



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting (in person)

600 Morton Street

Richmond, Texas 77406

Monday, August 2, 2021 at 4:30 P.M.

And

via Video/Telephone Conference call
(pursuant to Texas Government Code,
Section 551.125)

Join Zoom Meeting

<https://us06web.zoom.us/j/81789580561>

Meeting ID: 817 8958 0561

One tap mobile

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+16699006833,,81789580561# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 817 8958 0561

Find your local number: <https://us06web.zoom.us/j/81789580561>

Mayor Rebecca K. Haas

Commissioner Terry Gaul

Commissioner Carl Drozd

Commissioner Barry Beard

Commissioner Alex BeMent

AGENDA

Any item on this posted agenda may be discussed in Executive Session provided it is within one of the permitted categories under Chapter 551 of the Texas Government Code.

City Commission Meeting Agenda

August 2, 2021

Page 1 of 2

- A1. Call to Order, Quorum Determined and Meeting Declared Open.
- A2. Public comments (Public comment is limited to a maximum of 3 minutes per item. No Deliberations with the Commission. Time may not be given to another speaker.)
- A3. Review Proposed Development Agreement with Meritage Homes – Wall Street.
- A4. Review and consider taking action on Resolution No. 364-2021, Interlocal Agreement 2021-22 School Year with the Fort Bend Subsidence District for the Water Conservation Education Program.
- A5. Review and discuss FY 2021-22 Annual Budget Workshop to discuss Revenue and Expenditures.
- A6. Review and accept 2021 Certified Appraisal Roll.
- A7. Review and consider taking action on the proposed Farmer’s Market Agreement with the Development Corporation of Richmond.
- A8. Adjournment.

If, during the course of the meeting covered by this Agenda, the Commission shall determine that an executive session of the Commission, should be held or is required in relation to any item included in this Agenda, then such executive session, as authorized by the Texas Open Meetings Act, will be held by the Board at the date, hour, and place given in this Agenda concerning any and all subjects and for any and all purposes permitted by Sections 551.071-551.090 of the Texas Government Code, including, but not limited to, Section 551.071 – for purpose of consultation with attorney, on any or all subjects or matters authorized by law.

NOTICE OF ASSISTANCE AT THE PUBLIC MEETING

The City of Richmond City Commission meetings are available to all persons regardless of disability. This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations, should you require special assistance, must be made 48 hours prior to this meeting. Braille is not available. Please contact the City Secretary’s office at (281) 342-5456 ex. 504 for needed accommodations.

If you have any questions, please let me know.
Terri Vela

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Special Scheduled City Commission Meeting

600 Morton Street

Monday, August 2, 2021 at 4:30 p.m.

- A3. Review Proposed Development Agreement with Meritage Homes – Wall Street.

DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF RICHMOND, TEXAS,
AND
MERITAGE HOMES OF TEXAS, LLC

**DEVELOPMENT AND UTILITY SERVICES AGREEMENT
BETWEEN THE CITY OF RICHMOND, TEXAS,
AND MERITAGE HOMES OF TEXAS, LLC**

This DEVELOPMENT AND UTILITY SERVICES AGREEMENT (the "Agreement") is entered into as of _____, 20__, between the CITY OF RICHMOND, TEXAS ("City"), Meritage Homes of Texas ("Developer"), an Arizona limited liability company.

Recitals

The City is a municipal corporation that provides a full-range of governmental services to its citizens. The City owns and operates water production and distribution facilities, wastewater collection and treatment facilities, and provides other municipal services.

Developer intends to develop an approximately 44.5-acre residential tract, shown on **Exhibit A** attached hereto (~~"the Residential Property Tract"~~) and an approximately 3.2-acre commercial tract, shown on Exhibit A-1 attached hereto (~~"the Commercial Property"~~) (~~"the Commercial Property"~~ together with the "Residential Property," the "Tract"). Development may occur in phases and City requires each phase of development to be platted separately in accordance with City zoning and plat requirements.

Developer would like to request annexation of the Tract by the City of that portion of the Tract not within the city limits and intends to submit a request for annexation in conjunction with this Development Agreement in the form and substance as set forth in Exhibit E attached hereto.

The Developer would like to contract with the City to obtain, among other things, water supply and wastewater treatment services from the City to serve the ~~Residential~~-Tract, and to accommodate the Developer's construction and financing of water, wastewater, drainage facilities, road, and other facilities to serve the ~~Residential~~-Tract (the "Qualifying Facilities"), the dedication of this infrastructure to the City and the City's purchase of certain of the Qualifying Facilities, subject to the terms of this Agreement. Developer or a homeowners association created by Developer will own and operate all detention facilities within the ~~Residential~~-Tract ("Tract Detention Facilities") and park facilities to serve the ~~Residential~~-Tract.

The City has agreed to provide the services described herein and to purchase certain of the Qualifying Facilities under the conditions and terms set forth in this Agreement.

AGREEMENT

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

**ARTICLE 1.
DEFINITIONS**

Unless the context indicates otherwise, capitalized terms used in this Agreement shall have the following meanings:

City Water System means all the Water production pumps, lines, meters, components, facilities, and equipment owned and used by the City to pump, treat, monitor, convey, supply, and distribute Water to the public.

City Wastewater System means all the Wastewater treatment facilities, lines (including extension of water and sewer lines to cover service on additional development from ~~Residential~~ Tract), components, and equipment owned and used by the City to collect, convey, treat, monitor, regulate, and dispose of Wastewater.

Designated Mortgage means any beneficiary of any Deed of Trust executed and recorded upon the ~~Residential~~ Tract (or a portion thereof) by the Developer.

Eligible Costs mean all costs reasonably related to the design, development, construction and acquisition of the Qualifying Facilities (as hereinafter defined) paid by the Developer that are eligible for reimbursement under the TCEQ Rules, including, but not limited to:

- (a) construction contract amounts, including, without limitation, the costs of goods required, the costs of construction and related services, incentives as allowed by law, approved change orders, and amounts related to stormwater management and pollution controls and wetlands mitigation;
- (b) advertisement costs and permitting costs, including, without limitation, federal, state and/or local stormwater and/or wetlands permits and related costs;
- (c) engineering and consultant fees for permitting, consultation, surveying, studies and analyses, and design and preparation of plans and specifications of the Qualifying Facilities, inspection, and construction supervision and other necessary services;
- (d) environmental remediation costs, in an amount not to exceed \$500,000;
- (e) legal fees related directly to the letting and preparation of construction contracts, the obtaining of approval from the appropriate governmental agencies for such construction, or other costs set forth above;
- (f) land acquisition and easement costs of all necessary easements, rights-of-way and sites required for the Qualifying Facilities, as determined under 30 TAC §293.51; and
- (g) interest on moneys paid by the Developer for the above-described costs for a period of up to two (2) years from the date of final payment on the applicable construction contract (or from such earlier time required by 30 TAC § 293.50(a)) at a rate equal to the lesser of (i) 5.75%, (ii) the net effective interest rate on the City's most recent general obligation debt issuance immediately preceding reimbursement of the Developer.]

End Buyers means the residential homeowners or commercial owners of individual parcels; provided that the Developer shall not be considered an End Buyer.

General Plan means the preliminary land plan for the ~~Residential~~ Tract as it may now or hereafter be amended.

Landowner means Developer, and any successor owner of all or any portion of the Property.

Land Plan means the proposed development of the ~~Residential~~-Tract as depicted on **Exhibit B** hereto and approved by the City.

Purchase Price means the amount to be paid by City for the Qualifying Facilities as calculated by Section 4.03.

Qualifying Facilities mean those components of the Tract Water System, Tract Wastewater System, the Tract Stormwater System, and the Tract Road System qualifying for purchase by the City as provided herein and more particularly set out in **Exhibit C**, attached hereto and incorporated herein, and such other facilities as the City may approve from time to time; provided, however that the Qualifying Facilities shall never include parks, pools, or other recreational facilities.

Road Facilities means those roads and facilities and improvements in aid thereof and roads described by Water Code §54.234(b), including land, street lighting, signalization, directional and traffic signs, and landscaping located within the road rights-of-way, including the streets and related improvements that are part of the Tract Road System.

TCEQ means the Texas Commission on Environmental Quality and any successor agencies exercising any of its duties and functions.

Tract Systems means the Tract Water System, the Tract Wastewater System, and the Tract Stormwater System to serve the ~~Residential~~-Tract.

Tract Road System means the system of streets designed and constructed by Developer to serve the ~~Residential~~-Tract.

Tract Water System means certain improvements and facilities that will be constructed by Developer for the distribution of Water to serve customers within the ~~Residential~~-Tract.

Tract Wastewater System means the Wastewater system that will be constructed by Developer for the collection of Wastewater from within the ~~Residential~~-Tract and will include any sewer force main, booster pumps and lift stations. It will also include any modifications and updates as may be required by the City to existing offsite City facilities. This will include (but not be limited to) remote telemetry and pump upgrades or additions.

Tract Stormwater System means the drainage system that will be constructed to serve the ~~Residential~~-Tract, and will include the Tract Detention Facilities, storm sewer lines, outfall structures, other control structures, and appurtenances related thereto.

Tract Detention Facilities means that portion of the Tract Stormwater System within the ~~Residential~~-Tract that consists of wet/dry detention basins, detention ponds and open channels, and appurtenances related thereto.

Wastewater means the water-carried wastes, exclusive of ground, surface, and storm waters, normally discharged from the sanitary conveniences of dwellings, including apartments, houses, hotels, office buildings, and institutions, of a domestic, not industrial, nature, meeting the requirements of the City set forth in the City's Code of Ordinances, as may be amended or superseded by the City from time to time.

Wastewater Services means the services provided by the City in receiving, treating, testing, and disposing of Wastewater from the ~~Residential~~-Tract to the City Wastewater System in accordance with this Agreement.

Water means potable water that meets federal and state standards for consumption by humans provided by the City to customers within the ~~Residential~~-Tract.

ARTICLE 2 DESIGN AND CONSTRUCTION STANDARDS

Section 2.01 Regulatory Standards and Development Quality.

(a) One of the primary purposes of this Agreement is to provide for quality development of the ~~Residential~~-Tract and the City agrees, except as provided herein, to the extent allowed by law that it will not impose or attempt to impose any moratoriums on building or growth within the ~~Residential~~-Tract.

(b) The City's Comprehensive Plan, Unified Development Code, Master Trail Plan, Thoroughfare Plan, Infrastructure Design Manual, other development ordinances, as all may be amended, and the Land Plan and guidelines established by this Agreement provide certain City requirements that include density and land use regulations, a general land use plan, circulation and traffic patterns, a parks and recreation plan, subdivision regulations, public improvement regulations, private improvement regulations, and annexation restrictions.

Section 2.02 Density. The parties agree that development of the ~~Residential~~-Tract shall be in accordance with the General Plan and the requirements of this Agreement. The number of single-family residential housing units within the ~~Residential~~-Tract shall not exceed 162 units; provided, however, to allow Developer a certain amount of flexibility to respond to market conditions, any quantity of this Section 2.02 may be changed to a different quantity than specified, subject to prior written notice by Developer to the City which shall not be unreasonably denied. Landowner agrees to restrict the ~~Residential~~-Tract to site-built homes as opposed to importation of completed manufactured or industrial housing. In the event that Developer acquires additional property that Developer agrees to make subject to this Agreement, the density requirements set forth in this paragraph shall be increased in a manner mutually agreed upon and based upon the plan for the additional property and the then available capacity of the Water and City Wastewater Systems.

Section 2.03 Lot Size. The parties agree that single family residential lots will average at least 6,000 square feet with a minimum fifty (50) feet width requirement.

Section 2.04 Water/Wastewater/Drainage Services to the ~~Residential~~-Tract. The plan for water supply, storage, and distribution system; wastewater collection and treatment system; and stormwater control and drainage system to serve the ~~Residential~~-Tract shall be developed in

accordance with the General Plan. The City will provide public water supply and wastewater treatment capacity to serve the ~~Residential~~ Tract in accordance with Section 3.01 of this Agreement. Developer will cause the construction of the Qualifying Facilities to serve the ~~Residential~~ Tract and lease and sell the same to the City. The City agrees, subject to and in accordance with the terms and conditions of Article IV of this Agreement, to lease and purchase the Qualifying Facilities from Developer.

Section 2.05 Construction Standards for the Qualifying Facilities.

(a) Developer shall provide the Qualifying Facilities according to the General Plan and applicable regulations at Developer's sole cost; provided, however, Developer, subject to the terms and conditions of this Agreement, will receive the Purchase Price from the City at the times and in the amounts contemplated by Article IV hereof. Developer shall require all contractors to provide one-year maintenance bonds after completion in favor of the City. The City shall have the right to review and approve the plans and specifications for the Qualifying Facilities, subject to the following terms. Developer must comply with state procurement laws for all such public improvements.

(b) Developer shall comply with the City's Construction Specifications and work with the electrical provider to install underground single-phase distribution electrical services internally within the ~~Residential~~ Tract. Developer shall not be required to install any three phase underground electrical transmission and distribution facilities within the ~~Residential~~ Tract and will minimize the amount of above-ground three phase facilities where possible. No pole-mounted transformers will be allowed throughout the ~~Residential~~ Tract.

(c) Developer shall design and prepare plans and specifications for the Qualifying Facilities, as needed. Upon completion of such plans and specifications, Developer will make available the plans and specifications to the City for review and approval.

Section 2.06 Liability of End Buyer. End Buyers shall have no liability for the failure of Developer to comply with the terms of this Agreement and shall only be liable for their own failure to comply with the recorded declaration of restrictive covenants (if applicable) and land use restrictions applicable to the use of their tract or lot.

~~Section 2.07. Maintenance of Shared Facilities. On or before the date that Developer makes available the plans and specifications of a Shared Facility to the City for review and approval in accordance with Section 2.05 of this Agreement, Developer shall enter into an agreement with the City, in a form mutually acceptable to the parties thereto, under which the City and Developer (or the homeowners association created by Developer), as applicable, will accept responsibility for its pro rata share of the maintenance costs of such Shared Facility. Unless otherwise agreed by the parties to such an agreement, the pro rata share of each party shall be determined based on each party's respective capacity in such Shared Facility. The existence of the maintenance agreement shall be a condition of the City's applicable plan approval. For any combination amenity and detention pond, only that portion of the detention pond performing a hydraulic function shall be considered a Shared Facility subject to the requirements of this Section 2.07.~~

Section 2.0807. Ownership and Maintenance of Tract Detention and Tract Recreational Facilities. Developer or a homeowners association to be created by Developer will own and maintain the Tract Detention Facilities and Tract Recreational Facilities not requested by the City to be conveyed to the City. Developer may contract for maintenance to be provided by a homeowners or property owners association created by Developer. The City will have no responsibilities with respect to any Tract Detention Facilities or Tract Recreational Facilities that are not conveyed to the City.

Section 2.0908. Irrigation wells. The Developer shall not construct any irrigation wells for the benefit of the ~~Residential~~-Tract.

Section 2.409. Financing Qualifying Facilities. The City will pay the lease payments or the Purchase Price to Developer for advances with respect to the Qualifying Facilities with funds of the City lawfully available for such purpose including through the issuance of bonds or other obligations secured by and payable from ad valorem property taxes.

Section 2.410. Inspection by the City. The City shall have access at all reasonable times to inspect the construction of the various Facilities as the City deems necessary or desirable to verify compliance with this Agreement.

Section 2.4211. Compliance with Laws and Regulations. Developer shall promptly, at its sole cost, take whatever action is necessary relating to the construction of the Qualifying Facilities in compliance with any federal or state law or regulation and the City discharge permits.

Section 2.4312. Records and Reports. Developer shall promptly provide to the City upon request, and without charge, copies of any records or documents relating to Qualifying Facilities.

Section 2.4413. Reimbursement of Legal Fees. Developer agrees to reimburse the City for all legal fees incurred by the City in the drafting and review of this Agreement and the exhibits hereto. Such reimbursement shall be made within 30 days of receipt of an invoice for same. The City recognizes that Developer may be reimbursed for these costs.

ARTICLE 3 CITY OBLIGATIONS

Section 3.01. Provision of Water and Wastewater Treatment Capacity. The City agrees to serve the ~~Residential~~-Tract with Water and Wastewater Services as reasonably required in conjunction with the proposed and approved development of the ~~Residential~~-Tract, provided that all impact fees are paid for such capacity and that such capacity at build out of the ~~Residential~~-Tract does not exceed 162 single-family equivalent connections of water and 162 single-family equivalent connections of sewage treatment capacity. Developer shall provide the City annually with development projections which include the projected needed capacity for the next three (3) years so as to allow the City time to plan for construction or expansions of facilities needed to provide the Water and Wastewater Services. Failure of Developer to advise the City of future needs so as to allow the City to provide services hereunder shall excuse any

non-performance of City in such regard. Developer agrees to cooperate fully with the City in the planning and arranging for all needed expansions and construction of the City facilities needed to serve the ~~Residential~~ Tract.

ARTICLE 4 FINANCIAL MATTERS

Section 4.01. Design and Construction of Facilities.

(a) Developer shall advertise for bids and let construction contracts for the Qualifying Facilities in accordance with Chapter 252, Texas Local Government Code, as amended, or, a more stringent standard if it is required of the City in the advertisement and award of the City's public works contracts. The City shall not be obligated to purchase any Qualifying Facilities for which Developer fails to comply with the procurement laws applicable to the City. Upon receipt of bids, Developer shall submit same to the City together with a tabulation of the bids for review and approval.

(b) Developer shall keep accurate records of both invoices for and payments of Eligible Costs for Qualifying Facilities, itemizing and separating all costs relative to the Purchase Price for payment by the City as set forth herein. The City shall have the right to examine such records at reasonable times and intervals. Developer agrees to maintain all records in accordance with the requirements of the Texas Public Information Act and the Texas Local Government Records Act and all rules, regulations, policies and retention schedules adopted thereunder with respect to any records to which said acts apply.

(c) Developer shall provide the necessary services on behalf of the City to assure that all construction is performed in a good and workmanlike manner and in accordance with the applicable statutes, ordinances and regulations. All Qualifying Facilities shall be constructed in sites dedicated to the City, the public or other governmental agencies or specifically leased, conveyed or sold to the City by Developer. Developer shall provide full-time inspection of the Qualifying Facilities by the project engineer during construction. Further, the City's representatives shall have full access at all times to the Qualifying Facilities construction to make reasonably necessary inspections thereof. Upon completion of the construction of the Qualifying Facilities, Developer shall provide the City with "as-built" mylar drawings of the Qualifying Facilities and a digital version of the "as-built" drawings in a format that is compatible with the City's geographic information system. Developer's engineer shall provide a certificate of completion to the effect that the construction has been completed in accordance with the plans and specifications as approved by the City and has been approved by all required regulatory agencies having jurisdiction, which certificate shall be addressed to both Developer and the City.

Section 4.02. Conveyance of the Qualifying Facilities.

(a) Immediately following certification of completion of the Qualifying Facilities by Developer's engineer, inspection and approval by the City and all regulatory agencies with jurisdiction, and payment by Developer, of all applicable construction costs of the Qualifying

Facilities, or applicable portion thereof, under the construction contract, Developer shall lease the applicable Qualifying Facilities to the City for the remaining term of this Agreement at a price of \$10 per year, which shall be pre-payable at the date of delivery, and the City shall accept same for operation and maintenance.

(b) Developer shall further convey or cause to be conveyed to the City all necessary easements, rights-of-way, sites, licenses, franchises, and permits required for the City's ownership, operation, and/or maintenance of the Qualifying Facilities (the "Sites"), unless such Sites have been dedicated to the public or another governmental agency.

(c) At the time of the payment of the Purchase Price, or an installment thereof, Developer shall sell and convey the Qualifying Facilities, or applicable portion thereof, with a transfer of contractors' warranties, free and clear of all liens, claims, encumbrances, options, charges, assessments, restrictions, limitations, and reservations (except for such restrictions, limitations, and reservations which restrict the Qualifying Facilities or Sites for utility purposes), including liens for ad valorem taxes for the current year and payments due to construction contractors, laborers and materialmen (the foregoing collectively herein called "Encumbrances"); provided, however, the City may consent to any conveyance and sale with such Encumbrances which would not unreasonably interfere with the use by the City of the Qualifying Facilities. Developer shall provide proof of title and proof that no Encumbrances exist as may be reasonably required by the City.

(d) The City shall be under no obligation to accept conveyance and sale of the Qualifying Facilities unless:

1. the Qualifying Facilities have been constructed in Sites properly dedicated by recorded plat or other recorded instrument reasonably acceptable to the City in accordance with the plans and specifications approved by the City and in a good and workmanlike manner; and

2. the City has received sufficient evidence that all construction costs of the Qualifying Facilities have been paid in full by Developer, including, without limitation, an affidavit of bills paid from the construction contractor, and that no Encumbrances exist on or will exist on the Qualifying Facilities.

(e) Notwithstanding the foregoing and the lease of the Qualifying Facilities by Developer, the City shall remain obligated to pay the full Purchase Price in accordance with the terms of this Agreement and nothing herein shall be construed as consent by Developer to conveyance and sale to the City of the Qualifying Facilities without adequate compensation in the form of payment of the Purchase Price.

Section 4.03. City's Payment for the Qualifying Facilities.

(a) Subject to the conditions and limitations hereafter defined and set forth in this Section, the providing of the goods and services by Developer under this Agreement

including, without limitation, the construction of the Qualifying Facilities and the conveyance and sale of the Qualifying Facilities to the City as heretofore provided, the City shall be obligated, from time-to-time, to pay the Purchase Price for each Qualifying Facility to Developer, which Purchase Price shall be Equal to the Eligible Costs incurred by Developer, which amounts are estimated on Exhibit F attached hereto, and which shall be the maximum Purchase Price allowable under the TCEQ Rules; provided, however:

1. the TCEQ's Rules related to economic feasibility and the developer thirty percent (30%) contribution shall not apply to the City's payment of the Purchase Price to the Developer; and

2. notwithstanding that the financing of Road Facilities is not subject to the TCEQ Rules, the Eligible Costs of Road Facilities shall be determined as if the TCEQ Rules applied to such facilities.

(b) The Purchase Price to Developer shall be based upon an independent audit or audits performed, at the City's expense and by an auditor selected by mutual agreement of the parties, of the Eligible Costs of the applicable Qualifying Facilities and the records required to be maintained under this Agreement, with said audits to be performed in accordance with the TCEQ Rules and in accordance with the applicable standards of the American Institute of Certified Public Accountants.

(c) Notwithstanding any provisions to the contrary in this Section 4.03, the City shall be under no obligation to pay the Purchase Price, or any portion thereof, unless the following conditions have been satisfied:

1. the total assessed valuation of the ~~Residential Property Tract~~ and all taxable improvements constructed thereon (based upon the valuations certified by the Fort Bend Central Appraisal District on the most recent certified tax roll), is at least twenty (20) times the aggregate amount of any installment of the Purchase Price;
2. the Qualifying Facilities and Sites have been conveyed and sold to the City in accordance with Section 4.02 of this Agreement;
3. the City and, if required by then applicable laws, rules or regulations (including those of the TCEQ), the TCEQ has inspected the Qualifying Facilities and such Facilities have passed same; and
4. Developer has performed all testing, cleaning and/or repairs required by any applicable rules.

(d) Provided however, that the aggregate Purchase Price paid by the City to Developer shall not exceed \$2,500,000.

(e) Subject to the conditions in this Section 4.03, the City will pay the Purchase

Price to Developer in a single installment (or in installments at the sole option of the City), which shall occur, assuming the timely delivery of the items described in Section 4.03(b) above, within ninety (90) days of Developer's written request for same, the ability of the City to calculate compliance with subsection (c)(1) hereof, and the inclusion of the Purchase Price in the following fiscal year budget.

(f) The City represents, warrants, and acknowledges that the:

1. City currently has sufficient funds that are lawfully available to pay the Purchase Price and otherwise has the financial ability to meet its obligations under this Agreement;

2. City will, to the full extent permitted by law, exercise all reasonable diligence and financial care to ensure sufficient funds are available for payment of the Purchase Price; and

3. Developer is relying on the foregoing representations and warranties as a material inducement for entering into this Agreement.

(g) Notwithstanding Section 4.03(e) of this Agreement, the City may, in its sole discretion issue bonds or other obligations for the purpose of paying or funding the Purchase Price or any portion thereof to Developer; provided that, the amount payable by the City in any year shall not exceed the funds then currently lawfully available for payment to Developer. Should such Purchase Price exceed the funds then on hand, the City agrees to issue debt to pay the Purchase Price, or any portion thereof, to Developer in accordance with Section 4.03(d) hereof.

(h) After the payment of any portion of the Purchase Price, Developer agrees to execute all necessary documentation to sell and convey interest in the Qualifying Facilities then purchased by the City. Such conveyance shall not abate any remaining provisions of the lease of the Qualifying Facilities.

Section 4.04. Issuance limitation. The City will not issue bonded debt in excess of the amount that is required to yield the Purchase Price to pay for Qualifying Facilities inclusive of the costs of issuance.

ARTICLE 5 PROVISIONS FOR DESIGNATED MORTGAGEE

Section 5.01. Notice to Designated Mortgagee. Pursuant to Section 5.03, any Designated Mortgagee shall be entitled to simultaneous notice any time that a provision of this Agreement requires notice to Developer.

Section 5.02. Right of Designated Mortgagee to Cure Default. Any Designated Mortgagee shall have the right, but not the obligation, to cure any default in accordance with the provisions of Section 5.03 and Article 7.

Section 5.03. Designated Mortgagee.

(a) At any time after execution and recordation in the Real Property Records of Fort Bend County, Texas, of any mortgage, deed of trust, or security agreement given and executed by Developer encumbering the ~~Residential Property Tract~~ or any portion thereof, Developer (i) shall notify the City in writing that such mortgage, deed of trust, or security agreement has been given and executed by Developer, and (ii) may change Developer's address for notice pursuant to Section 10.03 to include the address of the Designated Mortgagee to which it desires copies of notice to be mailed.

(b) At such time as a release of any such lien is filed in the Real Property Records of Fort Bend County, Texas, and Developer gives notice of the release to the City as provided herein, all rights and obligations of the City with respect to the Designated Mortgagee under this Agreement shall terminate.

(c) The City agrees that it may not exercise any remedies of default hereunder unless and until the Designated Mortgagee has been given thirty (30) days written notice and opportunity to cure (or commences to cure and thereafter continues in good faith and with due diligence to complete the cure) the default complained of. Whenever consent is required to amend a particular material provision of this Agreement or to terminate this Agreement, the City and Developer agree that this Agreement may not be so amended or terminated without the consent of such Designated Mortgagee; provided, however, consent of a Designated Mortgagee shall only be required to the extent the lands mortgaged to such Designated Mortgagee would be materially affected by such amendment or termination.

(d) Upon foreclosure (or deed in lieu of foreclosure) by a Designated Mortgagee of its security instrument encumbering the ~~Residential Property Tract~~, such Designated Mortgagee (and its affiliates) and their successors and assigns shall not be liable under this Agreement for any defaults that are in existence at the time of such foreclosure (or deed in lieu of foreclosure). Furthermore, so long as such Designated Mortgagee (or its affiliates) is only maintaining the ~~Residential Property Tract~~ and marketing it for sale, and is not actively involved in the development of the ~~Residential Property Tract~~, such Designated Mortgagee (and its affiliates) shall not be liable under this Agreement. Upon foreclosure (or deed in lieu of foreclosure) by a Designated Mortgagee, any development of the ~~Residential Property Tract~~ shall be in accordance with this Agreement.

(e) If the Designated Mortgagee or any of its affiliates and their respective successors and assigns, undertakes development activity, the Designated Mortgagee shall be bound by the terms of this Agreement. However, under no circumstances shall such Designated Mortgagee ever have liability for matters arising either prior to, or subsequent to, its actual period of ownership of the ~~Residential Property Tract~~, or a portion thereof, acquired through foreclosure (or deed in lieu of foreclosure).

**ARTICLE 6
PROVISIONS FOR DEVELOPER AND LANDOWNERS**

Section 6.01 Vested Rights. Upon the mutual execution of this Agreement, the City, Developer and each other Landowner agrees that the rights of all parties as set forth in this Agreement shall be deemed to have vested, as provided by Texas Local Government Code, Chapters 43 and 245, as amended or under any other existing or future common or statutory rights as of the Effective Date.

Section 6.02 Waiver of Actions Under Private Real Property Rights Preservation Act. Developer and each other Landowner hereby waive its right, if any, to assert any causes of action against the City accruing under the Private Real Property Rights Preservation Act, Chapter 2007, Texas Government Code (the "Act") or other state law, that the City's execution or performance of this Agreement or any authorized amendment or supplements thereto may constitute, either now or in the future, a "Taking" of Developer's, each other Landowner's, or their respective grantee's, or a grantee's Successor's "Private Real Property," as such terms are defined in the Act. Provided, however, that this waiver does not apply to, and Developer, each other Landowner and their respective grantees and successors do not waive their rights under the Act to assert a claim under the Act for any action taken by the City beyond the scope of this Agreement which otherwise may give rise to a cause of action under the Act.

Section 6.03 Developer's Right to Continue Development. The City and Developer hereby acknowledge and agree that, subject to Section 8.04 of this Agreement, Developer may sell a portion of the ~~Residential Property Tract~~ to one or more persons who assumes and shall be bound by this Agreement and perform the obligations of Developer hereunder. In the event that there is more than one person acting as a Developer hereunder, the acts or omissions of one developer which result in that developer's default shall not be deemed the acts or omissions of any other developer, and a performing developer shall not be held liable for the nonperformance of another developer. In the case of nonperformance by one or more developers, the City may pursue all remedies against such nonperforming developer as set forth in Section 7.04 hereof, but shall not impede the planned or ongoing development activities nor pursue remedies against any other developer.

ARTICLE 7

MATERIAL BREACH, NOTICE AND REMEDIES

Section 7.01 Material Breach of Agreement.

(a) It is the intention of the parties to this Agreement that the ~~Residential~~ Tract be developed in accordance with the terms of this Agreement and that Developer follow the development plans as set out in the General Plan. The parties acknowledge and agree that any substantial deviation from the General Plan in the form attached hereto and the concepts of development contained therein and any substantial deviation by Developer from the material terms of this Agreement would frustrate the intent of this Agreement, and therefore, would be a material breach of this Agreement. By way of example, but not limited to the following, a major deviation from the material terms of this Agreement and General Plan would be:

1. An increase in the density beyond that which is allowed by this Agreement or a fundamental change in the roadway configurations;

2. Developer's failure to develop the ~~Residential~~ Tract in compliance with the approved General Plan, as from time to time amended; or Developer's failure to secure the City's approval of any material or significant modification or amendment to the General Plan; or

3. Failure of Developer to substantially comply with a provision of this Agreement or a City ordinance applicable to the ~~Residential~~ Tract.

4. An attempt by Developer to add additional property to the ~~Residential~~ Tract without complying with the conditions set forth in Article IV of this Agreement;

5. An attempt by Developer to modify or amend the General Plan except as permitted by this Agreement;

6. Altering the development in a manner that substantially increases the Water or Wastewater capacity required to serve the ~~Residential~~ Tract; and

7. Any warranty, representation or statement made or furnished to City by or on behalf of Developer under this Agreement which was false or misleading in any material respect, either now or at the time made or furnished, and Developer fails to cure same within thirty (30) days after written notice from City describing the violation, or if such violation cannot be cured within such 30-day period in the exercise of all due diligence, then if Developer fails to commence such cure within such 30-day period or fails to continuously thereafter diligently prosecute the cure of such violation; or if Developer learns that any such warranty, representation or statement has become false or misleading at the time that it was made, and Developer fails to provide written notice to City of the false and misleading nature of such warranty, representation or statement within ten (10) days after Developer learns of its false or misleading nature.

(b) The parties acknowledge and agree that any substantial deviation by the City from the material terms of this Agreement would frustrate the intent of this Agreement and, therefore, would be a material breach of this Agreement. By way of example, a substantial deviation from the material terms of this Agreement would be:

1. The imposition or attempted imposition of any moratorium on building or growth on the ~~Residential~~ Tract, except as allowed by this Agreement;

2. Any warranty, representation or statement made or furnished to Developer by or on behalf of City under this Agreement which was false or misleading in any material respect, either now or at the time made or furnished, and City fails to cure same within thirty (30) days after written notice from Developer describing the violation, or if such violation cannot be cured within such 30-day period in the exercise of all due diligence, then

if City fails to commence such cure within such 30-day period or fails to continuously thereafter diligently prosecute the cure of such violation; or if City learns that any such warranty, representation or statement has become false or misleading at the time that it was made, and the City fails to provide written notice to Developer of the false and misleading nature of such warranty, representation or statement within ten (10) days after the City learns of its false or misleading nature;

3. An attempt by the City to modify or amend the General Plan except as permitted by this Agreement;

4. An attempt by the City to unreasonably withhold approval of a plat of land within the ~~Residential~~-Tract that complies with the Development Ordinance and requirements of this Agreement;

5. An attempt by the City to zone the ~~Property~~-Tract in a manner that does not permit development consistent with the General Plan; or

6. Failure by the City to pay Developer the Purchase Price, or any portion thereof, when due in accordance with Section 4.03 hereof.

(c) In the event that a party to this Agreement believes that another party has, by act or omission, committed a material breach of this Agreement, the provisions of this Article 7 shall provide the sole remedies for such default, unless otherwise specifically provided herein.

Section 7.02 Notice of Developer's Default.

(a) The City shall notify Developer and each Designated Mortgagee in writing of an alleged failure by Developer to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. Developer shall, within thirty (30) days after receipt of such notice or such longer period of time as the City may specify in such notice, either cure such alleged failure or, in a written response to the City, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

(b) The City shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by Developer or a Designated Mortgagee. Developer shall make available and deliver to the City, if requested, any records, documents or other information necessary to make the determination without charge.

(c) In the event that the City determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the City, or that such failure is excusable, such determination shall conclude the investigation.

(d) If the City determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by Developer or a Designated Mortgagee in a manner and in accordance with a schedule reasonably satisfactory to the City, then the City may take any appropriate action to enforce this Agreement at law or in equity.

Section 7.03 Notice of City's Default.

(a) Developer shall notify the City in writing of an alleged failure by the City to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The City shall, within 30 days after receipt of such notice or such longer period of time as Developer may specify in such notice, either cure such alleged failure or, in a written response to Developer, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

(b) Developer shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the City. The City shall make available and deliver to Developer, if requested, any records, documents or other information necessary to make the determination without charge.

(c) In the event that Developer determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to Developer, or that such failure is excusable, such determination shall conclude the investigation.

(d) If Developer determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the City in a manner and in accordance with a schedule reasonably satisfactory to Developer, then Developer may take any appropriate action to enforce this Agreement at law or in equity.

Section 7.04 Remedies.

(a) In the event of a determination by the City that Developer has committed a material breach of this Agreement the City may, subject to the provisions of Section 7.02, file suit in a competent jurisdiction in Fort Bend County, Texas, and seek either (i) specific performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement as to the breaching developer (but not as to any other non-breaching developer).

(b) In the event of a determination by Developer that the City has committed a material breach of this Agreement, Developer may, subject to the provisions of Section 7.03, file suit in a court of competent jurisdiction in Fort Bend County, Texas, and seek (i) specific

performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement as to Developer.

(c) Neither party shall be liable for any monetary damages of the other party for any reason whatsoever, including attorneys' fees.

ARTICLE 8 BINDING AGREEMENT, TERM, AMENDMENT, AND ASSIGNMENT

Section 8.01 Beneficiaries. This Agreement shall bind and inure to the benefit of the City and Landowners, their successors, and assigns. In addition, Designated Mortgagees, and their respective successors or assigns, shall also be deemed beneficiaries to this Agreement. The terms of this Agreement shall constitute covenants running with the land comprising the ~~Residential~~ Tract and shall be binding on all future developers and other Landowners, other than End Buyers. This Agreement and all amendments hereto (including amendments to the General Plan) shall be recorded in the deed records of Fort Bend County, Texas. This Agreement, when recorded, shall be binding upon the parties hereto and their successors and assigns permitted by this Agreement and upon the ~~Residential~~ Tract; however, this Agreement is not binding on, and does not create any encumbrance to title as to, any End Buyer, or mortgagee of an End Buyer, of a fully developed and improved lot within the ~~Residential~~ Tract, except for land use and development regulations that may apply to a specific lot or tract.

Section 8.02 Term. This Agreement shall be effective on the Effective Date and shall terminate thirty (30) years from the Effective Date. To the extent that any of the Qualifying Facilities or Sites have not been conveyed to the City ninety (90) days prior to the termination date set forth in this Section 8.02, Developer shall convey or cause to be conveyed all such Qualifying Facilities and Sites no later than thirty (30) days prior to such termination date, and the City shall not be obligated to pay any unpaid portion of the Purchase Price unless the Developer is otherwise due same pursuant to the terms of this Agreement.

Section 8.03 Termination. In the event this Agreement is terminated as provided in this Agreement or is terminated pursuant to other provisions, or is terminated by mutual agreement of the parties, the parties shall promptly execute and file of record, in the real property records of each county in which any part of the ~~Residential~~ Tract is located, a document confirming the termination of this Agreement, and such other documents as may be appropriate to reflect the basis upon which such termination occurred. At any time after thirty (30) years from the Effective Date, the City may file in the real property records of Fort Bend County a unilaterally executed document confirming the termination of this Agreement.

Section 8.04 Assignment or Sale by Developer. Any person who acquires the ~~Residential~~ Tract or any portion of the ~~Residential~~ Tract, except for an End Buyer whose liability is defined in Section 2.06 above, shall take the ~~Residential~~ Tract subject to the terms of this Agreement. The terms of this Agreement are binding upon Developer, its successors and assigns, as provided in Section 8.01 above; provided, however, notwithstanding anything

to the contrary herein, Developer's assignee shall not acquire the rights and obligations of Developer unless Developer expressly states in the deed of conveyance or by separate instrument placed of record that said assign is to become Developer for purposes of this Agreement and notice is sent by Developer to the City and any Designated Mortgagee. Any contract, agreement to sell land, or instrument of conveyance of land which is a part of the ~~Residential~~ Tract, other than to an End Buyer, shall recite and incorporate this Agreement as binding on any purchaser or assignee.

Section 8.05 Amendment. This Agreement may be amended only upon written amendment executed by the City and Developer. In the event Developer sells any portion of the ~~Residential~~ Tract, Developer may assign to such purchaser the right to amend this Agreement as to such purchased property by written assignment and notice thereof to the City. Such assignment shall not grant such purchaser the authority to amend this Agreement as to any other portions of the ~~Residential~~ Tract.

ARTICLE 9

Section 9.01. Approved Land Plan. Developer agrees that all development and construction by it within the ~~Residential~~ Tract will comply with the Land Plan attached as **Exhibit B** and approved by the City.

ARTICLE 10 MISCELLANEOUS

Section 10.01. Successors. This Agreement shall be binding upon the successors or assigns of the parties hereto.

Section 10.02. Force Majeure. If any party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority other than a party to this Agreement, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and sewer systems hereunder or in an inability of the City to provide Water or receive Wastewater, and any other inability of any

party, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, which such party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party when such settlement is unfavorable to it in the judgment of the party experiencing such difficulty.

Section 10.03 Notice. The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("*Notice*") required to be given by one party to another by this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (a) by delivering the same in person, (b) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified; (c) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified, or (d) by sending the same by facsimile with confirming copy sent by mail. Any notice required to be given by a party to a Designated Mortgagee shall be given as provided above at the address designated upon the identification of the Designated Mortgagee, Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed as provided below, shall be as follows:

City: City of Richmond, City
Hall 402 Morton Street
Richmond, TX 77469
Attn: City Secretary
Facsimile: (281) 346-
2556

With copy to: Thomas A. Sage
Hunton Andrews Kurth LLP 600
Travis, Suite 4200
Houston, TX 77002
Phone: (713) 220-3833
Facsimile: (713) 238-4285

Developer: Meritage Homes
of Texas, LLC
3250 Briarpark, Suite 100
Houston, TX 77042
Facsimile: (713)357-1181

With copy to: Jennifer S. Lee, Esq.

8800 E. Raintree Dr, Suite 300
Scottsdale, Arizona 85260
Phone: (480)515-8014

The parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five (5) days written notice to the other parties. A Designated Mortgagee may change its address in the same manner by written notice to all of the parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

Section 10.04 Time. Time is of the essence in all things pertaining to the performance of the provisions listed under Article VII of this Agreement.

Section 10.05. Severability by Court Action. If any provision of this Agreement or the application thereof to any person or circumstance is ever judicially declared invalid, such provision shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall remain in effect.

Section 10.06. Invalid Provisions. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.

Section 10.07. No Waiver. Any failure by a party hereto to insist upon strict performance by the other party of any provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 10.08. Applicable Law and Venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Fort Bend County, Texas.

Section 10.09. Reservation of Rights. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws, including sovereign immunity, except to enforce any rights and remedies under this Agreement.

Section 10.10. Further Documents. The parties agree that at any time after execution of this Agreement, they will, upon request of another party, execute and deliver such further documents and do such further acts and things as the other party may reasonably request in order to effectuate the terms of this Agreement.

Section 10.11. Incorporation of Exhibits and Other Documents by Reference. All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

Section 10.12. Effect of State and Federal Laws. Notwithstanding any other provision of this Agreement, Developer, its successors or assigns, shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well as any City ordinances to the extent not in conflict with this Agreement, and any rules implementing such statutes or regulations. If any state or federal law changes so as to make it impossible for the City or Developer to perform its obligations under this Agreement, the Parties will cooperate to amend the Agreement in such a manner that is most consistent with the original intent of the Agreement as legally possible.

Section 10.13. Authority for Execution. The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with City ordinances. Developer hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreements of such entities.

Section 10.14. Waiver of Governmental Immunity. The City and Developer agree that this Agreement constitutes an agreement for providing goods and services to the City and is subject to the provisions of the Subchapter I of Chapter 271, Texas Local Government Code, and any successor statute(s), as and if in effect. In accordance with Sections 271.152 and 271.153 thereof, to the extent limited, however, by the provisions thereof, the City hereby waives any constitutional, statutory, or common law right to sovereign or governmental immunity from liability or suit and expressly consents to be sued and liable to the extent necessary for the Developer to enforce this Agreement, but only as to the Developer and this Agreement.

Section 10.15. Texas Government Code, Chapter 2252 statement. Developer represents that, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, solely for the purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither Developer, nor any wholly owned subsidiary majority-owned subsidiary, parent company or affiliate of the Developer is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

Section 10.16. Texas Government Code, Chapter 2271 statement. Developer represents and verifies that, to the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable federal law, including without limitation, 50 U.S.C. Section 4607, neither Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of Developer: (1) boycotts Israel, or (ii) will boycott Israel through the term of the contract,

which shall begin as of the time accepted by the City and shall end as of the termination of the contract. The terms “boycotts Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code.

[EXECUTION PAGES FOLLOW]

AGREED AND ACCEPTED as of the date first above written.

MERITAGE HOMES OF TEXAS, LLC

By: _____

Name: _____

Title: _____

CITY OF RICHMOND, TEXAS

By: _____

Rebecca K. Haas, Mayor

ATTEST:

By: _____

Laura Scarlato, City Secretary

EXHIBIT A
THE ~~RESIDENTIAL PROPERTY~~TRACT

EXHIBIT A-1
COMMERCIAL PROPERTY

EXHIBIT B
APPROVED LAND PLAN

EXHIBIT C QUALIFYING FACILITIES

“Qualifying Facilities” includes the following, this list being an exclusive listing on the Qualifying Facilities, and such facilities as the City may approve from time to time for addition to this list.

1. Clearing, Grubbing, and Site Preparation
2. Water Distribution System
3. Offsite Water Distribution System
4. Wastewater Collection System
5. Offsite Wastewater Collection System
6. Storm Water Collection System
- ~~7. Detention Basin and Amenity Lake~~
- 8.7. Excavation and Paving
- 9.8. Storm Water Pollution Prevention (2.0%)
- 10.9. Construction Staking Services (2.5%)

EXHIBIT D
CONVEYANCE AND SECURITY AGREEMENT

STATE OF TEXAS	§	
	§	KNOW ALL BY THESE PRESENTS
COUNTY OF FORT BEND	§	

MERITAGE HOMES of TEXAS, LLC (“Meritage”) has constructed certain improvements, structures, and facilities designed to provide water, wastewater, drainage, and recreation to serve areas within the boundaries of the City of Richmond, Texas (the “City”), For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Meritage hereby conveys, transfers, and delivers to the City, its successors and assigns, subject to a security interest therein, those certain facilities described as follows:

Those certain facilities constructed by or on behalf of Meritage pursuant to the construction contract with _____ dated for _____, for _____ [describe project] _____, and together with any improvements, structures, storm sewer mains, plants, service pumps, storage reservoirs, electrical equipment, plant equipment, distribution lines, collection lines, water mains, lift stations, meters, valves, pipes, fittings, connections, meter boxes, laterals, above-ground improvements, easements, rights-of-way, licenses, operating rights and all other property therein whether real, personal or mixed, owned by the Meritage in connection with the facilities being conveyed hereby (the “Qualifying Facilities”).

Meritage has constructed the Qualifying Facilities and is conveying the Qualifying Facilities to the City pursuant to the Development and Utility Services Agreement, dated _____, 2019 (the “Agreement”). This conveyance is made subject to the terms of the Agreement. Meritage hereby reserves (and the City grants) a security interest in the Qualifying Facilities to secure the capacity reserved to Meritage in the Qualifying Facilities under the Agreement.

The Meritage hereby assigns to the City all rights, maintenance bonds, warranties and manufacturer’s warranties, if any, owned or acquired by the Meritage for the Qualifying Facilities.

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Qualifying Facilities in accordance with the terms of the Agreement.

IN WITNESS WHEREOF, this conveyance is executed on _____, 20 .

MERITAGE HOMES OF TEXAS, LLC

By: _____

Name: _____

President

In accordance with the Agreement, the City hereby accepts this Utility Conveyance and Security Agreement on _____, 20__.

CITY OF RICHMOND

By: _____

Name: _____

Title: _____

STATE OF TEXAS §

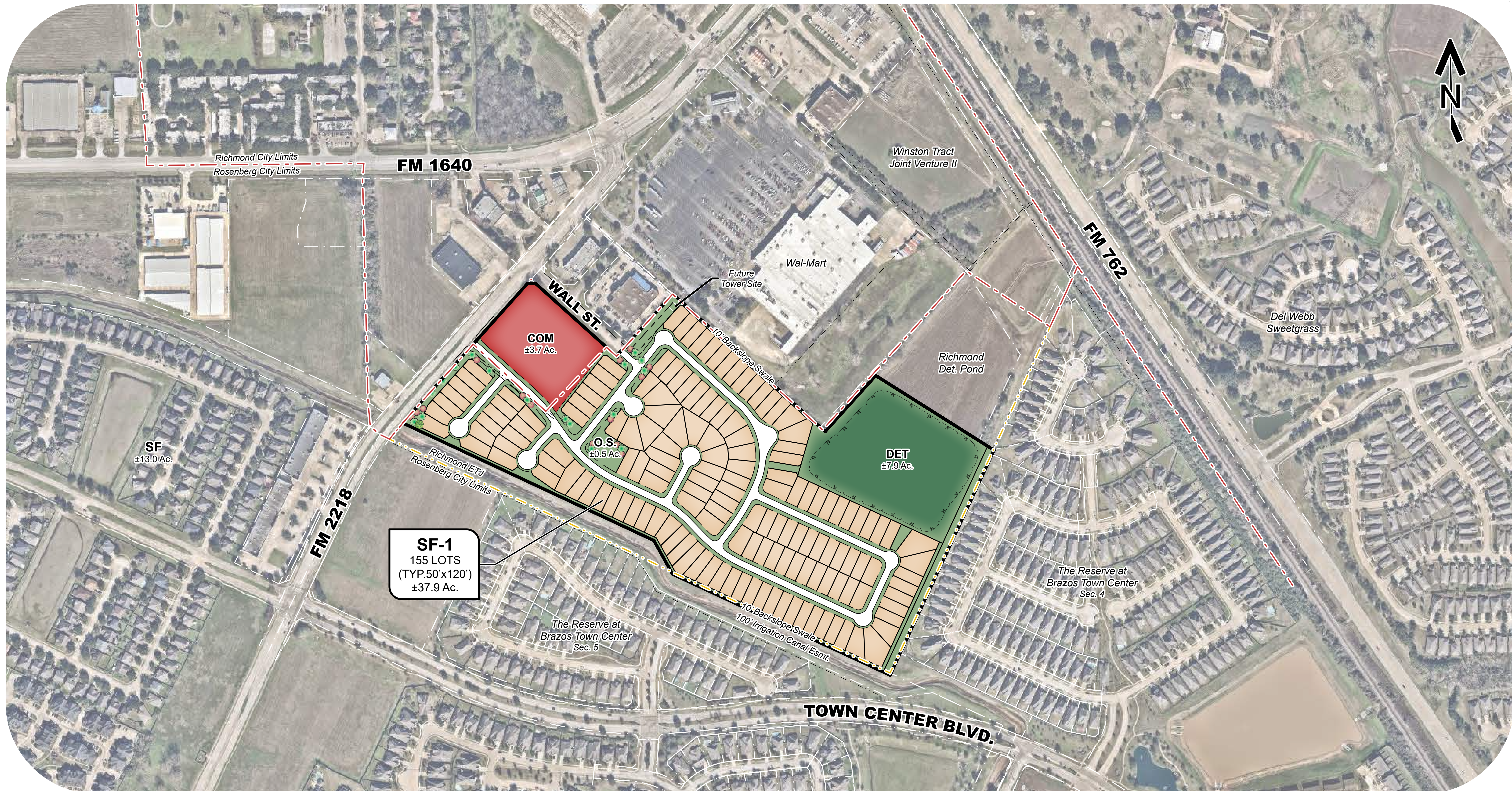
§

COUNTY OF [] §

This instrument was acknowledged before me on _____, by _____, as _____ of Meritage Homes, of Texas, LLC, an Arizona limited liability company, on behalf of said limited liability company.

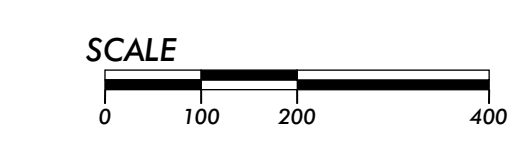
Notary, State of Texas

(NOTARY SEAL)



a schematic development plan for
FM 2218 TRACT
 ±49.5 ACRES OF LAND
 prepared for
MERITAGE HOMES

META
 PLANNING + DESIGN
 24275 Katy Freeway, Ste. 200
 Katy, Texas 77494
 Tel: 281-810-1422



MTA-23013
 APRIL 06, 2021

OPTION C

LOT SUMMARY

	50'x120'	155 LOTS	100%
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TOTAL 155 LOTS

THIS DRAWING IS A GRAPHIC REPRESENTATION FOR PRESENTATION PURPOSES ONLY AND IS NOT FOR COMPUTATION OR CONSTRUCTION PURPOSES. SAID DRAWING IS A SCANNED IMAGE ONLY AND IS SUBJECT TO CHANGE WITHOUT NOTICE. META PLANNING + DESIGN MAY OR MAY NOT INTEGRATE ADDITIONAL INFORMATION PROVIDED BY OTHER CONSULTANTS, INCLUDING BUT NOT LIMITED TO THE TOPICS OF ENGINEERING AND DRAINAGE, FLOOD PLAINS, AND/OR ENVIRONMENTAL ISSUES AS THEY RELATE TO THIS DRAWING. NO WARRANTIES, EXPRESSED OR IMPLIED, CONCERNING THE PHYSICAL DESIGN, LOCATION, AND CHARACTER OF THE FACILITIES SHOWN ON THIS MAP ARE INTENDED. ADDITIONALLY, NO WARRANTY IS MADE TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting

600 Morton Street
Monday, August 2, 2021 at 4:30 p.m.

- A4. Review and consider taking action on Resolution No. 364-2021, Interlocal Agreement 2021-22 School Year with the Fort Bend Subsidence District for the Water Conservation Education Program.



RESOLUTION NO. 364-2021

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF RICHMOND, TEXAS, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL AGREEMENT WITH FORT BEND SUBSIDENCE DISTRICT FOR THE WATERWISE PROGRAM FOR THE 2021-2022 YEAR; AND PROVIDING AN EFFECTIVE DATE.

The City of Richmond has participated with the Fort Bend Subsidence District to sponsor the WaterWise Program to educate school children and the public in conservation of potable water, a valuable commodity.

The City of Richmond desires to continue its participation in the Subsidence District's Water Conservation Education Program because education on water conservation methods and technology has been demonstrated as an effective means of reducing water demand in households and businesses.

The City Commission of the City of Richmond finds that it is in the public interest enter into the Interlocal Agreement with Fort Bend Subsidence District for participation in the WaterWise Program for year 2021-2022; **Now, Therefore,**

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF RICHMOND, TEXAS:

Section 1. The facts and recitals set forth in the preamble of this Resolution are hereby found to be true and correct and are in all things incorporated herein and made a part hereof.

Section 2. The City Commission approves the Interlocal Agreement with Fort Bend Subsidence District for participation in the WaterWise Program for year 2021-2022, attached hereto as Exhibit A, and authorizes the Mayor to execute the same.

Section 3. This Resolution shall be effective from and after its approval and adoption.

PASSED, APPROVED and RESOLVED this 2nd day of August, 2021.

The City of Richmond, Texas

Rebecca K. Haas, Mayor

ATTEST:

APPROVED AS TO FORM:

Laura Scarlato, City Secretary

Gary W. Smith, City Attorney

EXHIBIT A

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") entered into by and between the Fort Bend Subsidence District, a body corporate and politic under the laws of the State of Texas ("Subsidence District") and the City of Richmond, Texas, also a body corporate and politic under the laws of the State of Texas ("Sponsor").

WITNESSETH:

WHEREAS, the Subsidence District is the regulatory agency responsible for preventing subsidence through reduction of groundwater withdrawals governed by Chapter 8834, Special District Local Laws Code, which specifically provides that the Subsidence District may cooperate with "any local government to establish water conservation goals, guidelines, and plans to be used within the district"; and

WHEREAS, the Subsidence District cannot achieve water conservation goals without the cooperation and assistance of the public water supply systems; and

WHEREAS, the Subsidence District has designed a Water Conservation Education Program to increase water conservation awareness and activity primarily through education of elementary and intermediate students along with other water conservation program objectives and initiatives; and

WHEREAS, education in water conservation methods and technology has been demonstrated as an effective means of reducing water demand in households and businesses; and

WHEREAS, the education of elementary and intermediate students, "Be a Water Detective - Learning to be WaterWise" has been tested in several area schools; and

WHEREAS, the plumbing retrofit devices used as part of the elementary and intermediate school education program have been tested in the Harris County Municipal Utility District No. 55, jointly sponsored by that district, the Texas Water Development Board, and the Subsidence District, and have demonstrated an average savings of 1,400 gallons of water per month per kit utilized and properly installed; and

WHEREAS, the Sponsor is also dedicated to conserving water supplies and providing outstanding service to their customers and taxpayers; and

WHEREAS, the governing bodies of the Subsidence District and the Sponsor have duly authorized this Agreement; and

WHEREAS, this Agreement is made pursuant to Chapter 791, Tex. Gov. Code, the Interlocal Cooperation Act.

NOW THEREFORE, for and in consideration of the mutual promises and representations herein contained, the parties hereby agree as follows:

I.

PROGRAM ADMINISTRATION

1.1 The Subsidence District will coordinate the Program by establishing and maintaining programs designed to achieve reductions in water demand in municipal, industrial, commercial, educational, agricultural, recreational, and household use. In-school water conservation education programs may include:

- (A) providing school curriculum and home retrofit kits, including the teacher's guide, teaching aids, internet supporting materials, and mobile applications, to area schools;
- (B) providing in-service training to teachers and all support functions such as slide presentations, video presentations, publications, and program outlines;
- (C) conducting an evaluation of the program, collecting and analyzing voluntarily provided evaluation forms from teachers, students, administrators, and parents, and provide the evaluation results to the Sponsor;

- (D) providing information related to other water conservation program objectives and initiatives;
and
- (E) providing all necessary documentation to the Texas Education Agency, Texas Water Development Board, and Texas Commission on Environmental Quality.

1.2 The Subsidence District shall provide water conservation credits as follows:

- (A) The Sponsor shall receive a Certificate of Deposit water conservation credit equal to 84,000 gallons of groundwater for each Program sponsorship .
- (B) The Sponsor may hold, transfer, sell, or redeem the Certificates of Deposit at any time, provided, however, that the Certificates of Deposit will be honored by the Subsidence District for no longer than 20 years after the date the Certificate of Deposit is issued.
- (C) Redemption of the Certificate of Deposit requires the Subsidence District to increase the redeemer's permitted groundwater allocation by the amount of the water conservation credit by a maximum of 30% of the permittee's total water demand. This absolute right to increase the groundwater allocation by up to 30% of the permittee's total water demand does not in any way affect the other terms and conditions of the groundwater permit and all groundwater withdrawals will be subject to the permit fees and other rules of the Subsidence District in effect at the time of the permit.

1.3 The Subsidence District shall perform all coordination activities without additional charge to the Sponsor.

II.

PAYMENT

2.1 The Sponsor agrees to 1052 sponsorships for any school in Fort Bend ISD, Lamar Consolidated ISD, or the Water Conservation Education Program for one year from the date of the execution of this Agreement.

2.2 The Sponsor hereby agrees to pay to the Subsidence District , promptly upon receipt of an invoice from the Subsidence District, the total amount due, which is equal to \$38.00 per sponsorship. The above payment shall provide sponsorship for one year.

2.3 Upon renewal of this Agreement, the Sponsor may seek to adjust the number of sponsorships by providing a written request to the Subsidence District.

2.4 The Sponsor warrants that funds to support this program have been budgeted for the current fiscal year and will continue to be budgeted each year this Agreement is renewed.

2.5 This cost represents the sole monetary obligation of the Sponsor in exchange for and in consideration of the Subsidence District's obligations hereunder.

III.

TERM AND TERMINATION

3.1 The term of this Agreement shall be from the effective date hereof until termination by non-renewal by the Sponsor or termination of the program by the Subsidence District. This Agreement may be renewed annually with written authorization of the Sponsor and approval of that authorization by the General Manager of the Subsidence District.

3.2 The Certificates of Deposit in the Groundwater Bank shall be transferred to the custody of the Sponsor upon receipt of payment from Sponsor, and shall be honored by the Subsidence District for no longer than 20 years after the date the Certificate of Deposit is issued.

IV.

MISCELLANEOUS

4.1 Subsidence District is engaged as an independent contractor, and all of the services provided for herein shall be accomplished by Subsidence District in such capacity. The Sponsor will have no control or supervisory powers as to the detailed manner or method of the Subsidence District's performance of the subject matter of this Agreement. All personnel supplied or used by the Subsidence District shall be deemed employees or subcontractors of the Subsidence District and will not be considered employees, agents or subcontractors of the Sponsor for any purpose whatsoever.

4.2 Each party to the contract is paying for the performance of the contract from current revenues and will pay for each subsequent year this Agreement continues from the revenues budget for that year. The parties agree that each party is paying fair compensation for the services or products rendered.

4.3 This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (expressed or implied) or other terms with respect to the Project, whether written or verbal, antecedent or contemporaneous with the execution hereof.

4.4 The Subsidence District may not assign or delegate any portion of its performance under this Agreement without the written consent of the Sponsor.

4.5 The Subsidence District shall remain obligated under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including the obligation to honor Certificates of Deposit in the Groundwater Bank as provided in Section 1.02.

IN WITNESS WHEREOF, the parties put their hands to this Agreement on the dates indicated below. This Agreement shall be effective on the date of the last signature hereto.

SPONSOR

By: _____
(Title)

ATTEST:

By: Laura Scarlato, City Secretary

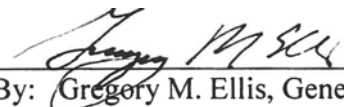
Date: _____

FORT BEND SUBSIDENCE DISTRICT



By: Tina Petersen, Deputy General Manager

ATTEST:



By: Gregory M. Ellis, General Counsel



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting

600 Morton Street

Monday, August 2, 2021 at 4:30 p.m.

- A5. Review and discuss FY 2021-22 Annual Budget Workshop to discuss Revenue and Expenditures.

FY22 Proposed Budget

Major Operating Funds
General & Utility Funds



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City of Richmond, Texas

General Fund



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City of Richmond, Texas

Overview

- ▶ **Primary operating fund of the City**
 - **Accounts for everything not required to be accounted for in another fund type (Special Revenue, Internal Service, Debt Service, etc.)**
 - **Includes traditional governmental services**
 - **Police**
 - **Fire**
 - **Public Works**
 - **Parks, etc.**



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Approach

- ▶ **The budget for FY22 has been prepared strategically to meet the needs of the City as it continues to grow**
 - **Strategic Approach & Active Budget Management**
 - **Budget built to allow for flexibility**
 - **Ensure operational and service levels are maintained**
 - **Continued focus on building adequate reserves in replacement funds**
 - **New replacement fund for High Tech**
 - **Begin implementation of Salary Study initiative**
 - **Maintain Structural Balance**
 - **Recurring revenues funding recurring expenditures**



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Key Assumptions

- ▶ **No planned increase in the Nominal Property Tax Rate**
- ▶ **Sales tax (return to normal)**
 - **Growth of approximately 4% from FY21 Budget**
- ▶ **No new FTEs**
- ▶ **Begin implementation of salary structure initiative**
- ▶ **Maintain existing service level expectations**



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Key Assumptions

- ▶ **Estimated Increase to health insurance 10%**
- ▶ **Decrease in Texas Municipal Retirement System (TMRS) from 15.31% to 14.90% (15% annualized)**
- ▶ **Targeted Expenditures**
 - **Contractual Operating Services/Obligations (Base Budget)**
 - **Maintenance of Existing Assets (Fleet & High-Tech)**



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Key Assumptions

- ▶ **Reserve for Key Issues**
 - **Controlled based on revenues**
 - **Potential uses**
 - **Grant matching**
 - **Fire apparatus/Large equipment replacement**
 - **Economic Development Incentive Agreements**
 - **Rebates (will be an offsetting revenue)**
 - **Flexibility to respond to health insurance rates**
 - **Ability to respond to inflation**



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General Fund

Revenues



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City of Richmond, Texas

Property Tax Overview

- ▶ **Property tax is the most stable funding source in the City**
 - **Makes up only about 22% of the total operating revenue**
 - **Impacted by being the County Seat**
 - **Subject to the 3.5% Voter Approval Rate and De Minimis Tax rate provisions of Senate Bill 2**
- ▶ **Next workshop will cover property tax**



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City of Richmond, Texas

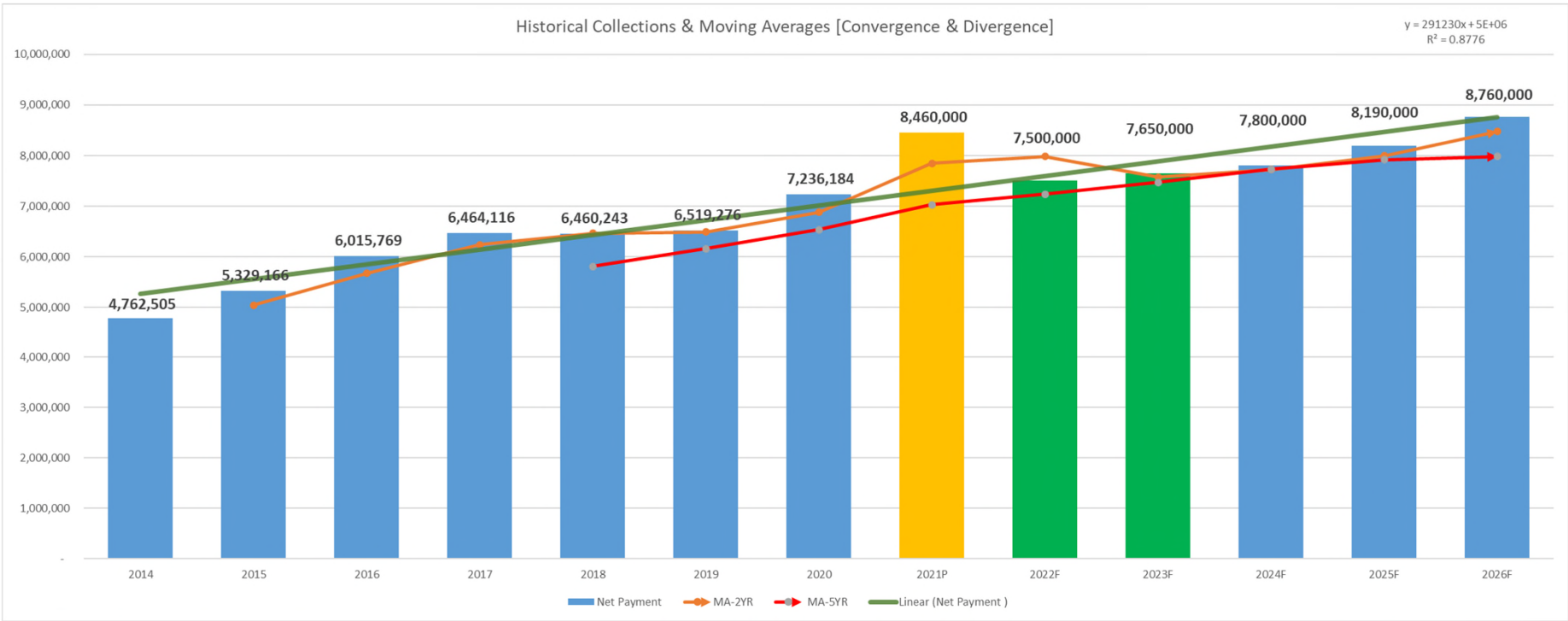
Sale Tax Overview

- ▶ **Sales tax is the largest revenue stream in the General Fund**
 - **Subject to fluctuations based on self reporting that the City does not control**
- ▶ **Very important revenue stream for the City**
 - **Typically impacted more significantly by changes in the economy than property tax**
 - **Makes up approximately 40% of the total operating revenue**
 - **Helps reduce property tax for residents & businesses**
 - **Plays a key role in the comprehensive master plan and the diversification of revenue streams**



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Sales Tax



Sales Tax Overview

- ▶ **Sales Tax Mitigation Strategy**
 - **Recognize overage in sales tax at year-end FY21**
 - **In FY22 Transfer to High Tech Replacement Fund**
 - **Will act as seed funding for long-term purchases**
 - **\$943,500 in FY22 Transfer to High Tech Replacement funded from sales tax overage**



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City of Richmond, Texas

Sales Tax

Fund	Revenue Budget	Sales Tax Assignment Expense	Net Revenue
General Fund	5,798,000	692,000	5,106,000
Economic Development (net of assignments)	1,702,000	-	1,702,000
Net Sales Tax Collection	\$7,500,000	\$692,000	\$6,808,000



FY22 Budget Changes from FY21 Current

Description	Amount
Property Tax*	\$37,368
Sales Tax	398,000
Other Taxes (Franchise Fees)	(70,626)
Charges for Service**	-
Fines & Forfeitures	(182,750)



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*Based on assumptions prior to receipt of certified tax roll (ie. revaluation at 3.5%)

**Fire Protection fees will increase; the CPI wasn't available for the proposed

City of Richmond, Texas

FY22 Budget Changes from FY21 Current

Description	Amount
Licenses\Permits\Fees	280,000
Other	-
Interest	(40,000)
Intergovernmental (CARES Act)	-548,330
Transfers In (Cost Allocation/Overhead)	413,988
Total Revenue Changes	\$287,650



Revenue Variances

- ▶ **Property Tax**
 - 1.2% Increase from current budget
 - Reason: Based off preliminary roll
 - Net of reduction in penalty and interest
- ▶ **Sales Tax**
 - 7.4% Increase from current budget
 - Reason: Linear trend based on historical collections
 - Not net of SPA expense
- ▶ **Other Taxes**
 - 8.2% Decrease from current budget
 - Reason: S.B. 1152 impact
 - Lower of Cable or Telecommunication franchise tax
- ▶ **Fines & Forfeitures**
 - 49.4% Decrease from current budget
 - Reason: Enforcement & Collections



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Revenue Variances

- ▶ **License\Permits\Fees**
 - **42.0% Increase from current budget**
 - **Reason: Driven by Mandola Farms, Veranda In-City, and other active developments**
- ▶ **Interest**
 - **80.0% Decline from current budget**
 - **Reason: Federal Reserve benchmark interest rates anticipated to remain near zero**
- ▶ **Intergovernmental**
 - **99.4% Decline from current budget**
 - **Reason: CARES Act**



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General Fund

Expenditures



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City of Richmond, Texas

Overview

- ▶ **The City has adopted the base budget approach**
 - **Lean base budget, no departmental contingencies**
 - **Departmental expenditures fund existing services level commitments**
 - **Central contingency established to better manage the timing and use of funds (Flexible approach)**
 - **Maximizes the use of existing funding by allowing priorities to be addressed throughout the year**



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City of Richmond, Texas

Current to FY22 Proposed Budget Walk Forward

Description	Amount
Current FY21 Budget	\$18,664,279
FY21 1X Budget Requests	(944,398)
FY21 Budget Adjustments (Majority CARES Act)	(524,104)
FY22 Base Budget Process Changes	(71,717)
FY22 Base Budget Departmental Requests	141,642
FY22 Budget Additions	41,265
FY22 Non-Departmental	1,995,421
FY22 Proposed Budget	\$19,302,388



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FY22 Base Budget Process Changes

Description	Amount
Salaries & Benefits (GSI, Salary Structure)	\$148,784
Supplies (Street Rehab Moving to CIP)	(250,000)
Non-Departmental	22,500
Transfers Out	7,000
Total Base Budget Process Changes	\$(71,717)



FY22 Department Base Budget Requests

Description	Amount
ADP (Payroll System) – Human Resources	\$28,830
Axon Enterprise Taser – Police Department	7,208
Bay Area Fire and Safety - Facilities	1,000
Cisco Secure Endpoints (AMP) - IT	8,700
Demolition of Dangerous Structures – Code	22,000
Design Security Controls - Facilities	200
Encode contract - Planning	1,250



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FY22 Department Base Budget Requests

Description	Amount
HRA Flores Admin Fee – Human Resources	900
Janitorial – Multiple Departments	3,500
Licenses – Code	500
Mowing High Weeds – Code	1,250
Office 365 - IT	25,545
Postage – Code	3,000
Public Notices/Flyers – Code	2,506



FY22 Department Base Budget Requests

Description	Amount
Construction Contract – Facilities	3,532
ResNav (Position Control) – Human Resources	3,600
Safety Footwear – Multiple Departments	2,760
Software – Fire Department	5,000
StorageCraft maintenance contract - IT	2,500
Street Sweeping Contract - Streets	9,000
TLO Software – Code	2,234



FY22 Department Base Budget Requests

Description	Amount
Tyler Annual MTX – Police Department	4,532
Tyler Annual MTX - Court	373
Uniforms - Facilities	972
Vehicle Tablets/Communication Devices – Code	750
Total Departmental Requests	\$141,642



FY22 Budget Additions

Description	Amount
Bullet Proof Vest Partnership (1X)	\$6,265
Tractor (1X)	35,000
Total Budget Additions	\$41,265



FY22 Non-Departmental Changes

Description	Amount
Banking Fee Increase	\$4,500
Credit Card Fees	30,000
Sales Tax Contract Increase	89,600
Contingency	267,321
Key Issues Reserves (1X)	610,000
Transfer to Hi-Tech Fund (1X)	994,000
Total	\$1,995,421



FY22 Expenditures by Department

Department	Proposed
General Government	1,481,418
Human Resources	443,556
Public Works	500,065
Vehicle Maintenance	232,581
Code Enforcement	207,591
Information Technology	304,568
Streets	1,305,406
Police	5,059,077
Fire Department	4,704,363



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FY22 Expenditures

Department	Proposed
Emergency Management	148,180
Fire Marshal	420,276
Building Permits	514,706
Parks	492,194
Facilities	386,303
Planning	343,173
Municipal Court	361,834
Non-Departmental	2,397,096
Total	\$19,302,388



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City of Richmond, Texas

FY22 Expenditures

- ▶ **Harmonizing the Budget**
 - Each year there are unforeseen circumstances that can't be incorporated into the budget. In order to harmonize the budget, there are strategic balances built into the budget.
 - This allows the City flexibility to operate by actively managing the budget
 - Capacity at year end can be carried forward if necessary
 - Reduces major impacts to operations in the current year if there are emergencies that impact revenues or expenditures
- ▶ **Structural Balance**
 - Drawdown is non-recurring
 - Funded by fund balance over 90 days policy
 - Balancing 1x revenues against expenditures



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FY22 Summary of Non-Recurring Drawdown

Department	Proposed
Fund Balance Drawdown	(1,591,632)
Reserve for Key Issues	610,000
Transfer to High Tech	943,500
Tractor	35,000
Bullet Proof Vest grant match	3,132
Total	\$-



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FY22 Reserve for Key Issues Balance

Department	Proposed
Reserve for Key Issues	(610,000)
Δ License\Permits\Fee Revenue	280,000
Δ Sales Tax	398,000
Total	\$68,000



Utility Fund

Water & Sewer



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City of Richmond, Texas

Overview

- ▶ **The Utility Fund is an enterprise fund, which is operated in a manner similar to a private business**
- ▶ **Services are funded through User Fees**
- ▶ **The City has three Enterprise Funds**
 - **Utility Fund (Water & Sewer)**
 - **Surface Water**
 - **Solid Waste**
- ▶ **These funds are not supported by General Government Taxes**



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Key Assumptions

- ▶ **Increase in Water and Sewer Rates**
 - **To support debt issuance for Capital Projects**
 - **Tables later in presentation**
- ▶ **No new FTEs**
- ▶ **Increase in general salaries**
- ▶ **Maintain existing service level expectations**
- ▶ **Increase to health insurance 10%**



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Key Assumptions

- ▶ **Decrease in Texas Municipal Retirement System (TMRS) from 15.31% to 14.90% (15% annualized)**
- ▶ **Targeted Expenditures**
 - **Contractual Operating Services/Obligations (Base Budget)**
 - **Maintenance of Existing Assets (Fleet & High-Tech)**



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Utility Revenues

- ▶ **Self supporting by charges for service**
 - **Water**
 - **Base rates**
 - **Depend on meter size**
 - **ie. 5/8” water meter**
 - **Volumetric rate**
 - **Varies depending on user class & consumption block**
 - **Residential**
 - **Commercial**
 - **Irrigation**



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Utility Revenues

- ▶ **Rainfall**
 - **Significantly impacts annual revenues**
 - **Drought increases consumption and revenues**
 - **Prolonged rainfall decrease consumption and revenues**
 - **Drives the need for fund balance to mitigate shifts in weather patterns**
 - **Drives variable costs**
 - **Chemical usage**
 - **Electricity charges**
 - **Rainfall can increase WW demand 2 to 3 times during the rain event**



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Utility Rate Mode

Water & Sewer CIP Capacity

From Consultant, Unadjusted

Category	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Rate Increase							
Water	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%
Wastewater	10.00%	10.00%	10.00%	10.00%	3.00%	3.00%	3.00%
Surface Water	10.00%	10.00%	10.00%	6.00%	3.00%	3.00%	3.00%
Average Water, Sewer, Surface Water Bill (5,000 Water, 3,000 Sewer) Monthly Costs	\$58.91	\$65.38	\$70.22	\$74.91	\$77.16	\$78.68	\$80.24
Increase YOY		\$6.47	\$4.84	\$4.68	\$2.25	\$1.51	\$1.56



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City of Richmond, Texas

Utility Rate Mode

Water & Sewer CIP Capacity

Revenue requirements under staff proposed CIP plan

Category	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Rate Increase							
Water	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%
Wastewater	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	6.00%
Surface Water	11.00%	10.00%	9.00%	8.00%	8.00%	8.00%	6.00%
Average Water, Sewer, Surface Water Bill							
(5,000 Water, 3,000 Sewer) Monthly Costs (current \$60.95)	\$64.72	\$68.63	\$72.65	\$76.76	\$81.12	\$85.74	\$90.89
Increase YOY	\$3.77	\$3.91	\$4.02	\$4.11	\$4.36	\$4.62	\$5.14



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City of Richmond, Texas

FY22 Revenue Changes

Description	Amount
FY21 Budget	\$8,782,790
Charges for Services	690,091
License\Permits\Fees	(60,400)
Other	(20,000)
FY22 Budget	\$9,392,481



Current to FY22 Proposed Budget Walk Forward

Description	Amount
Current FY21 Budget	\$8,999,113
Base Adjustments	200,129
Transfers Out	(144,627)
Non-Departmental	150,269
Department Requests	56,309
Total Base Budget Process Changes	\$9,261,193



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FY22 Base Adjustments

Description	Amount
Salaries & Benefits	\$196,960
Departmental	3,169
Total Base Budget Changes	\$200,129



FY22 Base Budget Additions

Description	Amount
Transfers Out (Cash CIP)	(\$424,627)
Debt Service (Recurring)	\$280,000
Total	(\$144,627)



FY22 Base Budget Additions

Description	Amount
Non-Departmental (Contingency)	\$69,369
Credit Card/Banking Fees	80,900
Total	\$150,269



FY22 Department Base Budget Requests

Description	Amount
CCR Postage	\$2,500
Chemicals	21,689
Distribution Inventory	10,800
Hydrant Maintenance	600
Lab Fees	5,000
Meter Repairs	600



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FY22 Department Base Budget Requests

Description	Amount
New Meters	7,650
Overtime	1,000
SPMR Handheld Annual Maintenance	6,470
Total Departmental Requests	\$56,309



FY22 Expenditures by Department

Department	Proposed
Accounting & Collecting	1,053,363
Customer Service	309,092
Meter Department	328,673
Non-Departmental	3,941,850
Water Production	663,496
Water Distribution	915,212
Wastewater Collection	349,004
Wastewater Treatment	1,700,503
Total	\$9,261,192



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City of Richmond, Texas

Solid Waste

New GFL Contract

- ▶ Higher level of service for customers
 - No change in residential rate
 - Commercial may experience a change
 - Depending on service selected
 - Billing provided by GFL for commercial only
- ▶ Street rental fee 5%
 - Helps offset impact from heavy equipment operating on City Streets
 - Funds Street Rehabilitation through Cash CIP



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Summary of All Funds



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City of Richmond, Texas

FY22 Revenue Summary

Inclusive of all Funds, Net of Interfund Transfers

Fund	Annual Budget
Property Tax	4,173,631
Sales Tax	7,500,000
Other Taxes	982,074
Charges for Service	17,219,831
Fines & Forfeitures	198,525
License\Permits\Fees	1,396,000
Interest	20,677
Other	2,889,000
Intergovernmental	188,114
Other	300,000
Transfers In	5,811,919
Operating Budget	40,679,771
Transfers Out	(6,211,919)
Employer Benefits Contribution	(2,313,974)
Total Budget, Net of Interfund Transfers	\$32,153,878

City of Richmond, Texas



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FY2022 Proposed Budget Inclusive of all Funds, Net of Interfund Transfers

Fund	Annual Budget
General Fund	19,302,388
Debt Service Fund	1,571,031
Utilities Fund	9,261,192
Solid Waste Fund	1,934,975
Development Corporation Fund	2,434,616
Surface Water Fund	3,601,494
Special Revenue Funds	335,676
Internal Service Funds	2,878,500
Operating Budget	41,319,873
Transfers Out	(6,211,919)
Employer Benefits Contribution	(2,313,974)
Total Budget, Net of Interfund Transfers	32,793,980



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Capital Projects



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City of Richmond, Texas

Proposed Funded



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City of Richmond, Texas

FY22 CIP – General CIP

Type	Project	Proposed	Funding Source
Municipal	ERP Updates	\$200,000	CIP Fund Balance
Streets	Clay Street Drainage Improvements (Phase I)	3,565,914	Grant/CIP Fund Balance
Streets	Street Rehabilitation	300,000	SW Street Rental Fee
Total		\$4,065,914	



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FY22 CIP – Surface Water CIP

Type	Project	Proposed	Funding Source
Surface Water	New Groundwater Well at the SWTP	\$1,785,000	CIP Fund Balance
Surface Water	Surface Water Treatment Plant Membrane Replacement	100,000	System Revenues
Surface Water	Surface Water Transmission Line	2,858,000	Debt
Total		\$4,743,000	Debt



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FY22 CIP – Water & Sewer CIP

Type	Project	Proposed	Funding Source
Wastewater	Wastewater Treatment Plant GRP Reuse Expansion	\$2,140,000	Debt/Fund Balance
Wastewater	Ground Storage Tank Rehabilitation	390,000	ARPA
Wastewater	Regional Wastewater Rehab	450,000	ARPA
Water	Motor Control Rehabilitation	143,000	Debt
Water	Well Rehabilitation at Edgar Water Well	57,000	Debt
Water	Water Line Rehabilitation	903,306	ARPA/CDBG/Fund Balance
Total		\$4,083,306	



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FY22 CIP

Funded Total

Type	Proposed
Municipal	\$4,065,914
Surface Water	4,743,000
Water & Sewer	4,083,306
Total	\$12,892,220



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City of Richmond, Texas

Unconstrained



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City of Richmond, Texas

CIP

Unconstrained – Municipal

Project	Total Project Estimate
Fire Department Auxiliary Storage	\$400,000
PD Renovations	345,000
New City Hall	20,000,000
Fleet Facility Extension	172,500
Total Unconstrained Municipal	\$20,917,500



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CIP

Unconstrained – Parks

Project	Total Project Estimate
Morton Street Park	\$140,000
George Park playground equipment	160,000
Parks Maintenance Building	272,500
George Park Upgrades - Spray Park	332,500
George Park upgrades	339,000
LCISD & Helping hands Park Development	920,000
YMCA Partnering	702,000



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CIP

Unconstrained – Parks

Project	Total Project Estimate
Wessendorff Park expansion Phase II	\$340,000
2nd Street Pavilion	150,000
Streetscape	275,000
Rabbs Walking Trail	120,000
Total Unconstrained Parks	\$3,751,000



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CIP

Unconstrained – Streets

Project	Total Project Estimate
10 th Street Realignment	\$100,000
*Second Street Raising	2,100,000
WCJC Detention Pond	2,997,518
Walking Trail Phase 4	2,300,000
*Rabbs Bayou Drainage Improvements	2,629,725

*GLO Funding application in progress



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CIP

Unconstrained – Streets

Project	Total Project Estimate
*Newton Dip	\$440,000
City Monument signs	70,000
TXDOT Signal Upgrades	920,000
Total Unconstrained Streets	\$11,557,243

*GLO Funding application in progress



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CIP

Unconstrained – Surface Water

Project	Total Project Estimate
Elevated Storage Tank Circulating pumps and Altitude Valves	\$358,000
Surface Water Treatment Plant phase 2	12,600,000
Total Unconstrained Surface Water	\$12,958,000



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City of Richmond, Texas

CIP

Unconstrained – Wastewater

Project	Total Project Estimate
Lift Station SCADA	\$100,000
*Lift Station Rehabilitation	9,653,000
Wastewater Collection Rehabilitation	9,693,000
East Wastewater Treatment Plant	8,136,000
Total Unconstrained Wastewater	\$27,582,000

*GLO Funding application in progress



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CIP

Unconstrained – Water

Project	Total Project Estimate
Main Street Water Plant	\$2,858,000
Utility Master Plan Update	290,000
New Ransom Road Water Well	3,098,000
Elevated Storage Rehabilitation Downtown EST	300,000
Distribution Rehabilitation	3,598,000
New Elevated Storage Tank along FM 762	4,665,000
Transmission line for MUD 207 to Williams Ranch	6,222,000
Total Unconstrained Water	\$21,031,000

City of Richmond, Texas



RICHMOND
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CIP

Unconstrained Total

Type	Total Project Estimates
Municipal	\$20,917,500
Parks	3,631,000
Streets	11,557,243
Surface Water	12,958,000
Water & Sewer	48,613,000
Total	\$97,676,743



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Operating Capital



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City of Richmond, Texas

Operating Capital Needs Assessment

- ▶ **Fire Apparatus Replacement**
 - **Long-Term capital purchases best suited for debt**
 - **Best if timed with new revenues from developments (limits tax rate exposure)**
 - **15 to 20 year useful life**



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City of Richmond, Texas

Operating Capital Needs Assessment

- ▶ **Fire Apparatus Replacement**
 - **Initiatives**
 - **Begin process to replace Engine 48**
 - **18-month lead-time**
 - **Wrap funding into Mandola Farms Reimbursement debt issue to reduce issuance cost in FY23**
 - **Perform study to determine appropriate apparatus replacement schedule**
 - **Evaluation of mechanical & rehab costs**
 - **Determine timeline for replacement**



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Operating Capital Needs Assessment

Fire Apparatus Inventory

TYPE	ASSIGNMENT	YEAR	MAKE-MODEL	MILEAGE	Age
Pumper	Engine 41	2017	Spartan ERV	23,887	4
Pumper	Engine 42	2005	Spartan	115,000	17
Pumper	Engine 43	2010	Spartan	87,135	13
Pumper	Engine 44	2004	HME	117,885	20
Pumper	Engine 48	1997	Spartan	120,000	28
Ladder	Tower 43	1998	Pierce 100' Tower	28,517	28
Tanker	Tanker 41	2001	Ford F-750	28,504	26



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City of Richmond, Texas

Operating Capital

- ▶ **City-wide Large Equipment Replacement (Tractors, backhoes, dump trucks, etc.)**
 - **Perform study to determine appropriate equipment replacement schedule**
 - **Evaluation of mechanical & rehab costs**
 - **Determine timeline for replacement**
 - **Where feasible wrap into larger debt issue to reduce issuance costs**



RICHMOND
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Proposed to Adopted Budget Changes

Potential Changes from Proposed to Adopted Budget

- ▶ **Reclassification of positions**
 - **No Change in FTE Count**
- ▶ **Mandola Commercial Sewer Line Project**
- ▶ **The City is working with the County on mobility bond funds and if we determine we will receive those funds directly we will include those portions of the costs in budget**



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City of Richmond, Texas

Key Dates

Date	Description
August 2nd	Workshop #1 Major Fund Revenues & Expenditures
August 11th	Workshop #2 Tax Rate & Additional Budget Discussion
August 24th	Placeholder for Follow-up
September 8 th	Public Hearing on Budget & Adoption
September 20 th	Adopt Budget, Public Hearing on Tax Rate, Adopt Tax Rate, Ratify Tax Rate (if there is an increase)



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City of Richmond, Texas

Questions, Discussion or Comments



RICHMOND
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City of Richmond, Texas



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting

600 Morton Street

Monday, August 2, 2021 at 4:30 p.m.

A6. Review and accept 2021 Certified Appraisal Roll.



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting

600 Morton Street

Monday, August 2, 2021 at 4:30 p.m.

- A7. Review and consider taking action on the proposed Farmer's Market Agreement with the Development Corporation of Richmond.

RICHMOND FARMERS MARKET CONSULTANT AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2021, by and between the DEVELOPMENT CORPORATION OF RICHMOND, a Texas nonprofit corporation, 402 Morton Street, Richmond, Texas 77469, (the "DCR"), and JESSICA HUANG, an individual, whose address is 17424 W Grand Parkway S PMB 777, Sugar Land, Fort Bend County, Texas 77479, (the "Consultant");

WHEREAS, the DCR desires to engage the services of the Consultant to furnish technical and professional assistance concerning the project which is described as:

RICHMOND FARMERS MARKET MANAGEMENT

and the Consultant wishes to furnish such technical and professional service to the DCR and has represented that the Consultant has the education, expertise, capability, and the necessary licenses to perform such services;

THEREFORE, the parties mutually agree as follows:

Agreement Documents. The following shall be deemed to be a part of this Agreement and incorporated herein.

- A. Scope of Services
- B. Consultant's proposal dated July 7, 2021 (any reference in the proposal referencing the City of Richmond shall be read to mean DCR.)

Scope of Services. The Consultant shall provide services in accordance with and as set forth in the Agreement documents.

Compensation and Method of Payment. The DCR shall pay to the Consultant and the Consultant agrees to accept as full compensation for services under this Agreement the sum of One Hundred Dollars (\$100) per vendor at each farmers market event, not to exceed One Thousand Dollars (\$1,000) for each farmers market event, on the first of each month beginning October 1, 2021 through July 1, 2022, inclusive, for a total sum not to exceed Ten Thousand Dollars (\$10,000). Consultant will retain all vendor fees collected. Consultant will be compensated for each additional event by the sum of Five Hundred Dollars (\$500) per additional event. In the event a farmers market is not held on the first Friday of a month or on an agreed upon alternate date and time, Consultant will not be compensated.

Period of Performance. The services to be rendered under this Agreement shall commence upon execution hereof through July 1, 2022, including farmers market events on the first Friday of each month beginning on September 1, 2021 and continuing through June 1, 2021, inclusive.

Independent Contractor. The relationship of the Consultant to the DCR is that of an independent contractor and in accordance therewith, the Consultant covenants and agrees to conduct itself consistent with such status and that neither it nor its employees, officers, or agents will claim to be an officer, employee or agent of the DCR or make any claim, demand or application to or for any

rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the services provided by the Consultant to be a joint venture.

The Consultant's Responsibility. The Consultant shall perform the work in a good and workmanlike manner and assumes the risk in performing under this Agreement. The Consultant shall be solely responsible and answerable in damages for all improper work, accidents or injuries to person or property. Consultant shall provide all vendors and vendor management and logistics for the farmers' market.

Recovery of Money. Whenever, under this Agreement, any sum of money shall be recoverable from or payable by the Consultant to the DCR, the same amount may be deducted from any sum due to the Consultant under this Agreement or under any other contract between the Consultant and the DCR. The rights of the DCR are in addition and without prejudice to any other right the DCR may have to claim the amount of any loss or damage suffered by the DCR on account of the acts or omissions of the Consultant.

Compliance with Regulations. The Consultant shall comply with all applicable statutes, rules and regulations of all federal, state, and local governments and agencies having jurisdiction, and bears the risk of any such authorities or changes thereto.

Standard of Conduct. The Consultant shall render all services under this Agreement according to generally accepted professional practices for the intended use of the work or project.

The DCR's Obligation. The DCR shall provide the Consultant with all information currently available to the DCR upon request of the Consultant. The Economic Development Director shall be the DCR's representative for purposes of this Agreement. DCR will provide insurance, as DCR deems necessary; marketing and public relations; the location of the farmers' market. Legal services provided related to the farmers' market shall be for the interest and benefit of the DCR.

Non-Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of their actual or perceived race, color, religion, national origin, sex, age, height, weight, marital status, physical or mental disability, family status, sexual orientation, or gender identity. Breach of this covenant may be regarded as a material breach of this Agreement.

Prohibition Against Assignment. This Agreement is intended to secure the service of the Consultant because of its ability and reputation and none of the Consultant's duties under this Agreement shall be assigned, subcontracted, or transferred without the prior written consent of the DCR Economic Development Director. Any assignment, subcontract, or transfer of the Consultant's duties under this Agreement must be in writing.

Third Party Participation. The Consultant agrees that despite any subcontract entered into by the Consultant for execution of activities or provision of services related to the completion of this project, the Consultant shall be solely responsible for carrying out the project pursuant to this Agreement. The Consultant shall specify in any such subcontract that the subcontractor shall be

bound by this Agreement and any other requirements applicable to the Consultant in the conduct of the project unless the DCR Economic Development Director and the Consultant agree to modification in a particular case. The Consultant shall not subcontract unless agreed upon in writing by the DCR.

Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

Interest of the Consultant. The Consultant represents that its officers and employees have no interest and covenant that they will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of the Consultant's services and duties hereunder. The Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed. The Consultant further covenants that neither it nor any of its principals are in default to the DCR.

Covenant Against Contingent Fees. The Consultant warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty, the DCR shall have the right to annul this Agreement without liability, or in its discretion, to deduct from this Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Qualifications of the Consultant. The Consultant specifically represents and agrees that its officers, employees, agents, and contractors have and shall possess the experience, knowledge, and competence necessary to qualify them individually for the particular duties they perform hereunder.

Notice. Whenever it is provided in this Agreement that a notice or other communication is to be given or directed to either party, the same shall be given or directed to the respective party at its address as specified in this Agreement, or at such other address as either party may, from time to time, designate by written notice to the other. Written notice of a claim shall be given to the other party not later than fifteen (15) days after the occurrence giving rise to the dispute becomes known or should have become known. Negotiations and mediation shall occur within fifteen (15) days after such notice.

Amendments. This Agreement may be modified from time to time, but such modifications shall be in writing and signed by both parties.

Termination.

- A. For Fault. If the DCR Economic Development Director determines that the Consultant has failed to perform or will fail to perform all or any part of the services, obligations, or duties required by this Agreement, the DCR Economic Development Director may terminate or suspend this Agreement in whole or in part upon written notice to the Consultant specifying the portions of this Agreement and in the case of suspension shall specify a reasonable period not more than thirty (30) days nor less than fifteen (15) days from receipt of the

notice, during which time the Consultant shall correct the violations referred to in the notice. If the Consultant does not correct the violations during the period provided for in the notice, this Agreement shall be terminated upon expiration of such time. Upon termination, any payment due the Consultant at time of termination may be adjusted to cover any additional costs occasioned the DCR by reason of the termination. This provision for termination shall not limit or modify any other right to the DCR to proceed against the Consultant at law or under the terms of this Agreement.

B. Not for Fault. Whenever the DCR Economic Development Director determines that termination of this Agreement in whole or in part is in the best interest of the DCR or in the event that termination is required by any state or federal agency, the DCR Economic Development Director may terminate this Agreement by written notice to the Consultant specifying the services terminated and the effective date of such termination. Upon termination, the Consultant shall be entitled to and the DCR shall pay the costs actually incurred in compliance with this Agreement until the date of such termination.

Force Majeure. If because of force majeure, either party is unable to carry out any of its obligations under this Agreement (other than obligations of such party to pay or expend money for or in connection with the performance of this Agreement), and if such party promptly gives to the other party concerned written notice of such force majeure, then the obligations of the party giving such notice will be suspended to the extent made necessary by such force majeure and during its continuance, provided the effect of such force majeure is eliminated insofar as possible with all reasonable dispatch. "Force Majeure" means unforeseeable events beyond a party's reasonable control and without such party's fault or negligence, including, but not limited to, acts of God, acts of public enemy, acts of the government, acts of another party to this Agreement, fire, flood, inclement weather, pandemic, epidemic, quarantine restrictions, strikes and embargoes, labor disturbances, the unavailability of raw materials, legislation, charter amendments or referendum, orders or acts of civil or military authority, injunctions, or other causes of a similar nature which wholly or substantially prevent performance. If the suspension of work lasts for more than 30 days, the DCR may terminate this Agreement.

Delay. If the Consultant is delayed in the completion of the work due to force majeure or otherwise, the time for completion may be extended for a period determined by the DCR in its sole discretion to be equivalent to the time of such delay. The DCR may terminate this Agreement if the delay lasts for more than 30 days. Upon termination by the DCR, the Consultant shall be entitled to the costs actually incurred in compliance with this Agreement less any costs incurred by the DCR as a result of the delay until the date of such termination, but not more than the maximum Agreement amount.

Interpretation. This Agreement shall be governed by the laws of the State of Texas, except conflicts of law provisions, both as to interpretation and performance. This Agreement was drafted at the joint direction of the parties. The pronouns and relative words used herein are written in the neuter and singular. However, if more than one person or entity joins in this Agreement on behalf of the Consultant, or if a person of masculine or feminine gender joins in this Agreement on behalf of the Consultant, such words shall be interpreted to be in the plural, masculine or feminine as the sense requires. In the event that any term, clause or provision of this Agreement conflicts with any term, clause, or provision contained in any attachments to this Agreement, this Agreement's terms shall prevail.

Venue. All meetings, hearings, and actions to resolve any dispute and any and all suits for any and every breach of this Agreement shall be instituted and maintained in any court of competent jurisdiction in Fort Bend County, Texas.

Dispute Resolution. If any party has a dispute with another regarding the meaning, operation, or enforcement of any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree that if they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator to bring them together in at least one mediation session.

Reuse of Documents. All documents and electronic files delivered to the DCR are instruments of service in respect of the project. Nevertheless, all documents and electronic files delivered to the DCR shall become property of the DCR upon completion of the work and payment in full of all monies due the Consultant. Copies of the DCR-furnished data that may be relied upon by the Consultant are limited to the printed copies (also known as hard copies) that are delivered to the Consultant. Files on electronic media of text, data or graphics or of other types that are furnished by the DCR to the Consultant are only for convenience of the Consultant. Any conclusion of information obtained or derived from such electronic files will be at the user's sole risk. Economic benefit to the DCR for having these files is predicated on the files being media form, software release number and hardware operating system number as utilized by the Consultant. Copies of documents that may be relied upon by the DCR are limited to the printed copies (also known as hard copies) that are signed or sealed by the Consultant. Files on electronic media of text, data or graphics or of other types that are furnished by the Consultant to the DCR shall be in a compatible software format for use by the DCR. Any conclusions or information obtained or derived from such electronic files will be at the user's sole risk. Electronic file copies of drawings will not contain the Consultant's seal or the identification of the Consultant in the title block.

Public Information Act. The Consultant acknowledges that the DCR may be required from time to time to release records in its possession by law. The Consultant hereby gives permission to the DCR to release any records or materials received by the DCR as it may be required to do so by the Attorney General under the Public Information Act, Texas Government Code, Chapter 552. Provided, however, that the Consultant shall not be held liable for any reuse of the documents prepared by the Consultant under this Agreement for purposes other than anticipated herein.

Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

No Waiver. No waiver by any party of any default by another party in the performance of any portion of this Agreement shall operate or be construed as a waiver of any future default, whether like or different in character.

Entire Agreement. This Agreement, together with all items incorporated herein by reference, constitutes the entire agreement of the parties and there are no valid promises, conditions or

understandings which are not contained herein. It is understood that should the Consultant recommend further work concerning the project, the DCR is under no obligation to engage the Consultant in such work.

Authority to Execute. The parties agree that the signatories appearing below have the authority and are duly authorized to execute this Agreement on behalf of the party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

APPROVED AS TO SUBSTANCE:

DEVELOPMENT CORPORATION OF RICHMOND

Jerry W. Jones, Jr.
Economic Development Director

Joe Bonham
President

Dated: _____

ATTEST:

Nancie Rain, Secretary

APPROVED AS TO FORM:

Gary W. Smith, City Attorney

CONSULTANT

Jessica Huang

Dated: _____

ADDRESS: 17424 W Grand Parkway S PMB 777, Sugar Land, Texas 77479

ATTACHMENT A

SCOPE OF SERVICES

Planning Stage Goals:

- Create rules and regulations for farmers market.
- Create vendor agreement form & other documents needed to successfully operate the market.
- Develop a set calendar for the market.
- Secure private sponsorships for the market.
- In coordination with the DCR Economic Development Director, determine the vendor fee and method of calculating the vendor fee.
- Recruit 10 – 15 vendors before the market first opens.
- In coordination with the DCR Economic Development Director, determine acceptable artisan vendors.
- Research process of accepting SNAP benefits at farmers market.
- Seek grant opportunities to help fund the operation of Richmond Farmers Market and submit grant applications upon approval.
- Submit grant application on behalf of the Richmond Farmers Market to the USDA's Farmers Market Promotion program.
- Develop educational programming for the market such as healthy eating classes, cooking demonstrations, gardening demonstrations, or other programs.

Operation Tasks:

- Richmond Farmers Market will be held on first Friday of each month, or on an alternate date and time as agreed with the DCR Economic Development Director, during the term of this Agreement.
- Coordinates the market set-up and closing of the market.
- Cooperates with DCR for the marketing of the Richmond Farmers Market through social media, advertisements, and other media.
- Assure presence of 10 vendors at each farmers market event.
- In coordination with the DCR Economic Development Director, determines the appropriate mix of fresh vegetable vendors, food vendors, and artisan vendors.
- Books musical talent for the farmers market.
- Places temporary directional signs near key intersections to help direct motorists to the market and removes these signs at the close of the market day.
- Sets up Richmond Farmers Market tent, table, and display.
- Assures the removal of all vehicles, personal property, merchandise, and waste or trash from the market site at the close of each market event
- Staffs the Richmond Farmers Market tent and runs debit, credit, and EBT machine.

- Develops and maintains relationships with vendors, customers, and sponsors of the market.
- Enforces market rules.
- Assists vendors with issues as needed.

The list set forth above is not exclusive. Other decisions will be made in consultation and mutual agreement between the Consultant and DCR Economic Development Director.

ATTACHMENT B

PROPOSAL

July 7, 2021

Jerry Jones
Economic Development Director
Development Corporation of Richmond
402 Morton Street, Richmond, TX 77469
JJones@richmondtx.gov

Statement of Work Farmer's Markets

Dear Jerry,

Thank you for the collective effort to enrich the culture and fortify our local economy by hosting farmers markets. It is a pleasure to provide the Development Corporation of Richmond with support specifically leveraging our local ranchers and producers.

The following is the Proposal for **the Development Corporation of Richmond** to utilize the services provided by Jessica Huang. Per our conversation, you would like to leverage **Jessica Huang** to create a weekly farmers market in Richmond, Texas.

Market Season Dates	Days	Event Fee
2021 September, October, November December	1 st Friday	\$100 per vendor up to \$1,000 + Vendor Fee's
2022 January, February, March, April, May, June	1 st Friday	\$100 per vendor up to \$1,000 + Vendor Fee's

- All Vendors will be provided for the farmer's market, in addition to other resources.
- Vendor management and logistics to be executed by Jessica Huang, Market Manager.
- All costs including: Insurance, marketing/PR, location of the farmer's market, and legal services for the benefit of the Development Corporation of Richmond to be provided by the Development Corporation of Richmond.
- The agreed rate for 2021 is \$100 per vendor at each farmers market event, not to exceed \$1,000 per farmers market event, and vendor payments and fees will be paid to Jessica Huang.

By partnering with Jessica Huang, you are leveraging my extensive vendor list and years of event planning experience. We'll strategize together, plan and solidify dates, location and jointly invite the community to the farmer's market.

I look forward in working closely with you in supporting the Development Corporation of Richmond.

Initial: _____

**City of Richmond Sponsorship Agreement
Farmers Markets**

The Development Corporation of Richmond with offices located 402 Morton Street, Richmond, TX 77469 hereby agrees to purchase services from Jessica Huang with offices located at 17424 W Grand Parkway S PMB 777 Sugar Land, Texas 77479 the following Farmer's Market Package.

Type of Farmer's Market Package Agreed: 10 Months of Farmers Markets

Rate: \$100 per vendor not to exceed \$1,000 per farmers market event, plus 100% of funds received from vendors.

City of Richmond Sponsorship Agreement
Farmers Markets

The City of Richmond Texas with offices located 402 Morton Street, Richmond, TX 77469 hereby agrees to purchase services from Jessica Huang with offices located at 17424 W Grand Parkway S PMB 777 Sugar Land, Texas 77479 the following Farmer's Market Package.

Type of Farmer's Market Package Agreed: 10 Months of Farmers Markets

Rate: \$1,000 a month + 100% Vendor fees collected.

**Any additional Events Included will be assessed a charge of \$500 each paid to Jessica Huang*

Payment Term: 1st of each month September 2021 – June 2022

Sponsor Agreement - This Agreement becomes void upon the affixing of a signature to this document and the receipt of the amount set forth above.

Sponsor: _____ Date: _____

Contact (please print) _____

Signature of Contact: _____ Title: _____



City of Richmond

Where History Meets Opportunity

Special Scheduled City Commission Meeting

600 Morton Street
Monday, August 2, 2021 at 4:30 p.m.

A8. Adjournment.