



Sachse, Texas

Sachse City Hall
3815 Sachse Road
Building B
Sachse, Texas 75048

Meeting Agenda City Council

Monday, October 1, 2012

7:30 PM

Council Chambers

The Mayor and Sachse City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.

The City Council of the City of Sachse will hold a Regular Meeting on Monday, October 1, 2012, at 7:30 p.m. in the Council Chambers at the Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas to consider the following items of business:

Invocation and Pledges of Allegiance to U.S. and Texas Flags.

A. Pledge of Allegiance to the Flag of the United States of America: I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands: one nation under God, indivisible, with liberty and justice for all.

B. Pledge of Allegiance to the Texas State Flag: Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

1. CONSENT AGENDA.

1.a ALL ITEMS LISTED ON THE CONSENT AGENDA WILL BE CONSIDERED BY THE CITY COUNCIL AND WILL BE ENACTED BY ONE MOTION, THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER OR CITIZEN SO REQUESTS.

[12-1120](#) Consider approval of the minutes of the September 17, 2012, regular meeting.

Executive Summary

Minutes from the last regular meeting.

Attachments: [Min.9.17.12.pdf](#)

[12-1132](#) Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a Memorandum of Understanding, by and between the City of Sachse and the City of Wylie, Texas, for the purpose of setting forth procedures for implementing an automatic assistance response between the City of Sachse Fire Department and the City of Wylie Fire Department; and providing for and effective date.

Executive Summary

To improve our response and arrival times for emergency fire calls, the City of Wylie and Sachse Fire Departments agreed to put our city fire departments on "First Call/Automatic Aid" response to all structure fire calls. This procedure was originally accomplished through the existing Interjurisdictional Mutual Aid Agreement among Collin County Cities dated 5-21-2008. At that time, in response to the State Wide Mutual Aid expiring; all cities responded by enhancing their county mutual aid and automatic assistance.

Attachments: [Auto Aid for Wylie Sachse](#)

[Resolution Approving MOU Between Sachse Wylie Fire Departments Implemer](#)

[12-1130](#)

Consider an ordinance of the City Council of the City of Sachse, Texas, ordering an election to be held on the 11th day of May 2013, in conjunction with the election of municipal officers for the purpose of the adoption of a local sales and use tax increase in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for the maintenance and repair of municipal streets; designating polling places; ordering notices of election to be given, authorizing execution of joint election contract; and providing for an effective date.

Executive Summary

The City Council authorized staff to prepare an ordinance calling an election on May 11, 2013 so voters in Sachse can vote on whether or not the City can raise the sales and use tax from 7.75% to 8.00% to provide funds for the maintenance and repair of City streets. This item is for the City Council to consider the ordinance calling the election next May.

Attachments: [Exhibit A.pdf](#)

[12-1119](#)

Consider a resolution of the City Council of the City of Sachse, Texas, approving the renewal of an agreement with Valley View Consulting for the purpose of investment advisory services for an additional two years and authorizing the City Manager to execute such renewal; and providing and effective date.

Executive Summary

The Public Funds Investment Act (PFIA) requires that investment advisory services contracts be reviewed every two years.

Attachments: [Resolution-Valley View Contract Proposed 10-1-2012.pdf](#)

[Contract Valley View proposed 10-1-2012.pdf](#)

[Valley View Form ADV Part 10-1-2012.pdf](#)

- [12-1078](#) Consider a resolution of the City Council of the City of Sachse, approving Authorized Broker/Dealers for the City of Sachse; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

Sachse is best served by Broker/Dealers that adhere to the spirit and philosophy of Sachse's Investment Policy and who avoid recommending or suggesting transactions outside that "Standard of Care". Evaluation criteria include: adherence to policies and strategies; competitive transaction pricing; responsiveness to requests for services and information; and understanding of the inherent fiduciary responsibility of investing public funds.

The following firms are recommended:

*Cantor Fitzgerald - Primary Dealer
Coastal Securities - Secondary Dealer
Raymond James/Morgan Keegan - Secondary Dealer
Rice Financial Products - Secondary Dealer
UBS - Primary Dealer*

Attachments: [Broker Dealer Presentation 10-1-12.pdf](#)
[Broker Dealers Letter 10-1-12.pdf](#)
[Broker Dealers Resolution Exhibit A 10-1-12.pdf](#)
[Broker Dealers Resolution unsigned 10-1-2012.pdf](#)

2. MAYOR AND CITY COUNCIL ANNOUNCEMENTS REGARDING SPECIAL EVENTS, CURRENT ACTIVITIES, AND LOCAL ACHIEVEMENTS.

- [12-1128](#) Proclamation recognizing the Pleasant Valley United Methodist Church Sesquicentennial Day.

Executive Summary

The Pleasant Valley United Methodist Church celebrates their sesquicentennial on October 7, 2012, and this proclamation recognizes that achievement.

Attachments: [Proc.PVUMC.pdf](#)

- [12-1127](#) Proclamation declaring October, 2012, as Breast Cancer Awareness month.

Executive Summary

Members of the American Cancer Society will be in attendance to receive the proclamation.

Attachments: [Proc. Breast Cancer Awareness.pdf](#)

3. CITIZEN INPUT.

The public is invited at this time to address the Council. The Mayor will ask you to come to the Microphone and state your name and address for the record. If your remarks pertain to a specific Agenda item, please hold them until that item, at which time the Mayor may solicit your comments.

The City Council is prohibited from discussing any item not on the posted agenda according to the Texas Open Meetings Act.

4. REGULAR AGENDA ITEMS.

- [12-1129](#) Administer Oath of Office to newly appointed Charter Review Commission Members.

Executive Summary

The Charter Review Commission Members were appointed at the September 17, 2012 Council meeting and need to take the oath to assume their office.

Attachments: [Charter Review Commission membership.pdf](#)
[Oath.pdf](#)

- [12-1117](#) A presentation by and discussion with Leisure and Recreation Concepts (LARC) regarding a Feasibility Study and Master Plan for an Entertainment and Recreation Venue.

Executive Summary

Leisure and Recreation Concepts (LARC) will be presenting their findings on a feasibility study and proposing a Master Plan for an entertainment and recreation venue that was unanimously approved by the Sachse Economic Development Corporation.

Attachments: [LARCFeasibilityStudyFinal](#)
[SachseSportsStation](#)

- [12-1131](#) Discuss the existing use of fees associated with services provided by Sachse Fire Department.

Executive Summary

The purpose of this item is to examine certain inspection, administrative and permit fees to ensure they are current and also discuss moving some of these fees from their current location in the Code of Ordinances to the Master Fee Schedule. The current and proposed fees are used to offset the cost of services. These fees are intended to be an amount that is reasonable and necessary for the efficient delivery and provision of services.

Attachments: [Fee presentation with spreadsheets.pdf](#)
[current and proposed fees.pdf](#)
[fees comp.pdf](#)
[Master Fee.pdf](#)
[Fee spreadsheets.pdf](#)

[12-1084](#) Discuss the zoning regulations associated with enclosing single-family residential garages.

Executive Summary

Garages for single-family residences are currently regulated by the City of Sachse Zoning Ordinance. This discussion item will present the regulations associated with enclosing existing garages.

Attachments: [CD - SF GARAGES DISCUSSION - PRESENTATION.pdf](#)

[12-1114](#) Consider a resolution of the City Council of the City of Sachse, Texas, adopting the City of Sachse investment policy attached hereto as Exhibit "A"; declaring that the City Council has completed its review of the investment policy and investment strategies of the City and that Exhibit "A" records any changes to either the Investment Policy or Investment Strategies; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

To ensure that the City's Policy document is in conformance with the Public Funds Investment Act, City policy and to provide a viable framework for the City to utilize in structuring an effective investment policy it is required that the Investment Policy of the City of Sachse be reviewed and approved by City Council on an annual basis.

Attachments: [Investment Policy Resolution Proposed 10-1-2012.pdf](#)
[Investment Policy Proposed 10-1-2012.pdf](#)
[Investment Policy Explanation of Changes 10-1-2012.pdf](#)
[Investment Policy Presentation 10-1-2012.pdf](#)
[Investment Policy Proposed marked copy 10-1-2012.pdf](#)

5. ADJOURNMENT.

Vision Statement: Sachse is a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home.

The City of Sachse reserves the right to reconvene, recess or realign the regular session or called Executive Session or order of business at any time prior to adjournment. Note: The Sachse City Council reserves the right to convene into Executive Session pursuant to the Texas Government Code, Title 5, Chapter 551 regarding posted items on the regular meeting agenda.

State law prohibits the introduction or discussion of any item of business not posted at least seventy-two (72) hours prior to the meeting time. Therefore, during Citizen Input for example, the Council is prohibited by state law to deliberate or take action on any issues introduced by the public other than to take them under advisement. Posted: September 28, 2012; 5:00 p.m.
Terry Smith, City Secretary _____.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact Terry Smith, City Secretary, at (972) 495-1212, 48 business hours prior to the scheduled meeting date. Reasonable accommodations will be made to assist your needs.



Legislation Details (With Text)

File #: 12-1120 **Version:** 1 **Name:** Consier approval of the minutes 9.17.12
Type: Agenda Item **Status:** Agenda Ready
File created: 9/20/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**
Title: Consider approval of the minutes of the September 17, 2012, regular meeting.

Executive Summary
Minutes from the last regular meeting.

Sponsors:

Indexes:

Code sections:

Attachments: [Min.9.17.12.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title
Consider approval of the minutes of the September 17, 2012, regular meeting.

Executive Summary
Minutes from the last regular meeting.

Background
September 17, 2012, regular meeting minutes for consideration.

Policy Considerations
None.

Budgetary Considerations
None.

Staff Recommendations
Approval of the minutes of the September 17, 2012, regular meeting, as a Consent Agenda Item.

REGULAR MEETING
OF THE
CITY COUNCIL OF THE CITY OF SACHSE

SEPTEMBER 17, 2012

The City Council of the City of Sachse held a Regular Meeting on Monday, September 17, 2012 at 7:30 p.m. at the Sachse City Hall after proper notice. The roll of the duly constituted City Council Members was called which members are as follows, to wit:

Mayor Mike Felix
Mayor Pro Tem Jared Patterson
Councilman Bill Adams
Councilwoman Pat McMillan
Councilman Brett Franks
Councilman Todd Ronnau
Councilman Mark Timm

and all were present.

Staff present: City Manager Billy George; City Secretary Terry Smith; Community Development Director Marc Kurbansade; Finance Director Jeri Rainey; City Engineer Shawn Poe; Police Chief Dennis Veach; Public Works Director Joe Crase; Fire Chief Doug Kendrick; Parks Director Lance Whitworth; Library Manager Mignon Morse; Human Resources Manager Laura Morrow and Sachse EDC Director Carlos Vigil.

Invocation and Pledge of Allegiance to U.S. and Texas Flags:

The invocation was offered by Councilman Timm and the pledges were led by Councilwoman McMillan.

1. Consent Agenda:

Councilman Timm moved to approve Consent Agenda No. 12-1091 Consider approval of the minutes of the September 4, 2012, special meeting; 12-1092 Consider approval of the minutes of the September 10, 2012, special meeting; 12-1040 Resolution No. 3414 of the City Council of the City of Sachse, Texas, approving the terms and conditions of the Notice of Renewal for the Memorandum of Understanding, by and between the City of Sachse and Dallas County, Texas, for the transportation of inmates from the city of Sachse's law enforcement facilities to Dallas County's facilities following arrest; and providing an effective date; 12-1059 Resolution No. 3415 setting a date for a public hearing on November 5, 2012 to discuss and review the proposed updates and amendments to the Water, Sanitary Sewer, and Roadway Impact Fees; and 12-1087 Resolution No. 3416 of the City Council of the City of Sachse, Texas approving the Household Hazardous Waste Interlocal Agreement between Dallas County and the City of Sachse, for Household Hazardous Waste Disposal Services for Fiscal Year 2012-2013; and, providing an effective date. The motion was seconded by Councilman Franks and carried with Councilwoman McMillan voting no.

2. Mayor and City Council Announcements regarding special events, current activities and local achievements:

12-1097 Proclamation declaring September 2012 as Prostate Cancer Month.

Mayor Felix noted the upcoming events: October 2nd is National Night Out; October 13th is Fallfest at Heritage Park; and October 27th is the Pumpkin Prowl at Salmon Park.

Mayor Pro Tem Patterson stated today is Constitution Day, on this day the U.S. Constitution was signed. He also noted that he is on the YMCA Steering Committee and their basketball programs are set to begin.

Councilman Ronnau stated the Friends of the Library are sponsoring a performance by the Sachse High School Band on September 25th at 6:30 p.m. in the amphitheater.

3. Citizen Input:

Cullen King 7315 High Point, thanked the Police Department for the tour of the station for his neighborhood school at home program. He appreciates the community policing program.

Kathy Cobb 3820 6th Street stated there will be refreshments after the Sachse High School Band performance sponsored by the Friends of the Sachse Library. She also noted they will be selling raffle tickets at Fallfest.

4. Regular Agenda Items:

12-1064 Conduct a Public Hearing and consider an Ordinance to approve the adoption of the updated and amended Land Use Assumptions and 10-year Capital Improvements Plan for the update to the Water, Sanitary Sewer, and Roadway Impact Fees:

Mayor Felix opened the public hearing.

No comments were made.

Councilman Timm moved to close the public hearing. The motion was seconded by Councilman Adams and carried unanimously.

Following discussion, Councilman Timm moved to approve Ordinance No. 3417 adopting of the updated and amended Land Use Assumptions and 10-year Capital Improvements Plan for the update to the Water, Sanitary Sewer, and Roadway Impact Fees. The motion was seconded by Councilwoman McMillan and carried unanimously.

12-1093 Consider a resolution of the City Council of the City of Sachse, Texas, establishing the Charter Review Commission; establishing Charter Review Commission guidelines; and providing for an effective date:

Following discussion, Councilman Timm moved to approve Resolution No. 3418 of the City Council of the City of Sachse, Texas, establishing the Charter Review Commission; establishing Charter Review Commission guidelines; and providing for an effective date. The motion was seconded by Councilman Franks and carried unanimously.

12-1094 Consider appointments to the Charter Review Commission:

Following discussion, Councilman Adams moved to appoint: Patsy Covington, Cullen King, Chris Lam, Frank Millsap, Gary Overby, Ed Brown, Charles Elk, Charles Smith, Keith Allen, Stan Hensley, Jeff Bickerstaff, Mark Caldwell, Tom Osvold and Sheila LaTorres to the Charter Review Commission. The motion was seconded by Councilman Franks and carried unanimously.

12-1032 Consider the application of Woodbridge XVII, Limited for approval of a Preliminary Plat for Woodbridge Phase 17, being 73 single-family residential lots, two Homeowner's Association (HOA) lots and dedicated right-of-way on approximately 19.699 acres, on the north side of Ranch Road, approximately 375 feet east of Maxwell Creek Road:

Following discussion, Councilman Timm moved to approve the application of Woodbridge XVII, Limited for approval of a Preliminary Plat for Woodbridge Phase 17, being 73 single-family residential lots, two Homeowner's Association (HOA) lots and dedicated right-of-way on approximately 19.699 acres, on the north side of Ranch Road, approximately 375 feet east of Maxwell Creek Road. The motion was seconded by Councilman Ronnau and carried unanimously.

12-1089 Consider the application of Great American Insurance Company for approval of a Preliminary Plat for Glen Carr House of Sachse, being one lot on approximately 4.358 acres, located east of Bunker Hill Road, south of Old Ben Davis Road and west of Ben Davis Road:

Following discussion, Councilman Timm moved to approve the application of Great American Insurance Company for approval of a Preliminary Plat for Glen Carr House of Sachse, being one lot on approximately 4.358 acres, located east of Bunker Hill Road, south of Old Ben Davis Road and west of Ben Davis Road. The motion was seconded by Councilman Adams and carried unanimously.

12-1101 Consider an ordinance of the City of Sachse, Texas, amending the Code of Ordinances Chapter 6, "Health and Sanitation" by amending Section 6-11A titled "Solid Waste Regulations" to provide amended rates and charges for the collection of solid waste materials; providing a repealing clause; providing a savings clause; providing a severability clause; providing for a penalty of fine not to exceed the sum of two thousand dollars (\$2,000) for each offense; and providing an effective date:

Following discussion, Councilman Timm moved to approve Ordinance No. 3419 of the City of Sachse, Texas, amending the Code of Ordinances Chapter 6, "Health and Sanitation" by amending Section 6-11A titled "Solid Waste Regulations" to provide amended rates and charges for the collection of solid waste materials; providing a repealing clause; providing a savings clause; providing a severability clause; providing for a penalty of fine not to exceed the sum of two thousand dollars (\$2,000) for each offense; and providing an effective date. The motion was seconded by Councilman Ronnau and carried with Mayor Pro Tem Patterson voting no.

12-1100 Consider a Resolution of the City Council of the City of Sachse, Texas, supporting the programs and activities of the YMCA within the City of Sachse that without the YMCA's participation such programs would not be available in the community, and providing an effective date:

Following discussion, Councilman Adams moved to approve Resolution No. 3420 of the City Council of the City of Sachse, Texas, supporting the programs and activities of the YMCA within the City of Sachse that without the YMCA's participation such programs would not be available in the community, and providing an effective date. The motion was seconded by Councilman Timm and carried with Councilwoman McMillan voting no.

12-1088 Consider a Resolution of the City Council of the City of Sachse, Texas, authorizing execution of the Interlocal Agreement for Food Establishment Inspection and Environmental Health Services between Dallas County, on behalf of Dallas County Health and Human Services, and City of Sachse:

Following discussion, Councilman Timm moved to approve Resolution No. 3421 of the City Council of the City of Sachse, Texas, authorizing execution of the Interlocal Agreement for Food Establishment Inspection and Environmental Health Services between Dallas County, on behalf of Dallas County Health and Human Services, and City of Sachse. The motion was seconded by Councilman Ronnau and carried unanimously.

12-1080 Discuss the concession contract with the Sachse Baseball Association:

Following discussion, no formal action was taken.

12-1096 Discuss the Board and Commission appointment schedule.

Following discussion, it was determined that the Interview Sessions would be on Wednesday, October 17 and Wednesday, October 24, 2012. No formal Council action was taken.

There being no further business, Councilman Timm moved to adjourn. The motion was seconded by Mayor Pro Tem Patterson and passed unanimously. The meeting adjourned at 9:25 p.m.

ATTEST:

APPROVED:

CITY SECRETARY

MAYOR



Legislation Details (With Text)

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|----------------------|-------------|----------------------|---|--------------------|--|
| File #: | 12-1132 | Version: | 2 | Name: | Memorandum of Understanding Agreement for Automatic Assistance Between Wylie and Sachse Fire Departments |
| Type: | Agenda Item | Status: | | Status: | Agenda Ready |
| File created: | 9/26/2012 | In control: | | In control: | City Council |
| On agenda: | 10/1/2012 | Final action: | | | |

Title: Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a Memorandum of Understanding, by and between the City of Sachse and the City of Wylie, Texas, for the purpose of setting forth procedures for implementing an automatic assistance response between the City of Sachse Fire Department and the City of Wylie Fire Department; and providing for and effective date.

Executive Summary

To improve our response and arrival times for emergency fire calls, the City of Wylie and Sachse Fire Departments agreed to put our city fire departments on "First Call/Automatic Aid" response to all structure fire calls. This procedure was originally accomplished through the existing Interjurisdictional Mutual Aid Agreement among Collin County Cities dated 5-21-2008. At that time, in response to the State Wide Mutual Aid expiring; all cities responded by enhancing their county mutual aid and automatic assistance.

Sponsors:

Indexes:

Code sections:

Attachments: [Auto Aid for Wylie Sachse](#)
[Resolution Approving MOU Between Sachse Wylie Fire Departments Implementing Automative](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Consider a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a Memorandum of Understanding, by and between the City of Sachse and the City of Wylie, Texas, for the purpose of setting forth procedures for implementing an automatic assistance response between the City of Sachse Fire Department and the City of Wylie Fire Department; and providing for and effective date.

Executive Summary

To improve our response and arrival times for emergency fire calls, the City of Wylie and Sachse Fire Departments agreed to put our city fire departments on "First Call/Automatic Aid" response to all structure fire calls. This procedure was originally accomplished through the existing Interjurisdictional Mutual Aid Agreement among Collin County Cities dated 5-21-2008. At that time, in response to the State Wide Mutual Aid expiring; all cities responded by enhancing their county mutual aid and automatic assistance.

Background

Through years in the fire service, cities have asked for assistance from other cities on fire

calls to provide enough manpower and equipment to mitigate the incident. As time moved forward questions arose regarding these assistance calls and the formal relationships involved when assisting other departments. Since then there were agreements developed within the counties to formalize a county-wide agreement to provide such assistance when a call to assist came. Through the years, Sachse entered into and continues to have agreements with Dallas and Collin County. For cities that need frequent assistance such as Wylie and Sachse, the phrase "automatic aid" came to describe more frequent assistance. Automatic Aid responses have been ongoing through the existing county agreements, however, the need for a clearer understanding to address daily assistance is well understood. This formal automatic aid agreement presented is to have a direct agreement for automatic assistance between Wylie and Sachse. This agreement does not affect any of our other agreements and does not materially change current practice.

Policy Considerations

There is policy/procedures already established to provide aid with Wylie through normal daily request for assistance.

Budgetary Considerations

N/A

Staff Recommendations

Approval of a resolution of the City Council of the City of Sachse, Texas, approving the terms and conditions of a Memorandum of Understanding, by and between the City of Sachse and the City of Wylie, Texas, for the purpose of setting forth procedures for implementing an automatic assistance response between the City of Sachse Fire Department and the City of Wylie Fire Department; and providing for and effective date as a Consent Agenda Item.

**Memorandum of Understanding Agreement
for Automatic Assistance Between
Wylie and Sachse Fire Departments**

This Memorandum of Understanding (“MOU”) is authorized by the City Manager of the **City of Wylie** and the City Manager of the **City of Sachse** in this agreement dated September 1, 2012, and is authorized by Chapter 791, Texas Government Code, as amended, and is further authorized by approved Resolution of the respective City Councils of the two Cities.

The purpose of the MOU is to outline the procedures for implementing an Automatic Assistance response between the City of Wylie Fire Department, hereinafter referred to as “Wylie” and the City of Sachse Fire Department hereinafter referred to as “Sachse”. This Memorandum is a guide for routine operations/incidents and is not intended to replace or adjust the Agreement for Mutual Aid and Disaster Assistance currently in effect. Automatic Assistance rendered under this MOU shall be considered as a “pre-planned” mutual-aid response conducted under the authority of the existing Agreement for Mutual Aid and Disaster Assistance to which both Cities are a party. The general provisions of said Agreement for Mutual Aid and Disaster Assistance shall be controlling except where such provisions are replaced by this MOU.

Amount and Type of Assistance

This MOU shall enable the pre-planned response of Wylie Fire Department units into the Sachse City Limits, and vice versa, with the intention of allowing, at the sole determination of each city, the most able and/or available emergency unit to respond to a request for service. Wylie and Sachse’s Fire Units may be simultaneously dispatched for all types of emergency calls that occur within either’s jurisdiction.

Incident Management

It is agreed that both agencies will use the National Incident Management System (NIMS) in the management of incidents. Upon arrival, the first arriving company at the emergency scene will assume Command in accordance with its Department’s incident management procedure and promptly transfer such command to an officer of the department in whose jurisdiction the emergency as appropriate. Nothing in this MOU will preclude an officer operating in a City not his/her own from requesting additional resources as appropriate from the City in whose jurisdiction the emergency is occurring.

Communications and Dispatch Procedure

Each city’s Dispatch Center may simultaneously dispatch both Fire Departments. Units will respond on the channel assigned by the Dispatcher initializing the host jurisdictions talk group. Units will advise once enroute and when they arrive on scene. Should Units be unavailable to respond, the dispatching agency will be immediately informed.

Loss, Damage, or Reimbursement

Each City hereto waives all claims against the other Cities hereto for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this MOU, except those caused in whole or in part by the gross negligence of an officer, employee, or agent of another City. Pursuant to § 421.061, Texas Government Code, the City furnishing services under this MOU is not responsible for any civil liability that arises from the furnishing of those services. No City waives or relinquishes any immunity or defense on behalf of itself, its officers, employees and agents as a result of the foregoing sentence or its execution of this MOU and the performance of the covenants contained herein.

A responding entity shall not be reimbursed by the requesting entity for costs incurred pursuant to this MOU. Personnel who are assigned, designated or ordered by their governing body to perform duties, pursuant to this MOU, shall receive the same wage, salary, pension, and all other compensation and rights for the performance of such duties, including injury or death benefits, and Workmen's Compensation benefits, as though the service had been rendered within the limits of the entity where he or she is regularly employed. Moreover, all wage and disability payments, except for those payments the requesting entity is required to pay under the Interlocal Cooperation Act cited above, pension payments, damage to equipment and clothing, medical expenses and expenses of travel, food and lodging shall be paid by the entity in which the employee in question is regularly employed. Each City that performs services or furnishes aid pursuant to this MOU shall do so with funds available from current revenues of the City. No City shall have any liability for the failure to expend funds to provide aid hereunder.

All equipment used by the responding entity's fire department in carrying out this MOU will, during the time response services are being performed, be owned by it; and all personnel acting for the responding entity's fire department under this MOU will, during the time response services are required, be rostered firepersons of the fire department of the responding entity or member of an organized fire department rendering firefighting services to the responding entity.

At all times while equipment and personnel of any responding entity's fire department are traveling to, from, or within the geographical limits of the requesting entity in accordance with the terms of this MOU, such personnel and equipment shall be deemed to be employed or used, as the case may be, in the full line and cause of duty of the responding entity's fire department. Further, such equipment and personnel shall be deemed to be engaged in a governmental function of its governmental entity.

In the event that an individual performing duties subject to this MOU shall be cited as a defendant party to any state or federal civil lawsuit, arising out of his or her official acts while performing duties pursuant to the terms of this MOU, such individual shall be entitled to the same benefits that he or she would be entitled to receive had such civil action arose out of an

official act within the scope of his or her duties as a member of the department where regularly employed or volunteering and occurred within the jurisdiction of the governmental entity where regularly employed or volunteering. The benefits described in this paragraph shall be supplied by the entity where the individual is regularly employed or volunteering. However, in situations where the requesting entity may be liable, in whole or in part, for the payment of damages, then the requesting entity may intervene in such cause of action to protect its interests.

It is agreed by and between the parties hereto that any party hereto shall have the right to terminate their participation in this MOU upon ninety (90) days written notice to the other parties hereto. This MOU is intended to inure only to the benefit of the Cities hereto. This MOU is not intended to create, nor shall be deemed or construed to create any rights in additional cities. The MOU may be amended only by the mutual written consent of the Cities.

Any notice required or permitted between the Cities must be in writing, addressed to the attention of each respective City Manager, and shall be delivered in person, or mailed certified mail, return receipt requested, or may be transmitted by facsimile transmission as follows:

To Wylie: Attn: Mindy Manson
 City Manager
 300 Country Club Road
 Wylie, Texas 75098
 Phone: 972-516-6000
 Fax: 972-516-6026

To Sachse: Attn: Billy George
 City Manager
 3815 Sachse Rd.
 Sachse, Texas 75048
 Phone: 972-429-4770
 Fax: 972-530-0426

If a provision contained in this MOU is held invalid for any reason, the invalidity does not affect the other provisions of his MOU that can be given effect without the invalid provision, and to this end the provisions of this MOU are severable. If any current or future legal limitations affect the validity or enforceability of a provision of this MOU, then the legal limitations are made a part of this MOU and shall operate to amend this MOU to the minimum extent necessary to bring this MOU into conformity with the requirements of the limitations, and so modified, this MOU shall continue in full force and effect. The laws of the State of Texas shall govern this MOU, and venue shall lie in a court of appropriate jurisdiction in Collin County, Texas. Each City agrees that neither has waived their sovereign immunity by entering into and performing its obligations under this MOU.

CITY OF WYLIE:

APPROVED BY: _____
Mindy Manson, City Manager

DATE: _____

ATTEST:

Carole Erlich, City Secretary

APPROVED BY: _____
Billy George, City Manager

DATE: _____

ATTEST:

Terry Smith, City Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A MEMORANDUM OF UNDERSTANDING, BY AND BETWEEN THE CITY OF SACHSE AND THE CITY OF WYLIE, TEXAS, FOR THE PURPOSE OF SETTING FORTH PROCEDURES FOR IMPLEMENTING AN AUTOMATIC ASSISTANCE RESPONSE BETWEEN THE CITY OF SACHSE FIRE DEPARTMENT AND THE CITY OF WYLIE FIRE DEPARTMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Sachse, Texas (“Sachse”), has been presented a proposed Memorandum of Understanding (the “MOU”) between Sachse and the City of Wylie, Texas (“Wylie”), Texas, for the purpose of setting forth procedures for implementing an Automatic Assistance response between the Sachse and Wylie Fire Departments; and

WHEREAS, upon full review and consideration of the MOU and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Manager should be authorized to execute the MOU on behalf of the City of Sachse, Texas.

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

SECTION 1. The City Manager is hereby authorized to execute the MOU, attached hereto as Exhibit “A,” with Wylie, for the purpose of setting forth procedures implementing an Automatic Assistance response between the Sachse and Wylie Fire Departments.

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2012.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary

EXHIBIT "A"
MEMORANDUM OF UNDERSTANDING

**Memorandum of Understanding Agreement
for Automatic Assistance Between
Wylie and Sachse Fire Departments**

This Memorandum of Understanding ("MOU") is authorized by the City Manager of the City of Wylie and the City Manager of the City of Sachse in this agreement dated September 1, 2012, and is authorized by Chapter 791, Texas Government Code, as amended, and is further authorized by approved Resolution of the respective City Councils of the two Cities.

The purpose of the MOU is to outline the procedures for implementing an Automatic Assistance response between the City of Wylie Fire Department, hereinafter referred to as "Wylie" and the City of Sachse Fire Department hereinafter referred to as "Sachse". This Memorandum is a guide for routine operations/incidents and is not intended to replace or adjust the Agreement for Mutual Aid and Disaster Assistance currently in effect. Automatic Assistance rendered under this MOU shall be considered as a "pre-planned" mutual-aid response conducted under the authority of the existing Agreement for Mutual Aid and Disaster Assistance to which both Cities are a party. The general provisions of said Agreement for Mutual Aid and Disaster Assistance shall be controlling except where such provisions are replaced by this MOU.

Amount and Type of Assistance

This MOU shall enable the pre-planned response of Wylie Fire Department units into the Sachse City Limits, and vice versa, with the intention of allowing, at the sole determination of each city, the most able and/or available emergency unit to respond to a request for service. Wylie and Sachse's Fire Units may be simultaneously dispatched for all types of emergency calls that occur within either's jurisdiction.

Incident Management

It is agreed that both agencies will use the National Incident Management System (NIMS) in the management of incidents. Upon arrival, the first arriving company at the emergency scene will assume Command in accordance with its Department's incident management procedure and promptly transfer such command to an officer of the department in whose jurisdiction the emergency as appropriate. Nothing in this MOU will preclude an officer operating in a City not his/her own from requesting additional resources as appropriate from the City in whose jurisdiction the emergency is occurring.

Communications and Dispatch Procedure

Each city's Dispatch Center may simultaneously dispatch both Fire Departments. Units will respond on the channel assigned by the Dispatcher initializing the host jurisdictions talk group. Units will advise once enroute and when they arrive on scene. Should Units be unavailable to respond, the dispatching agency will be immediately informed.

Loss, Damage, or Reimbursement

Each City hereto waives all claims against the other Cities hereto for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this MOU, except those caused in whole or in part by the gross negligence of an officer, employee, or agent of another City. Pursuant to § 421.061, Texas Government Code, the City furnishing services under this MOU is not responsible for any civil liability that arises from the furnishing of those services. No City waives or relinquishes any immunity or defense on behalf of itself, its officers, employees and agents as a result of the foregoing sentence or its execution of this MOU and the performance of the covenants contained herein.

A responding entity shall not be reimbursed by the requesting entity for costs incurred pursuant to this MOU. Personnel who are assigned, designated or ordered by their governing body to perform duties, pursuant to this MOU, shall receive the same wage, salary, pension, and all other compensation and rights for the performance of such duties, including injury or death benefits, and Workmen's Compensation benefits, as though the service had been rendered within the limits of the entity where he or she is regularly employed. Moreover, all wage and disability payments, except for those payments the requesting entity is required to pay under the Interlocal Cooperation Act cited above, pension payments, damage to equipment and clothing, medical expenses and expenses of travel, food and lodging shall be paid by the entity in which the employee in question is regularly employed. Each City that performs services or furnishes aid pursuant to this MOU shall do so with funds available from current revenues of the City. No City shall have any liability for the failure to expend funds to provide aid hereunder.

All equipment used by the responding entity's fire department in carrying out this MOU will, during the time response services are being performed, be owned by it; and all personnel acting for the responding entity's fire department under this MOU will, during the time response services are required, be rostered firepersons of the fire department of the responding entity or member of an organized fire department rendering firefighting services to the responding entity.

At all times while equipment and personnel of any responding entity's fire department are traveling to, from, or within the geographical limits of the requesting entity in accordance with the terms of this MOU, such personnel and equipment shall be deemed to be employed or used, as the case may be, in the full line and cause of duty of the responding entity's fire department. Further, such equipment and personnel shall be deemed to be engaged in a governmental function of its governmental entity.

In the event that an individual performing duties subject to this MOU shall be cited as a defendant party to any state or federal civil lawsuit, arising out of his or her official acts while performing duties pursuant to the terms of this MOU, such individual shall be entitled to the same benefits that he or she would be entitled to receive had such civil action arose out of an

official act within the scope of his or her duties as a member of the department where regularly employed or volunteering and occurred within the jurisdiction of the governmental entity where regularly employed or volunteering. The benefits described in this paragraph shall be supplied by the entity where the individual is regularly employed or volunteering. However, in situations where the requesting entity may be liable, in whole or in part, for the payment of damages, then the requesting entity may intervene in such cause of action to protect its interests.

It is agreed by and between the parties hereto that any party hereto shall have the right to terminate their participation in this MOU upon ninety (90) days written notice to the other parties hereto. This MOU is intended to inure only to the benefit of the Cities hereto. This MOU is not intended to create, nor shall be deemed or construed to create any rights in additional cities. The MOU may be amended only by the mutual written consent of the Cities.

Any notice required or permitted between the Cities must be in writing, addressed to the attention of each respective City Manager, and shall be delivered in person, or mailed certified mail, return receipt requested, or may be transmitted by facsimile transmission as follows:

To Wylie: Attn: Mindy Manson
 City Manager
 300 Country Club Road
 Wylie, Texas 75098
 Phone: 972-516-6000
 Fax: 972-516-6026

To Sachse: Attn: Billy George
 City Manager
 3815 Sachse Rd.
 Sachse, Texas 75048
 Phone: 972-429-4770
 Fax: 972-530-0426

If a provision contained in this MOU is held invalid for any reason, the invalidity does not affect the other provisions of his MOU that can be given effect without the invalid provision, and to this end the provisions of this MOU are severable. If any current or future legal limitations affect the validity or enforceability of a provision of this MOU, then the legal limitations are made a part of this MOU and shall operate to amend this MOU to the minimum extent necessary to bring this MOU into conformity with the requirements of the limitations, and so modified, this MOU shall continue in full force and effect. The laws of the State of Texas shall govern this MOU, and venue shall lie in a court of appropriate jurisdiction in Collin County, Texas. Each City agrees that neither has waived their sovereign immunity by entering into and performing its obligations under this MOU.

CITY OF WYLIE:

APPROVED BY: _____
Mindy Manson, City Manager

DATE: _____

ATTEST:

Carole Erlich, City Secretary

APPROVED BY: _____
Billy George, City Manager

DATE: _____

ATTEST:

Terry Smith, City Secretary



Legislation Details (With Text)

File #: 12-1130 **Version:** 1 **Name:** Call election for street maintenance tax
Type: Agenda Item **Status:** Agenda Ready
File created: 9/21/2012 **In control:** City Council
On agenda: **Final action:**

Title: Consider an ordinance of the City Council of the City of Sachse, Texas, ordering an election to be held on the 11th day of May 2013, in conjunction with the election of municipal officers for the purpose of the adoption of a local sales and use tax increase in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for the maintenance and repair of municipal streets; designating polling places; ordering notices of election to be given, authorizing execution of joint election contract; and providing for an effective date.

Executive Summary

The City Council authorized staff to prepare an ordinance calling an election on May 11, 2013 so voters in Sachse can vote on whether or not the City can raise the sales and use tax from 7.75% to 8.00% to provide funds for the maintenance and repair of City streets. This item is for the City Council to consider the ordinance calling the election next May.

Sponsors:

Indexes:

Code sections:

Attachments: [Exhibit A.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Consider an ordinance of the City Council of the City of Sachse, Texas, ordering an election to be held on the 11th day of May 2013, in conjunction with the election of municipal officers for the purpose of the adoption of a local sales and use tax increase in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for the maintenance and repair of municipal streets; designating polling places; ordering notices of election to be given, authorizing execution of joint election contract; and providing for an effective date.

Executive Summary

The City Council authorized staff to prepare an ordinance calling an election on May 11, 2013 so voters in Sachse can vote on whether or not the City can raise the sales and use tax from 7.75% to 8.00% to provide funds for the maintenance and repair of City streets. This item is for the City Council to consider the ordinance calling the election next May.

Background

The City's current local sales and use tax is 7.75% (divided by 6.25% State Tax, 1.0% Sachse Tax, and 0.50% to fund the Sachse Economic Development Corporation). State law provides City's can have a maximum sales tax of 8.25%. Therefore, there is 0.50% available for the City to fund eligible programs allowed by State law. One such program is allocating a

portion of the sales and use tax for street maintenance and repair.

In order to raise the sales tax so the revenue will fund street maintenance and repair, the registered voters of Sachse have to vote in favor of such increase. The City Council discussed the street maintenance and repair program at the August 20, 2012 City Council meeting and authorized staff to provide an ordinance ordering an election so the issue can be decided by the voters of Sachse.

Policy Considerations

Title 3, Subtitle C, Chapter 327 of the State of Texas Tax Code provides for cities the ability to allocate a portion of the sales and use tax revenues for street maintenance and repair. The City Council authorized staff to proceed with the process to call an election so the voters of Sachse can decide the issue. The first step is to call an election. Exhibit A is the ordinance ordering an election to be held on May 11, 2013. If the street maintenance and repair program is approved by the voters and the City Council authorizes the program afterwards, there is a four year term from the date of the election in which the revenue can be used for street repair and maintenance. Another election will have to occur to extend the program an additional four years or the program will expire and the tax increase will revert back to 7.75%.

Budgetary Considerations

No impacts to the budget will occur at this time. Should the voters elect in favor of increasing the sales and use tax for revenue to fund street maintenance and repairs, it is estimated approximately \$205,000 will be generated the first few years and anticipated to increase to \$297,000 once Wal-Mart opens.

Staff Recommendations

Staff recommends the City Council approve an ordinance of the City Council of the City of Sachse, Texas, ordering an election to be held on the 11th day of May 2013, in conjunction with election for municipal officers for the purpose of the adoption of a local sales and use tax in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets; designating polling places; ordering notices of election to be given; authorizing execution of joint election contract; and providing for an effective date.

ORDINANCE NO. ____

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, ORDERING AN ELECTION TO BE HELD ON THE 11TH DAY OF MAY 2013, IN CONJUNCTION WITH THE ELECTION FOR MUNICIPAL OFFICERS FOR THE PURPOSE OF THE ADOPTION OF A LOCAL SALES AND USE TAX IN THE CITY OF SACHSE, TEXAS, AT THE RATE OF ONE-FOURTH OF ONE PERCENT TO PROVIDE REVENUE FOR MAINTENANCE AND REPAIR OF MUNICIPAL STREETS; DESIGNATING POLLING PLACES; ORDERING NOTICES OF ELECTION TO BE GIVEN; AUTHORIZING EXECUTION OF JOINT ELECTION CONTRACT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council desires to call an election to be held in conjunction with the 2013 election for Municipal Officers for the qualified voters of the City to vote “for” or “against” the adoption of a local sales and use tax in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets;

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

SECTION 1: That an election is hereby ordered to be held in conjunction with the 2013 Municipal Officers’ election for May 11, 2013, for the City of Sachse, Texas, at which time there shall be submitted to the qualified voters of the City to vote “for” or “against” the following proposition:

“The adoption of a local sales and use tax in the City of Sachse, Texas, at the rate of one-fourth of one percent to provide revenue for maintenance and repair of municipal streets.”

SECTION 2: That the polling locations for the election will be determined in the Joint Election Contract to be entered into with the County of Dallas, Texas. The polling locations shall be open between the hours of 7:00 a.m. and 7:00 p.m. the date of the election. The election will be conducted in accordance with the Joint Election Contract by and between the City and the County of Dallas, and other units of government and the Texas Election Code, and any amendments thereto.

SECTION 3: That the City Secretary is hereby directed to cause notice of said election to be published at least once, not earlier than the 30th day, nor later than the 10th day, before election day as provided in Section 4.003(a) (1) of the Texas Election Code; and shall be posted on the bulletin board used for posting notices of the City Council meetings not later than the 21st day before election day. A copy of the published notice that contains the name of the newspaper and the date of publication shall be retained as a record of such notice, and the person posting the notice shall make a record at the time of posting stating the date and place of posting in accordance with Texas Election Code Section 4.005.

SECTION 4. That early voting by personal appearance may be conducted at either the Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas 75048, or at any of the other branch locations established by the Election Contract. Early voting by personal appearance will be conducted beginning April 24, 2013, and continue through May 7, 2013, at the times and locations specified in the Joint Election Contract.

SECTION 5. That applications for early voting ballot by mail shall be mailed to the Dallas County Election Administrator at Dallas County Elections Department, 2377 N. Stemmons Freeway, 8th Floor, Dallas, Texas 75207. Applications for early voting ballot by mail must be received no later than the close of business on March 12, 2013.

SECTION 6. That the City Secretary shall present the election returns to the City of Sachse City Council at a City Council meeting for the canvassing of said election in accordance with the Texas Election Code.

SECTION 7. That in accordance with Section 123.001 of the Texas Election Code, the Direct Record and Optical Scan Voting Systems approved by the Secretary of State are hereby adopted for the election on May 11, 2013.

SECTION 8. That the City Manager is hereby authorized to execute a Joint Election Contract with the County of Dallas for the conduct of a joint election to be held on May 11, 2013, and to approve any amendments thereto.

SECTION 9. That pursuant to the Joint Election Contract, the County Elections Administrator shall serve as Election Administrator for the election. Presiding Election Judges and Alternate Presiding Election Judges appointed to serve at said polling places shall be those election officials furnished by the Elections Administrator from the list of proposed election judges listed in an attachment to the Election Contract.

SECTION 10. That in compliance with Section 271.006 of the Texas Election Code, the County Elections Administrator shall be appointed as the Early Voting Clerk and the City Secretary is appointed the Chief Deputy Early Voting Clerk. Other deputy early voting clerks will be appointed as needed to process early voting mail and to conduct early voting by personal appearance at the branch locations.

SECTION 11. That an Early Voting Ballot Board shall be created to process early voting results in accordance with Section 87.007 of the Texas Election Code. The Early Voting Ballot Board shall be made up of members appointed in the manner stated in the Joint Election Contract and the Presiding Judge and Alternate Presiding Judge of the Early Voting Ballot Board shall be the election officials listed in the Joint Election Contract.

SECTION 12. That this ordinance shall become effective immediately from and after its passage and is, accordingly, so resolved.

DULY PASSED AND APPROVED by the City Council of the City of Sachse, Texas, on this the 1st day of October, 2012.

CITY OF SACHSE, TEXAS

MAYOR, Mike Felix

ATTEST:

CITY SECRETARY, Terry Smith

APPROVED AS TO FORM:



CITY ATTORNEY
(PGS:9/10/12:TM57218)



Legislation Details (With Text)

File #: 12-1119 **Version:** 1 **Name:** Investment Advisory Services Agreement Renewal
Type: Agenda Item **Status:** Agenda Ready
File created: 9/19/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**

Title: Consider a resolution of the City Council of the City of Sachse, Texas, approving the renewal of an agreement with Valley View Consulting for the purpose of investment advisory services for an additional two years and authorizing the City Manager to execute such renewal; and providing and effective date.

Executive Summary

The Public Funds Investment Act (PFIA) requires that investment advisory services contracts be reviewed every two years.

Sponsors:

Indexes:

Code sections:

- Attachments:** [Resolution-Valley View Contract Proposed 10-1-2012.pdf](#)
[Contract Valley View proposed 10-1-2012.pdf](#)
[Valley View Form ADV Part 10-1-2012.pdf](#)

| Date | Ver. | Action By | Action | Result |
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Title

Consider a resolution of the City Council of the City of Sachse, Texas, approving the renewal of an agreement with Valley View Consulting for the purpose of investment advisory services for an additional two years and authorizing the City Manager to execute such renewal; and providing and effective date.

Executive Summary

The Public Funds Investment Act (PFIA) requires that investment advisory services contracts be reviewed every two years.

Background

In October 2006, Valley View Consulting, LLC was initially contracted to provide investment advisory services to the City. The City desires to renew the contract which expires on September 30th, 2012 for a two year period with the option to renew for an additional 2 years.

The City has, under the guidance and advice of Valley View Consulting, laddered the City 's portfolio with authorized investments whenever possible in order to address portfolio diversification, yield and maturity, while maintaining the liquidity required for obligations as they come due. They also assist the City with the Investment Policy and Broker/Dealers list annual review as required by the PFIA and in the preparation of Quarterly Investment Reports.

As part of this advisory service, Valley View assisted with the current bank depository request for proposals and continues to monitor this agreement.

Policy Considerations

Investment strategies and objectives to preserve principal, maintain liquidity and attain competitive overall yields.

Budgetary Considerations

The cost of the advisory service will be approximately .08% (annualized) or .02% per quarter applied against the City's average book value balance in its portfolio. The fee will be charged against interest earnings. These fees have been taken into consideration for the current budget. Fees paid in 2010-2011 were approximately \$29,000. The fees for 2011-2012 are projected to total approximately \$27,000. The reduction is due to spending of bond proceeds. It is anticipated that this fee will continue to decrease as the City continues to spend proceeds from the 2006 General Obligation Bond Program and revenue received from the Retail Concentration Center (RCC) Program that was recently discontinued.

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, approving the renewal of an agreement with Valley View Consulting for the purpose of investment advisory services for an additional two years and authorizing the City Manager to execute such renewal; and providing an effective date as a consent agenda item.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING THE RENEWAL OF AN AGREEMENT WITH VALLEY VIEW CONSULTING FOR THE PURPOSE OF INVESTMENT ADVISORY SERVICES FOR AN ADDITIONAL TWO YEARS AND AUTHORIZING THE CITY MANAGER TO EXECUTE SUCH RENEWAL; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sachse, Texas, has contracted with Valley View Consulting for the purpose of Investment Advisory Services since 2006; and

WHEREAS, the Public Funds Investment Act (the "PFIA") requires investment advisory service agreements to be renewed by the City Council on a biannual basis; and

WHEREAS, the City Manager desires to renew the agreement with Valley View Consulting for an additional 2 year period.

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

SECTION 1. The facts and recitations contained in the above preamble of this Resolution are hereby incorporated herein for all purposes.

SECTION 2. The City Manager is hereby authorized to execute the renewal of an agreement for a period of two additional years with Valley View Consulting and execute all necessary documents related to such renewal.

SECTION 3. The City Manager is hereby authorized to take those actions reasonable and necessary to comply with the intent of this Resolution.

SECTION 4. That this Resolution shall take effect immediately upon passage.

PASSED AND APPROVED by the City Council of the City of Sachse this the 1st day of October, 2012.

APPROVED:

Mike Felix
Mayor

ATTEST:

Terry Smith
City Secretary

**AGREEMENT
BY AND BETWEEN
THE CITY OF SACHSE, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the City of Sachse (the *Investor*) will have from time to time money available for investment (*Investable Funds*) and Valley View Consulting, L.L.C. (*Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide professional services as requested by the Investor while adhering to the rules and regulations of Securities and Exchange Commission-registered investment advisors.
3. The Advisor, if so requested, is prepared to perform the following duties:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the Investor's Investment Policy. The eligible investments are listed in the Investor's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy,
 - i. Assist the Investor in creating monthly portfolio accounting reports, and
 - j. Assist the Investor in selecting a primary depository services financial institution.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall remain in effect until September 30, 2014, with the option of the Investor to extend this Agreement in two year increments thereafter. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination

of this Agreement the Advisor shall have no continuing obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

10. By initialing the appropriate line, Investor acknowledges that:

- 1) _____ Investor was provided a written copy of Form ADV Part 2 not less than 48 hours prior to entering into this written contract, or
- 2) _____ Investor received a written copy of Form ADV Part 2 at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Form ADV Part 2.

When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and Advisor for the purposes and the consideration herein specified.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the City of Sachse, Texas.

By: _____

Title: _____

Date: _____

APPENDIX A

REQUESTED SERVICES, FEE SCHEDULE AND EXPENSE ITEMS

In consideration for these services, an annual fee equal to .08% (.0008) of the investment portfolio's average book value. Said fee shall be due and payable at the end of each investment quarter.

For example:

First quarter of the fiscal year (October, November and December) service period would be billable January 1, based on the following calculation:

(Average Book Value * .0002)

In the event a flexible repurchase agreement or other similar investment option is utilized, the Advisor shall receive a normal and customary fee within the guidelines of the Internal Revenue Service, in lieu of Agreement Fee.

Said fee includes all costs related to the requested services, and all travel and business expenses related to attending one onsite meeting per quarter. Travel and business expenses for special meetings or requests of the Investor will be reimbursed by the Investor to the Advisor, to the extent any such expenses have been pre-approved by the Investor. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other services requested by the Investor will include appropriate fees and expenses as mutually agreed to by the Investor and the Advisor at the time of request.



FORM ADV Part 2 – The Brochure

Valley View Consulting, L.L.C.
2428 Carters Mill Road
Huddleston, VA 24104-4003

SEC File Number 801-56181

540.297.3419 phone
540.297.3758 fax

www.valleyviewconsulting.net

March 6, 2012

This brochure provides information about the qualifications and business practices of Valley View Consulting, L.L.C. If you have any questions about the contents of this brochure, please contact us at 540.297.3419. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

This filing of Form ADV Part 2 is part of the Annual Updating Amendments requirement. Table of Contents, format and information changes are in response to the revised *General Instructions for Part 2 of Form ADV*. The last update to this brochure was March 26, 2011.



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Advisory Business

Valley View Consulting, L.L.C. (“Valley View”), established in 1998 and registered in 1999, is solely owned by Richard G. Long, Jr.

Valley View provides investment supervisory services primarily to public entities and their related organizations. Services are provided on a non-discretionary, non-custodial basis. State legislation and individual client investment policies determine authorized investments and appropriate strategies. Fixed income-fixed maturity securities, mutual funds, local government investment pools, and financial institution deposits provide the main investment options. Strategies are generally focused on safety of principal and maintenance of adequate liquidity to fund operational needs.

Each client’s investment policy and cash flow requirements tailor the investment advice offered by Valley View. Clients have complete control and discretion over allowed investments and implemented strategies.

As of December 31, 2011, Valley View provides advisory services to twenty one entities with approximately \$1.2 billion in total assets. Additionally, Valley View provides cash and investment consulting services to non-advisory clients.

Fees and Compensation

Investment supervisory fees can be a percentage of assets under management, hourly rates, fixed fees, or a combination of these. All fees are negotiable, and direct-billed and payable in arrears. Fees structures generally range from 0.01% to 0.30%, annually, based on the book value of assets under management; \$150.00 to \$750.00 per hour; \$500 to \$25,000 per project; \$800 to \$3,000 per day; \$150.00 to \$500.00 per month; \$400.00 to \$1,000.00 per transaction; or other fees as negotiated at the time of contract. In some cases, a minimum annual fee may apply. Contracts are cancelable without cause with 30 to 60 days notice. Clients maintain their own safekeeping agent/custodian relationships and are responsible for any related fees. Local government investment pools and mutual funds are subject to their own fee schedules. All mutual funds will be no-load. Valley View assists the client in minimizing transactional expenses or any other normal business expenses that might be incurred in the management of its funds.

In the event that a flexible repurchase agreement or other structured investment option is utilized for bond proceeds, Valley View may receive a normal and customary fee (usually paid by the counterparty) within the guidelines of the Internal Revenue Service, in lieu of the fee prescribed in advisor agreement.

Although no other forms of compensation are anticipated, if any additional compensation is received, the amount and source will be disclosed to the client.

Performance-Based Fees and Side-By-Side Management

Valley View does not charge any performance-based fees nor participate in side-by-side management.



Types of Clients

Valley View generally provides investment advice to “government entity” investors, including, but not limited to: states, cities, counties, school districts, special districts, colleges and universities, and special authorities. Additionally, Valley View provides advice to clients on matters not directly involving investing.

Valley View does not impose a minimum dollar value of assets for starting or maintaining a relationship.

Methods of Analysis, Investment Strategies and Risk of Loss

Each client’s investment policy governs investment strategy selection and implementation, with most client investment objectives focused on preservation of principal and maintenance of adequate liquidity to fund ongoing operations. Selecting investments with limited credit risk and matching short and long-term maturity purchases to client-based cash needs primarily manage risk of realized loss. Most investments are cash equivalent or fixed income/fixed maturity that are held to maturity.

Depending upon investment and strategy selection, each client may risk loss of principal or anticipated earnings due to issuer default or adverse market movement.

Valley View most often offers advice on: money market instruments, certificates of deposit and other financial institution deposits, municipal securities, mutual fund shares, United States government securities, repurchase agreements, and local government investment pools. Valley View’s issuer analysis includes fundamental, cyclical, and client-based cash flow needs. Information sources include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, regulatory filings, and other financial information sources.

Credit Risk – Most government entities specifically manage and restrict the exposure to credit risk. Assuming large amounts of credit risk is inconsistent with the main objectives to “primarily emphasize safety of principal and liquidity.” All issuers contain incremental credit risk, although the markets believe certain ones have little to no real credit risk (e.g U.S. government securities). Generally, legislation does allow specific securities with true credit risk, but restricts that risk based on measurements of nationally recognized credit rating agencies.

Credit risk considerations extend beyond the investment securities that are selected to be included in the organization’s portfolio. Properly collateralized deposits or repurchase agreements, secured in accordance with the investment policy, and federal banking regulations essentially reduce the inherent credit risk of the financial institution. Regular review of collateral values and financial institution strength ensures that any exposure remains minimal.

Prior to investment, accurate identification of the individual issuer’s risk profile or the local government investment pool/mutual fund’s investment criteria, and analysis of the historical risk/return relationship determines if the client will potentially receive adequate return for any increased risk. Although minimum credit rating requirements may apply, it is important to drill down further into the investment



policies and strategies of available pools/funds to ensure that their policies are congruent with those of the client.

Market/Opportunity Risk - The restriction of most credit risks focuses portfolio management on controlling market risk and opportunity risk. Working with the yield curve, issuer yield spreads, and cash flow requirements manages these two risks.

Appropriate yield curve positioning, with limited interest rate cycle timing, provides the yield enhancement. Our services include the research and analysis necessary to assist the client in formulating strategy recommendations. Cash flow predictability creates the baseline for investment strategy development. Keeping current-use funds in expenditure-related maturities or liquid alternatives, while positioning stable and longer range funds further out the yield curve, provides overall portfolio enhancement.

For government entities, the higher yield-advantage of extended maturities most safely manifests itself in increased interest earnings (not speculative gains). Historically, fixed income yields, over time and through a variety of market conditions, generate higher yields as maturities lengthen.

Disciplinary Information

Valley View attempts to comply with all registration requirements and has not experienced any legal or disciplinary event that is material to a client's evaluation of its advisory business or to the integrity of its management personnel.

Other Financial Industry Activities and Affiliations

Valley View is not affiliated with any other financial institution and no related person is a general partner in any partnership in which clients are solicited to invest. There are no registrations current or pending for either the firm or its management personnel to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person to the forgoing entities.

Valley View team members individually hold positions with the University of North Texas and Estrada Hinojosa & Company, Inc. (see attached resumes). Estrada Hinojosa (a registered broker-dealer and adviser firm) provides similar investment adviser services to its financial advisory clients. No client transactions are conducted with Estrada Hinojosa.

Any and all investment advice and security transactions are separately handled and are not subject to any commingling or front loading. Except as described above, Valley View is not compensated by any investment provider or investment manager.

Valley View is actively engaged in business other than giving investment advice, and anticipates spending less than 50% of its resources pursuing and providing non-investment services. Other activities include, but are not limited to: bank service analysis and provider selection, cash and



investment management policies and procedures creation and revision, government entity investment continuing education, and other finance-related services.

Code of Ethics, Participation or Interest in Client Transactions and Personal

Valley View maintains a Code of Ethics that is available upon request to its clients. The Code is designed to prevent client-based conflicts of interest and attempts to comply with applicable laws and regulations. As a firm, it does not participate in, nor have an interest in, investments it may or may not recommend to clients or resulting client transactions. However, the team members are allowed to purchase similar investments for his or her personal account and related accounts. The team member is not allowed to commingle or execute in front of client transactions.

To further reduce any conflict of interest, individual Valley View team members primarily invest in “non-reportable securities.”

Brokerage Practices

Specific client consent is required to determine the investments to be bought or sold, the amount of the investments to be bought or sold, the broker-dealer or financial institution to be used, or the commission rates to be paid (where applicable). In most cases, the client authorizes and annually re-approves a broker-dealer list. Valley View may assist clients in selecting broker-dealers based on public funds experience, compliance with client investment policies, competitive pricing, and responsiveness to client needs. Valley View does receive “general” market research from investment providers, however no products, services, or soft dollar benefits are provided to Valley View. Eligible securities are usually sold by each broker-dealer “as principal” without additional commissions. Multiple client transactions are not aggregated as each client has specific needs and settlement requirements. Given the common investment options, not aggregating generally does not result in higher commissions or costs.

Review of Accounts

At relationship initiation, Valley View reviews each client’s investment policy, eligible investment products, current investment practices, cash flow requirements, recent investment reports, authorized broker-dealer and investment provider lists, and other pertinent documentation. Investment maturities, significant cash inflows and/or outflows, bond issuance, quarter end, fiscal year end, major market movements, and other factors trigger periodic reviews. Ongoing reviews include current portfolio, projected cash flows, investment policy requirements, investment strategy targets, market conditions, and other considerations.

As Chief Investment Officer, Mr. Long performs the investment supervisory function and reviews all accounts. Ms. Anderson, Mr. Koch, and Mr. Ross assist in all aspects of client service as registered investment adviser representatives.

Client reports include, but are not limited to:

- Individual transaction information (at time of transaction).
- Broker-dealer trade and financial institution deposit confirmations and activity reports sent directly to the client.



- Safekeeping agent/custodian clearance receipts and holdings reports sent directly to the client.
- Written portfolio reports, prepared as per each client's investment policy and contract terms (usually quarterly).

Fixed income security "Fair Value" is provided by client-specific safekeeping agents/custodians, by generally available bid prices, or determined by reviewing generally available offering prices and decreasing the price by an appropriate bid/offer spread.

Client Referrals and Other Compensation

Valley View does not have any arrangements where it receives cash or other economic benefit from a non-client in connection with giving advice to clients. Nor does Valley View provide cash or other economic benefit to persons or clients for client referrals.

Custody

Valley View does not have custody of client funds.

Investment Discretion

Valley View does not have investment discretion over client funds. Any and all investment advice and security transactions are separately handled and are not subject to any commingling or front loading.

Voting Client Securities

Valley View does not vote client proxies. Each client's safekeeping agent/custodian is responsible to communicating any and all proxy events.

Financial Information

Valley View does not have discretion over investment transactions, custody of client funds, nor does Valley View require payment of more than \$1,200 in fees per client, six or more months in advance. Audited financial statements are not available.



Résumés

Richard G. Long, Jr.

- Manager, Valley View Consulting, L.L.C.
- Chief Investment Officer, Estrada Hinojosa & Company, Inc.
- Investment industry since 1981
- Started First Southwest Company's public funds investment efforts in 1988
- Started Ambac Investment Management, Inc.'s Texas investment efforts in 1996
- Founded Valley View Consulting, L.L.C and registered with the SEC as an investment advisory firm

Mr. Long's background includes extensive Texas-public entity investment management (he is currently responsible for approximately \$2 billion of public funds). He has been actively involved in government entity investment legislation; investment policies and strategies; cash flow-based investment portfolios; eligible investment options; appropriate asset allocations; investment transaction settlement and safekeeping procedures; bank service agreements; and arbitrage rebate regulation.

Mr. Long founded Valley View Consulting, L.L.C., in the fall of 1998 and became registered with the Securities and Exchange Commission as an investment advisor firm effective January 1999. At his previous employers (First Southwest Company and Ambac Investment Management, Inc.) he established and managed their Texas investment management efforts. In his previous capacities with MBank Capital Markets and First RepublicBank, Mr. Long originated corporate, asset backed and tax-exempt securities, managed a government trading operation, and distributed both public and private securities.

Mr. Long also currently serves on a part-time basis as Chief Investment Officer for Estrada Hinojosa & Company, Inc., a registered broker-dealer and investment adviser firm.

Mr. Long earned a Bachelor of Science, Business Administration degree in Finance from Colorado State University and a Masters of Business Administration degree from the University of Dallas. Mr. Long has served on numerous Municipal Securities Rulemaking Board Arbitration panels and presented information to multiple investment management organizations including GFOAT, GTOT, TAC, CTA, TASBO, TASB, and TML.



Susan K. Anderson

- Registered Investment Adviser Representative, Valley View Consulting
- Chief Executive Officer, Anderson Financial Management, L.L.C.
- Investing Public Funds since 1981
- Former City of Austin Treasurer & Investment Officer
- Served as Chief Investment Officer for State of Texas
- Investment Manager, The PFM Group for 9 years
- Founded Anderson Financial Management, L.L.C. in 2008

Ms. Anderson has extensive public fund experience, beginning in 1971 with her first government position at the City of Austin. Ms. Anderson served the City in the Financial Services Division for over twenty-five years. The last twenty years were specifically dedicated to the management of the investment, debt and cash resources of the City. As Treasurer of the City of Austin, she was responsible for the \$1.5 billion investment portfolio, the \$3.3 billion debt portfolio and all cash management programs, including collections and bank relations. Additional relevant responsibilities included serving as liaison to all three of the City's pension programs and as Trustee on the City of Austin Firemen's Relief and Retirement Fund, and Board Member of the City of Austin Deferred Compensation Fund. Investment strategies developed for City funds, pension funds and deferred compensation funds spanned the entire spectrum of public-eligible investment products, including fixed income, equity and international funds.

Following her retirement from the City of Austin, she served as Chief Investment Officer for the State of Texas where she was responsible for the management of \$35 billion of combined operating, endowment and trust funds. After her public service, she joined the national financial and investment advisory firm, The PFM Group, where she continued to develop her knowledge of public fund investment. The stint at PFM allowed Ms. Anderson to be exposed to a myriad of government clients with unique needs and requirements and to hone her skills to identify problems and find the appropriate solutions for her clients.

Ms. Anderson earned a Bachelor of Science, Business Administration degree in Finance from St. Edward's University. She is a Certified Cash Manager and a registered investment advisor representative.

Ms. Anderson founded Anderson Financial Management, L.L.C. in 2008 and has partnered with Valley View to bring her expertise to the Valley View team.

Ms. Anderson also currently serves on a part-time basis as an investment advisor representative for Estrada Hinojosa & Company, Inc., a registered broker-dealer and investment adviser firm.



William J. Koch

- Registered Investment Adviser Representative, Valley View Consulting
- President, Avalon Financial Services
- Public-sector consulting since 1990
- Over forty years financial management experience
- Founded Avalon Financial Services in 1996

Mr. Koch is a capable and versatile financial professional with extensive management and operational credentials that include a strong background in accounting, cash management, treasury, and information systems. He has broad industry experience with both publicly traded and privately held firms, including international market activities, and public sector organizations. His career has included management positions with Fortune magazine ranked firms in which he was responsible for accounting and financial reporting, treasury, and information services.

Since 1990, Mr. Koch has been a management consultant providing specialized financial services primarily to public sector organizations, including municipalities, school districts, colleges, hospital districts, and regional transportation authorities. With proven financial expertise, solidly versed in statutes and legal requirements, and extensive knowledge of banking systems and services, he has a unique blend of capabilities to offer his clients.

Mr. Koch is a registered investment adviser representative.

Formerly a partner with a regional consulting group, Mr. Koch founded Avalon Financial Services in 1996 and serves as its president. Mr. Koch is a graduate of Texas A&M University.

Mr. Koch also currently serves on a part-time basis as an investment advisor representative for Estrada Hinojosa & Company, Inc., a registered broker-dealer and investment adviser firm.



Thomas H. Ross

- Registered Investment Adviser Representative, Valley View Consulting
- Recently retired City of Bedford, Texas Director of Administrative Services
- Over seventeen years public-sector experience
- Lengthy corporate finance and accounting career
- Former United States Air Force Captain

Mr. Ross has a background in financial operations and information technology management, including seventeen years in the public sector, and most recently completed fourteen years of service with the City of Bedford, Texas, retiring as Director of Administrative Services. Joining the team in February 2010, Mr. Ross brings a broad and unique client operations perspective to the areas of cash management, governmental accounting, banking relations, management reporting, portfolio management, and general financial analysis, all of which impact the successful execution of a client's investment program.

Mr. Ross is a member of the Government Finance Officers Association of Texas (GFOAT), where he earned the designation of Certified Government Finance Officer (CGFO), and the Government Treasurer's Organization of Texas (GTOT).

Mr. Ross is a registered investment adviser representative.

Mr. Ross is a graduate of Texas A&M University with a Bachelor of Business Administration degree in Management.

Through Valley View, Mr. Ross also provides limited client services for Estrada Hinojosa & Company, Inc., a registered broker-dealer and investment adviser firm.



Legislation Details (With Text)

File #: 12-1078 **Version:** 1 **Name:** Broker/Dealers List
Type: Agenda Item **Status:** Agenda Ready
File created: 9/10/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**

Title: Consider a resolution of the City Council of the City of Sachse, approving Authorized Broker/Dealers for the City of Sachse; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

Sachse is best served by Broker/Dealers that adhere to the spirit and philosophy of Sachse's Investment Policy and who avoid recommending or suggesting transactions outside that "Standard of Care". Evaluation criteria include: adherence to policies and strategies; competitive transaction pricing; responsiveness to requests for services and information; and understanding of the inherent fiduciary responsibility of investing public funds.

The following firms are recommended:

- Cantor Fitzgerald - Primary Dealer
- Coastal Securities - Secondary Dealer
- Raymond James/Morgan Keegan - Secondary Dealer
- Rice Financial Products - Secondary Dealer
- UBS - Primary Dealer

Sponsors:

Indexes:

Code sections:

- Attachments:** [Broker Dealer Presentation 10-1-12.pdf](#)
[Broker Dealers Letter 10-1-12.pdf](#)
[Broker Dealers Resolution Exhibit A 10-1-12.pdf](#)
[Broker Dealers Resolution unsigned 10-1-2012.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Consider a resolution of the City Council of the City of Sachse, approving Authorized Broker/Dealers for the City of Sachse; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

Sachse is best served by Broker/Dealers that adhere to the spirit and philosophy of Sachse's Investment Policy and who avoid recommending or suggesting transactions outside that "Standard of Care". Evaluation criteria include: adherence to policies and strategies; competitive transaction pricing; responsiveness to requests for services and information; and understanding of the inherent fiduciary responsibility of investing public funds.

The following firms are recommended:

Cantor Fitzgerald - Primary Dealer
Coastal Securities - Secondary Dealer
Raymond James/Morgan Keegan - Secondary Dealer
Rice Financial Products - Secondary Dealer
UBS - Primary Dealer

Background

The Public Funds Investment Act (PFIA) and the City of Sachse Investment Policy states that a list of approved security Broker/Dealers authorized to provide investment services to the City must be approved by the City Council at least annually. Other than a name change for one of the secondary dealers (Morgan Keegan) there are no additions to or deletions from the list as previously approved in November, 2011.

Policy Considerations

The recommended Broker/Dealers are in compliance with the PFIA and City policy.

Budgetary Considerations

None

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, approving Authorized Broker/Dealers for the City of Sachse; providing a repealing clause; providing a severability clause; and providing for an effective date as a Consent Agenda Item.

City of Sachse



Approval of Broker Dealer List

October 1, 2012

Firms

- Cantor Fitzgerald-Primary Dealer
- Coastal Securities-Secondary Dealer
- Raymond James/Morgan Keegan-Secondary Dealer
- Rice Financial Products-Secondary Dealer
- UBS-Primary Dealer



August 5, 2012

To: Jeri Rainey

Fr: Dick Long

Re: Authorized Broker Dealer List

SACHSE is best served by Broker/Dealers that adhere to the spirit and philosophy of SACHSE's Investment Policy and who avoid recommending or suggesting transactions outside that "Standard of Care". Suggested evaluation criteria include:

- A. Adherence to the policies and strategies;
- B. Competitive transaction pricing;
- C. Responsiveness to requests for services and information; and
- D. Understanding of the inherent fiduciary responsibility of investing public funds.

To meet the requirements of the Policy and fulfill the suggested criteria, the following firms are recommended:

Firm

| | |
|-----------------------------|--------------------|
| Cantor Fitzgerald | • Primary Dealer |
| Coastal Securities | • Secondary Dealer |
| Raymond James/Morgan Keegan | • Secondary Dealer |
| Rice Financial Products | • Secondary Dealer |
| UBS | • Primary Dealer |

Approval of these firms fulfills the requirements of the Act and Investment Policy. If and when SACHSE purchases investment securities, multiple firms will be solicited to provide their best security and price that meets the investment strategy. The most advantageous security will be selected and authorized for purchase. Transaction settlement will be "delivery versus payment" whereas SACHSE funds remain with the depository bank until the security is presented for payment. Only after the security has been verified will funds be transferred to the broker/dealer. At all times SACHSE either has its funds or investment security.

City of Sachse
Sachse Economic Development Corporation
President George Bush Turnpike Reinvestment Zone Tax Increment Fund

Authorized Broker Dealer List

Cantor Fitzgerald – Primary Dealer

Coastal Securities – Secondary Dealer

Raymond James/Morgan Keegan – Secondary Dealer

Rice Financial Products – Secondary Dealer

UBS – Primary Dealer

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, APPROVING AUTHORIZED BROKER/DEALERS FOR THE CITY OF SACHSE; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, it is the policy of the City of Sachse to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of and conforming to the Public Funds Investment Act (“PFIA”), Chapter 2256 of the Texas Government Code, the City’s Investment Policy, and all other state and local statutes governing the investment of public funds; and

WHEREAS, the PFIA and the City’s Investment Policy provide for the purchase of certain permitted securities as an authorized investment; and

WHEREAS, the purchase of securities may only be transacted with Broker/Dealers that meet the requirements of the PFIA and the City’s Investment Policy, and have been approved annually by the City Council; and

WHEREAS, selection of qualified, capable, efficient, and responsive Broker/Dealers is an important consideration in the purchase of securities; and

WHEREAS, the PFIA requires the City to annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City; and

WHEREAS, the City Council desires to approve the “Broker/Dealers” as herein provided.

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

SECTION 1. The authorized Broker/Dealers listed in Exhibit “A” are hereby approved.

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

SECTION 3. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution, which shall remain in full force and effect.

SECTION 4. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the _____ day of _____, 2012.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary



Legislation Details (With Text)

File #: 12-1128 **Version:** 1 **Name:** Proclamation recognizing the Pleasant Valley United Methodist Church Sesquicentennial Day.

Type: Agenda Item **Status:** Agenda Ready

File created: 9/21/2012 **In control:** City Council

On agenda: 10/1/2012 **Final action:**

Title: Proclamation recognizing the Pleasant Valley United Methodist Church Sesquicentennial Day.

Executive Summary
The Pleasant Valley United Methodist Church celebrates their sesquicentennial on October 7, 2012, and this proclamation recognizes that achievement.

Sponsors:

Indexes:

Code sections:

Attachments: [Proc.PVUMC.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Proclamation recognizing the Pleasant Valley United Methodist Church Sesquicentennial Day.

Executive Summary

The Pleasant Valley United Methodist Church celebrates their sesquicentennial on October 7, 2012, and this proclamation recognizes that achievement.

Background

Pastor Phil Mercer and Ginger Nichols of the Pleasant Valley United Methodist Church will be here to receive the proclamation, noting their church's 150 years of service. Please see attached proclamation.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Mayor Felix present the Proclamation recognizing the Pleasant Valley United Methodist Church Sesquicentennial Day.

Proclamation

WHEREAS, as early as 1852, neighbors began gathering to worship God in the Pleasant Valley community at the junction of Pleasant Valley Road and the Long Branch of Muddy Creek, in what is now Sachse;

WHEREAS, in 1862 the Methodist Church was chartered with the Methodist Episcopal South Conference; in 1872 Elizabeth Maxwell donated three acres of land for a church, originally called the Arbor Church, which served as a meeting place for various denominations, including the Methodists, situated on the site that is now part of the Pleasant Valley Cemetery;

WHEREAS, in 1884 Dr. and Mrs. J.H. Armstrong donated one-half acre of land upon which the Pleasant Valley Methodist Episcopal Church was built, which later became the Pleasant Valley Methodist Church, and finally Pleasant Valley United Methodist Church, as Methodism evolved;

WHEREAS, generous benefactors have supported the church with gifts of land over the years – in 1961 Nell Williamson donated three-quarters of an acre in memory of her parents who had lived on the site for many years; and in 2009 Jack McLain and Carla McClain donated one-half acre of land where the old Pleasant Valley Store used to stand;

WHEREAS, in 2011 the Eastern Extension of the President George Bush Turnpike opened, placing the historic church at the crossroads of change in northeastern Dallas County;

WHEREAS, over the years, Pleasant Valley United Methodist Church has reached out to its community by providing food, school supplies, clothing and Christmas gifts to area children and families in need;

WHEREAS, Pleasant Valley United Methodist Church celebrates its heritage while looking to the future, called to make disciples for Jesus Christ to transform the world;

NOW, THEREFORE, I, Mike Felix, Mayor of Sachse, do hereby proclaim October 7, 2012, as

PLEASANT VALLEY UNITED METHODIST CHURCH OF SACHSE SESQUICENTENNIAL DAY

in honor of 150 years of serving God and bringing the good news of Jesus Christ to our community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed this the 1st day of October, 2012.



Mike Felix
Mayor



Legislation Details (With Text)

File #: 12-1127 **Version:** 1 **Name:** Proclamation declaring October, 2012, as Breast Cancer Awareness month.
Type: Agenda Item **Status:** Agenda Ready
File created: 9/21/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**
Title: Proclamation declaring October, 2012, as Breast Cancer Awareness month.

Executive Summary
Members of the American Cancer Society will be in attendance to receive the proclamation.

Sponsors:

Indexes:

Code sections:

Attachments: [Proc. Breast Cancer Awareness.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Proclamation declaring October, 2012, as Breast Cancer Awareness month.

Executive Summary

Members of the American Cancer Society will be in attendance to receive the proclamation.

Background

Martha Wolf and representatives of the American Cancer Society will be here to receive the proclamation.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Mayor Felix present the proclamation declaring October, 2012, as Breast Cancer Awareness month.

PROCLAMATION

WHEREAS, An estimated 12,120 Texas women will be diagnosed with breast cancer in 2012, and about 2,480 women will die of the disease. Nationally, breast cancer is the most common form of cancer in women; and

WHEREAS, Research shows that breast cancer mortality could be reduced by at least 30 percent if women followed recommended breast cancer screening guidelines; and

WHEREAS, All women have a chance of developing breast cancer. Women 50 or older are the most likely to develop breast cancer. African American women are the most likely to die of breast cancer than any other group of women. Getting a mammogram and breast exam only once is not enough. The American Cancer Society recommends that women get a mammogram and clinical breast exam every year beginning at age 40; and

WHEREAS, A woman has the greatest chance of successful treatment if breast cancer is found at an early stage. Early detection practices are part of a good breast health routine. A good breast health routine includes a yearly mammogram, clinical breast examination and monthly breast self-examination.

NOW, THEREFORE, by the powers vested in me as Mayor of the great City of Sachse, Texas, I do hereby proclaim

October, 2012 as "Breast Cancer Awareness Month"

and urge all women to become aware that they are at risk and to discuss a screening program with their health care providers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed this the 1st day of October, 2012.



Mike Felix
Mayor



Legislation Details (With Text)

File #: 12-1129 **Version:** 1 **Name:** Administer Oath of Office to newly appointed Charter Review Commission Members.

Type: Agenda Item **Status:** Agenda Ready

File created: 9/21/2012 **In control:** City Council

On agenda: 10/1/2012 **Final action:**

Title: Administer Oath of Office to newly appointed Charter Review Commission Members.

Executive Summary

The Charter Review Commission Members were appointed at the September 17, 2012 Council meeting and need to take the oath to assume their office.

Sponsors:

Indexes:

Code sections:

Attachments: [Charter Review Commission membership.pdf](#)
[Oath.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Administer Oath of Office to newly appointed Charter Review Commission Members.

Executive Summary

The Charter Review Commission Members were appointed at the September 17, 2012 Council meeting and need to take the oath to assume their office.

Background

On September 17, 2012, The Council appointed the Charter Review Commission. Tonight the members will take the oath of office. After all the members take the Oath, next step will be an organizational meeting of the Commission. Please see attached Commission membership list and oath form.

Policy Considerations

None.

Budgetary Considerations

None.

Staff Recommendations

Mayor Felix administer the Oath of Office to newly appointed Charter Review Commission Members.

Charter Review Commission

| <u>MEMBERS</u> | <u>TITLE</u> | <u>Contact Info</u> | <u>MEMBERS</u> | <u>TITLE</u> | <u>Contact Info</u> |
|---|--------------|-------------------------------------|---|--------------|--------------------------------------|
| Patsy Covington 6702 Eastview Dr. Sachse, TX 75048 | | 214-202-2842(W) 972-475-2752(H) | Charles Smith 1901 Ponderosa Sachse, TX 75048 | | 972-495-0933(H) 972-414-5050 (W) |
| Cullen King 7515 High Point Dr. Sachse, TX 75048 | | 800-932-6993(W) 972-672-0320(H) | Keith Allen 6210 Laurel Crest Sachse, TX 75048 | | 214-406-6200(W) 972-429-7802 (H) |
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In the name and by the authority of

THE STATE OF TEXAS

OATH OF OFFICE

I, Charles Smith do solemnly swear, that I will faithfully execute the duties of the office of the Charter Review Commission Member, of the City of Sachse, State of Texas, and will, to the best of my ability preserve, protect and defend the Constitution and laws of the United States and of this State, so help me God.

X

Affiant

SWORN TO and subscribed before me by affiant on the ____ day of October, 2012.

Signature of person administering oath

Printed Name

Title



Legislation Details (With Text)

| | | | | | |
|----------------------|-------------|----------------------|---|----------------------|-------------------|
| File #: | 12-1117 | Version: | 1 | Name: | LARC Presentation |
| Type: | Agenda Item | Status: | | Status: | Agenda Ready |
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| On agenda: | 10/1/2012 | Final action: | | Final action: | |

Title: A presentation by and discussion with Leisure and Recreation Concepts (LARC) regarding a Feasibility Study and Master Plan for an Entertainment and Recreation Venue.

Executive Summary

Leisure and Recreation Concepts (LARC) will be presenting their findings on a feasibility study and proposing a Master Plan for an entertainment and recreation venue that was unanimously approved by the Sachse Economic Development Corporation.

Sponsors:

Indexes:

Code sections:

Attachments: [LARCFeasibilityStudyFinal](#)
[SachseSportsStation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

A presentation by and discussion with Leisure and Recreation Concepts (LARC) regarding a Feasibility Study and Master Plan for an Entertainment and Recreation Venue.

Executive Summary

Leisure and Recreation Concepts (LARC) will be presenting their findings on a feasibility study and proposing a Master Plan for an entertainment and recreation venue that was unanimously approved by the Sachse Economic Development Corporation.

Background

The Sachse Economic Development Corporation (SEDC) entered into a contract with Leisure and Recreation Concepts (LARC) for the feasibility study and Master Plan for an entertainment and recreation venue as a main attraction for the City of Sachse.

Policy Considerations

Leisure and Recreation Concepts (LARC) will present their findings of the feasibility study and present a conceptual master plan for the entertainment and recreation venue.

Budgetary Considerations

To date, only the cost of consulting services with LARC paid for by the Sachse Economic Development Corporation.

Staff Recommendations

The Sachse Economic Development Corporation Board unanimously approved the feasibility study and master plan for the entertainment and recreation venue and made a recommendation to move forward to the City Council for receiving the plan.



Prepared by:
Leisure and Recreation Concepts, Inc
2151 Fort Worth Avenue
Dallas, Texas 75211
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feasibility study

FOR A PROPOSED SPORTS AND
ENTERTAINMENT COMPLEX IN
SACHSE, TEXAS

Prepared for:

Sachse Economic Development Corporation

Project No. 1078

September 2012

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Section I

Introduction

Leisure and Recreation Concepts, Inc. (LARC) was engaged by the City of Sachse, to conduct an economic feasibility study for a sports and entertainment complex to be located in Sachse. The purpose of this attraction would be to increase the number of entertainment opportunities in the area related to sports and fitness. This local attraction is unique because it combines various entertainment elements to offer an incomparable concept in the market area. The proposed complex will also provide the type of interactive and entertaining experiences for a relatively low cost.

With these objectives in mind, Leisure and Recreation Concepts, Inc. has prepared this analysis of the economic feasibility of the entertainment complex and determined potential levels of attendance for such a facility in the Sachse area in 2014. Based upon this, design criteria are established and financial projections prepared, utilizing assumptions derived from established industry criteria.

Following this Introduction are the detailed findings of this report. Section II presents the major findings and conclusions established in this study. In Section III, an overview of the entertainment attraction

and sports attraction industry is presented. Section IV provides an overview for the project location, and in Section V, the concept for the project will be described. Section VI will document in detail the available markets for the project. Section VII will present the market demand analysis, including all attendance parameters. Section VIII documents the facility requirements for the project. Section IX will analyze the financial aspects of the development of the sports and entertainment complex.

WHO IS LARC?

In 1970, LARC's president and founder, Michael A. Jenkins, sought to create a company, unique to the entertainment and tourism industries, that could provide a turnkey solution to every aspect of project development. Since that time, LARC has been at the entertainment consulting forefront, as demonstrated by a long list of clients and projects in 40 countries.

LARC is one of the most established entertainment consulting and management firms in the industry. Regardless of the type of project and whether it requires economic analysis, concept planning or design, LARC provides a valuable service by addressing the fundamentals.

- What is the market and the visitor profile?
- What concept will best fit the development?
- Will the facility be self-sustaining and succeed in the marketplace?
- How should the facility be financed and operated?

- How will the development be of the best benefit to the community?
- Will there be a return on the investment?

LARC is divided into six main departments: research, design, management, construction, rides and equipment, and tourism development.

Each project receives the personal attention and detail required to make it successful. The core of the LARC team is comprised of professionals who collectively bring over 250 years of experience in the industry to each project.

No other firm within the entertainment consulting industry offers the complete turnkey approach LARC brings to every project. From initial economic and market analysis through concept design, financing, construction and management, all projects are granted the expertise necessary to bring a vision to fruition.

Section II

Executive Summary

This segment of the report presents an abstract of the results of the research, statistics and analysis contained in the body of the report and introduces LARC's basic conclusions and recommendations based on this data. The supporting documentation and analysis used in developing the conclusions are shown in considerable detail in subsequent sections of the report.

BASIC CONCLUSIONS

1. Entertainment attractions have become a major force in the leisure industry in the United States. Large, multi-million dollar facilities now serve most

major metropolitan areas as well as many tourist destination markets. In recent years, regional theme parks or specialty parks (water theme parks, sports facilities and family entertainment centers) have also been successfully developed in markets with less available population.

2. The available market for this project, defined as those living within a 24-mile market area of Sachse, available to the project in 2014, is forecast to be 3,445,000 persons.
3. The marketplace for the proposed project does contain other leisure

facilities, but none of the type and scope anticipated for this project. The existing facilities and events within and around Sachse will be complementary to the planned project in that they also promote family entertainment within the market area. The attraction, in diversifying Sachse's entertainment offerings and creating a brand, should serve to stimulate local spending. Areas with several different types of attractions that appeal to a wide market tend to draw more people than those regions where recreational activities are less diverse.

4. To ensure penetration of this market, the project must strive for as large an initial impact as possible. The image and word-of-mouth opinion of the attraction among the members of its market during its initial operating period will greatly influence the degree of subsequent success obtainable. The initial development of the attraction incorporating major new concepts and operating philosophies developed by entertainment industry leaders is critical to its ultimate success.
5. One of the biggest challenges outdoor attractions can face is uncooperative weather. Cold days result in lower attendance. It is recommended that events be created in the milder shoulder seasons to compensate for less traffic on colder days.
6. The concept of the proposed sports and entertainment complex for Sachse combines multiple concepts with broad appeal.
7. LARC believes that, if built to high standards as planned, developed as a

family entertainment complex, adequately capitalized, developed with the parameters of the warranted supportable investment level and maintained and operated by a professional operating group, the proposed project should be financially viable. If these factors are combined with adequate resident and tourist market size, excellent location and creative concepts, conditions will be advantageous for development.

Based on the primary assumption that the proposed project will be developed as a high quality family entertainment complex with imaginative design, outstanding implementation, proper capitalization, and professional management and operation, LARC has developed an economic profile to assess the feasibility of the project. The findings of this report are summarized as follows:

MARKET

The total available market for the entertainment complex has been estimated to be 3,445,000 persons during the first year of operation, anticipated to be 2014, including residents of the 24-mile market area.

Table II-1 Total Available Market

| Market Segment | 2014 | 2018 |
|-------------------------------|------------------|------------------|
| 0 to 8-mile market | 492,000 | 496,000 |
| 9 to 16-mile market | 1,531,000 | 1,580,000 |
| 17 to 24-mile market | 1,422,000 | 1,486,000 |
| Total Available Market | 3,445,000 | 3,562,000 |

Source: ESRI; United States Census Bureau; City of Sachse

A market of this size is considered to be more than adequate to support the

entertainment facility proposed. Table II-1 presents the available market by segment in its first and fifth year of operation.

ATTENDANCE

Total attendance at the entertainment complex in the first operating year is projected to be approximately 261,000 persons. Attendance is projected to increase annually, reaching approximately 291,000 persons in the fifth year of operation. The total cumulative attendance during the first five full years of operation is anticipated to be approximately 1,378,000 persons, an average of 275,600 a year for the first five operating years.

Attendance in the first operating year, assumed to be 2014, represents a 7.6% penetration of the total market, 23.6% of the 0 to 8-mile market, 8.3% of the 9 to 16-mile market, and 1.3% of the 17 to 24-mile market. Total market penetration is projected to increase to 8.2% in 2018. Table II-2 presents attendance by market segment for the first and fifth operating years. See Section VII for more detail.

Table II-2

Attendance Forecast for Years One and Five

| Market Segment | 2014 | 2018 |
|----------------------|---------|---------|
| 0 to 8-mile market | 116,000 | 119,000 |
| 9 to 16-mile market | 127,000 | 146,000 |
| 17 to 24-mile market | 18,000 | 26,000 |
| Total Attendance | 261,000 | 291,000 |
| % Increase | - | 11.5% |

Source: LARC

SEASONALITY AND OPERATING HOURS

The entertainment complex is projected to operate 12 months out of the year, estimating 360 days in the first operating year, 2014. June through October are forecast to be the peak months of operation, each with 10% (26,100 persons in 2014) of the total annual attendance expected to visit during this month. On a weekly basis, weekend days are each expected to account for about 1.5 times the number of visitors expected on an average weekday. The anticipated "design day" (an average weekend day during a peak month) is projected to be approximately 1,240 persons.

CAPACITY REQUIREMENTS

Based on the projected design day attendance of 1,240 persons, probable arrival and departure patterns, and projected demand levels, it is estimated that the entertainment complex should be designed to initially provide an hourly activity, game or attraction capacity of 372 units per hour. An entertainment unit is one activity, attraction, show or other element in which a guest may participate. Estimated length of visitor stay is 2.5 hours. See Section VIII for more detail.

VISITOR SPENDING

Visitor spending is projected to be \$10.52 per capita during the first full year's operation. Of total expenditures, the usage fees is expected to account for an estimated \$7.64 including a 5% discount factor for promotion and coupons. This figure assumes a pay-for-play activity charge of \$9.95 for adults, \$4.95 for children, and \$3.95 for groups of 15 or more. The

remaining overall per capita expenditures, as they apply to all guests, include \$2.38 per capita for merchandise expenditures and miscellaneous expenditures of \$0.50. The total per capita visitor expenditure is expected to increase annually, reaching \$11.20 per person in the fifth operating year.

OPERATING REVENUE

Gross operating revenues are anticipated to be \$2,776,000 during the first year--assuming the estimated attendance levels are achieved. Gross revenues are expected to increase annually, reaching approximately \$3,289,000 in the fifth year of operation. Total cumulative gross revenues for the first five years of operation are expected to be approximately \$15,179,000. Table II-3 presents operating revenues by category for the first and fifth operating years.

Table II-3

Total Operating Revenue by Category

| Category | 2014 | 2018 |
|------------------------|--------------------|--------------------|
| Usage Fees | \$1,994,000 | \$2,334,000 |
| Merchandise | 621,000 | 764,000 |
| Miscellaneous | 131,000 | 161,000 |
| Special Events/Rentals | 30,000 | 30,000 |
| Total Revenue | \$2,776,000 | \$3,289,000 |

Source: LARC

OPERATING EXPENSES

Cost of goods sold and operating expenses, exclusive of depreciation, debt service, and income taxes, are projected to be \$1,841,000 during the first operating year. Cost of goods sold and operating expenses are expected to be \$2,310,000 in the fifth year of operation. The following tables present cost of goods sold and operating expenses

for the first and fifth operating years.

Table II-4

Projected Operating Expenses

| Cost of Goods Sold | 2014 | 2018 |
|---------------------------------|--------------------|--------------------|
| Merchandise | \$155,000 | \$191,000 |
| Miscellaneous | 20,000 | 24,000 |
| Total Cost of Goods Sold | \$175,000 | \$215,000 |
| Cost of Goods Sold | | |
| Payroll & Related | \$933,000 | \$1,178,000 |
| Advertising & Promotion | 233,000 | 295,000 |
| Maintenance & Repairs | 117,000 | 142,000 |
| Operating Supplies | 83,000 | 101,000 |
| Insurance | 70,000 | 86,000 |
| Utilities | 138,000 | 168,000 |
| Miscellaneous | 92,000 | 125,000 |
| Total Operating Expense | \$1,666,000 | \$2,095,000 |
| Total Expenses | \$1,841,000 | \$2,310,000 |

Source: LARC

EBITDA FROM OPERATIONS

Financial projections for the entertainment complex produce positive EBITDA for each of the first five operating years. EBITDA are projected to be \$935,000 in the first operating year. EBITDA increases over the five-year planning period to a level of \$979,000 in the fifth year. Adjusted EBITDA, which includes \$200,000 in capital improvements during the five years, are projected to total \$935,000 in 2014, and \$879,000 in 2018. Total cumulative adjusted EBITDA is projected to be \$4,636,000 during the five-year planning period. Table II-5 presents this information.

Table II-5
Projected Operating Earnings

| Category | 2014 | 2018 |
|----------------------------|-------------|-------------|
| Total Revenue | \$2,776,000 | \$3,289,000 |
| Less: CGS | 175,000 | 215,000 |
| Gross Margin | \$2,601,000 | \$3,074,000 |
| Less: Op Expense | 1,666,000 | 2,095,000 |
| Earnings | \$935,000 | \$979,000 |
| As a % of Revenue | 33.7% | 29.8% |
| (Capital Improvements) | 0 | -100,000 |
| Net Earnings | \$935,000 | \$879,000 |

Source: LARC

BREAK-EVEN ANALYSIS

The revenue at the break-even point in the first operating year is projected to be \$1,334,000, or 48.1% of the total revenue projected for the facility. These projections are exclusive of depreciation, debt service, and income taxes and are based on 75% of operating expenses being fixed once the project opens.

NET WARRANTED INVESTMENT

Based on a projected principal payback to the investor of between five and seven years, the net warranted investment in the entertainment complex is between \$4,835,000 and \$6,769,000. The calculation is based on five-year average EBITDA of \$967,000, exclusive of sponsorship revenue and capital improvements.

Section III

Industry Overview

Throughout North America, the amusement industry is an integral segment of leisure activities, particularly in vacation destinations. Consumer spending on leisure facilities is expected to increase only slightly in 2013, based on an improving U.S. economy and increased promotional programs. According to the Themed Entertainment Association and AECOM, most of the top theme parks worldwide saw a decline in 2009 due in part to decreased spending and decreased long-distance travel. For the most part, however, leisure facilities serving more of a regional, day visitor audience or those that offer a unique experience in a marketplace with

minimal competition fare better than those that rely to a larger degree on overnight travelers and on significant influx of visitors to maintain revenues, such as Disney World. Total theme park attendance for the top 25 global parks was 185.4 million in 2009, down 0.3% from 2008 levels. Total visits to the top 20 parks in North America in 2009 was 123.5 million, a decline of 1.3% from 2008 figures. Since 2005, attendance at the top 20 theme parks in North America has increased by 2.6%. The total attendance of just the top 20 North American theme parks is equivalent to almost one quarter of the North American population. Attending

leisure facilities, thus, has become an integral part of the modern American's way of life.

While there is no true definition of "theme park," it is generally accepted to include any major recreational facility creating a total environment by its theatrical use of a theme or themes often based on history, legend or folklore. This concept provides a direction for the architectural style and treatment of buildings and structures. Rides and attractions can be redesigned or given cosmetic treatment to fit the specific theme. Proper execution of the theme in the use of signs, graphics, color and costuming reinforces the general ambience desired.

The amusement and commercial attraction industry is an entrenched, family-fun activity that has been rapidly improving the quality and variety of entertainment offered. In a period when rising costs are a greater concern, inflation has added to the favorable cost spread between commercial attractions and other leisure-time activities. Thus, presentation of an entertaining experience with broad consumer appeal, at competitive prices, suggests continued growth for the commercial leisure attraction industry.

SPORTS COMPLEX VARIATIONS

Unlike major theme parks, which must typically draw their markets from great distances and generate an annual attendance of over one million, entertainment complexes have been successful in local marketplaces. Relatively lower capital costs, a variety of entertainment experiences and highly competitive rates have contributed to the rapid growth of the industry.

Supporting Facilities

Depending on physical site characteristics and the nature and size of the target market, a wide range of additional activities are added to extend visitor lengths of stay and, most importantly, per capita expenditures. Such facilities include, but are not limited to:

- Exercise Trails,
- Franchise Operation, and
- Picnic areas.

Visitor Services

Generally, entertainment complexes include the following visitor services:

- Food and beverage outlets (in-park fast food concessions and/or cafeteria/ restaurants);
- Landscaped picnic areas - normally located outside the park itself;
- Merchandise shop - selling hats, suntan lotion, T-shirts, souvenirs, etc.;
- Lockers and changing rooms; and,
- Parking.

The amusement and commercial attraction industry is an entrenched, family-fun activity that has been rapidly improving the quality and variety of entertainment offered. In a period when rising costs are a greater consumer concern, inflation has added to the favorable cost spread between commercial attractions and other leisure-time activities. Thus, presentation of an entertaining experience with broad consumer appeal, at competitive prices, suggests continued growth for the commercial leisure attraction industry.

There are a number of reasons for new entries into the leisure industry. Some of the factors that have contributed to the success of better projects are listed as follows.

1. Quality attractions that are well-maintained do not depreciate in value or experience obsolescence as do assets in manufacturing industries.
2. Attractions, shows, exhibits and rides are not subject to the same degree of competition that occurs in many industries.
3. With more free time available, leisure activities are no longer luxuries, but an integral part of daily life.
4. A higher standard of living and better transportation have expanded the prime markets for leisure attractions. Increased attendance results in greater utilization of facilities, adding to a project's earning potential.
5. Many established attractions are not able to capitalize upon market growth due to their inability to expand.
6. With over 100 years of public support of commercial leisure activities--attractions, rides, games, shows, exhibits, etc.--it is reasonable to assume long-term revenue and earnings growth for well-run projects.
7. Leisure facilities that are first in an area with sufficient land, access and quality facilities have distinct advantages. The cost of entries into a market continues to rise with inflation. The cost of capital, plus the increased investment required for subsequent projects, results in higher break-even attendance and reduces near-

term financial prospects. A second project opening in a typical market reduces the attendance potential for both attractions, but more so for the latter entry because it must establish a separate identity within the marketplace.

Trampoline Parks

An emerging franchise in youth sports activity are trampoline parks. During the past year, new facilities opened in Houston, Frisco and Allen. Encompassing upward of 20,000 ft² the new sports option is becoming popular amongst fitness enthusiasts.

The concept started in 2004 with a Las Vegas-based company and has quickly spread across the country. One company, Sky Zone, has expanded into 12 states and has plans in four more states this year.

Typically, the parks offer classes in fitness, martial arts, yoga and Pilates within their programming.

Michael Johnson Sports Center

In operation for five years, Michael Johnson's performance sports facility specializes in the training of both professional and amateur athletes. The concept of the facility is to focus on the improvement of athletes in specific disciplines. Trainers focus on movements with specific training for the selected sport.

The facility constantly evolves as instructors incorporate new techniques to improve on performance. Corporate partners, such as Oregon-based Nike Inc., are supporting the new concept with the latest in equipment.

This McKinney facility has been experiencing 30% growth over the past three years. The organization intends to expand locally and globally.

Sports related injuries has athletes seeking training that will help to avoid early injuries which can stop a career before it starts. Even though Michael Johnson states that he knows most young athletes who train in his facility will never play professionally, they still want to be the best they can be and avoid injuries.

The benefits of organized youth sports ultimately instills the benefits of leading a healthier and more active life style.

DFW Adventure Park

A group of friends who sought an alternative to active outdoor sports developed the original concept for this extreme theme park. A group from the original 100 decided to open the park as a “fun” business venture.

Almost 20 years later the park is still growing. With the addition of the latest in extreme activities, such as zip lines and airsoft games, patrons have a reason to frequently return. The original activities in the park include trails, ATV tracks and paintball fields.

Spanning 170 acres, DFW Adventure Park is also home to two of the largest “mud runs” in the country. The events bring visitors to Roanoke who would never have traveled to the area and generate increased local tax revenues.

ENTERTAINMENT COMPLEX TRENDS

It is anticipated that themed attractions of the future will most likely offer more interactive experiences and more areas that can be operated on a year-round basis. From a design standpoint, there are some new trends that are increasing in interest and drawing crowds:

- **Themeing** - more use of themes incorporated into all aspects of the design of the facility to create a unique identity or brand.
- **Teenage Experiences** - the most ignored potential of themed attractions has been the teen market. New facilities may include rock climbing, zip lines and surf areas to appeal to the teen market.
- **Extreme and Adventure Sports** – allowing for a wide range of activities, extreme sports has continued to grow in the entertainment attraction industry. Activities include zip lines, rock climbing and airsoft games.
- **More revenue generators** - other revenue generators are beginning to appear in even the smallest of facilities, such as: arcades, specialty/healthier food items, participatory or interactive activities and branded merchandise.
- **Customer Savvy** – confronting difficult economic conditions, yet still seeking quality family entertainment, the majority of customers spending on the entertainment dollar have become very careful bargain hunters. These customers then share their deals and secret bargains with others. Time is no longer more important than money.

High value experiences have fared well over those that are merely costly, high quality with little value for time over money. Customer service is now expected, as are discounts and promotions.

- **Reviews and Opinions** – customer reviews and shared experiences have become vital in sustaining an attraction's popularity. With the advent of blogs, even stay at home moms have become an integral part in the deciding factor of family experiences. Those families who are seeking resort entertainment base their decision on the positive or negative feedback of other consumers in similar market segments.
- **Being Green** – an increasing number of consumers have become green conscious and are aware of businesses who have become environmentally protective. Consumers have even become selective about the types of businesses and establishments who incorporate green practices and offer organic, healthy alternatives in dining.

Section IV

Site Analysis

Multiple factors relating to the location of the project site will tend to influence the ability of the proposed sports and entertainment complex to generate attendance. These include site-specific characteristics, climatic conditions, the economic health of the region, and the presence of existing competitive and complementary entertainment facilities in the market area. To fully comprehend the locational context of the project site, it is necessary to examine the local region as a center for leisure activities and to take into consideration proposed future developments in the area.

SITE CHARACTERISTICS

The most significant characteristics of the potential site of an entertainment development are its proximity to the identified resident market segments, accessibility and visibility (generally, along a major roadway), topographical and soil characteristics, available infrastructure and utilities, and the cost involved in obtaining the property.

While a specific location for the project has not yet been selected, there are certain criteria to follow for choosing an adequate

site for planning purposes and economic benefits, which are as follows:

1. The location should be on or near a major motor way or established development.
2. The site must be easily accessible from all entrances and exits. If the entertainment complex is planned to be part of a larger development, ease of access is integral to its success not only as an attraction but as a special event or meeting destination.
3. It is beneficial to select a location with significant infrastructure in place.
4. The site and surrounding area should be large enough for current and future planning purposes.
5. The proximity to the center of town, the main thoroughfares which lead to Sachse and residential neighborhoods will easily service residents in the near-in market segments. Access to major roadways will increase the project's penetration of each resident market segment.
6. The sports and entertainment complex should be located in an area in which the surrounding attractions or facilities are not competitive in nature, but complementary to the concept.
7. There is plenty of land available on the site for future phases and expansion.
8. It is recommended that parking should be strategically positioned out of view from passersby, which serves to ensure that visitors will not be swayed from entering the project on a busy day.

CLIMATE

Annual climatic conditions for the Dallas area are presented in Table IV-1. The spring and summer months provide warm temperatures and sunny days for outdoor recreation opportunities. The Dallas area does experience cold winters mixed with snow and hot, humid summers. According to the NOAA, the average annual temperature is 65.4°F.

Table IV-1 Meteorological Factors for Dallas*

| Annual | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|------|------|------|------|------|------|------|------|------|------|------|------|
| Average Maximum Temperature (°F) | | | | | | | | | | | | |
| 76.3 | 54.1 | 58.9 | 67.8 | 76.3 | 82.9 | 91.9 | 96.5 | 96.2 | 87.8 | 78.5 | 66.8 | 57.5 |
| Average Minimum Temperature | | | | | | | | | | | | |
| 54.6 | 32.7 | 36.9 | 45.6 | 54.7 | 62.6 | 70 | 74.1 | 73.6 | 66.9 | 55.8 | 45.4 | 36.3 |
| Total Snowfall (inches) | | | | | | | | | | | | |
| 2.5 | 1.1 | 0.9 | 0.2 | 0.05 | 0 | 0 | 0 | 0 | 0 | 0.05 | 0.1 | 0.2 |
| Total Precipitation (inches) | | | | | | | | | | | | |
| 33.7 | 1.8 | 2.2 | 2.8 | 3.5 | 4.9 | 3.0 | 2.3 | 2.2 | 3.4 | 3.5 | 2.3 | 1.8 |

*Closest city with available climate data

Source: National Oceanic and Atmospheric Administration

Rainfall in the Dallas area totals 33.7 inches annually and snowfall totals 2.5 inches. May is the wettest month with an average of almost 5 inches of rain and the most snowfall occurs in the month of January.

BRANDING SACHSE

What is a *brand*? The term “brand” has become popular in describing successful marketing efforts. A brand, however, can mean many different things when examining public perception. Years ago a brand was associated with a brand name. Today it is widely used to determine the identity of a destination. A *brand* is created through successful marketing efforts. It is our belief that an attraction or destination is more successful when a brand is created; it also assists in anchoring marketing efforts.

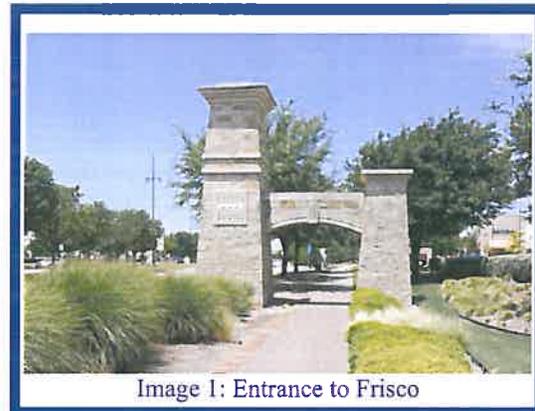
As we apply the reasoning behind *branding*, it is important to state that currently Sachse does not have a strong *brand* association at this time. The caboose located on Hwy 78 bearing the Sachse logo implies the railroad has had a history in the area but the absence of the historic depot that was torn down weakens the message. The Sachse Chamber of Commerce embraced the railroad history of Sachse by tagging their logo with “*Stop by and Come Aboard.*” Neighboring communities such as Garland have established names such as Firewheel, assisting in their brand image. Wylie boasts a downtown/main street area and Rowlett has built an image around lake access. Sachse faces more of a challenge in creating an identity.

The survey conducted by LARC, presented in Section VI revealed that most citizens of Sachse are diverse in their description of Sachse. Many of the words used were

flattering, such as, hidden jewel, peaceful, homey, pleasant and safe. Other descriptions, however, included boring, fractured, underdeveloped, and stagnant. These negative perceptions could be improved through *branding*.

Frisco

Nearby Frisco, for example, created an overall *brand* for their community through the structures that mark their entrances. The structures offer not only a *brand* for the town, but a logo and a tag line on which to build a marketing and promotion campaign: *Frisco Bridges*.



Frisco is also creating a *brand* through the placement of outdoor sculptures and landscape. The beautification of a city is also a form of *branding*. Sign ordinances have obviously been adopted by the city of Frisco, as it is visible in the uniform low placement of all business signs. This type of control over businesses helps the governing bodies of a community manage business corridors that, unmanaged, would become littered with visual eyesores.

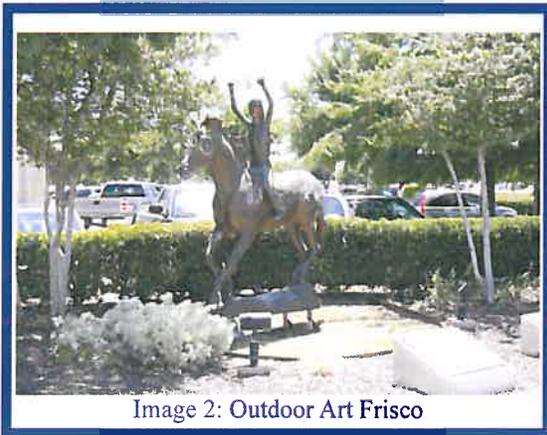


Image 2: Outdoor Art Frisco



Image 5: Wylie Park Entrance

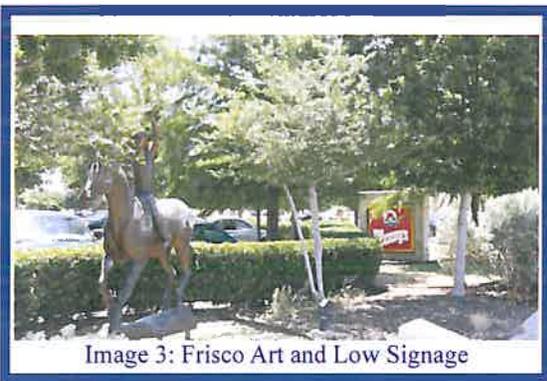


Image 3: Frisco Art and Low Signage

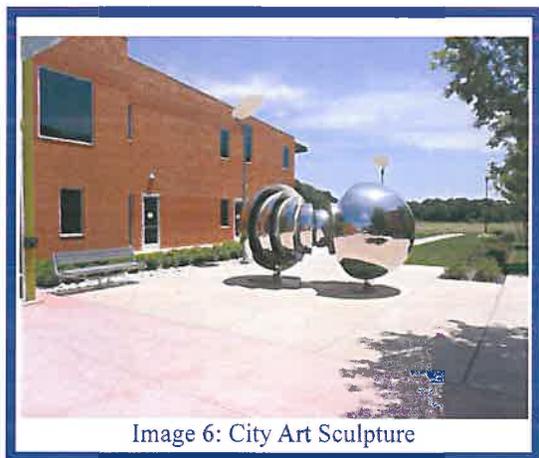


Image 6: City Art Sculpture

Wylie

The entrance to Wylie's downtown area is a public park. Benches in the park have been marked with a "W" creating a symbol by which Wylie can build an image. The letter also serves as a reminder to area residents that Wylie has an identity.



Image 4: Wylie Logo on Park Bench

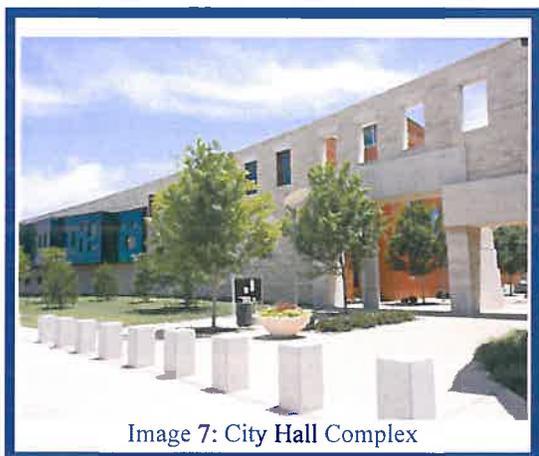


Image 7: City Hall Complex

SPORTS AND ENTERTAINMENT COMPLEX

Sachse, Texas

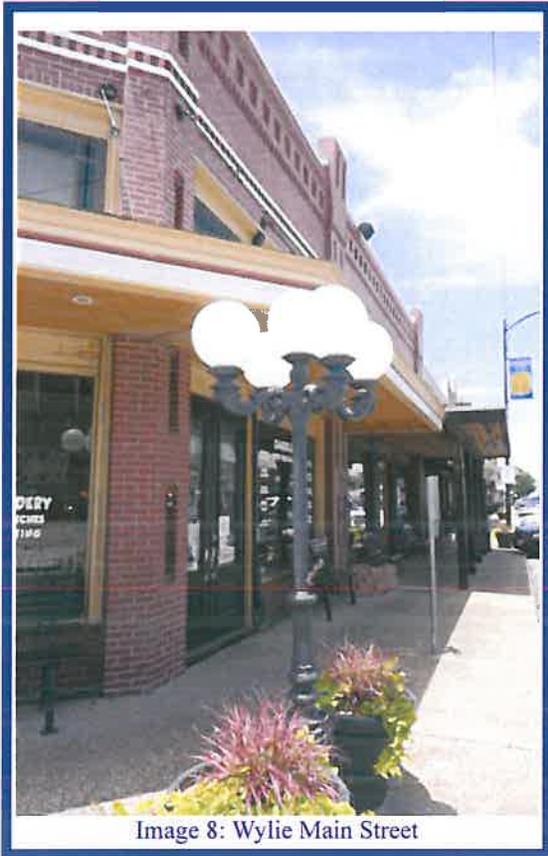


Image 8: Wylie Main Street

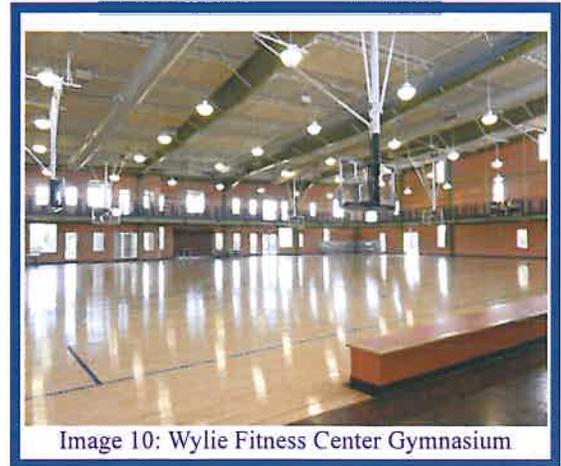


Image 10: Wylie Fitness Center Gymnasium

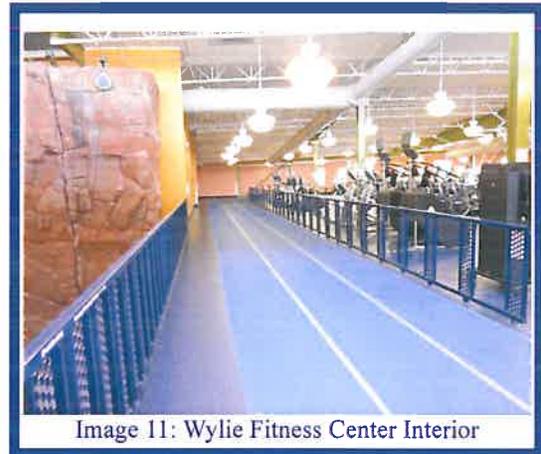


Image 11: Wylie Fitness Center Interior



Image 9: Wylie Park Pavilion

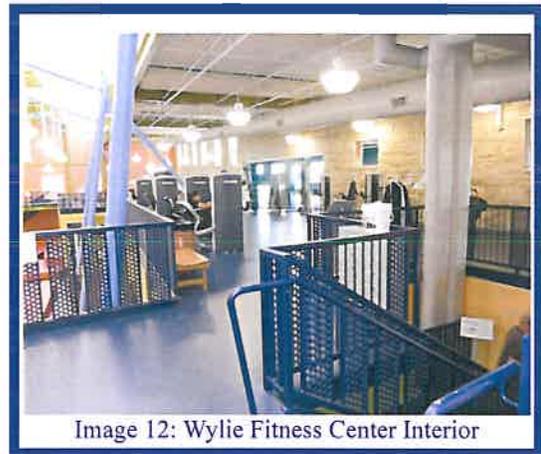


Image 12: Wylie Fitness Center Interior

Sachse

Internal *branding* for a community is also about a sense of place. According to the results garnered from the survey, citizens of Sachse expressed a desire to stay within their community, most likely after a week of commuting. Where does a citizen of Sachse currently go to feel a sense of place? One citizen expressed to LARC staff that the Kroger grocery store was the place most Sachse citizens visit.

Once the Sachse sports complex is under construction, plans for marketing the facility to residents and visitors should already be in place. The concept of a sports image for Sachse has great potential. Various ideas for potential *branding / naming* opportunities are as follows:

- **Sachse Sports Town**
- **Sachse Main Street Sports**
- **Sachse Sports Crossing**
- **Sachse Sport Stop**
- **Sachse Sport Depot**

Drawing on Sachse's history with the railroad and the current logo of Sachse, the new sports complex has an opportunity to combine the past and the future.



Image 13: Sachse Entrance Signage

Community Benefits of a Sports Facility

Sports/fitness and culture development are fundamental to the development of a community. Sports and cultural events offer places for people to congregate, find common interests and share an identity. Fostering this type of growth allows youth the chance to enhance their understanding of the world, while developing new skills and knowledge. There is more community pride, which improves the quality of life.

Culture and sports work in many ways to help build cohesive, empowered and active communities. Ensuring that people are given the opportunity to enjoy sport and exercise is a crucial part of safeguarding and enhancing healthy living. Issues such as child obesity highlight the need for public spaces that can offer areas for regular exercise.

City spaces for sports and cultural development also make a significant economic contribution to communities. According to a report from *Work Foundation*, sport related activity accounts for more than 9.8 billion of the United Kingdom's economy.

Research at the Institute for the Study of Youth Sports at Michigan State University found that young people who play sports actually do better in school and have enhanced social skills. Playing sports can help prevent drug and alcohol abuse, and children who play sports are less likely to start smoking, and, if they do smoke, are more likely to quit.

Research on the benefits of sports for girls has been particularly optimistic. The President's Council on Physical Fitness and Sports reports that athletically active girls

develop increased self-esteem, confidence, and have a healthier body image than girls who don't take part in sports. They are also more likely to finish high school and college. The Women's Sports Foundation reported girls who participate in sports are less likely to become pregnant as teenagers and are less likely to suffer from depression. Health officials have also reported a decrease in the development of breast cancer and osteoporosis because of athletic activity.

Other, less tangible, benefits for youth participating in organized sports include: lessons in handling conflict; learning leadership roles; managing time; embracing diversity; and, improved relationships with adults.

Section V

Project Concept

Several essential features of a sports and entertainment complex, such as is planned for Sachse, should distinguish it from area entertainment attractions. Through careful research and planning, the preliminary project concept for the proposed entertainment complex has been determined. The foremost goals in the development of the concept and planning for the facility are to meet market demand and remain within the budgetary limitations to be established at the onset of planning. Through careful consideration of the characteristics of the market area, the attraction will achieve the delicate balance between adequate investment and required return.

The objective of the Sachse sports and entertainment complex is to provide a unique entertainment opportunity to residents of the Sachse area. The project is expected to capitalize on entertaining and unique experiences that enhance the guest's stay and are related to sports and outdoor activities. In addition, facilities will be available for special events or parties.

The various components of the sports complex will provide a relatively inexpensive outing for the family. Active participation of visitors will be emphasized

in the design, and attractions will be included to ensure this aspect of the facility. It is envisioned that the facility will be upscale and attractive to all market segments. This mixture of leisure and sports activities will be a draw to a family seeking a unique entertainment experience in the Sachse area.

From a practical standpoint, the concept of the sports and entertainment complex should be broad enough to permit the designer maximum latitude in developing unique subject matter for thematic adaptation. Obviously, it also should make the visitor feel he is being offered something not available elsewhere.

The development of the entertainment attraction in Sachse should achieve the valuable objective of creating an additional reason for residents to spend leisure time and money within the community. With careful planning, marketing and an efficient operating system, the proposed facility should make a significant contribution toward increasing visitation to the area, raising the self-esteem of the local populace and promoting economic growth within the region. Differing from leisure facilities offered elsewhere, the proposed entertainment complex will lead, rather than follow, leisure trends in the area, while providing a unique and innovative facility in which Sachse and area residents can take pride.

CONCEPT TO MEET THE MARKET NEEDS

The characteristics of the market area are detailed more fully in Section VI. The primary conclusions of the analysis, as it pertains to the concept, are:

- A substantial market resides within a 24-mile area, the defined resident market area of the attraction.
- The residents in the 24-mile market area have above average household incomes.
- While there are attractions that offer similar experiences, direct competition with the proposed sports and entertainment complex does not currently exist in the Sachse market area. Developments could arise, however, from a number of avenues.
- There are other family-oriented entertainment attractions within the area which would complement the proposed attraction.

With these factors in mind, general conclusions for the concept of the Sachse sports and entertainment complex have been established. These are:

1. The facility will be family-oriented, with a wide variety of attractions and experiences for the entire family to enjoy together;
2. The facility will offer unique, interactive experiences not found elsewhere in the market area, or even in surrounding cities;
3. Individual attractions will be based on the uniqueness of the area and will be authentic in nature;
4. Participatory activities, for both children and parents, will be utilized throughout the facility;

5. Safety, cleanliness, and friendliness will be practiced by all facility employees;
 6. Activities at the facility will be reasonably priced to encourage early trial and acceptance; and,
 7. Unlike ride-centric theme parks, which must typically draw their markets from great distances and generate an annual attendance of over one million, unique local attractions have been successful in local smaller market areas. Relatively lower capital costs, a variety of entertainment experiences and highly competitive usage fees have contributed to the rapid growth of the industry.
- Garland has latched on to the identity of the Firewheel development.
 - An historic main street in Wylie lends its citizens a close, down-home community aspect.

The Sachse sports complex design will feature a main street based on different types of sports. Property surrounding the “main street” will be master planned into the sites of each type of sport. As presented in Section IV, a specific site should be selected so the process of master planning is based on one specific, carefully selected site. Although basic, conceptual plans can be developed, it is more cost effective for Sachse if the Master Plan is site-specific.

The Sports Complex Concept

With the completion of the George Bush Turnpike, Sachse is well positioned to increase area visibility and focus on attracting visitors. After reviewing the assets of neighboring municipalities and evaluating survey results from local citizens, LARC has determined the development of a sports facility would prove beneficial to the Sachse community.

The main street design to the complex will provide a city center for Sachse. The marketing of the facility can be developed around a brand. Further development of that brand will offer citizens of Sachse a sense of place.

Incorporating unique components into the design of the facility will help to better market the concept and, most importantly, build on a city center for the residents of Sachse.

Recommended names for the complex are detailed more in Section III. Input from a marketing firm should be solicited before final branding is decided.

Most communities enjoy some type of city center that assists in the identity of a community. For example:

- Addison has erected an art sculpture that brands their city center.
- Frisco constructed a new main street.

Section VI

Market Analysis

Potential attendance at any type of attraction is the function of several factors, including market size and characteristics, competition, propensity to spend on entertainment, and local attitudes toward attractions. Market characteristics to be considered include the size, economic well-being and distribution of the available markets, and the number of similar types of attractions in the market. Of equal importance is the scope and quality of the proposed project. While all these factors interrelate, it is obvious that a larger, more affluent market normally offers the greatest potential support for an attraction. However, smaller niche markets,

particularly when related to unique attractions or experiences, should not be discounted or ignored.

RESIDENT MARKET

The resident market is generally very important to attendance results at mixed-use entertainment attractions, such as the one proposed with a sports theme for Sachse. Within the leisure industry, however, the impact of this market varies accordingly to the nature of the facility and its location. For example, recent surveys indicate that water parks generally attract from 50-90% of their total attendance from

within 50 miles of the park site. Industry data for outdoor dramas reveals that approximately 25% of total attendance comes from within 100 miles of the theater site, the remainder of the attendance coming from beyond this distance. Major theme parks normally attract approximately 65% of total attendance from within 150 miles, or roughly a three-hour drive of the site, depending on the population of the near-in market area and population density in the outlying areas. On the other hand, other parks and attractions located in highly popular tourist destinations (such as Central Florida, Southern California, and other coastal regions such as Myrtle Beach, South Carolina) attract greater than 50% of total attendance from beyond 150 miles of the site. These facilities are promoted on a regional and national basis.

The propensity to visit attractions normally decreases as the distance between the residence and the site increases. As a result, analysis of the resident market begins with segmenting, by driving distance and time, areas from the proposed site for further analysis. The total resident market population for this analysis has been defined as those persons living within 24 miles of the proposed project. These persons would not stay overnight in Sachse when visiting the project, since they should be able to travel from their residence to the project and return home within the same day. Over time, it is anticipated that some of the residents of the outer market segments will include a visit to the sports complex during their stay.

Resident Market Analysis

The permanent resident market population has been divided, as noted, into the following three segments defined by

distance (and time) from the site: 0 to 8 miles (within 10 minutes), 9 to 16 miles (10 minutes to 20 minutes) and 17 to 24 miles (20 minutes to 30 minutes). The data is analyzed in this manner because the relationship between drive time or distance from an attraction and the achievable penetration rate and resultant attendance is well documented. The populations for these market segments are listed in the following table. The current estimate of the permanent resident population in each segment, as provided by ESRI and the U.S. Census Bureau, was projected as follows for 2010:

Table VI-1
Population of Resident Market Segments in 2010

| Segment | Location | Drive time | Population |
|-----------|----------------|------------------|------------|
| Primary | 0 to 8 miles | under 10 minutes | 445,146 |
| Secondary | 9 to 16 miles | 10 to 20 mins | 1,383,234 |
| Tertiary | 17 to 24 miles | 20 to 30 mins | 1,244,412 |
| Total | 0 to 24 miles | 30 minutes | 3,072,792 |

Source: United States Census Bureau; ESRI

Resident Market Characteristics

Examination of the demographic characteristics and trends relating to the resident population provides insight into the viability and the potential of the local marketplace to contribute its support to the proposed project.

Population Growth

Between 2000 and 2010, the population increases in the two furthest market segments were above the annual U.S. average of 1.0%, while the near-in resident market was slightly below. The tertiary

market demonstrated the largest increase of 1.15% during the decade. The annual growth rate of the total resident market between 2010 and 2015 is anticipated also to be slightly higher than the United States average of 0.76%.

The following table demonstrates the historical and anticipated growth of the resident market segments from 2000 to 2010.

Table VI-2 Historical and Projected Resident Market Population

| Year | 0 to 8 | 9 to 16 | 17 to 24 | Total |
|------------------|---------|-----------|-----------|-----------|
| 2015 | 488,654 | 1,495,529 | 1,376,489 | 3,360,672 |
| 2010 | 445,146 | 1,383,234 | 1,244,412 | 3,072,792 |
| 2000 | 353,976 | 1,156,135 | 941,208 | 2,451,319 |
| CAGR (2010-2015) | 1.88% | 1.57% | 2.04% | 1.81% |
| CAGR (2000-2010) | 2.32% | 1.81% | 2.83% | 2.29% |
| CAGR (2000-2015) | 2.17% | 1.73% | 2.57% | 2.13% |

Source: ESRI; United States Census Bureau

Population in the overall resident market is projected to increase by 8.6% between 2010 and 2015. This annual rate of growth (1.8%) is greater than the national growth (0.76%) during this same period. The 0 to 8-mile resident market is projected to have an annual growth of 1.8% between 2010 and 2015, the 9 to 16-mile resident market is projected to have a lower annual growth rate of 1.5%, whereas the 17 to 24-mile resident market is projected to have the highest annual growth of 2.0%.

Households

Within the United States, demographers have been observing the fact that for several years the number of households in the United States has been increasing at a much more rapid rate than the population has increased. This trend is supported by

several factors relating to household formation. Americans have been marrying at a later age, but this is the same age group of young adults that has continued to form independent households, either as singles or with other non-married persons. One result has been a rapid increase in the number of households without the parallel increase in population.

This trend is also apparent in the resident market area, albeit to a lesser degree in more recent years. The number of households has been increasing at a higher rate than that of the population in the primary resident market, which correlates with the national patterns during this time. Although this trend was greatest between 1980 and 1990, it is continuing, to a lesser degree, in recent years.

Table VI-3 Historical and Projected Households

| Year | 0 to 8 | 9 to 16 | 17 to 24 | Total |
|------------------|---------|---------|----------|-----------|
| 2015 | 164,586 | 575,263 | 476,981 | 1,216,830 |
| 2010 | 149,889 | 536,082 | 422,881 | 1,108,852 |
| 2000 | 119,208 | 461,992 | 323,011 | 904,211 |
| CAGR (2010-2015) | 1.89% | 1.42% | 2.44% | 1.88% |
| CAGR (2000-2010) | 2.32% | 1.50% | 2.73% | 2.06% |
| CAGR (2000-2015) | 2.17% | 1.47% | 2.63% | 2.00% |

Source: ESRI; United States Census Bureau

Between 2010 and 2015, households in each of the resident market segments are projected to continue to increase. As detailed in Table VI-3, households in the 0 to 8-mile market segment are projected to increase by 9.8% from 2010 to 2015. This increase is higher than the increase projected for the population (8.6%) of this market segment during the same period of time. This pattern is also evident in the

other resident market segments as well, to roughly the same degree.

A second characteristic of households that impacts available discretionary income is the number of persons per household. As the number of persons per household decreases, the available household discretionary income may increase. Households with fewer persons tend to have more discretionary income to spend on activities such as dining out, travel, entertainment and recreation.

Household size has remained the same in the 0 to 8-mile mark but increased in the 9 to 16-mile market and the 17 to 24-mile market areas. From 2000 to 2010, the estimated increase in the furthest resident market was from 2.84 to 2.88, and the 9 to 16-mile market area increased to 2.56. The increases in household size are not consistent with national trends. Household sizes are further detailed in Table VI-4.

Age

In evaluating the suitability of a market for a sports complex, the age distribution of the resident population is a very important consideration. The market areas must have a sustainable number of persons in the age categories that tend to visit themed attractions. In this study area, the majority of the permanent resident population was below the age of 45 in 2010. This group constituted 66.0%, 67.1%, and 69.8% of the total resident populations of the 0 to 8, 9 to 16 and 17 to 24-mile market segments, respectively. A younger population is more apt to visit themed entertainment attractions than older age categories.

Table VI-4 Average Household Size

| Year | 0 to 8 | 9 to 16 | 17 to 24 |
|------|--------|---------|----------|
| 2015 | 2.95 | 2.58 | 2.89 |
| 2010 | 2.95 | 2.56 | 2.88 |
| 2000 | 2.95 | 2.48 | 2.84 |

Source: ESRI; United States Census Bureau

**Table VI-5
Age Distribution of Market Area Population
in 2010**

| Age | 0 to 8 | 9 to 16 | 17 to 24 |
|--------------|--------|---------|----------|
| 0 to 4 | 8.1% | 7.9% | 8.7% |
| 5 to 9 | 7.9% | 7.4% | 8.1% |
| 10 to 14 | 7.6% | 7.0% | 7.3% |
| 15 to 19 | 7.2% | 6.6% | 7.1% |
| 20 to 24 | 6.0% | 7.2% | 7.2% |
| 25 to 34 | 14.2% | 15.5% | 16.1% |
| 35 to 44 | 15.0% | 15.5% | 15.3% |
| 45 to 54 | 15.2% | 14.8% | 13.7% |
| 55 to 64 | 10.4% | 9.6% | 8.8% |
| 65 to 74 | 5.1% | 4.8% | 4.4% |
| 75 to 84 | 2.0% | 2.6% | 2.3% |
| 85 and older | 0.9% | 1.2% | 1.0% |

Source: United States Census Bureau; ESRI

The population under 45 years is of importance to attractions in general. Statistics published by the International Association of Amusement Parks and Attractions indicate that, on average, over 80% of the persons attending theme parks and entertainment attractions in the United States with attendance over 975,000 guests are 45 years of age or younger. While the proposed sports entertainment complex in Sachse is projected to have a lower

attendance level, the statistic does still offer insight on the age of visitors to entertainment attractions.

Table VI-6
Average Age Distribution of Those Visiting
Themed Attractions in the United States

| Age Group | Percentage of Visitors |
|-------------|------------------------|
| Under 11 | 20.80% |
| 12 to 18 | 22.30% |
| 19 to 24 | 15.20% |
| 25 to 44 | 29.10% |
| 45 to 55 | 7.00% |
| 56 and over | 5.60% |

Source: Amusement Facility Operations Survey; IAAPA

Thus, a large portion of the resident market is within the age categories that have been observed to heavily attend themed entertainment attractions. This project will have appeal to the family market, in particular, within these age groups. This is indicative of the importance of wholesome family entertainment sought by many.

Table VI-7 also presents the percent of adults who visited a themed attraction by gender and age groups as published in the periodical *American Demographics*. As detailed in the table, the majority of men and

**Table VI-7 Percent of Adults Who
Visit Themed Attractions**

| Age Group | Men | Women |
|-------------|-----|-------|
| 18 to 24 | 35% | 40% |
| 25 to 34 | 32% | 37% |
| 35 to 44 | 31% | 37% |
| 45 to 54 | 24% | 25% |
| 55 to 64 | 15% | 15% |
| 65 and over | 10% | 8% |

Source: Mediamark Research, Inc.

women who attended a themed attraction were between the ages of 18 to 24 years.

Income

Income levels and household income trends in the resident market are important indicators of the ability of a market segment to contribute significantly to the support of an attraction. Based on data from ESRI and the United States Census Bureau, income (per capita and household) increased substantially during the period from 2000 to 2010, as shown in Table VI-8.

The near-in resident market has a lower income level than the other two market segments, however, the levels are projected to continue to increase into 2015.

Table VI-8 Income Characteristics of the Resident Market

| Type | Year | 0 to 8 | 9 to 16 | 17 to 24 |
|-------------------|-------------|-----------------|-----------------|-----------------|
| Per Capita | 2010 | \$30,249 | \$37,074 | \$28,146 |
| | 2000 | \$23,454 | \$30,423 | \$20,995 |
| | Change | 28.97% | 21.86% | 34.06% |
| | CAGR | 2.58% | 2.00% | 2.97% |
| Average Household | 2010 | \$89,631 | \$95,638 | \$81,946 |
| | 2000 | \$68,942 | \$75,577 | \$60,077 |
| | Change | 30.01% | 26.54% | 36.40% |
| | CAGR | 2.66% | 2.38% | 3.15% |
| Median Household | 2010 | \$74,493 | \$68,256 | \$28,146 |
| | 2000 | \$57,780 | \$51,611 | \$20,995 |
| | Change | 28.93% | 32.25% | 34.06% |
| | CAGR | 2.57% | 2.83% | 2.97% |

Source: ESRI; U.S. Census Bureau

In addition to the income figures presented in Table VI-8, the distribution of households within income ranges can have an effect on the discretionary spending ability of the population. The next table presents the distribution of households by total household income in 2000 and 2010. During this decade, in each resident market

segment, households earning less than \$35,000 annually decreased, while the households in the resident markets earning more than \$75,000 increased between 2000 and 2010. As households move into higher income categories, they tend to have more discretionary income for things such as entertainment.

Table VI-9 Distribution of Households by Total Household Income

| Category | 0 to 8 | | 9 to 16 | | 17 to 24 | |
|------------------------|--------|------|---------|------|----------|------|
| | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 |
| Under \$15,000 | 7% | 4% | 10% | 6% | 15% | 10% |
| \$15,000 to \$24,999 | 8% | 4% | 10% | 6% | 12% | 7% |
| \$25,000 to \$34,999 | 11% | 6% | 12% | 8% | 13% | 9% |
| \$35,000 to \$49,999 | 16% | 15% | 16% | 15% | 16% | 16% |
| \$50,000 to \$74,999 | 24% | 21% | 19% | 19% | 19% | 19% |
| \$75,000 to \$99,999 | 16% | 19% | 12% | 14% | 10% | 14% |
| \$100,000 to \$149,999 | 12% | 20% | 11% | 18% | 9% | 15% |
| \$150,000 and Over | 6% | 11% | 10% | 14% | 6% | 10% |

Source: CACI Marketing Systems; U.S. Census Bureau

TOTAL AVAILABLE MARKET

Based upon anticipated growth patterns of the resident markets, estimates of the total available market in 2014 for the proposed sports complex have been prepared. Data from ESRI, United States Census Bureau, and the City of Sachse indicates the total available market for the attraction in its initial operating year is projected to be 3,445,000. Table VI-10 shows annual growth in each market for the first five operating years. In estimating the future growth of the resident market, LARC utilized historical and projected growth rates and did not consider other planned entertainment attractions in the city. Overall, there will be a 3.4% increase in the total available market.

Table VI-10 Total Available Market

| Market Segment | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| 0 to 8 mile Resident | 492,000 | 493,000 | 494,000 | 495,000 | 496,000 |
| 9 to 16 mile Resident | 1,531,000 | 1,543,000 | 1,555,000 | 1,567,000 | 1,580,000 |
| 17 to 24 mile Resident | 1,422,000 | 1,438,000 | 1,454,000 | 1,470,000 | 1,486,000 |
| Total Available Market | 3,445,000 | 3,474,000 | 3,503,000 | 3,532,000 | 3,562,000 |

Source: United States Census Bureau; ESRI

PRIMARY MARKET DATA

To better understand and document the needs of Sachse’s residential market, LARC conducted a survey. Twenty-one questions were presented to assist LARC in determining the type of facility that should be developed. The Sachse Development Authority desired a facility that would attract neighboring visitors; it was also a goal of this report to learn what the residents of Sachse wanted from their community and incorporate those findings into the proposed complex.

Related Attractions

In preparation for creating the survey, LARC prepared guidelines for the questions asked. Initial research revealed an increased desire in outdoor, leisure entertainment according to general market research. The 2012 - 2013 *Leisure Market Handbook* documents, according to market research reports, that outdoor sports-related activities are continually building as the preferred leisure activity. In 2011, 115 million Americans (aged 6 and older) walked as a fitness activity. Walking ranked first amongst all other types of recreational activities.

Americans made more than 280 million visits to National Parks and 725 million visits to State Parks in 2011. Visits to city parks numbered in the trillions.

When asked by the Harris Poll what consumers ranked as their two or three favorite leisure activities, the responses were as follows:

- Reading - 30%
- Watching TV - 24%
- Spending time with family and friends - 17%
- Exercise - 8%
- 40 other, varied choices - 21%

These two reports show a trend in outdoor activity and the need for families to spend time together.

Survey Results

The following results of the survey enable LARC to understand the proclivities toward the proposed attraction and a better understanding of the primary market residents' view of the importance of entertainment and activity.

In the remainder of this section, LARC has listed the survey questions with the corresponding, tallied results.

How far do you travel for entertainment?

- 1 to 5 miles - 18%
- 5 to 10 miles - 30%
- 10 to 15 miles - 30%

How often do you leave Sachse for your entertainment?

- During the week - 3%
- Weekends only- 32%
- Leave both during the week and on weekends - 65%

Type of entertainment enjoyed by Sachse residents ranked by preference.

1. Dining out (99% listed dining out as their top form of entertainment)
2. Movies
3. Shopping
4. Sporting Events
5. Concerts
6. Theater / Plays
7. Comedy
8. Dancing
9. Lectures
10. Misc. (Bar / Lounges, Art Events, Gun Range, Museums)

Would you participate in an upscale bowling/ sports venue?

- 57% would participate in upscale bowling
- 45% would not participate
- 5% not sure

Do you exercise?

- Yes - 75%
- No - 25%

What forms of exercise do you participate in?

- Walking
- Running
- Weight training
- Biking
- Yoga
- Zumba
- Tennis
- Volleyball
- Swimming

- Soccer
- Hiking
- Basketball
- Baseball
- Racket ball
- Aerobics
- Tennis Courts
- Bike Trails
- Walk / Run Trails
- Enclosed Facility
- Sports Complex like Wylie, Garland, and Plano

How often do you exercise?

- Everyday - 9%
- 1 to 2 times per week - 25%
- 3 to 4 times per week - 66%

Is there an activity that you enjoy that serves as your exercise?

- Golf
- Soccer
- Tennis
- Volleyball
- Basketball
- Biking
- Weight Lifting

Do you use the existing parks located in Sachse?

- Yes - 30%
- No - 29%
- Sometimes - 41%

What types of entertainment would you like to see in Sachse?

- Recreation Center
- Community Center for family
- Sports Center
- Sports Field
- Fitness Center
- Public Pool
- Dog Park

Demographics

- Married - 82%
- Single - 18%

Ages

- 20 to 30 - 9%
- 30 to 40 - 32%
- 40 to 50- 35%
- 50 and older - 24%

Number of Children

- 1 - 24%
- 2- -45%
- 3 - 27%
- 4 - 4%

Ages of Children

- 1 and Under - 4%
- 2 to 4 - 10%
- 5 to 6 - 11%
- 7 to 8 - 12%
- 9 to 10 - 12%
- 11 to 14 - 16%
- 15 to 17 - 8%
- 18 to 20 - 12%
- Above 20 - 15%

Do your children play sports?

- Yes 90%

- No 10%

What type of sports do your children play?

- Soccer
- Basketball
- Baseball
- Softball
- Volleyball
- Biking
- Cheerleading
- Swimming
- Track

What one word would you use to describe Sachse?

- Quiet
- Safe
- Insignificant
- Underdeveloped
- Limited
- Homey
- Slow to React
- Hwy 78
- Comfortable
- Trying
- Growing
- Random
- Hidden Jewel
- Potential
- Stagnant
- Boring
- Fractured
- Family Oriented
- Peaceful
- Small Town
- Pleasant

How long have you lived here?

- 1 to 2 years - 8%
- 3 to 4 years - 17%
- 5 to 10 years - 25%
- 11 to 15 years - 29%
- 16 to 20 years - 11%
- 20 + years - 10%

Do you work outside of Sachse?

- Yes 73%
- No 27%

How many miles do you commute one way?

- 1 to 5 miles - 26%
- 5 to 10 miles - 20%
- 10 to 15 miles - 14%
- 15 to 20 miles - 24%
- 20 + miles - 16%

Conclusions

- Sixty percent of Sachse residents leave the city for entertainment.
- The majority of citizens leave during week days and weekends.
- Sachse residents ranked dining out as their # 1 choice in entertainment.
- There is a significant interest in boutique bowling.
- Three quarters of Sachse residents exercise.
- Over 65% exercise 3 to 4 times a week.
- Sachse's existing parks are utilized by its citizens.
- Most children participate in some type of sport.

- Most citizens of Sachse work outside of the county.
- Over 60% are between the ages of 30 and 50, are married and have children.
- Sachse citizens are very interested in exercise and family activities.

Section VII

Market Demand Analysis

The most accurate method of projecting attendance for a sports complex is by applying reasonable market “penetration” or capture rates to the available resident and visitor markets. This is an effective approach used to track and forecast attendance at a variety of entertainment attractions in the United States. The same method will be used to project the attendance levels for the proposed sports complex in Sachse.

PATTERNS OF MARKET **PENETRATION**

Analysis of the experience of similar entertainment attractions indicate that market penetration is a function of attraction size and scope, and that it varies inversely with distance, i.e., that propensity to attend the attraction drops off demonstrably as travel time to the attraction increases.

Themed attractions are situated in many regions of the country, and each capitalizes on the popularity of its respective theme and component mix. The components and subject matter around which these facilities are developed are wide in variety and include themes such as science fiction,

gardens, natural wonders, recreated historic settings and periods, marine life, technology, popular culture, history, folklore and legends. The component mix varies according to characteristics of the market area and may include separate adult and child areas, sports activities, indoor/outdoor mixes, etc. By assigning a theme or group of themes to a development, an overall image and identity can be gained and associated throughout the project's components.

Penetration Rates

The method of applying penetration or capture rates to both the available resident market and estimated visitor projections will be used to forecast anticipated attendance for the purposes of this report. However, other factors influence the anticipated penetration rates:

- ▶ Uncertainty of attendee perception.
- ▶ Project concept, particularly in relation to other market area entertainment.
- ▶ Competition for the leisure dollar.
- ▶ Time in the marketplace.

As a result, the attendance projections in this report have been approached on the basis of a conservative-likely-optimistic range of market penetration and their corresponding levels of attendance.

These influencing factors should not be considered as deterrents to the development of the project, but should be recognized realistically when approaching project development in a prudent, business-like manner. If it is well-planned and executed,

and its operation and promotion are perceived to be of similar quality within the industry, this project should prove successful.

After applying estimated penetration/capture rates to each segment of the resident population, it is possible to calculate the resultant attendance anticipated from each category. These components of anticipated attendance can then be totaled in order to arrive at the overall attendance and penetration/capture rate for the project.

For this analysis, the penetration rates have been separated into two factors: participation rates and frequency rates. The participation rate is the estimated percentage of each market segment which will visit the sports complex in any given year. The frequency rate is the number of times each guest will visit the facility during any one operating year. The combination of the two factors produces the market penetration rate for the project. Participation and frequency rate estimates for this project are based on the perceived competition from other facilities, market demographics and results from other comparable facilities in scope.

Projected first-year frequency and participation rates for the proposed entertainment complex are presented in the following table. This table illustrates the anticipated penetration rates for the three different levels of planning (conservative-likely-optimistic) for each segment of the resident market. The attendance of each market segment for each level is determined by applying the relevant penetration rate to the appropriate market segment population. The rates are based on industry averages, the potential in the

market area, a synthesis of data provided by comparable facilities and LARC's experience within the industry and are consistent with rates achieved by similar attractions in their first operating years. Additionally, proposed attraction prices are lower than those for many attractions and other area entertainment, a factor that should allow for greater penetration of the resident market segments, and may, eventually, encourage repeat visitation.

As Table VII-1 indicates, participation rates in 2014 for the most accessible market area range from a conservative 11.4% to an optimistic 14.9%. The participation rates for the subsequent market segments decline as the distance from the project increases. In the 9 to 16-mile market area, participation rates are projected to range from a conservative 5.5% to an optimistic 7.3%, with the likely rate being 6.4%. Within the furthest market segment, the area 17 to 24 miles from the site, the likely participation rate is 1.3%. This rate falls within a range of 1.1% to 1.5%.

The frequency of visits to the proposed development is also dependent on the distance from the site. It is anticipated that the frequency of visits annually will be 1.8, 1.3 and 1.0 for the 0 to 8-mile, 9 to 16-mile and 17 to 24-mile market segments, respectively, based on the experience of other similar concepts within similar market areas.

Table VII-1
Range of Initial Year Participation and Frequency Rates

| Market Segment | Conservative | Likely | Optimistic | Frequency |
|----------------------|--------------|--------|------------|-----------|
| 0 to 8-mile market | 11.4% | 13.1% | 14.9% | 1.8 |
| 9 to 16-mile market | 5.5% | 6.4% | 7.3% | 1.3 |
| 17 to 24-mile market | 1.1% | 1.3% | 1.5% | 1.0 |

Source: LARC

The product of the participation and frequency rates result in the overall market penetration rate for the project. Projected first-year penetration rates for the proposed attraction are presented in the following table.

The penetration rate in 2014 for the 0 to 8-mile market segment is projected to range from a conservative 21.0% to an optimistic 27.5%. The likely penetration rate is estimated to be 24.1%. Within the 9 to 16-mile market segment, the likely penetration rate is projected to range from a conservative 13.2% to an optimistic 17.5%. Penetration rates within the furthest market area are projected to be the lowest, ranging from 3.1% to 4.2%. The likely total market penetration rate for the proposed sports attraction is expected to be 11.3%, falling within a range of 9.7% and 12.8%. This includes visits from all specified market segments.

Table VII-2
Range of Initial Year Penetration Rates

| Market Segment | Conservative | Likely | Optimistic |
|----------------------|--------------|--------|------------|
| 0 to 8-mile market | 21.0% | 24.1% | 27.5% |
| 9 to 16-mile market | 13.2% | 15.3% | 17.5% |
| 17 to 24-mile market | 3.1% | 3.7% | 4.2% |
| Total Market | 9.7% | 11.3% | 12.8% |

Source: LARC

ATTENDANCE

Based upon the penetration rates, attendance at the proposed entertainment complex in the first operating year is projected to be approximately 261,000 persons, within a predicted range of 227,000 to 298,000 persons. This data is shown in Table VII-3.

Table VII-3
Projected Attendance Range

| Market Segment | Conservative | Likely | Optimistic | Mix |
|----------------------|--------------|---------|------------|--------|
| 0 to 8-mile market | 101,000 | 116,000 | 132,000 | 44.4% |
| 9 to 16-mile market | 110,000 | 127,000 | 145,000 | 48.7% |
| 17 to 24-mile market | 16,000 | 18,000 | 21,000 | 6.9% |
| Total Market | 227,000 | 261,000 | 298,000 | 100.0% |

Source: LARC

Attendance at the proposed Sachse sports and entertainment complex has been projected for the first five years of operation. This forecast has been based on the assumption that the facility will be well-designed and executed and operated in a high-quality manner associated with successful themed attractions. Also, capital must be invested in the attraction in the form of new attractions, activities or entertainment.

As presented in the following table, attendance is expected to increase annually, with an overall increase of 11.5% during the five-year period, reaching a forecast level of approximately 291,000 persons during the fifth operating year. This growth is also based on the facility introducing new attractions and attracting more guests from the each market sector.

Table VII-4
Attendance Forecast for the First Five Years

| Market Segment | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------|---------|---------|---------|---------|---------|
| 0 to 8-mile market | 116,000 | 120,000 | 118,000 | 123,000 | 119,000 |
| 9 to 16-mile market | 127,000 | 129,000 | 135,000 | 137,000 | 146,000 |
| 17 to 24-mile market | 18,000 | 19,000 | 22,000 | 23,000 | 26,000 |
| Total Attendance | 261,000 | 268,000 | 275,000 | 283,000 | 291,000 |
| % Increase | - | 2.5% | 3.0% | 3.0% | 3.0% |

Source: LARC

The proportion of attendance that originates from the 9 to 16-mile market area (48.7%) is slightly higher than the near-in market segment (44.4%). For the project to be successful, it must effectively penetrate the

near-in market. A strong marketing program, begun early, will be necessary. The resident markets will account for the only repeat visitation to the facility, and until the facility becomes well-known in more distant market areas through promotions and word-of-mouth publicity, it will rely heavily upon internet marketing and advertising to bring visitors to the door.

The following table presents the attendance mix by market segment forecasted for the first five operating years. The proportion of attendance from the near-in resident market segment is expected to decrease slightly over the five-year period, while the further resident markets are expected to increase their share somewhat.

Table VII-5
Projected Attendance Market Mix

| Market Segment | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------|--------|--------|--------|--------|--------|
| 0 to 8-mile market | 44.4% | 45.0% | 43.0% | 43.0% | 41.0% |
| 9 to 16-mile market | 48.7% | 48.0% | 49.0% | 49.0% | 50.0% |
| 17 to 24-mile market | 6.9% | 7.0% | 8.0% | 8.0% | 9.0% |
| Total Market | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Source: LARC

As the word-of-mouth knowledge of the project radiates geographically from the Sachse area over time, the popularity of the entertainment attraction can be expected to grow in the market segments more distant from the site. By the fifth year of operation, the project should generate 50% of its attendance beyond the near-in (0 to 8-mile) resident market.

Resulting penetration rates by market segment are presented in Table VII-6. Although the table demonstrates that penetration rates in the two furthest market segments remain nearly the same rate in year two due to the hangover effect of the heavy promotion in year one, it is anticipated that penetration rates in all

market segments will increase by year five. Total market penetration in year five is anticipated to be 8.2%, a slight increase from 7.6% in year one.

These rates should be considered conservative, as penetration rates after the first year will depend on the project's initial perception amongst guests, marketing success and execution, and the addition of new attractions. Our estimates are based on typical, or average, reception in those areas.

Table VII-6
Forecast Penetration Rates

| Market Segment | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| 0 to 8-mile market | 23.6% | 24.3% | 23.9% | 24.8% | 24.0% |
| 9 to 16-mile market | 8.4% | 8.4% | 8.7% | 8.7% | 9.2% |
| 17 to 24-mile market | 1.3% | 1.3% | 1.5% | 1.6% | 1.7% |
| Total Market | 7.6% | 7.7% | 7.9% | 8.0% | 8.2% |

Source: LARC

OPERATING CALENDAR

After considering weather conditions, state school holidays and public holidays observed by the state, a typical operating calendar has been developed. The following table illustrates the anticipated annual operating calendar for the proposed sports complex, which should allow for approximately 360 days of full operation. The indoor components will allow for a year-round operation.

Table VII-7
Planned Operating Days for 2014

| Month | Weekdays | Weekends/ | | Total Days |
|--------------|------------|------------|--|------------|
| | | Holidays | | |
| January | 21 | 8 | | 29 |
| February | 20 | 8 | | 28 |
| March | 22 | 9 | | 31 |
| April | 22 | 8 | | 30 |
| May | 22 | 9 | | 31 |
| June | 21 | 9 | | 30 |
| July | 21 | 10 | | 31 |
| August | 23 | 8 | | 31 |
| September | 19 | 11 | | 30 |
| October | 23 | 8 | | 31 |
| November | 20 | 9 | | 29 |
| December | <u>19</u> | <u>10</u> | | <u>29</u> |
| Total | 253 | 107 | | 360 |

Source: LARC

DISTRIBUTION OF ATTENDANCE

The projected monthly distribution of attendance is presented in the following table for the first five years. The peak months of attendance during the operating year are projected to be June through October. Attendance during each of these months in the initial operating year is anticipated to be 26,100 persons, representing 10.0% of the total anticipated attendance.

Table VII-8
Monthly Attendance Forecast

| Month | % | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------|--------|---------|---------|---------|---------|---------|
| January | 6.0% | 15,700 | 16,100 | 16,500 | 17,000 | 17,500 |
| February | 6.0% | 15,700 | 16,100 | 16,500 | 17,000 | 17,500 |
| March | 7.0% | 18,200 | 18,700 | 19,200 | 19,800 | 20,300 |
| April | 9.0% | 23,500 | 24,100 | 24,800 | 25,500 | 26,200 |
| May | 9.0% | 23,500 | 24,100 | 24,800 | 25,500 | 26,200 |
| June | 10.0% | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| July | 10.0% | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| August | 10.0% | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| September | 10.0% | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| October | 10.0% | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| November | 7.0% | 18,200 | 18,800 | 19,200 | 19,700 | 20,300 |
| December | 6.0% | 15,700 | 16,100 | 16,500 | 17,000 | 17,500 |
| Total | 100.0% | 261,000 | 268,000 | 275,000 | 283,000 | 291,000 |

Source: LARC

The following table establishes the monthly and daily distribution of projected attendance for the design year 2016. Each average weekday is expected to account for about 12% of the weekly total attendance. Average daily weekend attendance during each of the peak months is estimated to range from 1,242 to 1,283 persons. This establishes the design day necessary for planning the project facilities and attraction mix, as the sports complex must be planned properly to handle the anticipated crowds.

Table VII-9
Monthly and Daily Attendance Forecast

| Month | Monthly Attendance | | Weekday | | Weekend | |
|-----------|--------------------|-----------|---------|-----------|---------|-----------|
| | Attendance | % of Week | # | % of Week | # | % of Week |
| January | 16,500 | 12% | 476 | 20% | 797 | 20% |
| February | 16,500 | 12% | 495 | 20% | 825 | 20% |
| March | 19,200 | 12% | 520 | 20% | 867 | 20% |
| April | 24,800 | 12% | 694 | 20% | 1,157 | 20% |
| May | 24,800 | 12% | 672 | 20% | 1,120 | 20% |
| June | 27,500 | 12% | 770 | 20% | 1,283 | 20% |
| July | 27,500 | 12% | 745 | 20% | 1,242 | 20% |
| August | 27,500 | 12% | 745 | 20% | 1,242 | 20% |
| September | 27,500 | 12% | 770 | 20% | 1,283 | 20% |
| October | 27,500 | 12% | 745 | 20% | 1,242 | 20% |
| November | 19,200 | 12% | 556 | 20% | 927 | 20% |
| December | 16,500 | 12% | 478 | 20% | 797 | 20% |
| Total | 275,000 | na | na | na | na | na |

Source: LARC

Section VIII

Facility Requirements

Design criteria establish guidelines for quantifying the facilities necessary to service the anticipated levels of attendance at the Sachse sports complex. While relating to the total attendance, design criteria are more of a function of the seasonal distribution of this attendance and daily “peaking.” The levels of attendances are determined by the factors that necessitate specific requirements for the various categories of facilities planned, including food services, merchandise space, parking and other visitor services and conveniences.

Seasonal distribution and daily peaking characteristics are calculated to determine

probable attendance levels expected during an average peak day’s operation. This establishes the “design day” demand, which is based on the total number of persons attending the project during the course of the operating day, the average length of visitor stay, the peak arrival hours, the peak departure hours and the resulting in-grounds attendance during given hours. These attendance calculations establish parameters necessary to develop design criteria for the project.

DEFINITIONS OF DESIGN CRITERIA

Annual Attendance: The number of persons attending the project during a

specified one-year period. This may be for either a calendar or fiscal year as required for business purposes.

Seasonal Attendance: The total number of persons attending the project during a specific segment of the project's calendar or operating year. This term may or may not relate to normal calendar seasons (i.e., spring, summer, etc.).

Peak Daily Attendance: The maximum number of persons attending the facility during a single operating day, or average of several such days. This is also considered the design day.

Design Day: The day or days for which the project facilities are planned. This is normally based on an average peak attendance day, which generally occurs 10 to 15 times per year. Facilities planned for this attendance will provide adequate services and conveniences for attendees without undue waiting time or personal inconvenience. An "absolute" peak day's attendance, which might occur three or four times per year, may exceed the established design day parameters. However, the design day facilities would be adequate to accommodate this increased demand, but waiting times may increase, visitor satisfaction decline and per capita revenue decrease.

Peak Arrival Hour: The maximum number of persons expected to arrive at the project during a one hour period.

Peak Departure Hour: The maximum number of persons expected to depart the project during a one hour period.

Average Length of Visitor Stay: The average amount of time the typical visitor

will remain in the attraction during the course of their visit.

In-Project Attendance: The total attendance inside the attraction during a specified period of time. This is normally expressed in hourly increments, since incoming and outgoing attendance figures are measured on an hourly basis. Therefore, in-grounds attendance is the difference between the cumulative number of arriving visitors and the cumulative number of visitors departing at a specific time. Normal hourly measuring results in an hourly in-project attendance number being established. Services and conveniences must be provided to adequately accommodate peak hourly in-project attendance generated during a design day. Development of these attendance levels provides the basic parameters necessary to develop the project design criteria that follow.

PARKING REQUIREMENTS

Parking requirements are determined by the number of visitors anticipated to visit the facility by private vehicle, the average number of persons in each vehicle, the peak in-project attendance and the average number of vehicles that can be parked per acre. Parking requirements are determined by the following formula:

| | |
|---|--|
| In-Grounds Attendance <i>multiplied by (x)</i> | |
| % Arriving by Private Vehicle | = number of guests serviced |
| Number of Guests Served | |
| <i>divided by (÷)</i> | |
| Avg. Number of Guests per Vehicle | = number of parking spaces required |
| Number of Spaces Required | |
| <i>divided by (÷)</i> | |
| Parking Spaces per Acre | = number of acres required for parking |

While only operating experience will allow a precise determination of the number of guests arriving per vehicle, industry averages are as follows:

Average Number of Guests Per Vehicle:

This figure will normally vary between an average of 2.5 persons per vehicle and 3.5 persons per vehicle.

ENTRANCE REQUIREMENTS

Entrance requirements relate directly to the volume of attendance projected for the peak arrival hour. Adequate facilities must be planned to serve the anticipated number of people. The number of transactions consistently achievable by employees is determined by the complexity of the pricing policy offered and the system of issuing access to the complex. The number of transactions must be compared to the anticipated peak hourly arrivals to determine the number of sales locations necessary.

Entry and exit control points must equal the estimated ingress and egress attendance levels. The entrance should be designed with the physical capability of ingress and/or egress for wheelchairs and infant "strollers."

Other capabilities should provide necessary services for group sales, special guests and other services important for arriving or departing guests.

RESTROOM REQUIREMENTS

The restroom requirements for a major attraction are determined by the peak number of persons in-grounds during the design day. Standards indicate a need for one fixture (toilet or urinal) for each 75 persons in-grounds. The resulting number of fixtures will normally exceed most local or regional code requirements. The final ratio of toilets to urinals to lavatories (including handicapped facilities) can be determined through normal code for the area.

FOOD & BEVERAGE REQUIREMENTS

Food and beverage seating requirements for an attraction are generally planned to accommodate those persons desiring food and beverage service during peak dining hours, most often 1:00 p.m. until 4:00 p.m. The number of persons in-grounds must be determined for this three-hour period, then averaged to determine the hourly demand. The projected number of seats provide the extent of food and beverage facilities required. As most facilities are cafeteria or modified self-service, the average space allocated per seat is 15 square feet, which also allows comfortable public circulation.

BENCHES AND SEATING

It is normally accepted that 15 percent of the design day's peak attendance in-grounds will require seating at any given time.

DRINKING FOUNTAIN REQUIREMENTS

Public drinking fountains are planned on the basis of one fountain for each 250 persons in-grounds during the peak hour of

the design day. These are normally spread throughout the facility in “banks” of two or more. Handicapped facilities are provided to exceed codes.

RETAIL MERCHANDISING

The space provided for retail merchandising is a function of anticipated total revenue from merchandise sales divided by a standard gross revenue per square foot. Merchandise space should generate revenue between \$125 per square foot and \$200 per square foot.

ENTERTAINMENT

The experience of most entertainment attractions and interactive venues has established the necessity of providing attractions, activities, shows and other entertainment offering a combined hourly capacity of 1.5 to 2.0+ times the number of guests anticipated during a peak in-grounds hour.

This total hourly capacity of “entertainment units” will normally provide an adequate satisfaction level for visitors -- even in peak demand situations. An entertainment unit is one attraction, activity, show or other element in which a guest may participate. An hourly capacity of two entertainment units indicates that visitors are able to participate in an average of two activities, attractions, shows or combinations of these in a period of an hour.

For planning purposes, the design criteria are for the proposed Sachse sports entertainment complex, with the anticipated annual attendance in its third year of operation, or design year. The anticipated annual attendance for the design year, 2016, is projected to be 275,000 persons.

| Design Category | Design Variables |
|---------------------------------|-------------------------|
| Annual Attendance | 275,000 |
| Design Day Attendance | 1,240 |
| Peak In-Project Attendance | 310 |
| Peak Arrival Hour Attendance | 250 |
| Est. Avg. Length of Stay (Hrs.) | 2.5 |

Minimum Size of Park (Guest Access Areas Only) and Entrance

| | |
|---|------|
| Peak In-Project Attendance | 310 |
| Peak Arrival Hour Attendance | 250 |
| Average Hourly Sales Per Window | 400 |
| Minimum number of Windows | 1 |
| Minimum Entry Turnstiles | 1 |
| Minimum Exit Turnstiles | 1 |
| Special Entrance (Stroller or Wheelchair) | 1 |
| Stack Up Area Required for Ticket Window (LF) | 20 |
| Max Density Ratio - Square Meters per Person | 100 |
| Acres Required for Guest Facilities | 0.71 |

Parking Requirements

| | |
|--|------|
| Peak In-Project Attendance | 310 |
| Percent Arriving by Automobile | 95% |
| Percent Arriving by Coach | 5% |
| Average Visitors per Automobile | 2.5 |
| Average Visitors per Coach | 40 |
| Spaces Required – Automobile | 118 |
| Spaces Required - Coach | 1.00 |
| Average Spaces per Acre - Automobile | 120 |
| Average Spaces per Acre - Coach | 50 |
| Acres Required - Automobile | 0.98 |
| Acres Required - Coach | 0.02 |
| Acres Required - Employee (@10% of Auto) | 0.10 |
| Total Acres Required for Parking | 1.1 |

DESIGN CRITERIA

Restrooms

| | |
|--|------|
| Peak In-Project Attendance | 310 |
| Ratio of Fixtures to In-Grounds Attendance | 1:75 |
| Number of Fixtures Required | 4 |

Drinking Fountains

| | |
|---|-------|
| Peak In-Project Attendance | 310 |
| Ratio of Fountains to In-Grounds Attendance | 1:350 |
| Number of Fountains Required | 1 |

Shade and Shelter

| | |
|--|-----|
| Peak In-Project Attendance | 310 |
| Ratio - Square Feet: In-Grounds Attendance | 15% |
| Shade/Shelter Square Feet Required | 47 |

Food and Beverage

| | |
|--|---------|
| Design Day Attendance | 1,240 |
| Peak Dining Period | 1pm-4pm |
| Average Percent of Design Day Attendance | 25% |
| Peak Number of Persons | 300 |
| Average Hourly Demand | 100 |
| No. of Cafeteria Seats Req. (15% Dmnd, 2.0 turns/hr) | 8 |
| No. of Snack Stand Seats Req. (85% Dmnd, 4.0 turns/hr) | 21 |
| Area Required @ 15 SF per Seat | 430 |

Retail Merchandising

| | |
|-------------------------------------|-----------|
| Annual Attendance | 275,000 |
| Estimated Per Capita Retail Revenue | \$2.50 |
| Total Retail Sales | \$688,000 |
| Estimated Revenue Per Square Foot | \$225 |
| Total Required Retail Space (SF) | 3,100 |

Entertainment Units

| | |
|--|-------|
| Peak In-Project Attendance | 310 |
| Ratio of Entertainment Units to Hourly In-Grounds Attendance | 1.2:1 |
| Hourly Entertainment Unit Requirement | 372 |

Source: LARC

Section IX

Financial Analysis

In this section, the revenue projected to be generated by the anticipated attendance and special events, the estimated operating expenses and the resultant earnings from operations are presented. These financial projections will be based on the results of previous sections of this report.

The largest percentage of projected revenue is anticipated from usage fees. However, before this category can be properly forecast, it is necessary to first establish the pricing policy.

PRICING POLICY

The pricing policy established for the proposed sports and entertainment complex is an important factor in the initial market response and acceptance of the facility. It is critical that the marketplace perceive the attraction as an excellent entertainment value in relation to the total expenditure. Due to the unique nature of the concept and expected repeat visitation for the market segments, a pricing structure of the pay-for-play system (or usage fees) will be implemented. The pay-for-play option will allow those guests wishing to participate in only some of the attractions to come and go

as they please. It is anticipated that this pricing structure will be popular within the market area for the concept proposed.

One particular advantage of a pay-for-play structure is that it increases the attraction choices for the guest. By offering a greater number of participatory activities, it is expected that guests will stay longer and experience the need for refreshments more often. Guests will enjoy more discretion in deciding how they will spend their time in the complex.

Another advantage of the pay-for-play structure is that it enhances the appeal to visit the attraction again. People who normally could not afford a large pay-one-price ticket can still enter the complex and enjoy a few activities while spending less money and time. LARC believes that these guests could provide significant repeat business for the proposed entertainment complex.

For the purposes of this report, it has been assumed that the sports and entertainment complex will include the elements necessary to successfully market the pay-for-play policy.

It is necessary that the operator offer a carefully planned attraction mix to ensure adequate guest distribution and participation. Capacity of specific areas must be sufficient to handle the increased demand levels. The facility must also offer a broad range of activities for every age visitor. Some guests may have a tendency to be dissatisfied if adequate entertainment elements and other adult-oriented attractions are not offered on an on-going basis. However, with the concept planned for this project, this should not occur.

In today's economy, it is important that the facility be reasonably priced to encourage early trial and acceptance in the marketplace. The Sachse area resident market will be able to afford the pay-for-play option which allows for guests to choose their own budget.

Usage fees at sports entertainment attractions generally increase annually and are tied to both inflation and the introduction of new activities and attractions. There are no attractions in Sachse or within the market area of a similar size or scope as the one proposed. See Section IV for a comparison of other entertainment attractions in and around Sachse.

Table IX-1 presents the proposed sports complex attraction pay-for-play pricing for the first five years of operation. This pricing would place the facility in a strong value to price relationship that should help reinforce positive "word-of-mouth" advertising from guests. Pay-for-play usage fees are anticipated to increase to keep pace with inflation and as activities are added.

Table IX-1
Pay-for-Play Usage Fees

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------|--------|--------|---------|---------|---------|
| Adult | \$9.95 | \$9.95 | \$10.45 | \$10.45 | \$10.45 |
| Child | \$4.95 | \$4.95 | \$5.20 | \$5.20 | \$5.20 |
| Senior | \$2.95 | \$2.95 | \$3.10 | \$3.10 | \$3.10 |
| Group | \$3.95 | \$3.95 | \$4.15 | \$4.15 | \$4.15 |
| Comp | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Source: LARC

PROJECTED OPERATING REVENUES

Pay-for-Play Usage Fees

Assuming the proposed project adopts in its first operating year the recommended pay-for-play policy of \$9.95 for adults, \$4.95 for children, \$2.95 for seniors and \$3.95 for groups of 15 or more, the anticipated non-discounted per capita revenue should be \$8.02. The per capita figure is based on the total number of passes of each type sold and the corresponding fees. The following table presents the estimated number pay-for-play participants by type for the first five operating years.

Table IX-2
Total Projected Admission by Admission Type

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Adult | 172,260 | 176,880 | 181,500 | 186,780 | 192,060 |
| Child | 52,830 | 54,240 | 55,660 | 57,280 | 58,900 |
| Senior | 4,590 | 4,720 | 4,840 | 4,980 | 5,120 |
| Group | 26,100 | 26,800 | 27,500 | 28,300 | 29,100 |
| Comp | 5,220 | 5,360 | 5,500 | 5,660 | 5,820 |
| Total Attendance | 261,000 | 268,000 | 275,000 | 283,000 | 291,000 |

*Adult to child/or senior ticket ratio of 3:1, Group sales and comps are 10% and 2%, respectively, of all tickets sold
Source: LARC

The per capita revenue figure for participants of each age category is based on a ratio of three adults to each child or senior, a ratio considered normal at similar themed sports attractions in the United States. Also, groups are assumed to be 10% of all paying participants.

As the project will need to assume an aggressive marketing posture within the local market, the effective pay-for-play discount rate can be expected to be 5% of all full-priced adult and child usage fees in each of the first five years of operation.

Therefore, the effective pay-for-play per capita revenue is projected to be \$7.64 in the initial operating year and increase to \$8.02 in the fifth year of operation. The following table presents the total revenue by type and effective per capita revenue for the first five years.

Table IX-3
Ticket Category Revenue

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Adult | \$1,713,987 | \$1,759,956 | \$1,896,221 | \$1,951,384 | \$2,006,547 |
| Child | 261,509 | 268,488 | 289,293 | 297,713 | 306,133 |
| Senior | 13,541 | 13,924 | 14,992 | 15,426 | 15,859 |
| Group | 103,095 | 105,860 | 114,056 | 117,374 | 120,692 |
| Comp | 0 | 0 | 0 | 0 | 0 |
| Total | \$2,092,132 | \$2,148,228 | \$2,314,562 | \$2,381,897 | \$2,449,231 |

Per Capita Pay-for-Play Revenue

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Base PC | \$8.02 | \$8.02 | \$8.42 | \$8.42 | \$8.42 |
| Discount Factor | 5% | 5% | 5% | 5% | 5% |
| Per Capita Discount* | 0.38 | 0.38 | 0.40 | 0.40 | 0.40 |
| Effective Per Capita | \$7.64 | \$7.64 | \$8.02 | \$8.02 | \$8.02 |

*Only on Adult and Child usage fees
Source: LARC

The discount factor considers all promotions, coupons and agency rebates within the resident market area. Because it is projected that a percentage of the attendance will originate from beyond the resident market, the area where the discounting will be heavily focused, a 5% discount factor should be adequate and in keeping with industry norms.

Merchandise Revenue

Revenue from the sale of merchandise is projected to be approximately \$2.38 during the first operating year. Merchandise per capita revenues are expected to increase by approximately 2.5% each year thereafter. This results in per capita income of approximately \$2.63 during the fifth year's operation.

Miscellaneous Revenue

Miscellaneous revenues include those items not covered in the other categories. These may include revenues such as vending, rentals (locker, stroller, wheelchairs or headsets) and similar products or services.

This category is expected to generate approximately \$0.50 in the first operating year. Revenue in this category has been forecast to increase at the rate of approximately 2.5% annually, as prices are increased and additional products or services are offered. This results in estimated revenues of \$0.55 per capita in the fifth operating year.

Total Per Capita Revenue

Total per capita revenue is projected to be \$10.52 during the first year of operation, as shown in Table IX-4. As discussed formerly in this section, all categories of revenue are expected to increase annually, resulting in a total per capita revenue of \$11.20 in the fifth operating year. This results in an increase of \$0.68 in PFP per capita, or approximately 18.5% and an increase of \$1.76 in total overall per capita, during the study period. In practice, actual economic conditions and opportunities in the marketplace may allow additional increases beyond those projected.

Food and Beverage

Food and beverage will be leased out to other vendors and has not been projected for the project.

Additional Revenue

In addition to the revenue expected from paying guests, the proposed sports complex

Table IX-4

Per Capita Revenue

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Pay-for-Play | \$7.64 | \$7.64 | \$8.02 | \$8.02 | \$8.02 |
| Merchandise | 2.38 | 2.44 | 2.50 | 2.56 | 2.63 |
| Miscellaneous | 0.50 | 0.51 | 0.53 | 0.54 | 0.55 |
| Total PC Revenue | \$10.52 | \$10.59 | \$11.05 | \$11.12 | \$11.20 |

Source: LARC

is also anticipated to generate revenue from special events, sponsorships and meetings.

Special Events and Facility Rentals

Special events and services include activities, festivities or meetings held at the entertainment complex. First year special events and retail revenue is estimated at \$30,000. Actual revenue may be significantly higher, depending upon the success of early bookings and market perception of the facility.

All operating revenue projections are presented in Table IX-5.

Total Operating Revenue

Total operating revenues for the project are presented by category for each operating year of the planning period in Table IX-5. Total operating revenue during the first year of operation is forecast to be in excess of \$2 million. Total revenue is projected to increase annually, reaching more than \$3 million during the fifth year of operation, a growth in revenues of 18.5%. This results from increases in per capita revenues, increases in attendance and increases in the number of special events booked.

Table IX-5
Total Operating Revenue by Category

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Pay-for-Play | \$1,994,000 | \$2,048,000 | \$2,206,000 | \$2,270,000 | \$2,334,000 |
| Merchandise | 621,000 | 654,000 | 688,000 | 725,000 | 764,000 |
| Miscellaneous | 131,000 | 137,000 | 144,000 | 152,000 | 161,000 |
| Special Events/Rentals | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Total Revenue | \$2,776,000 | \$2,869,000 | \$3,068,000 | \$3,177,000 | \$3,289,000 |

Source: LARC

OPERATING EXPENSES

Expenses incurred by entertainment attractions vary widely, depending upon attendance levels, operating schedules, location and the scope of facilities. Also, company policies and operating philosophies impact total operating expenses. The distribution of operating expenses at two selected entertainment complexes and those projected for the Sachse project are presented in Table IX-6. Attraction A is a relatively new attraction, while Attraction B is one with several years of operation. The two attractions are used as examples in this analysis because of their similarity to the proposed attraction regarding size, scope and market. They are also attractions for which very accurate data, provided to LARC confidentially, is available.

Table IX-6 Comparison of Operating Expense Distribution

| Category ¹ | A ² | B ³ | Sachse |
|--|----------------|----------------|---------------|
| Payroll and Related Expense | 57.0% | 47.0% | 56.0% |
| Advertising/Promotion | 14.5% | 10.9% | 14.0% |
| Maintenance and Supplies | 13.1% | 18.0% | 12.0% |
| Utilities | 7.4% | 8.2% | 8.3% |
| Insurance | 5.5% | 7.2% | 4.2% |
| Other | 2.5% | 8.7% | 5.5% |
| Total | 100.0% | 100.0% | 100.0% |
| Operating Expense Ratio⁵ | 61.00% | 48.00% | 60.00% |

¹ Excludes cost of goods sold, debt service, depreciation, and income taxes

² New attraction within its first five operating years

³ Attraction with several years of operation

⁴ Includes commissions, rents, misc. operating expense, professional fees, and other taxes

⁵ Operating expense divided by total operating revenue

Source: LARC; Individual Attractions

The ratio of operating expenses to total revenue is normally higher during the first year due to lower attendance and a less efficient operation. Expenses should decline as a percent of revenue during the five-year planning period.

The distribution of operating expenses projected for the proposed entertainment complex are presented in the following table. Operating expenses, excluding cost of goods sold, are projected to be approximately \$1,666,000 in the first operating year, representing 60% of the revenue. Operating expenses increase each of the first five operating years to a level of \$2,095,000 in year five, 63.7% of total revenue.

Table IX-7
Projected Operating Expenses

| Cost of Goods Sold | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Merchandise | \$155,000 | \$164,000 | \$172,000 | \$181,000 | \$191,000 |
| Miscellaneous | 20,000 | 21,000 | 22,000 | 23,000 | 24,000 |
| Total Cost of Goods Sold | \$175,000 | \$185,000 | \$194,000 | \$204,000 | \$215,000 |
| Operating Expenses | | | | | |
| Payroll & Related | \$933,000 | \$989,000 | \$1,048,000 | \$1,111,000 | \$1,178,000 |
| Advertising & Promotion | 233,000 | 247,000 | 262,000 | 278,000 | 295,000 |
| Maintenance & Repairs | 117,000 | 123,000 | 129,000 | 135,000 | 142,000 |
| Operating Supplies | 83,000 | 87,000 | 91,000 | 96,000 | 101,000 |
| Insurance | 70,000 | 74,000 | 78,000 | 82,000 | 86,000 |
| Utilities | 138,000 | 145,000 | 152,000 | 160,000 | 168,000 |
| Miscellaneous | 92,000 | 99,000 | 107,000 | 116,000 | 125,000 |
| Total Op Expense | \$1,666,000 | \$1,764,000 | \$1,867,000 | \$1,978,000 | \$2,095,000 |
| Total Expenses | \$1,841,000 | \$1,949,000 | \$2,061,000 | \$2,182,000 | \$2,310,000 |

Source: LARC

Cost of Goods Sold

Expenses incurred for cost of goods sold are a function of volume of goods sold and revenues generated by each type. In Table IX-7, the total cost of goods sold for the first operating year is projected to be \$175,000. The cost of goods sold will increase annually for the first five operating years to \$215,000 in the fifth year of operation.

Projected ratios of costs to sales should remain constant throughout the first five operating years. The cost of goods sold, as a percent of applicable revenue of each type, is projected as follows.

Table IX-8
Cost of Goods Sold Ratios

| Cost of Goods Sold | % of Applicable Revenue |
|---------------------------|--------------------------------|
| Merchandise | 25% |
| Miscellaneous | 15% |

Source: LARC

Payroll and Related Expenses

Payroll and related expenses consist of salaries, wages, benefits, and payroll taxes. This expense is expected to be \$933,000 in the first operating year, increasing 6% annually. Expenses for this category account for approximately 56% of the total operating expenses and 33.6% of revenue during the first year of operation. This percentage is based on standards of new attractions within the industry similar to the proposed attraction in size, scope and theme. The expense does not include management fees, which is a separate cost. For the individual operating year expense, see Table IX-7.

Advertising and Promotion

Advertising and promotion are based on a rate of approximately \$0.89 per guest in the first year of operation. Based on industry standards, this is necessary to penetrate the resident and visitor markets. Marketing expenses are expected to increase 6% annually to \$295,000 in year five. The

expenses include those for direct advertising, public relations, merchandising, advertising agency fees, special promotions and all other marketing expenses. There is typically a relationship between marketing expense and attendance, and, in order for the facility to successfully achieve the attendance assumptions, the facility should not underspend in this area. Until a full marketing plan has been established, these figures should be used as budgetary goals.

Repair, Maintenance and Operating Supplies

This combined expense is estimated to be \$200,000 in the first year of operation and increase 5% annually throughout the first five operating years. In the course of operating the business, various supplies such as those for the general office, tickets, guest supplies, light bulbs, cash register tape, etc. will be required. After the first five operating years, repair and maintenance expenses should increase more rapidly to accommodate aging and necessary replacement. This expense category is also projected to increase 5% annually.

Insurance

Based on operating results at similar facilities and industry standards, the estimated cost for insurance in the first operating year is \$70,000. Until the facility is completed and a written quotation is given, this figure should suffice for budgetary consideration. Because of the uncertainty of increases in insurance costs, it is estimated that this expense will increase 5% annually.

Utilities

Energy costs for the facility are projected to be \$138,000 in the first operating year. This includes electricity, water, gas, sewer, and telephone. Because of the long-term instability of these costs, they are projected to increase 5% annually throughout the first five operating years.

Other Expenses

Miscellaneous expenses are based on the experience of other large attractions and are projected to increase at an annual rate of 8%. This expense category should include such items as foundation investments, commission, professional fees and non-identifiable operating costs.

OPERATING EARNINGS ANALYSIS

While the operating expenses are components in the calculation of earnings, there are also other critical inputs, which include additional expenses and capital improvements to include new attractions. The following table presents the operating earnings for the project before interest, taxes, depreciation and amortization (EBITDA).

Capital additions will be in the third and fifth operating years. These funds will be used for additional attractions and the upgrading of existing facilities. In year three \$100,000 has been allocated and \$100,000 has been allocated in year five. Over the five-year planning period, capital improvements should total \$200,000.

This financial analysis indicates a positive EBITDA (before capital additions) is projected for each of the five operating years

Table IX-9

| Category | Projected Operating Earnings | | | | |
|------------------------|------------------------------|-------------|-------------|-------------|-------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total Revenue | \$2,776,000 | \$2,869,000 | \$3,068,000 | \$3,177,000 | \$3,289,000 |
| Less: CGS | 175,000 | 185,000 | 194,000 | 204,000 | 215,000 |
| Gross Margin | \$2,601,000 | \$2,684,000 | \$2,874,000 | \$2,973,000 | \$3,074,000 |
| Less: Op Expense | 1,666,000 | 1,764,000 | 1,867,000 | 1,978,000 | 2,095,000 |
| Earnings | \$935,000 | \$920,000 | \$1,007,000 | \$995,000 | \$979,000 |
| As a % of Revenue | 33.7% | 32.1% | 32.8% | 31.3% | 29.8% |
| (Capital Improvements) | 0 | 0 | -100,000 | 0 | -100,000 |
| Net Earnings | \$935,000 | \$920,000 | \$907,000 | \$995,000 | \$879,000 |

Source: LARC

analyzed. It is expected to begin at \$935,000 in 2014, increasing to \$979,000 in year 2018. This is an increase of 4.7% over the five-year planning period. After subtracting the estimated \$100,000 in capital additions during the five years, cumulative EBITDA is projected to be \$4,636,000 or an average of \$927,000 a year. This average represents 20% of total revenue collected during the period. All financial projections are based upon the standard operating calendar presented in Section VII.

BREAK-EVEN ANALYSIS

Break-even attendance is an important measurement in the feasibility of any attraction because the operating costs of the business remain relatively fixed and, once the break-even attendance point is reached, the pay-for-play expenditures thereafter produce a higher marginal profit.

Break-Even Attendance

The following table presents projections of the attendance needed to break even in the initial year. Break-even attendance is calculated, based on the assumption that first year attendance is achieved and per capita levels are met. Based upon the

calculations shown in the table, an incremental per capita revenue of \$8.25 would result from the first year's operation. The break-even attendance is projected to be 151,447 guests in the first operating year.

**Table IX-10
Break-Even Attendance**

| Assumptions: | | | | | |
|--------------------------------|-------------------------|-------------------------------|----------------------------|-------------------------|----------------------|
| Attendance | 261,000 | | | | |
| Per Capita Revenue | \$10.52 | | | | |
| Fixed Operating Exp % | 75% | | | | |
| Expense Category | Projected Amount | Per Capita Expense | Variable PC Expense | Fixed PC Expense | Fixed Expense |
| Operating Expense | \$1,666,000 | \$6.38 | \$1.60 | \$4.79 | \$1,250,000 |
| Cost of Goods Sold | 175,000 | 0.67 | 0.67 | 0.00 | 0 |
| Total Expense | \$1,841,000 | \$7.05 | \$2.27 | \$4.79 | \$1,250,000 |
| Total Per Capita Revenue | \$10.52 | | | | |
| Less: Variable PC Expense | 2.27 | | | | |
| Incremental Per Capita Revenue | \$8.25 | | | | |
| Break-Even Attendance | \$1,250,000 | Equals 151,447 persons | | | |
| | \$8.25 | | | | |

Source: LARC

Break-Even Revenue

Break-even revenue is projected for each of the first five operating years and is shown in Table IX-11. As the table indicates, assuming a gross profit percentage of 94% based on the operating expenses projected, the break-even revenue point in the first operating year is \$1,334,000. The break-even point increases over the five-year period to a level of \$1,681,000. The break-even point for revenue is approximately 48.1% of the revenue projected for the entertainment complex in the first operating year and increases to 51.1% of the projected revenue by the fifth year.

All break-even calculations are exclusive of depreciation, debt service and income taxes. Secondly, the analysis is also based on the assumption that 75% of operating expenses are fixed once the project opens, and the remaining operating expenses are variable

and increase in proportion to attendance. This assumption is based upon historical operating costs of existing attractions for which LARC has proprietary information.

Table IX-11

Break-Even Revenue Projections

| Category | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|--------------------|------------------------------|--------------------|--------------------|--------------------|
| Total Revenue | \$2,776,000 | \$2,869,000 | \$3,068,000 | \$3,177,000 | \$3,289,000 |
| (Cost of Goods Sold) | -175,000 | -185,000 | -194,000 | -204,000 | -215,000 |
| Gross Profit | \$2,601,000 | \$2,684,000 | \$2,874,000 | \$2,973,000 | \$3,074,000 |
| Gross Profit % | 93.7% | 93.6% | 93.7% | 93.6% | 93.5% |
| Total Operating Expenses | \$1,666,000 | \$1,764,000 | \$1,867,000 | \$1,978,000 | \$2,095,000 |
| Fixed Operating Expense | \$1,250,000 | \$1,323,000 | \$1,400,000 | \$1,484,000 | \$1,571,000 |
| | | (75% of Total Op Exp) | | | |
| Total Fixed Payouts | \$1,250,000 | \$1,323,000 | \$1,400,000 | \$1,484,000 | \$1,571,000 |
| Gross Profit % at B.E.P.* | 94% | 94% | 94% | 94% | 93% |
| Revenue at B.E.P. | \$1,334,000 | \$1,414,000 | \$1,495,000 | \$1,586,000 | \$1,681,000 |
| As a % of Total Revenue Projected | 48.1% | 49.3% | 48.7% | 49.9% | 51.1% |

*B.E.P. = Break-Even Point
Source: LARC

NET WARRANTED INVESTMENT

The technique of capitalizing income allows the investment which is warranted in any project to be determined as a function of projected future income, effectively determining the amount a prudent investor would pay to secure a particular stream of income. Based on industry criteria, it would be appropriate to capitalize earnings at a rate between 14.2% and 20% -- a rate which reflects the perceived level of inherent risk in an endeavor such as developing a sports complex. These percentages relate to a five to seven-year payback of principal for the investor.

Based on average annual operating earnings during the first five years of \$967,000, the warranted investment in the proposed entertainment complex is

between \$4.8 and \$6.7 million, as presented in the following table.

Table IX-12

Warranted Supportable Investment

| Average 5YR Earning | | \$967,000 |
|---------------------|----------|-------------|
| Payback Required | Cap Rate | Investment |
| 3 Year | 33.70% | \$2,869,000 |
| 4 Year | 25.00% | \$3,868,000 |
| 5 Year | 20.00% | \$4,835,000 |
| 6 Year | 16.66% | \$5,804,000 |
| 7 Year | 14.29% | \$6,769,000 |
| 8 Year | 12.50% | \$7,736,000 |

Source: LARC



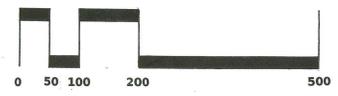
Although we believe that the information and assumptions used constitute a reasonable basis for the preparation of this report, the achievement of any financial projection may be affected by fluctuating conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved during the forecast period may vary from the forecasts.

SACHSE SPORTS STATION MASTER PLAN

SACHSE, TEXAS



SEPTEMBER 21, 2012
AUGUST 24, 2012



SCALE: 1" = 100'-0"
2 FOOT CONTOURS



Legislation Details (With Text)

| | | | | | |
|----------------------|---|----------------------|---|----------------------|----------------------|
| File #: | 12-1131 | Version: | 1 | Name: | Fire Department Fees |
| Type: | Agenda Item | Status: | | Status: | Agenda Ready |
| File created: | 9/25/2012 | In control: | | In control: | City Council |
| On agenda: | 10/1/2012 | Final action: | | Final action: | |
| Title: | Discuss the existing use of fees associated with services provided by Sachse Fire Department. | | | | |

Executive Summary

The purpose of this item is to examine certain inspection, administrative and permit fees to ensure they are current and also discuss moving some of these fees from their current location in the Code of Ordinances to the Master Fee Schedule. The current and proposed fees are used to offset the cost of services. These fees are intended to be an amount that is reasonable and necessary for the efficient delivery and provision of services.

Sponsors:

Indexes:

Code sections: Sec. 1-17. - Adoption of fees and charges.

- Attachments:**
- [Fee presentation with spreadsheets.pdf](#)
 - [current and proposed fees.pdf](#)
 - [fees comp.pdf](#)
 - [Master Fee.pdf](#)
 - [Fee spreadsheets.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Discuss the existing use of fees associated with services provided by Sachse Fire Department.

Executive Summary

The purpose of this item is to examine certain inspection, administrative and permit fees to ensure they are current and also discuss moving some of these fees from their current location in the Code of Ordinances to the Master Fee Schedule. The current and proposed fees are used to offset the cost of services. These fees are intended to be an amount that is reasonable and necessary for the efficient delivery and provision of services.

Background

The City of Sachse has numerous inspection, administrative and permit fees associated with providing services. The fees charged will recoup some of cost associated with the delivery of these services. Included in this discussion item will be an assessment of existing fees, comparative fee data from other municipalities and proposed fee changes.

Policy Considerations

The goal of this item is to discuss fees to determine what is appropriate based upon being

commensurate with the services being provided. A listing of the City of Sachse fees associated with the Fire Department is included in Attachment 1 (Fire Department Fees for adoption), Attachment 2 (Comparison of current and proposed fees with explanation) and Attachment 3 (Comparison of current and proposed fees with neighboring cities).

Requests for city services that are variable in nature generally are accompanied by a fee. This is standard practice common to most municipalities and not necessarily unique to Sachse. Fees are meant to offset the cost of providing a certain service; however, some municipalities may choose to absorb some costs as an incentive for attracting development or as perk to residents of the municipality. Additionally fees vary dependent upon the length and complexity of a municipality's review process, which can differ from place to place.

The final topic of this discussion item involves the relocation of fees from various sections in the Code of Ordinances into the Master Fee Schedule. This was discussed in previous items before the City Council, and will be an ongoing matter of practice.

Budgetary Considerations

None.

Staff Recommendations

Based on the information presented, Staff recommends City Council offer direction regarding the amendment of presented Fire Department Fees

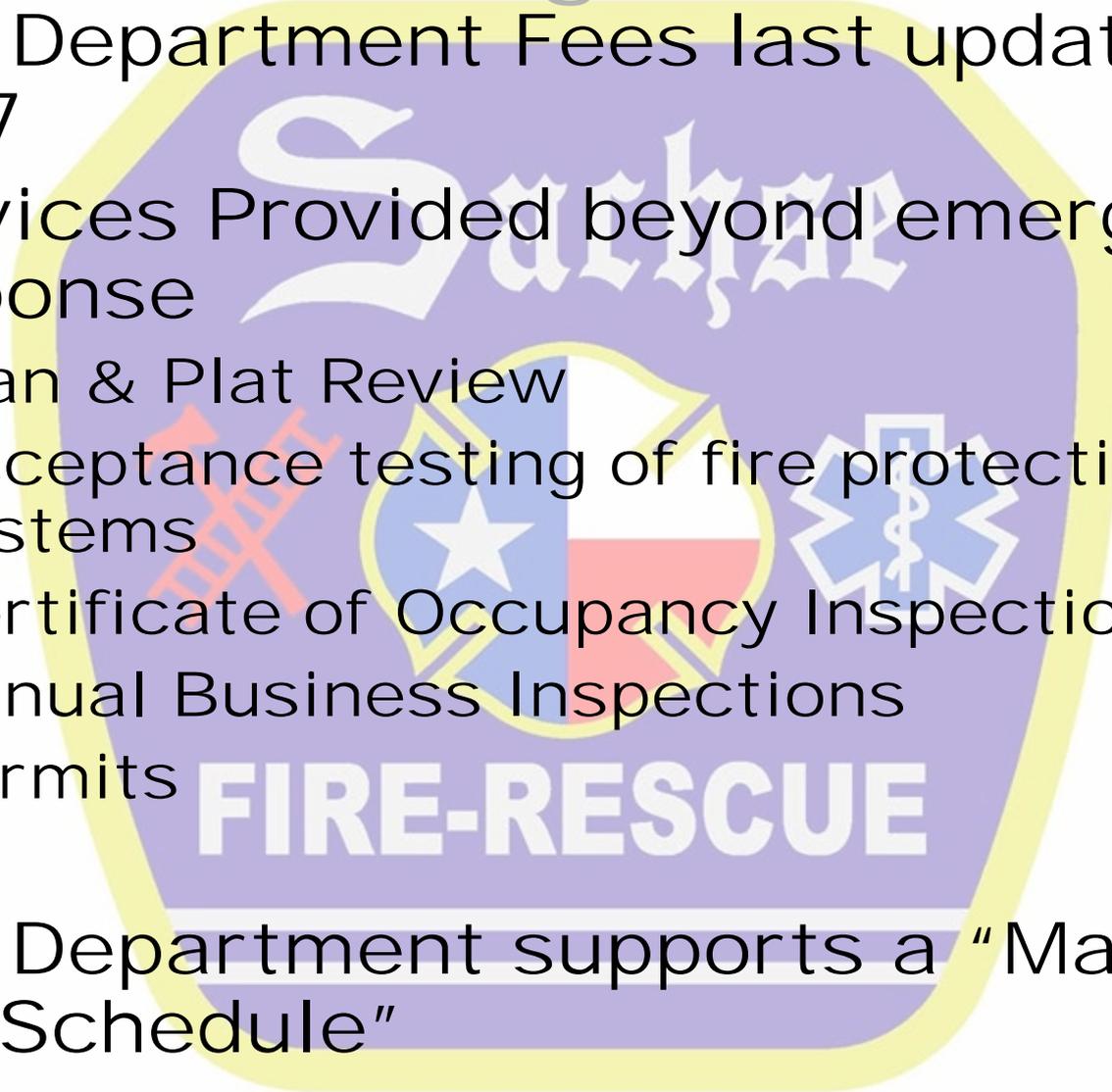


Sachse Fire Rescue

Discussion of current and proposed fees

Background

- Fire Department Fees last updated in 2007
- Services Provided beyond emergency response
 - Plan & Plat Review
 - Acceptance testing of fire protection systems
 - Certificate of Occupancy Inspections
 - Annual Business Inspections
 - Permits
- Fire Department supports a “Master Fee Schedule”





Current and Proposed Fees

Plan Review

- Fire Sprinklers
 - Required for all buildings at 6,000 sqft
 - Coverage for all areas of building
 - Review system components
 - Hydraulic calculations to ensure adequate water supply and design
- Fire Alarm Systems
 - Coverage for all areas
 - Battery drain calculations
 - Review system components



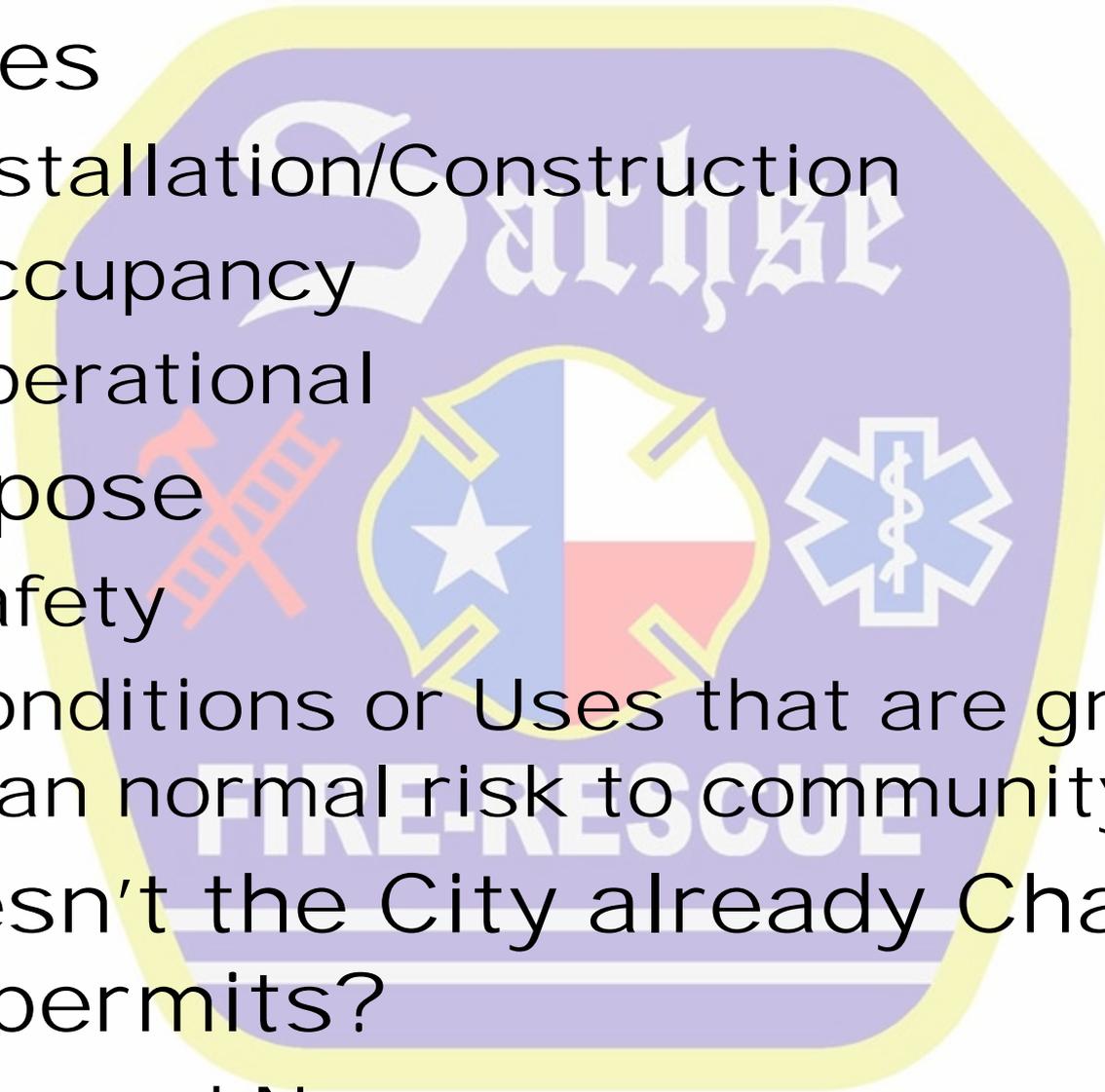
Plan Review

- Fire Suppression Systems
 - Required for all
 - Commercial Kitchens
 - Paint Booths
 - Review system components
- Above and Underground Storage tanks
 - Site Plan
- Civils and Plats



Permits

- Types
 - Installation/Construction
 - Occupancy
 - Operational
- Purpose
 - Safety
 - Conditions or Uses that are greater than normal risk to community
- Doesn't the City already Charge for permits?
 - Yes and No





FD Master Fee Schedule



FD Fee Comparison



Questions?

Thank you

FIRE-RESCUE



Should any questions come up after tonight, please feel free to contact me at:

CAPTAIN ROBERT KNAPPAGE, AAS, EMT/P
FIRE MARSHAL/EMS
OFF. 972.461.9801 CELL 469.628.7221
RKNAPPAGE@CITYOFSACHSE.COM

Fire Department Current and Proposed Fees

| Fire Department Permits and Fees Related to the Installation/replacement/re-model of Fire Protection Systems | | | | |
|---|---------------------|---|---|---|
| Type | | Current | Proposed | |
| Plan Review Fee | | \$100.00 (Fire Alarm Plans Only) | \$100.00 | To correct the initial intent of the current plan review to include all plans reviewed by the Fire Department |
| Fire Sprinkler Installation Permit (Per building) | 1 to 100 sprinklers | 275+ \$50.00 Installer Registration | \$275 | Removed the installer registration fee per State law |
| | 101 to 200 | 325+ \$50.00 Installer Registration | \$325 | |
| | 201 to 300 | 350+ \$50.00 Installer Registration | \$350 | |
| | 301 to 400 | 375+ \$50.00 Installer Registration | \$375 | |
| | 401 to 500 | 425+ \$50.00 Installer Registration | \$425 | |
| | Over 500 | \$500.00 + \$0.33 each sprinkler over 500+ \$50.00 Installer Registration | \$500.00 + \$0.33 each sprinkler over 500 | |
| Fire Alarm Installation Permit (Per building) | | \$50.00 + \$50.00 Installer Registration | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More than 200 \$400.00 | Removed the installer registration fee per State law and scaled cost by installation |
| Fire Alarm Panel Replacement Only | | \$50.00 + \$50.00 Installer Registration | \$100.00 | Removed the installer registration fee per State law |
| Hydro & Flush | Per System | \$0.00 | \$50.00 | Inspection of the underground piping installed for Fire Sprinkler systems |
| Fire Pump Per System | Per System | \$0.00 | \$50.00 | Previously covered by "All other Inspections" |
| Hydrant Flow Test Observation | | \$0.00 | \$50.00 (2 Hydrants) | Fire Code requires that these flow test be witnessed when being done by an outside agency |
| Work started without a permit: . | | \$0.00 | \$100.00 + Required Fee | Penalty for doing work without a permit |
| Fire Dept. Permit Replacement | | \$0.00 | \$10.00 | Administrative fee to print a replacement permit |
| Replacement Job Site plan re-stamp : | | \$0.00 | \$15.00 | Administrative fee to verify plans have not been altered and re-stamp |
| Vent/Hood/Booth Extinguishing System | Per System | \$50.00 | \$50.00 | Previously covered by "All other Inspections" |
| 2 nd and subsequent re-inspections Fee | | \$50.00 for each re-inspection | \$50.00 for each re-inspection | Add clarification to current fee |
| Fire Department Inspection/Occupancy Permit Fees | | | | |
| Carnivals and Fairs | | \$0.00 | \$50.00 | To ensure public safety issues not addressed in Sachse COO Sec. 4-11. Temporary public amusements |
| Exhibits and Trade Shows | | \$0.00 | \$50.00 | |
| Temporary Structures, Tents or Canopies | | \$0.00 | \$50.00 ** | Fee for uses not permitted through Community Development |
| In-Home Day Care Certificate of Occupancy: | | \$15.00 | \$50.00 | Inspection required by State for licensing |
| Multi-Family Certificate of Occupancy | | \$15.00 | \$25.00 | Fee increase for each inspection |

Fire Department Current and Proposed Fees

| Type | Current | Proposed | |
|--|--------------------------|--------------------------|--|
| Foster Care/Adoption Home Inspection | \$0.00 | \$25.00 | State requires inspection for homes |
| Dangerous Building Abatement Admin Fee | \$150.00 | \$250.00 | Increase in Administrative fee due to the dedicated man-hours for the process of abatement |
| After Hour Inspection Fee | \$50/hr min 2hr/\$100.00 | \$50/hr min 2hr/\$100.00 | No change |

**** Used for permits not included in a Community Development permit fee.**

Fire Department Permit Fees

| | | | |
|---|--|--|--|
| Outdoor/Open Burning | \$75.00 | \$150.00 | Increase permit fee. Sachse provides large item (bulk) pick-up to all citizens |
| Pyrotechnic Special Effects | \$50/hr min 2hr/\$100.00 | \$100.00 | Changed fee to a fixed cost permit |
| Hazardous material Response reimbursement | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | No change |
| Fire Watch/Stand-by | \$50.00 per/hr for each Fire employee | \$50.00 per/hr for each Fire employee | No change |

Ambulance Service Fees

| | | | |
|-----------------|----------|--|--|
| ALS (Res)* | \$650.00 | | |
| ALS (Non-Res) | \$650.00 | | |
| ALS2 (Res)* | \$750.00 | | |
| ALS2 (Non-Res) | \$750.00 | | |
| SCT | N/A | | |
| BLS (Res)* | \$550.00 | | |
| BLS (Non-Res) | \$550.00 | | |
| Mileage | \$12.00 | | |
| Oxygen | \$110.00 | | |
| BLS supplies | \$250.00 | | |
| ALS supplies | \$350.00 | | |
| Extrication | \$500.00 | | |
| Technology fee | \$10.00 | | |
| No transport | \$150.00 | | |
| Extra attendant | \$75.00 | | |

No Changes proposed

* Residents. Waive co-pay and deductible

Sachse Fire Rescue
Master Fee Schedule
2012

| Type | Fee | |
|---|----------------------|--|
| Fire Department Permits and Fees Related to the Installation/replacement/re-model of Fire Protection Systems | | |
| Plan Review Fee | \$100.00 | |
| Fire Sprinkler Installation Permit (Per building) | 1 to 100 sprinklers | \$275 |
| | 101 to 200 | \$325 |
| | 201 to 300 | \$350 |
| | 301 to 400 | \$375 |
| | 401 to 500 | \$425 |
| | Over 500 | \$500.00 + \$0.33 each sprinkler over 500 |
| Fire Alarm Installation Permit (Per building) | Less than 10 devices | \$50.00 |
| | 11 to 25 devices | \$75.00 |
| | 25 to 100 devices | \$150.00 |
| | 100 to 200 devices | \$200.00 |
| | More then 200 | \$400.00 |
| Fire Alarm Panel Replacement Only | \$100.00 | |
| Hydro & Flush | Per System | \$50.00 |
| Fire Pump Per System | Per System | \$50.00 |
| Hydrant Flow Test Observation | | \$50.00 (2 Hydrants) |
| Work started without a permit: . | | \$100.00 + Required Fee |
| Fire Dept. Permit Replacement | | \$10.00 |
| Replacement Job Site plan re-stamp : | | \$15.00 |
| Vent/Hood/Booth Extinguishing System | Per System | \$50.00 |
| 2 nd and subsequent re-inspections Fee | | \$50.00 for each re-inspection |
| Fire Department Inspection/Occupancy Permit Fees | | |
| Carnivals and Fairs | | \$50.00 |
| Exhibits and Trade Shows | | \$50.00 |
| Temporary Structures, Tents or Canopies | | \$50.00 ** |
| In-Home Day Care Certificate of Occupancy: | | \$50.00 |
| Multi-Family Certificate of Occupancy | | \$25.00 |
| Foster Care/Adoption Home Inspection | | \$25.00 |
| Dangerous Building Abatement Admin Fee | | \$250.00 |
| After Hour Inspection Fee | | \$50/hr min 2hr/\$100.00 |
| <i>** Used for permits not included in a Community Development permit fee.</i> | | |
| Fire Department Permit Fees | | |
| Outdoor/Open Burning | | \$150.00 |
| Pyrotechnic Special Effects | | \$100.00 |
| Hazardous material Response reimbursement | | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies |
| Fire Watch/Stand-by | | \$50.00 per/hr for each Fire employee |
| Ambulance Service Fees | | |
| ALS (Res)* | | \$650.00 |
| ALS (Non-Res) | | \$650.00 |
| ALS2 (Res)* | | \$750.00 |
| ALS2 (Non-Res) | | \$750.00 |
| SCT | | N/A |
| BLS (Res)* | | \$550.00 |
| BLS (Non-Res) | | \$550.00 |
| Mileage | | \$12.00 |
| Oxygen | | \$110.00 |
| BLS supplies | | \$250.00 |
| ALS supplies | | \$350.00 |
| Extrication | | \$500.00 |
| Technology fee | | \$10.00 |
| No transport | | \$150.00 |
| Extra attendant | | \$75.00 |
| <i>* Residents. Waive co-pay and deductible</i> | | |

Fire Department Current and Proposed Fees

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| Hydro & Flush | Per System | \$0.00 | \$50.00 | Inspection of the underground piping installed for Fire Sprinkler systems |
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| Fire Department Inspection/Occupancy Permit Fees | | | | |
| Carnivals and Fairs | | \$0.00 | \$50.00 | To ensure public safety issues not addressed in Sachse COO Sec. 4-11. Temporary public amusements |
| Exhibits and Trade Shows | | \$0.00 | \$50.00 | |
| Temporary Structures, Tents or Canopies | | \$0.00 | \$50.00 ** | Fee for uses not permitted through Community Development |
| In-Home Day Care Certificate of Occupancy: | | \$15.00 | \$50.00 | Inspection required by State for licensing |
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Fire Department Current and Proposed Fees

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| Dangerous Building Abatement Admin Fee | \$150.00 | \$250.00 | Increase in Administrative fee due to the dedicated man-hours for the process of abatement |
| After Hour Inspection Fee | \$50/hr min 2hr/\$100.00 | \$50/hr min 2hr/\$100.00 | No change |

**** Used for permits not included in a Community Development permit fee.**

Fire Department Permit Fees

| | | | |
|---|--|--|--|
| Outdoor/Open Burning | \$75.00 | \$150.00 | Increase permit fee. Sachse provides large item (bulk) pick-up to all citizens |
| Pyrotechnic Special Effects | \$50/hr min 2hr/\$100.00 | \$100.00 | Changed fee to a fixed cost permit |
| Hazardous material Response reimbursement | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | No change |
| Fire Watch/Stand-by | \$50.00 per/hr for each Fire employee | \$50.00 per/hr for each Fire employee | No change |

Ambulance Service Fees

| | | | |
|-----------------|----------|--|--|
| ALS (Res)* | \$650.00 | | |
| ALS (Non-Res) | \$650.00 | | |
| ALS2 (Res)* | \$750.00 | | |
| ALS2 (Non-Res) | \$750.00 | | |
| SCT | N/A | | |
| BLS (Res)* | \$550.00 | | |
| BLS (Non-Res) | \$550.00 | | |
| Mileage | \$12.00 | | |
| Oxygen | \$110.00 | | |
| BLS supplies | \$250.00 | | |
| ALS supplies | \$350.00 | | |
| Extrication | \$500.00 | | |
| Technology fee | \$10.00 | | |
| No transport | \$150.00 | | |
| Extra attendant | \$75.00 | | |

No Changes proposed

* Residents. Waive co-pay and deductible

FD Fee Comparison

| | N=New | I= Increase | S= Same | D= Decrease |
|---|--------------|---|---|--|
| | | Sachse | Murphy | Wylie |
| Type | | Proposed | Fee | Fee |
| Carnivals and Fairs | N | \$50.00 | \$50.00 | \$50.00 |
| Exhibits and Trade Shows | N | \$50.00 | \$50.00 | \$50.00 |
| Temporary Structures, Tents or Canopies | N | \$50.00 | \$50.00 per structure | \$25.00 +\$100.00 Contractor Registration Fee |
| Pyrotechnic Special Effects | N | \$100.00 | \$200.00 | \$500.00 |
| Foster Care/Adoption Home Inspection | N | \$25.00 | \$0.00 | \$0.00 |
| In-Home Day Care Certificate of Occupancy: | N | \$50.00 | \$75.00 | \$0.00 |
| Multi-Family Certificate of Occupancy | I | \$25.00 | \$0.00 | \$0.00 |
| Plan Review | N | \$100.00 | Included in Permit Fee | 1-100,000 sq. ft. (per sq. ft.)\$ 0.02 (minimum \$80.00) 100,001-300,000 SqFt. (per sq. ft.)0.17 300,001 plus SqFt. (per SqFt.)0.01 |
| CONSTRUCTION RELATED PERMITS | | | | |
| Fire Protection Sprinkler fees | D | 1 to 100 sprinklers \$275 101 to 200 \$325 201 to 300 \$350 301 to 400 \$375 401 to 500 \$425 Over 500 \$500.00+\$0.33 @ | 1 to 100,000sqft \$0.35 SqFt (\$60 min) 100,001 to 300,000sqft Add \$0.17 SqFt 300,001 + SqFt Add \$0.01 SqFt | 0-100,000 sq. ft. (per SqFt.)0.015 100,001-300,000 sq. ft. (per SqFt.)0.014 300,001 plus sq. ft., per sq. ft.0.009 + 100.00 contractor reg |
| Fire Alarm Installation Permit | N | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More then 200 \$400.00 | 1 to 100,000sqft \$0.35 SqFt (\$60 min) 100,001 to 300,000sqft Add \$0.17 SqFt 300,001 + SqFt Add \$0.01 SqFt | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More then 200 \$400.00 |
| Hydro & Flush | N | \$50.00 | \$50 | \$250+\$100.00 Contractor Registration Fee |
| Fire Pump Per System | N | \$50.00 | \$300 | \$100+\$100.00 Contractor Registration Fee |
| Automatic Extinguishing System (Hood) | S | \$50.00 | \$75 | \$100+\$100.00 Contractor Registration Fee |
| Work started without a permit: . | N | 100+permit fee | Permit fee \$ x 2 | \$0.00 |
| Permit Replacement: | N | \$10.00 | \$15.00 | \$10.00 |
| Hydrant Flow Test Observation | N | \$50.00 (2 hydrants) | 0 | \$50.00 (2 hydrants) +\$100.00 Contractor Registration Fee |
| After Hour Inspection Fee | S | \$50 / hr min 2hr | 0 | \$100.00 |
| 2 nd and subsequent re-inspections Fee | S | \$50.00 each re-inspection | Interior SqFt Fee 1st 2nd 1 to 3,000 \$25.00 +\$25.00 3,001 to 6,000 \$50.00 +\$25.00 6,001 to 12,000 \$75.00 +\$25.00 12,001 to 18,000 \$100.00 +\$25.00 18,001 to 24,000 \$150.00 +\$25.00 24,001 to 100,000 \$200.00 +\$25.00 Over 100,000 \$250.00+\$25.00 | \$75.00 |
| Re-stamp Fee: | N | \$15.00 | \$30.00/hour | \$50.00 / hour |
| OPERATIONAL and USE PERMITS | | | | |
| Commercial Occupancy Inspections | S | \$50.00 | Interior SqFt Fee 1 to 3,000 \$25.00 3,001 to 6,000 \$50.00 6,001 to 12,000 \$75.00 12,001 to 18,000 \$100.00 18,001 to 24,000 \$150.00 24,001 to 100,000 \$200.00 Over 100,000 \$250.00 | \$0.00 |
| Amusement Buildings | N | \$50.00 | \$50.00 | \$25.00 |
| Automatic Fire Extinguishing Systems | | \$50.00 | \$100.00 | \$75.00+\$100.00 Contractor Registration Fee |
| Fire Pumps and Equipment | N | \$50.00 | \$50.00 | \$25.00 |
| Outdoor / Open Burning | I | \$150.00 | \$1,000.00/site | \$500.00 |
| Membrane Structures, Tents or Canopies | N | \$50.00 | \$50.00 | \$150.00 |
| Dangerous Building Abatement Admin Fee | I | \$250.00 | \$0.00 | \$750.00/per lot |

Sachse Fire Rescue
Master Fee Schedule
2012

| Type | Fee | |
|---|----------------------|--|
| Fire Department Permits and Fees Related to the Installation/replacement/re-model of Fire Protection Systems | | |
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| | Over 500 | \$500.00 + \$0.33 each sprinkler over 500 |
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| Carnivals and Fairs | | \$50.00 |
| Exhibits and Trade Shows | | \$50.00 |
| Temporary Structures, Tents or Canopies | | \$50.00 ** |
| In-Home Day Care Certificate of Occupancy: | | \$50.00 |
| Multi-Family Certificate of Occupancy | | \$25.00 |
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| SCT | | N/A |
| BLS (Res)* | | \$550.00 |
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| BLS supplies | | \$250.00 |
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| Extrication | | \$500.00 |
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| No transport | | \$150.00 |
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Sachse Fire Rescue
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2012

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| | 401 to 500 425+ \$50.00 Installer Registration | \$425 | |
| Over 500 | \$500.00 + \$0.33 each sprinkler over 500+ \$50.00 Installer Registration | \$500.00 + \$0.33 each sprinkler over 500 | |
| Fire Alarm Installation Permit (Per building) | \$50.00 + \$50.00 Installer Registration | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More then 200 \$400.00 | Removed the installer registration fee per State law and scaled cost by installation |
| Fire Alarm Panel Replacement Only | \$50.00 + \$50.00 Installer Registration | \$100.00 | Removed the installer registration fee per State law |
| Hydro & Flush | Per System \$0.00 | \$50.00 | Inspection of the underground piping installed for Fire Sprinkler systems |
| Fire Pump Per System | Per System \$0.00 | \$50.00 | Previously covered by "All other Inspections" |
| Hydrant Flow Test Obsevation | \$0.00 | \$50.00 (2 Hydrants) | Fire Code requires that these flow test be witnessed when being done by an outside agency |
| Work started without a permit: . | \$0.00 | \$100.00 + Required Fee | Penalty for doing work without a permit |
| Fire Dept. Permit Replacement | \$0.00 | \$10.00 | Administrative fee to print a replacement permit |
| Replacement Job Site plan re-stamp : | \$0.00 | \$15.00 | Administrative fee to verify plans have not been altered and re-stamp |
| Vent/Hood/Booth Extinguishing System | Per System \$50.00 | \$50.00 | Previously covered by "All other Inspections" |
| 2 nd and subsequent re-inspections Fee | \$50.00 for each re-inspection | \$50.00 for each re-inspection | Add clarification to current fee |

Fire Department Inspection/Occupancy Permit Fees

| | | | |
|--|---------|------------|---|
| Carnivals and Fairs | \$0.00 | \$50.00 | To ensure public safety issues not addressed in Sachse COO Sec. 4-11. Temporary public amusements |
| Exhibits and Trade Shows | \$0.00 | \$50.00 | |
| Temporary Structures, Tents or Canopies | \$0.00 | \$50.00 ** | Fee for uses not permitted through Community Development |
| In-Home Day Care Certificate of Occupancy: | \$15.00 | \$50.00 | Inspection required by State for licensing |
| Multi-Family Certificate of Occupancy | \$15.00 | \$25.00 | Fee increase for each inspection |
| Foster Care/Adoption Home Inspection | \$0.00 | \$25.00 | State requires inspection for homes |

Fire Department Current and Proposed Fees

| Type | Current | Proposed | |
|--|--|--|--|
| Dangerous Building Abatement Admin Fee | \$150.00 | \$250.00 | Increase in Administrative fee due to the dedicated man-hours for the process of abatement |
| After Hour Inspection Fee | \$50/hr min 2hr/\$100.00 | \$50/hr min 2hr/\$100.00 | No change |
| ** Used for permits not included in a Community Development permit fee. | | | |
| Fire Department Permit Fees | | | |
| Outdoor/Open Burning | \$75.00 | \$150.00 | Increase permit fee. Sachse provides large item (bulk) pick-up to all citizens |
| Pyrotechnic Special Effects | \$50/hr min 2hr/\$100.00 | \$100.00 | Changed fee to a fixed cost permit |
| Hazardous material Response reimbursement | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | \$400.00/hr for each engine and \$200.00/hr for each Ambulance plus supplies | No change |
| Fire Watch/Stand-by | \$50.00 per/hr for each Fire employee | \$50.00 per/hr for each Fire employee | No change |
| Ambulance Service Fees | | | |
| ALS (Res)* | \$650.00 | No Changes proposed | |
| ALS (Non-Res) | \$650.00 | | |
| ALS2 (Res)* | \$750.00 | | |
| ALS2 (Non-Res) | \$750.00 | | |
| SCT | N/A | | |
| BLS (Res)* | \$550.00 | | |
| BLS (Non-Res) | \$550.00 | | |
| Mileage | \$12.00 | | |
| Oxygen | \$110.00 | | |
| BLS supplies | \$250.00 | | |
| ALS supplies | \$350.00 | | |
| Extrication | \$500.00 | | |
| Technology fee | \$10.00 | | |
| No transport | \$150.00 | | |
| Extra attendant | \$75.00 | | |
| <i>* Residents. Waive co-pay and deductible</i> | | | |

FD Fee Comparison

| | N=New | I= Increase | S= Same | D= Decrease |
|---|--------------|---|---|--|
| | | Sachse | Murphy | Wylie |
| Type | | Proposed | Fee | Fee |
| Carnivals and Fairs | N | \$50.00 | \$50.00 | \$50.00 |
| Exhibits and Trade Shows | N | \$50.00 | \$50.00 | \$50.00 |
| Temporary Structures, Tents or Canopies | N | \$50.00 | \$50.00 per structure | \$25.00 +\$100.00 Contractor Registration Fee |
| Pyrotechnic Special Effects | N | \$100.00 | \$200.00 | \$500.00 |
| Foster Care/Adoption Home Inspection | N | \$25.00 | \$0.00 | \$0.00 |
| In-Home Day Care Certificate of Occupancy: | N | \$50.00 | \$75.00 | \$0.00 |
| Multi-Family Certificate of Occupancy | I | \$25.00 | \$0.00 | \$0.00 |
| Plan Review | N | \$100.00 | Included in Permit Fee | 1-100,000 sq. ft. (per sq. ft.)\$ 0.02 (minimum \$80.00) 100,001-300,000 SqFt. (per sq. ft.)0.17 300,001 plus SqFt. (per SqFt.)0.01 |
| CONSTRUCTION RELATED PERMITS | | | | |
| Fire Protection Sprinkler fees | D | 1 to 100 sprinklers \$275 101 to 200 \$325 201 to 300 \$350 301 to 400 \$375 401 to 500 \$425 Over 500 \$500.00+\$0.33 @ | 1 to 100,000sqft \$0.35 SqFt (\$60 min) 100,001 to 300,000sqft Add \$0.17 SqFt 300,001 + SqFt Add \$0.01 SqFt | 0-100,000 sq. ft. (per SqFt.)0.015 100,001-300,000 sq. ft. (per SqFt.)0.014 300,001 plus sq. ft., per sq. ft.0.009 + 100.00 contractor reg |
| Fire Alarm Installation Permit | N | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More then 200 \$400.00 | 1 to 100,000sqft \$0.35 SqFt (\$60 min) 100,001 to 300,000sqft Add \$0.17 SqFt 300,001 + SqFt Add \$0.01 SqFt | Less than 10 devices \$50.00 11 to 25 devices \$75.00 25 to 100 devices \$150.00 100 to 200 devices \$200.00 More then 200 \$400.00 |
| Hydro & Flush | N | \$50.00 | \$50 | \$250+\$100.00 Contractor Registration Fee |
| Fire Pump Per System | N | \$50.00 | \$300 | \$100+\$100.00 Contractor Registration Fee |
| Automatic Extinguishing System (Hood) | S | \$50.00 | \$75 | \$100+\$100.00 Contractor Registration Fee |
| Work started without a permit: . | N | 100+permit fee | Permit fee \$ x 2 | \$0.00 |
| Permit Replacement: | N | \$10.00 | \$15.00 | \$10.00 |
| Hydrant Flow Test Observation | N | \$50.00 (2 hydrants) | 0 | \$50.00 (2 hydrants) +\$100.00 Contractor Registration Fee |
| After Hour Inspection Fee | S | \$50 / hr min 2hr | 0 | \$100.00 |
| 2 nd and subsequent re-inspections Fee | S | \$50.00 each re-inspection | Interior SqFt Fee 1st 2nd 1 to 3,000 \$25.00 +\$25.00 3,001 to 6,000 \$50.00 +\$25.00 6,001 to 12,000 \$75.00 +\$25.00 12,001 to 18,000 \$100.00 +\$25.00 18,001 to 24,000 \$150.00 +\$25.00 24,001 to 100,000 \$200.00 +\$25.00 Over 100,000 \$250.00+\$25.00 | \$75.00 |
| Re-stamp Fee: | N | \$15.00 | \$30.00/hour | \$50.00 / hour |
| OPERATIONAL and USE PERMITS | | | | |
| Commercial Occupancy Inspections | S | \$50.00 | Interior SqFt Fee 1 to 3,000 \$25.00 3,001 to 6,000 \$50.00 6,001 to 12,000 \$75.00 12,001 to 18,000 \$100.00 18,001 to 24,000 \$150.00 24,001 to 100,000 \$200.00 Over 100,000 \$250.00 | \$0.00 |
| Amusement Buildings | N | \$50.00 | \$50.00 | \$25.00 |
| Automatic Fire Extinguishing Systems | | \$50.00 | \$100.00 | \$75.00+\$100.00 Contractor Registration Fee |
| Fire Pumps and Equipment | N | \$50.00 | \$50.00 | \$25.00 |
| Outdoor / Open Burning | I | \$150.00 | \$1,000.00/site | \$500.00 |
| Membrane Structures, Tents or Canopies | N | \$50.00 | \$50.00 | \$150.00 |
| Dangerous Building Abatement Admin Fee | I | \$250.00 | \$0.00 | \$750.00/per lot |



Legislation Details (With Text)

File #: 12-1084 **Version:** 1 **Name:** CD - SF GARAGES DISCUSSION
Type: Agenda Item **Status:** Agenda Ready
File created: 9/6/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**

Title: Discuss the zoning regulations associated with enclosing single-family residential garages.

Executive Summary
 Garages for single-family residences are currently regulated by the City of Sachse Zoning Ordinance. This discussion item will present the regulations associated with enclosing existing garages.

Sponsors:

Indexes:

Code sections:

Attachments: [CD - SF GARAGES DISCUSSION - PRESENTATION.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Discuss the zoning regulations associated with enclosing single-family residential garages.

Executive Summary

Garages for single-family residences are currently regulated by the City of Sachse Zoning Ordinance. This discussion item will present the regulations associated with enclosing existing garages.

Background

The regulations for garages associated with single-family residential development are contained in Article 3, Section 2.3(d) of the Sachse Zoning Ordinance. This section of the Zoning Ordinance was most recently amended by Ordinance No. 3296 (adopted June 20, 2011). However, the language associated with enclosing garages has not been amended since December 3, 1984.

This discussion item is being brought forward at the request of City Council.

Policy Considerations

This section will present the existing regulations for enclosing attached or detached garages associated with single-family residential development. Article 3, Section 2.3(d) of the Sachse Zoning Ordinance regulates garage requirements for single-family residences. The prohibition of enclosing single-family garages is based upon Section 2.3(d)(1) of the Zoning Ordinance. The exact language from the Zoning Ordinance is shown below.

2.3(d). Garage requirements.

- (1) All residences shall include a private and enclosed garage for all required off-street parking spaces.
- (2) The entrances to all attached or detached garages shall not face any street, except for the entrances to attached or detached garages located on property platted after June 20, 2011.
- (3) Front entry garage doors, where permitted, shall be even with, or recessed behind the front face of the primary structure.

Schedule I of the Zoning ordinance requires two parking spaces per single-family dwelling unit. Therefore, this requirement coupled with the requirement in Article 3, Section 2.3(d)(1) of the Zoning Ordinance, provides the need for having two parking spaces located in an enclosed garage.

Additionally, the intent of providing a two-car garage for each detached dwelling unit needs to be clearly defined in order to ensure the concern is being addressed by the zoning regulation. For example, the provision of a two-car garage does not necessarily ensure that the vehicles will be parked within the enclosed garage.

Budgetary Considerations

None.

Staff Recommendations

Based on the information presented, Staff recommends City Council offer direction regarding regulations contained in the Zoning Ordinance pertaining to garages for single-family residences.



CITY COUNCIL MEETING

OCTOBER 1, 2012

OUTLINE

- ❑ Background
- ❑ Current Sachse Regulations
- ❑ Next Steps



BACKGROUND

HISTORY

- Single-Family Residential Garages regulated by Article 3, Section 2.3(d) of the Sachse Zoning Ordinance
- Recently amended on June 20, 2011 by Ordinance No. 3296 – allowed garages to face public streets.



POLICY CONSIDERATIONS

SUMMARY OF EXISTING REGULATIONS

- Article III, Section 2.3(d) of the Zoning Ordinance
 - **All residences shall include a private and enclosed garage for all required off-street parking spaces.**
 - The entrances to all attached or detached garages shall not face any street, except for the entrances to attached or detached garages located on property platted after June 20, 2011.
 - Front entry garage doors, where permitted, shall be even with, or recessed behind the front face of the primary structure.
- Schedule I. Permitted Uses Table
 - Requires two spaces per Single-Family Detached Dwelling Unit



POLICY CONSIDERATIONS

QUESTIONS ABOUT EXISTING REGULATIONS

- Is the provision of a required two-car garage for each detached dwelling unit adequately meeting the intent of the Zoning ordinance regulation as codified.
 - *For example, the Code does not specifically state that all vehicles must be parked in required off-street parking spaces provided inside garage.*



STAFF RECOMMENDATION

Based on the information presented, Staff recommends City Council offer direction regarding regulations contained in the Zoning Ordinance pertaining to garages for single-family residences.



QUESTIONS & NEXT STEPS



Legislation Details (With Text)

File #: 12-1114 **Version:** 1 **Name:** Revised Investment Policy Resolution
Type: Agenda Item **Status:** Agenda Ready
File created: 9/18/2012 **In control:** City Council
On agenda: 10/1/2012 **Final action:**

Title: Consider a resolution of the City Council of the City of Sachse, Texas, adopting the City of Sachse investment policy attached hereto as Exhibit "A"; declaring that the City Council has completed its review of the investment policy and investment strategies of the City and that Exhibit "A" records any changes to either the Investment Policy or Investment Strategies; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

To ensure that the City's Policy document is in conformance with the Public Funds Investment Act, City policy and to provide a viable framework for the City to utilize in structuring an effective investment policy it is required that the Investment Policy of the City of Sachse be reviewed and approved by City Council on an annual basis.

Sponsors:

Indexes:

Code sections:

- Attachments:** [Investment Policy Resolution Proposed 10-1-2012.pdf](#)
[Investment Policy Proposed 10-1-2012.pdf](#)
[Investment Policy Explanation of Changes 10-1-2012.pdf](#)
[Investment Policy Presentation 10-1-2012.pdf](#)
[Investment Policy Proposed marked copy 10-1-2012.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Title

Consider a resolution of the City Council of the City of Sachse, Texas, adopting the City of Sachse investment policy attached hereto as Exhibit "A"; declaring that the City Council has completed its review of the investment policy and investment strategies of the City and that Exhibit "A" records any changes to either the Investment Policy or Investment Strategies; providing a repealing clause; providing a severability clause; and providing for an effective date.

Executive Summary

To ensure that the City's Policy document is in conformance with the Public Funds Investment Act, City policy and to provide a viable framework for the City to utilize in structuring an effective investment policy it is required that the Investment Policy of the City of Sachse be reviewed and approved by City Council on an annual basis.

Background

The City's current Investment Policies were last reviewed, revised and approved in November, 2011. In accordance with the Public Funds Investment Act (PFIA) the City's

investment policies are to be reviewed on an annual basis and the City Council must approve any modifications made thereto. The purpose of this agenda item is to present staff recommendations for changes to policy and to comply with the annual review provision of the PFIA whereby each entity shall adopt a resolution annually attesting to an annual review.

There were a few minor formatting and grammatical changes having no impact on the policies themselves. The changes to content are as follows:

Section IV. Objective was amended to remove language describing protecting principal by using overall portfolio interest income to offset or subsidize individual investment loss. Principal should be protected by managing issuer risk not by using interest income from "safer" investments to make up principal loss on riskier investments.

Section IX. Authorized & Suitable Investments was revised to expand language to mirror the PFIA.

All other changes are minor and have no impact upon the policies or management practices. These changes serve to clarify and improve the readability of the document.

Policy Considerations

The recommended policy for adoption is in compliance with the Public Funds Investment Act (PFIA).

Budgetary Considerations

None

Staff Recommendations

Staff recommends approval of a resolution of the City Council of the City of Sachse, Texas, adopting the City of Sachse Investment Policy attached hereto as Exhibit "A"; declaring that the City Council has completed it's review of the Investment Policy and Investment Strategies of the City and that Exhibit "A" records any changes to either the investment policy or investment strategies; providing a repealing clause; providing a severability clause; and providing for an effective date.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, ADOPTING THE CITY OF SACHSE INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Tex. Gov’t Code, the City Council of the City of Sachse, Texas by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Tex. Gov’t Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

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

SECTION 1. The City of Sachse Investment Policy attached hereto as Exhibit “A” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this Resolution.

SECTION 2. That the City Council of the City of Sachse has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. That all provisions of the Resolutions of the City of Sachse, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions of the Resolutions of the City not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution, which shall remain in full force and effect.

SECTION 5. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas,
this the _____ day of _____, 2012.

CITY OF SACHSE, TEXAS

Mike Felix, Mayor

ATTEST:

Terry Smith, City Secretary

**CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
PRESIDENT GEORGE BUSH TURNPIKE REINVESTMENT ZONE TAX INCREMENT FUND
INVESTMENT POLICY**

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, and President George Bush Turnpike Reinvestment Zone Tax Increment Fund shall be singularly referred to as "ENTITY" and collectively referred to as "SACHSE."

It is the policy of SACHSE to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of SACHSE and conforming to the Public Funds Investment Act ("PFIA"), Chapter 2256 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE's financial control and accounted for in the City of Sachse's Comprehensive Annual Financial Report (CAFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Water and Sewer Enterprise Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviation from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance and the Finance Manager of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by each ENTITY's governing body. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

- A. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.
- B. Requirement and Selection of all Investment Providers:

The qualified representative of the organization offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need for SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversity its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while

at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:
 - 1. General Fund
 - 2. Debt Service Fund
 - 3. Special Revenue Fund
 - 4. Capital Projects Fund
 - 5. Sachse Economic Development Corporation Fund
 - 6. President George Bush Reinvestment Zone Tax Increment Fund
- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. The projects may require investments with short to intermediate maturities.
- C. The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.
- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

- A. Obligations of, or guaranteed by, governmental entities:

1. obligations of the United States or its agencies and instrumentalities;
 2. direct obligations of this State or its agencies and instrumentalities;
 3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
 4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:
1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund, or its successor;
 2. secured by obligations that are described in Section XII Collateralization;
 3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.
- C. Repurchase Agreements:
1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX.A1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
 2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX.A1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.
- D. Mutual Funds:

1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:
 - (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the PFIA and federal regulations;
 - (c) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share; and
 - (d) is continuously rated no lower than AAAM or at an equivalent rating by one nationally recognized rating service.
2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Investment Pools:

1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA.
2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;
 - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;
 - (e) the size of the pool;
 - (f) the names of the members of the advisory board of the pool and the dates their terms expire;

- (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;
 - (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;
 - (8) a listing of daily transaction activity of the entity participating in the pool;

- (9) the yield and expense ratio of the pool;
 - (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
 5. Investment Pool "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
 6. A public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.
 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or
 - (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
 8. A public funds investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by one nationally recognized rating service.

X. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XI. Depository

In compliance with State legislation, a primary Depository shall be selected through SACHSE'S banking services procurement process, which shall include a formal request for application (RFA). In selecting a depository the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding F.D.I.C. insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less F.D.I.C. insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in Section IX.A.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, at its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party with whom SACHSE has a custodial agreement. The agreement is to specify the acceptable investment securities

as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIII. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Investment Officers and evidenced by safekeeping receipts.

XIV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XV. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVI. Maximum Maturities

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. Unless matched to a specific cash flow, SACHSE will not directly invest in instruments maturing more than 2 years from the date of purchase. However, SACHSE may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XIX. Reporting

- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
 - 1. describe in detail the investment position of SACHSE on the date of the report;
 - 2. be prepared jointly by all Investment Officers of SACHSE;
 - 3. be signed by each Investment Officer of SACHSE;
 - 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.
 - 5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 - 6. state the maturity date of each separately invested asset that has a maturity date;
 - 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and
 - 8. state the compliance of the Investment Portfolio of the local government as it relates to:
 - (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XX. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved

by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

XXI. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA compliance. SACHSE approves the Government Finance Officers' Association, Government Finance Officers' Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend a training session containing at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 10 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIII. Donated Investments

This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this 1st day of October, 2012.

Mayor
City of Sachse, Texas

ATTEST:

City Secretary
City of Sachse, Texas

PASSED AND APPROVED by the Board of Directors of the Sachse Economic Development Corporation, Texas this _____ day of _____, 2012.

President
Sachse Economic Development Corporation

ATTEST:

Executive Director
Sachse Economic Development Corporation

PASSED AND APPROVED by the Board of Directors of the President George Bush Turnpike Reinvestment Zone Tax Increment Fund, Texas this _____ day of _____, 2013.

President
President George Bush Turnpike Reinvestment Zone

Tax Increment Fund

ATTEST:

Board Secretary
President George Bush Turnpike Reinvestment Zone Tax Increment Fund

City of Sachse
Sachse Economic Development Corporation
President George Bush Turnpike Reinvestment Zone Tax Increment Fund

Investment Policy 2012

Explanation of Changes

Section I. Prudence

Add comma

Section III. Prudence

Add comma

Section IV. Objective

Remove language describing protecting principal by using overall portfolio interest income to offset or subsidize individual investment loss. Principal should be protected by managing issuer risk – not using interest income from “safer” investments to make-up principal loss on riskier investments.

Section VII. B. Authorized Broker/Dealers

Realign formatting

Section VIII. Investment Strategy

Add comma

Section IX. A. 3. Authorized & Suitable Investments – Obligations of, or guaranteed by, governmental entities

Expand language to mirror the PFIA

Section IX. C. 1. (c) Authorized & Suitable Investments – Repurchase Agreements

Add comma

Section IX. E. 4. Authorized & Suitable Investments – Investment Pools

Correct “custodian”

Section XI. Depository

Capitalize “State”

City of Sachse



Investment Policy

October 1, 2012

Changes

- Section IV.B Objective
Removal of language describing protection of principal by using overall portfolio interest income to offset or subsidize individual investment loss.

- Section IX.A.3 Authorized and Suitable Investments
Expanded language to mirror PFIA

**CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
PRESIDENT GEORGE BUSH TURNPIKE REINVESTMENT ZONE TAX INCREMENT FUND
INVESTMENT POLICY**

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, and President George Bush Turnpike Reinvestment Zone Tax Increment Fund shall be singularly referred to as "ENTITY" and collectively referred to as "SACHSE."

It is the policy of SACHSE to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of SACHSE and conforming to the Public Funds Investment Act ("PFIA"), Chapter 2256 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE's financial control and accounted for in the City of Sachse's Comprehensive Annual Financial Report (CAFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Water and Sewer Enterprise Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviation from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

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- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. ~~To attain this objective, diversification is required in order that potential losses on individual investments do not exceed the income generated from the remainder of the portfolio.~~
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance and the Finance Manager of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by each ENTITY's governing body. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

- A. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.
- B. Requirement and Selection of all Investment Providers:

4. The qualified representative of the organization offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need of SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversify its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while

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at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:
 - 1. General Fund
 - 2. Debt Service Fund
 - 3. Special Revenue Fund
 - 4. Capital Projects Fund
 - 5. Sachse Economic Development Corporation Fund
 - 6. President George Bush Reinvestment Zone Tax Increment Fund
- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. The projects may require investments with short to intermediate maturities.
- C. The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.
- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

- A. Obligations of, or guaranteed by, governmental entities:

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1. obligations of the United States or its agencies and instrumentalities;
2. direct obligations of this State or its agencies and instrumentalities;
3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

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B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:

1. guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund, or its successor;
2. secured by obligations that are described in Section XII Collateralization;
3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

C. Repurchase Agreements:

1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX.A.1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account, with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX.A.1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

D. Mutual Funds:

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1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:
 - (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the PFIA and federal regulations;
 - (c) includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share; and
 - (d) is continuously rated no lower than AAAM or at an equivalent rating by one nationally recognized rating service.
2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Investment Pools:

1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA.
2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;
 - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;
 - (e) the size of the pool;
 - (f) the names of the members of the advisory board of the pool and the dates their terms expire;

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- (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;
 - (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;
 - (8) a listing of daily transaction activity of the entity participating in the pool;

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- (9) the yield and expense ratio of the pool;
 - (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
 5. Investment Pool "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
 6. A public funds investment pool created to function as a money market mutual fund must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005.
 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or
 - (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
 8. A public funds investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by one nationally recognized rating service.

X. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

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Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XI. Depository

In compliance with State legislation, a primary Depository shall be selected through SACHSE'S banking services procurement process, which shall include a formal request for application (RFA). In selecting a depository the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding F.D.I.C. insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less F.D.I.C. insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in Section IX.A.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, ~~in-at~~ its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party with whom SACHSE has a custodial agreement. The agreement is to specify the acceptable investment securities

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as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIII. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Investment Officers and evidenced by safekeeping receipts.

XIV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XV. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVI. Maximum Maturities

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. Unless matched to a specific cash flow, SACHSE will not directly invest in instruments maturing more than 2 years from the date of purchase. However, SACHSE may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XIX. Reporting

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- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
1. describe in detail the investment position of SACHSE on the date of the report;
 2. be prepared jointly by all Investment Officers of SACHSE;
 3. be signed by each Investment Officer of SACHSE;
 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.
 5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 6. state the maturity date of each separately invested asset that has a maturity date;
 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and
 8. state the compliance of the Investment Portfolio of the local government as it relates to:
 - (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XX. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved

EXHIBIT "A"

by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

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XXI. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA compliance. SACHSE approves the Government Finance Officers' Association, Government Finance Officers' Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend a training session containing at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 10 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIII. Donated Investments

This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this 21st day of October/November, 20124.

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Mayor
City of Sachse, Texas

ATTEST:

City Secretary
City of Sachse, Texas

PASSED AND APPROVED by the Board of Directors of the Sachse Economic Development Corporation, Texas this _____ day of _____, 20124.

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President
Sachse Economic Development Corporation

ATTEST:

Executive Director
Sachse Economic Development Corporation

PASSED AND APPROVED by the Board of Directors of the President George Bush Turnpike
Reinvestment Zone Tax Increment Fund, Texas this _____ day of _____, 201234.

President
President George Bush Turnpike Reinvestment Zone
Tax Increment Fund

ATTEST:

Board Secretary
President George Bush Turnpike Reinvestment Zone Tax Increment Fund