases of furniture, fixtures and equipment:**

Estimated building completion/finish out and other construction costs	\$5,985,000
---	-------------

Percent of construction costs for:

Materials	50%
Labor	50%

Percent of construction materials that will be purchased in the city	5%
--	----

Percent of construction materials that will be subject to sales taxes	100%
---	------

Percent of taxable spending by construction workers in the City	10%
---	-----

New taxable furniture, fixtures and equipment to be purchased for the facility  
(Manufacturing and processing equipment is not subject to sales tax.)

Year 1	\$315,000
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$252,000
Year 9	\$0
Year 10	\$0

Percent of furniture, fixtures and equipment that will be purchased in the city 15%

Percent of furniture, fixtures and equipment that will be subject to sales taxes 100%

**Schedules Showing the Results of Economic Impact Calculations**

## Economic Impact of the Facility

**Number of local jobs and worker salaries:**

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	20	7	27	\$732,000	\$389,241	\$1,121,241
2	0	0	0	\$757,620	\$402,864	\$1,160,484
3	0	0	0	\$784,137	\$416,965	\$1,201,101
4	0	0	0	\$811,581	\$431,558	\$1,243,140
5	0	0	0	\$839,987	\$446,663	\$1,286,650
6	0	0	0	\$869,386	\$462,296	\$1,331,683
7	0	0	0	\$899,815	\$478,477	\$1,378,291
8	0	0	0	\$931,308	\$495,223	\$1,426,532
9	0	0	0	\$963,904	\$512,556	\$1,476,460
10	0	0	0	\$997,641	\$530,496	\$1,528,136
<b>Total</b>	<b>20</b>	<b>7</b>	<b>27</b>	<b>\$8,587,380</b>	<b>\$4,566,339</b>	<b>\$13,153,719</b>

**Number of new direct and indirect workers and their families who will move to the area and their children who will attend Copperas Cove ISD schools:**

Year	Residents	Students
1	13	4
2	0	0
3	0	0
4	0	0
5	0	0
6	0	0
7	0	0
8	0	0
9	0	0
10	0	0
<b>Total</b>	<b>13</b>	<b>4</b>

**Local taxable spending on which sales taxes will be collected:**

Year	Purchases and Spending during Construction	Direct and Indirect Workers' Spending	Visitors' Spending	Gross Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$301,613	\$148,004	\$0	\$0	\$160,800	\$610,416
2	\$0	\$153,184	\$0	\$0	\$165,624	\$318,808
3	\$0	\$158,545	\$0	\$0	\$170,593	\$329,138
4	\$0	\$164,094	\$0	\$0	\$175,711	\$339,805
5	\$0	\$169,838	\$0	\$0	\$180,982	\$350,820
6	\$0	\$175,782	\$0	\$0	\$186,411	\$362,193
7	\$0	\$181,934	\$0	\$0	\$192,004	\$373,938
8	\$37,800	\$188,302	\$0	\$0	\$197,764	\$423,866
9	\$0	\$194,893	\$0	\$0	\$203,697	\$398,589
10	\$0	\$201,714	\$0	\$0	\$209,808	\$411,522
<b>Total</b>	<b>\$339,413</b>	<b>\$1,736,291</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,843,392</b>	<b>\$3,919,095</b>

**Local spending by visitors on lodging:**

Year	Spending on Lodging
1	\$0
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
<b>Total</b>	<b>\$0</b>

**Number of new residential properties to be built in the community:**

Year	New Properties
1	1
2	0
3	0
4	0
5	0
6	0
7	0
8	0
9	0
10	0
<b>Total</b>	<b>1</b>

**Taxable value of new residential property built for some direct and indirect workers who move to community and the facility's property on local tax rolls:**

Year	New Residential Property	Property at the Facility	Total Taxable Property
1	\$100,000	\$6,751,500	\$6,851,500
2	\$102,000	\$6,849,360	\$6,951,360
3	\$104,040	\$6,949,807	\$7,053,847
4	\$106,121	\$7,052,893	\$7,159,014
5	\$108,243	\$7,158,671	\$7,266,914
6	\$110,408	\$7,267,195	\$7,377,603
7	\$112,616	\$7,378,519	\$7,491,135
8	\$114,869	\$8,002,999	\$8,117,867
9	\$117,166	\$8,131,433	\$8,248,599
10	\$119,509	\$8,262,940	\$8,382,449

**Schedules Showing the Results of Costs and Benefits Calculations**

**Costs and Benefits for the City of Copperas Cove:**

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**Benefits:**

**Sales tax collections on spending:**

Year	Purchases and Spending during Construction	Spending by Direct and Indirect Workers	Visitors' Spending	Gross Taxable Sales at the Facility	The Facility's Local Purchases and Taxable Utilities	Total
1	\$4,524	\$2,220	\$0	\$0	\$2,412	\$9,156
2	\$0	\$2,298	\$0	\$0	\$2,484	\$4,782
3	\$0	\$2,378	\$0	\$0	\$2,559	\$4,937
4	\$0	\$2,461	\$0	\$0	\$2,636	\$5,097
5	\$0	\$2,548	\$0	\$0	\$2,715	\$5,262
6	\$0	\$2,637	\$0	\$0	\$2,796	\$5,433
7	\$0	\$2,729	\$0	\$0	\$2,880	\$5,609
8	\$567	\$2,825	\$0	\$0	\$2,966	\$6,358
9	\$0	\$2,923	\$0	\$0	\$3,055	\$5,979
10	\$0	\$3,026	\$0	\$0	\$3,147	\$6,173
<b>Total</b>	<b>\$5,091</b>	<b>\$26,044</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,651</b>	<b>\$58,786</b>

**Hotel/motel taxes collected from visitors to the facility:**

Year	Hotel/motel Tax Collections
1	\$0
2	\$0
3	\$0
4	\$0
5	\$0
6	\$0
7	\$0
8	\$0
9	\$0
10	\$0
<b>Total</b>	<b>\$0</b>

Costs and benefits for the City of Copperas Cove - Continued:

**Property tax collections on:**

Year	New Residential Property	The Facility's Property			Total
		Property Taxes	Less Taxes Abated	Taxes Collected	
1	\$740	\$49,961	\$0	\$49,961	\$50,701
2	\$755	\$50,685	\$0	\$50,685	\$51,440
3	\$770	\$51,429	\$0	\$51,429	\$52,198
4	\$785	\$52,191	\$0	\$52,191	\$52,977
5	\$801	\$52,974	\$0	\$52,974	\$53,775
6	\$817	\$53,777	\$0	\$53,777	\$54,594
7	\$833	\$54,601	\$0	\$54,601	\$55,434
8	\$850	\$59,222	\$0	\$59,222	\$60,072
9	\$867	\$60,173	\$0	\$60,173	\$61,040
10	\$884	\$61,146	\$0	\$61,146	\$62,030
Total	\$8,103	\$546,159	\$0	\$546,159	\$554,262

**Utilities and utility franchise fees collected by the city from the facility and from new residents and miscellaneous taxes and user fees collected by the city from new residents and building permits and fees**

Year	Utilities	Utility Franchise Fees	Misc. Taxes and User Fees	Total
1	\$8,016	\$5,993	\$240	\$14,249
2	\$8,212	\$4,933	\$245	\$13,390
3	\$8,414	\$5,072	\$250	\$13,735
4	\$8,620	\$5,215	\$255	\$14,090
5	\$10,182	\$7,010	\$260	\$17,452
6	\$10,440	\$7,211	\$265	\$17,916
7	\$10,705	\$7,417	\$270	\$18,392
8	\$10,976	\$7,630	\$276	\$18,882
9	\$11,255	\$7,850	\$281	\$19,386
10	\$11,540	\$8,076	\$287	\$19,903
Total	\$98,360	\$66,407	\$2,628	\$167,395

Costs and benefits for the City of Copperas Cove - Continued:

**Costs for the City of Copperas Cove:**

**The costs of providing municipal services to new residents and the costs of utilities:**

Year	Costs of Providing Services to New Residents	Costs of Utilities	Total Costs
1	\$800	\$7,455	\$8,255
2	\$816	\$7,637	\$8,453
3	\$832	\$7,825	\$8,657
4	\$849	\$8,017	\$8,866
5	\$866	\$9,470	\$10,336
6	\$883	\$9,709	\$10,593
7	\$901	\$9,955	\$10,856
8	\$919	\$10,208	\$11,127
9	\$937	\$10,467	\$11,404
10	\$956	\$10,733	\$11,689
<b>Total</b>	<b>\$8,760</b>	<b>\$91,475</b>	<b>\$100,235</b>

**Net Benefits for the City of Copperas Cove:**

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$74,107	\$8,255	\$65,852	\$65,852
2	\$69,612	\$8,453	\$61,159	\$127,011
3	\$70,871	\$8,657	\$62,214	\$189,224
4	\$72,163	\$8,866	\$63,298	\$252,522
5	\$76,489	\$10,336	\$66,154	\$318,676
6	\$77,943	\$10,593	\$67,350	\$386,026
7	\$79,436	\$10,856	\$68,580	\$454,606
8	\$85,312	\$11,127	\$74,186	\$528,791
9	\$86,404	\$11,404	\$75,000	\$603,791
10	\$88,106	\$11,689	\$76,417	\$680,208
<b>Total</b>	<b>\$780,443</b>	<b>\$100,235</b>	<b>\$680,208</b>	

**Costs and Benefits for Coryell County:**

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**Benefits:**

**Sales tax collections on spending:**

Year	Purchases and Spending during Construction	Spending by		Gross Taxable Sales at the Facility	The Facility's	Total
		Direct and Indirect Workers	Visitors' Spending		Local Purchases and Taxable Utilities	
1	\$1,508	\$740	\$0	\$0	\$804	\$3,052
2	\$0	\$766	\$0	\$0	\$828	\$1,594
3	\$0	\$793	\$0	\$0	\$853	\$1,646
4	\$0	\$820	\$0	\$0	\$879	\$1,699
5	\$0	\$849	\$0	\$0	\$905	\$1,754
6	\$0	\$879	\$0	\$0	\$932	\$1,811
7	\$0	\$910	\$0	\$0	\$960	\$1,870
8	\$189	\$942	\$0	\$0	\$989	\$2,120
9	\$0	\$974	\$0	\$0	\$1,018	\$1,993
10	\$0	\$1,009	\$0	\$0	\$1,049	\$2,058
<b>Total</b>	<b>\$1,697</b>	<b>\$8,681</b>	<b>\$3</b>	<b>\$0</b>	<b>\$9,217</b>	<b>\$19,599</b>

**Property Tax Collections on:**

Year	New Residential Property	The Facility's Property			Total
		Property Taxes	Less Taxes Abated	Taxes Collected	
1	\$399	\$26,943	\$0	\$26,943	\$27,342
2	\$407	\$27,334	\$0	\$27,334	\$27,741
3	\$415	\$27,735	\$0	\$27,735	\$28,150
4	\$423	\$28,146	\$0	\$28,146	\$28,569
5	\$432	\$28,568	\$0	\$28,568	\$29,000
6	\$441	\$29,001	\$0	\$29,001	\$29,442
7	\$449	\$29,445	\$0	\$29,445	\$29,895
8	\$458	\$31,938	\$0	\$31,938	\$32,396
9	\$468	\$32,450	\$0	\$32,450	\$32,918
10	\$477	\$32,975	\$0	\$32,975	\$33,452
<b>Total</b>	<b>\$4,370</b>	<b>\$294,535</b>	<b>\$0</b>	<b>\$294,535</b>	<b>\$298,905</b>

**Net Benefits for the County:**

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$30,394	\$0	\$30,394	\$30,394
2	\$29,335	\$0	\$29,335	\$59,730
3	\$29,796	\$0	\$29,796	\$89,525
4	\$30,269	\$0	\$30,269	\$119,794
5	\$30,755	\$0	\$30,755	\$150,549
6	\$31,253	\$0	\$31,253	\$181,802
7	\$31,765	\$0	\$31,765	\$213,567
8	\$34,516	\$0	\$34,516	\$248,083
9	\$34,911	\$0	\$34,911	\$282,994
10	\$35,510	\$0	\$35,510	\$318,503
Total	\$318,503	\$0	\$318,503	

**Costs and Benefits for the Copperas Cove ISD:**

**Property taxes to be collected on new property added to tax rolls:**

Year	Property Tax Collections on:		
	New Residential Property	The Facility's Property	Total Property Tax Collections
1	\$1,181	\$79,735	\$80,916
2	\$1,205	\$80,891	\$82,096
3	\$1,229	\$82,077	\$83,306
4	\$1,253	\$83,295	\$84,548
5	\$1,278	\$84,544	\$85,822
6	\$1,304	\$85,826	\$87,129
7	\$1,330	\$87,140	\$88,470
8	\$1,357	\$94,515	\$95,872
9	\$1,384	\$96,032	\$97,416
10	\$1,411	\$97,585	\$98,997
<b>Total</b>	<b>\$12,932</b>	<b>\$871,641</b>	<b>\$884,572</b>

**Reduction in State Aid to the School District as a Result of New Property Being Added to Tax Rolls:**

Year	Reduction in State Aid
1	\$0
2	\$82,096
3	\$83,306
4	\$84,548
5	\$85,822
6	\$87,129
7	\$88,470
8	\$90,217
9	\$97,416
10	\$98,997
<b>Total</b>	<b>\$798,002</b>

Costs and Benefits for Copperas Cove ISD - Continued

**Additional State Aid for New Children who Move to the District.**

Year	Additional State Aid
1	\$15,200
2	\$15,656
3	\$16,126
4	\$16,609
5	\$17,108
6	\$17,621
7	\$18,150
8	\$18,694
9	\$19,255
10	\$19,833
Total	\$174,251

**Costs of educating children of new workers who move to the district:**

Year	Costs of Educating Children of New Resident Workers
1	\$7,200
2	\$7,272
3	\$7,345
4	\$7,418
5	\$7,492
6	\$7,567
7	\$7,643
8	\$7,719
9	\$7,797
10	\$7,875
Total	\$75,328

Costs and Benefits for Copperas Cove ISD - Continued

**Net Benefits for Copperas Cove ISD:**

Year	Benefits	Reduction in State Aid and Additional Costs	Net Benefits	Cumulative Net Benefits
1	\$96,116	\$7,200	\$88,916	\$88,916
2	\$97,752	\$89,368	\$8,384	\$97,300
3	\$99,432	\$90,651	\$8,781	\$106,081
4	\$101,157	\$91,966	\$9,191	\$115,272
5	\$102,930	\$93,315	\$9,615	\$124,888
6	\$104,750	\$94,697	\$10,054	\$134,942
7	\$106,620	\$96,113	\$10,507	\$145,448
8	\$114,566	\$97,937	\$16,629	\$162,078
9	\$116,671	\$105,213	\$11,458	\$173,536
10	\$118,829	\$106,871	\$11,958	\$185,494
<b>Total</b>	<b>\$1,058,823</b>	<b>\$873,329</b>	<b>\$185,494</b>	

## Costs and Benefits for Central Texas College

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### Net Benefits:

Year	Property Tax Collections on:			Net Benefits	Cumulative Net Benefits
	New Residential Property	The Facility's Property	Total Property Tax Collections		
1	\$141	\$9,520	\$9,661	\$9,661	\$9,661
2	\$144	\$9,658	\$9,801	\$9,801	\$19,462
3	\$147	\$9,799	\$9,946	\$9,946	\$29,408
4	\$150	\$9,945	\$10,094	\$10,094	\$39,502
5	\$153	\$10,094	\$10,246	\$10,246	\$49,749
6	\$156	\$10,247	\$10,402	\$10,402	\$60,151
7	\$159	\$10,404	\$10,563	\$10,563	\$70,713
8	\$162	\$11,284	\$11,446	\$11,446	\$82,160
9	\$165	\$11,465	\$11,631	\$11,631	\$93,790
10	\$169	\$11,651	\$11,819	\$11,819	\$105,609
Total	\$1,544	\$104,065	\$105,609	\$105,609	



Date: August 28, 2009

Christopher Han, Manager  
Copperas Cove A.L., LLC  
7800 Southwest Parkway, #713  
Austin, TX 78735

Dear Mr. Han:

Subject: Rate Lock Agreement for \$7,473,400.00 First Mortgage Loan (the "Loan")  
Stoney Brook of Copperas Cove  
1810-1814 Martin Luther King Jr. Drive Copperas Cove, TX 76522  
CW Loan No.: 08-0192  
FHA Project No: 113-43070 (the "Loan")

CWCapital LLC ("CW") will arrange for the construction and permanent funding of the Loan through either the issuance of GNMA securities or the sale of a 100% beneficial interest in the Loan (singularly or collectively, the "Loan Securities").

The indicative terms and conditions of this financing are as follows:

Mortgagor:	Copperas Cove A.L., LLC
Commitment For Mortgage Insurance:	Mortgagor has read in its entirety and agrees to all of the terms and conditions of, the Firm Commitment for mortgage insurance (and any amendment thereto) issued by FHA to CW, on behalf of the Mortgagor, pursuant to Section 232 of the National Housing Act (the "Firm Commitment"). Mortgagor agrees that notwithstanding any language to the contrary in the Firm Commitment, any letters of credit which Mortgagor is required to post pursuant to the Firm Commitment, must be in a form, and from an institution, satisfactory to CW in its sole discretion.
Loan Amount	\$7,473,400.00, or such other amount approved by FHA due to a reprocessing of the Firm Commitment.
Financing And Placement Fee:	The Mortgagor shall pay to CW a Financing and Placement Fee equal to 1.25% of the Loan Amount specified in the Firm Commitment. The Financing and Placement Fee is subject to FHA approval and shall be paid to CW at Loan Endorsement.
Legal Cost Reimbursement:	In addition, the Mortgagor shall reimburse CW for legal fees and other costs incurred by CW to close the Loan. It is anticipated that CW's legal fees will not exceed \$15,000.00. Notwithstanding the foregoing, if the transaction necessitates legal preparation not customary for an FHA loan

Rate Lock Agreement  
Stoney Brook of Copperas Cove  
August 28, 2009

Sincerely,

CWCAPITAL LLC



R. Scott Thurman, Vice President

AGREED: Copperas Cove A.L., LLC

By: cf Date: SEP. 9. 09  
Christopher Han, Manager

Acknowledged and Agreed to by the sponsors of the Mortgagor in their individual capacities:

By: cf Date: SEP. 9. 09  
Canyon Creek Developers, LLC

By: [Signature] Date: Sept 9. 09.  
WesCal A.L., LLC

Borrower Initials: cf [Signature]

# City of Copperas Cove

## City Council Agenda Item Report

December 1, 2009

### Agenda Item No. I-2

Contact – Mike Heintzelman, Deputy Police Chief, 547-4274  
mheintzelman@ci.copperas-cove.tx.us

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**SUBJECT: Consideration and action on an ordinance amending Chapter 3 of the Code of Ordinances Article V. Animals At-Large Sec. 3-51. Adoption, transfer, or euthanization of unredeemed animals; providing for a savings clause; and providing for an effective date.**

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#### 1. BACKGROUND/HISTORY

City of Copperas Cove Ordinance Sec. 3-51 was discussed during three separate meetings of the Copperas Cove Animal Shelter Advisory Committee. The meetings were held on December 11, 2008, April 14, 2009, and November 10, 2009. A recommendation was presented to amend section 3-51 of the ordinance removing the requirement of Council action to transfer or give unclaimed animals to a non-profit humane organization.

#### 2. FINDINGS/CURRENT ACTIVITY

The main issue of concern is that humane organizations want animals that have the highest probability of being adopted through our shelter either because of breed, temperament, or health. Citizens seeking to adopt an animal and the City of Copperas Cove do not benefit from this exchange because some of the humane organizations request donations after adopting far in excess of our of current adoption fee of fifteen dollars (\$15.00). The current wording of the ordinance gives Animal Control Personnel discretionary authority to determine which animals will be transferred to a non-profit humane organization. If the ordinance is revised as requested, the City could appear to be financially funding a humane organization by transferring out popular breeds of animals (the breeds easiest to adopt) by the Copperas Cove Animal Control.

Staff and the Animal Control Advisory Board recommend removal of the option to transfer animals that are impounded and not redeemed or adopted, to a non-profit humane organization.

#### 3. FINANCIAL IMPACT

None.

**4. ACTION OPTIONS/RECOMMENDATION**

City staff recommendation is for approval of Ordinance No. 2009-43 as presented.

**ORDINANCE NO. 2009-43**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, CORYELL COUNTY, TEXAS, AMENDING CHAPTER 3 OF THE CODE OF ORDINANCES ARTICLE V. ANIMALS AT LARGE SEC. 3-51.; PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS,** The City operates an animal shelter within its city limits, and is required by Title 10 Chapter 828 Texas Health and Safety Code, V.T.C.A. to meet state requirements for adoption of animals not redeemed by owners; and

**WHEREAS,** Upon full consideration of the above, it is of the opinion of the City Council that the changes to the current city ordinance be made concerning the adoption and release of animals from the City of Copperas Cove Animal Shelter.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COPPERAS COVE, CORYELL COUNTY, TEXAS, THAT:**

**SECTION 1.**

The Code of Ordinances of the City of Copperas Cove, Coryell County, Texas, Chapter 3, Article V Animals At-Large Sec. 3-51 be amended to read as follows:

Sec. 3-51. Adoption or euthanization of unredeemed animals.

At any time after the expiration of the period of time for redemption of impounded animals, the animal control officer shall, without further notice and without advertising in any manner place the animal for adoption. All animals impounded and not redeemed or adopted may be euthanized by an animal control officer or a licensed veterinarian.

**SECTION 2.**

That should any section, clause, or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this ordinance or any other ordinance of the City as a whole or any part thereof, other than the part so declared to be invalid.

**SECTION 3.**

That this ordinance shall take effect and be in full force and effect from and after its passage.

**PASSED, APPROVED, AND ADOPTED** on this 1st day of December 2009 at a regular meeting of the City Council of the City of Copperas Cove, Texas which meeting was held in compliance with the Open Meetings Act, *Tex. Gov't Code*, §551.001, et.seq. at which meeting a quorum was present and voting.

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John Hull, Mayor

**ATTEST:**

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Jane Lees, City Secretary

**APPROVED AS TO FORM:**

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Denton, Navarro, Rocha  
& Bernal P.C., City Attorney

# City of Copperas Cove City Council Agenda Item Report

December 1, 2009

## Agenda Item No. I-3

Contact – Wesley Wright, P.E., City Engineer, 547-0751  
wwright@ci.copperas-cove.tx.us

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**SUBJECT: Discussion and possible action on Hill Country Transit District (The HOP) bus stop shelter location.**

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### 1. BACKGROUND/HISTORY

During the Fiscal Year 2010 Budget Process, \$8,321 of appropriated funds for Hill Country Transit District (The HOP) was placed in the General Fund contingency account. The release of the contingency funds for the HOP was contingent upon the HOP placing a shelter in the City to assist with the transportation for the citizens of Copperas Cove.

### 2. FINDINGS/CURRENT ACTIVITY

The HOP is requesting to place a shelter in the Civic Center Parking lot. The shelter would be located in a designated “no parking” area directly adjacent to the existing stop on FM 1113. Photographs of the proposed location are attached for review and consideration. A photograph of the proposed shelter is also attached. Over the next 2-3 years, the HOP intends to install up to 10 shelters at stops within the city.

According to the City Attorney, the existing agreement with The HOP will adequately indemnify the City of Copperas Cove from any potential liability associated with the shelter.

Points to consider include the following:

- Approving the proposed location will allow The HOP to install a shelter much sooner than originally planned.
- The proposed location will minimize the amount of flat work required for installation/construction and will not adversely affect the existing parking spaces.
- The HOP is already utilizing the Civic Center parking lot for turning movements as the stop is the west end of the FM 1113 route.

- The proposed shelter has a potential negative impact on re-aligning the Civic Center parking lot.
- The Civic Center stop may not be the busiest stop in Copperas Cove.

**3. FINANCIAL IMPACT**

There is no direct cost to the City of Copperas Cove.

The HOP will be responsible for all costs associated with the shelter's installation and maintenance.

**4. ACTION OPTIONS/RECOMMENDATION**

City staff requests direction from Council on the proposed location.





Operated by Hill Country  
Transit District

1309 Martin Luther King Jr. Blvd.  
Killeen, Texas 76543  
(254) 616-6801  
(254) 616-6494 fax

November 18, 2009

Wesley Wright, P.E.  
Projects Director/City Engineer  
City of Copperas Cove  
P.O. Box 1449  
1601 N. First Street  
Copperas Cove, TX 76522

RE: HOP PASSENGER SHELTER

Dear Mr. Wright:

Hill Country Transit District, operator of The HOP, Central Texas' Regional Public Transit System, wishes to install a bus passenger shelter in the corner of the parking lot of the Copperas Cove Civic Center. The HOP already has a passenger shelter in its inventory for that location, and The HOP will arrange for the transport and installation of the shelter at that location.

The HOP maintains all equipment, including passenger shelters, through a formal maintenance program. The HOP realizes passenger shelters serve as a marketing tool for the transit system, and strives to ensure the shelters are a positive reflection of the system by keeping the shelters in good repair.

We have almost completed tasks related to this shelter installation, and I seek your verification that this project and the location selected are acceptable. Thank you for your interest.

Sincerely,

Robert S. Ator  
Director of Urban Operations

