

KENNEDALE CITY COUNCIL
AGENDA
REGULAR MEETING
May 17, 2012
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

WORK SESSION - 5:30 PM
REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

II. WORK SESSION

NOTE: Pursuant to Section 551.071, Texas Government Code, the City Council reserves the right to adjourn into Executive Session at any time during the work session or the regular session to discuss posted executive session items or to seek legal advice from the City Attorney on any item posted on the agenda.

- A. Update from the Youth Advisory Council.
- B. Review oil and gas drilling provision related to drilling pad sites and locations.
- C. Review draft proposed Tax Increment Reinvestment Zone along New Hope Road.

III. REGULAR SESSION

IV. ROLL CALL

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the City Council not scheduled on the Agenda may speak, provided that an official 'Visitor/Citizen Request to Speak' Form has been completed and submitted to the City Secretary prior to the start of the meeting. All comments must be directed towards the Council as a whole, rather than individual councilmembers or staff. All speakers must limit their comments to the subject matter as listed on the 'Speaker's Request Form.' No formal action can be taken on these items.

IX. REPORTS/ANNOUNCEMENTS

In addition to any specific matters listed below, the city council may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

- A. Chamber of Commerce Legislative Day announcement and request.

- B. TownCenter Veterans Memorial plaque presentations:
 - Senior Airman James Shook of the United States Air Force
 - Master Sergeant John Boyd of the United States Army
 - Colonel Robert Gruenhagen of the United States Air Force
- C. Presentation of the Kathy Turner Memorial Scholarship Award.
- D. Presentation of the Tree City USA Award to the City of Kennedale
- E. Updates and information from the City Manager, if any.
- F. Updates and information from councilmembers, if any.
- G. Updates and information from the Mayor:
 - Proclamation from the Mayor declaring May 19th 'National Kids to Parks Day'

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

- A. Consider approval of meeting minutes from April 12, 2012 regular meeting.
- B. Consider authorizing City Manager to ratify a contract with Tarrant County Tax Office for the assessment and collection of ad valorem taxes levied by the City of Kennedale for the 2012 tax year.
- C. Consider a Resolution authorizing continued participation with the Atmos Cities Steering Committee and a payment of five cents per capita to the committee to fund regulatory and related activities.
- D. Consider a Resolution denying Atmos Energy Corp Mid-Tex Division's requested rate change.

XI. REGULAR ITEMS

- A. Consider approval of special council meeting dates for FY2012/2013 budget and tax hearings.
- B. Consider appointing Morgan Briscoe, Marshall Moody, Emily Beck, Hailey Green, and Natalie Torre to the Youth Advisory Council.
- C. Consider approval of an Ordinance re-appointing Kennedale Municipal Court Presiding Judge, William "Bill" Lane and Associate Judge, Craig Magnuson, and appointing Erin Bakker, as the alternative Associate Judge.
- D. Consider approval for City Manager to purchase and obtain financing for new Motorola radios.

XII. EXECUTIVE SESSION

- A. The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda.

B. The City Council will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

1. Conveyance of multiple parcels to the Kennedale Economic Development Corporation
 - a. 201 New Hope Road
 - b. 1207 Kennedale Parkway
 - c. 1002 Bowman Springs Road
 - d. 600 Kennedale Parkway
2. Acquisition of land at 221 New Hope Road

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

- A. Consider transferring city land to the Kennedale Economic Development Corporation.
1. 201 New Hope Road
 2. 1207 Kennedale Parkway
 3. 1002 Bowman Springs Road
 4. 600 Kennedale Parkway

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirno, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the May 17, 2012, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Amethyst G. Cirno, City Secretary



Date: May 17, 2012

Agenda Item No: WORK SESSION - A.

I. Subject:

Update from the Youth Advisory Council.

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: WORK SESSION - B.

I. Subject:

Review oil and gas drilling provision related to drilling pad sites and locations.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Representatives of EOG will be present to discuss the development of their gas leases in Kennedale and in particular, the difficulties they are having in identifying and securing a drilling site. The leased area is generally along the west side of Kennedale Parkway between Village Creek, Third Street, and the railroad tracks. The lack of available land and the city's restrictions on building setbacks, drilling pad distance requirements, and flood plain restrictions; serve to make the development difficult. The staff has worked with EOG representatives for several months to find a resolution to their dilemma. Consequently, this item has been placed on the agenda for a policy discussion on gas drilling restrictions.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: WORK SESSION - C.

I. Subject:

Review draft proposed Tax Increment Reinvestment Zone along New Hope Road.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will present information on this topic.

Please see the attached report.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	tirz	TAX INCREMENT REINVEST ZONE 1.pdf
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KENNEDALE
You're Here, Your Home



Tax Increment Reinvestment Zone 1

New Hope Road

Preliminary Study

Presented by:
LeVar "LD" Thomas
Ryan Rust

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Executive Summary

Twenty Million Dollars in 25 Years...

During this harsh economic climate, when most municipalities are struggling to meet budgetary obligations, the City of Kennedale is poised for expansive growth. The City of Kennedale desires to open the South West portion of the town to residential development. To do so, the City will need to develop New Hope Road, expand an existing sewer line, install a transit stop, and complete other key public projects. A key component to that growth will be the proper establishment and utilization of a Tax Increment Reinvestment Zone (TIRZ) for New Hope Road.

The attached report consists of two primary portions. First, a research component looks at the history of Tax Increment Financing. The fundamentals of how Tax Increment Financing creates opportunities for development is explained. Furthermore, we explore the popularity and effectiveness of Tax Increment Financing as an economic development tool. In doing so, we uncover keys to success, and warn against the unforeseen perils of Tax Increment Financing.

The second portion of the report is a Tax Increment Reinvestment Zone feasibility study for the City of Kennedale. We examined Kennedale's current economic conditions, long term growth plan, proposed development, and tax values. This was all done for the purpose of projecting the performance and financial practicality of the New Hope Road TIRZ.

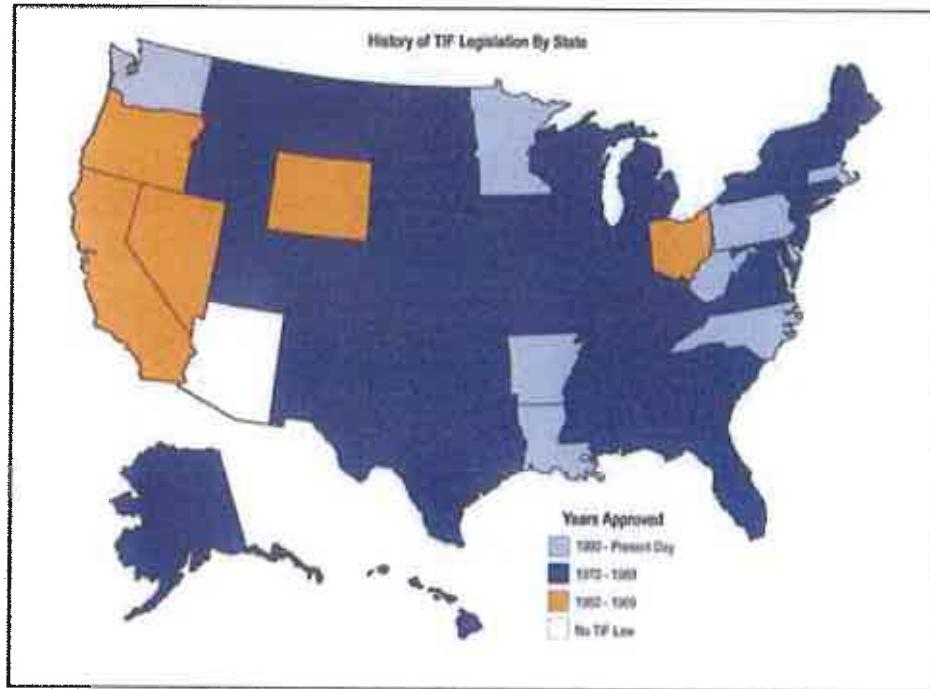
We can report that, based on the estimated projection over the life of the TIRZ, the New Hope Road TIRZ will produce approximately \$25 million dollars. This is more than enough to bring all the desired public projects to fruition.

Tax Increment Financing is, by all accounts, one of the most popular and polarizing tools for economic development in the United States. Tax Increment Financing uses increased tax revenue, referred to as the increment, to finance public projects. These projects can vary in scope and size. However, it is expected that all public projects funded by the TIF are done so to spur future development. This portion of the report will look at the history, mechanics, perceived positives and negatives of Tax Increment Financing. In addition, case studies will also be presented for the purpose of examining “real world” applications of the discussed theory.

What Is Tax Increment Financing?

1952 saw the creation of the first Tax Increment Financing (TIF) Program in the United States. Birthed out of California, TIF districts were thought to be a solution for spurring economic development in otherwise blighted communities. They soon became popular tools for economic development throughout the country. According to the Tax Increment Finance Best Practices Reference Guide published by the Council of Development Finance Agencies, “49* States and the District of Columbia have TIF enabling legislation.” (CDFA). The report goes on to mention “California and Illinois have used the TIF tool for several decades while New Jersey, Delaware, Massachusetts, Louisiana and North Carolina, among others have recently adopted TIF enabling legislation. Arizona is the only state that does not have locally-controlled TIF enabling legislation. “ (CDFA 2007)

The map on the following page provides a visual representation of the adoption of TIF legislation through out the Unites States.



Courtesy of the Council of Development and Finance Agencies

**As of February 2012 California no longer allows Tax increment financing*

The popularity of Tax Increment Financing grew exponentially during the 1970's and 1980's. In his 2002 report on Tax Increment Financing for the National Association of Realtors, Professor Craig L. Johnson details this period of expansion of TIF utilization. "The rapid growth of TIF as an economic development technique of choice to finance land acquisition, site development, property rehabilitation, road improvements, water and sewer expansion, and building expansion, began in the early 1980's. Local government officials were faced with cuts in federal funds for economic development and infrastructure projects. [They] turned to TIF as an annual source of local property tax revenue that they could use to finance economic development projects, and other physical infrastructure projects, without having to raise property tax rates." (Johnson 2002)

While there are nuances and differences from state to state, there are fundamental elements seen in most all TIF Districts. The core of TIF centers around capping appraised values, and subsequently taxable revenue, to establish what is called a "base year" value. Future

increases in revenue beyond the base year value are then used to fund development. Essentially, “a municipality identifies a specific geographic area for redevelopment. The redevelopment initiatives may be directed by the municipality or by an economic development agency that is typically under municipal control. They may be funded on a cash basis or, more commonly, by issuance of bonds. The crucial feature is the earmarking of taxes on future increases in property values in the TIF district to pay for redevelopment costs.” (Youngman 2011)

How Does Tax Increment Financing Work?

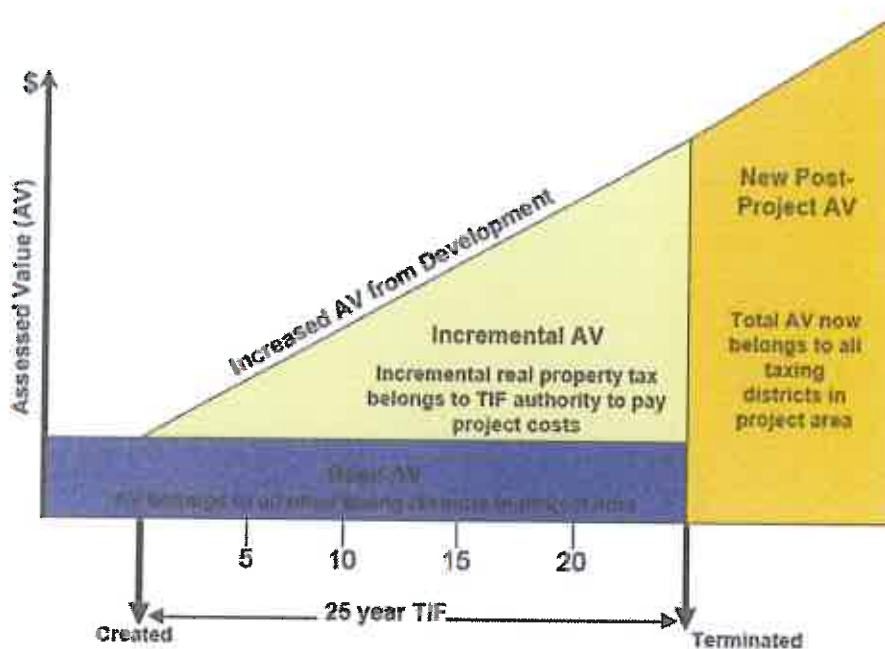
As mentioned above the concept of Tax Increment Financing center around levying increases in future tax proceeds to aid in economic development. Though the concept appears to be straight forward, there are an assortment of moving parts. The level of participation of the taxing entities, duration of the zone, timing and value of future development, and various other economic factors are crucial elements when establishing and maintaining a TIF district. All of the aforementioned elements are key when establishing a TIF and examining its propensity for success.

Dr. Johnson simplifies and explains the mechanical workings of TIF in an excerpt from his 2002 report provided below.

“Tax increment financing policies are implemented through the creation of special tax increment districts, which are distinct geographical areas.” It is important to note that these zones are referred to as Tax Increment Reinvestment Zones (TRIZ) in Texas. The term is unique to the state “Redevelopment authorities or commissions are usually established and indirectly operated by local government officials to provide financial, organizational, and regulatory support for development activities. Once the TID is established a base year is determined. The base year is set at the beginning of the project, usually the year the TID is adopted. The assessed valuation of property in the TID is frozen at the base year. This

area is labeled "Base AV" in Exhibit 1. The base year assessed value of property (Base AV) belongs to all the taxing districts in the TID. After the base year, all the assessed value in the TID - above the base value - belongs to the TID; this portion of the tax base is referred to as the incremental assessed value (Incremental AV). The other taxing units in the TID, the general government, library district and water district, for example, do not have a legal claim to the incremental assessed value, unless specifically dictated by law." (Johnson 2002)

Exhibit 1. TIF Assessed Value (AV) Over Project Life



Courtesy of Dr. Craig L. Johnson, Indiana University

State Specific Points of Interest

As previously mentioned, the use of the term Tax Increment Reinvestment Zone (TIRZ) is unique to the State of Texas. The term TIF refers to type financing tool being used. TIRZ refers to the actual district that is created. However, this is not the only caveat that is unique to

the State of Texas. There are three other portions of TIF legislation that have a significant bearing on the way TIRZs are established and maintained in Texas.

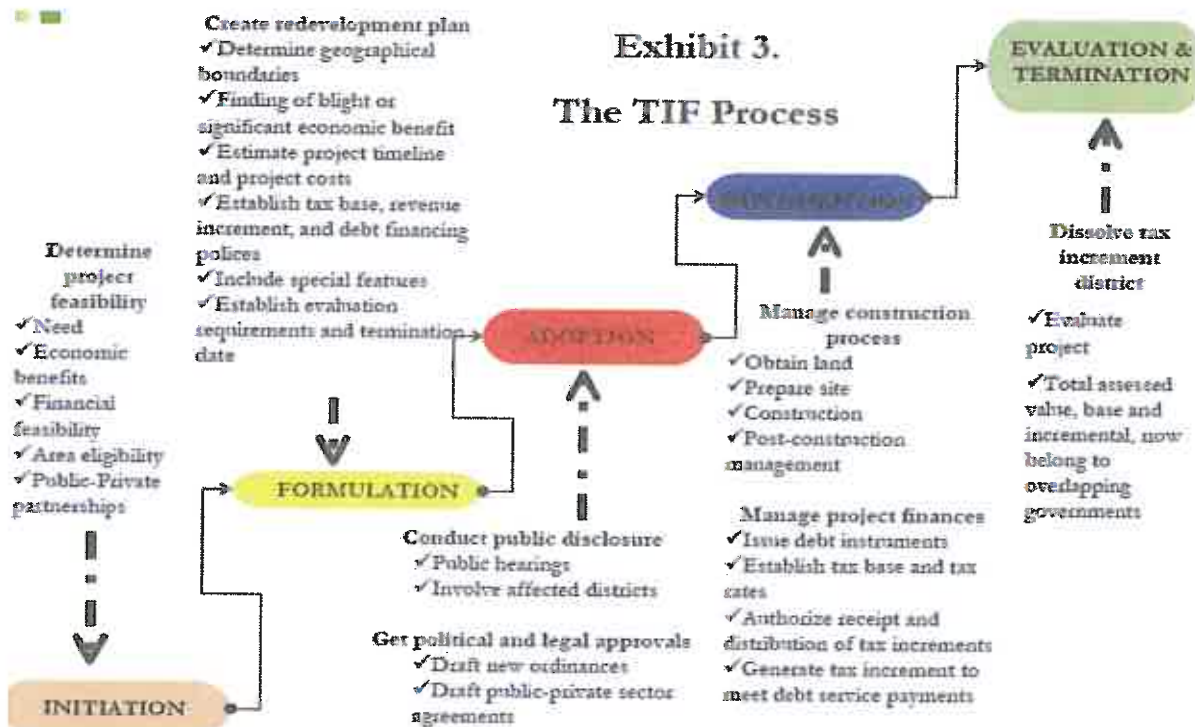
“Owners of properties constituting at least 50 percent of the appraised property value in the proposed district may petition for the creation of a TIRZ.”(Eversberg Goebel 2005) This is of particular importance because it allows private business to petition to establish a TIFZ. As mentioned earlier, this normally has to be initiated by municipalities.

“The law allows taxing units within the zone, such as water districts, to negotiate on a case-by-case basis with the city the percentage (0 percent to 100 percent) of incremental tax revenue they will contribute to the fund.”(Eversberg and Goebel 2005) This law has far reaching implication. It addresses one of the main criticisms of other TIF plans. Many opponents to Tax Incremental Financing point to the fact that many of the taxing entities are forced to relinquish their tax revenue with no input on how the revenue is utilized. Giving the taxing units the ability to determine their level of participation eliminates the aforementioned argument. It is important to note that since the levels of participation vary from one taxing unit to the next, it adds another level of depth when projecting the economic performance of the TIFZ.

“In Texas, there are no onerous minimum requirements for finding blight within the zone and few other restrictions on what types of property can be incorporated.”.(Eversberg and Goebel 2005) However, there are restrictions on the amount of residential property that can be included in the TIRZ at its inception. There are also restrictions on the amount of the existing tax base that can be included when the TIRZ is initially established. Those numbers are 30% and 50% respectively.

Steps in Establishing TIRZ

Accompanying this report is a visual interpretation of the process for establishing a TIF. This workflow chart breaks down the detailed process into 5 steps. This is only meant to be a description of the general workflow of the TIF establishment process. It does not take into account requirements unique to individual states.



Courtesy of Dr. Craig L. Johnson, Indiana University

For the purposes of this report, we will outline in more specific detail, the process for establishing a TIRZ. Remember, TIRZs are zones unique to the State of Texas. During this outline we will address the entity wanting to establish the TIRZ as “CITY1”. It is worth noting that, as previously detailed, cities are not the only entities that can establish a TIRZ.

CITY1 must first prepare a preliminary Reinvestment Zone Financing Plan. They then need to provide 60 days advance notice of the intent to create the TIRZ to any other taxing units within the proposed area. It then becomes the responsibility of the other taxing units to appoint a representative to meet with CITY1 about the plans to create the TIRZ. Following these discussions, CITY1 must provide a formal presentation to the governing body of each unit. In addition, they must host a public hearing about the TIRZ. After the public hearing, an ordinance may be passed to officially designate and start the TIRZ.

Once the zone is created a board of directors must be assembled. They will be tasked with creating a project and financing plan for the TIRZ. These plans are then presented to CITY1’s governing body for final approval. Once the plan is accepted by the governing body, taxing units

sign contracts that detail their level of participation. The TIRZ board of directors makes recommendations on implementation. Throughout the life of the TIRZ, CITY1 must make annual reports to all taxing units with jurisdiction within its boundaries.

Arguments For and Against Tax Increment Financing

In the eyes of local governments, one of the most attractive elements of Tax Increment Financing is its ease of establishment. For many cites, it proves to be the path of least resistance when seeking funding for public projects. "Municipalities could leverage future general fund revenues to support the repayment of property –tax based debt, without having to go directly to the voters for approval, and without violating debt limitations."(Johnson 2002) Whereas bond packages would require a vote and passage by citizens, TIF is not bound by the same restrictions. "TIF's can be invisible to taxpayers, because the assessor continues to value the property as before and the tax payer continues to pay taxes the same way." (Youngman 2011)

Many experts and practitioners point to the self-sufficient and self-perpetuating nature of Tax Increment Financing. "TIF is considered a "self-financing" way to pay for economic development... Government officials do not have to impose a new tax, but simply reallocate new revenues."(Johnson 2002) "In theory, the TIF project requires no new taxes and it pays for itself..."(Youngman 2011)

It is also worth mentioning that Tax Increment Financing is also attractive to municipalities, as it allows them to capture the revenues of other taxing entities. The contribution of tax revenue by the other entities, is revenue the city would not have had access to otherwise.

There are those that are staunchly opposed to TIF. The major point of contention is that over time it depletes the money from the general fund. California recently passed legislation to abolish the use of Tax Increment Financing. The financial woes of the state have been well

documented. What is not so widely publicized is the fact the millions upon millions of dollars sit unused in TIF accounts across the state.

An article in the Denver Business Journal details the problems and ultimate elimination of Tax Increment Financing in California. "The California Supreme Court issued a bombshell decision recently that effectively shuts down that state's 400 local redevelopment agencies. It was a victory for Gov. Jerry Brown, who is seeking to redistribute redevelopment funds to schools and basic services, and help close California's \$26 billion budget deficit." (Segal 2012) The article goes on to say. "Redevelopment agencies were capturing 12 percent of the state's property tax, or more than \$5 billion annually". (Segal 2012) Governor Brown framed his argument to eliminate TIF by painting the picture that the money captured by TIF could be used for schools, police, fire, and basic services. The argument won over voters, and a measure to dissolve all existing TIF districts was passed.

Similar issues have also evolved in Illinois. "In 1997 Chicago had 41 TIF districts; in the next four years, it created 86 more. At the beginning of 2009, the city had more than \$1 billion in TIF funds on hand, compared with an official city budget of \$6 billion." (Jovarsky 2009). This is a significant portion of revenue that is not being incorporated into the city's general fund. The significance of these diverted funds are only exacerbated by the budget shortfalls by many municipalities seen across the country. Chicago is not alone. According to an article in the Rockford Register Star, "struggling tax increment financing districts, which collectively drained city coffers of \$1.9 million last year."

California and Illinois are prime examples of what can happen when TIF goes unchecked. For years, these two states served as poster children for TIF. They were two of the first states to implement TIF and had quite a bit of success. However, over time, mismanagement, lack of oversight, and economic downturns the limelight of success has been blocked out by overshadowing doubt and scrutiny. Due to the ease of establishment, TIF districts have been able to grow by exponential numbers. Conversely, tax revenues have been frozen for larger portions of a municipalities and states.

Case Studies

Miracle Mile TIF

The Miracle Mile TIF in Rockford Illinois is a great example of how Tax Increment Financing can be used to ignite development. Prior to the implementation of the TIF tool, storefronts were described as “worn” and residents feared the spread of further economic “decay”. The area now touts new sidewalks, a remodeled bowling alley, a new drug store, and a new restaurant.

“Incorporated in 2008, the Miracle Mile Rockford group is 45 businesses and individuals working to preserve and improve a portion of East State Street from Swedish American Hospital to Rockford College. Members include homeowners, real estate agents, pizza joints, financial consultants, boutiques, restaurants, auto shops, hotels and a host of professional services. Business owners formed a nonprofit group called Miracle Mile Rockford. They laid out a vision for the neighborhood’s success and used a newly created tax increment finance district to help fund development projects. Shopping centers got new facades. Stores and restaurants made interior upgrades. New sidewalks were added. Two hotels were remodeled. A new drugstore opened. The bowling alley got a face-lift and added a new off-track betting business from up the street.” (Curry 2010)

The majority of this development took place within the first two years. Onlookers and participants credit having a “clear vision” to the success of the TIF. “The Miracle Mile works, business and city leaders say, because stakeholders early on established a clear vision for the area, move in a common direction and set realistic development goals. They talked ad nauseam about what projects would get done and how not to overtax the TIF district.”(Curry 2012)

The Central Loop TIF

The Central Loop TIF exist in stark contrast to the success of the Miracle Mile TIF. The district in Chicago, IL has not produced any development. However, it has collected millions of dollars over the years.

“The Central Loop TIF, perhaps the nation’s largest, was established in 1984 under Mayor Harold Washington to finance investment in the notoriously hard-to-develop Block 37, a parcel bounded by Washington, State, Randolph, and Dearborn streets. The mayor predicted that the TIF could be closed by 1995. In fact, it was expanded in 1997 to include the area bounded by Wacker Drive, Michigan Avenue, Congress Parkway, and Franklin Street. Before it was terminated in 2008, the TIF brought in more than \$1 billion in revenue, including \$365.5 million in the final year alone. Meanwhile, the development of Block 37 remained unfinished.” (Youngman 2011)

We have taken a look at case studies from across the nation. It is vitally important that we look at case studies closer to home. This will afford us the opportunity to examine local trends and nuances. Below you will find case studies of TIRZs from within the Dallas- Ft. Worth Metroplex.

Boulevard 26 Project

The City of North Richland Hills has been greatly affected by the recession. The decline in property values coupled with overly optimistic revenue projections has crippled the city’s TIRZs. This has left North Richland Hills with little to no money to make the planned improvements.

The City of North Richland Hills Boulevard 26 project of 2008 expanded the already existing TIFZ to include existing commercial property. The property is located in the Boulevard 26 corridor south of the 820 Loop. The \$3.5 million dollar project was designed to attract new businesses to the area. The money generated by the TIRZ would be used for infrastructure improvements and burying 5,300 feet of above-ground utility lines. Since 2008 the area has lost over \$9 million dollars in property value. Putting the project on hold is not an option, as they have already issued \$1 million dollars in bonds. In reaction to the downturn, North Richland Hills decreased the investment amount from \$3.5 million to \$2.5 million. In addition the City is only able to bury about half of the utility lines.

North Richland Hills projected a \$30 million dollar growth in taxable value within 9 year period. However, at this time, the TIRZ has not proved to be profitable. The funds from the first TIRZ account are being used to meet the debt service requirement for the project.

Cabelas

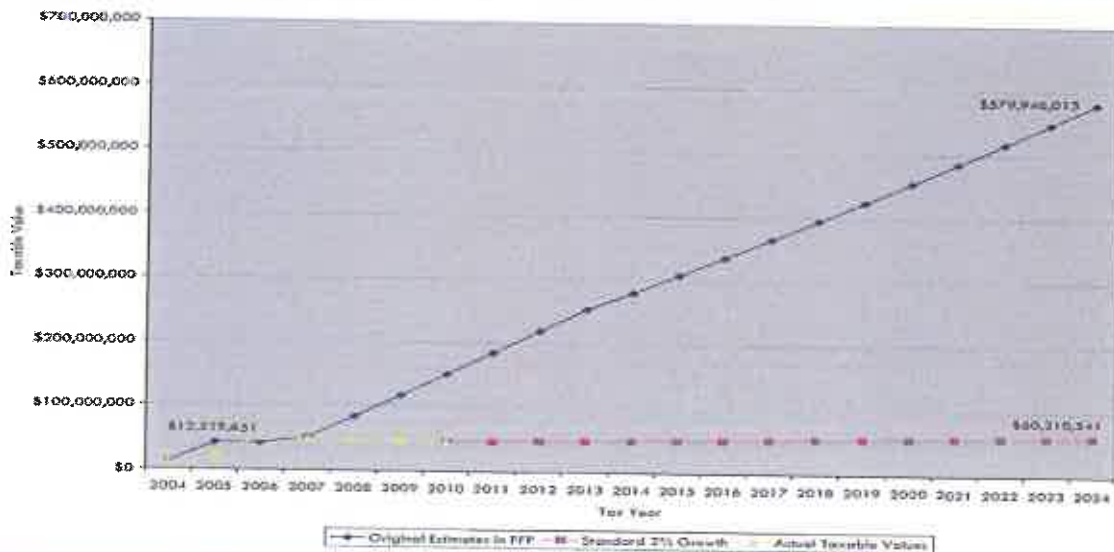
In 2004, the City of Fort Worth created the Lone Star TIRZ “to encourage the development of public space and infrastructure on and near the site of Cabelas, a 200,000 square foot hunting and outdoor retail facility. The TIRZ stretches across 981 acres generally bounded to the north by Keller- Haslet Road, west by Interstate 35 West, south by Highway 170 and east by Alta Vista Road.”(Ft. Worth)

Revenue forecasts projected the site’s taxable to be around \$200 million dollars in 2011. It was also expected that the taxable value would increase to \$579.9 million by the year 2024. The Lone Star TIRZ has only received \$2.3 million in revenues. Additionally, all \$2.3 million have gone to Cabalas as reimbursement for improvements made to the property. Fort Worth paid \$376,482 during the 2011 fiscal year which created a negative balance of \$2,020. If the city does not generate revenue in 2012, the TIRZ will be unable to make up the loss. There is also evidence the area selected for the TIRZ was already showing signs of development. Fort Worth has also made adjustments to their expected taxable value in the area, changing the initial value of \$579.9 million to \$60,310,541 by the year 2024.

TIF 10 (Lone Star)
Balance Sheet
As of September 30, 2011

	Current Year	Total to Date
Revenues		
TIF Increment - City of Fort Worth	\$ 249,653	\$ 1,542,719
TIF Increment - Hospital District	\$ 46,581	\$ 325,279
TIF Increment - College District	\$ 20,095	\$ 124,736
TIF Increment - Water District	\$ 3,333	\$ 20,877
TIF Increment - Tarrant County	\$ 53,960	\$ 376,322
Unrealized Gain (Loss)	\$ -	\$ -
Interest on Investments	\$ 841	\$ 6,020
Total Revenues	\$ 374,462	\$ 2,395,953
Expenditures		
Transfer to Lone Star LGC	\$ 376,482	\$ 2,373,109
Total Expenditures	\$ 376,482	\$ 2,373,109
Excess of Revenues Over Expenditures	\$ (2,020)	\$ 22,844

TIF 10 (Lone Star)
Past Performance and Future Projections



Woodhaven

The Woodhaven TIRZ was created in 2007 to help fund public infrastructure improvements in the Woodhaven area. "The [TIRZ] spans over 1,100 acres and includes major intersections of Woodhaven Boulevard and Boca Raton Boulevard as well as Bridge Street and Boca Raton Boulevard as they intersect Loop 820. It is generally bounded to the west by Willow Ridge Road, south by Interstate 30, and north by the Trinity River". (Ft. Worth)

TIF 13 (Woodhaven) Balance Sheet As of September 30, 2011		
	Current Year	Total to Date
Revenues		
TIF Increment - City of Fort Worth	\$ -	\$ 124,000
TIF Increment - Hospital District	\$ -	\$ -
TIF Increment - College District	\$ -	\$ -
TIF Increment - Water District	\$ -	\$ 3,167
TIF Increment - Tarrant County	\$ -	\$ 29,075
Unrealized Gain (Loss)	\$ -	\$ -
Interest on Investments	\$ 1,614	\$ 3,883
Total Revenues	\$ 1,614	\$ 160,124
Expenditures		
Contractual Services	\$ -	\$ 13,789
Total Expenditures	\$ -	\$ 13,789
Excess of Revenues Over Expenditures	\$ 1,614	\$ 146,335



The base value of \$181.8 million, calculated in 2007, dropped to \$165 million in 2010. That is roughly 9.1% percent. Currently, the City of Ft. Worth is not investing any public funds into the area. They are however, investigating different ways to develop the Woodhaven area. The projection indicated that a TIRZ would have been ideal for this area. Unfortunately, timing and sharp decline in values have halted this project.

There is a growing trend where developers, create bidding wars between municipalizes. They want to see who will offer the largest incentives. This leads to unfortunate situation where the incentives offered out weigh the benefits of the development. This leaves the TIRZ susceptible to failure, as in the case of Cabelas. To avoid this, cities must remember that the job of the TIRZ is not to subsidize businesses. The public investment into the infrastructure should be incentive enough to attract development.

Overall, TIRZs have proven to be a profitable tool to encourage economic development. The City of Fort Worth currently has 10 Tax Increment Reinvestment Zones. Most are exceeding expectations. The base value for all 10 districts totaled around \$913.6 million. By 2010, the total value of the 10 districts is almost 2.4 billion. This constitutes a growth of 38.4%. Below are a few more examples of the value adjustments made to the Fort Worth Tax Increment Reinvestment Zones.

TIR District	Base Year	2010 Tax Year	Property Value Growth	City Contributions
2 - Speedway	\$ 5,084,127	\$ 6,493,249	\$ 59,853,122	\$ 338,772
3 - Downtown	\$ 322,440,637	\$ 869,702,569	\$ 547,261,932	\$ 1,936,405
4 - Southside	\$ 229,759,626	\$ 435,472,871	\$ 205,713,245	\$ 1,758,848
6 - Riverfront	\$ 2,822,348	\$ 41,792,282	\$ 38,969,934	Does Not Contribute
7 - North Tarrant Parkway	\$ 1,597,471	\$ 168,508,142	\$ 166,910,671	\$ 1,141,669
8 - Lancaster	\$ 178,938,722	\$ 385,067,570	\$ 206,128,848	\$ 1,762,402
9 - Trinity River Valley	\$ 130,744,298	\$ 334,881,481	\$ 204,137,183	\$ 1,001,785
10 - Lone Star	\$ 16,073,937	\$ 45,707,853	\$ 29,633,916	\$ 253,370
12 - East Berry Renaissance	\$ 26,176,323	\$ 33,404,339	\$ 7,228,016	\$ 36,150
13 - Woodhaven	\$ 181,846,751	\$ 165,228,642	\$ (16,618,109)	No Increment Generated
TOTAL	\$ 913,637,489	\$ 2,379,474,356	\$ 1,465,836,867	\$ 8,229,400

(Based on 2010 numbers)

Lessons Learned

Taking a look at the case studies provided and prevalent issues of the day, we are able to deduce several key elements that are crucial to the success of Tax Increment Financing. The importance of defined projects, a clear plan for development, and strategic thinking can not be stressed enough.

The case studies demonstrated the importance of having a clear cut goal prior to establishing the TIF. This provides focus and direction. It is not sufficient to simply desire development. You must seek and provide answers to particular and poignant questions. "What kind of development do we want?" "Who are we targeting as developers?" "When will we start?" "When will we finish?" It is essential that organizers start with the end in mind.

We also want to point out the importance of being strategic when establishing TIF zones. Though the autonomy of Tax Increment Financing can be attractive, it can also be detrimental and counterproductive. If an overabundance of TIF districts are put into place it can have disastrous results on municipalities general funds. The general fund is used to pay police, fire, EMS and sanitation. If those services are not adequately funded it could actually harm a city's chances for economic growth. It is important to remember, though autonomous, TIF districts are always a piece of a much larger puzzle.

History and Current Conditions

“Kennedale is a city of approximately 6,763 people located immediately southeast of Fort Worth in the south-central portion of the Dallas-Fort Worth Metroplex. Though it was not incorporated until 1947, Kennedale was founded in 1882. Kennedale was known in the late 19th and early 20th century for its agricultural areas, brickyards, and mineral wells. This, along with the city’s location along the Fort Worth and New Orleans Railway (today the Union Pacific Railroad) and the Mansfield Cardinal Road, led to the city’s early prosperity. The city’s downtown was destroyed by a fire in 1908, which results in few historic structures remaining in Kennedale.”(Kennedale 2012)

One of the largest selling points for the City of Kennedale is its location.. Kennedale’s location between the vibrant area of Fort Worth’s Downtown and the booming development of Arlington make it attractive of businesses and residents alike. It gives both the ability to be somewhat removed from the hustle and bustle of the larger cities, while remaining within a “stone’s throw” of many major regional attractions.

“In the past, one of Kennedale’s greatest challenges has been the presence of sexually-oriented businesses (primarily video stores, but also so-called “gentleman’s clubs”) within the city. These businesses were primarily located near the intersection of Kennedale Parkway and IH-20—the city’s front door. Over the last year, these businesses have closed or relocated outside



of Kennedale.” (Kennedale 2012). In light of the relocation of these business, the City of Kennedale has positioned itself for rebranding and redevelopment.



“Kennedale has also been historically known for its three race tracks (two oval tracks and one quarter-mile drag strip). All three of these facilities are located along Kennedale New Hope Road between downtown and Hudson Village Creek Road.” (Kennedale 2012) These race tracks have long been a barrier for development within the City of Kennedale. Many developers shy away from this are due to the stigma associated with the Race tracks. In addition, they are a “nuisance” to many of the current residents, who have long complained about the elevated noise levels. The establishment of the New Hope Road

TIRZ would aide in the removal and replacement of the racetracks.

Several planning studies have been completed for the City of Kennedale over the last several years. Of particular interest for this report, are the recently adopted 2012 Comprehensive Plan and the Imagine Kennedale - 2015 Visionary Plan. The Imagine Kennedale Plan served as a framework of aspirations that ultimately shaped the Comprehensive Plan. The Comprehensive Plan will be referred to quite often in the following report. It outlines many of the goals and public projects within the New Hope Road Tax Increment Reinvestment Zone (TIRZ). As highlighted in the research portion of this report, having a clear, distinct, and precise development goals are key to the success of any TIRZ. The City of Kennedale’s Comprehensive provides that framework and guide.

What Could Be...

The purpose of the New Hope Road TIRZ is to encourage residential development in the targeted area. In order to attract development, certain elements of infrastructure must be in place. Residential development requires three major components. Those components are water, sewer, and roadways. The City of Kennedale spent \$2.1 million between 2009 and 2011 to establish accessibility to an adequate water supply for New Hope Road. The New Hope TIRZ will help continue that commitment to development by funding all the other needed public projects. These projects include road construction, the extension of the sewer trunk tributary from Village Creek, parks, trails, and land banking for a commuter rail stop. All of the aforementioned are necessary for encouraging the desired development.

In the City's Comprehensive Plan, the intentions to transform New Hope Road into a "boulevard" are made very clear. In the plan, a boulevard is described as being "most closely associated with the traditional minor arterial roadway. Based on this role, boulevards are expected to carry a fairly high capacity of both local and regional traffic, but in a more urban or local setting than the parkway. Bicycle and pedestrian use is also expected to be higher on these roads."

In addition, "Boulevards should be designed for medium-speed travel of vehicles (35 to 40 mph) in a walkable, urban environment. Boulevards may be long corridors and typically consist of 2 or 4 lanes. Because they carry a significant mix of local and through traffic, access management is important along boulevards, such as synchronized signal timing, shared access for businesses, or even restricting access to side streets. Boulevards may be high ridership transit corridors. Curb parking may be allowed on boulevards in more urban contexts." (Kennedale 2012)

New Hope Road would also have the following buildout specifications.

Number of Through Lanes	2 lanes with 4 lane right of way
Lane Width	14'
Desired Operating Speed (mph)	35-40
Median	12'-18'
Driveway Access	Limited
Curb Parking	No
Pedestrian Facilities ¹ (clear throughway)	5'-10'
Bicycle Facilities	Bike lane or buffered bike lane
Streetside Width ²	18'-22'
Required ROW Width	100'-130'

¹Proposed widths of pedestrian facilities should be applied to both sides of the street. ²Refers to the area between the street and building. Includes edge, furnishings/ planting strip, clear throughway, and frontage zones.

Once the newly renovated boulevard is constructed, all necessary conditions would be in place for new development. A further examination of the City's Comprehensive Plan reveals the intent for biking trails, housing, and a retail node.



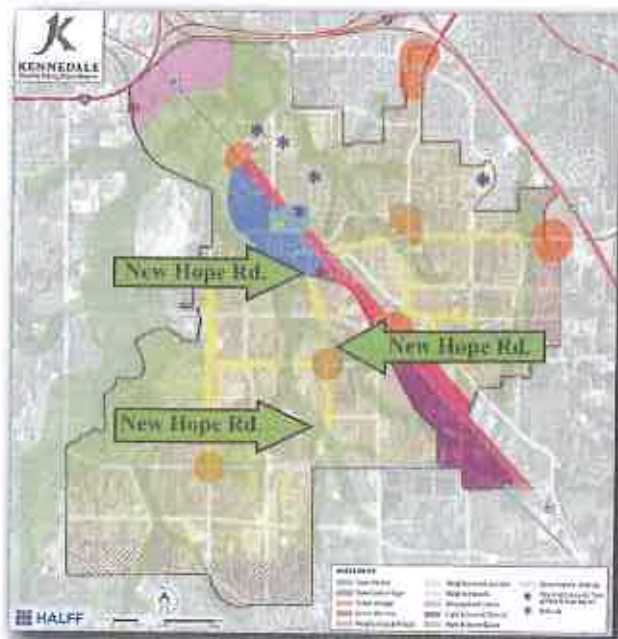
One of the major developments anticipated in the Comprehensive Plan is a Neighborhood Village on New Hope Road. The plan details what can be expected from the “neighborhood village”. “These villages serve the surrounding neighborhood and community. They are smaller and less intense than Urban Villages. Uses should include a dense mix of residences and

businesses. Neighborhood Villages should be very easily accessible by foot from the surrounding neighborhoods. “(Kennedale 2012)

The plan indicates a vast expansion in the number of single family housing units over the life of the TIRZ. This increase translates into a significant increase to the City of Kennedale's tax base. However, it is important to note that with this increase in residents there will a need for improved emergency response. The increased population and sprawl of residential coverage area can prove taxing to police, fire, and EMS response teams. The City has identified the most cost effective way to address this concern is to extend Little School Road from Kennedale Parkway to Dick Price Road. It is important to note that this extension will include an elevated railroad crossing, which will eliminate any delays in response from emergency personnel due to train crossings. The City anticipates submitting the Little School Road extension and bridge in a future county transportation bond program.

The 2012 Comprehensive Plan outlines the framework of where the City of Kennedale would like to go. The New Hope Road Investment Zone is the catalyst for economic development that will assist in getting there.

One look at the map form the Comprehensive Plan shows how essential New Hope Road is to the future development of the city. It provides direct access to the Downtown Village, is adjacent to potential commuter stations, and connects neighborhood villages.



It must be stated that this road must be built for any of these developments, including the neighborhood village, to be possible.

Establishment of TIRZ Boundaries

Before beginning the process of establishing the boundaries of the Reinvestment Zone, it is important to examine the regulations and restrictions set forth by the State of Texas. Below are the most pertinent excerpts from the statutes governing the creation of TIRZ boundaries.

TEXAS TAX CODE

TITLE 3. LOCAL TAXATION

SUBTITLE B. SPECIAL PROPERTY TAX PROVISIONS

CHAPTER 311. TAX INCREMENT FINANCING ACT

Sec.A311.006.

RESTRICTIONS ON COMPOSITION OF REINVESTMENT ZONE

(a) A municipality may not create a reinvestment zone if:

- (1) more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; or

The New Hope Road TIRZ contains only 23% residential property, well within the statute.

- (2) The total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds 50 percent of the total appraised value of taxable real property in the municipality and in the industrial districts created by the municipality.

The New Hope Road TIRZ only accounts for 3.5% of the total appraised taxable value.

To begin the process of determining TIRZ boundaries, a large general "Study Area" along New Hope Road was derived. See the map on the following page.

KENNEDALE

Public Report (city and county)
☐ Survey Roundtable
☐ Sub-Visitors
☒ City Limits
☐ TIF District (proposed)

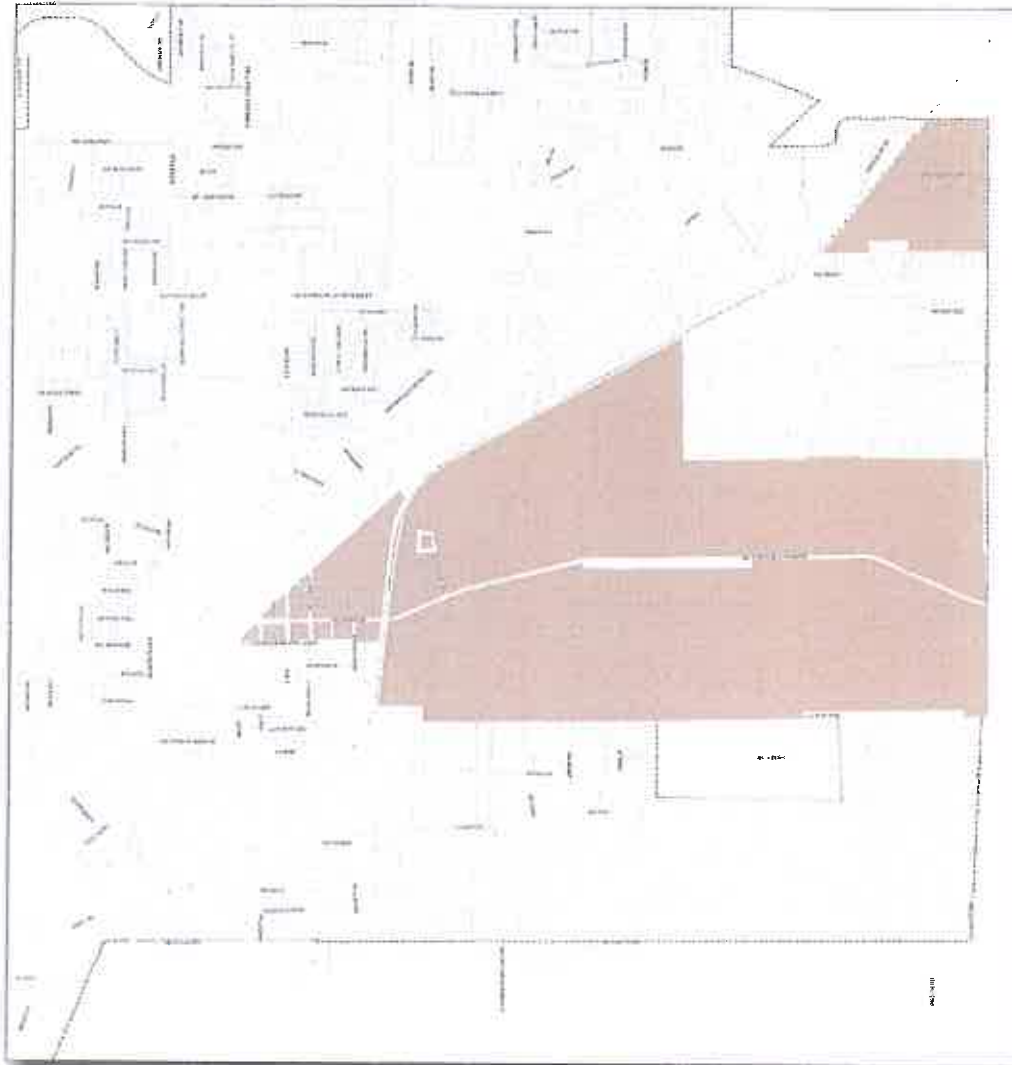


The study area was never intended to be the final boundaries for the investment zone. After careful examination of the goals of city staff, economic indicators, and overall development objectives, more contrived boundaries were drawn. We also needed to make sure these boundaries adhered to the State of Texas' restrictions and limitations. To meet state regulations the decision was made to remove several residential sections study area. The final draft of the TIFZ area is provided on the following page.

New Hope TIRZ District (Proposed)

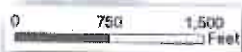


1 inch = 540 feet





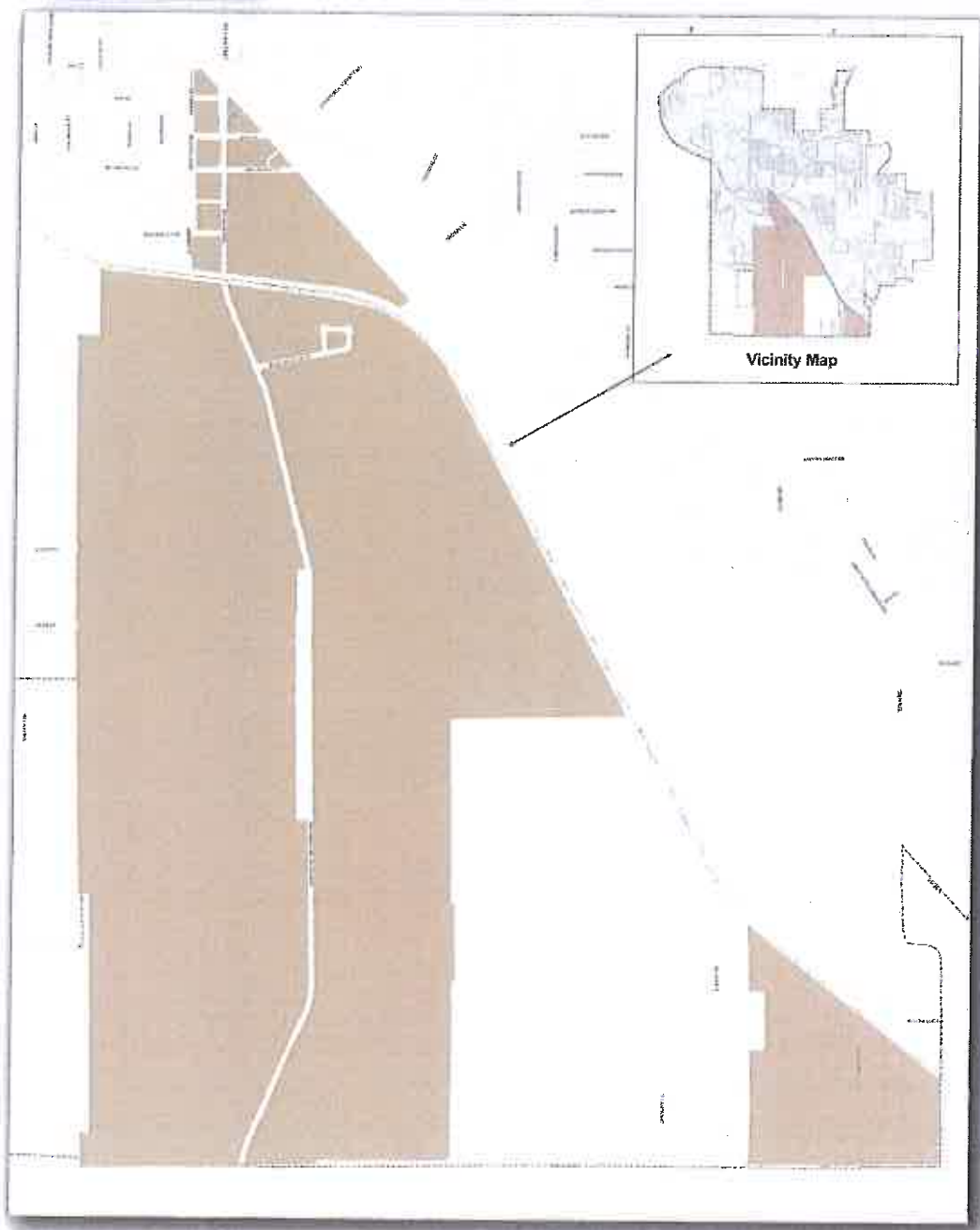
1 inch = 354 feet



New Hope TIRZ District (Proposed)

Legend

- TIF Boundaries
- Rail Line
- Public Roads (city and county)
- Standardized_CoK04-12-2012_S
- City Limits



Tax Increment Analysis

The tax increment analysis was generated by performing the following task:

- ❖ Designating an eligible area as the New Hope Road Tax Increment Reinvestment Zone
- ❖ Determining the current base assessed value of the existing property within the TIRZ.
- ❖ Projecting the tax rate captured by the TIRZ, including any contributions from other taxing authorities
- ❖ Projecting new development within the TIRZ and determining the amount of tax increment created from the zone over the existing base value.

The economic projections included in this analysis are dependent on the following major assumptions.

- ❖ The timing and value of new development within the TIRZ.
- ❖ Appreciation of existing land and improvements within the TIRZ.
- ❖ Future tax rates and the percentage of participation of each taxing jurisdiction.
- ❖ Projected new development in the TIRZ was based on comparable of the taxable values similar projects, particularly in near by municipalities when available and consultations with city staff.

The Tax Increment Reinvestment Zone Financing Plan provides information on the projected economic impact of the TIRZ. The plan details the tax valuation projections for the TIRZ, as well as the projected tax increments captured by the TIRZ. It also details the increment created from contributions of each taxing entity.

The final draft of the reinvestment zone plan must include the following.

1. A detailed list describing the estimated projects cost of the zone, including estimated expenses

- ❖ Development within the New Hope Road TIFZ will consist of public improvements and private investment projects over time. These improvements will create a “boulevard” and “residential village” that will be welcoming and inviting to not only individuals but businesses as well.
- ❖ The initial improvements contemplated in the New Hope TIRZ include public infrastructure (curb, drainage, sidewalks, etc) all associated with the boulevard style development envisioned. The improvements planned for the New Hope Road TIRZ will include, but are not limited to the following:
 - ❖ Construction of New Hope Road*
 - ❖ Extension of 12inch sewer line (3,800 ft) *
 - ❖ Acquisition of 3.5 acres of land for commuter station*
 - ❖ Beautification landscaping along medians, primarily trees
 - ❖ Curbs and gutters abutted to the sidewalks
 - ❖ Administrative expenses to maintain the TIF
 - ❖ Landscaping along side walks to create shade and beautification and further enhance the pedestrian friendly atmosphere
 - ❖ Parks and Trails

**please see next page for estimated cost for major public projects*

New Hope Road

Construction Cost	\$7,000,000
Surveying Engineering and Right of Way Acquisition	\$3,000,000

Sewer Extension

Construction Cost	\$600,000
Easement	\$120,000
Engineering and Surveying Cost	\$80,000

Parks and Trails

Construction Cost	\$670,000
Engineering and Design	\$80,000

Commuter Rail Stop

Land Acquisition	\$500,000
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Should Tarrant County decide to conduct another Transportation Bond program to enable cities to formally participate in selected projects, the New Hope Road Construction could be included in the bond program. If this happens, the TIF would be abolished with the proceeds going to road construction.

2. A Statement listing the kind, number and location of proposed public projects within the zone.

See above for a list of all proposed improvements in the zone.

3. The estimated amount of bonded indebtedness to be incurred.

No bonded indebtedness is contemplated to be incurred at this time

If debt is to be issued it will be based on size, scope, and timing of projects.

4. The time when related cost and obligations are to be incurred.

Please see the attache *Economic Proforma Spreadsheet*

5. A description of the methods of financing all estimated project cost and the expected sources of revenue to finance or pay project cost, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in the zone.

- ❖ All project cost are expected to be paid for by the incremental property tax generated by the TIF on a pay-as-you go basis.
- ❖ The percentage of the tax increment derived from the property taxes of each taxing unit that levies taxes in the TIRZ is as follows:

<u>Taxing Unit</u>	<u>Contributing Percent</u>	<u>2011 Tax Rate</u>
City of Kennedale	100%	0.7225
Tarrant County	75%	0.264
Tarrant County Health District	50%	0.227897
Tarrant County College	50%	0.14897
Kennedale ISD	0%	1.512068

6. The current total appraised value of taxable real property in the zone.

- ❖ The current appraised value of the taxable real property in the New Hope Road TIRZ is estimated to be \$18,906,681 based upon 2011 values. This is approximately 3.5% of the total appraised value of all taxable property in the City of Kennedale, or well within the 50% limit required by Texas statute. (Based upon a 2011 total appraised value of \$541,688,203 for the City of Kennedale)
- ❖ The total acreage amount of the privately owned property used for residential purposes within the New Hope TIRZ is 123.73 acres or approximately 23% of the 544.67 acres of the TIFZ. This is well within the 30% maximum allowed by State of Texas.

7. The estimated captured appraised value of the zone during each year of its existence. The actual increment generated will depend on several factors, including:

The base value of the real property in the Zone subject to property tax.

Property value is estimated to be estimated to be \$18,906,681.00

Expected Growth of the Taxable Real Property in the Zone

- ❖ The taxable real property in the Zone is projected to increase to \$192.3 million by 2035 and generate a total increment \$20.27 million over the life of the TIRZ.
- ❖ Note that the projection of the future tax increment captured is dependent on the timing and value of the new development, the appreciation of existing land and improvements. These projections are estimates based on the information known to date, and are subject to change based on market conditions.

- ❖ A 2.5% annual base growth rate is used to as an estimate for appreciation of existing improvements which is considered to be conservative.

8. Participation by Taxing Units

The Taxing units have decided upon their level of participation. The projected total contribution by each Taxing Unit over the life of the TIRZ are:

The City of Kennedale	\$13.2 million
Tarrant County	\$3.6 million
Tarrant County Health District	\$2.08 million
Tarrant County College	\$1.3 million
Kennedale ISD	\$0

9. Property Tax Rates & Collections

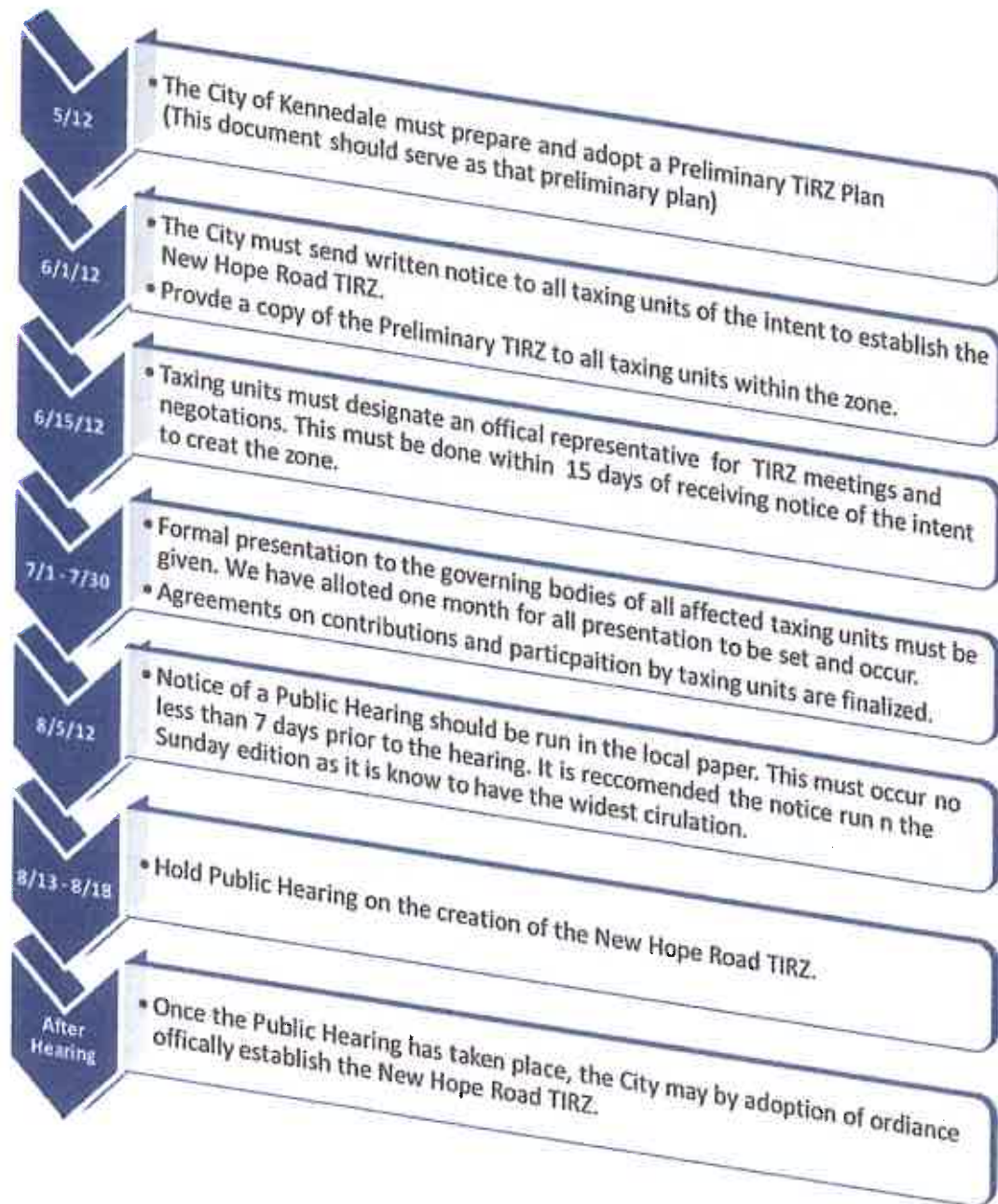
Property tax rates are conservatively assumed to remain unchanged from 2011 rates. The plan assumes a 100% collection rate by all taxing units.

10. The Duration of the Zone

The duration of the zone will be the lesser of 25 years or when the project cost are paid. Assuming the Zone exist for its full term, the expiration date of the Zone will be December 31, 2038. The Zone will begin with the increment generated by the 2012 tax and end with the increment generated by the 2037 tax appraisal.

The Next Steps...

What has been provided only constitutes the first step in creating the New Hope Road TIRZ. Should the governing body wish to move forward with the creation of this investment zone there are very specific and time sensitive steps that must be made. Below is an estimated timeline and guide to implementing the the New Hope Road TIRZ.



Conclusion

After having conducted the economic and financial feasibility study on the New Hope Road TIRZ for the City of Kennedale, a recommendation to move forward with the establishment of the TIRZ can be made. The City should move forward with the establishment of the TIRZ for the following reasons.

First, the City of Kennedale's Comprehensive Plan provides a detailed vision for the public projects to be completed. This is crucial. As we have seen with other TIRZs, the lack of proper planning and unclear goals can lead to disastrous results. This is not the case with the City of Kennedale. Their vision is clear, decisive, and well thought out. Adhering to the goals of that vision and not wavering will provide the building blocks for a successful TIRZ. Had the Comprehensive Plan not been as thorough a recommendation to proceed could not have been made.

Additionally, conditions on the ground are right for development. The City's proximity to highways I-20 and 287 make it a prime location for both residents and businesses. Coupled with the growth of neighboring cities Arlington and Fort Worth, creates a conditions that are prime for development and growth. The removal of sexually oriented businesses has now opened the door for the "rebranding" of Kennedale.

Finally, upon review of the estimated projection over the life of the TIRZ, the New Hope Road TIRZ will produce approximately \$25 million dollars. This will more than cover the cost of the proposed development. This would classify the project as economically and financially feasible. Please see the attached Increment Analysis and Economic Proforma worksheets for more detailed account of financial projections. Equally as important as the cost of the projects, is the type of projects. It is crucial the the projects that are proposed in the TIRZ do not subsidize any one business, but that they are public infrastructure investment that create a environment that

will attract businesses. The projects proposed in this report due indeed pass that litmus test. Development will not occur if these public projects are not done. The New Hope Road TIRZ provides the means to funds these projects.

Going forward, it is important that the City of Kennedale remain strategic in its plans for economic development. The success of the New Hope Road TIRZ may lead to the creation of other TIRZs within Kennedale. It is important to remember the impacts on the general fund with the addition of every subsequent TIRZ. Should the City seek to add another TIRZ the study should address the impact of that TIRZ and the New Hope Road TIRZ as well.

APPENDIX

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NEW HOPE ROAD TIRZ TAX
INCREMENTAL ANALYSIS

INCREMENT ANALYSIS		2011 Increment		2012 Increment		2013 Increment		2014 Increment		2015 Increment		2016 Increment		2017 Increment		2018 Increment		2019 Increment		2020 Increment		2021 Increment		2022 Increment		2023 Increment		2024 Increment		2025 Increment		2026 Increment		2027 Increment		2028 Increment		2029 Increment		2030 Increment		2031 Increment		2032 Increment		2033 Increment		2034 Increment		2035 Increment		2036 Increment																																																																																																																																																																																																																																																																																																																																																																																																																												
Base Year		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056																																																																																																																																																																																																																																																																																																																																																																																																																																	
Base Year Taxable Value		\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00	\$18,906,681.00

NEW HOPE ROAD TIRZ
ECONOMIC PROFORMA

			2011 Increment 2012 Increment 2013 Increment 2014 Increment 2015 Increment 2016 Increment 2017 Increment 2018 Increment 2019 Increment 2020 Increment 2021 Increment 2022 Increment 2023 Increment 2024 Increment 2025 Increment 2026 Increment 2027 Increment 2028 Increment 2029 Increment 2030 Increment 2031 Increment 2032 Increment 2033 Increment 2034 Increment 2035 Increment 2036 Increment																									
Base Year			2011	2012	2013	2014	2015	2016	2017 *2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
PROCEEDS																												
TIRZ Increment Created	3%	\$0.00	\$5,243.29	\$10,617.66	\$63,271.57	\$111,695.95	\$161,329.71	\$212,204.94	\$269,898.53	\$359,540.18	\$429,236.90	\$506,222.53	\$579,586.30	\$654,784.17	\$731,861.99	\$844,148.71	\$925,557.57	\$1,003,814.72	\$1,095,768.30	\$1,183,870.72	\$1,234,179.10	\$1,766,734.21	\$1,441,614.99	\$1,509,803.37	\$1,714,008.29	\$1,817,566.71	\$1,923,714.05	
Interest on TIRZ Funds		0	\$183.52	\$316.56	\$1,254.14	-\$1,834.63	-\$17,252.30	-\$115,428.96	-\$355,022.52	-\$354,864.40	-\$358,561.37	-\$376,843.23	-\$389,747.22	-\$359,770.92	-\$351,911.74	-\$336,772.56	-\$314,081.08	-\$294,980.41	-\$288,952.83	-\$273,480.70	-\$201,844.68	-\$181,218.30	-\$115,704.42	-\$65,193.85	-\$7,485.34	\$55,867.51		
Proceeds on Debt Issued		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Annual Proceeds			\$5,243.29	\$10,801.17	\$10,904.17	\$64,525.71	\$112,949.49	\$159,495.08	\$194,952.64	\$152,469.58	\$424,517.66	\$784,372.49	\$1,147,681.14	\$1,002,741.08	\$1,285,058.26	\$1,372,081.07	\$1,491,147.37	\$1,592,185.01	\$1,695,713.81	\$1,800,787.89	\$1,918,317.49	\$1,099,115.04	\$1,184,752.81	\$1,300,588.38	\$1,443,109.45	\$1,648,614.44	\$1,816,061.87	\$1,979,581.60
Carry forward of Unspent funds In FY			0	\$5,243.29	\$9,044.46	\$35,832.59	-\$52,417.92	-\$492,922.84	-\$3,297,970.20	-\$10,143,500.62	-\$10,138,982.96	-\$10,244,610.47	-\$10,766,949.31	-\$10,564,206.23	-\$10,279,169.27	-\$10,057,078.21	-\$9,564,936.34	-\$9,073,743.23	-\$8,478,011.59	-\$7,427,223.70	-\$6,710,305.81	-\$5,770,900.81	-\$4,696,237.18	-\$3,303,840.51	-\$1,862,681.36	-\$213,866.92	\$1,596,214.45	
Total Available Proceeds			\$5,243.29	\$16,044.46	\$72,632.59	\$148,782.08	\$107,077.16	-\$297,970.20	-\$3,143,500.62	-\$10,138,982.96	-\$10,064,610.47	-\$10,096,949.31	-\$10,564,206.23	-\$10,279,169.27	-\$9,907,078.21	-\$9,564,936.34	-\$9,073,743.23	-\$8,278,011.59	-\$7,427,223.70	-\$6,710,305.81	-\$5,670,880.81	-\$4,596,237.18	-\$3,303,840.51	-\$1,862,681.38	-\$213,866.92	\$1,596,214.45	\$3,575,796.05	
PROJECT COST			BUDGET	PROJECTION																								
Site Marketing		\$20,000																										
Plan		\$25,000																										
Construction of New Hope Road																												
Surveying, Engineering, Right of Way	Aquisition	\$3,000,000.00							\$3,000,000.00																			
Construction		\$7,000,000.00							\$7,000,000.00																			
Acquisition of Land For			Transit Stop	\$500,000.00							\$100,000.00				\$150,000.00			\$150,000.00			\$200,000.00							
Extension of Waste Water Trunk																												
Surveying, Engineering		\$80,000.00				\$80,000.00																						
Easement		\$120,000.00				\$120,000.00																						
Construction		\$600,000.00				\$600,000.00																						
Park and Trail																												
Engineering and Design		\$80,000.00								\$80,000.00																		
Construction		\$670,000.00								\$670,000.00																		
Total Cost			\$12,095,000.00		\$36,800.00	\$201,200.00	\$600,000.00	\$3,000,000.00	\$7,000,000.00	\$0.00	\$180,000.00	\$670,000.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$0.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Excess Proceeds - Available for TIRZ				\$5,243.29	\$9,044.46	\$35,832.59	-\$52,417.92	-\$492,922.84	-\$3,297,970.20	-\$10,143,500.62	-\$10,138,982.96	-\$10,244,610.47	-\$10,766,949.31	-\$10,564,206.23	-\$10,279,169.27	-\$10,057,078.21	-\$9,564,936.34	-\$9,073,743.23	-\$8,478,011.59	-\$7,427,223.70	-\$6,710,305.81	-\$5,770,900.81	-\$4,696,237.18	-\$3,303,840.51	-\$1,862,681.38	-\$213,866.92	\$1,596,214.45	\$3,575,796.05

*Debt will be issued to cover construction cost.

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:

Chamber of Commerce Legislative Update.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Chamber of Commerce representatives will be present to request city support for a Legislative Day in Austin near the beginning of the 2013 Legislative Session (early February). Beyond a request for your support and participation, they wanted to determine what state agencies you may wish to visit while there.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:

TownCenter Veterans Memorial plaque presentations:

- Senior Airman James Shook of the United States Air Force
- Master Sergeant John Boyd of the United States Army
- Colonel Robert Gruenhagen of the United States Air Force

II. Originated by:

III. Summary:

Mayor & Councilmembers will present plaques to the recipients.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:

Presentation of the Kathy Turner Memorial Scholarship Award.

II. Originated by:

III. Summary:

Presentation of the Kathy Turner Memorial Scholarship to Madison Lea.

Madison is a Senior at Kennedale High School spending her senior year as a Rotary Exchange student in Chile. Madison was an instrumental part in founding and chairing the first Interact Club at the high school and has shown additional leadership through being elected president of the Arlington Venture Crew 727.

Madison has a desire to serve and learn, while in Chile, she has volunteered with other exchange students to teach English classes to daycare children and volunteers to perform hypo therapy with horses that help handicapped and mentally ill children.

Madison is interested in studying international business and hopes to use her bilingual abilities cross culturally in service to others.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	\$500 Scholarship Recipient Letter	MADISON LEA SCHOLARSHIP LETTER_0001.pdf
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April 26, 2012

Miss Madison Lea
5007 Ridgefield Ct.
Arlington, TX 76017

Miss Lea,

Thank you for your application to the Kathy Turner Memorial Scholarship. This scholarship is offered in recognition and memory of Kathy Turner's 25-years of service as City Secretary for the City of Kennedale. Your application has been reviewed and we are happy to announce that you have been selected to receive the \$500 scholarship.

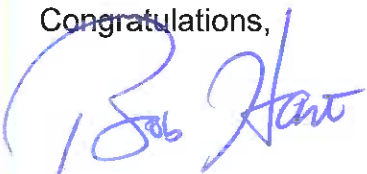
The final criteria for receipt of the scholarship includes submitting a copy of your acceptance letter from the college or university of your choice and also submission of your enrollment documents verifying that you are actually a student of that university. Acceptable documents to verify enrollment could be either of the following, your class schedule or letter from the registrar verifying your class enrollment and number of hours you are taking.

Once the City receives this information a check will be provided to you and available for pick up from our Finance Office. You will need to show identification and signature of receipt of the check.

We are excited that you have been selected and hope that you and your family will attend the City Council meeting Thursday, May 17, 2012 at 7:00 p.m. to be acknowledged by City Council and the community of this achievement.

Please contact City Secretary Amethyst Cirno at 817-985-2104 with your RSVP for the May 17, 2012 City Council meeting.

Congratulations,



Bob Hart
City Manager

Cc: Mayor Bryan Lankhorst
Sakura Moten-Dedrick, Finance Director

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - D.

I. Subject:

Presentation of the Tree City USA Award to the City of Kennedale

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

Courtney Blevins, CF,CA, Regional Urban Forester with the Texas Forest Service will present the Mayor and City Council with the Tree City USA Recognition Plaque for 2011.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - E.

I. Subject:

Updates and information from the City Manager, if any.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will present any necessary information to the council at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - F.

I. Subject:

Updates and information from councilmembers, if any.

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - G.

I. Subject:

Updates and information from the Mayor:

- Proclamation from the Mayor declaring May 19th 'National Kids to Parks Day'

II. Originated by:

City Council, City Council

III. Summary:

The Mayor will read a proclamation for National Kids to Parks Day.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: CONSENT ITEMS - A.

I. Subject:

Consider approval of meeting minutes from April 12, 2012 regular meeting.

II. Originated by:

Amethyst G. Cirimo, City Secretary and Communications Coordinator

III. Summary:

Please see the attached minutes.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Draft Minutes	04.12.2012 CC Minutes.doc
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KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
April 12, 2012
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

Mayor Lankhorst called the work session to order at 5:35 PM.

II. WORK SESSION

A. Review Independent Auditor's Report for year ended September 30, 2011.

Sakura Moten-Dedrick, Finance Director, approached the council with Greg Shropshire from Patillo, Brown, & Hill, LLP to present the Comprehensive Annual Financial Report. No significant findings were reported, and reserves still fall within the appropriate range.

B. Storm cleanup debrief.

Bob Hart noted that the final damage assessment data reports that 165 homes and 19 businesses were affected by the April 3 tornado. The Blackboard Connect emergency notification system worked very well and kept residents safe and aware, the damage assessment went well, and law enforcement kept affected areas safe for several days.

Areas that the city will focus on in the future include establishing an emergency operations center location and adding emergency radios to public works and other necessary departments. Council praised the high level of law enforcement presence throughout the city during and after the event.

Cleanup throughout the city is well on its way, and debris pickup will continue throughout the week. There are a few foreclosed homes that were affected that may have to be dealt with through the substandard building process.

The standpipe at the public works office site was also affected and will be fixed.

C. Discuss formation of a water rate committee.

A committee to review the need and where to set water utility rates.

Council was asked to suggest names for this committee. Members of the community, school, and city should be involved.

D. Discuss any other items on the agenda.

No other items were discussed during the work session.

III. REGULAR SESSION

Mayor Bryan Lankhorst called the regular session to order at 7:05PM

IV. ROLL CALL

Roll Call

Present Bryan Lankhorst (Not Voting), Frank Fernandez, John Clark, Brian Johnson , Kelly Turner, Liz Carrington

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."

VIII. VISITOR/CITIZENS FORUM

1. Mike Chandler of 700 East Kennedale Parkway announced the Great American Cleanup/Arbor Day Celebration/International Migratory Bird Day on May 5th, 9AM to 12PM. Keep Kennedale Beautiful is in need of volunteers to lead groups. There will be a meeting at City Hall on May 3 at 6:00 PM for anyone interested in leading a team.
2. Pamela Jones of 102 Belmont Drive expressed concern with regard to speeding on Pennsylvania Avenue. She asked that the city consider another stop sign on the street, and thanked the police department for recent increased presence in the area.
3. Sandra Moore of 506 Pennsylvania Ave. echoed the sentiments of Ms Jones. She also asked the city to remind residents of proper dog waste procedures.
4. Tom Newsom of 303 Pennsylvania Ave. agreed with the previous two speakers. He is also unhappy with the speed of traffic on Pennsylvania Ave. He asked that the entirety of Pennsylvania Avenue be dropped to 25mph or addressed in some other way.
5. The Junior Thespians from Kennedale Junior High approached the council, announcing that they would like to donate the proceeds from a recent play to the tornado relief fund. They presented the Mayor with a check for \$392.00
6. Krysten Sanders of 1258 Leanne Court approached the council regarding curbside recycling. She noted that the dumpsters near city hall were constantly full, and that the drop-off site on Dick Price road was not open on weekends, which made recycling very difficult for many residents. She stated that she was prepared to start a petition for curbside recycling.

IX. REPORTS/ANNOUNCEMENTS

A. Presentation by the Texas Police Chiefs Association Foundation's Best Practices Program.

Mark Halfner, President of The Texas Police Chief's Foundation and Police Chief for the City of Keller, announced that Kennedale Police Department had been officially recognized by the Foundation's Best Practices Program. He presented an official certificate to Chief Williams and the rest of the Kennedale Police Department and congratulated them on their achievement.

Chief Williams also presented awards to Brian Andrews, Sergeant Kent Daulton, and Captain Darrell Hull for their commitment and dedication to the development and fulfillment of the program.

- B. Information and updates from the City Manager, if any:
- Storm cleanup report

Bob Hart reviewed the information covered in the work session, and announced that KISD will be holding a benefit concert in TownCenter Park on Sunday April 22 from 3:00 PM to 7:00 PM.

Red's Roadhouse Restaurant at 1170 Kennedale Parkway will be opening on May 31 with a concert featuring the Bellamy Brothers. They will be donating the proceeds from this opening day concert to the tornado relief fund.

- C. Information and updates from Councilmembers, if any:

Councilmember Clark announced that the Delaney Elementary School carnival would be held on April 28th.

Councilmember Johnson recognized volunteers during the storm, with special thanks to Ernest Harvey, Frank Fernandez, and Adrienne Kay for their assistance with the damage assessment.

- D. Information and updates from the Mayor, if any:

Upcoming Events

- April 27-28 Citywide Garage Sale
- May 5 Great American Cleanup/Arbor Day Celebration in TownCenter Park 9AM-12PM
- May 5 Citywide Cleanup at the Landfill 8AM-12PM
- May 19 Kidfish, Bark in the Park, & National Kids to Parks Day. Time TBA

The Mayor commended residents for their volunteerism during the recent storms.

X. CONSENT ITEMS

- A. Consider approval of regular meeting minutes from March 8, 2012.

- B. Consider a Developer's Agreement for Emerald Crest Estates

- C. Consider action regarding a notice from the Public Utility Commission (PUC) of Texas for a Consumer Price Index (CPI) adjustment to municipal telecommunications right-of-way access line rates.

- D. Consider approval of Auditing Services Request For Proposal (RFP).

- E. Consider approval of a revised police-wrecker service contract.

- F. Consider the 37th year CDBG contract award for sanitary sewer replacement on Kenny and Sulphur Streets

Motion To approve the consent agenda as presented. , **Action** Approve, **Moved By** Brian Johnson , **Seconded By** Liz Carrington
Motion Passed Unanimously

XI. REGULAR ITEMS

- A. Consider sending a letter to TXDOT related to the signal light at Kennedale Parkway and Valley Lane.

Bob Hart noted that the signal light was currently on flash mode, and that TXDOT would hold the final decision on removal of the light. The options are: removal, leave the light operating and traffic actuated off of Valley Lane, or the leave the light operating and traffic actuated off of Valley Lane with a protected left hand turn off of Kennedale Parkway onto Valley Lane.

Councilmembers Carrington, Turner, and Clark preferred the second option.

No councilmembers recommended removal of the light.

Motion To send a letter to TXDOT requesting that the signal be left in place with a traffic actuated left turn off of Valley Lane. , **Action** Approve, **Moved By** John Clark, **Seconded By** Liz Carrington
Motion Passed Unanimously

B. Consider an ordinance canceling the May 12, 2012 election and declaring unopposed candidates elected to office.

Motion To approve Ordinance 501 as presented., **Action** Approve, **Moved By** John Clark, **Seconded By** Brian Johnson
Motion Passed Unanimously

C. Consider an Ordinance amending the FY2010-2011 budget.

Sakura Moten-Dedrick approached the council, asking that the budget be amended as presented.

Motion To approve Ordinance 502 as presented. , **Action** Approve, **Moved By** Brian Johnson , **None Seconded**

Motion Passed Unanimously

D. Consider action for approval of Independent Auditor's Report for year ended September 30, 2011.

Ms. Dedrick noted that the audit report had been issued unqualified opinion that they did not see or anticipate any significant weaknesses.

Motion To improve the audit report as presented. , **Action** Approve, **Moved By** Brian Johnson , **None Seconded**
Motion Passed Unanimously

E. Consider an Ordinance amending section 2-3 of the city code relative to administrative fees for credit card charges.

Ms. Dedrick noted that the administrative fees schedule had changed with regard to utility billing (eliminating the ability to pay by phone and therefore eliminating the fees associated with phone payment), and to approve the \$1 credit card fee.

Motion To approve Ordinance 503., **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington
Motion Passed Unanimously

F. Consider approval of a Resolution determining that an update of Impact Fees is unnecessary.

Bob Hart noted that impact fees must be updated every 5 years. As the city has not had significant building or development in the past few years, there have been no requests or challenges to the existing schedule, and the fact that the cost of doing the study would run over 40,000, the city has the option to extend the existing impact fees for 3 years.

Motion To approve Resolution 387 as presented. , **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Frank Fernandez
Motion Passed Unanimously

XII. EXECUTIVE SESSION

A. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. City Manager's annual performance evaluation.

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

No action pursuant to executive session was necessary.

XIV. ADJOURNMENT

Motion To adjourn , **Action** Adjourn, **Moved By** Brian Johnson, **Seconded By** John Clark
Motion Passed Unanimously

The meeting was adjourned at 8:41 PM.

Date: May 17, 2012

Agenda Item No: CONSENT ITEMS - B.

I. Subject:

Consider authorizing City Manager to ratify a contract with Tarrant County Tax Office for the assessment and collection of ad valorem taxes levied by the City of Kennedale for the 2012 tax year.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

This is an annual agreement under which Tarrant County serves as the tax assessor and collector for the City of Kennedale, Texas. This agreement is substantially the same in form as it has been for several years. The main factor which generally changes from year to year is the cost that we are charged by Tarrant County to mail out tax statements.

For the 2012 Tax Year (FY2012-2013), the fee will be \$.90 cents per parcel. The prior year fee was \$.65.

The City of Kennedale will be invoiced for all accounts based on the October billing roll certified to the Tarrant County Tax Assessor/Collector by January 15 and payment must be received by February 15.

This contract must be executed and returned to the Tarrant County Tax Office no later than July 31, 2012.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	2012 Tax Collection Contract	2012 Tax Collection Contract.pdf
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TARRANT COUNTY TAX OFFICE

100 E. Weatherford, Room 105 • Fort Worth, Texas 76196-0301 • 817-884-1100
taxoffice@tarrantcounty.com

RON WRIGHT
Tax Assessor-Collector

April 11, 2011

Ms. Sakura Moten-Dedrick
Finance Director
405 Municipal Dr
Kennedale, TX 76060

Dear Ms. Moten-Dedrick,

It is time to renew our contract for property tax collection. As you are no doubt aware, the tax office conducts a thorough review of its collection costs every few years. The last was five years ago, resulting in an increase of the collection fee to \$.65 per account or parcel. We recently completed another cost review, and, as a result, the collection fee will increase this year to \$.90 per account.

State law requires that I charge taxing entities my actual costs for tax collection.

Enclosed are two original renewal contracts for the assessment and collection of your ad valorem taxes by Tarrant County for the tax year 2012. After the contracts have been signed, please return **BOTH** copies to my office to the attention of Sheila Moore, Entity Liaison. I will mail a fully executed contract to you after the Commissioner's Court has made formal approval of the contract. This will be at the end of September, so the contract will be returned in October. If you require more than one original, please make a copy of the contract and mail all three back to my office. In order to have your contract in place prior to the upcoming tax season, I would ask that you have the properly executed contract returned to me no later than **July 31, 2012**.

In addition to your 2012 contract, I am enclosing an attorney confirmation form. Please fill out the requested information, sign and return to my office along with the collection contracts.

You will be invoiced for your collection commission by January 31, 2013 with payment due no later than February 28, 2013.

The time for rate calculations is rapidly approaching and many of you are already in budget preparations. Please remember the importance of getting the rate and exemption information to us prior to the **September 14th** rate submission deadline. My office will provide more information on this requirement in the near future.

If you have questions, please contact my Entity Liaison, Sheila Moore, at 817-884-1526, or you may contact me at 817-884-1106 or by e-mail rjwright@tarrantcounty.com.

Sincerely,

A handwritten signature in cursive script that reads "Ron Wright".

Ron Wright,
Tax Assessor Collector
Tarrant County

COUNTY OF TARRANT

§
§

Agreement For The Collection Of Taxes

Agreement made this 17 day of MAY, 2012, by and between the Tarrant County Tax Assessor/Collector, hereinafter referred to as **ASSESSOR/COLLECTOR**, and Tarrant County, hereinafter referred to as the **COUNTY**, both of whom are addressed at 100 E. Weatherford Street, Fort Worth, Texas 76196-0301, and the City of Kennedale hereinafter referred to as **City**, whose address is 405 Municipal Dr, Kennedale, TX 76060.

PURPOSE OF AGREEMENT

The purpose of this Agreement is to state the terms and conditions under which the ASSESSOR/COLLECTOR will provide assessment and collection services of Ad Valorem taxes levied by the City.

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties hereto agree as follows:

I.

SERVICES TO BE PERFORMED

The ASSESSOR/COLLECTOR agrees to bill and collect the taxes due and owing on taxable property upon which the City has imposed said taxes. The ASSESSOR/COLLECTOR shall perform the said services in the same manner and fashion as Tarrant County collects its own taxes due and owing on taxable property. The services performed are as follows: receiving the Certified Appraisal Roll from the appropriate Appraisal District and monthly changes thereto; providing mortgage companies, property owners and tax representatives, tax roll and payment data; providing all necessary assessments of taxes and Truth in Taxation calculations as required; the transmittal of tax statements via the U.S. Mail or electronic transfer of data; and payment processing. All City disbursements, made by check or by electronic transfer (ACH), for collected tax accounts will be made to the City on the day the COUNTY Depository Bank indicates the mandatory assigned "float" period has elapsed and the funds are posted to the collected balance. If any daily collection total is less than one hundred dollars (\$100.00), the disbursement may be withheld until the cumulative total of taxes collected for the City equals at least one hundred dollars (\$100.00), or at the close of the month.

II.

REPORTS

The ASSESSOR/COLLECTOR will provide the City the following reports, if requested:

Daily:	General Ledger Distribution Report
Weekly:	Detail Collection Report (Summary)
Monthly:	Tax Roll Summary (Totals Only)
	Year-to-Date Summary Report
	Detail Collection Report (Summary)
	Distribution Report (Summary)
	Delinquent Tax Attorney Tape
Annual:	Paid Tax Roll
	Delinquent Tax Roll
	Current Tax Roll

A selection of the above listed Reports will only be available by internet access. The ASSESSOR/COLLECTOR will provide the City the General Ledger Revenue & Expense Report monthly as required by Sec. 31.10 of the Texas Property Tax Code.

III.

COMPENSATION

In consideration of the services to be performed by the ASSESSOR/COLLECTOR, compensation for the services rendered is a rate of ninety cents (\$.90) per account. The number of accounts will be based on the October billing roll certified to the ASSESSOR/COLLECTOR by the Appraisal District. New accounts added by the appropriate Appraisal District will be billed to the entity. The ASSESSOR/COLLECTOR will invoice for all these accounts by January 31, 2013 with payment to be received from the City by February 28, 2013.

The scope of services identified in this contract does not include the administration of a rollback election. In the event of a successful rollback election, these costs incurred by the Tarrant County Tax Office will be separately identified, billed, and paid by the entity.

IV.
AUDITS

The ASSESSOR/COLLECTOR will provide to the City auditor necessary explanations of all reports and access to ASSESSOR/COLLECTOR in-house tax system computer terminals to assist the City auditor in verifying audit samples of the financial data previously provided by the ASSESSOR/COLLECTOR during the past audit period.

V.
TAX RATE REQUIREMENT

The City will provide the ASSESSOR/COLLECTOR, in writing, the City's newly adopted tax rate and exemption schedule to be applied for assessing purposes by Friday, September 14, 2013. Under authority of Section 31.01 (h) of the Property Tax Code, any additional cost of printing and mailing tax statements because of late reporting of the tax rate or the exemption schedule will be charged to and must be paid by the City

The tax rate and the exemption schedule for each of the last five (5) years in which an ad valorem tax was levied, or all prior years where there remains delinquent tax, must be furnished in writing to the ASSESSOR/COLLECTOR at the time of the initial contract.

VI.
**COMPLIANCE WITH APPLICABLE
STATUTES, ORDINANCES, AND REGULATIONS**

In performing the services required under this Agreement, the ASSESSOR/COLLECTOR shall comply with all applicable federal and state statutes, final Court orders and Comptroller regulations. If such compliance is impossible for reasons beyond its control, the ASSESSOR/COLLECTOR shall immediately notify the City of that fact and the reasons therefore.

VII.
DEPOSIT OF FUNDS

All funds collected by the ASSESSOR/COLLECTOR in the performance of the services stated herein for the City shall be promptly transferred to the account of the City at the City's depository bank. All payments to entities will be made electronically by the automated clearing house (ACH). The ASSESSOR/COLLECTOR has no liability for the funds after initiation of the ACH transfer of the City's funds from the COUNTY Depository to the City's designated depository.

VIII.
INVESTMENT OF FUNDS

The City hereby agrees that the COUNTY, acting through the COUNTY Auditor, may invest collected ad valorem tax funds of the City during the period between collection and payment. The COUNTY agrees that it will invest such funds in compliance with the Public Funds Investment Act. The COUNTY further agrees that it will pay to the City all interest or other earnings attributable to taxes owed to the City. All parties agree that this Agreement will not be construed to lengthen the time period during which the COUNTY or the ASSESSOR/COLLECTOR may hold such funds before payment to the City.

IX.
REFUNDS

Refunds will be made by the ASSESSOR/COLLECTOR except as set forth herein. The ASSESSOR/COLLECTOR will advise the City of changes in the tax roll which were mandated by the appropriate Appraisal District.

The ASSESSOR/COLLECTOR will not make refunds on prior year paid accounts unless the prior year paid accounts for the past five (5) years are provided to the ASSESSOR/COLLECTOR.

All refunds of overpayments or erroneous payments due, but not requested, and as described in Section 31.11 of the Texas Property Tax Code, will after three years from the date of payment, be proportionately disbursed to those entities contracting with the ASSESSOR/COLLECTOR. The contract must have been in force, actual assessment and collection functions begun and the tax account was at the time of the over or erroneous payment within the City's jurisdiction. The proportional share is based upon the City's percent of the tax account's total levy assessed at the time of receipt of the over or erroneous payment.

In the event any lawsuit regarding the collection of taxes provided for in this agreement to which the City is a party, is settled or a final judgment rendered, and which final judgment is not appealed, and the terms of such settlement agreement or final judgment require that a refund be issued by the City to the taxpayer, such refund shall be made by ASSESSOR/COLLECTOR

by debiting funds collected by ASSESSOR/COLLECTOR on behalf of the City and remitting such refund to the taxpayer in conformity with the terms of the settlement agreement or final judgment.

X.

DELINQUENT COLLECTIONS

The ASSESSOR/COLLECTOR will assess and collect the collection fee pursuant to Sections, 33.07, 33.08, 33.11 (changed order) and 33.48 of the Property Tax Code, when allowed. The ASSESSOR/COLLECTOR will collect attorney fees that are specified by the City through written agreement with a delinquent collection Attorney. The ASSESSOR/COLLECTOR will disburse the amount directly to the City for compensation to a Firm under contract to the City.

If the delinquent collection Attorney contracted by the City requires attendance of ASSESSOR/COLLECTOR personnel at a court other than the District Courts in downtown Fort Worth, and the COUNTY is not a party, the employee's expenses and proportionate salary will be the responsibility of the City and will be added to the collection expenses and charged to the City.

The ASSESSOR/COLLECTOR will not be responsible for the collection of prior year delinquent accounts unless all delinquent accounts information is provided to the ASSESSOR/COLLECTOR.

XI.

TERM OF AGREEMENT

This Agreement shall become effective as of the date hereinabove set out, and shall continue in effect during the 2012 tax year, unless sooner terminated by providing sixty (60) day written notice, as outlined in paragraph XII.

XII.

NOTICES

Any notices to be given hereunder by either party to the other may be effected, in writing, either by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the address of the parties as they appear in the introductory paragraph of this Agreement, but each party may change this address by written notice in accordance with this paragraph.

XIII.

MISCELLANEOUS PROVISIONS

This instrument hereto contains the entire Agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral representations or modifications concerning this instrument shall be of no force or effect.

This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Tarrant County, Texas.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives and successors.

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

This Agreement and the attachments hereto constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

Executed on the day and year first above written, Tarrant County, Texas.

BY: _____
RON WRIGHT,
TAX ASSESSOR/COLLECTOR
TARRANT COUNTY
DATE _____

FOR City of Kennedale

BY: _____
05/17/2012
DATE
TITLE: City Manager

FOR TARRANT COUNTY:

BY: _____
B. GLEN WHITLEY
TARRANT COUNTY JUDGE
DATE _____

APPROVED AS TO FORM * AND CONTENT

BY: _____
DISTRICT ATTORNEY'S OFFICE
DATE _____

*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).



**DELINQUENT ATTORNEY CONFIRMATION
2012 TAX YEAR**

**Please complete the form below, have notarized and return with your entity
contract**

The Delinquent Attorney Firm for City of Kennedale is
Name of Taxing Entity

Linebarger Goggan Blair & Sampson LLP.
Name of Firm

Collection penalty % by ordinance, resolution or amendment authorizing attorney collection fees in
accordance to Sections 33.07 and 33.08 Texas Property Tax Code is

15%
Percent

Collection penalty % by ordinance, resolution or amendment authorizing early turn over of this unit's
business personal property in accordance to Section 33.11 Texas Property Tax Code is

15%
Percent

The effective date of the ordinance, resolution or amendment authorizing early turn over of this unit's
business personal property in accordance to Section 33.11 Texas Property Tax Code is

December 8 2005
Month Day Year

If you change law firms you must notify Tarrant County Tax Office in writing

By signature below, the information contained in this form is deemed true and correct.

Authorized Signature Bob Hart Date 05/17/2012
Printed Name Title

Sworn and Subscribed to before me on this the 17 day of May, 2012
to certify which witness my hand and seal of office.

Notary Public in and for the
State of Texas
My commission Expires: _____

Date: May 17, 2012

Agenda Item No: CONSENT ITEMS - C.

I. Subject:

Consider a Resolution authorizing continued participation with the ATMOS Cities Steering Committee and a payment of five cents per capita to the committee to fund regulatory and related activities related to ATMOS.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Purpose of the Resolution:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 154 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

1. This paragraph authorizes the continuation of the City's membership in ACSC.
2. This paragraph authorizes payment of the City's annual assessment to the ACSC in the amount of five cents (\$0.05) per capita.
3. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment

The assessment payment check should be made out to "***Atmos Cities Steering Committee***" and mailed to Mary Bunkley, Treasurer, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, PO Box 90231, Arlington, Texas 76004-3231.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Atmos Resolution	Resolution XXX - Atmos.docx
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RESOLUTION NO. _____

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Kennedale is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS:

I.

That the City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City of Kennedale and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

It is further authorized to pay its 2012 assessment to the ACSC in the amount of five cents (\$0.05) per capita.

III.

A copy of this Resolution and approved assessment fee payable to
“Atmos Cities Steering Committee” shall be sent to:

Mary Bunkley
Treasurer, Atmos Cities Steering Committee
c/o Arlington City Attorney's Office, Mail Stop 63-0300
Post Office Box 90231
Arlington, Texas 76004-3231

PRESENTED AND PASSED on this the 17th day of May 2012, by a vote of
_____ ayes and _____ nays at a regular meeting of the City Council of the
City of Kennedale Texas.

Signature
Mayor Bryan Lankhorst

ATTEST:

Signature
City Secretary, Amethyst Cirimo

APPROVED AS TO FORM:
City Attorney, Wayne K. Olson

BY _____

Date: May 17, 2012

Agenda Item No: CONSENT ITEMS - D.

I. Subject:

Consider a Resolution denying Atmos Energy Corp Mid-Tex Division's requested rate change.

II. Originated by:

Bob Hart, City Manager

III. Summary:

The City, along with over 150 other cities served by Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC" or "Steering Committee"). On or about January 31, 2012, Atmos Mid-Tex filed with the City a Statement of Intent to increase rates within the City.

Background

In 2003, TXU Gas filed a statewide rate case which became known at the Railroad Commission of Texas ("RRC") as Gas Utilities Docket ("GUD") No. 9400. That same year the Texas Legislature passed legislation referred to as the Gas Reliability Infrastructure Program ("GRIP") which authorized annual piecemeal rate reviews that Texas courts have concluded significantly restrict city jurisdiction, participation, and input. Shortly after GUD No. 9400 was decided in 2004, Atmos Energy purchased TXU Gas and created what is known as Atmos Energy Corp., Mid-Tex Division. The City is within the Atmos Mid-Tex Division.

Atmos Mid-Tex filed four GRIP cases before filing a traditional rate case in September, 2007. As part of ACSC's Settlement Agreement with Atmos of the 2007 rate case, ACSC and Atmos created a substitute process for annual piecemeal GRIP cases. That substitute process was called a Rate Review Mechanism ("RRM") and was intended as an expedited but comprehensive rate review that included a number of fixed values and constraints. The RRM was intended as a three-year experiment. Last year, it was extended for a fourth year with some slight modifications to the original formulas. ACSC negotiated with Atmos in the final quarter of last year to further extend the RRM process, but no agreement was reached. Atmos has expressed a desire to reach a settlement of the January 31, 2012 filing that includes a revised RRM process.

Discussion and Purpose

Atmos Mid-Tex filed a Statement of Intent on January 31, 2012, seeking to increase system-wide base rates (which exclude the cost of gas) by approximately \$49 million or 11.94%. However, the Company is requesting an increase of 13.6%, excluding gas costs, for its residential customers. Additionally, the application would change the way that rates are collected, by increasing the residential fixed-monthly (or customer) charge from \$7.50 to \$18.00 and decreasing the consumption charge from \$0.25 per 100 cubic

feet ("ccf") to \$0.07 per ccf.

ACSC engaged attorneys and consultants to review Atmos Mid-Tex's proposed rate increase. Additionally, the ACSC cities passed suspension resolutions earlier this year, extending the effective date of Atmos Mid-Tex's proposed rate increase to June 4, 2012, in order to permit the cities time to review Atmos Mid-Tex's Statement of Intent. During their review, ACSC's consultants found justification that Mid-Tex's rates should be decreased. On April 25, 2012, the Company extended the effective date of its proposed rate change, which similarly extended cities' jurisdictional deadline to June 11, 2012.

ACSC and the Company have engaged in some settlement discussions but have not yet reached agreement. ACSC is hoping to achieve settlement with the Company in order to perpetuate the RRM process. The ACSC Settlement Committee therefore recommends denial of the Company's proposed rate increase rather than a rate decrease to facilitate further settlement discussions. The resolution prevents the Company's proposed rates from automatically going into effect on June 11. The Company has expressed a desire for settlement while an appeal from the cities' denial of the rate increase is pending at the RRC. Should a settlement be reached, the City may be required to pass an ordinance setting new rates pursuant to the settlement.

The purpose of the resolution is to deny Atmos Mid-Tex's proposed rate increase pending further settlement discussions and to prevent Atmos' proposed rate increase from automatically taking effect on June 11, 2012.

Explanation of "Be It Resolved Paragraphs"

Section 1. The paragraph denies the Company's proposed rate increase.

Section 2. This provision provides that the Company shall continue to charge its existing rates to its customers within the City.

Section 3. By law, the Company must reimburse the cities for their reasonable rate case expenses. Legal counsel and consultants approved by ACSC will present their invoices to the City of Arlington which will then seek reimbursement from Atmos Mid-Tex. The City will not incur liability for payment of rate case expenses by adopting a denial resolution.

Section 4. This section merely recites that the resolution was passed at a meeting that was open to the public and that the consideration of the resolution was properly noticed.

Section 5. This section provides that both Atmos Mid-Tex's designated representative and counsel for ACSC will be notified of the City's action by sending a copy of the approved and signed resolution to certain designated individuals.

Recommendation

The City Staff recommends adoption of the resolution denying Atmos Mid-Tex's proposed rate increase.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Atmos Rate Change Denial	Resolution XXX - Atmos Rate Change Denial.docx
2.	Exhibit A	Resolution XXX - Atmos Rate Change Denial - Exhibit A.docx

RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF KENNEDALE, TEXAS
DENYING ATMOS ENERGY CORP., MID-TEX DIVISION'S
("ATMOS MID-TEX") REQUESTED RATE CHANGE;
REQUIRING THE COMPANY TO REIMBURSE THE
CITY'S REASONABLE RATEMAKING EXPENSES;
FINDING THAT THE MEETING AT WHICH THIS
RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS
REQUIRED BY LAW; REQUIRING NOTICE OF THIS
RESOLUTION TO THE COMPANY AND ACSC'S LEGAL
COUNSEL**

WHEREAS, the City of Kennedale, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and is a regulatory authority under the Gas Utility Regulatory Act ("GURA") and under Chapter 104, §104.001 et seq. of GURA, has exclusive original jurisdiction over Atmos Mid-Tex's rates, operations, and services within the City; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of over 150 similarly situated cities served by the Company that have joined together to facilitate the review and response to natural gas issues affecting rates charged in the Atmos Mid-Tex Division; and

WHEREAS, pursuant to the terms of the agreement settling the Company's 2007 Statement of Intent to increase rates, ACSC and the Company worked collectively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process controlled in a three-year experiment by ACSC as a substitute to the current GRIP process instituted by the Legislature; and

WHEREAS, ACSC and the Company agreed to extend the RRM process in reaching a settlement in 2010 on the third RRM filing; and

WHEREAS, in 2011, ACSC and the Company engaged in good faith negotiations regarding the continuation of the RRM process, but were unable to come to ultimate agreement; and

WHEREAS, on or about January 31, 2012, the Company filed a Statement of Intent with the cities retaining original jurisdiction within its Mid-Tex service division to increase rates by approximately \$49 million; and

WHEREAS, Atmos Mid-Tex proposed March 6, 2012, as the effective date for its requested increase in rates; and

WHEREAS, the City suspended the effective date of Atmos Mid-Tex's proposed rate increase for the maximum period allowed by law and thus extended the City's jurisdiction until June 4, 2012; and

WHEREAS, on April 25, 2012, the Company extended the effective date for its proposed rates by one week, which similarly extended the City's jurisdiction until June 11, 2012; and

WHEREAS, the ACSC Executive Committee hired and directed legal counsel and consultants to prepare a common response to the Company's requested rate increase and to negotiate with the Company and direct any necessary litigation; and

WHEREAS, ACSC's consultants conducted a review of the Company's requested rate increase and found justification that the Company's rates should be decreased; and

WHEREAS, ACSC and the Company have engaged in settlement discussions but will be unable according to Company representations to reach settlement in sufficient time for cities to act before June 11, 2012; and

WHEREAS, failure by ACSC members to take action before June 11, 2012 would allow the Company the right to impose its full request on residents of said ACSC members; and

WHEREAS, the ACSC Settlement Committee recommends denial of the Company's proposed rate increase in order to continue settlement discussions pending the Company's appeal of cities' denials to the Railroad Commission of Texas; and

WHEREAS, the GURA § 103.022 provides that costs incurred by cities in ratemaking activities are to be reimbursed by the regulated utility.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS:

1. That the rates proposed by Atmos Mid-Tex to be recovered through its gas rates charged to customers located within the City limits, are hereby found to be unreasonable and shall be denied.
2. That the Company shall continue to charge its existing rates to customers within the City and that said existing rates are reasonable.
3. That the City's reasonable rate case expenses shall be reimbursed by the Company.

4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

5. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of David Park, Vice President Rates & Regulatory Affairs, at Atmos Energy Corporation, Mid-Tex Division, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

PASSED AND APPROVED this 17th day of May, 2012.

Mayor Bryan Lankhorst

ATTEST:

City Secretary, Amethyst G. Cirno

APPROVED AS TO FORM:

City Attorney, Wayne K. Olson

Exhibit A

ACSC Consultants' Recommended Adjustments to Atmos Mid-Tex's 2012 Statement of Intent to Increase Rates¹

Following a review of the Company's 2012 Statement of Intent, ACSC consultants found justification for an approximately \$77 million decrease to the Company's requested revenue, resulting in a \$23 million decrease to the current rates charged by Atmos Mid-Tex. ACSC consultants' recommendation for a rate decrease is based upon the following major components:²

- Lowering the Company's return on equity from 10.9% to 9.5%, resulting in a revenue requirement decrease of over \$30 million
- Removing the Company's improper post-test year adjustment to add plant from January to March 2012, resulting in a revenue requirement decrease of approximately \$5 million
- Removing the Company's proposal for an energy efficiency plan to be funded only by ratepayers, resulting in a revenue requirement decrease of over \$1 million
- Various adjustments to accumulated deferred income tax, resulting in a revenue requirement decrease of approximately \$10 million
- Recognizing new depreciation rates as filed by the Company (without adjustment by ACSC consultants), resulting in a revenue requirement decrease of approximately \$15 million
- Various adjustments to the Company's requested level of operating and maintenance (O&M) expense, resulting in a revenue requirement decrease of over \$8 million
- Reducing rate base to account for ratepayer supplied funds relating to other post-employment benefits (FASB 106), resulting in a revenue requirement decrease of over \$8 million
- Cap residential customer charge at \$9.00, instead of Atmos' requested \$18.00.

¹ All figures are adjustments resulting in a revenue requirement impact to Atmos' filed case system-wide. Factoring out Dallas, the ACSC cities would see slight decreases in the numbers listed above.

² Please note that the adjustments listed are on a stand-alone basis, and may have a different impact when combined with the other adjustments.

Date: May 17, 2012

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Consider approval of special council meeting dates for FY2012/2013 budget and tax hearings.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The Property Tax Code and Local Government Code provides for specific legal requirements in which a taxing unit must comply in order to adopt their tax rate. In an effort to comply with the aforementioned codes, the City has set the budget/tax schedules as outlined below:

04/20-04/21/12	Work Session: Discuss Strategic Planning
08/09/12	Work Session: Certified Appraisal Roll, Rate Calculations
08/10/12	Publish Notice of Effective Tax Rate
08/11/12	Special Work Session: Budget Workshop
08/23/12	Special Session: Vote to Place Proposal On Future Agenda
08/24/12	Publish Notice of Public Hearing On Budget & 1st Public Hearing on Tax Increase
08/31/12	Publish 2nd Notice Of Public Hearing On Tax Increase
09/06/12	Special Session: Public Hearing On Budget & 1st Public Hearing On Tax Increase
09/07/12	Publish Notice Of Tax Revenue Increase
09/13/11	Regular Session: 2nd Public Hearing On Tax Increase
09/20/12	Special Session: Adopt Budget, Adopt Tax Rate, Ratify Tax Increase Reflected In Budget
09/30/12	Last Day To Adopt Budget
10/23/12	Approve MMD Tax Assessment & Levy

*Bold items are directly related to City Council.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REGULAR ITEMS - B.

I. Subject:

Consider appointing Morgan Briscoe, Marshall Moody, Emily Beck, Hailey Green, and Natalie Torre to the Youth Advisory Council.

II. Originated by:

III. Summary:

Mayor Lankhorst & Councilmember Brian Johnson can speak to this item as necessary.

These new members were interviewed and chosen by current members of the YAC. Brian Johnson and Amethyst Cirimo also sat in during the interview process.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: REGULAR ITEMS - C.

I. Subject:

Consider approval of an Ordinance re-appointing Kennedale Municipal Court Presiding Judge, William "Bill" Lane and Associate Judge, Craig Magnuson, and appointing Erin Bakker, as the alternative Associate Judge.

II. Originated by:

Jennifer Bozorgnia, Municipal Court Administrator

III. Summary:

As required by Section 9.03 of the City of Kennedale Home Rule Charter, this ordinance is being presented for consideration of re-appointment for William "Bill" Lane as the Kennedale Municipal Court's Presiding Judge and Craig Magnuson as the Kennedale Municipal Court's Associate Judge. Both have served a two-year term consecutive with the Mayor. It is also recommending the new appointment of Erin Bakker, as an alternative Associate Judge for the Municipal Court, in light of the Texas legislature's new rules on the recusal and disqualification process.

IV. Fiscal Impact Summary:

There is no additional cost to the re-appointment of our current judges or the appointment of an alternative Associate Judge.

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance Appointing Judge and Associate Judges of the Municipal Court	20120517 - Ordinance for Re-Appointment of Municipal Judges.doc
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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS APPOINTING THE JUDGE AND ASSOCIATE JUDGES OF THE MUNICIPAL COURT OF RECORD IN THE CITY OF KENNEDALE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council has created a municipal court of record pursuant to Chapter 30 of the Texas Government Code; and

WHEREAS, Chapter 30 of the Texas Government Code relating to municipal courts of record provides that the judge of the municipal court of record shall be appointed by the City Council by ordinance; and

WHEREAS, the workload of the Kennedale Municipal Court is not large enough to support a full time Municipal Court Judge; and

WHEREAS, it is of great benefit to the City of Kennedale to have an experienced municipal court judge sit on the bench of the municipal court of the City of Kennedale; and

WHEREAS, Section 574.001, Texas Government Code requires that a finding be made to the effect that a person who serves as an officer in more than one appointed position obtain a finding from the governing body that such officer has satisfied Article XVI, Section 40, of the Texas Constitution; and

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

SECTION 1.

It is hereby found that the office of municipal court judge of the City of Kennedale is of benefit to the State of Texas and to the City of Kennedale and that there is no conflict between the office of municipal court judge of Kennedale and the office of municipal judge in any other city.

SECTION 2.

William "Bill" Lane is hereby appointed as the Municipal Judge of the municipal court of record in the City of Kennedale, Texas for a two year term beginning May 1, 2012. At the expiration of said term, in accordance with Article 16, Section 17 of the Texas Constitution, Judge Lane shall continue to serve until his successor shall be duly qualified.

SECTION 3.

Craig Magnuson and Erin Bakker are hereby appointed as the associate judges to serve when the Municipal Judge is temporarily absent or unable to serve.

SECTION 4.

This ordinance shall be cumulative of all other ordinances of the City of Kennedale, and shall not repeal any of the provision of such ordinances except in those instances when provisions of such ordinances are in direct conflict with the provisions of this ordinance, in which the event the conflicting provisions of such ordinances are hereby repealed.

SECTION 5.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6.

This ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 17th day of May 2012.

APPROVED:

Mayor, Bryan Lankhorst

ATTEST:

City Secretary

OFFICIAL SEAL

Date: May 17, 2012

Agenda Item No: REGULAR ITEMS - D.

I. Subject:

Consider approval for City Manager to purchase and obtain financing for new Motorola radios.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

In light of these changes to federal requirements, the City of Fort Worth has been in the process of converting over to a P25 compliant digital radio system for the last couple of years. Project 25 (P25 or APCO-25) is a suite of standards for digital radio communications for use by federal, state/province and local public safety agencies in North America to enable them to communicate with other agencies and mutual aid response teams in emergencies. The new digital system was originally scheduled to go online in June 2012; however, as of today, the "go live" date for the new digital system is now June 2013 due to complications and delays in equipment. Although the "go live" date for the new digital system is June 2013, the City of Fort Worth will run parallel to the existing analog system, but only until December 2014 when the analog system will completely shut down. Because we must also meet federal mandates and are intimately tied to this system, we must have radios that are compliant by this date.

In order to assist agencies in their transition, the City of Fort Worth has secured special pricing for new digital portable radios (APX6000 for Police and APX7000 for Fire). Normal pricing is approximately 20% off of retail through the Houston-Galveston Area Council of Governments (HGAC). However, the City of Fort Worth has further negotiated an additional 35% off of the aforementioned HGAC price for a limited time. In order to capitalize on the additional 35% (or 55% total reduction), the City must place our order no later than May 31 of this year.

Acquiring new radios now will provides us with 1) latest available technology in which police, fire, public works, emergency operations managers and city hall employees have access to the same, interoperable functions to enhance safety and productivity, 2) established communications for the next 15 years. The normal lifespan of a Motorola radio runs about this same timeframe in production followed by five (5) years post-production support. After this, radios are considered unsupportable because parts manufacturing as ceased, and 3) uniform equipment across the city and within departments. Belt holders and other items would match up and not have to be switched from person to person.

In order to fund this capital purchase in June 2012, staff would like Council's approval to obtain tax-exempt lease purchasing in the amount of \$124,625 through Government Capital Corporation. This agreement entails five (5) annual payments of approximately \$27,600 beginning July 2013 (Fiscal Year 12-13).

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Fort Worth Radio Upgrade Memo	City of Fort Worth Radio System Upgrade Memo.pdf
2.	Radio Purchase	Radio Purchase.pdf
3.	Government Capital Corporation Quote	Government Capital Corporation.pdf
4.	California First National Bank Quote	California First National Bank Quote.pdf
5.	Motorola Quote	Motorola Quote.pdf



TO: City of Fort Worth Public Safety Radio Partners

FROM: Steve Streiffert
Acting Director – IT Solutions

SUBJECT: UPGRADE TO CITY OF FORT WORTH RADIO SYSTEM

DATE: July 28, 2011

The Fort Worth City Council recently approved the upgrade of the City's public safety radio system to a Motorola Astro 25 current generation system. We are very excited about this project and the impact it will have on public safety communication not only for Fort Worth and its partner agencies, but also potentially for the much of the North Central Texas region. I wanted to make you aware of this decision and the probable effects on your jurisdiction as soon as possible.

The existing Motorola SmartNet radio system was implemented in 1992. Over recent years, the system performance has degraded while the manufacturers have ended support of infrastructure components and many of the radios we use. Parts for many components are in very short supply, even on the used market.

The cost of the upgrade to the radio infrastructure will be borne by the City of Fort Worth. The infrastructure including site construction and project/engineering services, plus the upgrades to and/or replacements of the City's subscriber units, will cost the City approximately \$51-million over the next four years. We do not plan to allocate these costs to our partners beyond the standard charges for which you are already invoiced each year.

However, each agency will be responsible for acquiring its own P25-ready subscriber units, consolettes and consoles. This includes all associated programming, installation and other costs associated with your jurisdiction's migration to the new radio system.

We are fully aware that all our respective agencies are having to cope with limited funding availability to varying degrees. We are committed to the approach that no one gets left behind, and to that end, have included the following in the migration program:

- The new P25 system is scheduled to be fully operational in June 2013. However, to provide our partner agencies with ample time, we intend to keep the existing SmartNet system operational through December 2014. Both systems will be operational for approximately 18 months. Migrations must be complete by December 2014.

- Our contract with Motorola specifies that our partner agencies that use CFW's existing system as their primary communications system will receive the same discounts the City of Fort Worth is receiving if they order their radios before May 2012. Between May 2012 and December 2014, partner agencies will receive reduced but still substantial discounts for its P25 radio acquisitions and upgrades.

We have scheduled a stakeholders meeting for Thursday, August 25th, at 9:00 AM at the Fort Worth Botanic Gardens. Additional details will be discussed at that time.

In the meantime, please contact Alan Girton at (817) 392-8484 or alan.girton@fortworthgov.org if you have questions or require additional information.

P25 DIGITAL UPGRADE INTEROPERABLE COMMUNICATIONS REQUIREMENTS							
POLICE DEPARTMENT	QTY	UNIT COST	TOTAL COST	FIRE DEPARTMENT	QTY	UNIT COST	TOTAL COST
New APX 6000 Portables (Quote #1)	21	\$ 2,381.78	\$ 50,017.38	New APX 7000 Portables (Quote #4)	8	\$ 3,554.13	\$ 28,433.04
Shoulder Microphones	19	\$ 82.67	\$ 1,570.73				
Bank Chargers for Spare Batteries	3	\$ 981.72	\$ 2,945.16				
Adapter	1	\$ 52.36	\$ 52.36				
	44	\$ 3,498.53	\$ 54,585.63				
Reprogram XTS 2500 Portables (Quote #2)	7	\$ 692.87	\$ 4,850.09	Reprogram XTS 5000 Portables (Quote #5)	12	\$ 640.18	\$ 7,682.16
Reprogram XTL 2500 Mobile Radios (Quote #3)	9	\$ 1,076.84	\$ 9,691.56	Reprogram XTL 2500 Mobile Radios (Quote #6)	9	\$ 1,076.84	\$ 9,691.56
Reprogram Consollettes	9	\$ 1,076.84	\$ 9,691.56				
	18	\$ 2,153.68	\$ 19,383.12				
POLICE SUBTOTAL		\$ 6,345.08	\$ 78,818.84	FIRE SUBTOTAL		\$ 5,271.15	\$ 45,806.76
TOTAL \$124,625							

|



Quote Number: QU0000180148
Effective: 15 MAR 2012
Effective To: 14 MAY 2012

①

Bill-To:
KENNEDEALE, CITY OF
405 MUNICIPAL DR
KENNEDEALE, TX 76060
United States

Ultimate Destination:
KENNEDEALE, CITY OF
405 MUNICIPAL DR
KENNEDEALE, TX 76060
United States

POLICE
APX 6000 Portables
(New)

Attention:
Name: Chief Tommy Williams
Email: twilliams@cityofkenneale.com

Sales Contact:
Name: Bill Kennedy
Email: bkennedy@dfwcomm.com
Phone: (817) 789-8610

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
1	21	H98UCF9PW6AN	APX6000 700/800 MODEL 2.5 PORTABLE	\$2,200.00	\$1,159.18	\$24,342.78
1a	21	Q806BM	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$271.35	\$5,698.35
1b	21	H38BT	ADD: SMARTZONE OPERATION	\$1,200.00	\$632.28	\$13,277.88
1c	21	Q361AR	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$158.07	\$3,319.47
1d	21	QA01749AB	ADD: ADVANCED SYSTEM KEY - SOFTWARE KEY	-	-	-
2	19	PMMN4062A	PLUS RSM NC IP54 3.5MM JACK RX	\$107.00	\$82.67	\$1,570.73
3	3	NNTN7073B	IMPRES CG MUD MACKINAW US/NA/CA/LA	\$1,350.00	\$981.72	\$2,945.16
4	1	NNTN7686A	IMPRESMUC ADAPTER	\$72.00	\$52.36	\$52.36
5	1470	SVC03SVC0115D	SUBSCRIBER PROGRAMMING	\$1.00	\$1.00	\$1,470.00
6	21	WPLN7080A	IMPRES CG SU APX7000 US/NA/CA/LA	\$125.00	\$90.90	\$1,908.90

Total Quote in USD

\$54,585.63

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: 23761

PO Issued to Motorola Solutions Inc. must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola Solutions Inc." as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To)
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)



MOTOROLA

Quote Number: QU0000165613
Effective: 03 NOV 2011
Effective To: 02 JAN 2012

(2)

Bill-To:

KENNEDALE, CITY OF
401 N CHITWOOD ST
KENNEDALE, TX 76060
United States

Ultimate Destination:

KENNEDALE, CITY OF
401 N CHITWOOD ST
KENNEDALE, TX 76060
United States

POLICE
Reprogram XTS 2500
Portables

Attention:

Name: Tommy Williams
Email: twilliams@cityofkennedale.com

Sales Contact:

Name: Bill Kennedy
Email: bkennedy@dfwcomm.com
Phone: (817) 789-8610

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
I	1	T6992A	ANALOG 3600 TRUNKING XTS 2500	-	-	-
Ia	1	Q574AE	ENH: TRUNKING 9600 BAUD FLASHPORT	\$415.00	\$218.66	\$218.66
Ib	1	Q883AC	ENH: 3600/9600 INTEROPERITABILITY FLASHPORT	\$500.00	\$263.45	\$263.45
Ic	1	QA00275AA	ENH: REBAND UPGRADE XTS2500	\$400.00	\$210.76	\$210.76

Total Quote in USD

\$692.87

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: RA01-08

Each

PO Issued to Motorola must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola" as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To)
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)



MOTOROLA

Quote Number: QU0000165615

Effective: 03 NOV 2011

Effective To: 02 JAN 2012

③

Bill-To:

KENNEDALE, CITY OF
401 N CHITWOOD ST
KENNEDALE, TX 76060
United States

Ultimate Destination:

KENNEDALE, CITY OF
401 N CHITWOOD ST
KENNEDALE, TX 76060
United States

Attention:

Name: Tommy Williams
Email: twilliams@cityofkennedale.com

Sales Contact:

Name: Bill Kennedy
Email: bkennedy@dfvcomm.com
Phone: (817) 789-8610

POLICE
Reprogram
XTL2500
Mobile Radios
& Consolettes

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
1	1	T7245A	DIGITAL CONVENTIONAL PACKAGE	-	-	-
1a	1	QA00277AA	ENH: REBAND UPGRADE XTL2500	\$400.00	\$210.76	\$210.76
1b	1	G808AA	ENH: ASTRO DIGITAL CAI OPRN	\$515.00	\$339.18	\$339.18
1c	1	G347AN	ENH: UPGRADE TO SMARTZONE	\$700.00	\$368.83	\$368.83
1d	1	G361AG	ENH: PROJECT 25 9600 BAUD TRUNKING	\$300.00	\$158.07	\$158.07

Total Quote in USD

\$1,076.84

Each

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: 23761

THIS QUOTE IS BASED ON THE FOLLOWING:

1 This quotation is provided to you for information purposes only and is not intended to be an offer or a binding proposal.

If you wish to purchase the quoted products, Motorola Solutions, Inc. ("Motorola") will be pleased to provide you with our standard terms and conditions of sale (which will include the capitalized provisions below), or alternatively, receive your purchase order which will be acknowledged.

Thank you for your consideration of Motorola products.

- 2 Quotes are exclusive of all installation and programming charges (unless expressly stated) and all applicable taxes.
- 3 Purchaser will be responsible for shipping costs, which will be added to the invoice.
- 4 Prices quoted are valid for thirty(30) days from the date of this quote.
- 5 Unless otherwise stated, payment will be due within thirty days after invoice. Invoicing will occur concurrently with shipping.

MOTOROLA DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE ORDERED PRODUCTS, EXPRESS OR IMPLIED INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

MOTOROLA'S TOTAL LIABILITY ARISING FROM THE ORDERED PRODUCTS WILL BE LIMITED TO THE PURCHASE PRICE OF THE PRODUCTS WITH RESPECT TO WHICH LOSSES OR DAMAGES ARE CLAIMED. IN NO EVENT WILL

**MOTOROLA SOLUTIONS**

Quote Number: QU0000177073
 Effective: 22 FEB 2012
 Effective To: 22 APR 2012

4**Bill-To:**

KENNEDALE, CITY OF
 100 CLOVER LANE
 KENNEDALE, TX 76060
 United States

Ultimate Destination:

KENNEDALE, CITY OF
 100 CLOVER LANE
 KENNEDALE, TX 76060
 United States

FIRE**APX7000 Portables****(New)****Attention:**

Name: Mike McMurray
Email: mmcmurray@cityofkennedale.com

Sales Contact:

Name: Bill Kennedy
Email: bkennedy@dfvcomm.com
Phone: (817) 789-8610

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
1	1	H49TGD9PWIAN	APX7000XE DIGITAL PORTABLE RADIO	\$3,100.00	\$1,633.39	\$1,633.39
1a	1	QA00579AC	ADD: ENABLE DUAL BAND OPERATION	\$1,000.00	\$526.90	\$526.90
1b	1	Q806BP	ADD: ASTRO DIGITAL CAI OPERATION	\$515.00	\$271.35	\$271.35
1c	1	QA00569AB	ADD: 7/800MHZ PRIMARY BAND	-	-	-
1d	1	QA00574AC	ADD: VHF SECONDARY BAND	-	-	-
1e	1	H64BD	ALT: APX 7000XE HOUSING YELLOW	\$25.00	\$13.17	\$13.17
1f	1	H38BU	ADD: SMARTZONE OPERATION	\$1,500.00	\$790.35	\$790.35
1g	1	Q361AS	ADD: P25 9600 BAUD TRUNKING	\$300.00	\$158.07	\$158.07
1h	1	QA01749AB	ADD: ADVANCED SYSTEM KEY - SOFTWARE KEY	-	-	-
2	70	SVC03SVC0115D	SUBSCRIBER PROGRAMMING	\$1.00	\$1.00	\$70.00
3	1	WPLN7080A	IMPRES CG SU APX7000 US/NA/CA/LA	\$125.00	\$90.90	\$90.90

Total Quote in USD**\$3,554.13**

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: 23761

Each

PO Issued to Motorola must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola" as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To)
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)



Quote Number: QU0000181318
Effective: 26 MAR 2012
Effective To: 25 MAY 2012

5

Bill-To:
KENNE DALE, CITY OF
401 N CHITWOOD ST
KENNE DALE, TX 76060
United States

Ultimate Destination:
KENNE DALE, CITY OF
401 N CHITWOOD ST
KENNE DALE, TX 76060
United States

FIRE
Reprogram
XTS 5000
Portables

Attention:
Name: Mike McMurray
Email: mmcmurray@cityofkennedale.com
Phone: (817) 561-2237

Sales Contact:
Name: Bill Kennedy
Email: bkennedy@dfwcomm.com
Phone: (817) 789-8610

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
I	1	T6748A	ANALOG SMARTNET	-	-	-
Ia	1	Q808AG	ENH: ASTRO DIGITAL CAI OPTION	\$515.00	\$271.35	\$271.35
Ib	1	Q361AM	ENH: PROJECT 25 9600 BAUD TRUNKING	\$300.00	\$158.07	\$158.07
Ic	1	Q327BF	ENH: UPGRADE SMARTNET TO SMARTZONE	\$400.00	\$210.76	\$210.76

Total Quote in USD

\$640.18

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: 23761

Each

PO Issued to Motorola Solutions Inc. must:

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- >Identify Tax Exemption Status (where applicable)
- >Include a Signature (as Required)



MOTOROLA

Quote Number: QU0000165615
 Effective: 03 NOV 2011
 Effective To: 02 JAN 2012

(6)

Bill-To:

KENNEDALE, CITY OF
 401 N CHITWOOD ST
 KENNEDALE, TX 76060
 United States

Ultimate Destination:

KENNEDALE, CITY OF
 401 N CHITWOOD ST
 KENNEDALE, TX 76060
 United States

Attention:

Name: Tommy Williams
Email: twilliams@cityofkenneale.com

Sales Contact:

Name: Bill Kennedy
Email: bkennedy@dfwcomm.com
Phone: (817) 789-8610

FIRE
 Reprogram
 XTL2500
 Mobile Radios

Contract Number: Fort Worth, City of
Freight terms: FOB Destination
Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
1	1	T7245A	DIGITAL CONVENTIONAL PACKAGE	-	-	-
1a	1	QA00277AA	BNH: REBAND UPGRADE XTL2500	\$400.00	\$210.76	\$210.76
1b	1	G808AA	BNH: ASTRO DIGITAL CAI OPRN	\$515.00	\$339.18	\$339.18
1c	1	G347AN	BNH: UPGRADE TO SMARTZONE	\$700.00	\$368.83	\$368.83
1d	1	G361AG	BNH: PROJECT 25 9600 BAUD TRUNKING	\$300.00	\$158.07	\$158.07

Total Quote in USD

\$1,076.84

Each

FORT WORTH CONTRACT PRICING - FORT WORTH CONTRACT: 23761

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May 9, 2012

Ms. Sakura Dedrick
Kennedale City Hall
(817) 985-2110
sdedrick@cityofkennedale.com

Dear Mrs. Dedrick

Thank you for the opportunity to present proposed financing for the City of Kennedale. I am submitting for your review the following proposed structure:

LENDER:	Government Capital Corporation			
ISSUER:	City of Kennedale, Texas			
FINANCING STRUCTURE:	Public Property Finance Contract			
EQUIPMENT COST:	\$ 125,000.00			
ANNUAL TERM:	3 Payments	5 Payments	7 Payments	10 Payments
INTEREST RATE:	3.368%	3.368%	3.462%	3.525% *
PAYMENT AMOUNT:	\$ 44,504.55	\$ 27,581.97	\$ 20,414.08	\$ 15,049.12
1ST PAYMENT DUE	June 2013 and annually thereafter			
*Note	Rate reflects a 5 year rate adjust			

The above proposal is subject to audit analysis and mutually acceptable documentation. The terms outlined herein are subject to change and rates are valid for fourteen (14) days from the date of this proposal. If funding does not occur within this time period, rates will be indexed to markets at such time. The above payment amount includes all applicable issuance costs.

Our finance programs are flexible and my goal is customer delight. If you have any questions regarding other payment terms, frequencies or conditions, please do not hesitate to call.

With Best Regards,

Stephanie Cates

Stephanie Cates
Client Services
CC: Kevin Lerner

"YOUR PUBLIC FINANCE PARTNER"



Government and Education Group

Wednesday, May 09, 2012

Sakura Dedrick
City of Kennedale
405 Municipal Dr.
Kennedale, TX 76060

Re: \$1 Out Lease Proposal

Dear Sakura:

CalFirst Government and Education Group ("CalFirst Gov/Ed Group") is pleased to provide the City of Kennedale with the following leasing proposal. Please understand that this proposal is expressly subject to the final review and approval of California First National Bank's Finance Committee. Final terms and conditions shall be established pursuant to written lease documentation duly signed by the parties.

LESSEE: City Kennedale

LESSOR: **CalFirst** Government and Education Group

LEASED PROPERTY: Radio Equipment

ANTICIPATED FUNDING DATE: On or After June 1, 2012

ISSUE TYPE: Tax-exempt lease purchase financing, subject to annual appropriation

LEASE TYPE: Municipal Lease

\$ AMOUNT FINANCED: \$125,000.00

BILLING: Annual beginning June 1, 2013

TERM:	5 years
LEASE RATE:	0.23097
LEASE PAYMENT:	\$28,871.85

RATE INDEXING: This quote is subject to credit approval, final documentation and qualification as tax-exempt. Rate is indexed until funding to 5 year swap, currency at 1.07%.

DOCUMENTATION: It is anticipated that the transaction will be documented via a lease and related documents provided by Lessor. Included in the documents will be a covenant by Lessee that 100% of the project costs will be considered a capitalizable asset for the term of the lease. This proposal is subject to the negotiation of all-final lease documents and additional documentation, which may be required.

FEES OR CLOSING COST: None other than those listed herein, however Lessee will be responsible for any fees or expenses with respect to (i) the issuing costs; (ii) Lessee's legal counsel, if any; (iii) escrow agent fees (if applicable); and (iv) tax opinion (if applicable).

BANK QUALIFIED: Lessee will designate the Lease/Purchase as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the IRS Tax Code. The Lessee does not reasonably expect to issue more than \$10,000,000.00 of obligations in the calendar year as Lease/Purchase. Should the bank qualified status of this lease change, Lessor reserves the right to adjust the proposed interest rate.

PREPAYMENT TERMS: On any payment date, at the remaining principal balance outstanding plus 2%.

ESCROW ACCOUNT:

If necessitated by the project implementation schedule, the proceeds of the financing will be deposited in an escrow account established with a mutually acceptable bank or trust company (the "Escrow Agent"). The Escrow Agent will administer the investment of the escrow funds during the project implementation period, as directed by Lessee, and as defined by relevant law and the Escrow Agreement. Any interest earned on such investments shall be for the benefit of Lessee and may be used for project costs.

OTHER MATTERS:

This proposal is subject to the negotiation of final documentation, project due diligence and credit approval by Lessor.

On behalf of California First National Bank, we appreciate the opportunity to earn the City of Kennedale business and look forward to a long and mutually rewarding business relationship. I will be in contact shortly to review this lease proposal with you and answer any questions that you may have. If you need to reach me for any reason please call (800) 496-4838 x 281 or send an e-mail to scurran@calfirst.com.

Sincerely,

Sean Curran
Account Manager

The person whose name, title and signature appears below is authorized to execute, on behalf of the City of Kennedale this confidential lease proposal and all documentation in conjunction with the subject transaction delineated herein.

Read, Acknowledged, Agreed to and Offered to
California First National Bank:

City of Kennedale

Name: _____

Signature: _____

Title: _____

Date: _____

California First National Bank, an FDIC-Insured National Bank, is a wholly-owned subsidiary of California First National Bancorp ("CFNB"), a public company with its stock traded on the NASDAQ National Market System under the symbol "CFNB".

Date: May 9, 2012

To: City of Kennedale
Attn: Tommy Williams
401 N. Chitwood Street
Kennedale, Texas 76060

Re: Communications System Financing Proposal

Motorola Credit Corporation is pleased to submit the following proposal for the financing of your Motorola communications equipment in accordance with the terms and conditions outlined below:

Transaction Type: Municipal Lease Purchase Agreement (Tax-exempt)

Lessor: Motorola, Inc. (or its Assignee)

Lessee: City of Kennedale

Total Transaction Value: \$124,626.00

Down Payment: \$0.00

Balance to Finance: \$124,626.00

Equipment:
(As per the Motorola equipment proposal.)

Title: Title to the equipment will vest with the Lessee.

Insurance: Lessee will be responsible to insure the equipment as outlined in the lease contract.

Taxes: Personal property, sales, leasing, use, stamp, or other taxes are for the account of the Lessee.

	Option 1	Option 2	Option 3
Lease Term	3 years	5 years	7 years
Payment Type	Annually, Arrears	Annually, Arrears	Annually, Arrears
Lease Rate	5.87%	5.89%	5.97%
Lease Factor	0.374321	0.23773	0.180002
Payment	\$46,650.13	\$29,627.34	\$22,432.93
Payment Commencement	First payment due one year after contract execution	First payment due one year after contract execution	First payment due one year after contract execution

Expiration: The above lease rates and factors are valid for all leases commenced by 6/8/2012. After this date the rate will be reset to reflect current market conditions.

Program Highlights: Because interest income earned in a Municipal Lease Purchase transaction is exempt from federal income taxes, Motorola can share this

benefit by offering lower interest rates.

Due to a Non Appropriation clause contained in the Municipal Lease Purchase Agreement, the payments due under the agreement may possibly be classified as a current expense rather than a debt.

No pre-payment penalties.

Future equipment upgrades can easily be accommodated via add-on lease schedules, restructuring already existing deals, etc.

Qualifications:

Receipt of a properly executed documentation package.

Lessee qualifies as a political subdivision or agency of the State as defined in the Internal Revenue Code of 1986. The interest portion of the Lease Payments shall be excludable from the Lessor's gross income pursuant to Section 103 of the Internal Revenue Code.

Receipt of a copy of the last 2 year's audited financial statements and current year's budget from the Lessee.

This proposal should not be construed as a commitment to finance. It is subject to final credit approval.

Documentation:

Municipal Equipment Lease Purchase Agreement
Opinion of Counsel
Schedule A/Equipment List
Schedule B/Amortization Schedule
8038G
UCC-1
Certificate of Incumbency
Statement of Essential Use/Source of Funds
Evidence of Insurance or Statement of Self Insurance
Resolution from governing body authorizing the execution of the Lease
Delivery & Acceptance Certificate

Please feel free to contact me if there are any questions, or if an alternate structuring is required.

Regards,

Bill Kennedy
Sales Account Manager
817-789-8610

Date: May 17, 2012

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will present information during executive session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:

The City Council will be in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property.

1. Conveyance of multiple parcels to the Kennedale Economic Development Corporation
 - a. 201 New Hope Road
 - b. 1207 Kennedale Parkway
 - c. 1002 Bowman Springs Road
 - d. 600 Kennedale Parkway
2. Acquisition of land at 221 New Hope Road

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will present information on these properties during executive session.

Property notes:

- a. Old library/city hall/chamber of commerce
- b. Old TXDOT property
- c. 1 acre site
- d. Land at Bowman Springs & Kennedale Parkway

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: May 17, 2012

Agenda Item No: RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY
PURSUANT TO EXECUTIVE SESSION, IF NEEDED - A.

I. Subject:

Consider transferring city land to the Kennedale Economic Development Corporation.

1. 201 New Hope Road
2. 1207 Kennedale Parkway
3. 1002 Bowman Springs Road
4. 600 Kennedale Parkway

II. Originated by:

Bob Hart, City Manager

III. Summary:

This item will be deliberated after discussion during executive session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments: