

Ricky Jones, Place 1
Tomas Mendoza, Place 2
John Mounce, Mayor Pro Tem Place 3



Alyssa Linenkugel, Place 4
Dylan James, Place 5
Chrissa Hartle, Place 6

James Clark, Mayor

**CITY OF JUSTIN
CITY COUNCIL MEETING AGENDA
OCTOBER 12, 2023
415 N. COLLEGE AVE.
JUSTIN, TX 76247
5:00 P.M.**

CALL TO ORDER

EXECUTIVE SESSION – *The City Council will convene into regular session following the executive session.*

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code.

- Under Section 551.071, to conduct a private consultation with the City Attorney regarding:
 - Dannheim Complaint Against The City of Justin; PUCT Docket No. 53836
 - Petition of Town of Northlake and City of Justin; PUCT Docket No. 54243
 - Range Developers Agreement
 - Oncor Transmission Line

Convene into executive session.

Adjourn into the open meeting.

1. Discuss, consider, and act on items discussed in Executive Session.

REGULAR SESSION

Invocation and Pledge of Allegiance
American Flag

Texas Flag: *“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state, under God, one and indivisible”*

UPCOMING MEETINGS AND EVENTS

October 17 – Library Board Meeting
October 19 – Bond Town Hall
October 21 – Fall Cleanup Event
October 21 – 50th Annual Layne Wilkerson Fish Fry Event
October 24 – Fall Business Roundtable
October 26 – City Council
October 26-27 – Haunted Library
October 27 – City Hall Trick-or-Treat Event

PUBLIC COMMENT

In order to expedite the flow of business and to provide all citizens the opportunity to speak, the mayor may impose a three-minute limitation on any person addressing the Council. The Texas Open Meetings Act prohibits the City Council from discussing issues for which the public has not been given seventy-two (72) hour notice. Issues raised may be referred to City staff for research and/or placed on a future agenda.

PROCLAMATION

- Breast Cancer Awareness Month
- Lane Wilkerson Fish Fry 50th Anniversary

CONSENT AGENDA

Any Council Member may request an item on the Consent Agenda to be taken up for individual consideration.

2. Consider and take appropriate action to approve City Council minutes dated September 26, 2023.
3. Consider and take appropriate action approving Resolutions 624-23 and 625-23 to amend the fee schedule and approve a policy relating to Emergency Services outside City Limits.

ITEMS PULLED FROM THE CONSENT AGENDA

WORKSHOP ITEMS

4. Discussion regarding a Utility Rate Study.
5. Discuss the Oncor Ramhorn Hill transmission line.

POSSIBLE ACTION ITEMS

6. **PUBLIC HEARING:** Conduct a public hearing to consider testimony regarding the creation of the Timberbrook Public Improvement District No. 2 and act upon Resolution 626-23 creating the Timberbrook Public Improvement District No. 2.
 - a. open public hearing
 - b. close public hearing
 - c. consider and take appropriate action
7. **PUBLIC HEARING:** Public Hearing and Ordinance 763-23 on first reading to consider annexation for 74.174 acres legally described as Mary Polk Survey, Abstract No. 993, Denton County, Texas. Generally located northeast from the intersection of Sam Reynolds Road and Boss Range Road.
 - a. open public hearing
 - b. close public hearing
 - c. consider and take appropriate action
8. **PUBLIC HEARING:** Public Hearing to consider a Replat for a total of two lots legally described as Lots 1- 1R and Lots 1-1R2, BLOCK 1. Generally located northeast from the intersection of FM 407 and Boss Range Road.
 - a. open public hearing
 - b. close public hearing
 - c. consider and take appropriate action
9. Consider approving a work order authorization with New Gen for the amount up to \$60,000 for the purpose of compiling rates to be in compliance with HB3492 and to conduct an indirect cost allocation model.
10. Consider and take appropriate action regarding a Utility Rate Study.

FUTURE AGENDA ITEMS

ADJOURN INTO JOINT WORKSHOP – The City Council will adjourn into the joint workshop with the Planning and Zoning Commission immediately following the regular City Council meeting to discuss the rewrite of Chapter 52 Zoning Ordinances, Master Water Plan, Master Sewer Plan, and an Ad Valorem Analysis Study.

ADJOURNMENT

I, the undersigned authority, do hereby certify that the above notice of the meeting of the City Council of the City of Justin, Texas, is a true and correct copy of the said notice that I posted on the official bulletin board at Justin Municipal Complex, 415 North College Street, Justin, Texas, a place of convenience and readily accessible to the general public at all times, and said notice posted this 6th day of October 2023 by 5:00 p.m., at least 72 hours preceding the scheduled meeting time.

Brittany Andrews

Brittany Andrews, City Secretary

AGENDA

ITEM

2

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 2

Title: Consider approving City Council minutes dated September 26, 2023.

Department: Administration

Contact: City Secretary, Brittany Andrews

Recommendation:

City Attorney Review:

Attachments:

1. Draft September 26, 2023

Ricky Jones, Place 1
Tomas Mendoza, Place 2
John Mounce, Mayor Pro Tem Place 3



Alyssa Linenkugel, Place 4
Dylan James, Place 5
Chrissa Hartle, Place 6

Mayor, James Clark

MINUTES

**State of Texas
County of Denton
City of Justin**

Justin City Council Regular Session Meeting- September 26, 2023

The Justin City Council Meeting convened into a Regular Session being open to the public the 26th day of September 2023 at 5:30 pm in the Council Chambers of Justin Municipal Complex, and notice of said meeting giving the time, place, date, and subject thereof having been posted as prescribed by Article 5 of the Texas Government Code, with the following members present and in attendance to wit: Mayor, James Clark, Mayor Pro Tem, John Mounce, Councilmembers, Tomas Mendoza, Dylan James, Ricky Jones, Chrissa Hartle, and Alyssa Linenkugel. City Staff: City Manager, Jarrod Greenwood, Assistant City Manager, Abbey Reece, Public Works Director, Josh Little, Director of Planning and Development, Matt Cyr, City Secretary, Brittany Andrews, and City Attorney, Matthew Boyle.

CALL TO ORDER

Mayor Clark called the meeting to order at 5:31 p.m.

EXECUTIVE SESSION – *City Council will convene into regular session following the executive session.*

Any item on this posted agenda could be discussed in Executive Session as long as it is within one of the permitted categories under sections 551.071 through 551.076 and Section 551.087 of the Texas Government Code.

- Under Section 551.071, to conduct a private consultation with the City Attorney regarding:
 - Dannheim Complaint Against The City of Justin; PUCT Docket No. 53836
 - Petition of Town of Northlake and City of Justin; PUCT Docket No. 54243
 - Treeline Development Agreement
 - Oncor Transmission Line

Convene into executive session at 5:32 PM

Adjourn into the open meeting at 6:20 PM

1. Discuss, consider, and act on items discussed in Executive Session.

1A. Councilwoman Hartle moved to approve Resolution 622-23 as presented.

Seconded by: Councilman James

Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.

Motion carries

1B. Councilwoman Hartle moved to approve Resolution 623-23 as presented.

Seconded by: Councilman James

Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.

Motion carries

REGULAR SESSION

Invocation and Pledge of Allegiance by Mayor Clark
American Flag

Texas Flag: *“Honor the Texas Flag; I pledge allegiance to
thee, Texas, one state, under God, one and indivisible”*

UPCOMING MEETINGS AND EVENTS

October 2 – Jury Trial
October 3 – National Night Out
October 3 – Parks and Recreation Board
October 9 – Municipal Court
October 10 – Special Town Hall for AMR System
October 12 – City Council
October 17 – Library Board Meeting
October 21 – Fall Cleanup Event
October 21 – 50th Annual Layne Wilkerson Fish Fry Event
October 24 – Fall Business Roundtable
October 26 – City Council
October 26-27 – Haunted Library
October 27 – City Hall Trick-or-Treat Event

PUBLIC COMMENT

In order to expedite the flow of business and to provide all citizens the opportunity to speak, the mayor may impose a three-minute limitation on any person addressing the Council. The Texas Open Meetings Act prohibits the City Council from discussing issues for which the public has not been given seventy-two (72) hours' notice. Issues raised may be referred to City staff for research and/or placed on a future agenda.

Shelby St. Claire – address on file, comment on record.

Tom Cronberger – address on file, comment on record.

CONSENT AGENDA

Any Council Member may request an item on the Consent Agenda to be taken up for individual consideration.

2. Consider and take appropriate action to approve City Council minutes dated September 12, 2023.
3. *(Second Reading)* Consider approval of Ordinance 760-23 to adopt the FY 2023-2024 City of Justin budget.
4. Consider and take appropriate action approving an Interlocal Cooperation Agreement for Library Services between Denton County and the City of Justin.
5. Consider and take appropriate action approving an agreement between the City of Justin and the Denton County Criminal District Attorney's Office regarding forfeited contraband under Chapter 59 and Article 18.18 of the Texas Code of Criminal Procedure.
6. Consider and take appropriate action approving the City of Justin Financial Policies.
7. Consider and take appropriate action regarding appointments to and membership of the Parks and Recreation Advisory Committee.

Mayor Pro Tem, Mounce moved to approve consent items 2,3, and 6 as presented.

Seconded by: Councilman Jones

Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.

Motion carries

ITEMS PULLED FROM THE CONSENT AGENDA

4. Consider and take appropriate action approving an Interlocal Cooperation Agreement for Library Services between Denton County and the City of Justin.

Councilman Mendoza moved to approve item 4 as presented.

Seconded by: Mayor Pro Tem, Mounce

Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.

Motion carries

5. Consider and take appropriate action approving an agreement between the City of Justin and the Denton County Criminal District Attorney's Office regarding forfeited contraband under Chapter 59 and Article 18.18 of the Texas Code of Criminal Procedure.

Councilwoman Linenkugel moved to approve item 5 as presented.

Seconded by: Mayor Pro Tem, Mounce

Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.

Motion carries

7. Consider and take appropriate action regarding appointments to and membership of the Parks and Recreation Advisory Committee.

**Mayor Pro Tem, Mounce moved to approve item 7 as presented.
Seconded by: Councilwoman Hartle**

**Aye votes: Councilmembers Jones, Mendoza, Mounce, Linenkugel, James, and Hartle.
Motion carries**

WORKSHOP ITEMS

8. Discuss the Justin Heritage Foundation Memorandum of Understanding.
9. Discuss the Oncor Ramhorn Hill transmission line.

POSSIBLE ACTION ITEMS

FUTURE AGENDA ITEMS

ADJOURN

With there being no further business, the meeting was adjourned at 7:06 PM

Brittany Andrews

Brittany Andrews, City Secretary

Seal:

AGENDA

ITEM

3

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 3

Title: Consider and take appropriate action approving Resolutions 624-23 and 625-23 to amend the fee schedule and approve a policy relating to Emergency Services outside City Limits.

Department: Administration

Contact: Matt Cyr, Director of Planning and Development

Recommendation: Consideration based on the proposed resolutions.

Background:

On September 26, 2023, the City Council gave its approval to a Developers Agreement with Treeline Development, permitting the expansion of a 72-acre development to the east. As part of this agreement, the City Council consented to extend Fire and Police Services beyond the City Limits. In return for these services, the Developer will contribute approximately \$3.5 million for capital recovery and an estimated \$4 million in ad valorem recovery.

The primary aim of this agreement is to guarantee that all Developments situated outside the City Limits contribute a fair and proportionate amount towards Police and Fire Services.

Consequently, Staff is proposing a policy for consideration that memorializes the calculation of a rate that will be passed onto all developments outside the city limits City of Justin if City Council wishes to extend Police and Fire Services outside City Limits in the future. To ensure ultimate consistency, the fee schedule will also capture the rate that developers will pay if outside City Limits.

Financial Information:

All developments that enter an agreement with the City of Justin shall pay an equitable rate broken down into two components, which are the Capital Recovery Fee and through Ad Valorem Taxes. The Ad valorem formula is meant to capture the true in-city rate for Maintenance and Operations (M&O) and apply it to developments outside City Limits.

Ad Valorem:

For Police Services:

Police Allocable Share of Budget \times Approved M&O Tax Rate =
Police Rate per \$100 Valuation.

For Fire Services:

Fire Allocable Share of Budget \times Approved M&O Tax Rate = Fire Rate per \$100
Valuation.

An example shall be attached for reference in the resolution.

These formulas allow you to calculate the charges for Police and Fire Services based on the municipality's budget, allocable shares, M&O rate, and the rates per \$100 valuation for police and fire services.

Capital Recovery Fee:

The Capital recovery fee aims to ensure that developments outside City Limits contribute to the growing cost of services for Police and Fire services. As development grows and the need for Fire and Police Services grow, there will be a consistent need to add capital equipment (Fire trucks, Police Cars, and other equipment).

For Police Services Capital Recovery Fee:

5 years' police capital needs \div (City Limit land area + ETJ land area) = Capital recovery per unit of land area \times proposed developments' land area = 5-year capital needs allocable share for development \div number of development units = Total capital recovery fee per development unit.

For Fire Services Capital Recovery Fee:

5 years' fire capital needs \div (City Limit land area + ETJ land area) = Capital recovery per unit of land area \times proposed developments' land area = 5-year capital needs allocable share for development \div number of development units = Total capital recovery fee per development unit.

The total number that derives from these formulas shall be combined with half of the fee collected at the time of platting and the other half of the fee collected at the time of building permit issuance. This shall be a restricted fund only for the purpose of capital purchases for the Police and Fire Department.

An example shall be attached in the resolution.

City Attorney Review: NA

Attachments:

1. Redline and Blackline Fee Schedule
2. Proposed Resolution 624-23
3. Proposed Resolution 625-23

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~10/12/2023.

EXHIBIT "A"
MASTER FEE SCHEDULE

I. ADMINISTRATIVE SERVICES

Insufficient Funds	\$25.00/check
Police Department Accident Report (Uncertified)	\$6.00
Police Department Accident Report (Certified)	\$8.00
Copies (B&W)	\$0.10/page
Copies (Color)	\$0.20/page
Notary Signature	\$3.00/signature
Credit Card Convenience Fee	3% of Transaction
Open Records Request	
Personnel Labor Cost	\$15.00/hour
Cost per Page (8.5"x11")	\$0.10/page
Cost per Page (Oversized)	\$0.50/page
Shipping	Actual Cost
Personnel Overhead	20% of Total Cost

(Ord. No. 304, § 1, 3-12-2001; Ord. No. 542, § 1, 5-14-12)

II. LIBRARY

Library Fees

Late Return Fees	Books - \$0.25/day Media - \$1.00/day
Lost/Damage Item Fee	Total cost of item + \$3.00 processing fee
Replacement Library Card	\$1.00
Printing Fee	Black & White - \$0.10/page with ink Color - \$0.25/page with ink

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

III. BUILDING & PERMITTING

New Construction

New Single Family Residential	
Building Permit	\$1.00 per square-foot
Plan Review	N/C
Fire Code Review (If Applicable)	20% of Building Permit
New Multi-Family Residential	
Building Permit	\$1.00 per square-foot
Plan Review	Based on commercial fee valuation chart
Fire Code Review (If Applicable)	20% of Building Permit
New Commercial	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of Building Permit
Fire Code Review (If Applicable)	20% of Building Permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i>	
https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	

Other New Construction Fees

Final Certificate of Occupancy	\$150
Energy Code (Recheck)	\$300
Driveway with Curb Cut	\$100
Driveway with Culvert	\$200
Sign Permit	\$50
Wastewater Plumbing Permit	\$100
Customer Service Inspection	\$100
Irrigation	\$100
New Fence	\$100
Replacement Fence	\$25
Accessory Building	\$0.50 per square-foot
Residential Swimming Pool	\$400
Re-Inspection Fees	
Re-Inspection after first red-tag	\$50.00
Re-Inspection after second red-tag	\$100.00
Re-Inspection after third red-tag	\$150.00
All re-inspections after fourth red-tag	\$300.00

Approved by City Council Resolution #6~~2406~~-23 on ~~07/11/2023~~10/12/2023.

Work Without Permit

Double the requisite permit fee for anyone caught working without a permit.

Alterations, Remodels, and Additions

Residential Remodels	
Building Permit	\$0.50 per square foot
Plan Review (Not Required)	N/C
Minimum Fee	\$100
Residential Additions	
Building Permit	\$0.50 per square foot
Plan Review	N/C
Fire Code Review (If Applicable)	20% of Building Permit
Commercial Remodels	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of building permit
Fire Code Review (If Applicable)	20% of building permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i> https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	
Commercial Additions	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of Building Permit
Fire Code Review (If Applicable)	20% of Building Permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i> https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~10/12/2023.

Commercial Fee Valuation Chart

Commercial Valuation	Permit Fee	Totals
\$1 to \$500	\$28.20	Min. \$100.00
\$501 to \$2,000	\$28.20 for the first \$500, plus \$3.66 for each additional \$100 or fraction thereof	Min. \$100.00
\$2,001 to \$25,000	\$83.10 for the first \$2,000, plus \$16.80 for each additional \$1,000 or fraction thereof	Min. \$100.00 to \$469.50
\$25,001 to \$50,000	\$469.50 for the first \$25,000, plus \$12.12 for each additional \$1,000 or fraction thereof	\$469.50 to \$772.50
\$50,001 to \$100,000	\$772.50 for the first \$50,000, plus \$8.40 for each additional \$1,000 or fraction thereof	\$772.50 to 1,192.50
\$100,001 to \$500,000	\$1,192.50 for the first \$100,000, plus \$6.72 for each additional \$1,000 or fraction thereof	\$1,192.50 to \$3,880.50
\$500,001 to \$1,000,000	\$3,880.50 for the first \$500,000, plus \$5.70 for each additional \$1,000 or fraction thereof	\$3,880.50 to \$6,730.50
\$1,000,001 and up	\$6,730.50 for the first \$500,000, plus \$4.38 for each additional \$1,000 or fraction thereof	\$6,730.50 and up
Plan Review Fee	a non-refundable plan review fee equal to 65% of permit fee	Plan review fee is due at time of building permit plan submittal

Licenses, Registrations, and Trades

Registration for Un-Licensed Contractors	\$50
Registration for State Licensed Contractors	N/C
Electrical, Gas, Mechanical, Plumbing Permit	\$100

Rental Certificate of Occupancy Fees

Rental Certificate of Occupancy Application (includes two inspections)	\$100.00 annually
Additional Inspections	\$100.00/inspection

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

Appeal (refundable upon decision overturn by Council)	\$200.00
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Other Charges

Additional Plan Review	\$100/review
Inspections Not Specifically Indicated	\$100
Demolition Permit (if not associated with any other permit)	\$100

(Ord. No. 451-08, § 1, 8-11-08; Ord. No. 492, § 1, 7-12-10)

IV. BUSINESS RELATED

Alcohol Sales with Off-Premise Consumption	50% of state fee
Vendor's License	\$30 + \$20 Vest Deposit
Itinerant Business	\$25.00
Sexually Oriented Business	\$1,000.00 annually
Oil and Gas Pipeline	\$14,500.00
Mobile Home Park	
Construction/Placement Permit	\$100.00
Park License	\$100.00
	\$10.00/space annually
Alarm System	
Business	\$25.00
Residence	\$15.00
Truck Route Usage	
Single Trip	\$5.00
Period (Not to exceed 30 days)	\$10.00

(Ord. No. 549, § 1, 1-28-13)

V. FOOD ESTABLISHMENT

Regular Permit for Food Service Establishment	\$200.00 annually
Retail Open Market Permit	\$150.00 annually
Retail Food Store (Grocery) Permit	\$200.00 annually
Mobile Food Permit (Open Food)	\$200.00 annually
Mobile Food Permit (Packaged Food)	\$150.00 annually
Mobile Food Permit (Seasonal - 6 months or less)	\$100.00/season
Temporary Permits	\$75.00/space
Change of Ownership Inspection	\$75.00
Re-Inspection	\$125.00
Complaint Investigative Fee	\$125

(Ord. No. 462-08, §§ 1, 2, 12-8-08)

VI. INSPECTION

Fire Prevention Permit Fees

Multi-family	
Apartment Complex Annual Fire Inspection	\$50.00/building
Multi-Family Unit Inspection	\$50.00/building + \$75.00/unit
Re-inspection Fee for Apartment Complex	150% of Original Fee
Annual Inspection	
Assembly Group A	\$0.015/ft ² \$50.00 minimum \$300.00 maximum
Business Group B	\$0.017/ft ² \$50.00 minimum \$300.00 maximum
Educational Group E	\$0.01/ft ² \$50.00 minimum \$250.00 maximum
Factory Industrial Group F	\$0.02/ft ² \$50.00 minimum \$400.00 maximum
High Hazard Group H	\$0.025/ft ² \$50.00 minimum \$500.00 maximum
Institutional Group I	\$0.01/ft ² \$50.00 minimum \$175.00 maximum
Residential Groups R1/R4	\$0.015/ft ² \$50.00 minimum \$300.00 maximum
Storage Group S	\$0.012/ft ² \$50.00 minimum \$300.00 maximum
Miscellaneous	
Tents and Air-supported Structures	\$50.00/structure
Fire Hydrant Flow Test	\$150.00
Explosives/Blasting Agents	\$200.00
Fireworks	\$100.00
Fumigation/Thermal Insect Fog	\$50.00
Places of Assembly	\$50.00
Access Control	\$50.00

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

Miscellaneous	\$50.00
Flammable/Combustible Liquids/Tanks	\$50.00
Liquefied Petroleum Gases	\$25.00
Christmas Tree Lots	\$50.00
New Installation/Acceptance Test	
Fire Sprinkler System	\$125.00/riser + \$0.012/ft ²
Fire Sprinkler Remodel (First 40 Heads)	\$50.00
Fire Sprinkler Remodel (41+ Heads up to 50% of System)	\$100.00
Fire Sprinkler Remodel (More than 50% of System)	\$125.00 + \$0.012/ft ²
Automatic Extinguishing System	\$75.00/system
Fire Alarm System	\$100.00/system + \$2.00/device
Fire Alarm Remodel/Alteration (First 10 Devices)	\$50.00
Fire Alarm Remodel/Alteration (11+ Devices up to 50% of System)	\$100.00
Fire Alarm Remodel/Alteration (Over 50% of System)	\$100.00/system + \$2.00/device
Standpipe System	\$100.00/system
Re-Inspection	
1 st Re-Inspection	50% of Original Fee
Subsequent Re-Inspections	150% of Original Fee

(Ord. No. 461-08, § 1, 12-8-08)

Pool Permit Fees

Commercial or Public Pool Permit or Inspection	\$150/Inspection
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Construction Inspection Fees

A fee of six percent (6%) of the costs of street, drainage, water, and sewerage improvements as approved by the City Engineer shall be paid to the City by the subdivider prior to formal authorization to proceed with construction.

Code Enforcement

Code Enforcement Admin Fee	\$70
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VII. NOISE

Application	\$25.00
Short-term Sound Permit	\$75.00
Outdoor Event Sound Permit	\$150.00

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

Venue Sound Permit	\$300.00
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(Ord. No. 557, § 1, 9-9-13)

VIII. PLANNING, ZONING, AND DEVELOPMENT (INCLUDING CONSULTANT FEES)

Development Request	City Application Fee	Minimum Planning Review Fee	Minimum Engineering Review Fee	Total Minimum Fees
Annexation Application	\$500	N/A	N/A	\$500
Developers Agreement Application	\$500	\$250	\$250	\$1,000
Specific Use Permit (*Note: does not include SUP for gas well drilling; see Ord. No. 496-10)	*\$400	*\$435	*\$250	*\$1,085
Amendment to existing application (SUP, Site Plan, Zoning, or Plat)	\$400	NA	NA	*\$400
Site Plan	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$435	\$250	\$1,085 (Varies with size)
Civil Plan	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$435	\$250	\$1,085 (Varies with size)
Replat Fee	\$150	\$435	\$300	\$885
Zoning Change	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$200	\$250	\$750 (Varies with size)

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~10/12/2023.

Planned Development	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$200	\$500	\$1,000 (Varies with size)
Civil Plans Additional Review	\$300 + \$5 per residential lot or \$5 per commercial acre	N/A	N/A	\$300 (Varies with size)
Minor Subdivision Additional Review	\$50	\$150 + \$20 per acre	\$150 + \$50 per acre	\$350 + (Varies with size)
Minor Subdivision Final Plat	\$350	\$435+ \$20/acre	\$500 + \$100/acre	\$1,285 + (Varies with size)
Preliminary Plat	\$300 + \$20 per residential lot or \$20 per acre if commercial	\$725 + either \$20/res. lot or \$20/ com. acre	\$900 + either \$100 per residential lot or \$250 per commercial acre	\$1,925 + (Varies with size)
Major Subdivision Additional Review	\$150 + \$20 per residential lot or \$20 per acre if commercial	\$350 + \$20 per residential lot or \$20 per acre if commercial	\$450 + either \$50 per residential lot or \$125 per commercial acre	\$950 + (Varies with size)
Major Subdivision Final Plat	\$450 + \$20 per residential lot or \$20 per acre if commercial	\$725 + \$20 per residential lot or \$20 per acre if commercial	\$900 + either \$25 per residential lot or \$50 per commercial acre	\$2,025 + (Varies with size)
Multi-Family Preliminary Plat & Supporting Plans	\$300 + \$50 per acre	\$750 + \$50 per acre	\$900 + \$300 per acre	\$1,950 + (Varies with size)
Multi-Family Additional Review	\$150 + \$50 per acre	\$350 + \$50 per acre	\$450 + \$150 per acre	\$950 + (Varies with size)
Multi-Family Final Plat	\$400 + \$50 per acre	\$750 + \$50 per acre	\$900 + \$150 per acre	\$2,050 + (Varies with size)
Plat Vacating	\$400	\$300	\$300	\$1,000
Board of Adjustment	\$250	\$500	N/A	\$750

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

(Commercial, MF, Non-Owner-Occupied)				
Board of Adjustment (Residence)	\$150	\$150	N/A	\$300
Flood Plain Development Permit Exemption Certificate	\$50	-	\$200	\$250
Flood Plain Development Permit (w/o FEMA FIRM amendment)	\$75	-	\$450	\$525
Flood Plain Development Permit (w/FEMA FIRM amendment)	\$150	-	\$900	\$1,050
Pre-Application conference with city engineer and/or planner	\$500	\$0	\$0	\$500

(Ord. No. 358, § 1, 8-11-03; Ord. No. 362, § 1, 12-8-03; Ord. No. 435, § 1, 12-10-07; Ord. No. 507, § 3-14-11)

Fee in lieu of Parkland Dedication	\$2,500.00/dwelling unit
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IX. SPECIAL EVENT

Application	\$25.00
Block Party Special Event	\$30.00
Business Promotion Special Event	\$50.00
Outdoor Special Event	
0-200 Attendees	\$25.00
201-400 Attendees	\$50.00
401-800 Attendees	\$75.00
801-1,000 Attendees	\$100.00
1,001-5,000 Attendees	\$200.00
5,000+ Attendees	\$300.00
Security Deposit (Resident)	\$200.00
Security Deposit (Non-Resident)	\$250.00

(Ord. No. 558, § 1, 9-9-13)

X. UTILITY RELATED

Water

Deposit	
¾" (65 and older)	\$50.00
¾"	\$150.00
1"	\$200.00
1 ½"	\$250.00
2"	\$450.00
Bulk Water Meter Deposit	\$2,000.00
Meter Cost*	
RG3 Meters:	
¾"	\$179.98
1"	\$279.96
1 ½" Turbine	\$601.09
2" Turbine	\$765.63
4"+	Owner must purchase
AMR Meters:	
¾"	\$528.20
1"	\$586.10
1 ½"	\$942.20
2"	\$1,185.60
3"+	Owner must purchase
<i>*Billed based on which meter is used. RG3 meters will be phased out and replaced with AMR meters beginning in 2022.</i>	
Meter Set Fee	\$100
Tap Fees	
Residential	\$1,500 + Estimated Street Repair
Commercial	\$1,500 + Estimated Street Repair
Impact Fees	
¾"	\$4,761.00
1"	\$7,951.00
1 ½"	\$15,855.00
2"	\$25,378.00
3"	\$55,566.00
4"	\$99,991.00
6"	\$222,219.00
8"	\$380,920.00
10"	\$603,139.00
Consumption Rates	

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~10/12/2023.

¾"	\$28.62/first 1,000 gallons + \$0.00606/additional gallon
1"	\$47.69/first 1,000 gallons + \$0.00606/additional gallon
1 ½"	\$95.40/first 1,000 gallons + \$0.00606/additional gallon
2"	\$152.63/first 1,000 gallons + \$0.00606/additional gallon
Sprinkler Meter	Reference above depending on meter size; first 49 gallons are no charge
Bulk Consumption Rates	
0-10,000 gallons	\$135.00 flat fee
10,001-25,000 gallons	Flat fee + \$0.005/additional gallon
25,001-40,000 gallons	Flat fee + \$0.00525/additional gallon
40,001+ gallons	Flat fee + \$0.0055/additional gallon
Water Main Extensions	
Extension	Actual Cost
Fire Hydrant	Actual Cost
Other Fees (Only one charge per bill between water/sewer)	
Late Fee	10% of total past-due balance
Insufficient Funds Fee (NSF)	\$25 per occurrence
Reconnection Fee	\$35 during business hours; \$75 after hours
Meter Tampering Fee	\$100

Sewer

Tap Fees	
Residential	\$2,000 + Estimated Street Repair
Commercial	\$2,000 + Estimated Street Repair
Impact Fees	
¾"	\$4,761.00
1"	\$7,951.00
1 ½"	\$15,855.00
2"	\$25,378.00
3"	\$55,566.00
4"	\$99,991.00
6"	\$222,219.00

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~ 10/12/2023.

8"	\$380,920.00
10"	\$603,139.00
Consumption Rates	
0-2000 gallons	\$22.67 flat fee
2,001-6,000 gallons	\$22.67+ \$0.00641/additional gallon
6,001+ gallons	No Charge
Sewer Main Extension	
Extension	Actual Cost
Other Fees (Only one charge per bill between water/sewer)	
Late Fee	10% of total past-due balance
Insufficient Funds Fee (NSF)	\$25 per occurrence
Reconnection Fee	\$35 during business hours; \$75 after hours

Sanitation Services

Residential Rates	
Residential	\$12.69

Commercial Rates							
Lifts Per Week							
Container Size	1	2	3	4	5	6	Extra Lifts
95 Gal	\$28.81	\$42.16					\$46.82
2 CY	\$71.28	\$126.02	\$179.45	\$251.00			\$107.44
3 CY	\$96.48	\$169.88	\$246.82	\$340.63			\$132.71
4 CY	\$120.14	\$218.07	\$338.71	\$447.67			\$157.99
6 CY	\$128.10	\$229.59	\$345.45	\$510.51	\$618.58	\$751.71	\$183.27
8 CY	\$145.19	\$247.13	\$391.79	\$564.18	\$680.83	\$825.42	\$208.55
Front Load Recycle Rates							
6 CY	\$105.20	\$179.47	\$253.71				\$32.32
8 CY	\$111.39	\$191.85	\$266.11				\$32.32
Other Commercial Front Load Fees							
Container w/casters	\$5.69 per lift		Deliver/removal fee		\$44.24		
Container w/locks	\$1.77 per lift		Exchange fee		\$44.24		
Temporary Front Load Fees							
	Per Lift		Delivery		Daily Rent		
6 CY	\$145.94		\$64.20		\$1.20		
Roll Off Rate Schedule							
Container Size	Haul		Delivery		Daily Rent		
20 CY	\$602.50		\$150.61		\$1.26		
30 CY	\$648.26		\$150.61		\$1.26		
40 CY	\$721.15		\$150.61		\$1.26		

Approved by City Council Resolution #62406-23 on ~~07/11/2023~~10/12/2023.

20 CY Sludge	\$714.62	\$150.61	\$1.26
Franchise/Billing Fees – 10% for Residential and Commercial			
All rates subject to sales tax			

XI. MUNICIPAL FACILITIES

Gym Rentals	\$20.00 first hour \$10.00 additional hour
Baseball/Softball field rental *Fee applies only to hourly rentals for practices or events. No pre-work by City staff to prepare fields for games	\$25.00 first hour \$7.50 per additional half hour

(Ordinance 33, Section 3, adopted 2/16/72; Ordinance 172, Sections 4, 22, adopted 2/22/89; Ordinance adopting Code; Ordinance 188, Sections 1, 6, adopted 2/11/91; Ordinance 233 adopted 6/17/96; Ord. No. 235, § 1, 12-15-97; Ord. No. 345, § 1, 11-11-02; Ord. No. 383, § 1, 11-8-04; Ord. No. 399, § 1, 3-13-06; Ord. No. 452-08, § 1, 9-8-08; Ord. No. 471, § 1, 5-11-09; Ord. No. 475, § 1, 8-10-09; Ord. No. 492, § 2, 7-12-10)

XII. ROADWAY RELATED

Roadway Impact Fees

Development Type	Assessable Fee	
Single Family	\$3,771.29	/Dwelling Unit
Multi-Family	\$2,396.92	/Dwelling Unit
Retail	\$1,889.89	/1,000 SQFT
Light Industrial	\$303.87	/1,000 SQFT
General Business	\$1,700.98	/1,000 SQFT

No. 475, § 1, 8-10-09; Ord. No. 492, § 2, 7-12-10)

XIII. DEVELOPMENT RECOVERY FEES

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Ad Valorem*:

For Police Services:

Police Allocable Share of Budget × Approved M&O Tax Rate = Police Rate per \$100 Valuation

For Fire Services:

Fire Allocable Share of Budget × Approved M&O Tax Rate = Fire Rate per \$100 Valuation.

Approved by City Council Resolution #~~62406~~-23 on ~~07/11/2023~~10/12/2023.

Capital Recovery Fee*:

For Police Services:

5 years' police capital needs ÷ (City Limit land area + ETJ land area) = Capital recovery per unit of land area × proposed developments' land area = 5-year capital needs allocable share for development ÷ number of development units = Total capital recovery fee per development unit.

For Fire Services:

5 years' fire capital needs ÷ (City Limit land area + ETJ land area) = Capital recovery per unit of land area × proposed developments' land area = 5-year capital needs allocable share for development ÷ number of development units = Total capital recovery fee per development unit.

*Approved via resolution 625-23.

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**EXHIBIT “A”
MASTER FEE SCHEDULE**

I. ADMINISTRATIVE SERVICES

Insufficient Funds	\$25.00/check
Police Department Accident Report (Uncertified)	\$6.00
Police Department Accident Report (Certified)	\$8.00
Copies (B&W)	\$0.10/page
Copies (Color)	\$0.20/page
Notary Signature	\$3.00/signature
Credit Card Convenience Fee	3% of Transaction
Open Records Request	
Personnel Labor Cost	\$15.00/hour
Cost per Page (8.5”x11”)	\$0.10/page
Cost per Page (Oversized)	\$0.50/page
Shipping	Actual Cost
Personnel Overhead	20% of Total Cost

(Ord. No. 304, § 1, 3-12-2001; Ord. No. 542, § 1, 5-14-12)

II. LIBRARY

Library Fees

Late Return Fees	Books - \$0.25/day Media - \$1.00/day
Lost/Damage Item Fee	Total cost of item + \$3.00 processing fee
Replacement Library Card	\$1.00
Printing Fee	Black & White - \$0.10/page with ink Color - \$0.25/page with ink

III. BUILDING & PERMITTING

New Construction

New Single Family Residential	
Building Permit	\$1.00 per square-foot
Plan Review	N/C
Fire Code Review (If Applicable)	20% of Building Permit
New Multi-Family Residential	
Building Permit	\$1.00 per square-foot
Plan Review	Based on commercial fee valuation chart
Fire Code Review (If Applicable)	20% of Building Permit
New Commercial	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of Building Permit
Fire Code Review (If Applicable)	20% of Building Permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i> https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	

Other New Construction Fees

Final Certificate of Occupancy	\$150
Energy Code (Recheck)	\$300
Driveway with Curb Cut	\$100
Driveway with Culvert	\$200
Sign Permit	\$50
Wastewater Plumbing Permit	\$100
Customer Service Inspection	\$100
Irrigation	\$100
New Fence	\$100
Replacement Fence	\$25
Accessory Building	\$0.50 per square-foot
Residential Swimming Pool	\$400
Re-Inspection Fees	
Re-Inspection after first red-tag	\$50.00
Re-Inspection after second red-tag	\$100.00
Re-Inspection after third red-tag	\$150.00
All re-inspections after fourth red-tag	\$300.00

Work Without Permit

Double the requisite permit fee for anyone caught working without a permit.

Alterations, Remodels, and Additions

Residential Remodels	
Building Permit	\$0.50 per square foot
Plan Review (Not Required)	N/C
Minimum Fee	\$100
Residential Additions	
Building Permit	\$0.50 per square foot
Plan Review	N/C
Fire Code Review (If Applicable)	20% of Building Permit
Commercial Remodels	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of building permit
Fire Code Review (If Applicable)	20% of building permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i> https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	
Commercial Additions	
Building Permit	Based on commercial fee valuation chart
Plan Review	65% of Building Permit
Fire Code Review (If Applicable)	20% of Building Permit
<i>*ICC Valuation Table to be utilized and determine valuation of construction</i> https://www.iccsafe.org/wp-content/uploads/1676567050_BVD-BSJ-FEB23_SJH.pdf	

Commercial Fee Valuation Chart

Commercial Valuation	Permit Fee	Totals
\$1 to \$500	\$28.20	Min. \$100.00
\$501 to \$2,000	\$28.20 for the first \$500, plus \$3.66 for each additional \$100 or fraction thereof	Min. \$100.00
\$2,001 to \$25,000	\$83.10 for the first \$2,000, plus \$16.80 for each additional \$1,000 or fraction thereof	Min. \$100.00 to \$469.50
\$25,001 to \$50,000	\$469.50 for the first \$25,000, plus \$12.12 for each additional \$1,000 or fraction thereof	\$469.50 to \$772.50
\$50,001 to \$100,000	\$772.50 for the first \$50,000, plus \$8.40 for each additional \$1,000 or fraction thereof	\$772.50 to 1,192.50
\$100,001 to \$500,000	\$1,192.50 for the first \$100,000, plus \$6.72 for each additional \$1,000 or fraction thereof	\$1,192.50 to \$3,880.50
\$500,001 to \$1,000,000	\$3,880.50 for the first \$500,000, plus \$5.70 for each additional \$1,000 or fraction thereof	\$3,880.50 to \$6,730.50
\$1,000,001 and up	\$6,730.50 for the first \$500,000, plus \$4.38 for each additional \$1,000 or fraction thereof	\$6,730.50 and up
Plan Review Fee	a non-refundable plan review fee equal to 65% of permit fee	Plan review fee is due at time of building permit plan submittal

Licenses, Registrations, and Trades

Registration for Un-Licensed Contractors	\$50
Registration for State Licensed Contractors	N/C
Electrical, Gas, Mechanical, Plumbing Permit	\$100

Rental Certificate of Occupancy Fees

Rental Certificate of Occupancy Application (includes two inspections)	\$100.00 annually
Additional Inspections	\$100.00/inspection

Appeal (refundable upon decision overturn by Council)	\$200.00
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Other Charges

Additional Plan Review	\$100/review
Inspections Not Specifically Indicated	\$100
Demolition Permit (if not associated with any other permit)	\$100

(Ord. No. 451-08, § 1, 8-11-08; Ord. No. 492, § 1, 7-12-10)

IV. BUSINESS RELATED

Alcohol Sales with Off-Premise Consumption	50% of state fee
Vendor's License	\$30 + \$20 Vest Deposit
Itinerant Business	\$25.00
Sexually Oriented Business	\$1,000.00 annually
Oil and Gas Pipeline	\$14,500.00
Mobile Home Park	
Construction/Placement Permit	\$100.00
Park License	\$100.00 \$10.00/space annually
Alarm System	
Business	\$25.00
Residence	\$15.00
Truck Route Usage	
Single Trip	\$5.00
Period (Not to exceed 30 days)	\$10.00

(Ord. No. 549, § 1, 1-28-13)

V. FOOD ESTABLISHMENT

Regular Permit for Food Service Establishment	\$200.00 annually
Retail Open Market Permit	\$150.00 annually
Retail Food Store (Grocery) Permit	\$200.00 annually
Mobile Food Permit (Open Food)	\$200.00 annually
Mobile Food Permit (Packaged Food)	\$150.00 annually
Mobile Food Permit (Seasonal - 6 months or less)	\$100.00/season
Temporary Permits	\$75.00/space
Change of Ownership Inspection	\$75.00
Re-Inspection	\$125.00
Complaint Investigative Fee	\$125

(Ord. No. 462-08, §§ 1, 2, 12-8-08)

VI. INSPECTION

Fire Prevention Permit Fees

Multi-family	
Apartment Complex Annual Fire Inspection	\$50.00/building
Multi-Family Unit Inspection	\$50.00/building + \$75.00/unit
Re-inspection Fee for Apartment Complex	150% of Original Fee
Annual Inspection	
Assembly Group A	\$0.015/ft ² \$50.00 minimum \$300.00 maximum
Business Group B	\$0.017/ft ² \$50.00 minimum \$300.00 maximum
Educational Group E	\$0.01/ft ² \$50.00 minimum \$250.00 maximum
Factory Industrial Group F	\$0.02/ft ² \$50.00 minimum \$400.00 maximum
High Hazard Group H	\$0.025/ft ² \$50.00 minimum \$500.00 maximum
Institutional Group I	\$0.01/ft ² \$50.00 minimum \$175.00 maximum
Residential Groups R1/R4	\$0.015/ft ² \$50.00 minimum \$300.00 maximum
Storage Group S	\$0.012/ft ² \$50.00 minimum \$300.00 maximum
Miscellaneous	
Tents and Air-supported Structures	\$50.00/structure
Fire Hydrant Flow Test	\$150.00
Explosives/Blasting Agents	\$200.00
Fireworks	\$100.00
Fumigation/Thermal Insect Fog	\$50.00
Places of Assembly	\$50.00
Access Control	\$50.00

Miscellaneous	\$50.00
Flammable/Combustible Liquids/Tanks	\$50.00
Liquefied Petroleum Gases	\$25.00
Christmas Tree Lots	\$50.00
New Installation/Acceptance Test	
Fire Sprinkler System	\$125.00/riser + \$0.012/ft ²
Fire Sprinkler Remodel (First 40 Heads)	\$50.00
Fire Sprinkler Remodel (41+ Heads up to 50% of System)	\$100.00
Fire Sprinkler Remodel (More than 50% of System)	\$125.00 + \$0.012/ft ²
Automatic Extinguishing System	\$75.00/system
Fire Alarm System	\$100.00/system + \$2.00/device
Fire Alarm Remodel/Alteration (First 10 Devices)	\$50.00
Fire Alarm Remodel/Alteration (11+ Devices up to 50% of System)	\$100.00
Fire Alarm Remodel/Alteration (Over 50% of System)	\$100.00/system + \$2.00/device
Standpipe System	\$100.00/system
Re-Inspection	
1 st Re-Inspection	50% of Original Fee
Subsequent Re-Inspections	150% of Original Fee

(Ord. No. 461-08, § 1, 12-8-08)

Pool Permit Fees

Commercial or Public Pool Permit or Inspection	\$150/Inspection
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Construction Inspection Fees

A fee of six percent (6%) of the costs of street, drainage, water, and sewerage improvements as approved by the City Engineer shall be paid to the City by the subdivider prior to formal authorization to proceed with construction.

Code Enforcement

Code Enforcement Admin Fee	\$70
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VII. NOISE

Application	\$25.00
Short-term Sound Permit	\$75.00
Outdoor Event Sound Permit	\$150.00

Venue Sound Permit	\$300.00
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(Ord. No. 557, § 1, 9-9-13)

VIII. PLANNING, ZONING, AND DEVELOPMENT (INCLUDING CONSULTANT FEES)

Development Request	City Application Fee	Minimum Planning Review Fee	Minimum Engineering Review Fee	Total Minimum Fees
Annexation Application	\$500	N/A	N/A	\$500
Developers Agreement Application	\$500	\$250	\$250	\$1,000
Specific Use Permit (*Note: does not include SUP for gas well drilling; see Ord. No. 496-10)	*\$400	*\$435	*\$250	*\$1,085
Amendment to existing application (SUP, Site Plan, Zoning, or Plat)	\$400	NA	NA	*\$400
Site Plan	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$435	\$250	\$1,085 (Varies with size)
Civil Plan	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$435	\$250	\$1,085 (Varies with size)
Replat Fee	\$150	\$435	\$300	\$885
Zoning Change	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$200	\$250	\$750 (Varies with size)

Planned Development	\$400 + \$20 per residential lot or \$20 per acre if commercial	\$200	\$500	\$1,000 (Varies with size)
Civil Plans Additional Review	\$300 + \$5 per residential lot or \$5 per commercial acre	N/A	N/A	\$300 (Varies with size)
Minor Subdivision Additional Review	\$50	\$150 + \$20 per acre	\$150 + \$50 per acre	\$350 + (Varies with size)
Minor Subdivision Final Plat	\$350	\$435+ \$20/acre	\$500 + \$100/acre	\$1,285 + (Varies with size)
Preliminary Plat	\$300 + \$20 per residential lot or \$20 per acre if commercial	\$725 + either \$20/res. lot or \$20/ com. acre	\$900 + either \$100 per residential lot or \$250 per commercial acre	\$1,925 + (Varies with size)
Major Subdivision Additional Review	\$150 + \$20 per residential lot or \$20 per acre if commercial	\$350 + \$20 per residential lot or \$20 per acre if commercial	\$450 + either \$50 per residential lot or \$125 per commercial acre	\$950 + (Varies with size)
Major Subdivision Final Plat	\$450 + \$20 per residential lot or \$20 per acre if commercial	\$725 + \$20 per residential lot or \$20 per acre if commercial	\$900 + either \$25 per residential lot or \$50 per commercial acre	\$2,025 + (Varies with size)
Multi-Family Preliminary Plat & Supporting Plans	\$300 + \$50 per acre	\$750 + \$50 per acre	\$900 + \$300 per acre	\$1,950 + (Varies with size)
Multi-Family Additional Review	\$150 + \$50 per acre	\$350 + \$50 per acre	\$450 + \$150 per acre	\$950 + (Varies with size)
Multi-Family Final Plat	\$400 + \$50 per acre	\$750 + \$50 per acre	\$900 + \$150 per acre	\$2,050 + (Varies with size)
Plat Vacating	\$400	\$300	\$300	\$1,000
Board of Adjustment	\$250	\$500	N/A	\$750

(Commercial, MF, Non-Owner-Occupied)				
Board of Adjustment (Residence)	\$150	\$150	N/A	\$300
Flood Plain Development Permit Exemption Certificate	\$50	-	\$200	\$250
Flood Plain Development Permit (w/o FEMA FIRM amendment)	\$75	-	\$450	\$525
Flood Plain Development Permit (w/FEMA FIRM amendment)	\$150	-	\$900	\$1,050
Pre-Application conference with city engineer and/or planner	\$500	\$0	\$0	\$500

(Ord. No. 358, § 1, 8-11-03; Ord. No. 362, § 1, 12-8-03; Ord. No. 435, § 1, 12-10-07; Ord. No. 507, § 3-14-11)

Fee in lieu of Parkland Dedication	\$2,500.00/dwelling unit
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IX. SPECIAL EVENT

Application	\$25.00
Block Party Special Event	\$30.00
Business Promotion Special Event	\$50.00
Outdoor Special Event	
0-200 Attendees	\$25.00
201-400 Attendees	\$50.00
401-800 Attendees	\$75.00
801-1,000 Attendees	\$100.00
1,001-5,000 Attendees	\$200.00
5,000+ Attendees	\$300.00
Security Deposit (Resident)	\$200.00
Security Deposit (Non-Resident)	\$250.00

(Ord. No. 558, § 1, 9-9-13)

X. UTILITY RELATED

Water

Deposit	
¾" (65 and older)	\$50.00
¾"	\$150.00
1"	\$200.00
1 ½"	\$250.00
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Bulk Water Meter Deposit	\$2,000.00
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2" Turbine	\$765.63
4"+	Owner must purchase
AMR Meters:	
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1"	\$586.10
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2"	\$1,185.60
3"+	Owner must purchase
<i>*Billed based on which meter is used. RG3 meters will be phased out and replaced with AMR meters beginning in 2022.</i>	
Meter Set Fee	\$100
Tap Fees	
Residential	\$1,500 + Estimated Street Repair
Commercial	\$1,500 + Estimated Street Repair
Impact Fees	
¾"	\$4,761.00
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Consumption Rates	

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2"	\$152.63/first 1,000 gallons + \$0.00606/additional gallon
Sprinkler Meter	Reference above depending on meter size; first 49 gallons are no charge
Bulk Consumption Rates	
0-10,000 gallons	\$135.00 flat fee
10,001-25,000 gallons	Flat fee + \$0.005/additional gallon
25,001-40,000 gallons	Flat fee + \$0.00525/additional gallon
40,001+ gallons	Flat fee + \$0.0055/additional gallon
Water Main Extensions	
Extension	Actual Cost
Fire Hydrant	Actual Cost
Other Fees (Only one charge per bill between water/sewer)	
Late Fee	10% of total past-due balance
Insufficient Funds Fee (NSF)	\$25 per occurrence
Reconnection Fee	\$35 during business hours; \$75 after hours
Meter Tampering Fee	\$100

Sewer

Tap Fees	
Residential	\$2,000 + Estimated Street Repair
Commercial	\$2,000 + Estimated Street Repair
Impact Fees	
¾"	\$4,761.00
1"	\$7,951.00
1 ½"	\$15,855.00
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8"	\$380,920.00
10"	\$603,139.00
Consumption Rates	
0-2000 gallons	\$22.67 flat fee
2,001-6,000 gallons	\$22.67+ \$0.00641/additional gallon
6,001+ gallons	No Charge
Sewer Main Extension	
Extension	Actual Cost
Other Fees (Only one charge per bill between water/sewer)	
Late Fee	10% of total past-due balance
Insufficient Funds Fee (NSF)	\$25 per occurrence
Reconnection Fee	\$35 during business hours; \$75 after hours

Sanitation Services

Residential Rates	
Residential	\$12.69

Commercial Rates							
Lifts Per Week							
Container Size	1	2	3	4	5	6	Extra Lifts
95 Gal	\$28.81	\$42.16					\$46.82
2 CY	\$71.28	\$126.02	\$179.45	\$251.00			\$107.44
3 CY	\$96.48	\$169.88	\$246.82	\$340.63			\$132.71
4 CY	\$120.14	\$218.07	\$338.71	\$447.67			\$157.99
6 CY	\$128.10	\$229.59	\$345.45	\$510.51	\$618.58	\$751.71	\$183.27
8 CY	\$145.19	\$247.13	\$391.79	\$564.18	\$680.83	\$825.42	\$208.55
Front Load Recycle Rates							
6 CY	\$105.20	\$179.47	\$253.71				\$32.32
8 CY	\$111.39	\$191.85	\$266.11				\$32.32
Other Commercial Front Load Fees							
Container w/casters		\$5.69 per lift		Deliver/removal fee		\$44.24	
Container w/locks		\$1.77 per lift		Exchange fee		\$44.24	
Temporary Front Load Fees							
		Per Lift		Delivery		Daily Rent	
6 CY		\$145.94		\$64.20		\$1.20	
Roll Off Rate Schedule							
Container Size		Haul		Delivery		Daily Rent	
20 CY		\$602.50		\$150.61		\$1.26	
30 CY		\$648.26		\$150.61		\$1.26	
40 CY		\$721.15		\$150.61		\$1.26	

20 CY Sludge	\$714.62	\$150.61	\$1.26
Franchise/Billing Fees – 10% for Residential and Commercial			
All rates subject to sales tax			

XI. MUNICIPAL FACILITIES

Gym Rentals	\$20.00 first hour \$10.00 additional hour
Baseball/Softball field rental *Fee applies only to hourly rentals for practices or events. No pre-work by City staff to prepare fields for games	\$25.00 first hour \$7.50 per additional half hour

(Ordinance 33, Section 3, adopted 2/16/72; Ordinance 172, Sections 4, 22, adopted 2/22/89; Ordinance adopting Code; Ordinance 188, Sections 1, 6, adopted 2/11/91; Ordinance 233 adopted 6/17/96; Ord. No. 235, § 1, 12-15-97; Ord. No. 345, § 1, 11-11-02; Ord. No. 383, § 1, 11-8-04; Ord. No. 399, § 1, 3-13-06; Ord. No. 452-08, § 1, 9-8-08; Ord. No. 471, § 1, 5-11-09; Ord. No. 475, § 1, 8-10-09; Ord. No. 492, § 2, 7-12-10)

XII. ROADWAY RELATED

Roadway Impact Fees

Development Type	Assessable Fee	
Single Family	\$3,771.29	/Dwelling Unit
Multi-Family	\$2,396.92	/Dwelling Unit
Retail	\$1,889.89	/1,000 SQFT
Light Industrial	\$303.87	/1,000 SQFT
General Business	\$1,700.98	/1,000 SQFT

No. 475, § 1, 8-10-09; Ord. No. 492, § 2, 7-12-10)

XIII. DEVELOPMENT RECOVERY FEES

Ad Valorem*:

For Police Services:

Police Allocable Share of Budget × Approved M&O Tax Rate = Police Rate per \$100 Valuation

For Fire Services:

Fire Allocable Share of Budget × Approved M&O Tax Rate = Fire Rate per \$100 Valuation.

Capital Recovery Fee*:

For Police Services:

5 years' police capital needs ÷ (City Limit land area + ETJ land area) = Capital recovery per unit of land area × proposed developments' land area = 5-year capital needs allocable share for development ÷ number of development units = Total capital recovery fee per development unit.

For Fire Services:

5 years' fire capital needs ÷ (City Limit land area + ETJ land area) = Capital recovery per unit of land area × proposed developments' land area = 5-year capital needs allocable share for development ÷ number of development units = Total capital recovery fee per development unit.

*Approved via resolution 625-23.

RESOLUTION NO. 624-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JUSTIN, TEXAS, ADOPTING THE MASTER FEE SCHEDULE ATTACHED HERETO AS EXHIBIT “A”; PROVIDING A REPEALING CLAUSE AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council is authorized to charge certain fees for services; and,

WHEREAS, fees are established to recover certain costs for providing services to the community; and,

WHEREAS, the City Council wishes to establish fees to fund said municipal services;

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

SECTION 1. That the Master Fee Schedule attached as Exhibit “A” is adopted.

SECTION 2. That all provisions of the Resolutions of the City of Justin, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions of the Resolutions of the City not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 3. This Resolution shall take effect immediately upon its passage.

DULY PASSED by the City Council of the City of Justin, Texas, on the 12th day of October 2023.

APPROVED:

James Clark, Mayor

ATTEST:

Brittany Andrews, City Secretary

APPROVED AS TO FORM:

City Attorney

RESOLUTION NO.

**A RESOLUTION OF THE CITY OF JUSTIN CITY COUNCIL
ADOPTING POLICY AND PROCEDURES TO CALCULATE
POLICE AND FIRE SERVICES FOR ALL DEVELOPMENTS
OUTSIDE THE CITY OF JUSTIN LIMITS PROVIDING AN
EFFECTIVE DATE**

WHEREAS, the City Council approved a Developers Agreement, which included Fire and Police Services to be provided to the Treeline Development outside City Limits in exchange for a specific rate not to exceed in-city rates; and

WHEREAS, the City Council adopts this resolution to establish a policy to ensure all developments outside City Limits are charged an equitable rate for Police and Fire Services; and

WHEREAS, the policy set forth herein is effective immediately after adoption.

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

SECTION 1. The recitals set forth above are true and correct and are incorporated herein by reference as part of this Resolution.

SECTION 2. The City Council adopts the following policy attached as Exhibit “A”, which establishes the calculations for Police and Fire Services, and “Exhibit B” is to be utilized as an example only.

SECTION 3. That this Resolution shall become effective from and after its date of passage in accordance with law.

DULY PASSED by the City Council of the City of Justin, Texas, on the 12th day of October ,2023.

APPROVED:

James Clark, Mayor

ATTEST:

APPROVED AS TO FORM:

Brittany Andrews, City Secretary

City Attorney

EXHIBIT A



All developments that enter an agreement with the City of Justin shall pay an equitable rate broken down into two components, which are the Capital Recovery Fee and through Ad Valorem Taxes. The Ad valorem formula is meant to capture the true in-city rate for Maintenance and Operations (M&O) and apply it to developments outside City Limits.

The Capital recovery fee aims to ensure that developments outside City Limits contribute to the growing cost of services for Police and Fire services. As development grows and the need for Fire and Police Services grow, there will be a consistent need to add capital equipment (Fire trucks, Police Cars, and other equipment).

Ad Valorem:

For Police Services:

Police Allocable Share of Budget \times Approved M&O Tax Rate = Police Rate per \$100,000

Valuation.

For Fire Services:

Fire Allocable Share of Budget \times Approved M&O Tax Rate = Fire Rate per \$100,000

Valuation.

An example shall be attached for reference in the resolution.

These formulas allow you to calculate the charges for Police and Fire Services based on the municipality's budget, allocable shares, M&O rate, and the rates per \$100,000 valuation for police and fire services.

Capital Recovery Fee:

The Capital recovery fee aims to ensure that developments outside City Limits contribute to the growing cost of services for Police and Fire services. As development grows and the need for Fire and Police Services grow, there will be a consistent need to add capital equipment (Fire trucks, Police Cars, and other equipment).

For Police Services Capital Recovery Fee:

$$\begin{aligned} &5 \text{ years' police capital needs} \div (\text{City Limit land area} + \text{ETJ land area}) = \text{Capital recovery per unit of land} \\ &\text{area} \times \text{proposed developments' land area} = 5\text{-year capital needs allocable share for development} \div \\ &\text{number of development units} = \text{Total capital recovery fee per development unit.} \end{aligned}$$

For Fire Services Capital Recovery Fee:

$$\begin{aligned} &5 \text{ years' fire capital needs} \div (\text{City Limit land area} + \text{ETJ land area}) = \text{Capital recovery per unit of land} \\ &\text{area} \times \text{proposed developments' land area} = 5\text{-year capital needs allocable share for development} \div \\ &\text{number of development units} = \text{Total capital recovery fee per development unit.} \end{aligned}$$

The total number that derives from these formulas shall be combined with half of the fee collected at the time of platting and the other half of the fee collected at the time of building permit issuance. This shall be a restricted fund only for the purpose of capital purchases for the Police and Fire Department.

**Ad Valorem:**

Fiscal Year 2024 Approved General Fund Budget	\$	9,433,782	
Police Portion of Budget		1,851,520	
Police Allocable Share (percentage)		19.63%	[A]
Fire Portion of Budget		1,616,399	
Fire Allocable Share (percentage)		17.13%	[B]
Approved M&O Rate (per \$100 valuation)		0.537569	[C]
Police Allocable Share of M&O Rate		0.105506	[A] × [C]
Fire Allocable Share of M&O Rate		0.092108	[B] × [C]
Total Ad Valorem Cost Recovery (per \$100 valuation)		<u>0.197614</u>	

Capital Cost:

Total of five year capital needs:		
Police		12,124,626
Fire		25,620,000
Total	\$	<u>37,744,626</u>
City Limits (Square Miles)		4.407
ETJ (Square Miles)		10.145
Total		<u>14.552</u>
Capital Cost per Square Mile	\$	2,593,776
Total capital recovery for development with area of 1.38 Square Miles		3,579,411
Dwelling units		<u>4,465</u>
Total capital recovery per development unit	\$	<u><u>802</u></u>

AGENDA

ITEM

4

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 4

Title: Consider and take appropriate action regarding a Utility Rate Study.

Department: Administration

Contact: Josh Armstrong

Recommendation: Approve scenario number 3 directing staff to bring an updated fee schedule with new utility rates to City Council for implementation in January 2024.

Background: At the July 25 council meeting, the City Council was given a presentation from Chris Ekrut with NewGen Strategies & Solutions that provided updated analysis of the City's water and sewer rates. At that time, council was presented with two scenarios for consideration. On September 22, I sent out an email to council that proposed a third scenario for consideration, as well as the first two scenarios. That information has been included in your packet.

Chris Ekrut will be in attendance to answer any questions pertaining to the three scenarios.

City Attorney Review:

Attachments:

1. Justin Rate Study Presentation
2. Scenario 3 Handout
3. Scenario 3 Update
4. Rate Study Comparison

AGENDA

ITEM

5

AGENDA

ITEM

6

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 6

Title: Conduct a public hearing to consider testimony regarding the creation of the Timberbrook Public Improvement District No. 2 and act upon resolution 626-23 creating the Timberbrook Public Improvement District No. 2.

Department: Administration

Contact: Abbey Reece, Assistant City Manager; Miles Walker, Controller

Recommendation: Consider the approval of Resolution 626-23 creating Timberbrook PID No. 2.

Background: City Council called a public hearing to consider adopting a resolution creating the Timberbrook PID No. 2 at the September 12th, 2023, meeting. The required newspaper publication and mail notices were completed. This item is where the City Council decides to approve or deny the creation of Timberbrook PID No. 2. P3Works and Norton Rose Fullbright will all be available to answer any questions the City Council has.

City Attorney Review: Norton Rose Fullbright has reviewed the resolution.

Attachments:

1. Resolution 626-23

CITY OF JUSTIN, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF JUSTIN, TEXAS AUTHORIZING AND CREATING THE TIMBERBROOK PUBLIC IMPROVEMENT DISTRICT NO. 2 IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE; RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Justin, Texas (the “City”), is authorized under Chapter 372 of the Texas Local Government Code, as amended (the “Act”), to create a public improvement district within its City limits or its extraterritorial jurisdiction; and

WHEREAS, on August 17, 2023, the owner of (1) taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located and (2) real property liable for assessment under the proposal who: (A) constitutes more than fifty percent (50%) of all record owners of property that is liable for assessment under the proposal; or (B) owns taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment under the proposal (the “Petitioner”), submitted and filed with the City Secretary of the City (the “City Secretary”) a petition (“Petition”) requesting the establishment of a public improvement district for property within the extraterritorial jurisdiction of the City; and

WHEREAS, the Petition requested the creation of the Timberbrook Public Improvement District No. 2 (the “District”), which District is located within the extraterritorial jurisdiction of the City and is more particularly described by metes and bounds in **Exhibit A** (the “Property”) each attached hereto and incorporated herein for all purposes; and

WHEREAS, the City Council of the City (the “City Council”) has investigated and determined that the facts contained in the Petition are true and correct; and

WHEREAS, after publishing notice in an official newspaper of general circulation in the City and in the portion of the City’s extraterritorial jurisdiction in which the District is to be located or in which the improvements are to be undertaken and mailing notice of the hearing, all as required

by and in conformity with the Act, the City Council, conducted a public hearing on the advisability of the improvements and services on October 12, 2023; and

WHEREAS, the City Council closed the public hearing on the advisability of the improvements and services on October 12, 2023.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JUSTIN, TEXAS AS FOLLOWS:

SECTION 1. The findings set forth in the recitals of this Resolution are found to be true and correct.

SECTION 2. The Petition submitted to the City by the Petitioner was filed with the City Secretary and complies with Section 372.005 of the Act.

SECTION 3. Pursuant to the requirements of the Act, including, without limitation, Sections 372.006, 372.009(a), 372.009(b), and 372.010, the City Council, after considering the Petition and the evidence and testimony presented at the public hearing on October 12, 2023, hereby finds and declares:

- (a) **Advisability of the Proposed Improvements.** It is advisable to create the District to provide the Authorized Improvements (as defined and described below). The Authorized Improvements are feasible and desirable and will promote the interests of the City and will confer a special benefit on the Property.
- (b) **General Nature of the Authorized Improvements.** The general nature of the proposed public improvements to be provided by the District that are necessary for the development of the Property within the District and which shall promote the interests of the City and confer a special benefit upon the Property, may include: (i) street, roadway and sidewalk improvements, including related drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) drainage improvements and facilities; (iii) parks, trails and recreational facilities improvements; (iv) projects similar to those listed above authorized by the Act, including similar off-site projects that provide a benefit to the Property within the District; (v) acquisition of real property, interests in real property, or contract rights in

connection with each Authorized Improvement; (vi) payment of costs, including, without limitation, design, engineering, permitting, legal, required payment, performance and maintenance bonds, bidding, support, construction, construction management, administrative and inspection costs, associated with developing and financing the public improvements listed in (i) through (v) above; (vii) payment of costs associated with special supplemental services for the improvement and promotion of the District; (viii) payment of costs of establishing, administering, and operating the District, as well as the interest, costs of issuance, reserve funds, or credit enhancement of bonds issued for the purposes described in (i) through (viii) above (collectively, the “Authorized Improvements”).

- (c) **Estimated Costs of the Authorized Improvements.** The estimated total costs of the Authorized Improvements is \$100,000,000, which costs shall be paid by assessment of the property owners within the proposed District.
- (d) **Boundaries of the District.** The District is proposed to include approximately 155.285 acres of property generally located west of N. Farm to Market Road 156 and north of Farm to Market Road 407 and within the extraterritorial jurisdiction of the City, as more particularly described in the metes and bounds in **Exhibit A** attached hereto.
- (e) **Proposed Method of Assessment.** The City shall levy assessments on each parcel within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in part or in full at any time (including interest), and certain assessments may be paid in annual installments (including interest). If allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness on those Authorized Improvements (including interest).
- (f) **Apportionment of Costs.** The City will not be obligated to provide any funding to finance the Authorized Improvements, other than from assessments levied on the Property. No City property in the District shall be assessed. The developer of the

property (the “Developer”) may fund certain costs of the Authorized Improvements from other funds available to the Developer.

(g) **Management of the District.** The District shall be managed by the City, with the assistance of one or more consultants, who shall, from time to time, advise the City regarding certain operations of the District.

(h) **Advisory Board.** The District shall be managed without the creation of an advisory body.

SECTION 4. The Timberbrook Public Improvement District No. 2 is hereby authorized and created as a public improvement district under the Act in accordance with the findings of the City Council as to the advisability of the Authorized Improvements contained in this Resolution, the nature and the estimated costs of the Authorized Improvements, the boundaries of the District, the method of assessment, and the apportionment of costs as described herein; and the conclusion that the District is needed to fund such Authorized Improvements.

SECTION 5. The City Council hereby authorizes and directs the City Secretary, on or before October 17, 2023, in accordance with the Act, to file a copy of this Resolution authorizing the District with the county clerk of each county in which all or part of the District is located.

SECTION 6. Effective upon the date of the passage of this Resolution, the District shall be established.

SECTION 7. This Resolution is effectively immediately from and after the date of its passage in accordance with law.

[Execution page follows]

ADOPTED, PASSED, AND APPROVED on this October 12, 2023.

CITY OF JUSTIN, TEXAS

James Clark, Mayor

ATTEST:

Brittany Andrews, City Secretary

(CITY SEAL)

STATE OF TEXAS

§

§

COUNTY OF DENTON

§

This instrument was acknowledged before me on _____, 2023, by James Clark,
Mayor of the City of Justin, Texas on behalf of said City.

Notary Public, State of Texas

(SEAL)

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY

All that certain lot, tract, or parcel of land, situated in a portion of the Margaret Garnett Survey, Abstract No. 439, William Reed Survey, Abstract No. 1071, Joseph Sutton Survey, Abstract No. 1151, Carl Boeger Survey, Abstract No. 121, City of Justin, Denton County, Texas, being part of that certain called 411.268 acre tract described in a deed to Justin Timberbrook, LLC recorded in Document No. 2016-55837 of the Deed Records of Denton County, Texas (DRDCT), part of that certain called 241.210 acre tract described in a deed to Justin Timberbrook, LLC recorded in Document No. 2017-5803 (DRDCT), and being more completely described as follows, to-wit:

BEGINNING at a 5/8" iron rod found for the Southeast corner of said 241.210 acre tract, the Southwest corner of a called 9.001 acre tract described in a deed to Milestone Church recorded in Document No. 2022-170409 (DRDCT), and being in the North right-of-way line of Farm-to Market Highway No. 407 (90' right-of-way width);

THENCE South 89 deg. 20 min. 19 sec. West along the South line of said 241.210 acre tract and said North right-of-way line, a distance of 559.43 feet to a 1/2" capped iron rod found stamped "GMcivil", from which a wood highway post bears North 77 deg. 58 min. 45 sec. East - 1.77 feet, said point being a Point of Curvature of a circular curve to the left, having a radius of 617.96 feet, a central angle of 21 deg. 56 min. 53 sec., and being subtended by a chord which bears South 78 deg. 21 min. 53 sec. West - 235.27 feet;

THENCE in a westerly direction along said curve to the left, the South line of said 241.210 acre tract, and said North right-of-way line, a distance of 236.72 feet to a 1/2" capped iron rod found stamped "GMcivil", from which a 5/8" iron rod found bears South 55 deg. 10 min. 08 sec. West - 4.21 feet;

THENCE South 89 deg. 23 min. 23 sec. West non-tangent to said curve, departing said North right-of-way line and continue along said South line, a distance of 256.24 feet to a 1/2" capped iron rod found stamped "GMcivil" for the Southwest corner of said 241.210 acre tract;

THENCE North 00 deg. 34 min. 11 sec. West along the West line of said 241.210 acre tract, a distance of 3,076.82 feet to a 5/8" iron rod found for an ell corner of same;

THENCE South 85 deg. 36 min. 42 sec. East departing said West line, a distance of 17.09 feet;

THENCE North 00 deg. 22 min. 06 sec. West, a distance of 201.64 feet;

THENCE North 89 deg. 37 min. 54 sec. East, a distance of 60.00 feet;

THENCE North 00 deg. 22 min. 06 sec. West, a distance of 110.00 feet;

THENCE North 89 deg. 37 min. 54 sec. East, a distance of 190.28 feet;

THENCE North 04 deg. 54 min. 30 sec. East, a distance of 2,281.01 feet to the North line of said 241.210 acre tract;

THENCE North 88 deg. 14 min. 56 sec. East, at 574.38 feet pass a 1/2" capped iron rod found stamped "GMcivil" for the Northwest corner of said 241.210 acre tract and the Northwest corner of said 411.268 acre tract, continue a total distance of 1,229.45 feet point in Oliver Creek;

THENCE North 03 deg. 52 min. 41 sec. West along a West line of said 411.268 acre tract, a distance of 134.57 feet 10" cedar fence post for the most northerly Northwest corner of same;

THENCE North 77 deg. 31 min. 56 sec. East along the North line of said 411.268 acre tract, a distance of 74.88 feet to a 20" double pecan tree;

THENCE North 74 deg. 21 min. 14 sec. East along said North line, a distance of 163.65 feet to a Point of Curvature of a non-tangent circular curve to the left, having a radius of 2,640.00 feet, a central angle of 26 deg. 01 min. 14 sec., and being subtended by a chord which bears South 13 deg. 59 min. 29 sec. West - 1,188.66 feet;

THENCE in a southerly direction along said curve to the left and departing said North line, a distance of 1,198.94 feet;

THENCE South 00 deg. 25 min. 43 sec. East non-tangent to said curve, a distance of 2,736.00 feet to a Point of Curvature of a non-tangent circular curve to the left, having a radius of 2,640.00 feet, a central angle of 08 deg. 17 min. 28 sec., and being subtended by a chord which bears South 08 deg. 13 min. 52 sec. East - 381.70 feet;

THENCE in a southerly direction along said curve to the left, a distance of 382.03 feet to the North line of a called 32.216 acre tract described in a deed to JT Ladera, LLC recorded in Document No. 2022-169892 (DRDCT);

THENCE South 89 deg. 27 min. 48 sec. West non-tangent to said curve and continue along said North line, a distance of 633.74 feet to a 1/2" capped iron rod found stamped "McADAMS" for the Northwest corner of said 32.216 acre tract and being in the East line of said 241.210 acre tract;

THENCE South 00 deg. 25 min. 43 sec. East along the East line of said 241.210 acre tract, the West line of said 32.216 acre tract, and the West line of said 9.001 acre tract, a distance of 1,563.76 feet to the **POINT OF BEGINNING**, containing 7,530,727 square feet or 172.882 acres of land, more or less.

EXCEPT FROM THEREOF:

All that certain lot, tract, or parcel of land, situated in a portion of the Margaret Garnett Survey, Abstract No. 439, City of Justin, Denton County, Texas, being part of that certain called 241.210 acre tract described in a deed to Justin Timberbrook, LLC recorded in Document No. 2017-5803 of the Deed Records of Denton County, Texas (DRDCT), and being more completely described as follows, to-wit:

COMMENCING at a 5/8" iron rod found for the Southeast corner of said 241.210 acre tract, the Southwest corner of a called 9.001 acre tract described in a deed to Milestone Church recorded in Document No. 2022-170409 (DRDCT) and being in the North right-of-way line of Farm-to-Market Road No. 407 (90' width right-of-way);

THENCE North 00 deg. 25 min. 43 sec. West departing said North right-of-way line and continue along the East line of said 241.210 acre tract and the West line of said 9.001 acre tract, at 680.15 feet pass a 1/2" capped iron rod found stamped "MCADAMS" for the Northwest corner of said 9.001 acre tract and the Southwest corner of a called 32.216 acre tract described in a deed to JT Ladera, LLC recorded in Document No. 2022-169892 (DRDCT), continue along said East line and the West line of said 32.216 acre tract, at 883.60 feet pass a 1/2" capped iron rod found stamped "MCADAMS" for the Northwest corner of said 32.216 acre tract, continue along said East line and the West line of a called 411.268 acre tract described in a deed to Justin Timberbrook, LLC recorded in Document No. 2016-55837 (DRDCT) a total distance of 1,563.75 feet to a 1/2" capped iron rod set stamped "GMCIVIL" hereinafter referred to as 1/2" capped iron rod set, said point being the **TRUE POINT OF BEGINNING**;

THENCE South 89 deg. 34 min. 28 sec. West departing said East and West lines, a distance of 274.63 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 50.00 feet, a central angle of 96 deg. 29 min. 26 sec., and being subtended by a chord which bears North 77 deg. 28 min. 33 sec. West - 74.60 feet;

THENCE in a westerly direction along said curve to the left, a distance of 84.20 feet to a 1/2" capped iron rod set for a Point of Curvature of a non-tangent circular curve to the left, having a radius of 535.00 feet, a central angle of 18 deg. 47 min. 58 sec., and being subtended by a chord which bears South 75 deg. 13 min. 40 sec. West - 174.75 feet;

THENCE in a westerly direction along said curve to the left, a distance of 175.54 feet to a 1/2" capped iron rod set;

THENCE South 65 deg. 49 min. 41 sec. West tangent to said curve, a distance of 354.36 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 465.00 feet, a central angle of 12 deg. 04 min. 33 sec., and being subtended by a chord which bears South 71 deg. 51 min. 57 sec. West - 97.82 feet;

THENCE in a westerly direction along said curve to the right, a distance of 98.00 feet to a 1/2" capped iron rod set;

THENCE North 56 deg. 10 min. 04 sec. West non-tangent to said curve, a distance of 14.06 feet to a 1/2" capped iron rod set;

THENCE North 10 deg. 51 min. 19 sec. West, a distance of 109.87 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 770.00 feet, a central angle of 10 deg. 29 min. 14 sec., and being subtended by a chord which bears North 05 deg. 36 min. 43 sec. West - 140.74 feet;

THENCE in a northerly direction along said curve to the right, a distance of 140.94 feet to a 1/2" capped iron rod set;

THENCE North 00 deg. 22 min. 06 sec. West tangent to said curve, a distance of 514.51 feet to a 1/2" capped iron rod set;

THENCE North 44 deg. 37 min. 54 sec. East, a distance of 14.14 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 37 min. 54 sec. East, a distance of 520.83 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the right, having a radius of 770.00 feet, a central angle of 08 deg. 53 min. 31 sec., and being subtended by a chord which bears South 85 deg. 55 min. 20 sec. East - 119.38 feet;

THENCE in an easterly direction along said curve to the right, a distance of 119.50 feet to a 1/2" capped iron rod set;

THENCE South 81 deg. 28 min. 35 sec. East tangent to said curve, a distance of 179.26 feet to a 1/2" capped iron rod set for a Point of Curvature of a circular curve to the left, having a radius of 830.00 feet, a central angle of 03 deg. 12 min. 52 sec., and being subtended by a chord which bears South 83 deg. 05 min. 01 sec. East - 46.56 feet;

THENCE in an easterly direction along said curve to the left, a distance of 46.57 feet to a 1/2" capped iron rod set for a Point of Curvature of a compound circular curve to the left, having a radius of 300.00 feet, a central angle of 10 deg. 48 min. 17 sec., and being subtended by a chord which bears North 89 deg. 54 min. 25 sec. East - 56.49 feet;

THENCE in an easterly direction along said curve to the left, a distance of 56.57 feet to a 1/2" capped iron rod set for a Point of Curvature of a reverse circular curve to the right, having a radius of 300.00 feet, a central angle of 05 deg. 04 min. 00 sec., and being subtended by a chord which bears North 87 deg. 02 min. 17 sec. East - 26.52 feet;

THENCE in an easterly direction along said curve to the right, a distance of 26.53 feet to a 1/2" capped iron rod set;

THENCE North 89 deg. 34 min. 17 sec. East tangent to said curve, a distance of 21.79 feet to a 1/2" capped iron rod set in the East line of said 241.210 acre tract and the West line of said 411.268 acre tract, from which a 1/2" iron rod found for the Northeast corner of said 241.210 acre tract and the Northwest corner of said 411.268 acre tract bears North 00 deg. 25 min. 43 sec. West - 3,463.58 feet;

THENCE South 00 deg. 25 min. 43 sec. East along said East and West lines, a distance of 538.71 feet to the **POINT OF BEGINNING**, containing 610,641 square feet or 14.018 acres of land, more or less.

EXCEPT FROM THEREOF:

All that certain lot, tract, or parcel of land, situated in a portion of the Carl Boeger Survey, Abstract No. 121, Margaret Garnett Survey, Abstract No. 439, City of Justin, Denton County, Texas, being part of that certain called 241.210 acre tract described in a deed to Justin Timberbrook, LLC recorded in Document No. 2017-5803 of the Deed Records of Denton County, Texas (DRDCT), and being more completely described as follows, to-wit:

BEGINNING at a 1/2" capped iron rod found stamped "GMcivil" for the Southwest corner of said 241.210 acre tract;

THENCE North 00 deg. 34 min. 11 sec. West along the West line of said 241.210 acre tract, a distance of 3,076.82 feet to a 5/8" iron rod found for an ell corner of same;

THENCE South 85 deg. 36 min. 42 sec. East departing said West line, a distance of 17.09 feet;

THENCE South 00 deg. 22 min. 06 sec. East, a distance of 1,349.32 feet to a Point of Curvature of a circular curve to the left, having a radius of 830.00 feet, a central angle of 10 deg. 29 min. 14 sec., and being subtended by a chord which bears South 05 deg. 36 min. 43 sec. East - 151.71 feet;

THENCE in a southerly direction along said curve to the left, a distance of 151.92 feet;

THENCE South 10 deg. 51 min. 19 sec. East tangent to said curve, a distance of 335.04 feet to a Point of Curvature of a circular curve to the right, having a radius of 770.00 feet, a central angle of 19 deg. 56 min. 14 sec., and being subtended by a chord which bears South 00 deg. 53 min. 12 sec. East - 266.59 feet;

THENCE in a southerly direction along said curve to the right, a distance of 267.94 feet;

THENCE South 09 deg. 04 min. 55 sec. West tangent to said curve, a distance of 248.67 feet to a Point of Curvature of a circular curve to the left, having a radius of 630.00 feet, a central angle of 33 deg. 46 min. 31 sec., and being subtended by a chord which bears South 07 deg. 48 min. 21 sec. East - 366.02 feet;

THENCE in a southerly direction along said curve to the left, a distance of 371.38 feet;

THENCE South 24 deg. 41 min. 36 sec. East tangent to said curve, a distance of 101.19 feet to a Point of Curvature of a circular curve to the right, having a radius of 370.00 feet, a central angle of 21 deg. 09 min. 57 sec., and being subtended by a chord which bears South 14 deg. 06 min. 38 sec. East - 135.91 feet;

THENCE in a southerly direction along said curve to the right, a distance of 136.68 feet;

THENCE South 03 deg. 31 min. 40 sec. East tangent to said curve, a distance of 13.88 feet to a Point of Curvature of a circular curve to the left, having a radius of 430.00 feet, a central angle of 15 deg. 33 min. 29 sec., and being subtended by a chord which bears South 11 deg. 18 min. 24 sec. East - 116.40 feet;

THENCE in a southerly direction along said curve to the left, a distance of 116.76 feet;

THENCE South 23 deg. 54 min. 56 sec. West non-tangent to said curve, a distance of 19.29 feet;

THENCE South 89 deg. 23 min. 23 sec. West, a distance of 178.91 feet to the **POINT OF BEGINNING**, containing 155,855 square feet or 3.578 acres of land, more or less.

LEAVING A NET AREA OF 6,764,231 SQUARE FEET OR 155.285 ACRES OF LAND, MORE OR LESS.

Bearings are referenced to Texas State Plane Coordinate System, North Central Zone (4202), North American Datum of 1983 as derived from GPS observation.

AGENDA

ITEM

7

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 7

Title: Public Hearing and Ordinance 763-23 on first reading to consider annexation for 74.174 acres legally described as Mary Polk Survey, Abstract No. 993, Denton County, Texas. Generally located northeast of the intersection of Sam Reynolds Road and Boss Range Road.

Department: Administration

Contact: Matt Cyr, Director of Planning and Development

Recommendation: Staff recommends approval as presented. Please note the request in front of Council is to annex raw land into City Limits. This development is still required to come forward to rezone the property. The annexation request will be required to come forward again to City Council for another Public Hearing on October 26, 2023, according to State Law.

Background:

A Developers Agreement was executed by City Council on December 7, 2015, which included Legacy Ranch Phase I and the southern tract to the south. The agreement was amended two more times with the latest occurring in 2018.

The Developers Agreement provides entitlements or development standards to the developer on how the land is to be built upon. The summary of development standards consist of three options the developer can utilize. These options are listed below. The developer has indicated they will utilize Option C to Staff.

OPTION A: Single-family residential

Minimum Lot Area (square feet)	21,780
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (feet)	100
Minimum Front Yard Setback (feet)	50
Minimum Side Yard Setback (feet)	8
Minimum Side Yard Setback from Street (feet)	20
Minimum Rear Yard Setback (feet)	20
Maximum Height (feet)	35

OPTION B: Single-family residential

Minimum Lot Area (square feet)	7,000
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (feet)	60
Minimum Front Yard Setback (feet)	25
Minimum Side Yard Setback (feet)	The lesser of 10% of width or 8 feet
Minimum Side Yard Setback from Street (feet)	10% of width
Minimum Rear Yard Setback (feet)	10
Maximum Height (feet)	35

OPTION C: Single-family residential

Minimum Lot Area (square feet)	4,000
Minimum Dwelling Floor Area (square feet)	1,200
Minimum Lot Width (feet)	40
Minimum Front Yard Setback (feet)	20
Minimum Side Yard Setback (feet)	5
Minimum Side Yard Setback from Street (feet)	10
Minimum Rear Yard Setback (feet)	10
Maximum Height (feet)	35

OPTION D

Industrial uses permitted in LI Light Industrial as of the Effective Date.

Maximum height: 55 feet

No minimum lot area, building size or setback requirements

Legacy Ranch Phase I was developed as 76 ½ acre residential sites with city water, but aerobic (septic) systems onsite. The Final Plat for Legacy Ranch Phase I was approved on July 11, 2016.

The City of Justin will serve water to the development and the City of Northlake will serve sewer according to the Developers Agreement.

City Attorney Review: NA

Attachments:

1. Annexation Petition
2. Aerial Map of Subject Property
3. 2015 Developers Agreement
4. 2018 Amended Developers Agreement
5. Proposed Ordinance

ANNEXATION PETITION TO THE CITY OF JUSTIN

WHEREAS, Continental U.S. Management, LLC, a Texas limited liability company (“Owner”), is the sole owner of 74.174 acres of land in the Mary Polk Survey, Abstract No. 993, Denton County, Texas, described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Property is located within the extraterritorial jurisdiction of the City of Justin (the “City”), is contiguous to the City’s corporate limits, and is described as the South Tract in that certain Development Agreement Between the City and Continental U.S. Management Corporation dated December 7, 2015 (the “Development Agreement”), as amended by the First, Second and Third Amendments; and

WHEREAS, it is the intent of Owner and the City that all of the Property be within the City’s corporate limits; and

WHEREAS, pursuant to the Third Amendment to the Development Agreement dated May 19, 2021, the City shall not adopt an ordinance annexing the Property before January 1, 2024; and

NOW, THEREFORE, Owner petitions the City to annex the Property into the City’s corporate limits, in accordance with Section 43.0671, et seq., Texas Local Government Code, and the Development Agreement, as amended.

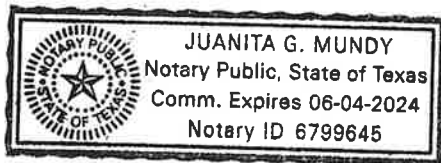
SIGNATURE APPEARS ON FOLLOWING PAGE

Continental U.S. Management, LLC,
A Texas limited liability company

By: A.O. Sanders
Name: George O. Sanders
Title: Member

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22 day of August,
2023, by George O. Sanders of Continental U.S. Management, LLC,
a Texas limited liability company, on behalf of such limited liability company.



Juanita G. Mundy
Notary Public, State of Texas

EXHIBIT A

Exhibit A
Metes and Bounds Description of the Property

SOUTH TRACT

BEING a 74.174 acre tract of land in the Mary Polk Survey, Abstract Number 993, situated in Denton County, Texas, and being a portion of that certain tract of land described in deed to Wood Ranch 78 Limited Liability Company, recorded in Instrument Number 2007-106241, Deed Records, Denton County, Texas, and being all of Exhibit A-1, and A-3; described in deed to Wood Wells 78 Limited Liability Company, recorded in Instrument Number 2007-106242, Deed Records, Denton County, Texas. The bearings for the description are based on the bearing of the south line of the said Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas. Said 74.174 acre tract being described by metes and bounds as follows;

COMMENCING at a ½" iron rod at the northwest corner of said Wood Ranch tract, same being the northwest corner of that certain tract of land described in deed to Carl J. and Carla J. Hardeman, recorded in Instrument Number 2012-5148, Deed Records, Denton County, Texas, same being in the approximate centerline of Boss Range Road, a variable width public right-of-way;

THENCE North 89°34'00" East, departing said Boss Range Road, along the north line of said Wood Ranch tract, and said Hardeman tract, a distance of 685.39 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of said Hardeman tract, same being the POINT OF BEGINNING;

THENCE North 89°34'00" East, departing said Hardeman tract, continuing along the said north line of the Wood Ranch tract, a distance of 809.00 Feet to a ½" iron rod found;

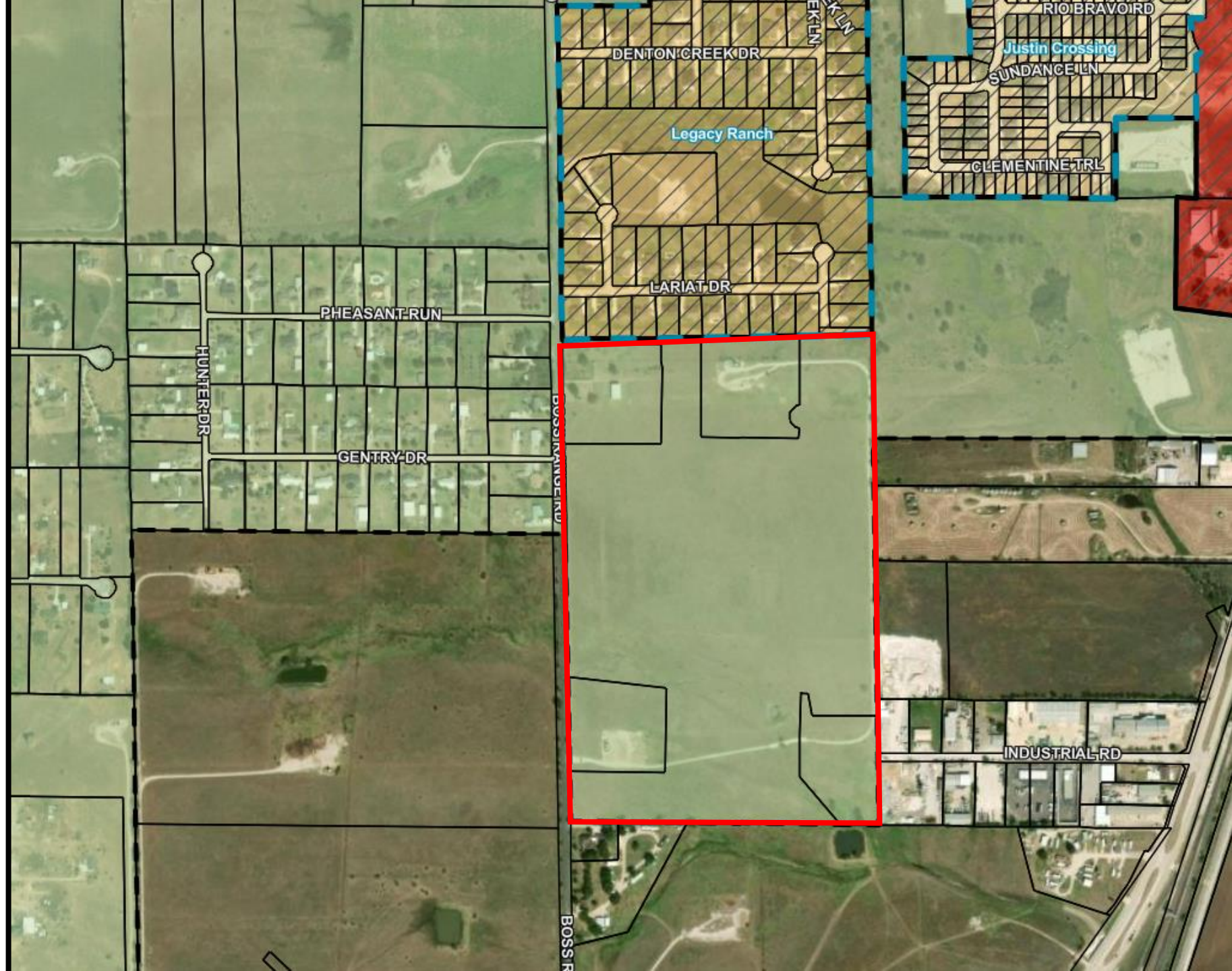
THENCE South 0°23'29" East, departing said north line of the Wood Ranch tract, along the east line of the said Wood Ranch tract, passing onto the east line of said Exhibit A-3 at a distance of 1779.26 Feet, and continue for a total distance of 2317.40 Feet to a ½" iron rod found at the south east corner of said Exhibit A-3;

THENCE North 89°05'20" West, along the south line of said Exhibit A-3, passing onto the south line of said Wood Ranch tract, at a distance of 162.04 Feet, and continue for a total distance of 1493.85 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the southwest corner of said Wood Ranch tract, same being in the said approximate centerline of Boss Range Road;

THENCE North 0°26'17" West, departing said south line of the Wood Ranch tract, along the said approximate centerline of Boss Range Road and the west line of said Wood Ranch tract, a distance of 1982.35 Feet to a PK nail found at the southwest corner of said Hardeman tract;

THENCE North 89°34'00" East, departing said approximate centerline of Boss Range Road and said west line of the Wood Ranch tract, along the south line of said Hardeman tract, a distance of 686.08 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the southeast corner of said Hardeman tract;

THENCE North 0°23'29" West, departing the said south line of said Hardeman tract, along the east line of said Hardeman tract, a distance of 300.00 Feet to the POINT OF BEGINNING; and containing a computed area of 74.174 Acres, more or less.



DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is executed between Continental U.S. Management Corporation, a Texas corporation ("Owner") and the City of Justin, Texas, a general law city (the "City") (Owner and City, being referred to, individually, as a "Party" and, collectively, as the "Parties") to be effective on the Effective Date, as defined in Section 11.10.

ARTICLE I RECITALS

WHEREAS, Owner is the owner of approximately 138.906 acres of land situated in the Mary Polk Survey, Abstract Number 993, Denton County, Texas (the "County") described by metes and bounds on Exhibit A (the "Property") and shown on Exhibit B, which property is undeveloped; and

WHEREAS, Owner submitted a petition to the City requesting that the City extend its extraterritorial jurisdiction ("ETJ") to include all of the Property that was not previously in the City's ETJ, which petition was approved by the City Council on August 10, 2015, by adoption of Ordinance No. 592-15 expanding the City's ETJ to include all of the Property; and

WHEREAS, Owner intends that the Property be developed as a high-quality, master-planned, residential community with minimum one-half acre lots served by on-site septic systems and retail City water service or, in the alternative, with minimum 7,000 square foot lots served by retail City water and sewer service, pursuant to development regulations contained in this Agreement; and

WHEREAS, this Agreement will be recorded in the deed records of the County (so as to bind Owner and all future owners of the Property or any portion thereof), and will provide regulatory certainty during the term of this Agreement; and

WHEREAS, Owner does not have any interest in the minerals underlying the Property; and

WHEREAS, the Texas Commission on Environmental Quality ("TCEQ") or its predecessor has issued certificate of convenience and necessity ("CCN") number 13201 to Aqua Texas, Inc. ("Aqua Texas") to provide retail water service to the Property and has issued CCN number 20866 to the Town of Northlake to provide retail sewer service to a portion of the Property; and

WHEREAS, provision of water service to the Property by Aqua Texas will substantially arrest the sound growth of the City and will adversely impact the potential for annexation of the Property into the City's corporate limits; and

WHEREAS, Owner intends to seek expedited release of the Property from Aqua Texas' CCN service area for retail water service and to make the City the sole water CCN holder for the Property; and

WHEREAS, the City agrees, upon release of the Property from Aqua Texas' CCN service area, to expand its water CCN to include the Property and to provide retail water service to the Property; and

WHEREAS, provision of retail water service to the Property will provide a source of revenue to the City; and

WHEREAS, in order for the City to provide retail water service to the Property it will be necessary for Owner to expand the City's water system by constructing approximately 170 linear feet of off-site water main to connect the Property to the City's water system (the "Off-Site Water Main"); and

WHEREAS, oversizing the Off-Site Water Main will expand the City's water system to serve additional area outside the Property; and

WHEREAS, the City Council has determined that Owner may develop the Property with on-site septic systems or, in the alternative, that the City will provide retail sewer service to the Property provided Owner and the City determine that it is feasible for the City to be the retail provider, Owner obtains expedited release of the Property from the Town of Northlake's sewer CCN, and Owner constructs the necessary infrastructure, at Owner's expense; and

WHEREAS, Owner will construct or cause to be constructed the Off-Site Water Main, on-site water delivery lines, on-site roads, and on-site drainage to serve the Property and, in the event Owner elects to seek retail sewer service from the City in lieu of on-site septic systems, sewer infrastructure to serve the Property (collectively, the "Public Infrastructure"); and

WHEREAS, the City Council has determined that this Agreement and the development of the Property described herein comply in all respects with the City's Comprehensive Plan; and

WHEREAS, at the City's request, Owner has agreed to petition the City to annex the Property, subject to release of the Property from Aqua Texas' CCN service area; and

WHEREAS, development of the Property within the City's corporate limits will increase the City's tax base, expand the customer base for the City's retail businesses, and increase the City's population; and

WHEREAS, development of the Property within the City's corporate limits will result in increased development costs by Owner and subsequent developers of the Property; and

WHEREAS, the City agrees to provide relief to Owner from certain fees in order to mitigate, in part, the expenses incurred by Owner in connection with submittal of the petition to the PUC for expedited release from Aqua Texas' water CCN service area and the increased development costs and tax burden resulting from annexation of the Property; and

WHEREAS, the City agrees that the City Council shall not approve an ordinance annexing the Property until after January 1, 2016; and

WHEREAS, pursuant to that certain Interlocal Cooperation Agreement between the City and the County effective October 18, 2005 (the "Interlocal Agreement") and Section 242.001(a)(3) of the Texas Local Government Code, the City has exclusive jurisdiction over subdivision platting and all related permits for the Property; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.171, et seq. of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II

DEVELOPMENT REGULATIONS

2.1 Governing Regulations. The Property shall be developed as a single-family residential development. At Owner's option, the Property will be developed (i) with minimum one-half acre lots with retail City water service and private on-site septic systems or (ii) with minimum 7,000 square foot lots with retail City water and sewer service. Development of the Property shall be governed solely by this Agreement and the following regulations (collectively, the "Governing Regulations"):

(a) the City's Subdivision Regulations, consisting of Ordinance No. 248 effective March 24, 1997, as modified by Exhibit C and all other provisions of this Agreement (the "Subdivision Regulations");

(b) building, plumbing, electrical, mechanical, and fire codes adopted by the City and uniformly enforced within the City's corporate boundaries, as may be amended from time to time, and any subsequently adopted local amendments to uniform building, fire, electrical, plumbing, or mechanical codes that are uniformly applicable to similarly situated development within the City's corporate boundaries (the "Building Codes");

(c) development standards attached as Exhibit D (the "Development Standards");

(d) road standards attached as Exhibit E (the "Road Standards");

(e) 100-year drainage design for ditches and major drainage structures and 10-year drainage design for individual lot driveway culverts, using the rational method and discharging undetained to the floodplain (the "Drainage Standards");

(f) preliminary plat attached as Exhibit F; and

(g) final plats for portions of the Property that are approved, from time to time, by the City in accordance with this Agreement (each, an "Approved Plat").

2.2 Zoning. In the event of any conflict between this Agreement and any zoning ordinance adopted by the City Council relating to the Property, this Agreement will prevail except as expressly agreed in writing by Owner, the City, and the owners of the portion of the Property subject to such zoning ordinance. Any established use of the Property or a portion thereof that may be in conflict with the City's zoning ordinances at the time of annexation shall be deemed a legal use and shall not be considered to be a nonconforming use provided such use is in compliance with this Agreement.

2.3 Development Standards Revisions and Waivers.

(a) The Mayor, the City Manager, or a designee may administratively approve in writing minor revisions to the Development Standards, including without limitation the following: (i) an increase in the height of any structure by five percent (5%) or less; (ii) a setback reduction of ten percent (10%) or less; or (iii) an increase in lot coverage of five percent (5%) or less.

(b) The City Council may waive strict compliance with the Development Standards on a case-by-case basis when Owner demonstrates, to the reasonable satisfaction of the City Council, that the requested waiver: (i) is not contrary to the public interest; (ii) does not cause injury to adjacent property; and (iii) does not materially adversely affect the quality of development.

2.4 Drilling and Production of Natural Gas; Setback Requirements.

(a) Three gas well sites are located on the Property, as shown in Exhibit G (the "Existing Well Sites"). Additional gas wells may be drilled on the Existing Well Sites provided (i) such wells are set back at least 150 feet from homes and public parks; and (ii) such wells are screened in accordance with Section 4.721 of the City's Code of Ordinances in effect as of the Effective Date ("Section 4.721").

(b) Homes shall be set back 150 feet from wells on the Existing Well Sites in existence when a building permit application is submitted, provided such wells are screened in accordance with Section 4.721. If such existing gas wells are not screened in accordance with Section 4.721, homes shall be set back 200 feet from such wells.

(c) Distances shall be measured from the well bore, in a straight line, without regard to intervening structures or objects, to the closest exterior point of the residence or public park.

(d) Notwithstanding anything addressed above, the City may not enforce regulations concerning gas drilling and production with respect to the Property that are stricter than regulations enforced by the City within its corporate limits.

2.5 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control, except as otherwise expressly provided in this Agreement. In the event of any conflict between any provision of the Agreement and the Governing Regulations, the provision of the Agreement shall prevail.

ARTICLE III
DEVELOPMENT PROCESS

3.1 Jurisdiction. Pursuant to the Interlocal Agreement, which grants exclusive authority to the City pursuant to Section 242.001(d)(1) of the Texas Local Government Code, and Section 242.001(a)(3) of the Texas Local Government Code, the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, amending plats, replats and minor replats for the Property and approval of plans for certain Public Infrastructure in accordance with this Agreement, and the County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plats Required. Subdivision of the Property shall require approval of preliminary and final plats by the City in accordance with the Governing Regulations and this Agreement. Owner shall elect to provide sewer service through private on-site septic systems or to obtain retail sewer service from the City prior to submittal of each final plat.

3.3 Design, Construction and Inspection of Public Infrastructure.

(a) All Public Infrastructure constructed or caused to be constructed by Owner shall be designed and constructed in compliance with the Governing Regulations.

(b) Owner shall submit to the City plans and specifications for the Public Infrastructure prior to commencing construction, advertising for bids or requesting proposals for such improvements. No advertising for bids or requests for proposal shall be delivered and no construction shall commence until the related plans and specifications have been approved in writing by the City.

(c) The City shall approve or disapprove plans and specifications, including resubmittals, within thirty (30) days after receipt. In the event the City disapproves of any plans and specifications, the disapproval notice shall contain a detailed explanation of the reason(s) for disapproval. Owner shall revise the plans and specifications appropriately and resubmit to the City for review.

(d) Public Infrastructure shall be inspected and tested for compliance with the Governing Regulations by a third party inspector retained by the City. Inspection of Public Infrastructure shall be subject to a fee equal to three percent (3%) of the construction costs of such infrastructure (the "Infrastructure Inspection Fees").

3.4 Building Permits; Inspection of Structures.

(a) Owner shall not construct, or allow to be constructed, on the portion of the Property owned by such Owner a permanent building designed or intended for human occupancy or use (each, a "Structure") until a permit is issued certifying that the plans and specifications for the Structure are in compliance with the Building Codes and Development Standards (a "Building Permit").

(b) At the City's option, Building Permits may be issued by a City employee or a third party contractor retained by the City and approved by the affected Owner.

(c) Each Structure shall be inspected for compliance with the Building Permit issued for the Structure. At the City's option, inspections may be performed by a City employee or by a third party contractor retained by the City and approved by the affected Owner.

ARTICLE IV **DEVELOPMENT FEES**

4.1 Plat Review Fees. Development of the Property shall be subject to payment to the City of the reasonable fees and charges applicable to the City's preliminary and final plat review and approval process (the "Plat Review Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of each plat application. The fee schedule uniformly applicable to development within the corporate limits of the City shall be applicable to the Property.

4.2 Plan Review Fees. Development of the Property shall be subject to payment to the City of the reasonable fees and charges applicable to the City's review of plans and specifications for Public Infrastructure (the "Plan Review Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of each set of plans and specifications. The fee schedule uniformly applicable to development within the corporate limits of the City shall be applicable to the Property.

4.3 Residential Construction Fees. The City shall collect fees for each single-family residence constructed on the Property as shown on **Exhibit H** (the "Residential Construction Fees"). The City shall retain \$630 from the Residential Construction Fee collected by the City for each single-family residence and shall pay the remainder of each such fee to Owner or its assignee, on or about July 31 and January 31 of each year for the preceding six-period from January 1 to June 30 and from July 1 to December 31, respectively, together with an accounting of such payments identifying the address of the residence for which such fees were paid, payor, date and amount paid, and any other information reasonably requested by Owner.

4.4 Impact Fees.

(a) The City may assess water impact fees at the City's generally applicable rate for each single-family residence constructed on the Property, in accordance with Chapter 395, Texas Local Government Code ("Chapter 395"), and Article 11.1000 of the City's Code of Ordinances ("Water Impact Fees").

(b) If Owner elects to provide sewer service to the Property using private on-site septic systems, the City shall not assess or collect wastewater impact fees under Article 11.1000 and Chapter 395, or any other form of capital recovery fee for wastewater infrastructure in connection with development of the Property. If Owner elects to obtain retail sewer service from the City, the City may assess sewer impact fees at the City's generally applicable rate for each single-family residence constructed on the Property in accordance with Chapter 395 and Article 11.1000 ("Sewer Impact Fees").

(c) The City shall not collect roadway impact fees or any form of capital recovery fee for roads.

(d) The City shall pay to Owner or its assignee, or on before July 31 and January 31 of each year, the Water Impact Fees collected within the Property for the preceding six-month period from January 1 to June 30 and from July 1 to December 31, respectively, together with an accounting of such fees identifying the address of the residence for which such fees were paid, payor, date and amount paid, and any other information reasonably requested by Owner, until Owner is reimbursed in full for all Eligible Expenses incurred by Owner in connection with release of the Property from Aqua Texas' water CCN plus 10% of such costs. For purposes of this Agreement, "Eligible Expenses" means all attorney's fees, engineering fees and compensation paid to the former CCN-holder in accordance with Section 5.1(b).

4.5 Parkland Dedication. Owner shall dedicate parkland to the City in accordance with the City's park dedication requirements in effect as of the Effective Date, some or all of which property may be in the floodplain.

4.6 Annexation and Zoning. Annexation and zoning of the Property shall be subject to the City's standard fees (collectively, the "Annexation and Zoning Fees").

4.7 Exclusive Fees. Except for Plat Review Fees, Plan Review Fees, Residential Fees, Water Impact Fees, Sewer Impact Fees (if applicable), Infrastructure Inspection Fees (in accordance with Section 3.3) and Annexation and Zoning Fees, no other fees or charges of any kind are due and payable to the City in connection with the development of the Property.

ARTICLE V

PUBLIC INFRASTRUCTURE; RETAIL UTILITY SERVICE

5.1 Certificates of Convenience and Necessity.

(a) Within 30 days after the Effective Date, Owner shall submit a petition to the Public Utilities Commission (the "PUC") pursuant to Section 13.254, Texas Water Code ("Section 13.254"), requesting expedited release of the Property from Aqua Texas' water CCN service area and the Town of Northlake's sewer CCN service area, and shall provide a copy of such petition to the City. The City shall cooperate with Owner to remove the Property from Aqua Texas' water CCN service area and Northlake's sewer CCN service area and to add the Property to the City's water CCN service area and, upon Owner's written request, to add the Property to the City's sewer CCN service area.

(b) The City shall provide written notice to the PUC of the City's intent to provide retail water service to the Property within fifteen (15) days after receipt of written request from Owner. The City shall not provide such notice to the PUC except upon receipt of written request from Owner. If the Property is removed from Aqua Texas' water CCN, Owner shall pay compensation, if any, to Aqua Texas as determined by the PUC in accordance with Section 13.254 on behalf of the City, subject to right to reimbursement pursuant to Section 4.4.

(c) The City shall provide written notice to the PUC of the City's intent to provide retail sewer service to the portion of the Property removed from the Town of Northlake's sewer

CCN within fifteen (15) days after receipt of written request from Owner. The City shall not provide such notice to the PUC except upon receipt of written request from Owner.

5.2 Retail Water Service; Construction of Infrastructure.

(a) Retail water service to the Property for development in accordance with this Agreement will be provided by the applicable CCN-holder.

(b) Provided the Property is released from Aqua Texas' water CCN service area in accordance with Section 5.1, Owner shall design and construct or cause to be designed and constructed approximately 170 linear feet of eight-inch water main sized to serve the Property (the "Off-Site Water Main") and all on-site water infrastructure for the City to provide retail water service to the Property. At the City's request, Owner shall oversize the Off-Site Water Main with 12-inch water main, provided the City pays 1/3 of all costs associated with design and construction of the Off-Site Water Main prior to commencement of construction of the Off-Site Water Main. If the City does not deposit funds for the City's 1/3 share of such costs in an escrow account designated by Owner or make other payment arrangements acceptable to Owner within 30 days after Owner delivers notice of intent to commence construction of the Off-Site Water Main, Owner may install the Off-Site Water Main as an eight-inch main and shall have no obligation to oversize the Off-Site Water Main.

(c) Water service by the City to portions of the Property located within the City's water CCN service area shall be at the City's generally applicable in-city rates.

5.3 Retail Sewer Service. At Owner's option, sewer service to the Property shall be provided by:

(a) Individual on-site septic systems on each platted lot. Owner shall obtain a septic tank license for each platted lot from the County Health Department in accordance with applicable regulations; or

(b) The City, provided the Property is released from the Town of Northlake's sewer CCN service area in accordance with Section 5.1 and Owner constructs at Owner's expense, all infrastructure determined by the City to be necessary to connect to the City's sewer system.

5.4 Roadways.

(a) Owner shall dedicate right-of-way to the City for Boss Range Road adjacent to the Property sufficient to provide a total of 30 feet of right-of-way from the centerline, in connection with final platting the Property adjacent to Boss Range Road. Owner's sole obligation with respect to Boss Range Road shall be dedication of such right-of-way. Owner shall have no obligation to construct, or finance the construction of, any improvements to Boss Range Road.

(b) Owner has no obligation to dedicate right-of-way or construct improvements to John Wiley Road.

(c) If Owner elects to develop the Property with one-half acre lots served by on-site septic systems and City retail water service, Owner shall construct internal roads within the boundaries of the Property in accordance with the Road Standards.

(d) If Owner elects to develop the Property with minimum 7,000 square foot lots with City retail water and sewer service, Owner shall construct internal roads within the boundaries of the Property in accordance with City standards set out in Exhibit C.

(e) Notwithstanding any provision of the Subdivision Regulations or any other City requirements to the contrary, no dedication of right-of-way or construction of improvements to John Wiley Road or Boss Range Road and no other roadway improvements outside the Property boundaries are required for development of the Property except as set out in this Section 5.4.

5.5 Drainage. Owner shall construct drainage improvements on the Property in accordance with the Drainage Standards.

5.6 Dedication, Ownership and Maintenance of Public Infrastructure; Capacity. Owner shall dedicate the Public Infrastructure to the City, provided the Property is annexed by the City. Notwithstanding such dedication, Owner shall have a continuing right to require the City to utilize a portion of the capacity in the Off-Site Water Main to serve the Property, which capacity shall be made available by the City as necessary to provide water service to customers within the Property.

5.7 Oversized Infrastructure. Owner has no obligation to design or construct water, sewer, drainage or other Public Infrastructure that exceeds the capacity needed to serve the Property, except as set out in Section 5.2(b).

ARTICLE VI TERM OF AGREEMENT

6.1 Term. The term of the Agreement will be fifteen (15) years commencing on the Effective Date (the "Term").

6.2 Termination of Agreement. This Agreement may be terminated as to all of the Property as follows:

(a) at any time by mutual written consent of the City and Owner;

(b) by the City if (i) Owner's petition for expedited release from Aqua Texas' water CCN service area is not approved by the PUC pursuant to Section 5.1; (ii) Owner fails to submit an annexation petition in accordance with Section 7.1(a); (iii) the Annexation Petition is deemed withdrawn pursuant to Section 7.1(c); or (iv) the City does not annex the Property by March 1, 2016;

(c) by Owner if (i) Owner's petition for expedited release from Aqua Texas' water CCN service area is not approved by the PUC pursuant to Section 5.1; (ii) the Annexation Petition is deemed withdrawn pursuant to Section 7.1(c); or (iii) the City does not annex the Property by March 1, 2016.

ARTICLE VII
ANNEXATION; ROLLBACK TAXES

7.1 Annexation.

(a) Owner shall, no later than September 1, 2015, submit a petition to the City requesting annexation of the Property (the "Annexation Petition"). The Annexation Petition shall be subject to approval by the PUC of Owner's petition for expedited release from Aqua Texas' water CCN area pursuant to Section 5.1.

(b) The City may not annex the Property unless the PUC approves the petition for expedited release of the Property from Aqua Texas' water CCN service area pursuant to Section 5.1 (the "Annexation Condition"). The City shall follow the annexation process set out in Section 43.061, et seq., of the Texas Local Government Code. The City Council shall not adopt an ordinance annexing the Property prior to January 1, 2016.

(c) The Annexation Petition shall be deemed to be automatically withdrawn by Owner and otherwise void without further action by Owner if (i) the PUC does not approve the petition for expedited release of the Property from Aqua Texas' water CCN service area pursuant to Section 5.1; or (ii) the City terminates this Agreement; or (iii) the City posts an agenda providing for approval of an ordinance annexing the Property prior to January 1, 2016 (the "Withdrawal Events").

(d) The City acknowledges that acceptance of the Annexation Petition by a City employee or other representatives constitutes acceptance of the Annexation Condition and the Withdrawal Events.

7.2 Rollback Taxes. The City acknowledges that no municipal rollback taxes are owed to the City for the Property.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than thirty (30) days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

8.2 Remedies. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND

INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the aggrieved Party to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, the City shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that Developer A is in default with respect to any other tract or based on the grounds that any other developer is in default with respect to any other tract) unless the default is in the nature of the failure to undertake a shared obligation as between such tracts or developers; or
- (c) adversely affect or impair the current or future obligations of the City to provide water service to any portion of the Property within its water CCN; or
- (d) entitle the aggrieved Party to seek or recover monetary damages of any kind; or
- (e) limit the Term.

ARTICLE IX

ASSIGNMENT AND ENCUMBRANCE

9.1 Assignment by Owner to Successor Owners. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties. Provided that the successor owner assumes the liabilities, responsibilities, and obligations of the assignor under this Agreement as to the Property or portion of the Property in question, the assigning party will be released from any rights and obligations under this Agreement as to the Property involved in such assignment, effective upon receipt of the assignment by the City. It is specifically intended that this Agreement and all terms, conditions, and covenants herein shall survive a transfer, conveyance or assignment occasioned by the exercise of foreclosure of lien rights to a creditor or a party hereto, whether judicial or nonjudicial, as evidenced by execution of this Agreement by all lienholders against the Property as of the Effective Date (if any) subordinating such liens to this Agreement. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment. Owner shall maintain true and correct copies of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement. Owner hereby represents and warrants that there are no liens against the Property to secure loans, as of the Effective Date.

9.2 Assignment by the City. The City shall not assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, without the prior written approval of Owner.

9.3 Encumbrance by Owner and Assignees. Owner has the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City, and in no event provided later than ten (10) days after any such encumbrance takes effect. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

9.4 Encumbrance by City. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

ARTICLE X

RECORDATION, RELEASES, AND ESTOPPEL CERTIFICATES

10.1 Binding Obligations. Pursuant to the requirements of Section 212.172(c) of the Texas Local Government Code, this Agreement and all amendments hereto shall be recorded in the deed records of the County. In addition, all assignments of this Agreement shall be recorded in the deed records of the County and a copy of the recorded assignment shall be delivered to the City as a condition to the City having notice of the assignment or having the assignment binding upon the City. This Agreement, when recorded, shall be binding upon the Property, the Parties, and all successor Owners of all or any part of the Property, provided, however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for the land use and development regulations that apply to specific lots. An End-Buyer shall not be considered an Owner. For purposes of this Agreement, the Parties agree: (a) the term "End-Buyer" means any tenant, user, occupant, or owner that is intended to be a final user, of a fully developed and improved lot and does not include a builder; (b) the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the County's real property records; and (c) the

term "land use and development regulations that apply to specific lots" means all of the Governing Regulations except the Public Infrastructure and Retail Utility Service provisions of Article V.

10.2 Releases. From time to time upon written request of Owner, the Mayor and City Manager, or designee of their choice, shall execute, in recordable form, subject to approval as to form by the City Attorney, a partial release of this Agreement if the requirements of this Agreement have been met, subject to the continued application of the Building Codes and the Development Regulations.

10.3 Estoppel Certificates. From time to time upon written request of Owner, the Mayor and the City Manager, or a designee of their choice, will execute a written estoppel certificate, subject to approval as to form by the City Attorney, identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Owner is in compliance with its duties and obligations under this Agreement, except as expressly identified. The City is entitled to recover all of the City's out-of-pocket expense for gathering the information required to sign the estoppel certificate, including professional and consulting fees and related expenses, and such expense shall be paid prior to the City releasing the estoppel certificate.

ARTICLE XI ADDITIONAL PROVISIONS

11.1 Recitals. The recitals contained in this Agreement: (a) are legislative findings by the City Council; (b) are true and correct as of the Effective Date; (c) contribute to the basis upon which the Parties negotiated and entered into this Agreement; and (d) reflect the final intent of the Parties as stated therein. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

11.2 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 5th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested, with a confirming copy sent by FAX; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed by delivery in person or by regular mail. Notices given pursuant to this section shall be addressed as follows:

To the City:

City of Justin
Attn: Mayor
107 S. Main Street
Justin, Texas 76227

With a copy to:

Robert L. Dillard III
Nichols, Jackson, Dillard, Hager & Smith, LLP
1800 Ross Tower 500 N. Akard St.
Dallas, Texas 75201

To the Owner:

Continental U.S. Management Corporation
14131 Midway Road, Suite 650
Addison, TX 75001

With a copy to:

Shupe Ventura Lindelow & Olson, PLLC
500 Main Street, Suite 800
Fort Worth, Texas 76102
Attn: Marcella Olson

11.3 Reservation of Rights. UPON THE EFFECTIVE DATE, THIS AGREEMENT SHALL CONSTITUTE A "PERMIT" WITHIN THE MEANING OF CHAPTER 245, TEXAS LOCAL GOVERNMENT CODE. OWNER WAIVES ALL CLAIMS THAT ANY OBLIGATION INCURRED BY OWNER SET OUT IN THIS AGREEMENT CONSTITUTES A "TAKING", AN ILLEGAL EXACTION, OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OWNER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND OWNER EXPRESSLY RESERVES) ANY RIGHTS AND CLAIMS THAT OWNER MAY HAVE ARISING FROM ANY ACTION BY THE CITY AFTER THE EFFECTIVE DATE. THE CITY SHALL NOT BE REQUIRED TO DETERMINE ROUGH PROPORTIONALITY OR NECESSITY AS PROVIDED FOR IN SECTION 212.904 OF THE TEXAS LOCAL GOVERNMENT CODE FOR ANY DEDICATIONS OR IMPROVEMENTS REQUIRED UNDER THIS AGREEMENT, AS AMENDED, OR OTHERWISE PROPOSED BY OWNER.

11.4 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individuals executing this Agreement on behalf of Owner have been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.171, et. seq., of the Texas Local Government Code.

11.5 Entire Agreement; Severability; Amendment. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. Except as provided in Section 2.3, this Agreement shall not be modified or amended except in writing signed by the City, Owner, and the owner of the portion of the Property affected by the amendment. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. If it is determined by a judgment of a trial court with jurisdiction over the matter that any of the Property is not located within the City's ETJ, this Agreement shall remain in full force and effect with respect to the remainder of the Property unless Owner and the City elect to terminate the Agreement pursuant to Section 6.2(a)..

11.6 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in the County. Venue and exclusive jurisdiction for any action to enforce or construe this Agreement shall be the County.

11.7 No Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

11.8 No Third Party Beneficiaries. Except as otherwise provided in this Section 11.8, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. An End-Buyer shall be considered a third-party beneficiary of this Agreement, but only for the limited purposes for which an End-Buyer is bound by this Agreement. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

11.9 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care. Any

suspension of obligation(s) because of any force majeure shall terminate automatically sixty (60) days following the provision of the Notice described by this section, unless otherwise separately agreed by the affected Party(ies).

11.10 Effective Date. This Agreement will become effective on the later to occur of: (a) approval and authorization of this Agreement by majority vote of a quorum of the Justin City Council following the fulfillment of all notice and public meeting requirements of Texas law; and (b) execution by Owner or Owner's duly authorized representative.

11.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

11.12 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

11.13 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of Property
Exhibit B	Map of Property
Exhibit C	Subdivision Regulations
Exhibit D	Development Standards
Exhibit E	Road Standards
Exhibit F	Preliminary Plat
Exhibit G	Existing Gas Wells
Exhibit H	Residential Fees

Executed by the City and Owner to be effective on the Effective Date.

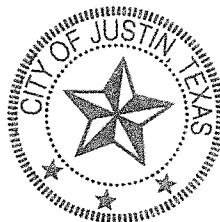
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CITY OF JUSTIN

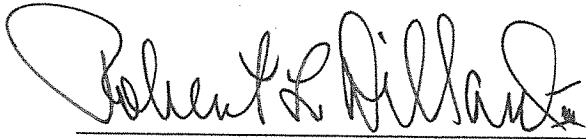
By: Greg Scott
Greg Scott, Mayor

ATTEST:

By: Kim Strange
Kim Strange, City Secretary



APPROVED AS TO FORM:



Robert L. Dillard III, City Attorney

STATE OF TEXAS

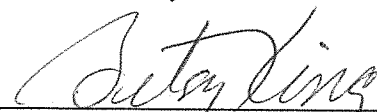
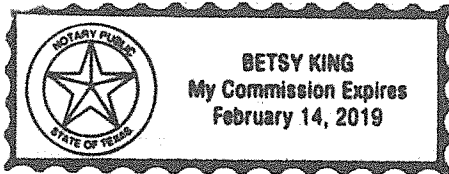
§

COUNTY OF DENTON

§

§

This instrument was acknowledged before me on the 7 day of December, 2015, by Greg Scott, Mayor of the City of Justin, Texas on behalf of said city.



Notary Public, State of Texas

OWNER:

Continental U.S. Management Corporation,
a Texas corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2015, by _____, _____ of Continental U.S. Management Corporation, a Texas corporation, on behalf on behalf of said corporation.

Notary Public, State of Texas

Exhibit A
Metes and Bounds Description of Property

SOUTH TRACT

BEING a 74.174 acre tract of land in the Mary Polk Survey, Abstract Number 993, situated in Denton County, Texas, and being a portion of that certain tract of land described in deed to Wood Ranch 78 Limited Liability Company, recorded in Instrument Number 2007-106241, Deed Records, Denton County, Texas, and being all of Exhibit A-1, and A-3, described in deed to Wood Wells 78 Limited Liability Company, recorded in Instrument Number 2007-106242, Deed Records, Denton County, Texas. The bearings for the description are based on the bearing of the south line of the said Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas.. Said 74.174 acre tract being described by metes and bounds as follows;

COMMENCING at a ½" iron rod at the northwest corner of said Wood Ranch tract, same being the northwest corner of that certain tract of land described in deed to Carl J. and Carla J. Hardeman, recorded in Instrument Number 2012-5148, Deed Records, Denton County, Texas, same being in the approximate centerline of Boss Range Road, a variable width public right-of-way;

THENCE North 89°34'00" East, departing said Boss Range Road, along the north line of said Wood Ranch tract, and said Hardeman tract, a distance of 685.39 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of said Hardeman tract, same being the POINT OF BEGINNING;

THENCE North 89°34'00" East, departing said Hardeman tract, continuing along the said north line of the Wood Ranch tract, a distance of 809.00 Feet to a ½" iron rod found;

THENCE South 0°23'29" East, departing said north line of the Wood Ranch tract, along the east line of the said Wood Ranch tract, passing onto the east line of said Exhibit A-3 at a distance of 1779.26 Feet, and continue for a total distance of 2317.40 Feet to a ½" iron rod found at the south east corner of said Exhibit A-3;

THENCE North 89°05'20" West, along the south line of said Exhibit A-3, passing onto the south line of said Wood Ranch tract, at a distance of 162.04 Feet, and continue for a total distance of 1493.85 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the southwest corner of said Wood Ranch tract, same being in the said approximate centerline of Boss Range Road;

THENCE North 0°26'17" West, departing said south line of the Wood Ranch tract, along the said approximate centerline of Boss Range Road and the west line of said Wood Ranch tract, a distance of 1982.35 Feet to a PK nail found at the southwest corner of said Hardeman tract;

THENCE North 89°34'00" East, departing said approximate centerline of Boss Range Road and said west line of the Wood Ranch tract, along the south line of said Hardeman tract, a distance of

686.08 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the southeast corner of said Hardeman tract;

THENCE North 0°23'29" West, departing the said south line of said Hardeman tract, along the east line of said Hardeman tract, a distance of 300.00 Feet to the POINT OF BEGINNING; and containing a computed area of 74.174 Acres, more or less.

NORTH TRACT

BEING a 64.732 acre tract of land in the Mary Polk Survey, Abstract Number 993, situated in Denton County, Texas, and being a portion of that certain tract of land described in deed to Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas. The bearings for the description are based on the bearing of the south line of the said Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas. Said 64.732 acre tract being described by metes and bounds as follows;

BEGINNING at a ½" iron rod found at the southeast corner of said Wood Family Holdings, LLC tract;

THENCE South 89°34'00" West, with the south line of said Wood Family Holdings, LLC tract, at a distance of 1475.19 Feet passing a 1/2" iron rod found in the east right of way line of Boss-Range Road, a variable width public right of way, and continuing for a total distance of 1494.39 Feet to a 1/2" iron rod found at the southwest corner of said Wood Family Holdings, LLC tract, and being in the approximate centerline of said Boss-Range Road;

THENCE North 0°26'00" West, along the west line of said Wood Family Holdings, LLC tract, and with the approximate centerline of said Boss-Range Road, a distance of 1576.65 Feet to a mag nail set at the most westerly northwest corner of said Wood Family Holdings, LLC tract, same being the southeast corner of that certain tract of land described in deed to Jacob J. Wright and wife, Mary Ann Wright, recorded in Volume 2683, Page 206, Deed Records, Denton County, Texas;

THENCE South 89°40'44" East, departing the said centerline of Boss-Range Road, and continuing along a north line of said Wood Family Holdings, LLC tract, at a distance of 19.91 Feet passing a 1/2" iron rod in the said east right of way line, and continuing for a total distance of 467.76 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at an inner ell corner of said Wood Family Holdings, LLC tract;

THENCE North 0°23'09" West, along a west line of said Wood Family Holdings, LLC tract, a distance of 465.41 Feet to the most northerly northwest corner of said Wood Family Holdings, LLC tract, and being in the south right of way line of John Wiley Road, a variable width public right of way, a bent 1/2" iron rod found bears North 76°24'43" West, a distance of 0.97 Feet;

THENCE South $89^{\circ}38'52''$ East, with the most northerly north line of said Wood Family Holdings, LLC tract, and the said south right of way line, a distance of 1027.24 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the northeast corner of said Wood Family Holdings, LLC tract;

THENCE South $0^{\circ}24'32''$ East, departing the said south right of way line, and continuing along the east line of said Wood Family Holdings, LLC tract, a distance of 2021.82 Feet to the POINT OF BEGINNING; and containing a computed area of 64.732 Acres, more or less

Exhibit B
Map of Property

JOHN WILEY ROAD
VARIABLE WIDTH PUBLIC ROW

ASPHALT PAVING

PK NAIL WASHNER FOUND 12" IMP BENT BEAMS
RR SPIKE S89°38'52"E 1,027.24'

S89°38'52"E 1,027.24'

JACOB J. WRIGHT AND WIFE,
MARY ANN WRIGHT
VOL. 5883, PG. 206,
O.R.D.C.T.

465.41'

N0°23'00"W

S89°40'44"E

467.76'

12" CURB

FIELD WIRE FENCE

2,021.82'

64.731 ACRES

WOOD FAMILY HOLDINGS, LLC
INSTR. NO. 2018-12345
O.R.D.C.T.

GRAVEL ROAD

GRAVEL

POND

WARNING SIGN

WARNING SIGN BY PIPELINE

NO MORE THE EASEMENT
EXISTS
EMUL

S89°34'00"W

1,494.39'

Exhibit C
Subdivision Regulations

Ordinance No. 248, shall apply to development of the Property, except as modified as followed:

1. Notwithstanding all provisions of Ordinance No. 248 to the contrary, including without limitation Sections 29-101 and 45-107, no sidewalk requirements apply to the Property.
2. If Owner elects to develop the Property with one-half acre lots served by on-site septic systems and City retail water service, Sections 45-100 through 45-105, "Street Requirements," do not apply to internal streets, which shall be constructed in accordance with the Road Standards. If Owner elects to develop the Property with minimum 7,000 square foot lots with City retail water and sewer service, Owner shall construct internal roads within the boundaries of the Property in accordance with Sections 45-100 through 45-105.
3. Article 52, "Storm Drainage," does not apply. Notwithstanding Article 52 or any other provision of Ordinance No. 248 to the contrary, all storm drainage facilities to serve the Property shall be constructed in accordance with the Drainage Standards.
4. If Owner elects to develop the Property with one-half acre lots served by privately owned on-site sanitary sewer facilities, Article 54, "Sanitary Sewerage Facilities," does not apply. If Owner elects to develop the Property with minimum 7,000 square foot lots with City retail sewer service, Article 54 shall apply.

Exhibit D
Development Regulations

At Owner's election, Owner may develop in accordance with Option A provided sewer service is provided to the Property with private on-site sewer systems or Option B, provided the City is the retail sewer provider in accordance with this Agreement.

OPTION A

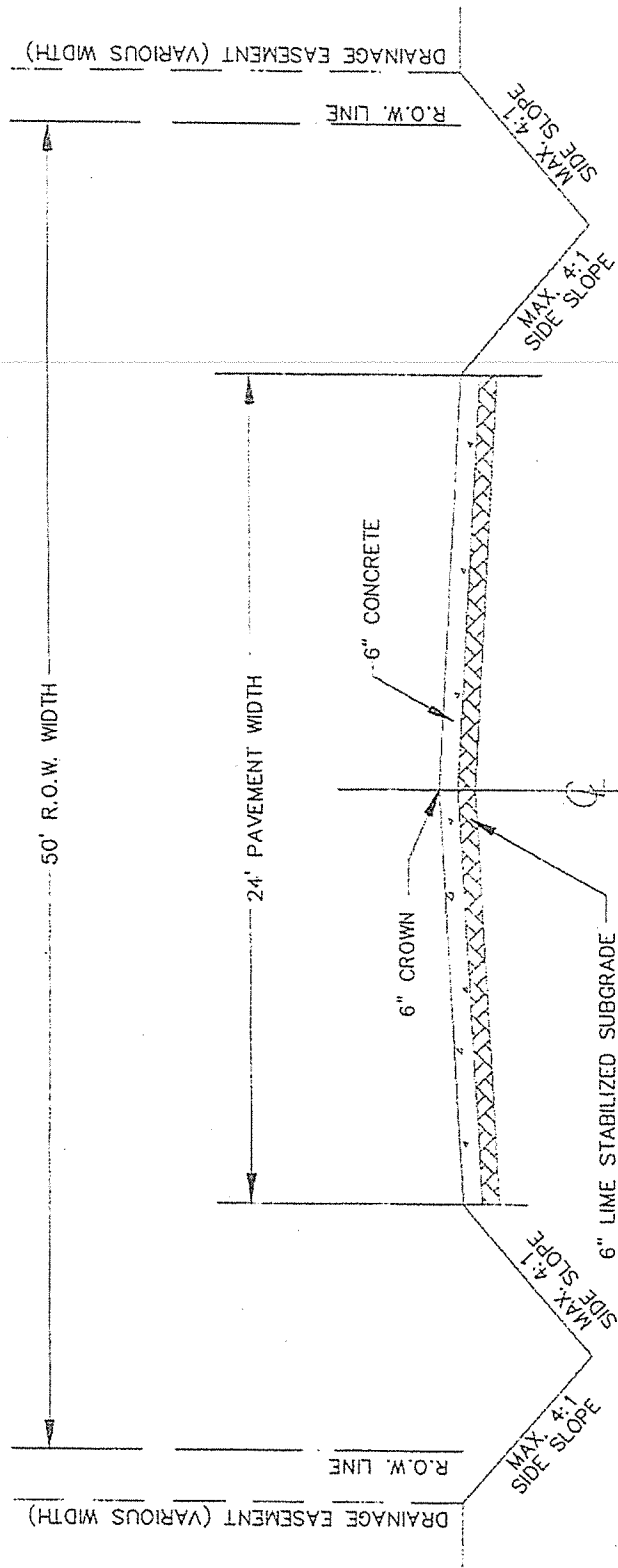
Minimum Lot Area (SF)	21,780
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (ft)	100
Minimum Front Yard Setback (ft)	50
Minimum Side Yard Setback (ft)	15
Minimum Side Yard Setback from Street	20
Minimum Rear Yard Setback (ft)	20
Maximum Height (ft)	35

OPTION B

Minimum Lot Area (SF)	7,000
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (ft)	60
Minimum Front Yard Setback (ft)	25
Minimum Side Yard Setback (ft)	10% of width
Minimum Side Yard Setback from Street	10% of Width
Minimum Rear Yard Setback (ft)	10
Maximum Height (ft)	35

Exhibit E

Road Standards

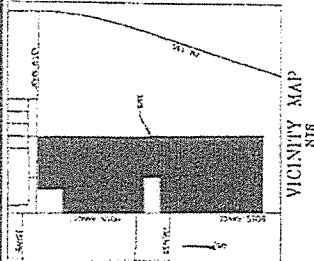
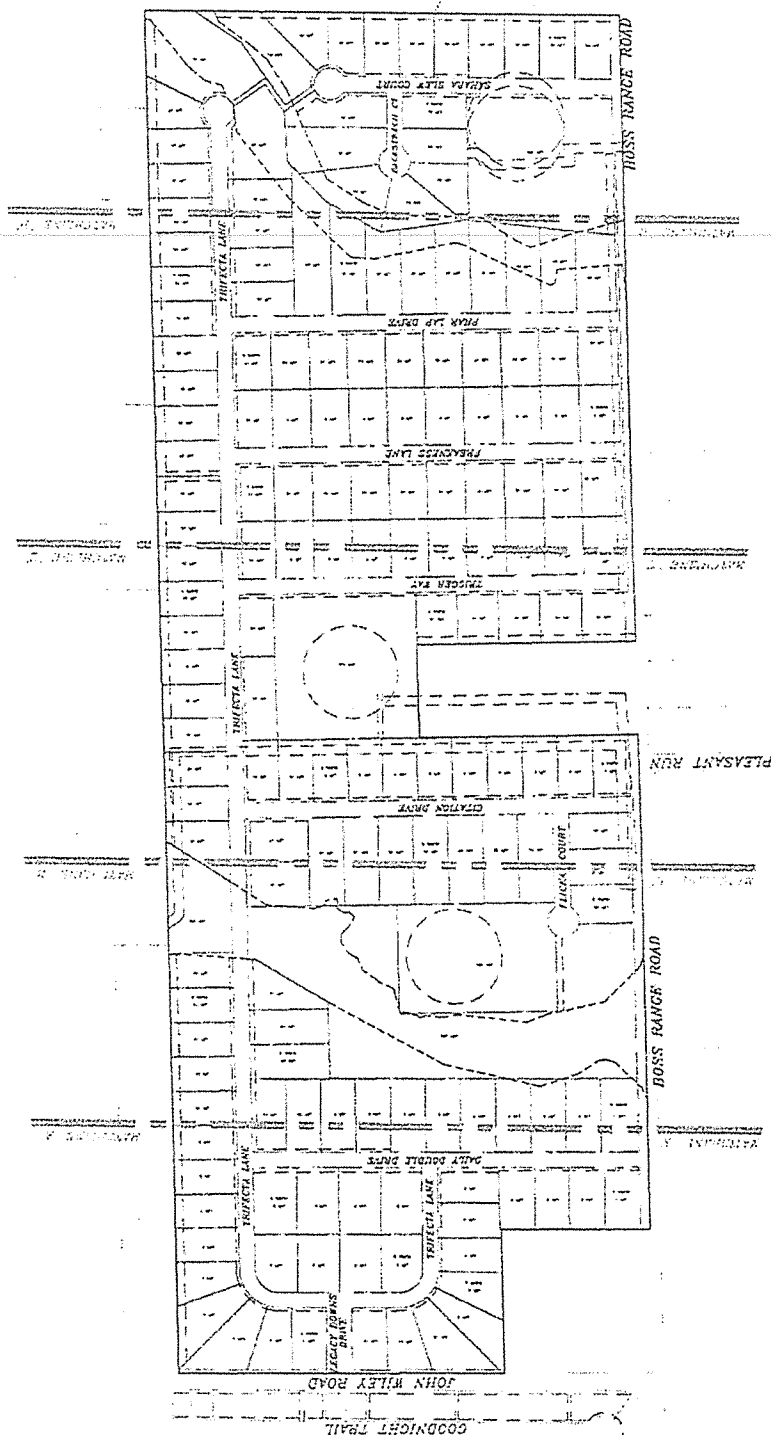


PAVING SECTION

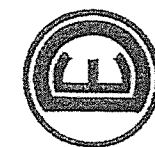
Exhibit F
Preliminary Plat

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- 8 EXISTING CONDITIONS DRAINAGE PLAN
- 9 PROPOSED CONDITIONS DRAINAGE PLAN
- 10 UTILITY PLAN



*Owner/Developer:
Denton Wood Ranch Partner, LLC
Contact: Mike Wells
7065 Confederate Park Road, St. 100
Fort Worth, Texas 76108
817-439-0832*



DYER ENGINEERING, INC.
ENGINEERING & CONSULTING

Land Development • Commercial Site Civil • Municipal • Environmental
101 Rawlings • Flower Mound, Texas 75028 • Phone: 469-316-1643 • Email: dyes.eng@gmail.com

REF ID: A66666

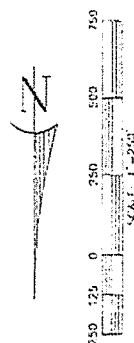
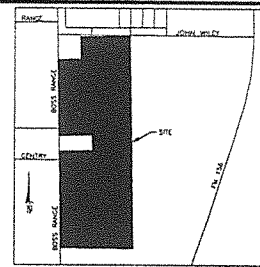
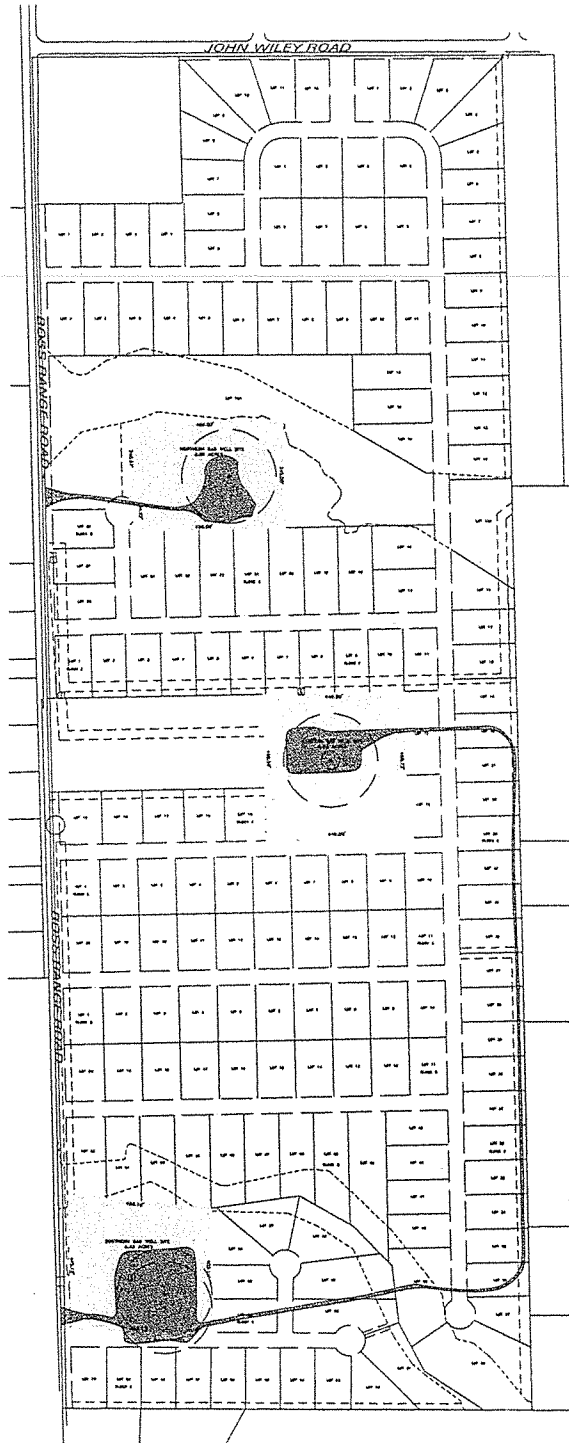


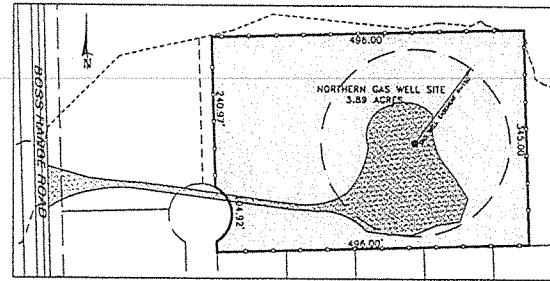
Exhibit G

Existing Gas Well Sites

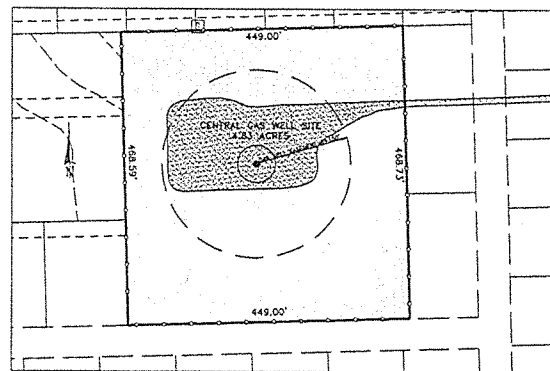
WOOD RANCH GAS WELL SITES



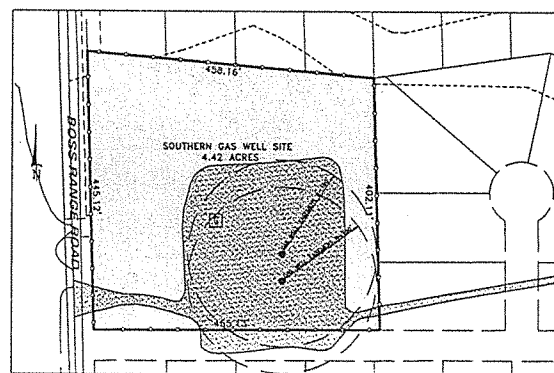
VICINITY MAP
NTS



NORTHERN GAS WELL SITE
SCALE: 1" = 60'



CENTRAL GAS WELL SITE
SCALE: 1" = 60'



SOUTHERN GAS WELL SITE
SCALE: 1" = 60'

LEGEND	
	PROPOSED GAS WELL
	EXISTING CANAL DIKE
	EXISTING GAS WELL LOCATION
	SURROUNDING FENCE



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ENGINEERING & CONSULTING

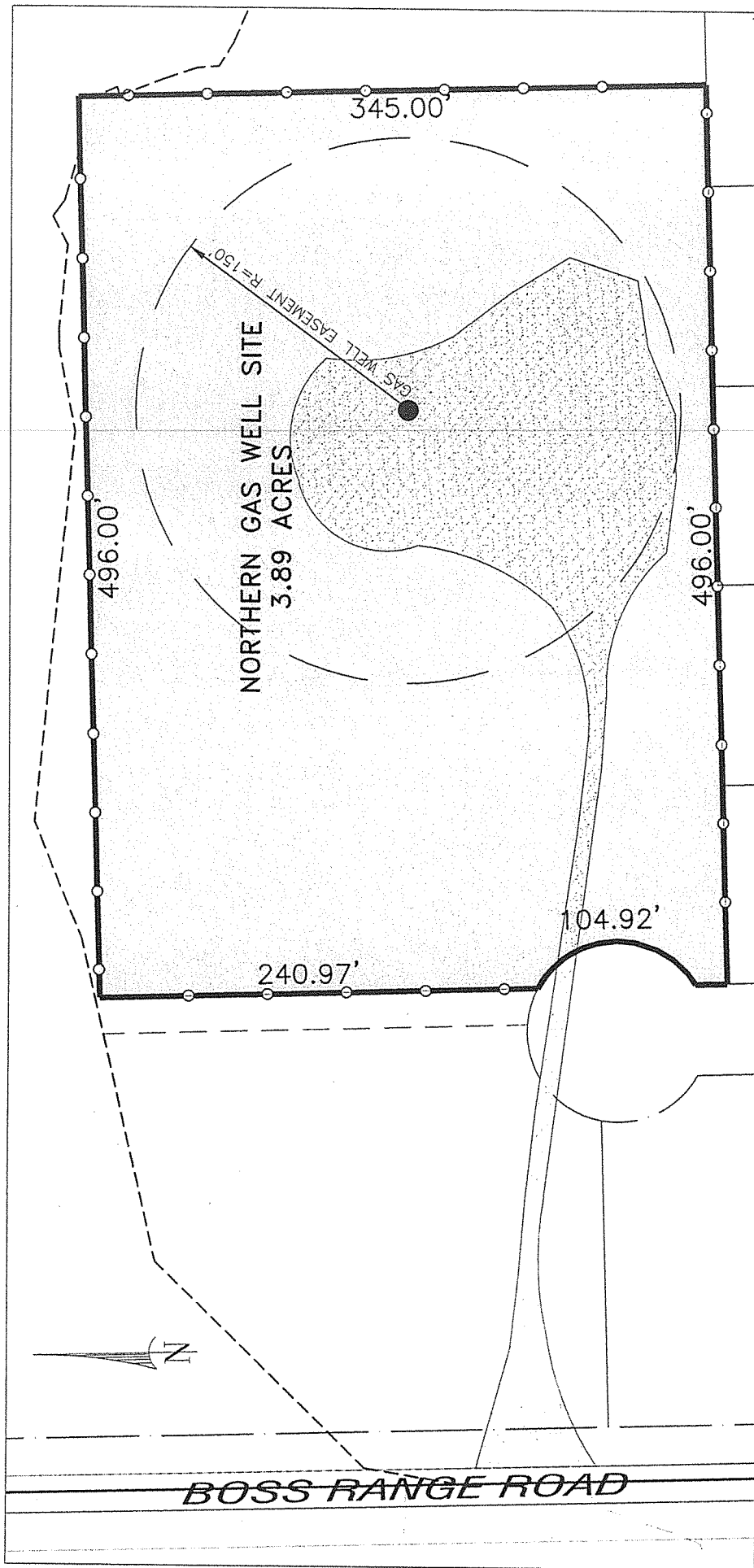
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1001 Bowditch • Pleasant Mount, Texas 75081 • Phone 940-666-0000 • Email dyereng@gmail.com



LEGEND

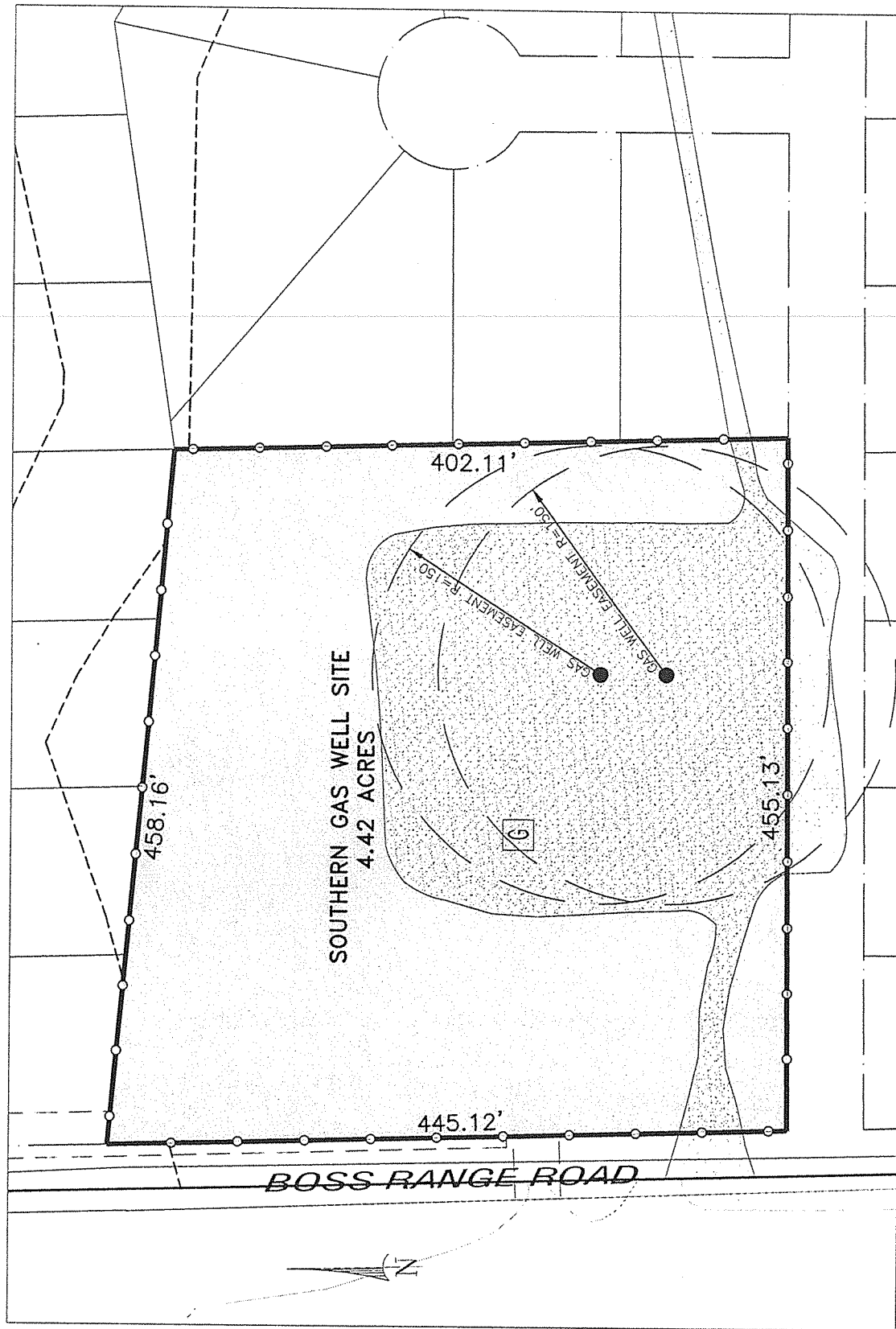
	PROPOSED SITE AREA
	EXISTING GRAVEL DRIVE
	EXISTING GAS WELL LOCATION
	SCREENING FENCE

CENTRAL GAS WELL SITE



LEGEND

- PROPOSED SITE AREA
- EXISTING GRAVEL DRIVE
- EXISTING GAS WELL LOCATION
- SCREENING FENCE



SOUTHERN GAS WELL SITE

Exhibit H
Residential Fees

Building Permit Fee (includes electrical, mechanical and plumbing)

<u>Square Footage</u>	<u>Building Fees*</u>
1,000 sq ft	\$1,200.00
1,200 sq ft	\$1,300.00
1,400 sq ft	\$1,400.00
1,600 sq ft	\$1,500.00
1,800 sq ft	\$1,600.00
2,000 sq ft	\$1,700.00
2,200 sq ft	\$1,800.00
2,400 sq ft	\$1,900.00
2,600 sq ft	\$2,000.00
2,800 sq ft	\$2,100.00
3,000 sq ft	\$2,200.00
3,200 sq ft	\$2,300.00
3,400 sq ft	\$2,400.00
3,600 sq ft	\$2,500.00
3,800 sq ft	\$2,600.00
4,000 sq ft	\$2,700.00

*Plus \$0.50 per square foot to bring amount to exact square footage

Driveway with curb cut	\$100
Driveway with culvert	\$200
Plan review fee	\$500
Final certificate of occupancy fee	\$100

THIRD AMENDMENT TO DEVELOPMENT AGREEMENT

This Third Amendment to Development Agreement (this “Third Amendment”) is entered into by Continental U.S. Management, LLC, a Texas limited liability company (“Continental”), and the City of Justin, Texas, a general law city (the “City”) (individually, a “Party,” and, collectively, the “Parties”), to be effective upon the Effective Date, as hereafter defined.

WHEREAS, the City and Continental U.S. Management Corporation, a Texas corporation, the predecessor of Continental, entered into that certain Development Agreement effective August 12, 2015 (the “Agreement”), for approximately 138.906 acres of land situated in the Mary Polk Survey, Abstract Number 993, Denton County, Texas, consisting of 74.174 acres (the “South Tract”) and 64.732 acres (the “North Tract”) (collectively, the “Property”) described in **Exhibit A** attached hereto; and

WHEREAS, the City approved the preliminary plat for the Property on August 12, 2015 (the “Preliminary Plat”); and

WHEREAS, the Agreement provided for development of the Property as a master-planned single-family residential community with retail water service by the City and with two options for sewer service: minimum one-half acre lots with private on-site sewer systems or minimum 7,000 square foot lots with retail sewer service by the City; and

WHEREAS, the Town of Northlake filed suit against the City on September 17, 2015, in *Town of Northlake v. City of Justin*, Cause No. 15-08170-367, 367th Judicial District Court, Denton County, Texas, asserting that the South Tract is in Northlake’s extraterritorial jurisdiction (“ETJ”) and seeking to enjoin the City from exercising jurisdiction over the South Tract; and

WHEREAS, the City and Continental U.S. Management Corporation entered into the First Amendment to Development Agreement effective February 29, 2016 to allow Continental U.S. Management Corporation to proceed with annexation of the North Tract by the City and development of the North Tract within the City’s corporate limits (the “First Amendment”); and

WHEREAS, the City annexed the North Tract on May 9, 2016 by adoption of Ordinance No. 613-16 and the North Tract is being developed within the City by Legacy Land and Cattle, LLC; and

WHEREAS, the City, Continental U.S. Management Corporation, and Legacy Land and Cattle, LLC, entered into the Second Amendment to Development Agreement effective July 11, 2018 to extend the dates for annexation of the South Tract, in light of the continuing litigation, and to modify certain development standards (the “Second Amendment”); and

WHEREAS, Continental U.S. Management Corporation designed and constructed or caused the design of construction of approximately 170 linear feet of off-site water main and oversized the main from an 8-inch main, sufficient to serve the Property, to a 12-inch main, at the

City's request, and is entitled to contribution by the City for the oversizing costs pursuant to Section 5.2(b) of the Agreement (the "Water Line Reimbursement"); and

WHEREAS, the Public Utility Commission of the State of Texas granted Continental U.S. Management Corporation's application to decertify the Town of Northlake as the holder of the wastewater certificate of convenience and necessity ("CCN") for the South Tract by order dated February 27, 2016, Cause No. 45342; and

WHEREAS, the Town of Northlake appealed the decision of the Public Utility Commission of Texas in the 261st District Court of Travis County, Texas, *Town of Northlake v. Public Utility Commission*, Cause No. D-1-GN-16-001949; and

WHEREAS, the 261st District Court of Travis County issued an order on August 21, 2019, granting the Town of Northlake's motion to retain the case on the court's docket; and

WHEREAS, on August 30, 2019, the Texas Supreme Court denied Northlake's Petition for Review and on April 3, 2020, the Texas Supreme Court denied Northlake's motion for rehearing in *Town of Northlake v. City of Justin*, 18-0651; and

WHEREAS, the City and Continental U.S. Management Corporation entered into that certain Retail Water Service Agreement dated October 27, 2020 for the City to provide retail water service to the South Tract; and

WHEREAS, Continental U.S. Management Corporation converted to Continental U.S. Management, LLC, effective December 17, 2020; and

WHEREAS, the City and the Cities of Northlake and Fort Worth are contemplating entering into an agreement (the "Interlocal Agreement") to settle claims relating to the jurisdictional status of certain land, including the South Tract, whereupon Fort Worth would release the South Tract from its ETJ, Northlake would release its ETJ claims to the South Tract, and the City would expand its ETJ to include the South Tract; and

WHEREAS, Continental is the sole owner of the South Tract; and

WHEREAS, the City and Continental wish to enter into this Third Amendment to Development Agreement with respect to the South Tract; and

NOW, THEREFORE, in consideration of the premises, mutual promises, covenants, obligations, and benefits herein contained, the City and Owner agree as follows:

AGREEMENT

1. A new Section 2.1A, “Governing Regulations for South Tract,” governing development of the South Tract, only, is added to read as follows:

2.1A Governing Regulations for South Tract. The South Tract shall be developed with the following uses or a combination thereof, in Owner’s sole discretion: (i) minimum one-half acre single-family residential lots with City retail water service and private on-site septic systems; (ii) minimum 7,000 square foot single-family residential lots with City retail water service and retail sewer service by the Town of Northlake or a municipal utility district; (iii) minimum 4,000 square foot single-family residential lots with City retail water service and retail sewer service by the Town of Northlake or a municipal utility district; and (iv) industrial uses permitted in the LI Light Industrial District as of the Effective Date served by private on-site septic systems or retail sewer service by the Town of Northlake. Development of the South Tract shall be governed solely by the Agreement, as amended, and the following regulations set out in Section 2.1: Subsections 2.1(a), (b), (d), (e) and (g), together with development standards attached as **Exhibit D-1** and the approved Preliminary Plat and other preliminary plats, if any, submitted by Continental in accordance with Section 3.

2. A new Section 5.3A, “Sewer Service for the South Tract; Compensation to City” governing sewer service for the South Tract, only, and payments to the City related to provision of sewer service to the South Tract, is added to read as follows:

5.3A Sewer Service for the South Tract; Compensation to City

- (a) At Owner’s option and in Owner’s sole discretion, sewer service to the South Tract shall be provided by the following methods:
 - (i) Individual on-site septic systems on each platted lot. Owner shall obtain or caused to be obtained a septic tank permit for each platted lot from the Denton County Health Department in accordance with applicable regulations; or
 - (ii) Retail sewer service by the Town of Northlake; or
 - (iii) Retail sewer service by a municipal utility district.
- (b) Sewer service to the South Tract by the Town of Northlake is subject to (i) execution of an agreement by Owner and the Town of Northlake for sewer service and (ii) timely completion by the Town of Northlake, at no cost to Owner, of construction of sewer infrastructure to the boundary of the South Tract as needed to provide sewer service to the South Tract compatible with

Owner's development schedule for the South Tract, such compatibility to be determined by Owner in Owner's sole discretion.

- (c) If Owner elects for the South Tract to be served with individual on-site septic systems or to obtain retail sewer service to the South Tract by a municipal utility district, Owner shall:

(i) waive all rights to reimbursements for oversizing the Off-Site Water Main (the "Water Main Reimbursements") pursuant to Section 5.2(b) of the Agreement; and

(ii) pay \$185,000 to the City within ninety (90) days after (x) the City accepts all public water, roads and drainage infrastructure constructed to serve the South Tract; (y) the City declares the South Tract to be eligible for issuance of building permits; and (z) the City issues a building permit for the first single-family residence to be constructed on the South Tract.

- (d) If Owner elects to obtain retail sewer service to the South Tract from the Town of Northlake,

(i) Owner shall have no obligation to pay \$185,000 to the City as described in Section 5.3A(c)(ii); and

(ii) The City shall pay to Owner the Water Main Reimbursements in the amount of \$65,000 within thirty (30) days after Owner notifies the City in writing of such election. Owner acknowledges that if Owner obtains retail sewer service to the South Tract from the Town of Northlake, Northlake shall be authorized to collect wastewater impact fees in accordance with Chapter 395 of the Texas Local Government Code and town ordinances and shall deliver the wastewater impact fees collected from the South Tract to the City in accordance with the Interlocal Agreement.

3. The City hereby waives the expiration date and extends the life of the Preliminary Plat. The Preliminary Plat will expire upon recording of one or more final plats that are generally consistent with the Preliminary Plat and contain all of the South Tract. Nothing prohibits Owner from submitting a revised preliminary plat for the South Tract to the City, in which event the Preliminary Plat shall be considered expired.

4. Section 4.5 shall not apply to the South Tract.

5. Section 6.2 is amended to replace all references to March 1, 2023 with March 1, 2024 with respect to the South Tract and to reflect that the Agreement may be terminated as to the South Tract, only.
6. Section 7.1 is amended to replace all references to September 1, 2022 with September 1, 2023, and to replace all references to January 1, 2023 to January 1, 2024, with respect to annexation of the South Tract.
7. Except as amended in this Third Amendment, the Development Agreement, as previously amended, shall remain in full force and effect in accordance with its terms. The Parties acknowledge that (a) this Third Amendment applies to the South Tract, only; (b) the Agreement as amended, remains in full force and effect with respect to the North Tract and the South Tract; (c) neither Party is in default of, or with the giving of notice or passage of time, would be in default of the Agreement, as amended; and (d) Owner and its successors and assigns are entitled to develop the South Tract in accordance with the Agreement, as amended.
8. Effective Date of this Agreement means the date on which all of the following events have occurred: (i) the City's City Council has approved this Amendment; (ii) the Parties have fully executed this Agreement; (iii) the Interlocal Agreement has been approved and executed by the City and the Cities of Northlake and Fort Worth; and (iv) the South Tract is within the City's extraterritorial jurisdiction and the Cities of Northlake and Fort Worth have released all claims that the South Tract is in such cities' extraterritorial jurisdiction.
9. This Third Amendment shall be recorded in the real property records of Denton County, Texas.

[The remainder of the page is intentionally left blank.]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its undersigned duly authorized representative in multiple copies on the date or dates indicated below.

ATTEST:

CITY OF JUSTIN

Brittany Andrews, City Secretary

By: _____
Alan W. Woodall, Mayor

Date: _____

**APPROVED AS TO FORM AND
LEGALITY:**

City Attorney

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me, on the ____ day of _____, 2021,
by Alan W. Woodall, Mayor of the City of Justin, Texas, on behalf of said city.

[SEAL]

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

CONTINENTAL U.S. MANAGEMENT, LLC,
a Texas limited liability company

By: _____
George O. Sanders, Manager

Date: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me, on the _____ day of _____, 2021, by George O. Sanders, Manager of Continental U.S. Management, LLC, a Texas limited liability company, on behalf of said limited liability company.

[SEAL]

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

Exhibit A
Metes and Bounds Description of the Property

SOUTH TRACT

BEING a 74.174 acre tract of land in the Mary Polk Survey, Abstract Number 993, situated in Denton County, Texas, and being a portion of that certain tract of land described in deed to Wood Ranch 78 Limited Liability Company, recorded in Instrument Number 2007-106241, Deed Records, Denton County, Texas, and being all of Exhibit A-1, and A-3; described in deed to Wood Wells 78 Limited Liability Company, recorded in Instrument Number 2007-106242, Deed Records, Denton County, Texas. The bearings for the description are based on the bearing of the south line of the said Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas.. Said 74.174 acre tract being described by metes and bounds as follows;

COMMENCING at a ½" iron rod at the northwest corner of said Wood Ranch tract, same being the northwest corner of that certain tract of land described in deed to Carl J. and Carla J. Hardeman, recorded in Instrument Number 2012-5148, Deed Records, Denton County, Texas, same being in the approximate centerline of Boss Range Road, a variable width public right-of-way;

THENCE North 89°34'00" East, departing said Boss Range Road, along the north line of said Wood Ranch tract, and said Hardeman tract, a distance of 685.39 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the northeast corner of said Hardeman tract, same being the POINT OF BEGINNING;

THENCE North 89°34'00" East, departing said Hardeman tract, continuing along the said north line of the Wood Ranch tract, a distance of 809.00 Feet to a ½" iron rod found;

THENCE South 0°23'29" East, departing said north line of the Wood Ranch tract, along the east line of the said Wood Ranch tract, passing onto the east line of said Exhibit A-3 at a distance of 1779.26 Feet, and continue for a total distance of 2317.40 Feet to a ½" iron rod found at the south east corner of said Exhibit A-3;

THENCE North 89°05'20" West, along the south line of said Exhibit A-3, passing onto the south line of said Wood Ranch tract, at a distance of 162.04 Feet, and continue for a total distance of 1493.85 Feet to a ½" iron rod with plastic cap stamped "RPLS 4818" found at the southwest corner of said Wood Ranch tract, same being in the said approximate centerline of Boss Range Road;

THENCE North 0°26'17" West, departing said south line of the Wood Ranch tract, along the said approximate centerline of Boss Range Road and the west line of said Wood Ranch tract, a distance of 1982.35 Feet to a PK nail found at the southwest corner of said Hardeman tract;

THENCE North 89°34'00" East, departing said approximate centerline of Boss Range Road and said west line of the Wood Ranch tract, along the south line of said Hardeman tract, a distance of

686.08 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" found at the southeast corner of said Hardeman tract;

THENCE North 0°23'29" West, departing the said south line of said Hardeman tract, along the east line of said Hardeman tract, a distance of 300.00 Feet to the POINT OF BEGINNING; and containing a computed area of 74.174 Acres, more or less.

NORTH TRACT

BEING a 64.732 acre tract of land in the Mary Polk Survey, Abstract Number 993, situated in Denton County, Texas, and being a portion of that certain tract of land described in deed to Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas. The bearings for the description are based on the bearing of the south line of the said Wood Family Holdings, LLC, recorded in Instrument Number 2010-128035, Deed Records, Denton County, Texas. Said 64.732 acre tract being described by metes and bounds as follows;

BEGINNING at a 1/2" iron rod found at the southeast corner of said Wood Family Holdings, LLC tract;

THENCE South 89°34'00" West, with the south line of said Wood Family Holdings, LLC tract, at a distance of 1475.19 Feet passing a 1/2" iron rod found in the east right of way line of Boss-Range Road, a variable width public right of way, and continuing for a total distance of 1494.39 Feet to a 1/2" iron rod found at the southwest corner of said Wood Family Holdings, LLC tract, and being in the approximate centerline of said Boss-Range Road;

THENCE North 0°26'00" West, along the west line of said Wood Family Holdings, LLC tract, and with the approximate centerline of said Boss-Range Road, a distance of 1576.65 Feet to a mag nail set at the most westerly northwest corner of said Wood Family Holdings, LLC tract, same being the southeast corner of that certain tract of land described in deed to Jacob J. Wright and wife, Mary Ann Wright, recorded in Volume 2683, Page 206, Deed Records, Denton County, Texas;

THENCE South 89°40'44" East, departing the said centerline of Boss-Range Road, and continuing along a north line of said Wood Family Holdings, LLC tract, at a distance of 19.91 Feet passing a 1/2" iron rod in the said east right of way line, and continuing for a total distance of 467.76 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at an inner ell corner of said Wood Family Holdings, LLC tract;

THENCE North 0°23'09" West, along a west line of said Wood Family Holdings, LLC tract, a distance of 465.41 Feet to the most northerly northwest corner of said Wood Family Holdings, LLC tract, and being in the south right of way line of John Wiley Road, a variable width public right of way, a bent 1/2" iron rod found bears North 76°24'43" West, a distance of 0.97 Feet;

THENCE South 89°38'52" East, with the most northerly north line of said Wood Family Holdings, LLC tract, and the said south right of way line, a distance of 1027.24 Feet to a 1/2" iron rod with plastic cap stamped "RPLS 4818" set at the northeast corner of said Wood Family Holdings, LLC tract;

THENCE South 0°24'32" East, departing the said south right of way line, and continuing along the east line of said Wood Family Holdings, LLC tract, a distance of 2021.82 Feet to the POINT OF BEGINNING; and containing a computed area of 64.732 Acres, more or less

Exhibit D-1
Development Standards

OPTION A: Single-family residential

Minimum Lot Area (square feet)	21,780
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (feet)	100
Minimum Front Yard Setback (feet)	50
Minimum Side Yard Setback (feet)	8
Minimum Side Yard Setback from Street (feet)	20
Minimum Rear Yard Setback (feet)	20
Maximum Height (feet)	35

OPTION B: Single-family residential

Minimum Lot Area (square feet)	7,000
Minimum Dwelling Floor Area (square feet)	2,000
Minimum Lot Width (feet)	60
Minimum Front Yard Setback (feet)	25
Minimum Side Yard Setback (feet)	The lesser of 10% of width or 8 feet
Minimum Side Yard Setback from Street (feet)	10% of width
Minimum Rear Yard Setback (feet)	10
Maximum Height (feet)	35

OPTION C: Single-family residential

Minimum Lot Area (square feet)	4,000
Minimum Dwelling Floor Area (square feet)	1,200
Minimum Lot Width (feet)	40
Minimum Front Yard Setback (feet)	20
Minimum Side Yard Setback (feet)	5
Minimum Side Yard Setback from Street (feet)	10
Minimum Rear Yard Setback (feet)	10
Maximum Height (feet)	35

OPTION D

Industrial uses permitted in LI Light Industrial as of the Effective Date.

Maximum height: 55 feet

No minimum lot area, building size or setback requirements

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF JUSTIN CITY COUNCIL ANNEXING 74.174 ACRES LEGALLY DESCRIBED AS MARY POLK SURVEY, ABSTRACT NO. 993, DENTON COUNTY, TEXAS, GENERALLY LOCATED NORTHEAST FROM THE INTERSECTION OF SAM REYNOLDS ROAD AND BOSS RANGE ROAD THE TERRITORY DESCRIBED IN EXHIBIT “A” ATTACHED HERETO AND INCORPORATED HEREIN, TO THE CITY OF JUSTIN, DENTON COUNTY, TEXAS AND EXTENDING THE BOUNDARY LINES OF THE CITY OF JUSTIN SO AS TO INCLUDE SAID PROPERTY DESCRIBED IN EXHIBIT “A” WITHIN SAID CITY LIMITS, AND GRANTING TO ALL THE INHABITANTS OF SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BINDING SAID INHABITANTS BY ALL OF THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS OF SAID CITY; ADOPTING A SERVICE PLAN, PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION.

WHEREAS, the City of Justin is a Home-Rule municipality in the State of Texas; and

WHEREAS, Section 43.0671 of the Texas Local Government Code authorizes the annexation of territory upon the request of the owner(s) of such land; and

WHEREAS, the Justin City Council previously declared the population of the City of Justin to be 5,179 with the adoption of Resolution No. 543-20; and

WHEREAS, the owner(s) of the area being annexed have petitioned for annexation into the City limits of the City of Justin; and

WHEREAS, after proper notices were provided in accordance with Chapter 43 of the Local Government Code and meeting all the requirements of the Texas Open Meetings Act, the first public hearing on the proposed annexation was held before the City of Justin City Council on October 12, 2023; and

WHEREAS, after proper notices were provided in accordance with Chapter 43 of the Local Government Code and meeting all the requirements of the Texas Open Meetings Act, the second and final public hearing on the proposed annexation was held before the City of Justin City Council on October 26, 2023; and

WHEREAS, all of the property described herein is within the exclusive extraterritorial jurisdiction of the City of Justin; and

WHEREAS, the City Council of the City of Justin and the owner(s) of the property described in Exhibit “A” have negotiated and entered into an agreement for the provision of services to such property by the City pursuant to Section 43.0672 of the Local Government Code attached to this Ordinance as Exhibit “B” (the “Development Agreement”); and

WHEREAS, the meeting at which this Ordinance was approved has met all the requirements of Chapter 43 and the Texas Open Meetings Act; and

WHEREAS, all of the procedures prescribed by the Texas Local Government Code and other laws of the State of Texas have been duly followed with respect to the land described in Exhibit “A” which is attached hereto and incorporated herein; and

WHEREAS, the City Council of the City of Justin has duly considered all of the evidence presented to them in regard to the annexation; and

WHEREAS, the City Council of the City of Justin finds that the approval of this Ordinance to be in the best interests of the health, safety, and welfare of the public.

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

Section 1. Incorporation of Premises. That the above recitals are adopted by the City Council of the City of Justin, Texas.

Section 2. That the property described in Exhibit “A” which is attached hereto and incorporated herein, is hereby annexed to the City of Justin, Denton County, Texas (“City”) and that the boundary limits of the City of Justin be and the same are hereby extended to include the above described territory within the City limits of the City of Justin, and the same shall hereafter be included within the territorial limits of said City and inhabitants thereof shall hereafter be entitled to all the rights and privileges of other citizens of the City of Justin and they shall be bound by the acts, ordinances, resolutions, and regulations of the City of Justin. The City of Justin’s extraterritorial jurisdiction is not expanded to the south due to already claimed extraterritorial Jurisdiction by the Town of Northlake.

Section 3. The City Council of the City of Justin and the owners(s) of the property described in Exhibit “A” have negotiated and entered into a Developers Agreement, which was approved and filed with Denton County in 2015.

Section 4. Cumulative/Repealer Clause. The official map and boundaries of the City of Justin, previously adopted, are amended to include the annexed territory as a part of the City of Justin, Texas. The City Secretary is directed and authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory annexed as required by law.

Section 5. Severability Clause. The City Secretary is directed to file or cause to be filed a certified copy of this ordinance in the office of the county clerk of Denton County, Texas and the Denton County Appraisal District.

Section 6. Effective Date. This ordinance shall be cumulative of all provisions of ordinances of the City of Justin, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event, the conflicting provisions of such ordinances are hereby repealed.

Section 7. Should any section or part of this ordinance be held unconstitutional, illegal or invalid, or the application thereof, the unconstitutionality, illegality, invalidity or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof, but as to such remaining portions, the same shall be and remain in full force and effect.

Section 8. Should this ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of Justin, such ineffectiveness of this ordinance as to any such part or parts shall not affect the effectiveness of this ordinance as to the remainder of such area. The City Council hereby declares it to be its purpose to annex to the City of Justin every part of the area described in Exhibit “A” attached hereto and incorporated herein, regardless of whether any part of such described area is hereby not effectively annexed to the City. Provided, further, that if there is included within the general description of territory set out in Exhibit “A” attached hereto and incorporated herein, to be hereby annexed to the City of Justin any lands or area which are presently part of and included within the limits of any other City, Town, or Village, for which permission is not granted for Justin to annex or if there is land that cannot be annexed for some valid legal reason, the same is hereby excluded and excepted from the territory to be annexed hereby as fully as if such excluded and excepted area were expressly described herein, if permission has not been granted.

Section 9. The City Secretary of the City of Justin is directed to engross and enroll this ordinance by copying the caption, publication clause and effective date clause in the Minutes of the City Council and by filing the ordinance in the ordinance records of the City of Justin.

Section 10. This ordinance shall be in full force and effect from and after its passage, and it is so ordained.

ADOPTED AND APPROVED this 26th day of October 2023.

CITY OF JUSTIN

By: _____
James Clark, Mayor

ATTEST:

By: _____
Brittany Andrews, City Secretary

APPROVED AS TO FORM:

Exhibit A

ANNEXATION PETITION TO THE CITY OF JUSTIN

WHEREAS, Continental U.S. Management, LLC, a Texas limited liability company (“Owner”), is the sole owner of 74.174 acres of land in the Mary Polk Survey, Abstract No. 993, Denton County, Texas, described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Property is located within the extraterritorial jurisdiction of the City of Justin (the “City”), is contiguous to the City’s corporate limits, and is described as the South Tract in that certain Development Agreement Between the City and Continental U.S. Management Corporation dated December 7, 2015 (the “Development Agreement”), as amended by the First, Second and Third Amendments; and

WHEREAS, it is the intent of Owner and the City that all of the Property be within the City’s corporate limits; and

WHEREAS, pursuant to the Third Amendment to the Development Agreement dated May 19, 2021, the City shall not adopt an ordinance annexing the Property before January 1, 2024; and

NOW, THEREFORE, Owner petitions the City to annex the Property into the City’s corporate limits, in accordance with Section 43.0671, et seq., Texas Local Government Code, and the Development Agreement, as amended.

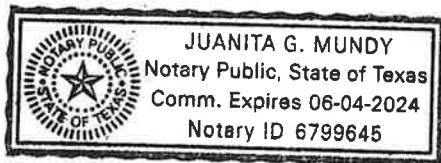
SIGNATURE APPEARS ON FOLLOWING PAGE

Continental U.S. Management, LLC,
A Texas limited liability company

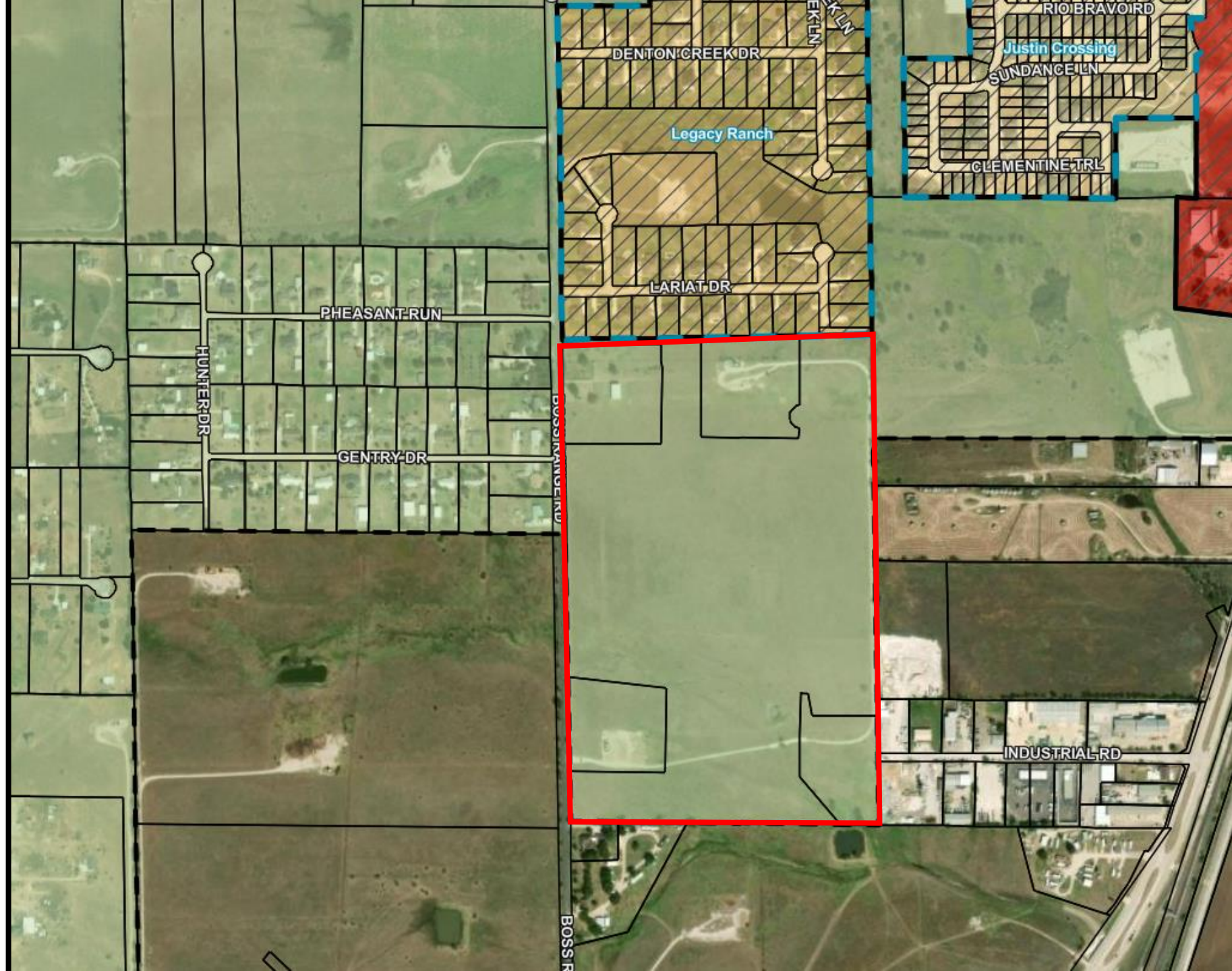
By: A.O. Sanders
Name: George O. Sanders
Title: Member

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 22 day of August,
2023, by George O. Sanders of Continental U.S. Management, LLC,
a Texas limited liability company, on behalf of such limited liability company.



Juanita G. Mundy
Notary Public, State of Texas



AGENDA

ITEM

8

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 8

Title: Public Hearing to consider a Replat for a total of two lots legally described as Lots 1- 1R and Lots 1-1R2, BLOCK 1. Generally located northeast from the intersection of FM 407 and Boss Range Road.

Department: Administration

Contact: Matt Cyr, Director of Planning and Development

PZ Recommendation:

The Commission unanimously recommended approval on September 19, 2023.

Recommendation:

Staff has reviewed the application and recommends approval as presented based on the replat meeting all of the requisite regulations.

Background:

The Applicant is requesting a replat for the purpose adding water, sewer, and access easements. Also, the applicant is subdividing one-lot into two lots for a daycare and retail strip.

The ordinance requires a Public Hearing for all and any replats according to Chapter 52 of the code of ordinances. It also requires that a notice be sent out ten-days before the Planning and Zoning Commission and 15 days before the Council meeting. All of which Staff has fulfilled.

City Attorney Review: NA

Attachments:

1. P&Z Packet
2. Map
3. Supporting Documentation



PLANNING & ZONING COMMISSION MEETING

Staff Report
September 19, 2023

STAFF CONTACT: Matt Cyr, Director of Planning and Development Services

PROJECT: Consider and act upon a recommendation to City Council for a Replat for total of two lots legally described Lots 1- 1R and Lots 1-1R2, BLOCK 1. Generally located northeast from the intersection of FM 407 and Boss Range Road.

APPLICANT: Kiew Kam, Triangle Engineering

EXECUTIVE

SUMMARY: The Applicant is requesting a replat for the purpose adding water, sewer, and access easements. Also, the applicant is subdividing one-lot into two lots for a daycare and retail strip.

ACTION CONSIDERED:

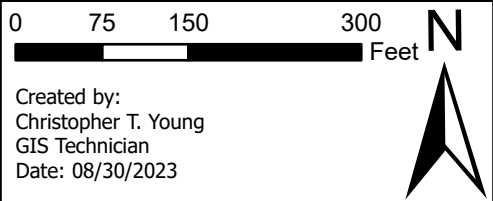
- 1) Make a recommendation to City Council to approve, approve with conditions, table with clarification and intent or deny.

STAFF RECOMMENDATION:

Staff has reviewed the application and recommends approval as presented based on the replat meeting all of the requisite regulations.

ATTACHMENTS:

- (A) Map
- (B) Supporting Documentation



Proposed Daycare Site Justin, TX

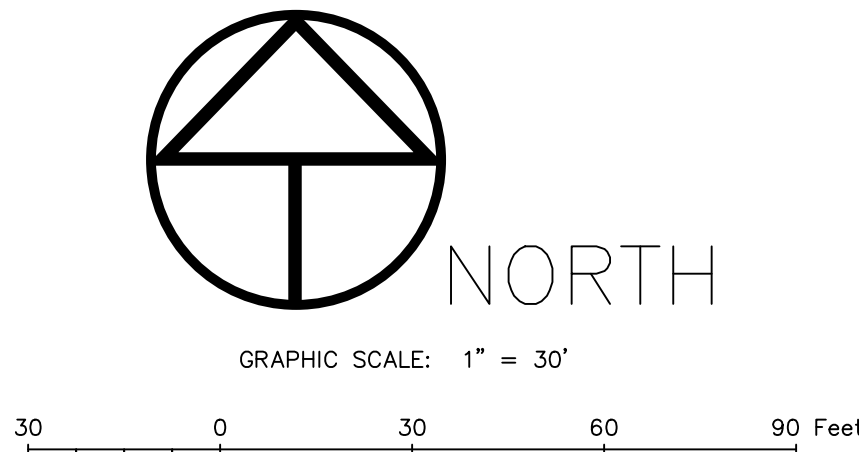
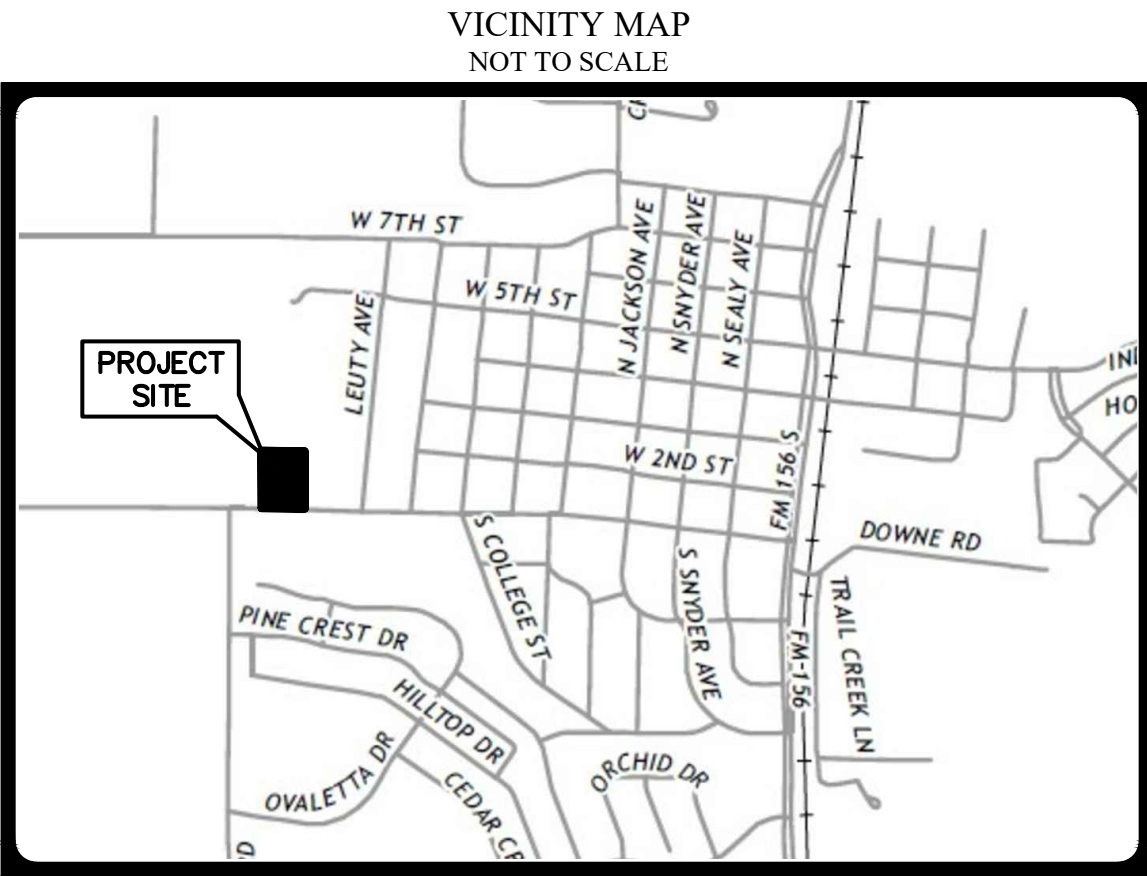
Legend



Proposed Daycare
Center



200ft Notice Radius



WATER EASEMENT LINE TABLE			
LINE	BEARING	DISTANCE	
W1	N 00°46'49" E	57.41'	
W2	N 89°13'11" W	10.00'	
W3	N 00°46'49" E	15.00'	
W4	S 89°13'11" E	10.00'	
W5	N 00°46'49" E	99.30'	
W6	N 45°46'49" E	6.43'	
W7	N 44°13'11" W	10.39'	
W8	N 00°46'49" E	21.39'	
W9	S 89°13'11" E	15.00'	
W10	S 00°46'49" W	15.18'	
W11	S 44°13'11" E	4.18'	
W12	N 45°46'49" E	8.68'	
W13	S 89°13'11" E	99.66'	
W14	S 44°13'11" E	26.72'	
W15	S 00°46'49" W	133.73'	
W16	S 45°42'12" W	22.14'	
W17	S 00°41'16" W	24.70'	
W18	N 89°13'11" W	15.00'	
W19	N 00°41'16" E	30.89'	
W20	N 45°42'12" E	22.16'	
W21	N 00°46'49" E	121.31'	
W22	N 44°13'11" W	14.29'	
W23	N 89°13'11" W	87.24'	
W24	S 45°46'49" W	17.68'	
W25	S 00°46'49" W	165.50'	
W26	N 89°13'11" W	15.00'	

EMERGENCY ACCESS EASEMENT LINE TABLE			
LINE	BEARING	DISTANCE	
A1	S 89°12'52" E	86.22'	
A2	N 00°47'08" E	64.50'	
A3	N 89°12'52" W	73.20'	
A4	N 00°47'08" E	24.00'	
A5	S 89°12'52" E	194.06'	
A6	N 00°16'01" W	68.52'	
A7	N 89°43'59" E	24.00'	
A8	S 00°16'01" E	99.56'	
A9	S 00°15'36" E	45.73'	
A10	S 00°47'08" W	90.39'	
A11	N 89°13'11" W	33.08'	
A12	N 89°12'52" W	178.77'	
A13	N 00°17'19" W	24.00'	
A14	S 00°47'08" W	64.50'	
A15	N 89°12'52" W	36.00'	
A16	N 00°47'08" E	64.50'	
A17	S 89°12'52" E	36.00'	

EMERGENCY ACCESS EASEMENT CURVE TABLE					
CURVE	RADIUS	DELTA	LENGTH	BEARING	CHORD
AC1	30.00'	90°00'00"	47.12'	N 45°47'08" E	42.43'
AC2	30.00'	90°00'00"	47.12'	N 44°12'52" W	42.43'
AC3	30.00'	91°03'09"	47.68'	N 45°15'34" E	42.81'
AC4	30.00'	35°19'08"	18.49'	S 17°55'35" E	18.20'
AC5	30.00'	43°05'05"	22.56'	S 22°19'41" W	22.03'
AC6	30.00'	54°05'12"	28.32'	S 45°17'05" W	27.28'
AC7	30.00'	71°33'02"	37.46'	N 53°26'21" W	35.08'
AC8	30.00'	90°00'00"	47.12'	S 44°12'52" E	42.43'
AC9	30.00'	90°00'00"	47.12'	S 45°47'08" W	42.43'
AC10	30.00'	90°00'00"	47.12'	N 44°12'52" W	42.43'
AC11	30.00'	90°00'00"	47.12'	N 45°47'08" E	42.43'

- LEGEND OF ABBREVIATIONS
- D.R.D.C.T. DEED RECORDS, DENTON COUNTY, TEXAS
 - O.P.R.D.C.T.OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS
 - P.R.D.C.T. PLAT RECORDS, DENTON COUNTY, TEXAS
 - IRS 1/2 INCH CAPPED REBAR STAMPED "WINDROSE" SET
 - C.M. CONTROLLING MONUMENT
 - SQ. FT. SQUARE FEET
 - AC. ACRES
 - DOC. NO. DOCUMENT NUMBER
 - VOL. VOLUME
 - PG. PAGE

- SURVEYOR'S NOTES:
- Bearings and distances are based on Texas State Plane Coordinate System, Texas North Central Zone 4202 North American Datum of 1983 (NAD 83) (U.S. Foot) with a combined scale factor of 1.00015063.
 - Subject property is shown on the national flood insurance program flood insurance rate map for Denton County, Texas and incorporated areas, map no. 48121C0485G, community-panel no. 480778, effective date: April 18, 2011. All of the subject property is shown to be located in zone "X" unshaded on said map
 - Notice: Selling a portion of this addition by metes and bounds is a violation of City subdivision ordinance and state platting statutes and is subject to fines and withholding of utilities and building certificates.
 - The purpose of this plat is to create two lots from a portion of a platted lot.
 - This plat does not attempt to alter or remove existing deed restrictions or covenants, if any,on this property.
 - Any fencing or screening wall shall be maintained by the property owner.
 - A cross access agreement must be supplied to the City before approval of the site plan.

66H PROPERTIES, LLC
DOC. NO. 2022-106540, O.P.R.D.C.T.

BLUE NATIVE INVESTMENTS, LLC
DOC. NO. 2017-67065, O.P.R.D.C.T.

STATE OF TEXAS §
COUNTY OF DENTON §

This is to certify that I, Mark N. Peeples, a Registered Professional Land Surveyor of the State of Texas, have platted the subdivision from an actual survey on the ground, and that this plat correctly represents that survey made by me or under my direction and supervision.

Mark N. Peeples, R.P.L.S.
No. 6443

STATE OF TEXAS §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Mark N. Peeples, 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.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____ 20_____.

Notary Public in and for the State of Texas

STATE OF TEXAS §
COUNTY OF DENTON §

WHEREAS ARKA JUSTIN INVESTMENTS LLC, acting by and through the undersigned, its duly authorized agent, is the sole owner of a tract of land situated in the J.R. Wilson survey, abstract number (no.) 1359, City of Justin, Denton County, Texas, according to the deed recorded in document number 2022-157767, Official Public Records of Denton County, Texas, and being more particularly described as follows:

Being a part of LOT 1, BLOCK 1, MAGNUM III ADDITION, PHASE I, an addition to the city of Justin, Denton County, Texas, according to the map or plat thereof recorded in Cabinet (CABINET) E, page (pg.) 64, Plat Records of Denton County, Texas(P.R.D.C.T.), same being all of that tract of land described to ARKA Justin Investments LLC In special warranty deed recorded in document(doc.) no. 2022-157767, Official Public Records of Denton County, Texas (O.P.R.D.C.T.), and being more particularly described by metes and bounds as follows, (bearings and distances are based on the state plane coordinate system, Texas North Central Zone (4202) North American Datum 83 (NAD83)(US Foot) with a combined scale factor of 1.00015063):

Beginning at a 3/8-inch rebar found for the southeast corner of a tract of land described to Randall Lee Haddock in special warranty deed recorded in doc. No. 2011-19529, O.P.R.D.C.T. and the southwest corner of said LOT 1, said point lying on the north right-of-way line of F.M. Road 407 (variable width right-of-way);

Thence, north 00 degrees 17 minutes 19 seconds west, with the east line of said Randall Lee Haddock tract and the west line of said lot 1, a distance of 358.84 feet to a 1/2-inch rebar found for the southwest corner of a tract of land described to The Rock Church Of Justin in special warranty deed recorded in doc. No. 2011-106213, O.P.R.D.C.T. and the northwest corner of said LOT 1;

Thence, south 89 degrees 13 minutes 11 seconds east, with the south line of said The Rock Church Of Justin tract and the north line of said LOT 1, a distance of 270.03 feet to a capped 1/2 inch rebar stamped "Parkhill 6889" found for the northeast corner of said ARKA Justin Investments tract;

Thence, south 00 degrees 15 minutes 36 seconds east, with the east line of said ARKA Justin Investments tract, a distance of 358.84 feet to a 1/2-inch rebar found bears south 11 degrees 58 minutes west, 0.2 feet on the south line of said LOT 1 for the southeast corner of said ARKA Justin Investments tract, said point lying on the north right-of-way of said F.M. Road 407;

Thence, north 89 degrees 13 minutes 11 seconds west, with the north right-of-way of said F.M. Road 407 and the south line of said LOT 1, a distance of 269.85 feet to a to the point of beginning and containing 2.2233 acres or 96,849 square feet of land, more or less.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS

THAT ARKA JUSTIN INVESTMENTS LLC, do hereby adopt this plat designating the herein described property as **MAGNUM III ADDITION, PHASE I**, in the City of Justin, Denton County, Texas and does hereby dedicate to the public use forever in fee simple, the streets, rights-of-way and public easement shown hereon.

ARKA JUSTIN INVESTMENTS LLC

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____ 20_____.

Notary Public in and for the State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____ 20_____.

Notary Public in and for the State of Texas

Approved by the Planning and Zoning Commission Date _____

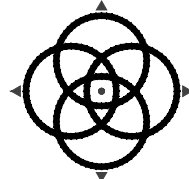
Chair, Planning and Zoning Commission

Attest: City Secretary

Approved by the City Council Date _____

Mayor, City of Justin

Attest: City Secretary



WINDROSE
LAND SURVEYING | PLATTING

1955 LAKEWAY DRIVE, SUITE 220 | LEWISVILLE, TX 75057 | 214.217.2544
FIRM REGISTRATION NO. 10194331 | WINDROSESERVICES.COM

DRAWN BY: S.J. DATE: 07/05/2023 CHECKED BY: M.N.P. JOB NO.: D58671

Point of Contact:
Stephen Salcido
972-370-5871

stephen.salcido@windroseservices.com
Last Revision Date: 8-1-2023

ENGINEER

TRIANGLE ENGINEERING LLC
1782 W. McDermott Drive
Allen, TX 75013

OWNER/DEVELOPER

ARKA JUSTIN INVESTMENTS LLC
250 W Lancaster Ave, Ste. 170,
Fort Worth, TX 76102

REPLAT
MAGNUM III ADDITION, PHASE I
Lots 1-1R and 1-R2, Block 1,
Being a revision of Lot 1, Block 1
of **MAGNUM III ADDITION, PHASE I**,
an addition to the City of Justin
as recorded in Cabinet E, Page 64,
Plat Records, Denton County, Texas
City of Justin, Denton County, Texas

- 2023 -

CITY CASE NO:

FOR DENTON COUNTY USE ONLY

AGENDA

ITEM

9

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 9

Title: Consider approving a work order authorization with New Gen for the amount up to \$60,000 for the purpose of compiling rates to be in compliance with HB3492 and to conduct an indirect cost allocation model.

Department: Administration

Contact: Matt Cyr, Director of Planning and Development Services; Josh Armstrong, Finance Director

Recommendation: Staff recommends approval.

Background:

According to H.B. 3492 and a report that was submitted to City Council on August 22, 2023, the Texas State Legislature requires all municipalities to provide actual costs instead of percentage-based costs (i.e. 6%). After the bill was passed and shortly after it became effective, Staff researched multiple ways that were permitted by H.B. 3492.

NewGen Strategies and Solutions, LLC has submitted a comprehensive proposal to the City of Justin, Texas, offering assistance in revising Public Infrastructure Review Fees (PIRF) in accordance with the recently passed H.B. 3492 requirements and completing the Indirect Cost Allocation Model (ICAM) for FY 2024. The study is divided into two phases for efficiency.

Phase I involves data collection and focuses on determining direct costs and measurable indirect costs for PIRF. NewGen plans to present interim results for City Council's consideration in December 2023. This will help Staff charge developers in accordance with H.B. 3492.

Phase II runs concurrently with Phase I, involving finalizing ICAM and updating PIRF with verified indirect costs. NewGen proposes using the Step Method for cost allocation, ensuring accuracy. By March 15, 2024, they aim to provide the City with comprehensive results, facilitating budget planning for the fiscal year. This helps the City recover reimbursement costs when dealing with other agencies.

The work plan includes tasks such as data requests, kick-off meetings, departmental interviews, identification of direct and indirect costs, determination of cost allocations, and creating a summary matrix of costs and allocation factors. NewGen commits to a cost not exceeding \$60,000, with additional on-site meetings possible at the City's direction.

City Attorney Review: Yes

Attachments:

1. Contract Proposal
2. H.B. 3492



275 W Campbell Road
Suite 440
Richardson, TX 75080
Phone: (972) 680-2000

September 29, 2023

Josh Armstrong, Finance Director
Matt Cyr, Director of Planning and Development
City of Justin, Texas
P.O. Box 129
Justin, TX 76247

Re: Public Infrastructure Fee Review and Indirect Cost Allocation Model

Dear Mr. Armstrong and Mr. Cyr:

NewGen Strategies and Solutions, LLC (NewGen or Project Team) is pleased to have this opportunity to propose our assistance to the City of Justin (City) to complete analysis around revisions to Public Infrastructure Review Fees (PIRF) responsive to H.B. 3492 requirements recently passed by the Texas Legislature 88th Regular Session and to complete its Indirect Cost Allocation Model (ICAM) for FY 2024. We refer to both tasks collectively as the Study. We understand H.B. 3492 requires some urgency for the City to revise its fees for the review, processing, and inspection costs related to public infrastructure projects on an ongoing basis. To expedite the City's compliance, NewGen proposes to complete this Study in two phases.

- **Phase I** will include data collection for the entire Study but will focus on determining all direct costs and measurable indirect costs for the PIRF by the end of November so City Council may consider revising its rates in the first meeting of December 2023.
- **Phase II** efforts will run concurrently with Phase I, including finalizing the ICAM and including the completed indirect costs from the ICAM in a revised PIRF for completion by March 15, 2024. Both the ICAM and PIRF could then be considered and/or revised in April 2024 or as part of the FY 2025 budget process.

Among the reasons NewGen is uniquely and best qualified to perform this engagement are the following:

Experience Working with the City – Members of NewGen's Project Team already have experience working with the City and its Management Team.

Real World Experience – Our chosen Project Manager, Matthew Garrett, is a former municipal Finance Director, enabling our Project Team to better understand the unique intricacies of municipal financial planning and the varying impacts of fast paced development for a broad range of departments and funds.

Local Expertise – NewGen's Project Team includes not only two owners of NewGen, but also our elite team of seven consultants primarily serving our Richardson office.

The balance of this proposal details our planned approach to completing both Phases, and we welcome the opportunity to revise the tasks or overall approach to align with City objectives.

We greatly value our relationship with the City and look forward to helping you solve these current and pressing challenges!

Mr. Josh Armstrong and Mr. Matt Cyr

September 29, 2023

Page 2

Scope of Services

Phased Approach

NewGen proposes to complete this Study in two phases, as outlined below.

Phase I – Direct Public Infrastructure Review Fees (PIRF)

The first phase is recommended solely to achieve the goal of having recommendations for PIRF that meet H.B. 3492 requirements as soon as possible. NewGen will work with City Staff, and possibly coordinate with the City's legal counsel as requested, to ensure the costs included and assumptions made are within the requirements of this new law.

Through data collected and interviews of key staff who manage and perform the various reviews, NewGen will assemble all the directly identifiable costs and make this interim result available for City staff and City Council to consider and possibly act on new PIRFs in December 2023. NewGen will be available to present at the December 2023 City Council meeting, if desired.

Phase II – Indirect Cost Allocation Model (ICAM) and Total Revised PIRF

The second phase allows more time for NewGen to finalize the ICAM and update PIRF with those newly verified indirect costs. The goal of NewGen's ICAM will be to ensure the City is able to account for the true cost of providing services, including methods of identifying and distributing administrative overhead costs that are fair, comprehensive, well-documented, and defensible. Once complete, NewGen and the City can properly identify overhead rates that can be used in the calculation of billable hourly rates for the total, revised PIRF.

In conducting the study, the Project Team proposes to use the Step Method, also known as the Double-Step Method, of allocation. In our opinion, this method provides the greatest accuracy in allocation relative to the cost of development and administration. This will create a City-wide full cost allocation plan based on budget expenditures to allocate the costs of the City's administrative support services operations to all City departments and funds.

Phase II is expected to be complete with NewGen's results provided to the City by March 15, 2024, for inclusion in budget planning. Following staff review and edits, NewGen will finalize the ICAM in Excel and make it available to the City for its future use. NewGen will also revise the PIRF and present ICAM and/or PIRF results to City Council, if desired, in April 2024.

Work Plan

The work plan outlined below includes tasks expected to complete the entire Study, including Phase I and Phase II. We will work with the City prior to commencement of the study to refine as needed the scope and objectives of this project, ensure our scope is clearly articulated and understood by all, and is responsive to the City's needs and circumstances.

Unless specifically requested by the City, all meetings discussed throughout the work plan may take place virtually. NewGen utilizes a variety of tools to conduct virtual meetings and will work with the City to determine the best technology platform for all parties.

Mr. Josh Armstrong and Mr. Matt Cyr

September 29, 2023

Page 3

Task 1 — Initiation of Data Request

The Project Team will develop an initial data request that we will need to adequately conduct the Study. After receiving the information requested, we will work with the City to schedule a kick-off meeting.

The data provided in this task will provide the building blocks for later model development, identification of key financial and organizational data sources, and development of logical bases to utilize in the allocation process. From conversation, it is clear the City has a firm understanding of the inputs required, but we've listed a small sample of typical data requests below.

Our request may include (but is not limited to):

- Detailed budget and accounting data;
- Prior year's financial data, salary, position and staffing data;
- Organizational structure, including reporting relationships if available;
- Prior cost allocation plan and/or user fee documentation and models; and,
- Data related to various allocation bases that may be incorporated as part of the methodology, i.e., City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.

Task 2 — Project Kick-off Meeting

After receiving the information requested, the Project Team will work with the City to schedule a kick-off meeting. The primary reason for the kick-off meeting is to allow the key Project Team consultants and participants from the City to be introduced and lay the general framework for how the Study will be conducted. This meeting will allow for the Project Team to discuss and clarify the information gathered in Task 1.

Task 3 — Department Head/Key Staff Interviews

To ensure that Project Team members fully understand the processes and operations of each of the City's Departments and the activities conducted for which fees are charged, Project Team members will conduct video conference meetings with the Director of each of the City's major departments, and other departmental employees as deemed appropriate by the Directors. These interviews will consist of informal conversations in which the Project Team will seek to understand the department's operations, appropriateness of prior allocation methods and specific budgeted program responsibilities to establish the most appropriate cost causal allocation factors.

Given the timeliness of PIRF revisions, NewGen will make sure the initial focus is on those functions and may delve deeper into administrative functions for the ICAM such as HR and Finance after all PIRF details are gathered.

Task 4 — Identification of Direct and Indirect Costs

Upon completion of the department head interviews, the Project Team will identify the direct and indirect costs provided by each department or program as required. During this process, the Project Team will ensure that no direct costs will be included as indirect costs and vice versa in the allocation process.

Specific to Phase I of the PIRF, NewGen will focus primarily on direct PIRF costs and expand into more indirect cost assignment in Phase II.

Mr. Josh Armstrong and Mr. Matt Cyr

September 29, 2023

Page 4

Task 5 – Determination of Cost Allocations

Specific conversations will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology. NewGen’s Project Team will identify and determine the most appropriate cost allocation factor for each of the department’s/program’s budget.

Task 6 – Summary Matrix of Costs and Cost Allocation Factors

Once the appropriate cost allocation factors have been identified, the Project Team will develop a summary matrix, illustrating a summary of the expenditures for each “Service Department” and the total amounts allocated to and across each “End-User Department.”

PIRF results will be presented as hourly rates by position for the estimated actual direct time of an employee to review, process, and inspect improvements to or construction of public infrastructure.

Task 7 – Finalize Cost Allocation Model with Letter Report

The Project Team will present the findings to the City’s management group and ensure that these individuals have enough time to address their concerns and/or questions. The Project Team will also make a presentation to Department Personnel and/or City Council, if requested.

Cost Proposal

Based on the scope of services outlined above, NewGen guarantees the cost to complete the Study, inclusive of both the PIRF and ICAM, and delivery of the model for future City use will not exceed **\$60,000, inclusive of expenses**. This pricing reflects up to two (2) on-site meetings for City Council, but additional on-site meetings may be conducted at City direction provided at time and expense.

It is our understanding that the City of Justin may desire to utilize NewGen’s HGACBuy contracting mechanism for which NewGen was selected through a competitive procurement process with HGACBuy (Contract ID HP08-21). This contract award allows governmental entities nationwide to contract directly with NewGen for consulting services, such as the ones requested by the City of Justin.

NewGen invoices its clients monthly for actual services performed plus out-of-pocket expenses incurred at cost. Payment is due within thirty days of the invoice date. NewGen’s current hourly billing rates under contract with HGACBuy, are as follows:

NewGen Strategies and Solutions HGACBuy Billing Rates	
Position	Hourly Billing Rate
President	\$345
Director / Executive Consultant	\$220 - \$360
Consultant	\$120 - \$220
Admin / Corporate Services	\$120

Mr. Josh Armstrong and Mr. Matt Cyr

September 29, 2023

Page 5

All payments made under this engagement should be remitted to:

NewGen Strategies and Solutions, LLC
275 W. Campbell Road, Suite 440
Richardson, Texas 75080

In executing this letter, you agree that the services rendered by NewGen will be performed in accordance with instructions or specifications as specified in this letter and will be provided with the degree of skill and judgment exercised by recognized professionals performing services of similar nature and consistent with the applicable industry best practices. You further agree that compensation for services rendered will be provided to NewGen regardless of the final outcome of the engagement.

Again, NewGen thanks you for the opportunity to propose our assistance once again to the City of Justin. If this letter is in agreement with your understanding of the scope of services to be provided and the terms and conditions are acceptable, please execute one copy of this letter and return to our Richardson, Texas office. If you and/or your staff should have any questions regarding this letter and/or require additional information, please contact me at (972) 675-7699 or mgarrett@newgenstrategies.net.

Very truly yours,

NewGen Strategies and Solutions

DocuSigned by:

B23EEBEF79E64D1...
Matthew B. Garrett
Managing Partner

Public Infrastructure Fee Review and Indirect Cost Allocation Model Study (Not-to-Exceed \$60,000)

City of Justin, Texas

Signature: _____ Name: _____

Title: _____ Date: _____



Bill Text: TX HB3492 | 2023-2024 | 88th Legislature | Enrolled Texas House Bill 3492 (*Adjourned Sine Die*)

Bill Title: Relating to county and municipal authority to impose certain value-based fees and require disclosure of certain information related to subdivision construction.

Spectrum: Partisan Bill (Republican 2-0)

Status: (*Passed*) 2023-06-10 - Effective on 9/1/23 [HB3492 Detail]

Download: [Texas-2023-HB3492-Enrolled.html](#)

H.B. No. 3492

AN ACT

relating to county and municipal authority to impose certain value-based fees and require disclosure of certain information related to subdivision construction.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 212, Local Government Code, is amended by adding Section 212.906 to read as follows:

Sec. 212.906. CERTAIN VALUE-BASED FEES AND DISCLOSURE OF CERTAIN INFORMATION PROHIBITED. (a) This section applies only to an application, review, engineering, inspection, acceptance, administrative, or other fee imposed by a municipality related to the acceptance, review, or processing of engineering or construction plans or for the inspection of improvements for construction of a subdivision or lot or a related improvement associated with or required in conjunction with that construction.

(b) A municipality may not consider the cost of constructing or improving the public infrastructure for a subdivision, lot, or related property development in determining the amount of a fee subject to this section. The municipality shall determine the fee by considering the municipality's actual cost to, as applicable, review and process the engineering or construction plan or to inspect the public infrastructure improvement.

(c) In determining the municipality's actual cost for reviewing and processing an engineering or construction plan or inspecting a public infrastructure improvement under Subsection (b), a municipality may consider:

(1) the fee that would be charged by a qualified,

independent third-party entity for those services;

.(2) the hourly rate for the estimated actual direct time of the municipality's employees performing those services; or

.(3) the actual costs assessed to the municipality by a third-party entity that provides those services to the municipality.

.(d) A municipality may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling or the public infrastructure improvements for a subdivision, lot, or related property development as a condition of obtaining approval for subdivision construction or for the acceptance of those public infrastructure improvements except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

.(e) A municipality that imposes a fee for reviewing or processing an engineering or construction plan or inspecting a public infrastructure improvement shall annually publish the fee and the hourly rate and estimated direct time incurred by municipal employees for a fee calculated under Subsection (c)(2). The municipality must publish the information:

.(1) on the municipality's Internet website; or

.(2) if the municipality does not maintain an Internet website, in a newspaper of general circulation in the county in which the municipality is primarily located.

SECTION 2. Chapter 232, Local Government Code, is amended by adding Subchapter Z to read as follows:

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 232.901. CERTAIN VALUE-BASED FEES AND DISCLOSURE OF CERTAIN INFORMATION PROHIBITED. (a) This section applies only to an application, review, engineering, inspection, acceptance, administrative, or other fee imposed by a county related to the acceptance, review, or processing of engineering or construction plans or for the inspection of improvements for construction in a subdivision or a related improvement associated with or required in conjunction with that construction.

.(b) A county may not consider the cost of constructing or improving the public infrastructure for a subdivision, lot, or related property development in determining the amount of a fee subject to this section. The county shall determine the fee by considering the county's actual cost to, as applicable, review and process the engineering or construction plan or to inspect the public infrastructure improvement.

.(c) In determining the county's actual cost for reviewing and processing an engineering or construction plan or inspecting a public infrastructure improvement under Subsection (b), a county may consider:

.(1) the fee that would be charged by a qualified, independent third-party entity for those services;

(2) the hourly rate for the estimated actual direct time of the county's employees performing those services; or

(3) the actual costs assessed to the county by a third-party entity that provides those services to the county.

(d) A county may not require the disclosure of information related to the value of or cost of constructing or improving a residential dwelling or the public infrastructure improvements for a subdivision, lot, or related property development as a condition of obtaining approval for subdivision construction or for the acceptance of those public infrastructure improvements except as required by the Federal Emergency Management Agency for participation in the National Flood Insurance Program.

(e) A county that imposes a fee for reviewing or processing an engineering or construction plan or inspecting a public infrastructure improvement shall annually publish the fee and the hourly rate and estimated direct time incurred by county employees for a fee calculated under Subsection (c)(2). The county must publish the information:

(1) on the county's Internet website; or

(2) if the county does not maintain an Internet website, in a newspaper of general circulation in the county.

SECTION 3. The changes in law made by this Act apply only to a fee subject to Section 212.906 or 232.901, Local Government Code, as added by this Act, assessed by a county or municipality on or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 3492 was passed by the House on May 2, 2023, by the following vote: Yeas 142, Nays 3, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3492 was passed by the Senate on May 19, 2023, by the following vote: Yeas 23, Nays 8.

Secretary of the Senate

APPROVED: _____

Date

Governor

AGENDA

ITEM

10

City Council Meeting

October 12, 2023

Justin City Hall, 415 North College Street

City Council Cover Sheet

Agenda Item: 10

Title: Consider and take appropriate action regarding a Utility Rate Study.

Department: Administration

Contact: Josh Armstrong

Recommendation: Approve scenario number 3 directing staff to bring an updated fee schedule with new utility rates to City Council for implementation in January 2024.

Background: At the July 25 council meeting, the City Council was given a presentation from Chris Ekrut with NewGen Strategies & Solutions that provided updated analysis of the City's water and sewer rates. At that time, council was presented with two scenarios for consideration. On September 22, I sent out an email to council that proposed a third scenario for consideration, as well as the first two scenarios. That information has been included in your packet.

Chris Ekrut will be in attendance to answer any questions pertaining to the three scenarios.

City Attorney Review:

Attachments:

1. Justin Rate Study Presentation
2. Scenario 3 Handout
3. Scenario 3 Update
4. Rate Study Comparison



July 25, 2023

WATER AND SEWER RATE STUDY

CITY OF JUSTIN, TEXAS





IMPORTANCE OF LOCAL OFFICIALS IN UTILITY MANAGEMENT

Utilities operate like a business, though the product and/or service being sold is a vital resource shared by all members of the community.

The City Council must be able to address complex industry challenges including rising costs, aging infrastructure, and customer affordability.

The City Council must ensure the viability of the business by ensuring revenues match or exceed expenses and financial metrics are met.

KEY ISSUES

Financial Performance

- Capital Improvements
 - \$9 million in capital expenditures over the next 5 years
- Debt Service Coverage
 - Not projected to generate enough revenue to meet a 1x Debt Service Coverage Factor beginning in FY 2024
- Reserve
 - Projected negative Fund Balance by FY 2027 without an increase in rates
 - Concern about long-term reserve position
- Trinity River Authority (TRA) Sewer Treatment
 - \$2.36 million buy-in over 2 years
 - Increase in flow projected beginning FY 2027 resulting in large cost increases

KEY ISSUES

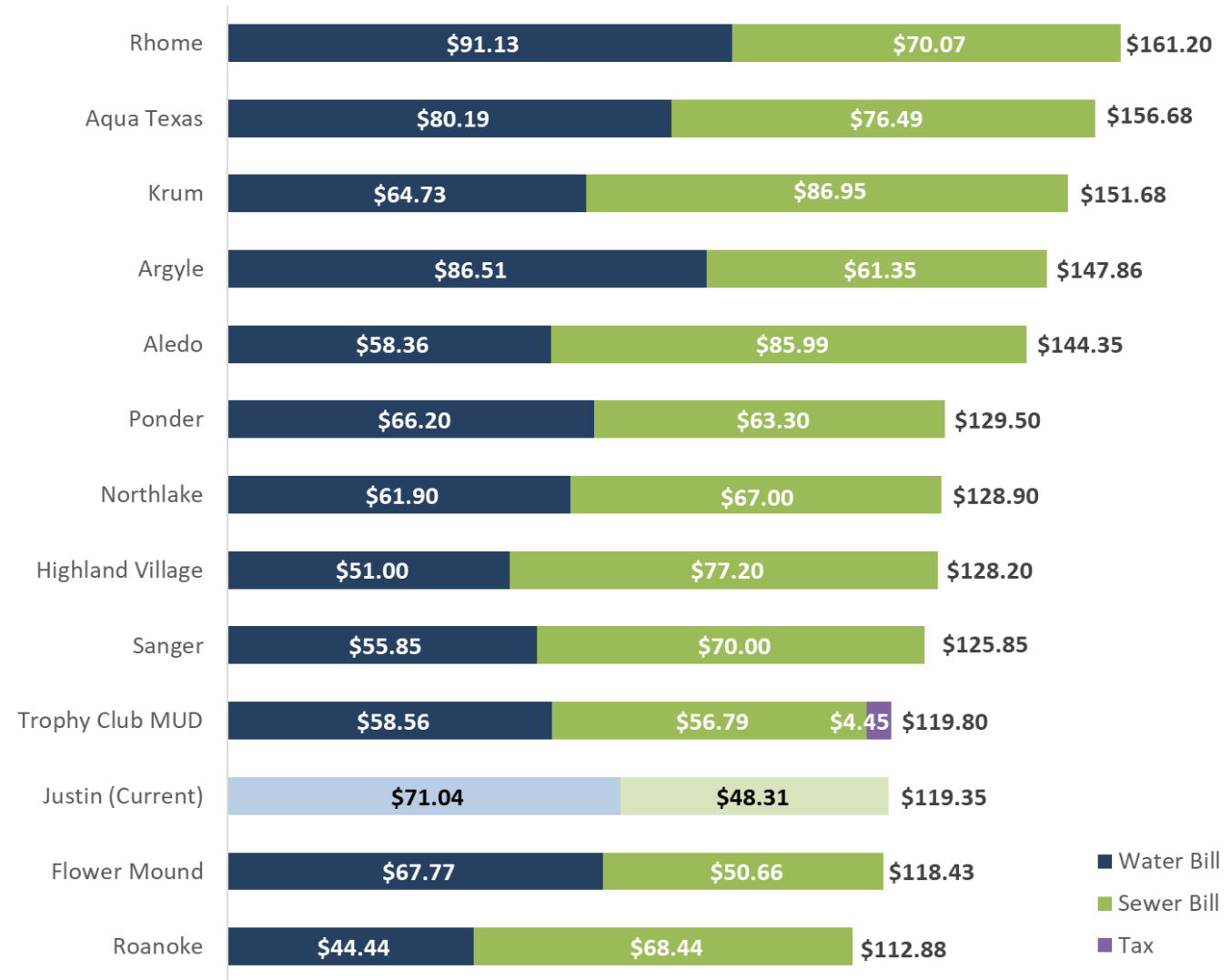
Rate Structure

- Water
 - Potentially increase the number of volumetric tiers in order to promote conservation
- Sewer
 - No proposed rate structure changes
- Last rate increase October 2022

COMBINED REGIONAL BILL COMPARISON

Residential 3/4"
8,000 gallons

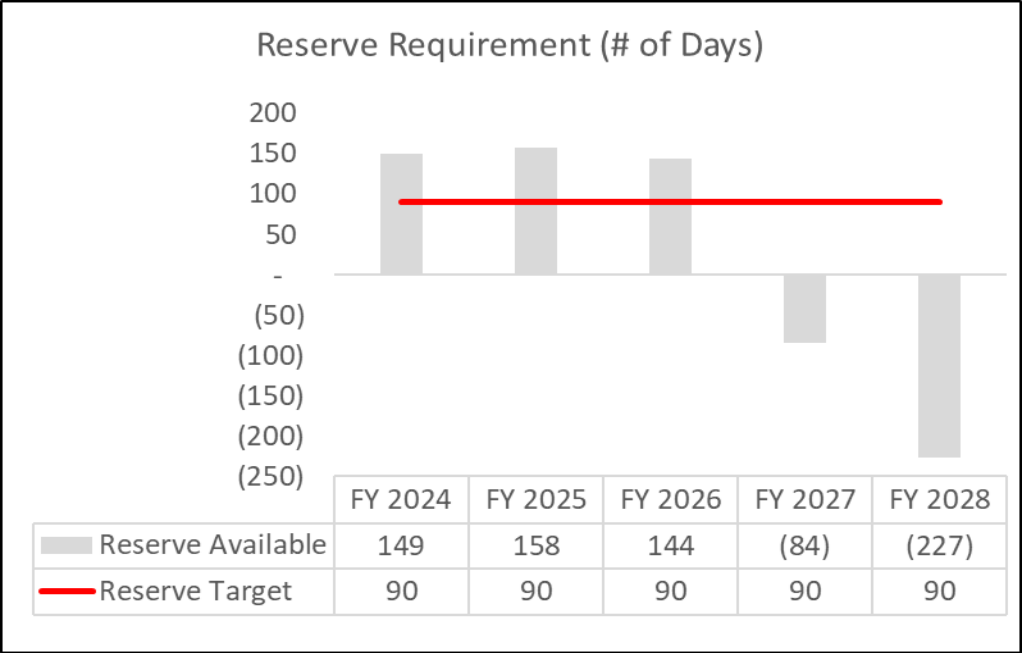
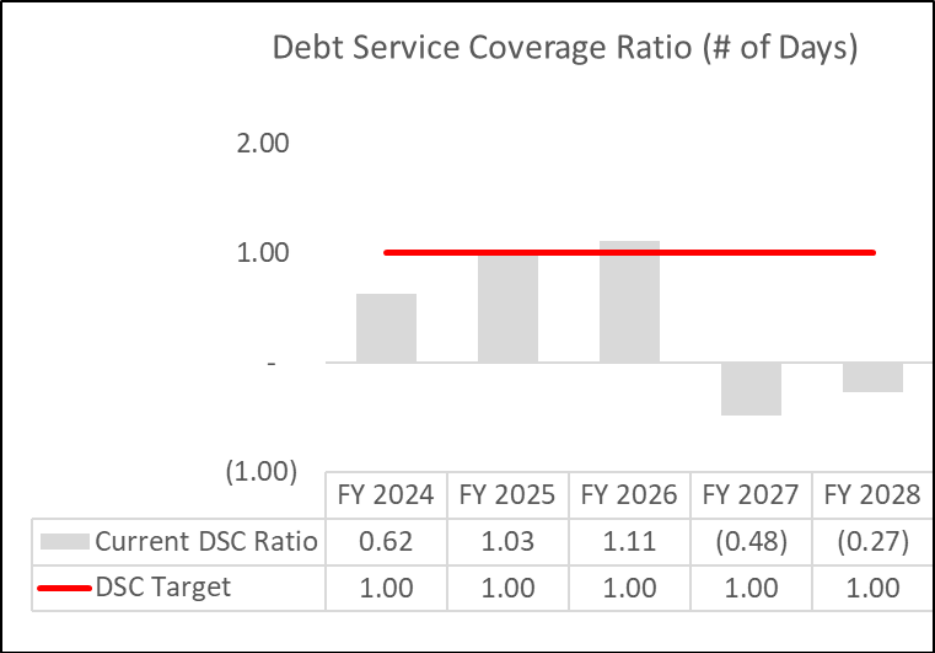
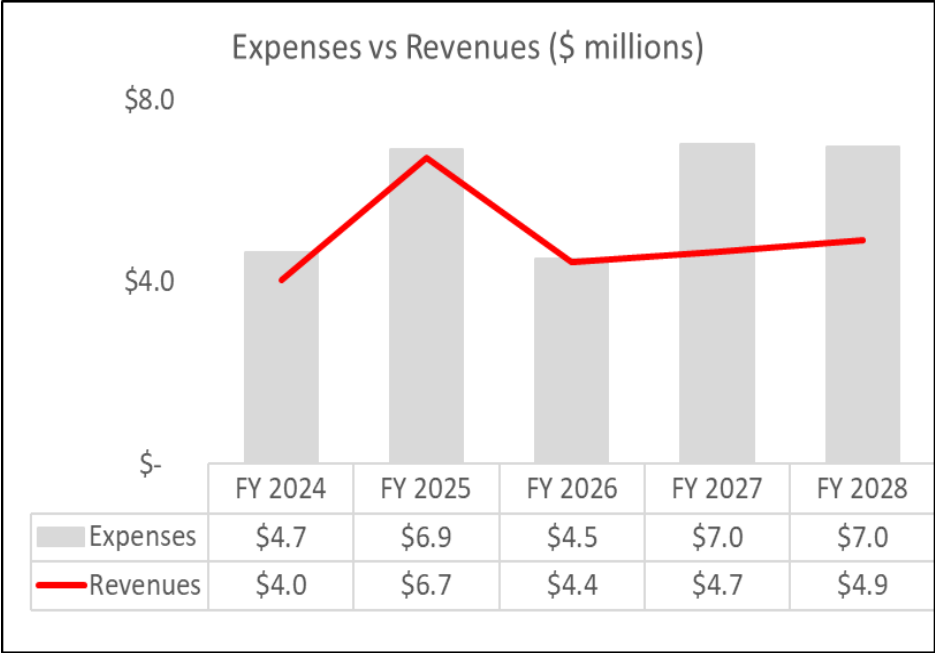
Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of May 2023



Notes:

- [1] The Cities of Justin, Aledo, Flower Mound Roanoke, Ponder, and Sanger include volumes in the minimum bill.
- [2] Aqua Texas includes all sewer volumes in the minimum bill.
- [3] Trophy Club MUD Tax based on average home value of \$322,000.
- [4] Annual average consumption = 8,000 gallons.

FUND
SUMMARY
UNDER
CURRENT
RATES



Notes:
[1] The large increase in costs and revenues in FY 2025 is due to SWIFT funding received to fund a large capital project.

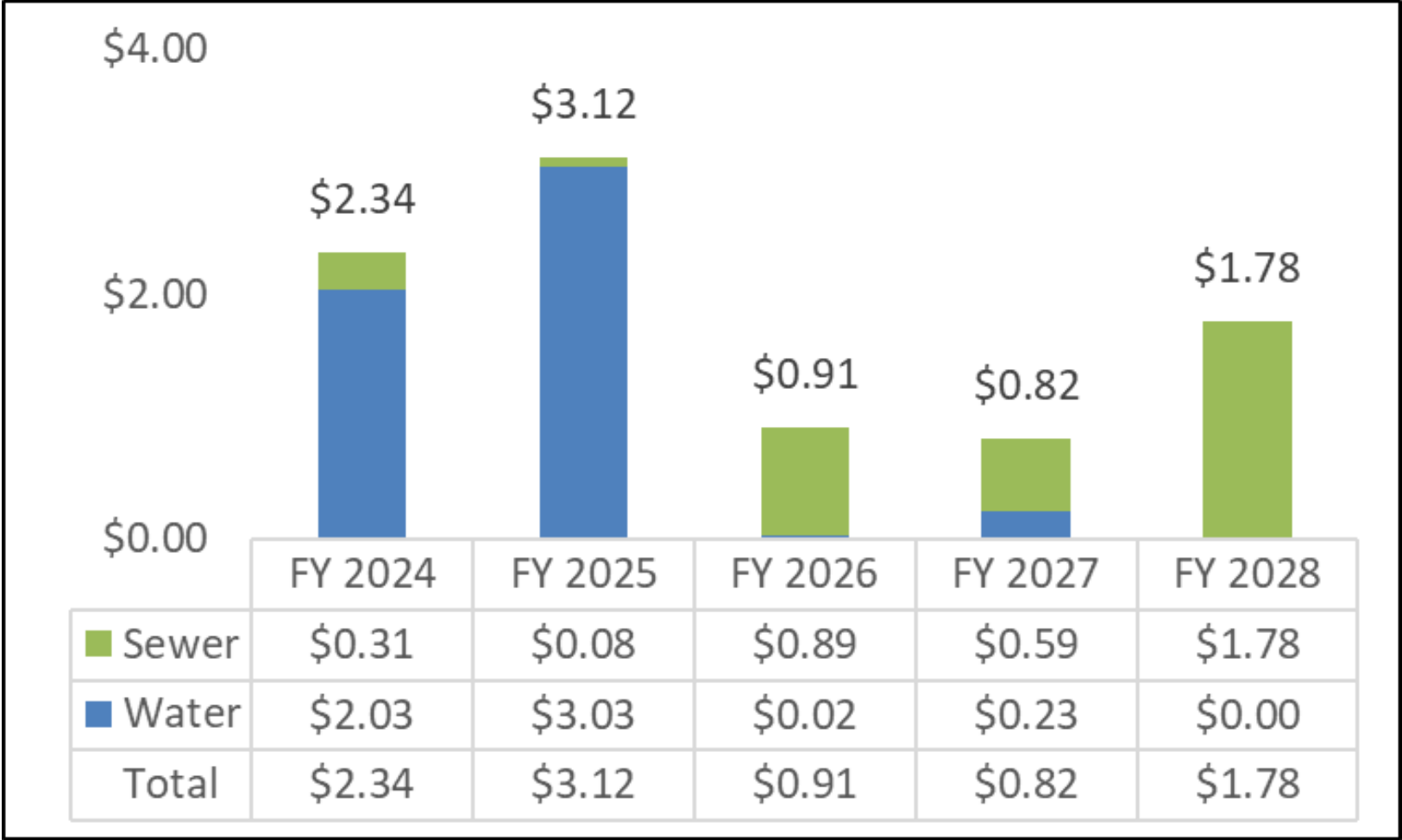
TRA SEWER TREATMENT COSTS

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Buy-In	\$1,648,343	\$709,207	\$ -	\$ -	\$ -	\$ -
O&M/Debt	76,584	123,111	141,386	136,119	2,805,901	2,643,768
Total	\$1,724,927	\$832,318	\$141,386	\$136,119	\$2,805,901	\$2,643,768

Note: Beginning in FY 2027, TRA treatment costs are an average of 66% of the total sewer expenses.

CAPITAL IMPROVEMENT PLAN

(\$ Millions)



Note: FY 2025 costs driven mainly by a \$2.8M SWIFT funded project.

CAPITAL IMPROVEMENT PLAN FUNDING

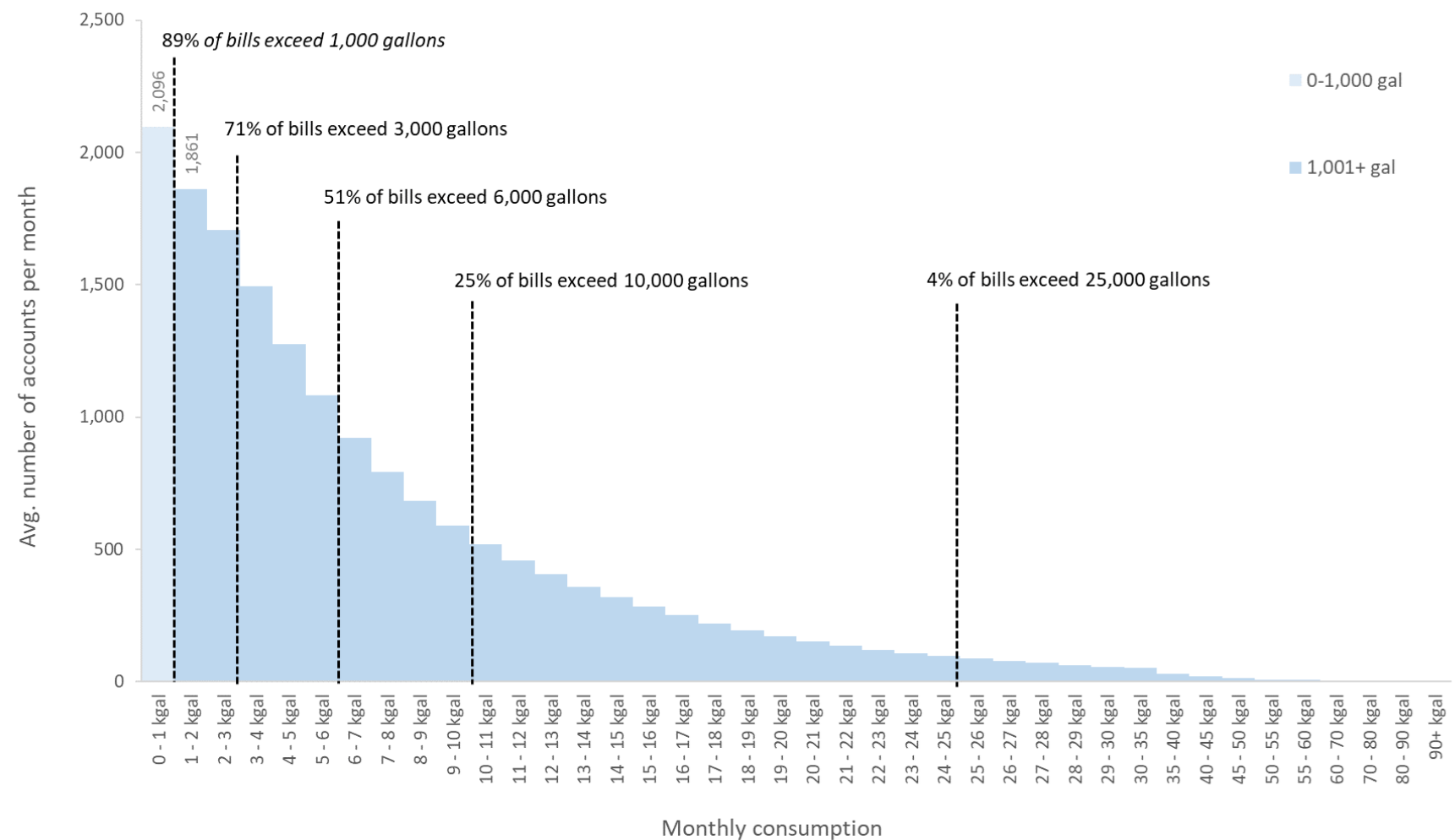
(\$ Millions)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL
Capital Project Funding						
Cash Funded through Rates	\$ -	\$2.50	\$ -	\$ -	\$ -	\$2.50
New Bonds	0.31	0.62	0.91	0.82	1.78	4.42
Impact Fees	2.03	-	-	-	-	2.03
Total Capital Projects	\$2.34	\$3.12	\$0.91	\$0.82	\$1.78	\$8.96
New Debt						
Principal	\$4.42	\$ -	\$ -	\$ -	\$ -	\$4.42
Interest Rate %	4.70%	5.20%	5.70%	6.20%	6.70%	
Term	20	20	20	20	20	
Annual P&I	\$0.35	\$ -	\$ -	\$ -	\$ -	\$0.35
Cumulative P&I	-	0.35	0.35	0.35	0.35	
Total Rate Funded Capital	\$ -	\$2.85	\$0.35	\$0.35	\$0.35	\$3.90

SCENARIO DESCRIPTIONS

- Scenario 1
 - Existing Rate Structure
 - Assuming 6% annual customer growth
- Scenario 2
 - Water
 - Inclining Block Water Rate Structure
 - Building up to 1.25x volumetric block differential by year 5
 - Sewer
 - Begin billing using winter averaging in FY 2025
 - Assuming 6% annual customer growth

FREQUENCY DISTRIBUTION



Monthly consumption	% of Customers
0 - 1 kgal	100.0%
1 - 2 kgal	88.8%
2 - 3 kgal	81.4%
3 - 4 kgal	71.3%
4 - 5 kgal	60.9%
5 - 6 kgal	51.7%
6 - 7 kgal	43.9%
7 - 8 kgal	37.8%
8 - 9 kgal	32.6%
9 - 10 kgal	28.2%
10 - 11 kgal	24.8%
11 - 12 kgal	21.9%
12 - 13 kgal	19.4%
13 - 14 kgal	17.2%
14 - 15 kgal	15.3%
15 - 16 kgal	13.6%
16 - 17 kgal	12.0%
17 - 18 kgal	10.5%
18 - 19 kgal	9.2%
19 - 20 kgal	8.2%
20 - 21 kgal	7.3%
21 - 22 kgal	6.5%
22 - 23 kgal	5.7%
23 - 24 kgal	5.1%
24 - 25 kgal	4.6%
25 - 26 kgal	4.2%
26 - 27 kgal	3.8%
27 - 28 kgal	3.4%
28 - 29 kgal	3.0%
29 - 30 kgal	2.7%

VOLUMETRIC TIERS - WATER

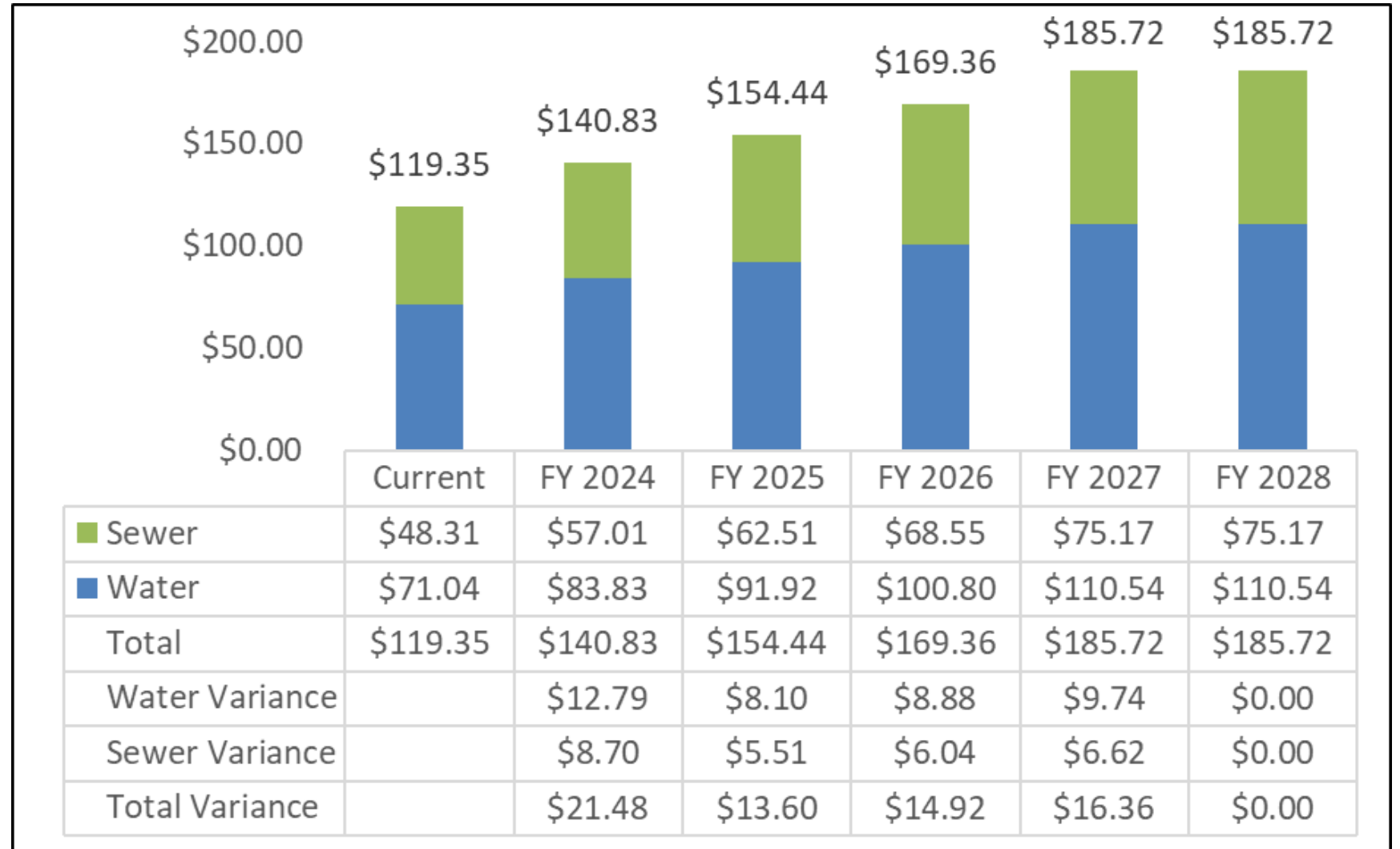
	Current	Proposed
Volumetric Tiers		
Tier 1	0 - 1,000	0 – 1,000
Tier 2	1,001 +	1,001 – 10,000
Tier 3		10,001 – 25,000
Tier 4		25,001+

RATE DESIGN OBJECTIVES

- Targeting break-even change in Fund Balance in FY 2024
- Annual rate increases target a Debt Service Coverage Ratio (DSCR) of 1 on a combined basis
 - Recommend City consider a 1.1x DSCR in the future but balance goal against customer affordability

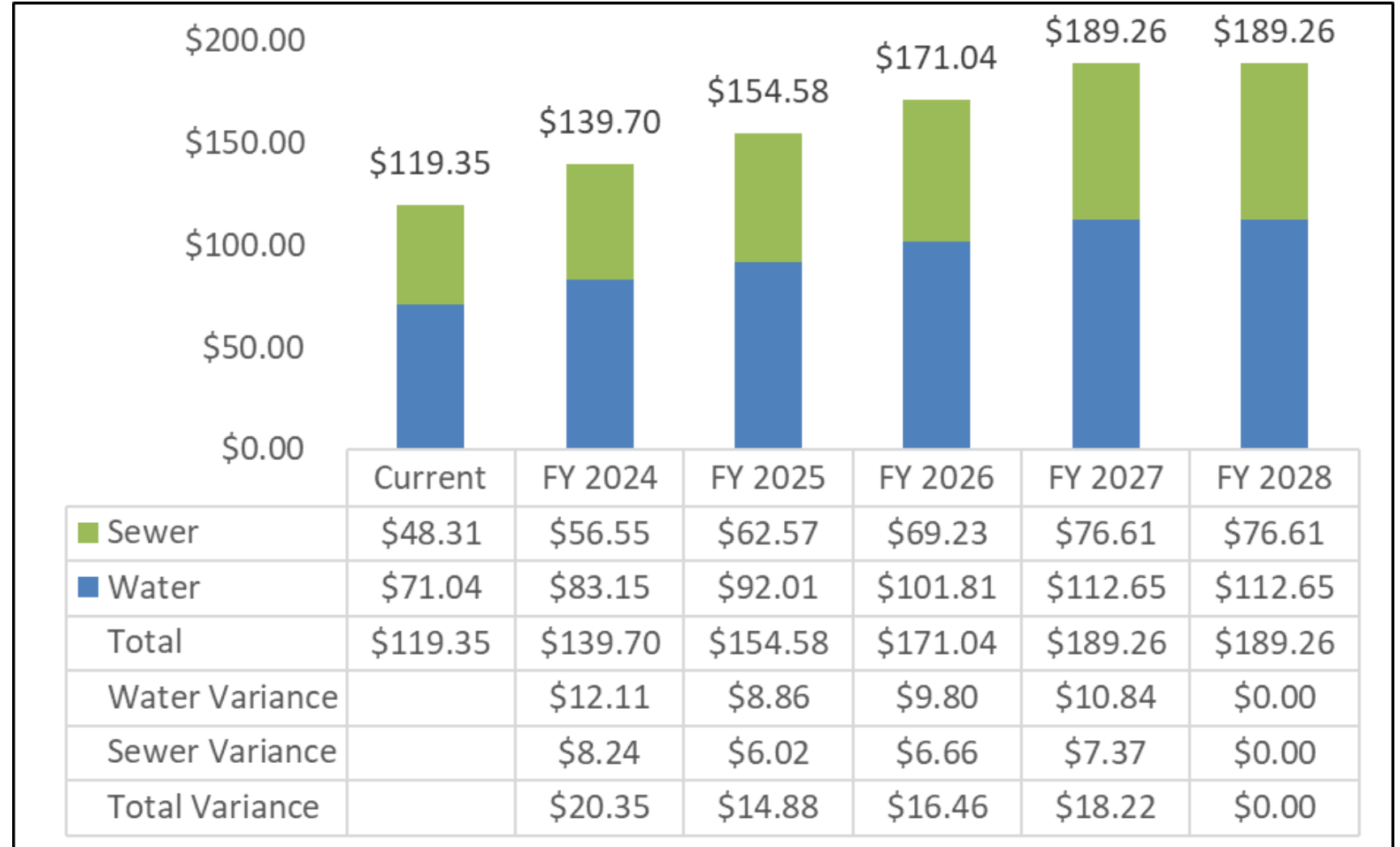
SCENARIO 1 - MONTHLY CUSTOMER BILL PROJECTION

Residential Inside ¾"
8,000 gallons



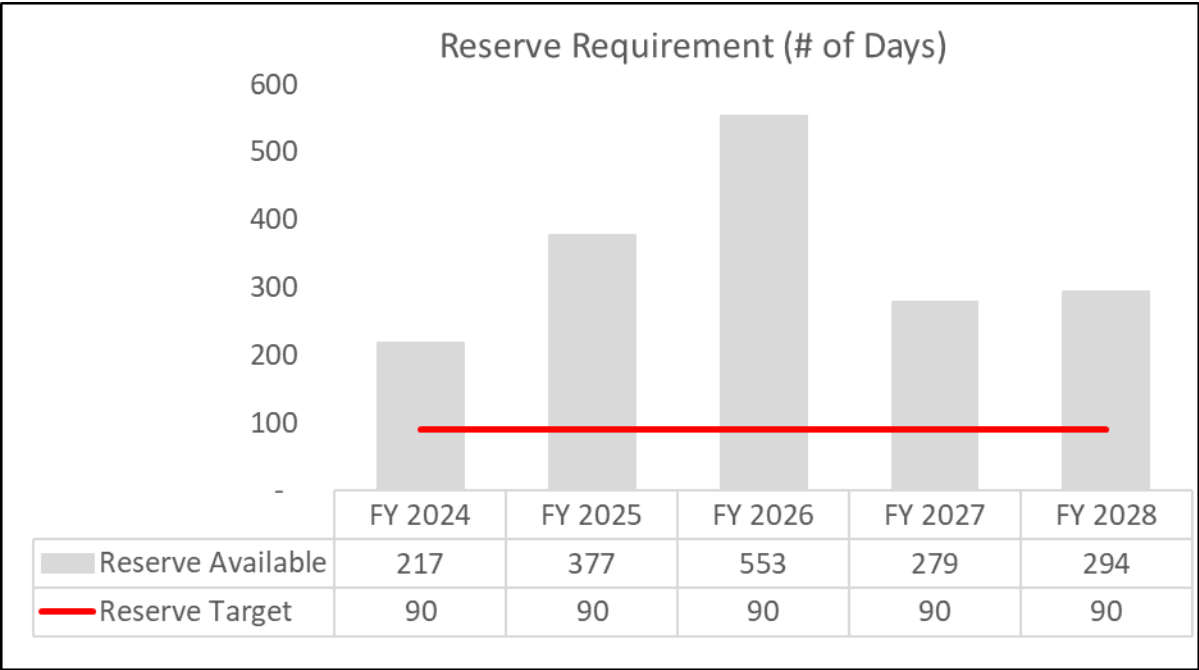
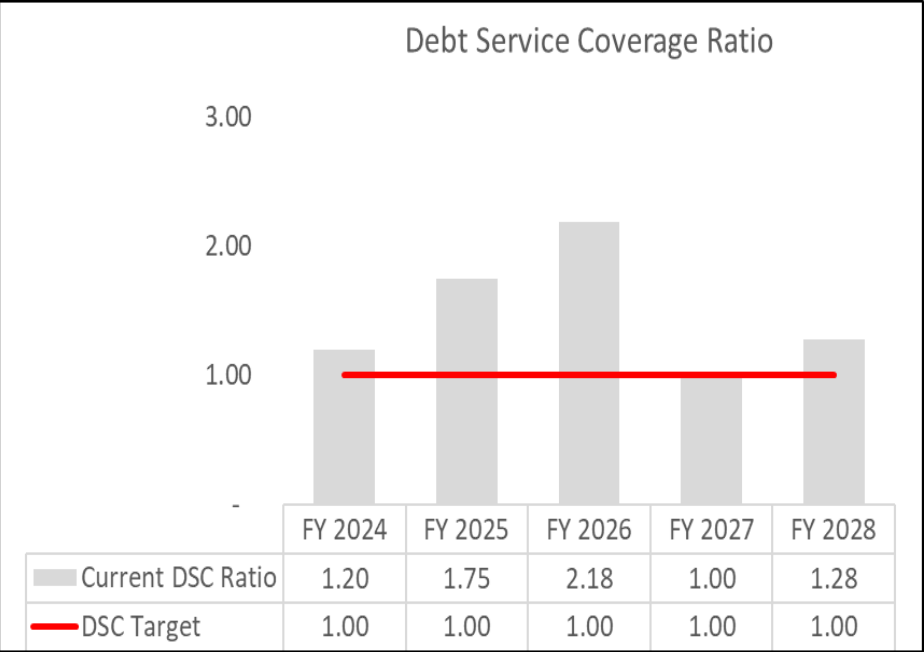
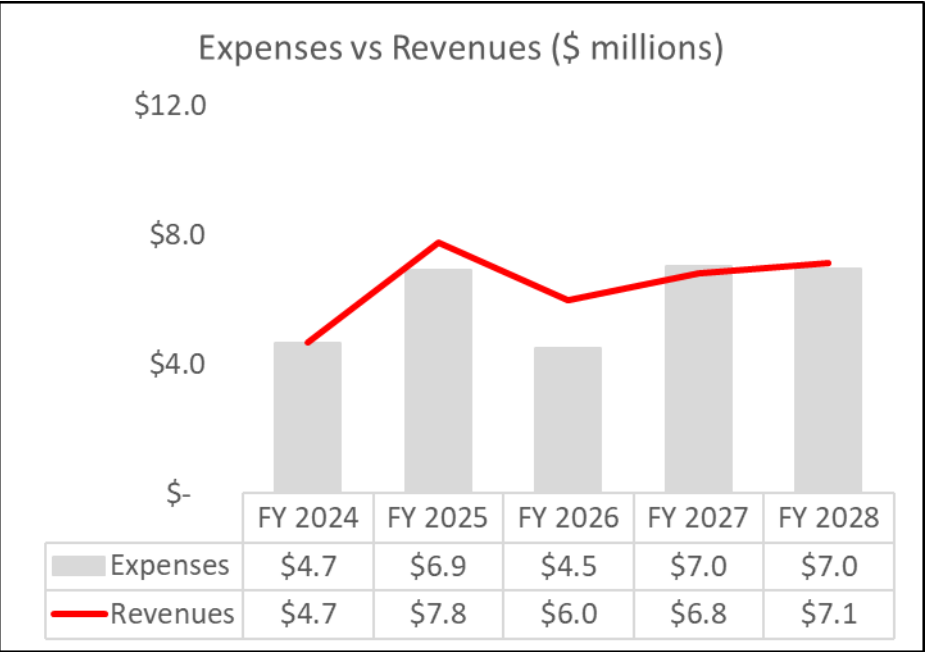
SCENARIO 2 - MONTHLY CUSTOMER BILL PROJECTION

Residential Inside ¾"
8,000 gallons



FUND SUMMARY UNDER PROJECTED RATES

Scenario 1 (\$ Millions)

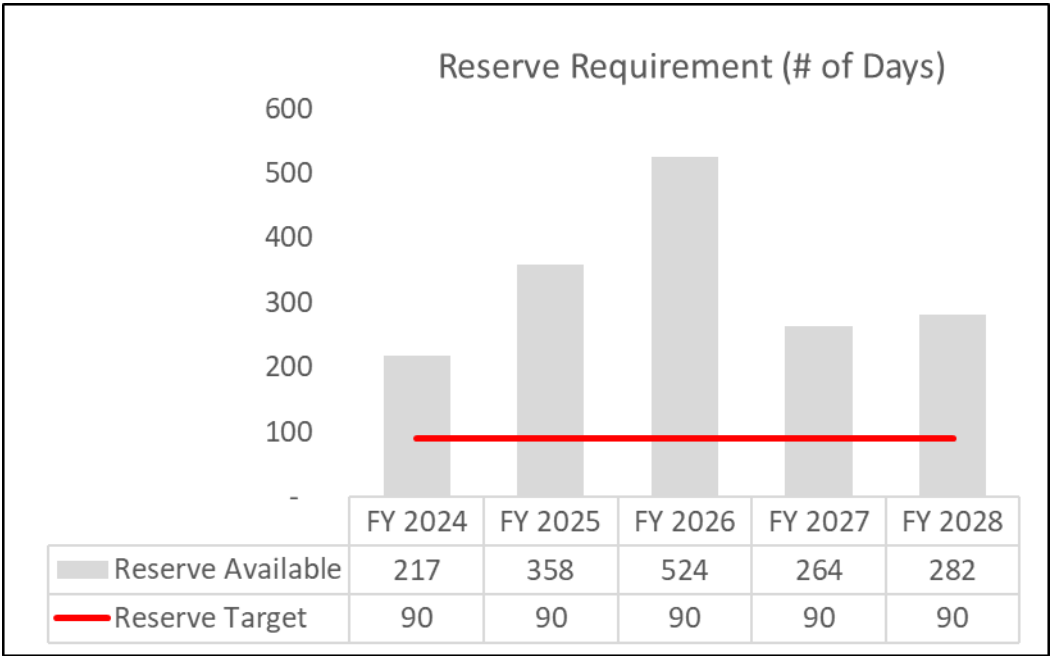
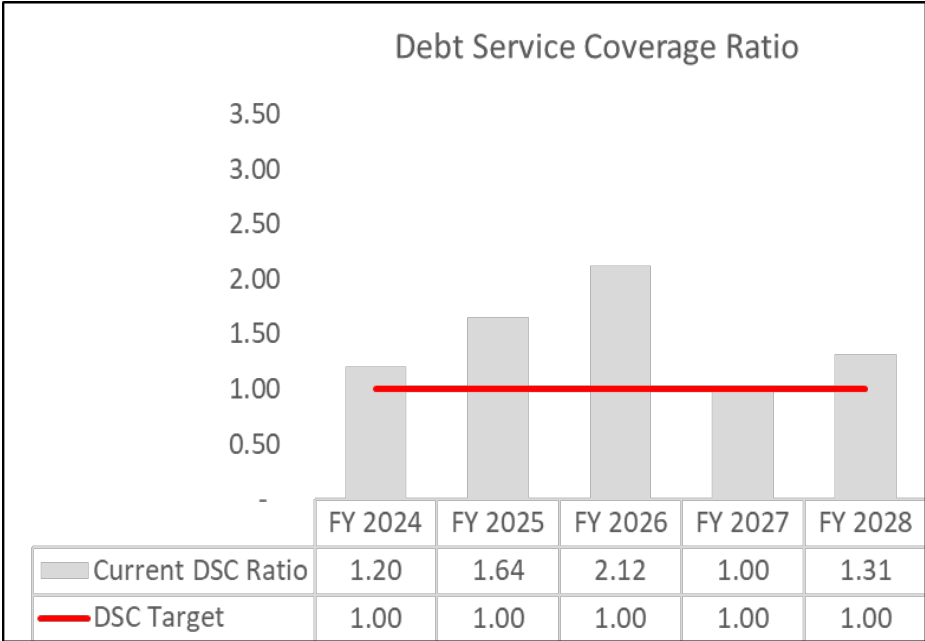
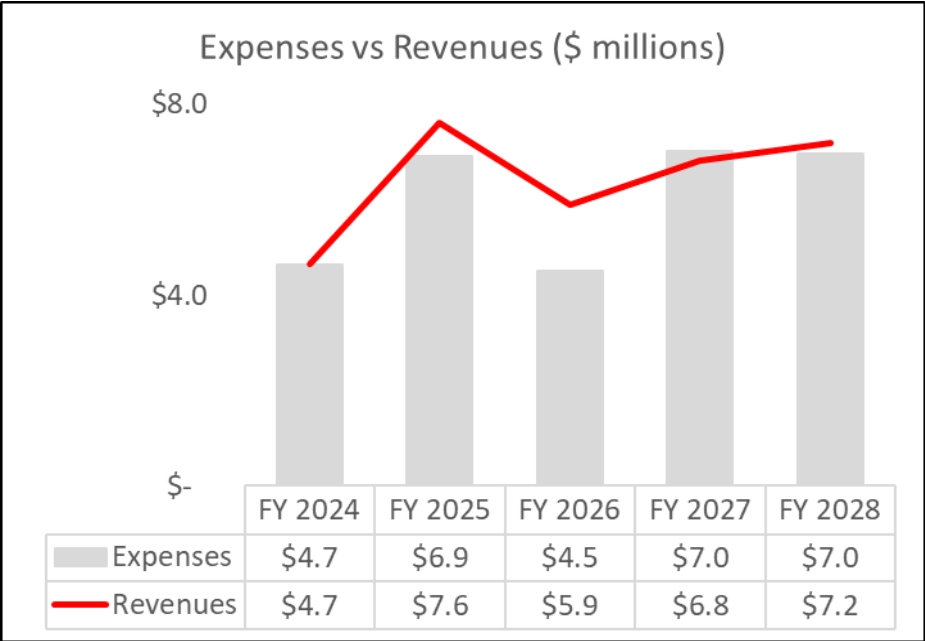


Notes:
[1] The large increase in costs and revenues in FY 2025 is due to SWIFT funding received to fund a large capital project.
[2] Increase in rate revenue is driving the FY 2026 increase in reserves. TRA sewer treatment costs reducing the reserve the following year.

FUND SUMMARY UNDER PROJECTED RATES

Scenario 2 (\$ Millions)

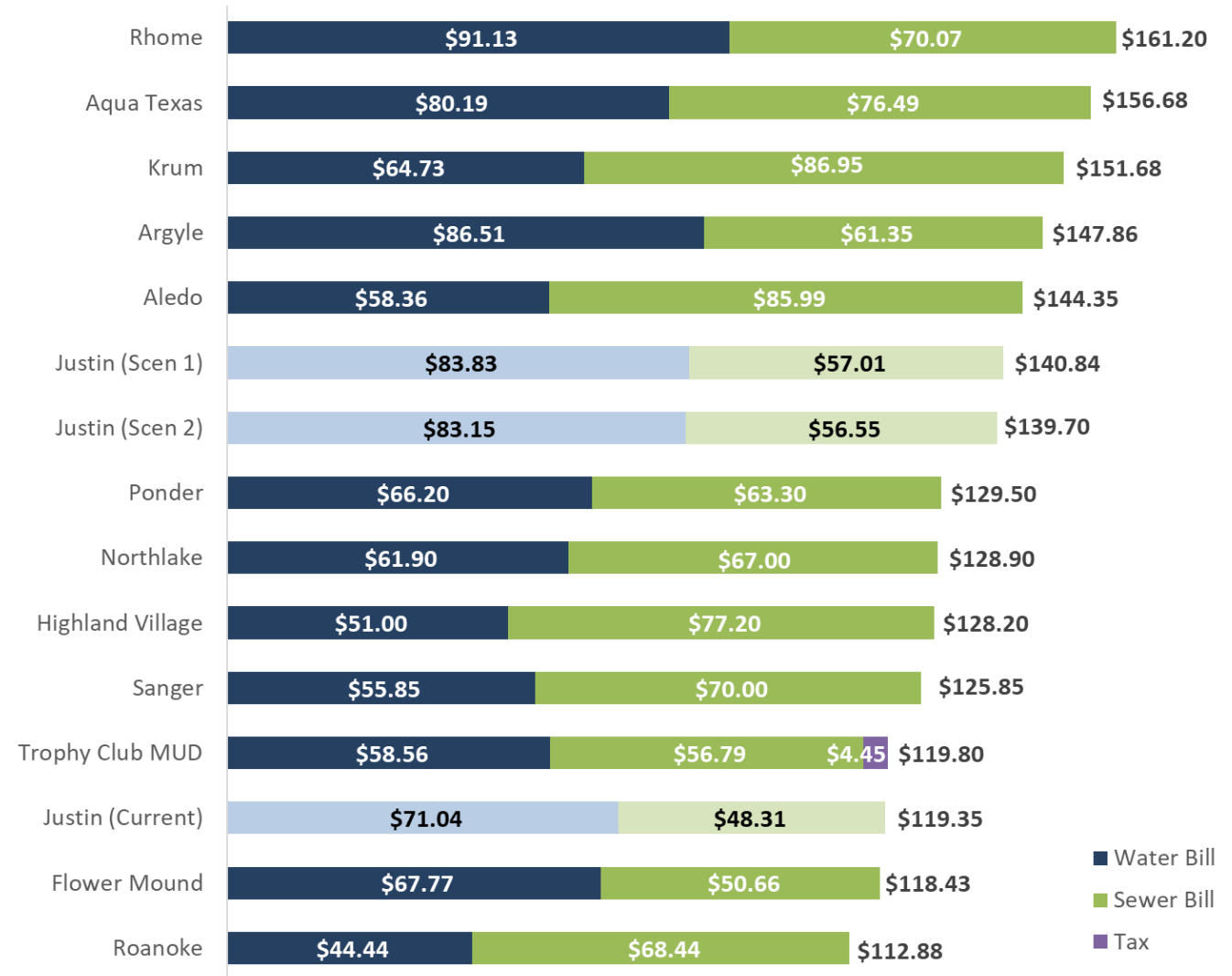
Notes:
[1] The large increase in costs and revenues in FY 2025 is due to SWIFT funding received to fund a large capital project.
[2] Increase in rate revenue is driving the FY 2026 increase in reserves. TRA sewer treatment costs reducing the reserve the following year.



COMBINED REGIONAL BILL COMPARISON

Residential 3/4"
8,000 gallons

Note: Comparison City rates utilized in the bill calculations were the publicly available rates as of May 2023



Notes:

- [1] The Cities of Justin, Aledo, Flower Mound Roanoke, Ponder, and Sanger include volumes in the minimum bill.
- [2] Aqua Texas includes all sewer volumes in the minimum bill.
- [3] Trophy Club MUD Tax based on average home value of \$322,000.
- [4] Annual average consumption = 8,000 gallons.



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

MATTHEW GARRETT
MANAGING PARTNER
(972) 675-7699
MGARRETT@NEWGENSTRATEGIES.NET

SUPPLEMENTAL INFORMATION

CAPITAL PLAN PROJECT DETAIL

(\$ Millions)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL
Atch. Lift Station Abandonment	\$ -	\$0.09	\$ -	\$ -	\$ -	\$0.09
Industrial Water Main Replacement	0.01	0.14	-	-	-	0.15
Hardeman Circle Water Main Replacement	0.60	-	-	-	-	0.60
12th st. Water Main Replacement	0.29	-	-	-	-	0.29
Creekhill Way Water Main Replacement	-	-	0.02	0.23	-	0.25
S. College Ave. & Allen Sewer Main Rehab	-	-	-	0.10	0.98	1.08
Holloway Lift Station Force Main Rehab	0.31	-	-	-	-	0.31
Old Town Sewer Rehab Phase 1 Part 2	-	-	-	-	-	-
Old Town Sewer Rehab Phase 2	-	0.04	0.42	-	-	0.46
Old Town Sewer Rehab Phase 3	-	0.04	0.43	-	-	0.47
Old Town Sewer Rehab Phase 4	-	-	0.04	0.43	-	0.47
Old Town Sewer Rehab Phase 5	-	-	-	0.07	0.80	0.87
Eastside Water Loop	1.12	-	-	-	-	1.12
Lift Station Rehab Phase 2	-	-	-	-	-	-
AMR Smart Water Meter Replacement	-	-	-	-	-	-
Ground Storage Tank & Pump Station	-	-	-	-	-	-
SWIFT Phase 2 Part 2	-	2.80	-	-	-	2.80
TOTAL	\$2.34	\$3.12	\$0.91	\$0.82	\$1.78	\$8.96

SCENARIO 1 – PROJECTED RATES

SCENARIO 1 - WATER RATE DESIGN

All Classes

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
3/4"	2,142	\$28.62	\$33.77	\$37.03	\$40.61	\$44.53	\$44.53
1"	5	47.69	56.27	61.71	67.67	74.21	74.21
1.5"	0	95.40	112.57	123.45	135.37	148.45	148.45
2"	1	152.63	180.10	197.50	216.58	237.50	237.50
Volumetric Rates (per kGal)							
0 - 1,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001 +		6.06	7.15	7.84	8.60	9.43	9.43

SCENARIO 1 - SEWER RATE DESIGN

Residential

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
All Connections	2,016	\$22.67	\$26.75	\$29.33	\$32.17	\$35.28	\$35.28
Volumetric Rates (per kGal)							
0 – 2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001 – 6,000		6.41	7.56	8.29	9.10	9.97	9.97
6,001+		-	-	-	-	-	-

Note: Residential billed flow is capped at 6,000 gallons.

SCENARIO 1 - SEWER RATE DESIGN

Commercial

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
All Connections	2,016	\$22.67	\$26.75	\$29.33	\$32.17	\$35.28	\$35.28
Volumetric Rates (per kGal)							
0 – 2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001+		6.41	7.56	8.29	9.10	9.97	9.97

SCENARIO 2 – PROJECTED RATES

SCENARIO 2 - WATER RATE DESIGN

All Classes

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
3/4"	2,142	\$28.62	\$33.50	\$37.07	\$41.02	\$45.38	\$45.38
1"	5	47.69	55.82	61.77	68.34	75.62	75.62
1.5"	0	95.40	111.67	123.56	136.72	151.28	151.28
2"	1	152.63	178.65	197.68	218.73	242.03	242.03
Volumetric Rates (per kGal)							
0 - 1,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001 - 10,000		6.06	7.09	7.85	8.68	9.61	9.61
10,001 - 25,000		6.06	7.45	8.63	9.99	11.53	12.01
25,001+		6.06	7.82	9.50	11.49	13.84	15.01

SCENARIO 2 - SEWER RATE DESIGN

Residential

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
All Connections	2,016	\$22.67	\$26.54	\$29.36	\$32.49	\$35.95	\$35.95
Volumetric Rates (per kGal)							
0 – 2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001 – 6,000		6.41	7.50	8.30	9.19	10.16	10.16
6,001+		-	-	-	-	-	-

Notes: Residential billed flow is capped at 6,000 gallons.

SCENARIO 2 - SEWER RATE DESIGN

Commercial

	# of Accts	Current	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Minimum Monthly Fee							
All Connections	141	\$22.67	\$26.54	\$29.36	\$32.49	\$35.95	\$35.95
Volumetric Rates (per kGal)							
0 – 2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001+		6.41	7.50	8.30	9.19	10.16	10.16



Revenue Requirement

Scenario 3

DIVISION	ACCOUNT #	BUDGET FY 2023	ADJUSTMENTS ¹	ADJUSTED BUDGET FY 2023	2024	2025	2026	2027	2028
REVENUES									
	Water Sales	\$2,050,000	(\$2,050,000)	\$0	\$0	\$0	\$0	\$0	\$0
	Sewer Sales	1,200,000	(1,200,000)	-	-	-	-	-	-
	Other Revenue	1,433,000	(296,000)	1,137,000	558,549	3,081,392	605,604	631,270	658,475
TOTAL REVENUES		\$4,683,000	(\$3,546,000)	\$1,137,000	\$558,549	\$3,081,392	\$605,604	\$631,270	\$658,475
EXPENSES									
	PERSONNEL	\$782,753	\$0	\$782,753	\$807,987	\$833,961	\$860,770	\$888,440	\$917,000
	PURCHASED/CONTRACTUAL SERVICES	150,900	-	150,900	157,160	163,716	171,683	125,765	131,300
	WATER PURCHASES	925,000	-	925,000	982,246	1,026,187	1,074,034	1,128,163	1,176,784
	TRA SEWER TREATMENT	-	1,724,927	1,724,927	832,318	141,386	136,119	2,805,901	2,643,768
	SUPPLIES	288,450	-	288,450	294,213	300,188	306,787	281,831	287,885
	OTHER O&M	515,100	(250,000)	265,100	283,600	292,480	301,762	134,996	137,858
	CAPITAL OUTLAYS	507,671	25,000	532,671	212,493	217,470	222,607	227,909	233,382
	EXISTING DEBT	-	1,082,164	1,082,164	1,081,358	1,087,606	1,088,110	1,092,520	1,091,097
	PROJECTED DEBT	-	-	-	-	346,001	346,001	346,001	346,001
	CASH CAPITAL (CIP)	-	-	-	88,470	2,588,470	88,470	88,470	88,470
TOTAL EXPENSES		\$3,169,874	\$1,499,927	\$5,751,965	\$4,739,845	\$6,997,466	\$4,596,342	\$7,119,995	\$7,053,543
TOTAL REVENUE REQUIREMENT		(\$1,513,126)	\$5,045,927	\$4,614,965	\$4,181,296	\$3,916,074	\$3,990,738	\$6,488,726	\$6,395,068



Revenue Requirement

Scenario 3

DIVISION	ACCOUNT #	BUDGET FY 2023	ADJUSTMENTS ¹	ADJUSTED BUDGET FY 2023	2024	2025	2026	2027	2028
Projected Revenue Under Current Rates									
Retail				\$ 3,308,686	\$ 3,476,957	\$ 3,479,327	\$ 3,657,836	\$ 3,847,056	\$ 4,047,629
Over/ (Under) Recovery (\$)				(1,306,279)	(704,339)	(436,747)	(332,902)	(2,641,670)	(2,347,439)
Over/ (Under) Recovery (%)				-39.5%	-20.3%	-12.6%	-9.1%	-68.7%	-58.0%
Projected Revenue Under Projected Rates									
Retail				\$ 3,308,686	\$ 4,181,396	\$ 4,598,856	\$ 5,329,287	\$ 6,179,056	\$ 6,582,192
Over/ (Under) Recovery (\$)				(1,306,279)	101	682,782	1,338,549	(309,670)	187,124
Over/ (Under) Recovery (%)				-39.5%	0.0%	14.8%	25.1%	-5.0%	2.8%

Notes:

- ¹Adjustments:
- a. Removed water and sewer sales revenues as the model will project them (\$3.25M)
 - b. Removed Garbage sales revenues (\$296k)
 - c. Added new TRA expense (\$1.7M)
 - d. Removed Garbage expenses (\$250k)
 - e. Added Existing debt P&I (\$1.1M)
 - f. Increased Capital Outlays per CIP - Old Town Sewer Rehab Phase 1 Part 2 (\$25k)
 - g. Sewer O&M expenses adjusted in FY 2027 based on engineer's estimate of costs that will be reduced or eliminated due to the transition to sewer treatment by TRA.



Capital Improvement Plan

Scenario 3

Project Description	Projected Cost Estimate>>>					
	2024	2025	2026	2027	2028	Total
Atch. Lift Station Abandonment	\$ -	\$ 94,000	\$ -	\$ -	\$ -	\$ 94,000.00
Industrial Water Main Replacement	14,000	140,000	-	-	-	154,000
Hardeman Circle Water Main Replacement	600,000	-	-	-	-	600,000
12th st. Water Main Replacement	291,000	-	-	-	-	291,000
Creekhill Way Water Main Replacement	-	-	20,000	225,000	-	245,000
S. College Ave. & Allen Sewer Main Rehab	-	-	-	98,000	980,000	1,078,000
Holloway Lift Station Force Main Rehab	312,000	-	-	-	-	312,000
Old Town Sewer Rehab Phase 2	-	42,000	420,000	-	-	462,000
Old Town Sewer Rehab Phase 3	-	42,000	425,000	-	-	467,000
Old Town Sewer Rehab Phase 4	-	-	42,000	425,000	-	467,000
Old Town Sewer Rehab Phase 5	-	-	-	70,000	795,000	865,000
Eastside Water Loop	1,122,900	-	-	-	-	1,122,900
SWIFT Phase 2 Part 2	-	2,800,000	-	-	-	2,800,000
Vac Truck	88,470	88,470	88,470	88,470	88,470	442,350
TOTAL	\$ 2,428,370	\$ 3,206,470	\$ 995,470	\$ 906,470	\$ 1,863,470	\$ 9,400,250
Total CIP Funding						
Cash	\$ 88,470	\$ 2,588,470	\$ 88,470	\$ 88,470	\$ 88,470	\$ 2,942,350
Bond	305,000	618,000	907,000	818,000	1,775,000	4,423,000
Impact Fees	2,034,900	-	-	-	-	2,034,900
TOTAL	\$ 2,428,370	\$ 3,206,470	\$ 995,470	\$ 906,470	\$ 1,863,470	\$ 9,400,250
Projected Debt						
Principal	\$ 4,423,000	\$ -	\$ -	\$ -	\$ -	
Interest	4.70%	5.20%	5.70%	6.20%	6.70%	
Term	20	20	20	20	20	
Annual Payment ¹	\$346,001	\$0	\$0	\$0	\$0	
Cumulative Payment		\$346,001	\$346,001	\$346,001	\$346,001	



Fund Balance Summary Under Current Rates

Scenario 3

FINANCIAL SUMMARY	2024	2025	2026	2027	2028
BEGINNING FUND BALANCE	\$ 1,996,967	\$ 1,292,628	\$ 855,881	\$ 522,980	\$ (2,118,690)
REVENUES					
WATER RATE REVENUE	\$ 2,173,665	\$ 2,285,062	\$ 2,403,143	\$ 2,528,309	\$ 2,660,985
SEWER RATE REVENUE	1,303,291	1,194,265	1,254,693	1,318,747	1,386,644
SWIFT FUNDS	-	2,500,000	-	-	-
NON-RATE REVENUE	558,549	581,392	605,604	631,270	658,475
TOTAL REVENUES	\$ 4,035,506	\$ 6,560,719	\$ 4,263,441	\$ 4,478,326	\$ 4,706,104
EXPENSES					
PERSONNEL	\$ 807,987	\$ 833,961	\$ 860,770	\$ 888,440	\$ 917,000
PURCHASED/CONTRACTUAL SERVICES	157,160	163,716	171,683	125,765	131,300
WATER PURCHASES	982,246	1,026,187	1,074,034	1,128,163	1,176,784
TRA SEWER TREATMENT	832,318	141,386	136,119	2,805,901	2,643,768
SUPPLIES	294,213	300,188	306,787	281,831	287,885
OTHER O&M	283,600	292,480	301,762	134,996	137,858
CAPITAL OUTLAYS	212,493	217,470	222,607	227,909	233,382
EXISTING DEBT	1,081,358	1,087,606	1,088,110	1,092,520	1,091,097
PROJECTED DEBT	-	346,001	346,001	346,001	346,001
CASH CAPITAL (CIP)	88,470	2,588,470	88,470	88,470	88,470
TOTAL EXPENSES	\$ 4,739,845	\$ 6,997,466	\$ 4,596,342	\$ 7,119,995	\$ 7,053,543
CHANGE IN NET ASSETS	\$ (704,339)	\$ (436,747)	\$ (332,902)	\$ (2,641,670)	\$ (2,347,439)
ENDING FUND BALANCE	\$ 1,292,628	\$ 855,881	\$ 522,980	\$ (2,118,690)	\$ (4,466,129)

KEY FINANCIAL STATISTICS

Debt Service Coverage:

Total Revenues	\$ 4,035,506	\$ 4,060,719	\$ 4,263,441	\$ 4,478,326	\$ 4,706,104
Less: O&M Expense	3,357,524	2,757,919	2,851,155	5,365,096	5,294,594
Available for Debt Service Requirements	\$ 677,982	\$ 1,302,800	\$ 1,412,285	\$ (886,770)	\$ (588,490)
Total Debt Service Requirements	1,081,358	1,433,607	1,434,110	1,438,521	1,437,098
Actual Debt Service Coverage	0.63	0.91	0.98	(0.62)	(0.41)

DSC Target

Additional Funds to Meet Target DSC

1.00	1.00	1.00	1.00	1.00
\$ 403,376	\$ 130,807	\$ 21,825	\$ 2,325,291	\$ 2,025,588

Days Cash on Hand:

Operating Expenditures	\$ 3,357,524	\$ 2,757,919	\$ 2,851,155	\$ 5,365,096	\$ 5,294,594
Daily O&M Requirement	9,199	7,556	7,811	14,699	14,506
Ending Fund Balance	\$ 1,292,628	\$ 855,881	\$ 522,980	\$ (2,118,690)	\$ (4,466,129)
Days of Operating Expenses	141	113	67	(144)	(308)
Fund Balance Requirement (\$)	\$ 827,883	\$ 680,035	\$ 703,025	\$ 1,322,900	\$ 1,305,516
Over (Short of) Requirement	464,745	175,846	(180,045)	(3,441,590)	(5,771,646)

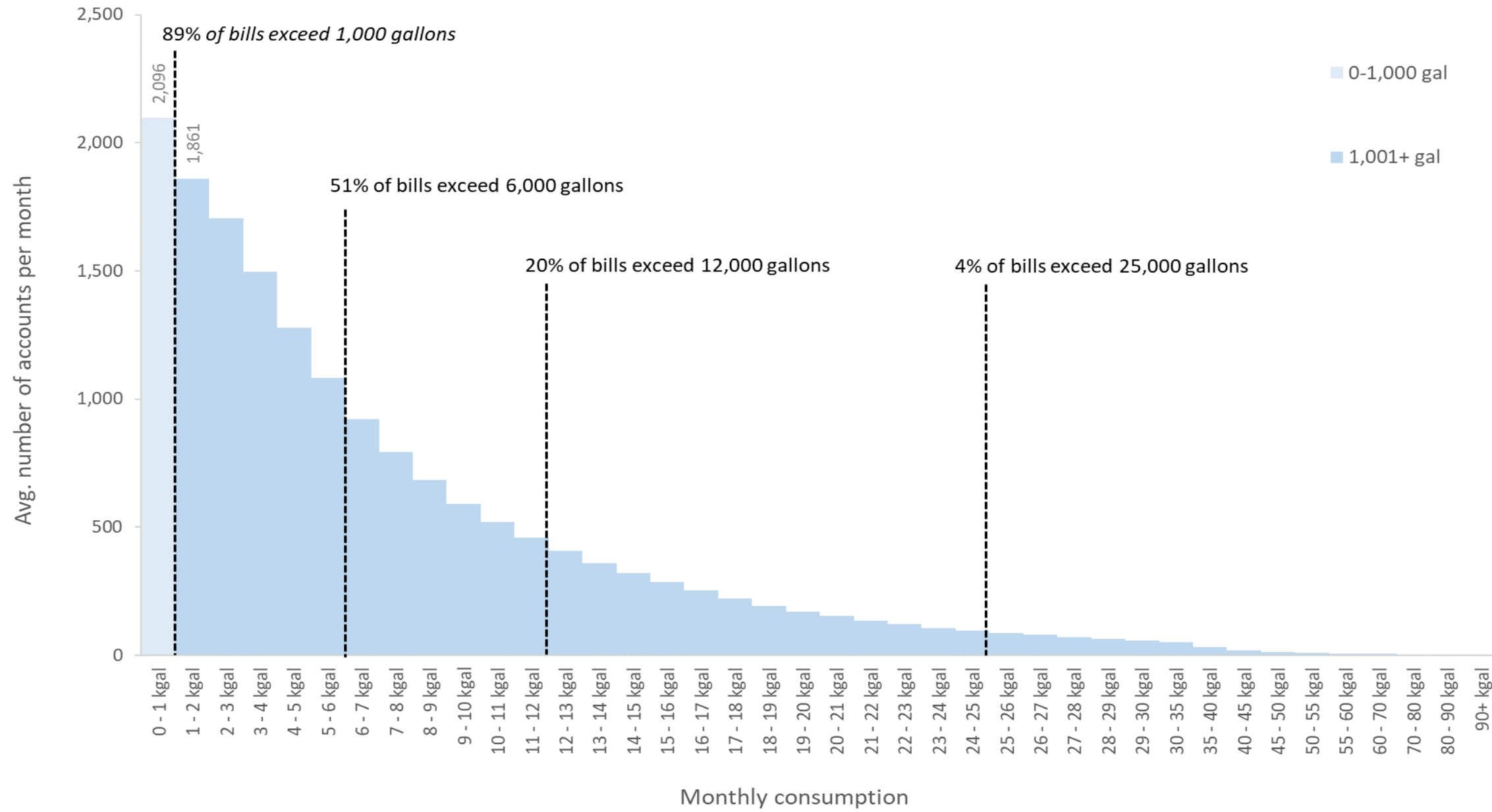
Notes:

[1] Sewer O&M expenses adjusted in FY 2027 based on engineer's estimate of costs that will be reduced or eliminated due to the transition to sewer treatment by TRA.



Frequency Distribution - # of Customers in each block

Residential





Projected Water Rates

Scenario 3

FY	# Accts	Current	2024	2025	2026	2027	2028
Residential							
<i>Minimum Monthly Fee</i>							
3/4"	2,142	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	5	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	-	95.40	113.11	123.17	134.14	146.07	146.07
2"	1	152.63	180.96	197.06	214.60	233.70	233.70
<i>Volumetric Rates (per kGal.)</i>							
0-1,000		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1,001-6,000		6.06	7.18	7.82	8.52	9.28	9.28
6,001-12,000		6.06	7.54	8.61	9.80	11.13	11.60
25,001+		6.06	7.92	9.47	11.27	13.36	14.50
Commercial							
<i>Minimum Monthly Fee</i>							
3/4"	96	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	12	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	2	95.40	113.11	123.17	134.14	146.07	146.07
2"	33	152.63	180.96	197.06	214.60	233.70	233.70
<i>Volumetric Rates (per kGal.)</i>							
0-1,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001-6,000		6.06	7.18	7.82	8.52	9.28	9.28
6,001-12,000		6.06	7.54	8.61	9.80	11.13	11.60
25,001+		6.06	7.92	9.47	11.27	13.36	14.50
Irrigation							
<i>Minimum Monthly Fee</i>							
3/4"	26	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	5	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	-	95.40	113.11	123.17	134.14	146.07	146.07
2"	3	152.63	180.96	197.06	214.60	233.70	233.70
<i>Volumetric Rates (per kGal.)</i>							
0-1,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001-6,000		6.06	7.18	7.82	8.52	9.28	9.28
6,001-12,000		6.06	7.54	8.61	9.80	11.13	11.60
25,001+		6.06	7.92	9.47	11.27	13.36	14.50



Projected Wastewater Rates - Residential

Scenario 3

FY	# Accts	Current	2024	2025	2026	2027	2028
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Residential

Minimum Monthly Fee

All Meter Sizes	2,016	\$ 22.67	\$ 26.88	\$ 29.27	\$ 31.87	\$ 34.71	\$ 34.71
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Volumetric Rates (per kGal.)

0-2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001-6,000		6.41	7.60	8.28	9.01	9.81	9.81
6,001+		-	-	-	-	-	-

Commercial

Minimum Monthly Fee

All Meter Sizes	141	\$ 22.67	\$ 26.88	\$ 29.27	\$ 31.87	\$ 34.71	\$ 34.71
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Volumetric Rates (per kGal.)

0-2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001+		6.41	7.60	8.28	9.01	9.81	9.81



Residential Water Bill Impact

Scenario 3

FY	Current	2024	Change (\$)	Change (%)
3/4" or less				
Gallons				
1,000	\$28.62	\$33.93	\$5.31	18.56%
2,000	34.68	41.12	6.44	18.56%
3,000	40.74	48.30	7.56	18.56%
4,000	46.80	55.49	8.69	18.56%
5,000	52.86	62.67	9.81	18.56%
6,000	58.92	69.86	10.94	18.56%
7,000	64.98	77.04	12.06	18.56%
8,000	71.04	84.23	13.19	18.56%
9,000	77.10	91.41	14.31	18.56%
10,000	83.16	98.59	15.43	18.56%
11,000	89.22	105.78	16.56	18.56%
12,000	95.28	112.96	17.68	18.56%
13,000	101.34	120.15	18.81	18.56%
14,000	107.40	127.33	19.93	18.56%
15,000	113.46	134.52	21.06	18.56%
16,000	119.52	141.70	22.18	18.56%
17,000	125.58	148.89	23.31	18.56%
18,000	131.64	156.07	24.43	18.56%
19,000	137.70	163.26	25.56	18.56%
20,000	143.76	170.44	26.68	18.56%
21,000	149.82	177.63	27.81	18.56%
22,000	155.88	184.81	28.93	18.56%
23,000	161.94	192.00	30.06	18.56%
24,000	168.00	199.18	31.18	18.56%
25,000	174.06	206.37	32.31	18.56%



Residential Wastewater Bill Impact

Scenario 3

FY	Current	2024	Change (\$)	Change (%)
All Meter Sizes				
Gallons				
1,000	\$22.67	\$26.88	\$4.21	18.56%
2,000	22.67	26.88	4.21	18.56%
3,000	29.08	34.48	5.40	18.56%
4,000	35.49	42.08	6.59	18.56%
5,000	41.90	49.68	7.78	18.56%
6,000	48.31	57.28	8.97	18.56%
7,000	48.31	57.28	8.97	18.56%
8,000	48.31	57.28	8.97	18.56%
9,000	48.31	57.28	8.97	18.56%
10,000	48.31	57.28	8.97	18.56%
11,000	48.31	57.28	8.97	18.56%
12,000	48.31	57.28	8.97	18.56%
13,000	48.31	57.28	8.97	18.56%
14,000	48.31	57.28	8.97	18.56%
15,000	48.31	57.28	8.97	18.56%
16,000	48.31	57.28	8.97	18.56%
17,000	48.31	57.28	8.97	18.56%
18,000	48.31	57.28	8.97	18.56%
19,000	48.31	57.28	8.97	18.56%
20,000	48.31	57.28	8.97	18.56%
21,000	48.31	57.28	8.97	18.56%
22,000	48.31	57.28	8.97	18.56%
23,000	48.31	57.28	8.97	18.56%
24,000	48.31	57.28	8.97	18.56%
25,000	48.31	57.28	8.97	18.56%



Residential Combined Bill Impact

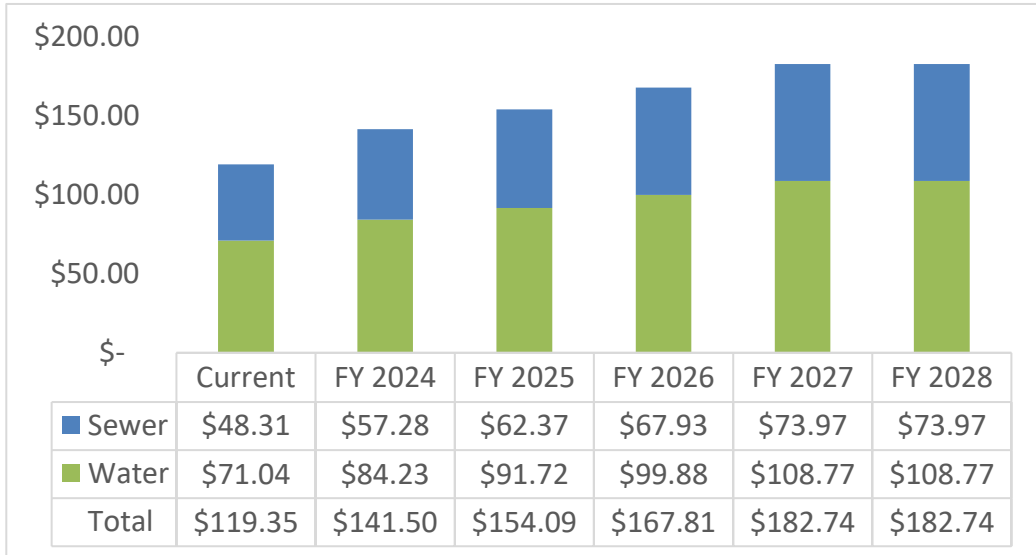
Scenario 3

FY	Current	2024	Change (\$)	Change (%)
Gallons				
1,000	\$51.29	\$60.81	\$9.52	18.56%
2,000	57.35	67.99	10.64	18.56%
3,000	69.82	82.78	12.96	18.56%
4,000	82.29	97.56	15.27	18.56%
5,000	94.76	112.35	17.59	18.56%
6,000	107.23	127.13	19.90	18.56%
7,000	113.29	134.32	21.03	18.56%
8,000	119.35	141.50	22.15	18.56%
9,000	125.41	148.69	23.28	18.56%
10,000	131.47	155.87	24.40	18.56%
11,000	137.53	163.06	25.53	18.56%
12,000	143.59	170.24	26.65	18.56%
13,000	149.65	177.43	27.78	18.56%
14,000	155.71	184.61	28.90	18.56%
15,000	161.77	191.79	30.02	18.56%
16,000	167.83	198.98	31.15	18.56%
17,000	173.89	206.16	32.27	18.56%
18,000	179.95	213.35	33.40	18.56%
19,000	186.01	220.53	34.52	18.56%
20,000	192.07	227.72	35.65	18.56%
21,000	198.13	234.90	36.77	18.56%
22,000	204.19	242.09	37.90	18.56%
23,000	210.25	249.27	39.02	18.56%
24,000	216.31	256.46	40.15	18.56%
25,000	222.37	263.64	41.27	18.56%



Residential 3/4" Customer Bill Impact - 8,000 gallons

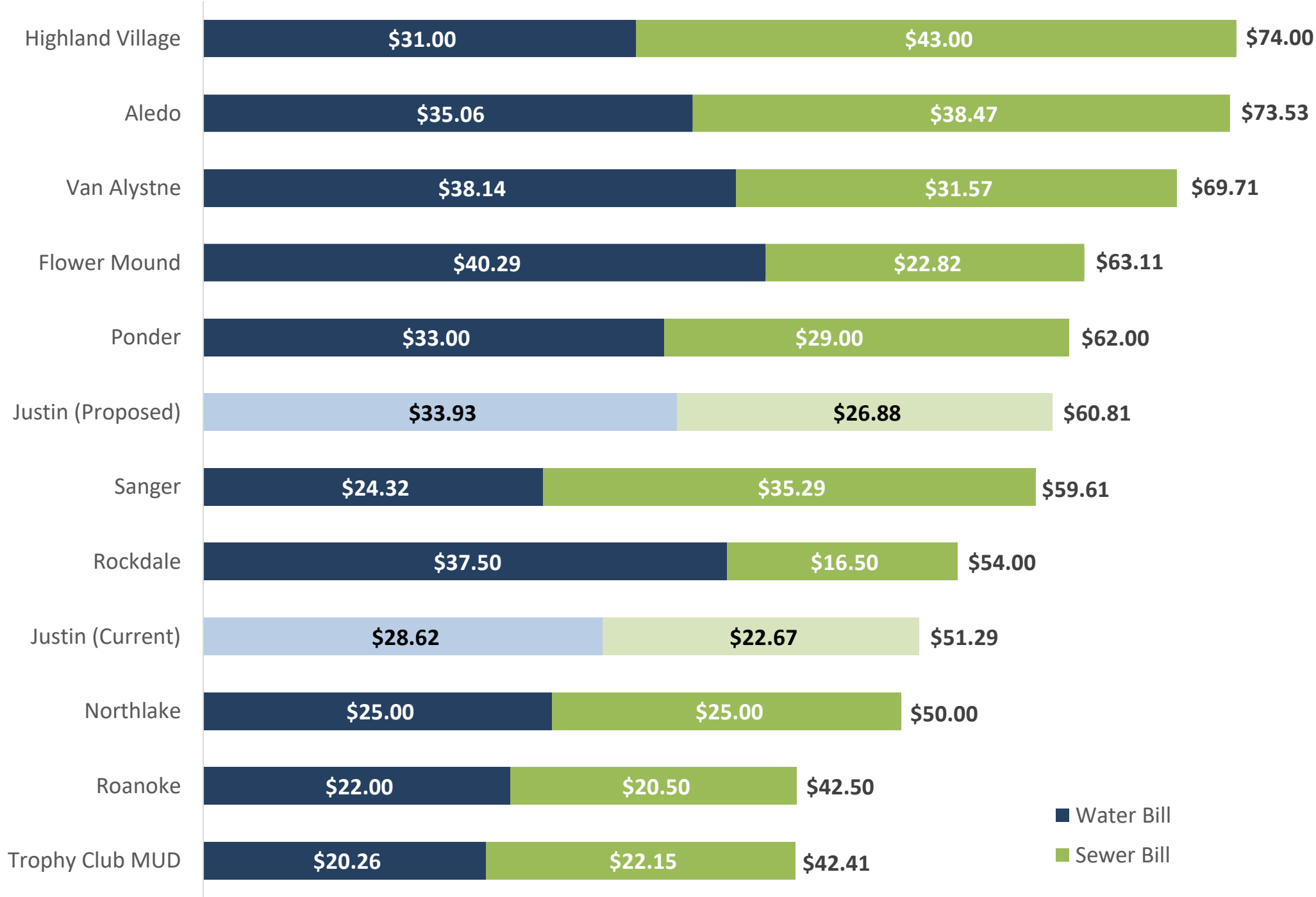
Scenario 3





Regional Bill Comparison

Residential Bill (3/4")
Minimum Bill

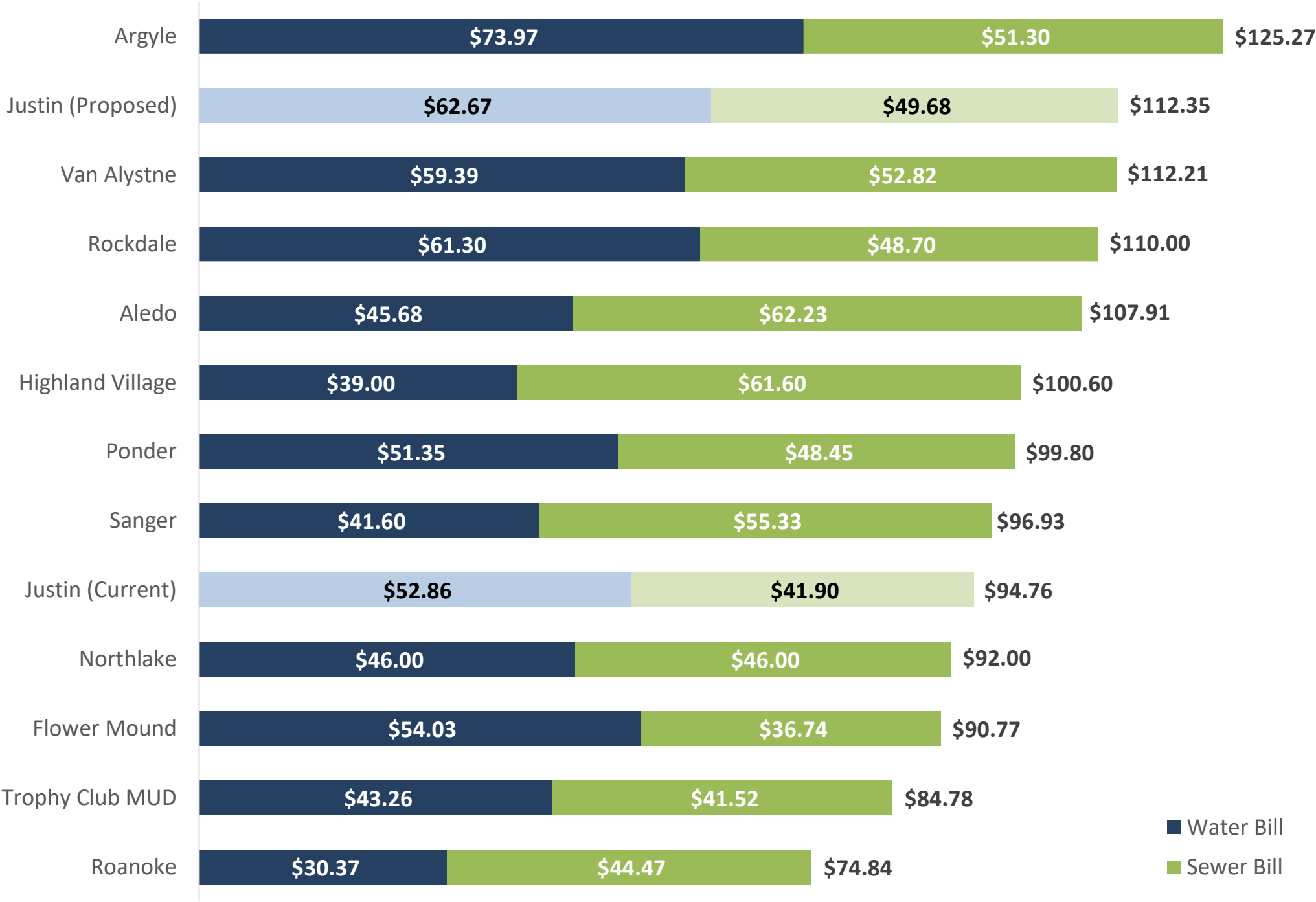




Regional Bill Comparison

Residential Bill (3/4")

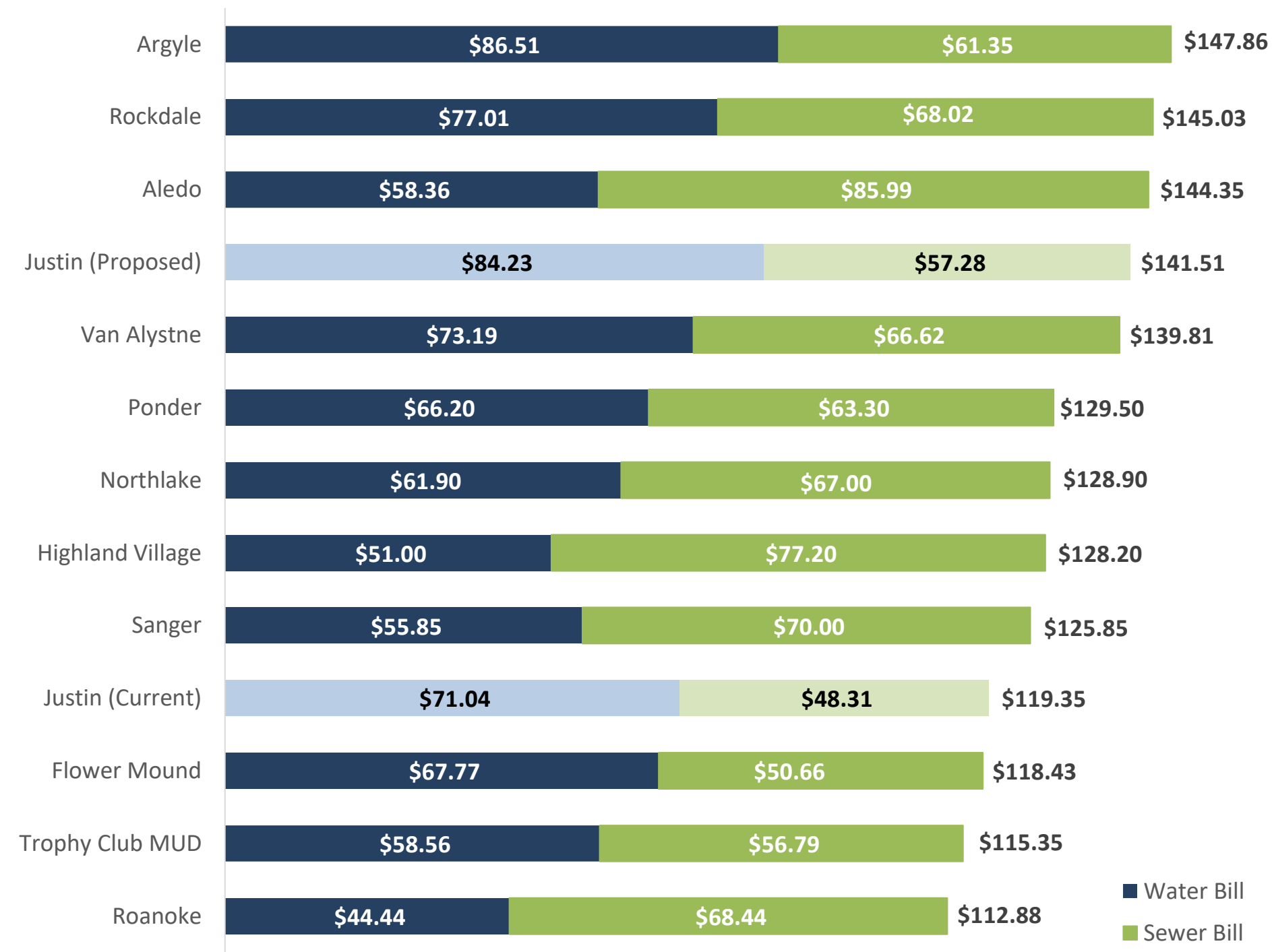
5,000 gallons





Regional Bill Comparison

Residential Bill (3/4")
8,000 Gallons





Combined Fund Balance Summary Under Projected Rates

Scenario 3

FINANCIAL SUMMARY	2024	2025	2026	2027	2028
BEGINNING FUND BALANCE	\$ 1,996,967	\$ 1,997,068	\$ 2,679,850	\$ 4,018,399	\$ 3,708,729
REVENUES					
WATER RATE REVENUE	\$ 2,636,214	\$ 3,056,919	\$ 3,565,154	\$ 4,159,837	\$ 4,459,012
SEWER RATE REVENUE	1,545,182	1,541,937	1,764,133	2,019,218	2,123,180
SWIFT FUNDS	-	2,500,000	-	-	-
NON-RATE REVENUE	558,549	581,392	605,604	631,270	658,475
TOTAL REVENUES	\$ 4,739,946	\$ 7,680,248	\$ 5,934,892	\$ 6,810,325	\$ 7,240,667
EXPENSES					
PERSONNEL	\$ 807,987	\$ 833,961	\$ 860,770	\$ 888,440	\$ 917,000
PURCHASED/CONTRACTUAL SERVICES	157,160	163,716	171,683	125,765	131,300
WATER PURCHASES	982,246	1,026,187	1,074,034	1,128,163	1,176,784
TRA SEWER TREATMENT	832,318	141,386	136,119	2,805,901	2,643,768
SUPPLIES	294,213	300,188	306,787	281,831	287,885
OTHER O&M	283,600	292,480	301,762	134,996	137,858
CAPITAL OUTLAYS	212,493	217,470	222,607	227,909	233,382
EXISTING DEBT	1,081,358	1,087,606	1,088,110	1,092,520	1,091,097
PROJECTED DEBT	-	346,001	346,001	346,001	346,001
CASH CAPITAL (CIP)	88,470	2,588,470	88,470	88,470	88,470
TOTAL EXPENSES	\$ 4,739,845	\$ 6,997,466	\$ 4,596,342	\$ 7,119,995	\$ 7,053,543
CHANGE IN NET ASSETS	\$ 101	\$ 682,782	\$ 1,338,549	\$ (309,670)	\$ 187,124
ENDING FUND BALANCE	\$ 1,997,068	\$ 2,679,850	\$ 4,018,399	\$ 3,708,729	\$ 3,895,852

KEY FINANCIAL STATISTICS

Debt Service Coverage:

Total Revenues	\$ 4,739,946	\$ 5,180,248	\$ 5,934,892	\$ 6,810,325	\$ 7,240,667
Less: O&M Expense	3,357,524	2,757,919	2,851,155	5,365,096	5,294,594
Available for Debt Service Requirements	\$ 1,382,421	\$ 2,422,329	\$ 3,083,736	\$ 1,445,230	\$ 1,946,073
Total Debt Service Requirements	1,081,358	1,433,607	1,434,110	1,438,521	1,437,098
Actual Debt Service Coverage	1.28	1.69	2.15	1.00	1.35

DSC Target **1.00** **1.00** **1.00** **1.00** **1.00**

Additional Funds to Meet Target DSC \$ - \$ - \$ - \$ - \$ -

Days Cash on Hand:

Operating Expenditures	\$ 3,357,524	\$ 2,757,919	\$ 2,851,155	\$ 5,365,096	\$ 5,294,594
Daily O&M Requirement	9,199	7,556	7,811	14,699	14,506
Ending Fund Balance	\$ 1,997,068	\$ 2,679,850	\$ 4,018,399	\$ 3,708,729	\$ 3,895,852
Days of Operating Expenses	217	355	514	252	269

Fund Balance Requirement (\$) \$ 827,883 \$ 680,035 \$ 703,025 \$ 1,322,900 \$ 1,305,516
Over (Short of) Requirement 1,169,185 1,999,815 3,315,374 2,385,828 2,590,336

Notes:

[1] Sewer O&M expenses adjusted in FY 2027 based on engineer's estimate of costs that will be reduced or eliminated due to the transition to sewer treatment by TRA.



Projected Water Rates

Scenario 3

FY	# Accts	Current	2024	2025	2026	2027	2028
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Residential

Minimum Monthly Fee

3/4"	2,142	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	5	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	-	95.40	113.11	123.17	134.14	146.07	146.07
2"	1	152.63	180.96	197.06	214.60	233.70	233.70

Volumetric Rates (per kGal.)

0-1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001-6,000	6.06	7.18	7.82	8.52	9.28	9.28	9.28
6,001-12,000	6.06	7.54	8.61	9.80	11.13	11.60	11.60
12,001-25,000	6.06	7.92	9.47	11.27	13.36	14.50	14.50
25,001+	6.06	8.32	10.41	12.96	16.03	18.12	18.12

Commercial

Minimum Monthly Fee

3/4"	96	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	12	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	2	95.40	113.11	123.17	134.14	146.07	146.07
2"	33	152.63	180.96	197.06	214.60	233.70	233.70

Volumetric Rates (per kGal.)

0-1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001-6,000	6.06	7.18	7.82	8.52	9.28	9.28	9.28
6,001-12,000	6.06	7.54	8.61	9.80	11.13	11.60	11.60
12,001-25,000	6.06	7.92	9.47	11.27	13.36	14.50	14.50
25,001+	6.06	8.32	10.41	12.96	16.03	18.12	18.12

Irrigation

Minimum Monthly Fee

3/4"	26	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
1"	5	47.69	56.54	61.57	67.05	73.02	73.02
1.5"	-	95.40	113.11	123.17	134.14	146.07	146.07
2"	3	152.63	180.96	197.06	214.60	233.70	233.70

Volumetric Rates (per kGal.)

0-1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,001-6,000	6.06	7.18	7.82	8.52	9.28	9.28	9.28
6,001-12,000	6.06	7.54	8.61	9.80	11.13	11.60	11.60
12,001-25,000	6.06	7.92	9.47	11.27	13.36	14.50	14.50
25,001+	6.06	8.32	10.41	12.96	16.03	18.12	18.12



Projected Wastewater Rates - Residential

Scenario 3

FY	# Accts	Current	2024	2025	2026	2027	2028
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Residential

Minimum Monthly Fee

All Meter Sizes	2,016	\$ 22.67	\$ 26.88	\$ 29.27	\$ 31.87	\$ 34.71	\$ 34.71
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Volumetric Rates (per kGal.)

0-2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001-6,000		6.41	7.60	8.28	9.01	9.81	9.81
6,001+		-	-	-	-	-	-

Commercial

Minimum Monthly Fee

All Meter Sizes	141	\$ 22.67	\$ 26.88	\$ 29.27	\$ 31.87	\$ 34.71	\$ 34.71
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Volumetric Rates (per kGal.)

0-2,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,001+		6.41	7.60	8.28	9.01	9.81	9.81

City of Justin

FY 2023 Rate Study Comparison

09/22/2023



Purpose

On July 25, Chris Ekrut from NewGen Strategies and Solutions presented the FY 2023 Rate Study to the city council. Since then, staff worked with council and the consultant to produce a third scenario that included conservation block rates in the volumetric rate structure. This analysis puts all three scenarios into a more concise document.

Scenarios

The following charts show the base rates for both water and sewer, as well as the volumetric tiers and their associated rates and the minimum bill a resident will receive based on each scenario.

SCENARIO 1	Current					
Currently in Place	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Fee Water	\$28.62	\$33.77	\$37.03	\$40.61	\$44.53	\$44.53
Volumetric Rates						
0-1,000 (per kGal)	-	-	-	-	-	-
1,001 +	6.06	7.15	7.84	8.60	9.43	9.43
Base Fee Sewer	\$22.67	\$26.75	\$29.33	\$32.17	\$35.28	\$35.28
Volumetric Rates						
0-2000 (per kGal)	-	-	-	-	-	-
2,001 - 6,000	6.41	7.56	8.29	9.10	9.97	9.97
6,001 +	-	-	-	-	-	-
Minimum Bill	\$51.29	\$60.52	\$66.36	\$72.78	\$79.81	\$79.81

SCENARIO 2

	Current					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Fee Water	\$28.62	\$33.50	\$37.07	\$41.02	\$45.38	\$45.38
Volumetric Rates						
0-1000 (per kGal)	-	-	-	-	-	-
1,001 + 10000	6.06	7.09	7.85	8.68	9.61	9.61
10,001 - 25000	6.06	7.45	8.63	9.99	11.53	12.01
25,001 +	6.06	7.82	9.5	11.49	13.84	15.01
Base Fee Sewer	\$22.67	\$26.54	\$29.36	\$32.49	\$35.95	\$35.95
Volumetric Rates						
0-2,000 (per kGal)	-	-	-	-	-	-
2,001 - 6,000	6.41	7.50	8.30	9.19	10.16	10.16
6,001 +	-	-	-	-	-	-
Minimum Bill	\$51.29	\$60.04	\$66.43	\$73.51	\$81.33	\$81.33

SCENARIO 3

	Current					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Base Fee Water	\$28.62	\$33.93	\$36.95	\$40.24	\$43.82	\$43.82
Volumetric Rates						
0-1,000 (per kGal)	-	-	-	-	-	-
1,001 - 6,000	6.06	7.18	7.82	8.52	9.28	9.28
6,001 - 12,000	6.06	7.54	8.61	9.80	11.13	11.60
12,001 - 25,000	6.06	7.92	9.47	11.27	11.36	14.50
25,000 +	6.06	8.32	10.41	12.96	16.03	18.12
Base Fee Sewer	\$22.67	\$26.88	\$29.27	\$31.87	\$34.71	\$34.71
Volumetric Rates						
0-2,000 (per kGal)	-	-	-	-	-	-
2,001 - 6,000	6.41	7.60	8.28	9.01	9.81	9.81
6,001 +	-	-	-	-	-	-
Minimum Bill	\$51.29	\$60.81	\$66.22	\$72.11	\$78.53	\$78.53

Scenarios at 8,000 gallons

The following charts show each scenario based on the average use of 8,000 gallons of water over a five-year period, as well as the rate of increase year over year. The graph on the last page shows corresponds to the charts below.

SCENARIO 1

Currently in Place

	Current					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sewer	48.31	57.01	62.51	68.55	75.17	75.17
Water	71.04	83.83	91.92	100.80	110.54	110.54
Total	\$119.35	\$140.84	\$154.43	\$169.35	\$185.71	\$185.71
		18.01%	9.65%	9.66%	9.66%	0.00%

SCENARIO 2

	Current					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sewer	48.31	56.55	62.57	69.23	76.61	76.61
Water	71.04	83.15	92.01	101.81	112.65	112.65
Total	\$119.35	\$139.70	\$154.58	\$171.04	\$189.26	\$189.26
		17.05%	10.65%	10.65%	10.65%	0.00%

SCENARIO 3

	Current					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Sewer	48.31	57.28	62.37	67.93	73.97	73.97
Water	71.04	84.23	91.72	99.88	108.77	108.77
Total	\$119.35	\$141.51	\$154.09	\$167.81	\$182.74	\$182.74
		18.57%	8.89%	8.90%	8.90%	0.00%

5 Year Scenario Comparison

