



CITY COUNCIL

1520 K Avenue, Plano, Texas 75074
Senator Florence Shapiro Council Chambers

DATE: January 22, 2018

TIME: 7:00 PM

CALL TO ORDER

INVOCATION: Executive Pastor Jack Warren - Chase Oaks Church

PLEDGE OF ALLEGIANCE / TEXAS PLEDGE: Girl Scout Troop 6553 - Dooley and Hickey Elementary Schools

OUR MISSION - THE CITY OF PLANO IS A REGIONAL AND NATIONAL LEADER, PROVIDING OUTSTANDING SERVICES AND FACILITIES THROUGH COOPERATIVE EFFORTS THAT ENGAGE OUR CITIZENS AND THAT CONTRIBUTE TO THE QUALITY OF LIFE IN OUR COMMUNITY.

The City Council may convene into Executive Session to discuss posted items in the regular meeting as allowed by law.

PROCLAMATIONS AND SPECIAL RECOGNITIONS

Presentation: The Plano Cultural Affairs Commission has received the 2018 Grace Note Award for its work to enrich the city's arts. **Presented**

Special Recognition: The Plano Management Preparation Program is recognizing those who recently graduated from the MP3 Class of 2017. **Presented**

CERTIFICATES OF APPRECIATION

Senior Advisory Board
Georgia Serfling

COMMENTS OF PUBLIC INTEREST

This portion of the meeting is to allow up to five (5) minutes per speaker with thirty (30) total minutes on items of interest or concern and not on items that are on the current agenda. The Council may not discuss these items, but may respond with factual or policy information. The Council may choose to place the item on a future agenda.

CONSENT AGENDA

The Consent Agenda will be acted upon in one motion and contains items which are routine and typically noncontroversial. Items may be removed from this agenda for individual discussion by a Council Member, the City Manager or any citizen. Citizens are limited to two (2) items and discussion time of three (3) minutes each.

Approval of Minutes

- (a) January 8, 2018
Approved

Approval of Expenditures

Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)

- (b) RFB No. 2018-0002-B for the Police Department Locker Room Remodel to Falkenberg Construction Co., Inc. in the amount of \$185,223; and authorizing the City Manager to execute all necessary documents. **Approved**

Approval of Contract Modification

- (c) To approve an increase to the current awarded contract amount of \$36,000 by \$20,808, for a total contract amount of \$56,808, for advertising from JG Media dba Community Impact Newspaper for Communications and Community Outreach; and authorizing the City Manager to execute all necessary documents. (Contract No. 2015-212-X; Modification No. 2) **Approved**

Approval of Change Order

- (d) To approve an increase to the current awarded contract amount of \$3,557,375 by \$70,768, for a total contract amount of \$3,628,143, for Paving, Drainage & Water Improvements to Linda Lane and Robin Road from Pavecon Public Works, LP; and authorizing the City Manager to execute all necessary documents. (Original Bid No. 2017-0236-B; Change Order No. 1) **Approved**

Approval of Expenditure

- (e) To approve an expenditure for the purchase of three (3) Power Pro Cots, which includes a seven year Power-PRO Protect + Service Agreement, in the estimated amount of \$75,248 from Stryker Corporation for Plano Fire-Rescue; and authorizing the City Manager to execute all necessary documents. **Approved**
- (f) To approve an expenditure in the amount of \$162,000 to Weston & Sampson, Inc. for landscape architectural services to prepare plans and specifications for a universally designed and inclusive playground at Windhaven Meadows Park, Project No. 6966; and authorizing the City Manager to execute all necessary documents. **Approved**
- (g) To approve an expenditure in the amount of \$204,957 to Raba Kistner Infrastructure, Inc. for materials testing and inspection services for the Plano Transit Village Veloweb, Project No. 5435.4; and authorizing the City Manager to execute all necessary documents. **Approved**

- (h) To approve an expenditure in the amount of \$35,730 to MuniServices, LLC; and authorizing the City Manager to execute all necessary documents. **Approved**
- (i) To approve an expenditure for engineering design related services in the amount of \$123,272 from Gresham, Smith and Partners for Erosion Control Improvements at Three Aerial Sewer Crossings; and authorizing the City Manager to execute all necessary documents. **Approved**
- (j) To approve an expenditure for railroad construction related services in the amount of \$203,168 from Kansas City Southern Railway Company (KCS) for Coit Road at KCS - Pedestrian Improvements; and authorizing the City Manager to execute all necessary documents. **Approved**
- (k) To approve an expenditure for the design development, construction documents and construction administration of the interior renovations and aquatic enhancements and provision of a Building Information Model for the Liberty Recreation Center Renovation in the amount of \$336,000 from SmithGroupJJR, Inc.; and authorizing the City Manager to execute all necessary documents. **Approved**

Approval of Contract / Agreement

- (l) To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and General Dynamics Mission Systems, Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**
- (m) To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and BRP US Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**
- (n) To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and Varsity Spirit, LLC, a Tennessee limited liability company ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**
- (o) To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and Alkami Technology, Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**
- (p) To approve an Interlocal Cooperation Agreement by and between the City of Plano and North Texas Municipal Water District for the Plano Legacy West Wastewater Improvements; and authorizing the City Manager to execute all necessary documents. **Approved**

Adoption of Resolutions

- (q) **Resolution No. 2018-1-7(R):** To approve the Assessment Plan and Service Plan for the Downtown Plano Public Improvement District as recommended by the Public Improvement District Advisory Board; and establishing an effective date. (Tabled at 12/11/17 Council meeting to 1/22/18 Council meeting.) **Adopted**

- (r) **Resolution No. 2018-1-8(R):** To accept the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date. **Adopted**

Adoption of Ordinances

- (s) **Ordinance No. 2018-1-9:** To approve the levy of a special assessment for the Downtown Plano Public Improvement District; approving an assessment roll and levying an assessment for 2017-2018 at a rate of \$0.15 per \$100 of appraised value on real property in the Public Improvement District; and providing an effective date. (Public Hearing Conducted and Tabled at 12/11/17 Council meeting to 1/22/18 Council meeting.) **Adopted**
- (t) **Ordinance No 2018-1-10:** To adopt and enact Supplement Number 122 to the Code of Ordinances for the City of Plano, providing for amendment to certain sections of the Code; and providing an effective date. **Adopted**

ITEMS FOR INDIVIDUAL CONSIDERATION:

Public Hearing Items:

Applicants are limited to fifteen (15) minutes presentation time with a five (5) minute rebuttal, if needed. Remaining speakers are limited to thirty (30) total minutes of testimony time, with three (3) minutes assigned per speaker. The presiding officer may extend these times as deemed necessary.

Non-Public Hearing Items:

The Presiding Officer may permit limited public comment for items on the agenda not posted for a Public Hearing. The Presiding Officer will establish time limits based upon the number of speaker requests, length of the agenda, and to ensure meeting efficiency, and may include a cumulative time limit. Speakers will be called in the order cards are received until the cumulative time is exhausted.

- (1) Public Hearing on an application for the adoption of a Municipal Setting Designation Ordinance for the PSC Management LP – Plano Campus property, a 71.2 acre tract of land located at 2300 West Plano Parkway, as requested by Dell, Inc. (Conducted and Tabled 8/14/17, Tabled 8/28/17 and 10/23/17, and Conducted and Tabled 12/11/17) **Conducted**
- (2) **Ordinance No. 2018-1-11:** To prohibit the use of designated groundwater from beneath a 71.2 acre tract of land located at 2300 West Plano Parkway and supporting issuance of a Municipal Setting Designation by the Texas Commission on Environmental Quality; providing a penalty clause, a savings clause, a severability clause, a publication clause, and providing an effective date. (Tabled 8/14/17, 8/28/17, 10/23/17, and 12/11/17) **Adopted**

- (3) **Resolution No. 2018-1-12(R):** To support the application of Dell, Inc. to the Texas Commission on Environmental Quality for certification of a Municipal Setting Designation Ordinance on a 71.2 acre tract of land located at 2300 West Plano Parkway; and providing an effective date. (Tabled 8/14/17, 8/28/17, 10/23/17, and 12/11/17) **Adopted**
- (4) **Resolution No. 2018-1-13(R):** Providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Adopted**
- (5) **Resolution No. 2018-1-14(R):** Providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Amended to a Resolution of Support and Adopted**
- (6) **Resolution No. 2018-1-15(R):** To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 1.5± acres on the southwest corner of G Avenue and 14th Street; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Adopted**
- (7) **Public Hearing and adoption of Ordinance No. 2018-1-16** as requested in Zoning Case 2017-029 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to expand Planned Development-197-Downtown Business/Government on 2.6 acres of land out of the Joseph Klepper Survey, Abstract No. 213, located at the southwest corner of 15th Street and H Avenue, and rezone 0.1 acre of land out of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition from Planned Development-197-Downtown Business/Government to Downtown Business/Government in the City of Plano, Collin County, Texas, to incorporate additional land area and modify standards; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date. Applicant: Texas Intown Homes, LLC and City of Plano **Conducted and Adopted**

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal/L Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of the building. The Senator Florence Shapiro Council Chambers is accessible by elevator to the lower level. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Proclamations

Department Head:

Agenda Coordinator:

CAPTION

Presentation: The Plano Cultural Affairs Commission has received the 2018 Grace Note Award for its work to enrich the city's arts. **Presented**

FINANCIAL SUMMARY

FUND(S):

COMMENTS:

SUMMARY OF ITEM

Strategic Plan Goal:

Plano Tomorrow Plan Pillar:



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Proclamations

Department Head:

Agenda Coordinator:

CAPTION

Special Recognition: The Plano Management Preparation Program is recognizing those who recently graduated from the MP3 Class of 2017. **Presented**

FINANCIAL SUMMARY

FUND(S):

COMMENTS:

SUMMARY OF ITEM

Strategic Plan Goal:

Plano Tomorrow Plan Pillar:



**CITY OF PLANO
COUNCIL AGENDA ITEM**

Council Meeting Date: 1/22/2018

Department: City Secretary

Department Head:

Agenda Coordinator:

CAPTION

Senior Advisory Board
Georgia Serfling

FINANCIAL SUMMARY

FUND(S):

COMMENTS:

SUMMARY OF ITEM

Strategic Plan Goal:

Plano Tomorrow Plan Pillar:



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: City Secretary

Department Head: Lisa Henderson

Agenda Coordinator:

CAPTION

January 8, 2018

Approved

FINANCIAL SUMMARY

FUND(S):

COMMENTS:

SUMMARY OF ITEM

Strategic Plan Goal:

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Work Session Minutes	1/12/2018	Minutes
Regular Minutes	1/17/2018	Minutes

**PLANO CITY COUNCIL
PRELIMINARY OPEN MEETING
January 8, 2018**

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Rick Grady, Mayor Pro Tem
Ron Kelley, Deputy Mayor Pro Tem
Anthony Ricciardelli
Kayci Prince
Tom Harrison – arrived at 5:03 p.m.
Rick Smith

COUNCIL MEMBERS ABSENT

Angela Miner

STAFF PRESENT

Bruce Glasscock, City Manager
Mark Israelson, Deputy City Manager
Paige Mims, City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere called the meeting to order at 5:30 p.m., Monday, January 8, 2018, in the Senator Florence Shapiro Council Chambers of the Municipal Center, 1520 K Avenue. A quorum was present. Mayor LaRosiliere then stated that the Council would retire into Executive Session, in Training Room A, in compliance with Chapter 551, Government Code, Vernon's Texas Codes Annotated in order to consult with an attorney and receive Legal Advice and discuss matters of litigation, Section 551.071; to receive information regarding Economic Development, Section 551.087; and to discuss Real Estate, Section 551.072; for which a certified agenda will be kept in the office of the City Secretary for a period of two years as required.

Mayor LaRosiliere reconvened the meeting back into the Preliminary Open Meeting at 6:30 p.m. in the Senator Florence Shapiro Council Chambers.

- **Consideration and action resulting from Executive Session discussion**
- **Website Update Presentation**
- **Consent and Regular Agendas**
- **Council items for discussion/action on future agendas**

With no further discussion, the Preliminary Open Meeting was adjourned at 6:51 p.m.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, City Secretary

**PLANO CITY COUNCIL
REGULAR SESSION
January 8, 2018**

COUNCIL MEMBERS PRESENT

Harry LaRosiliere, Mayor
Rick Grady, Mayor Pro Tem
Ron Kelley, Deputy Mayor Pro Tem
Anthony Ricciardelli
Kayci Prince
Tom Harrison
Rick Smith

COUNCIL MEMBERS ABSENT

Angela Miner

STAFF PRESENT

Bruce Glasscock, City Manager
Mark Israelson, Deputy City Manager
Paige Mims, City Attorney
Lisa C. Henderson, City Secretary

Mayor LaRosiliere convened the Council into the Regular Session on Monday, January 8, 2018 at 7:09 p.m. in the Senator Florence Shapiro Council Chambers of the Plano Municipal Center, 1520 K Avenue. A quorum was present.

Invocation and Pledge

Rabbi Stefan Weinberg with Congregation Anshai Torah led the invocation and Boys and Girls Clubs of Collin County Plano led the Pledge of Allegiance and Texas Pledge.

Proclamations and Special Recognitions

Proclamation – The 50th Anniversary of the Plano Parks and Recreation Department is being recognized throughout 2018.

Comments of Public Interest

No one appeared to speak.

Consent Agenda

MOTION: Upon a motion made by Council Member Prince and seconded by Council Member Smith, the Council voted 7-0 to approve all items on the Consent Agenda as follows:

Approval of Minutes

December 19, 2017
(Consent Agenda Item “A”)

Approval of Expenditures

Award/Rejection of Bid/Proposal: (Purchase of products/services through formal procurement process by this agency)

RFP No. 2017-0360-C for a one (1) year contract with four (4) City optional renewals for EMS Billing & Collections for Fire-Rescue to Digitech Computer, Inc. in the estimated annual amount of \$211,759; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “B”)

RFB No. 2018-0078-B for the Environmental Education Metal Roof Replacement to Roof Management Services, Inc. in the amount of \$71,995; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “C”)

RFB No. 2018-0061-B for the Municipal Warehouse Roof Overlay to Roof Management Services, Inc. in the amount of \$108,688; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “D”)

RFB No. 2018-0039-B for the Parkway Parks Maintenance Mod Bit and Metal Roof Replacement to Arcadia Roofing Company in the amount of \$120,000; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “E”)

RFB No. 2018-0100-B for the Parkway Operations Building Roof Overlay to Roof Management Services, Inc. in the amount of \$148,620; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “F”)

RFB No. 2018-0114-B for the Municipal Building Wallcovering Replacement to KC Construction Services, Inc. in the amount of \$233,645; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “G”)

RFB No. 2018-0038-B for the Fleet Services Metal Roof Replacement and Mod Bit Overlay to Nations Roof Central, LLC in the amount of \$330,860; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “H”)

RFB No. 2017-0550-B for the Municipal Center HVAC Renovations Phase I to Berger Engineering Company in the amount of \$467,400; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “I”)

Purchase from an Existing Contract

To approve the purchase of Microsoft premier support services for Technology Services in the amount of \$72,960 from Microsoft Corporation through an existing contract; and authorizing the City Manager to execute all necessary documents. (DIR-TSO- 3781) (Consent Agenda Item “J”)

Approval of Change Order

To approve an increase to the current awarded contract amount of \$1,933,301 by \$324,187, for a total contract amount of \$2,257,488, for the Residential Concrete Pavement Rehab Zone I6 North, Project No. 6716, from Jim Bowman Construction Company L.P. for Public Works; and authorizing the City Manager to execute all necessary documents. (Contract No. 2016-0342-B; Change Order No. 1) (Consent Agenda Item “K”)

To approve an increase to the current awarded contract amount of \$3,917,220 by \$370,417, for a total contract amount of \$4,287,637, for the Arterial Pavement Repair Ohio Drive - PGBT to SH 121, Project No. 6734, from FNH Construction, LLC for Public Works; and authorizing the City Manager to execute all necessary documents. (Contract No. 2016-0510-B; Change Order No. 3) (Consent Agenda Item “L”)

To ratify a decrease to the current awarded contract amount of \$8,098,720 by \$495,388, for a total contract amount of \$7,603,332, for the Rowlett Creek Cured in Place Pipe project from Insituform Technologies, LLC; and authorizing the City Manager to execute all necessary documents. (Original Bid No. 2015-427-B; Change Order No. 3) (Consent Agenda Item “M”)

Approval of Expenditure

To approve an expenditure for engineering design related services in the amount of \$105,100 from Kimley-Horn and Associates, Inc. for Legacy Drive at Dallas North Tollway Pedestrian Crossing project; and authorizing the City Manager to execute all necessary documents. (Consent Agenda Item “N”)

Adoption of Resolutions

Resolution No. 2018-1-1(R): To appoint Lori A. Leu, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date. (Consent Agenda Item “O”)

Resolution No. 2018-1-2(R): To appoint James D. Shields, licensed attorney, to serve a two year term as ethics investigator as required by Section 2-104 of the Code of Conduct of the City of Plano; and providing an effective date. (Consent Agenda Item “P”)

Adoption of Ordinances

Ordinance No. 2018-1-3: To repeal Ordinance No. 2007-10-23, codified as Article VI, Heritage Resource Preservation, of Chapter 16, Planning and Development, of the Code of Ordinances; and replace the provisions with a new heritage preservation ordinance; providing a penalty clause, a repealer clause, a severability clause, a savings clause, a publication clause, and an effective date of July 9, 2018. (Tabled at 10/23/17 Council meeting to 1/8/18 Council meeting.) (Consent Agenda Item “Q”)

END OF CONSENT

Public Hearing and adoption of Ordinance No. 2018-1-4 as requested in Zoning Case 2017-031 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to amend Planned Development-465-Light Commercial on 5.0 acres of land located at the northwest corner of K Avenue and State Highway 190, in the City of Plano, Collin County, Texas, in order to modify development standards including, but not limited to, building height and required landscape edge; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date. Applicant: BGC SH190TPS LL Plano TX Land Acquisition, LLC (Regular Item “1”)

Mayor LaRosiliere opened the public hearing. Cary Fisher representing the applicant spoke to the project. Mayor LaRosiliere closed the public hearing.

MOTION: Upon a motion made by Mayor Pro Tem Grady and seconded by Council Member Prince, the Council voted 6-1, with Council Member Harrison in opposition, to amend Planned Development-465-Light Commercial on 5.0 acres of land located at the northwest corner of K Avenue and State Highway 190, in the City of Plano, Collin County, Texas, in order to modify development standards including, but not limited to, building height and required landscape edge; as requested in Zoning Case 2017-031; and further to adopt Ordinance No. 2018-1-4.

Public Hearing and adoption of Ordinance No. 2018-1-5 as requested in Zoning Case 2017-034 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 64 for the additional use of Private Club on 1.8 acres of land located on the south side of Towne Square Drive, 450 feet east of Preston Road, in the City of Plano, Collin County, Texas, presently zoned Planned Development-20-Mixed Use; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date. Applicant: Wooten Village (Plano), LLC (Regular Item “2”)

Mayor LaRosiliere opened the public hearing. No one appeared to speak. Mayor LaRosiliere closed the public hearing.

MOTION: Upon a motion made by Mayor Pro Tem Grady and seconded by Council Member Prince the Council voted 7-0, to grant Specific Use Permit No. 64 for the additional use of Private Club on 1.8 acres of land located on the south side of Towne Square Drive, 450 feet east of Preston Road, in the City of Plano, Collin County, Texas, presently zoned Planned Development-20-Mixed Use; as requested in Zoning Case 2017-034; and further to adopt Ordinance No. 2018-1-5.

Public Hearing and adoption of Ordinance No. 2018-1-6 as requested in Zoning Case 2017-018 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, granting Specific Use Permit No. 57 for the additional use of Public Service Yard on 1.6 acres of land located on the east side of Rasor Boulevard, 605 feet south of State Highway 121, in the City of Plano, Collin County, Texas, presently zoned Neighborhood Office; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date. (Tabled at 12/11/17 Council meeting to 1/8/18 Council meeting.) (Regular Item “3”)

MOTION: Upon a motion made by Mayor Pro Tem Grady and seconded by Deputy Mayor Pro Tem Kelley, the Council voted 7-0 to remove the item from the table.

Mayor LaRosiliere opened the public hearing. No one appeared to speak. Mayor LaRosiliere closed the public hearing.

MOTION: Upon a motion made by Council Member Prince and seconded Council Member Ricciardelli, the Council voted 7-0 to grant Specific Use Permit No. 57 for the additional use of Public Service Yard on 1.6 acres of land located on the east side of Rasor Boulevard, 605 feet south of State Highway 121, in the City of Plano, Collin County, Texas, presently zoned Neighborhood Office; as requested in Zoning Case 2017-018; and further to adopt Ordinance No. 2018-1-6.

With no further discussion, the Regular City Council Meeting adjourned at 7:45 p.m.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, City Secretary



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Facilities

Department Head: B. Caleb Thornhill

Agenda Coordinator: Michael Parrish x7554

CAPTION

RFB No. 2018-0002-B for the Police Department Locker Room Remodel to Falkenberg Construction Co., Inc. in the amount of \$185,223; and authorizing the City Manager to execute all necessary documents.
Approved

FINANCIAL SUMMARY

CIP

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	363,012	656,232	0	1,019,244
Encumbered/Expended Amount	-363,012	-42,194	0	-405,206
This Item	0	-185,223	0	-185,223
Balance	0	428,815	0	428,815

FUND(S): Capital Maintenance Fund

COMMENTS: Funding is available in the 2017-18 Capital Maintenance Fund budget for this item. A locker room remodel at Plano Police Department Main Station, in the amount of \$185,223, will leave a balance of \$428,815 available for future maintenance project expenditures at the Main Police Station.

SUMMARY OF ITEM

See Recommendation Memo.

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

Built Environment

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memo	1/9/2018	Memo
Bid Recap	1/9/2018	Bid Recap

Date: December 20, 2017

To: Bruce D. Glasscock
City Manager

Via: B. Caleb Thornhill
Director of Engineering

From: Richard Medlen
Facilities Maintenance Superintendent

Subject: Police Department Locker Room Remodel – Bid #2018-0002-B

I have reviewed the bids submitted for the remodel of the locker room at the Police Department. I recommend award to the lowest responsive responsible bid submitted from Falkenberg Construction Co., Inc. for \$185,223. There was one bid submitted that is deemed non-responsive due to not attending the required site visit and not submitting the required bid bond with their bid. Also, there were five additional bids submitted from IWC Texas, LLC for \$194,442, Mart, Inc. for \$197,956, Phillips May for \$199,333, Sawyers Construction, Inc. for \$208,000 and KC Construction Services, Inc. for \$221,057.

This remodel is needed to expand the existing locker room to ensure adequate locker space is provided for Police personnel.

The funding for the project is in the Capital Reserve Fund Account 54488.

Please contact me if you have any questions.

/md

cc: Jim Razinha
Glen Brashear
Sandy Bloomer
Todd Luxem
Matt Yager
Michael Parrish

CITY OF PLANO

BID NO. 2018-0002-B

POLICE DEPARTMENT LOCKER ROOM REMODEL

BID RECAP

Bid Opening Date/Time: December 1, 2017 @ 2:30 PM

Number of Vendors Notified: 6,295

Vendors Submitting "No Bids": 0

Number of Non-Responsive Bids: 1

Number of Responsive Bids Submitted: 6

<u>Vendor Name</u>	<u>Base Bid</u>
Falkenberg Construction Co., Inc.	\$185,223
IWC Texas, LLC	\$194,442
Mart, Inc.	\$197,956
Phillips May	\$199,333
Sawyers Construction, Inc.	\$208,000
KC Construction Services, Inc.	\$221,057

Recommended Vendor:

Falkenberg Construction Co., Inc.	\$185,223
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Michael Parrish

December 21, 2017

Michael Parrish, Senior Buyer

Date



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Marketing

Department Head: Shannah Hayley

Agenda Coordinator: Kimberly Williams

CAPTION

To approve an increase to the current awarded contract amount of \$36,000 by \$20,808, for a total contract amount of \$56,808, for advertising from JG Media dba Community Impact Newspaper for Communications and Community Outreach; and authorizing the City Manager to execute all necessary documents. (Contract No. 2015-212-X; Modification No. 2) **Approved**

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2017-18 thru 2021-22	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	219,735	179,892	399,627
Encumbered/Expended Amount	0	-32,493	0	-32,493
This Item	0	-47,340	-179,892	-227,232
Balance	0	139,902	0	139,902

FUND(S): GENERAL FUND

COMMENTS: This item approves price quotes. Expenditures will be made from the Communications & Community Outreach and Media Relations budget within the approved budget appropriations for each year of the contract. The amount to be spent in FY 2017-18 is \$47,340. The estimated future amount to be spent is \$179,892 (FY 2018-19 \$56,808, FY 2019-20 \$56,808, FY 2020-21 \$56,808, FY 2021-22 \$9,468). This agreement approves a one year contract with (3) optional one-year renewals for an estimated total amount of \$227,232. If renewed, the item will be spent based on need and within the approved budget appropriations for each year of the contract.

SUMMARY OF ITEM

The City is exempt from the competitive bid process for this purchase as allowed by Texas Local Government Code Chapter 252 Subchapter B Section 252.022 (a)(16). (City of Plano Internal Contract No. 2015-212-X)

See Recommendation Memo.

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

Social Environment

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memo	1/10/2018	Memo

Date: December 12, 2017

To: Diane Palmer-Boeck, Director of Procurement & Project Management

From: Shannah Hayley, Director of Communications and Community Outreach
Steve Stoler, Director of Media Relations *St. 1/5/18* *[Signature]*

Subject: Second Modification – Contract 2015-212-X, Professional Services – JG Media, dba Community Impact Newspaper

The Communications and Community Outreach department in collaboration with the Media Relations department, recommends a modification to our existing contract with JG Media, dba Community Impact Newspaper. This modification represents an increase in frequency of the City's two-page newsletter insert in the JG Media dba Community Impact Newspaper.

In 2015, the City of Plano contracted with JG Media dba Community Impact Newspaper to produce a quarterly (4 total yearly) two-page spread within the publication. The intent was provide a hard-copy newsletter which would be delivered to every mailbox in Plano, including businesses, and single family and multi-family residential.

Based on the success and positive feedback for the quarterly insert, in 2017 the City of Plano modified the contract to produce a bimonthly (6 total yearly) two-page spread within the publication. This allowed the City to reach residents and businesses on a more frequent basis.

The City's latest communication survey of residents via Nextdoor indicated that more than 40% of respondents receive news and information about the City of Plano from JG Media dba Community Impact Newspaper. Based on this feedback, the City would like to increase the frequency of its insert publication to 9 total yearly two-page spreads.

To date, JG Media dba Community Impact Newspaper is the only publication within Plano that is delivered to every mailbox, including businesses, and single family and multi-family residential. This free-to-readers publication is supported by advertising revenue, primarily from local businesses. Its current circulation exceeds 117,000 mailboxes in Plano.

Increasing the publication frequency will raise the total contract value to \$56,808. This contract covers the total cost of publishing 9 monthly inserts, but does not include mailing costs which are covered by the publication. It is the recommendation of the Communications and Community Outreach Department and the Media Relations Department to modify the contract with JG Media dba Community Impact Newspaper to increase the frequency of the City's inserts based on their unique status as the only publication to reach a significant portion of Plano's population.

Failure to award this contract modification reduces the City's ability to reach many of Plano's residents who do not use social media as a primary source of news and information. This publication plays a significant role in Plano's communication strategy, helping residents and businesses gain access to information about the City's programs, services and important updates.

This contract will be funded through the Communications and Community Outreach and the Media Relations departments' advertising funds. The contract reflects pricing of \$6,312 per insert, with a total contract value of \$56,808. This modification request applies to execution of the last renewal term of the 2015 contract. As part of this modification request, Communications and Community Outreach and the Media Relations departments would like to extend the term for another three (3) one-year renewals.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Libby McCabe

CAPTION

To approve an increase to the current awarded contract amount of \$3,557,375 by \$70,768, for a total contract amount of \$3,628,143, for Paving, Drainage & Water Improvements to Linda Lane and Robin Road from Pavecon Public Works, LP; and authorizing the City Manager to execute all necessary documents. (Original Bid No. 2017-0236-B; Change Order No. 1) **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		1,016,750	2,817,950	0	3,834,700
Encumbered/Expended Amount		-1,016,750	-2,675,184	0	-3,691,934
This Item		0	-70,768	0	-70,768
BALANCE		0	71,998	0	71,998

FUND(S): Street Improvements CIP & Water CIP

COMMENTS: Funding for this item is available in the 2017-18 Street Improvements CIP and Water CIP. The first change order to the construction services contract for the Robin Road and Linda Lane project, in the amount of \$70,768, will leave a current year balance of \$71,998 for future project expenditures.

SUMMARY OF ITEM

See Recommendation Memorandum.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live

Plano Tomorrow Plan Pillar:

Built Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memorandum	12/28/2017	Memo

Date: January 22, 2018

To: Bruce D. Glasscock, City Manager

Via: B. Caleb Thornhill, P.E., Director of Engineering

From: Daniel Prendergast, P.E., Engineering Manager

Subject: Approval of Change Order No. 1 – Original Bid No. 2017-0236-B for Paving, Drainage & Water Improvements to Linda Lane and Robin Road - Project No. 6249

The Engineering Department recommends approval of Change Order No. 1 for the increase in the construction contract with Pavecon Public Works, LP, a Texas Limited Partnership, in the amount of \$70,768, for the Paving, Drainage & Water Improvements to Linda Lane and Robin Road.

Change Order No. 1 includes additions, deletions, and changes to the project as directed by field conditions with existing franchise utility locations, recommendations to existing conditions by Public Works, and sequence of construction measures as modified during the duration of the project including the following:

1. Addition of crushed concrete at alleys to allow for access during the placement of pavement;
2. Removal of Lime Stabilization along Independence Parkway in lieu of replacing the subgrade with recycled concrete base material;
3. Replacement of existing sanitary sewer manholes uncovered during construction, identified as brick materials and deteriorating to the point of replacement;
4. Additional boring of water line in conflict with storm drain construction along Independence Parkway, including additional water line materials (unforeseen conflict encountered);
5. Unforeseen conflicts with Atmos gas lines along Linda Lane during construction; shallow lines in conflict with subgrade preparation requiring delays to lower these lines.

If this change order is not approved, further delays in construction will occur and the quality of construction and the safety of the surrounding neighborhoods may be compromised.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Fire

Department Head: Sam Greif

Agenda Coordinator: Teresa Cox Ext:7539

CAPTION

To approve an expenditure for the purchase of three (3) Power Pro Cots, which includes a seven year Power-PRO Protect + Service Agreement, in the estimated amount of \$75,248 from Stryker Corporation for Plano Fire-Rescue; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	903,889	0	903,889
Encumbered/Expended Amount	0	-356,619	0	-356,619
This Item	0	-75,248	0	-75,248
Balance	0	472,022	0	472,022

FUND(S): General Fund, Fire Equipment Replacement Fund

COMMENTS: Funds are available in the FY 2017-18 Fire Equipment Replacement Fund for the purchase of three (3) Power-PRO Cots in the amount of \$59,432, and in the FY 2017-18 Fire Department Budget for Service Agreements for those cots in the amount of \$15,816, for a total expenditure of \$75,248.

SUMMARY OF ITEM

The City is exempt from the competitive bid process for this purchase as allowed by Texas Local Government Code Chapter 252 Subchapter B Section 252.022 (a)(7)(A). (City of Plano Internal Contract No. 2018-0080-X)

See Recommendation Memo.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Safe Large City

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memo	1/17/2018	Memo

Date: December 19, 2017

To: Diane Palmer-Boeck, Director of Procurement & Project Management

From: Sam Greif, Fire Chief

Subject: Award Recommendation for the purchase of Stryker Power-PRO cots

Plano Fire-Rescue currently uses Power-PRO cots manufactured by the Stryker Corporation. This device conveys patients and assists with loading and unloading a patient from the ambulance. All eleven of our Department's ambulances are equipped with this device. Included in a 2017-2018 budget supplement for Plano Fire-Rescue was the purchase of two (2) additional ambulances and one (1) EMS Cart as well as equipment for each. Therefore, each of these vehicles will need a Power-PRO cot manufactured by the Stryker Corporation. Additionally, a seven (7) year Power-PRO Protect+ Service Agreement will also be needed. The service agreement is needed to maintain the cot's proper performance.

With patient conveying equipment, it is critical for our Department to have uniformity. Our department personnel frequently work out of different fire stations and on different apparatus. Uniform equipment ensures familiarity with use and in turn reduces exposure to risk.

The Stryker Corporation is a sole-source provider for the Power-PRO Protect+ Service Agreement.

The total cost of this purchase will be \$75,247.98. The breakdown of the expenditure is as follows:

Three (3) Power-PRO cots model 6506	\$59,431.98
7 year Power-PRO Protect + Service Agreement X 3	\$15,816.00

If not awarded Plano Fire-Rescue would not have the equipment on these vehicles to utilize them for their intended purpose. Essential equipment needed to operate would continually need to be borrowed from another vehicle thus rendering the other vehicle nonoperational.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Parks

Department Head: Robin Reeves

Agenda Coordinator: Susan Berger

CAPTION

To approve an expenditure in the amount of \$162,000 to Weston & Sampson, Inc. for landscape architectural services to prepare plans and specifications for a universally designed and inclusive playground at Windhaven Meadows Park, Project No. 6966; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR: 2017-18 & 2018-19	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	65,960	4,524,628	0	4,590,588
Encumbered/Expended Amount	-65,960	-133,706	0	-199,666
This Item	0	-121,500	-40,500	-162,000
Balance	0	4,269,422	-40,500	4,228,922

FUND(S): Park Improvements CIP

COMMENTS:

Funding for this item is available in the 2017-18 Park Improvements CIP and will be carried forward into future years. Landscape architectural services for The Liberty Playground at Windhaven Meadows Park, in the total amount of \$162,000, will leave a project balance of \$4,228,922 available for future project expenditures within the Park Improvements CIP.

SUMMARY OF ITEM

On December 19, 2017 Council approved an agreement for a \$1,000,000 donation from Liberty Mutual

Insurance Company for a universally designed and inclusive playground at Windhaven Meadows Park. The terms of the agreement state that the City will hire the design firm of Weston & Sampson, Inc. to prepare plans for the playground. The playground will be named The Liberty Playground.

This expenditure is for the professional service fees associated with design of The Liberty Playground. The playground is expected to have over 20,000 square feet of dedicated accessible play area with unique play equipment, water play features, landscaping, and seating spaces that will significantly enhance the City's ability to offer amenities to all of its citizens, particularly children with disabilities and their families.

The \$162,000 fee is 8.1% of the \$2,000,000 total project budget for the playground. The fee is consistent with other projects of this size and scope.

In the event this expenditure is not approved, the City could refund the donation and proceed with construction of the playground originally designed for the park.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Natural Environment

ATTACHMENTS:

Description	Upload Date	Type
Location Map	1/10/2018	Map



0 500 1,000
Feet



The Liberty Playground at Windhaven Meadows Park

Project number: 6966

Project Location





CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Parks

Department Head: Robin Reeves

Agenda Coordinator: Susan Berger

CAPTION

To approve an expenditure in the amount of \$204,957 to Raba Kistner Infrastructure, Inc. for materials testing and inspection services for the Plano Transit Village Veloweb, Project No. 5435.4; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR: 2017-18 & 2018-19	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	142,805	2,662,195	0	2,805,000
Encumbered/Expended Amount	-142,805	-2,319,578	0	-2,462,383
This Item	0	-100,000	-104,957	-204,957
Balance	0	242,617	-104,957	137,660

FUND(S): Park Improvements CIP

COMMENTS:

Funding for this item is available in the 2017-18 Park Improvements CIP and will be carried forward into future years. Materials testing for the Plano Transit Village Veloweb project, in the total amount of \$204,957, will leave a project balance of \$137,660 available for future project expenditures.

SUMMARY OF ITEM

This expenditure is for testing and inspection services for construction of the Plano Transit Village Veloweb, Project No. 5435.4. The Plano Transit Village Veloweb is a 12' wide hike and bike trail within the Dallas Area Rapid Transit (DART) right-of-way between the President George Bush Turnpike and 12th

Place in Plano. The trail will provide a connection between the cities of Richardson and Plano linking the future 12th Street DART station and the Bush/City Line DART station in Richardson.

The bid award to 2L Construction, LLC in the amount of \$2,310,212 for construction of the trail was approved by Council on December 19, 2017. An amendment to the Texas Department of Transportation (TxDOT) Advance Funding Agreement (AFA) for this project was approved by Council on November 13, 2017. TxDOT funding for this project is estimated to be \$1,350,128. TxDOT provides funding as a reimbursement and the final amount will be determined by TxDOT based on the final construction cost.

TxDOT has oversight over the project since it is partially funded by state and federal funding. This expenditure in the amount \$204,957 is necessary to satisfy the terms of TxDOT's construction requirements in accordance with the Advance Funding Agreement. The services covered by this expenditure include TxDOT's Quality Assurance Program, daily construction inspections of a structural retaining wall separating the DART tracks and a portion of the trail, and materials authorization, management and testing. These services also include the quality and safety control documentation required by DART for retaining walls and structures within the DART right of way.

Raba Kistner Infrastructure, Inc. is on the list of qualified consultants for construction administration services for state and federally funded projects (RFQ 2017-0533-X).

If this contract is not approved the City will not be able to meet the TxDOT construction requirements necessary to receive the grant funding reimbursement.

Strategic Plan Goal:

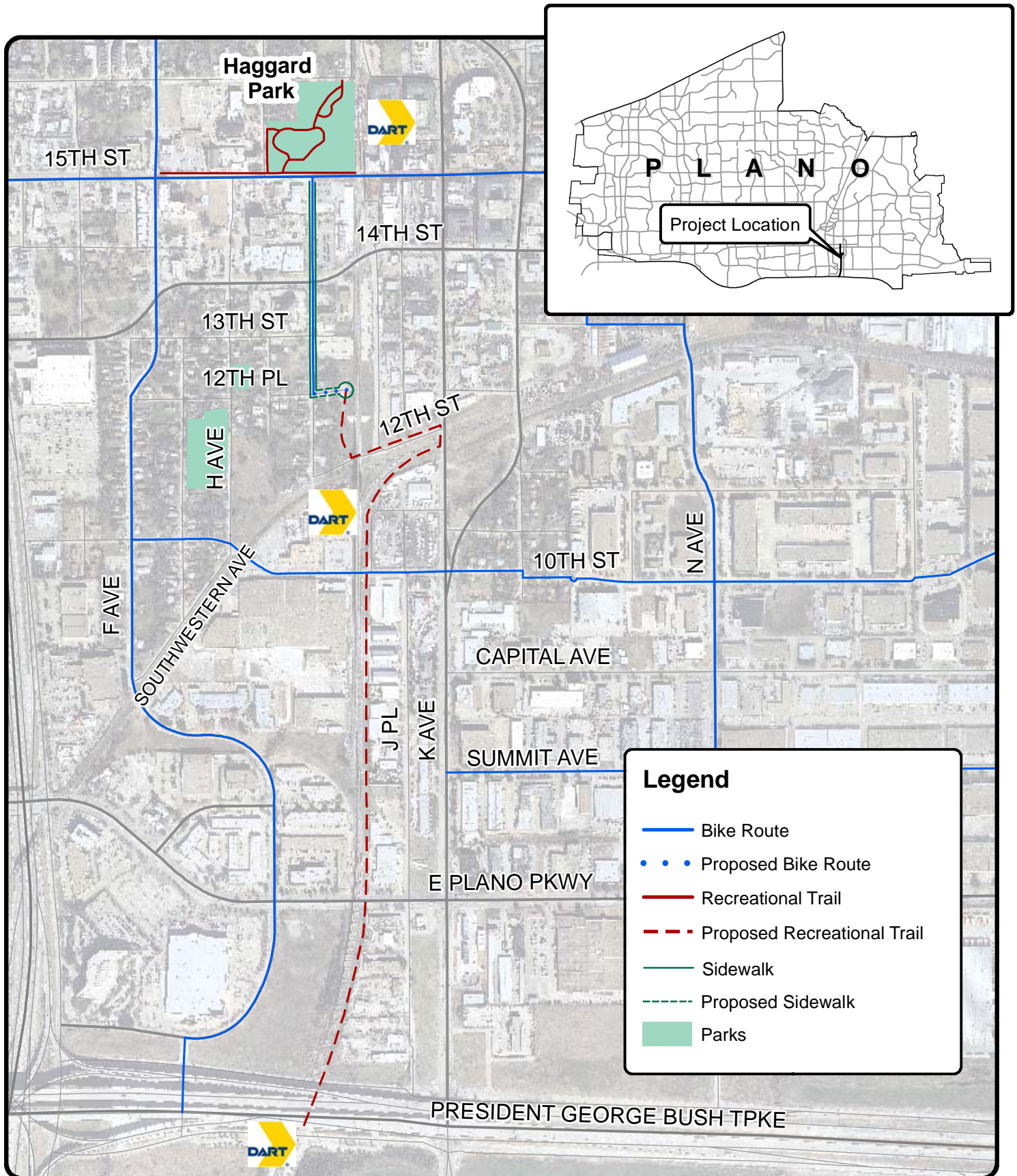
Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live, Exciting Urban Centers - Destination for Residents and Guests

Plano Tomorrow Plan Pillar:

Social Environment, Natural Environment, Regionalism

ATTACHMENTS:

Description	Upload Date	Type
Location Map	12/29/2017	Map





CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Budget

Department Head: Karen Rhodes-Whitley

Agenda Coordinator: Benjamin Petty

CAPTION

To approve an expenditure in the amount of \$35,730 to MuniServices, LLC; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Operating Expense, Revenue

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	-35,730	0	-35,730
Balance	0	-35,730	0	-35,730

FUND(S): General Fund

COMMENTS: This item approves payment of \$35,730 to MuniServices, LLC for recovering misallocated sales tax reimbursement owed to the City of Plano totaling \$119,100. Per contract terms, MuniServices, LLC receives 30% of recovered sales tax collections.

SUMMARY OF ITEM

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/9/2018	Memo

Date: January 9, 2018

To: Bruce D. Glasscock, City Manager

From: Karen Rhodes-Whitley, Budget Director

Subject: MuniServices, LLC Sales Tax Contract Payment

In May 2016, the City of Plano engaged MuniServices, LLC to provide Sales Tax Audit Review services in order to detect, document and correct sales tax misallocations thereby producing previously unrealized revenue for the City. Under the terms of the contract, once discovery of the misappropriated sales tax is documented and paid to the City, a 30% contingency fee is due to MuniServices. Recovery of twenty-one separate entities sales tax collections through the month of December totaling \$119,100 has been documented as paid to the City. This agenda item approves payment of \$35,730 to MuniServices, LLC based on the 30% contingency agreement.

Please let me know if you have any questions.

CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Libby McCabe

CAPTION

To approve an expenditure for engineering design related services in the amount of \$123,272 from Gresham, Smith and Partners for Erosion Control Improvements at Three Aerial Sewer Crossings; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	150,000	300,000	450,000
Encumbered/Expended Amount		0	0	0	0
This Item		0	-123,272	0	-123,272
BALANCE		0	26,728	300,000	326,728

FUND(S): Sewer CIP

COMMENTS: Funding for this item is available in the 2017-18 Sewer CIP. Professional design services for the Erosion Control Improvements at Three Aerial Sewer Crossings, in the amount of \$123,272, will leave a current year balance of \$26,728 available for future project expenditures.

SUMMARY OF ITEM

See Recommendation Memorandum.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memorandum	1/11/2018	Memo
Map	1/11/2018	Map

Date: January 22, 2018

To: Bruce D. Glasscock, City Manager

Via: B. Caleb Thornhill, P.E., Director of Engineering

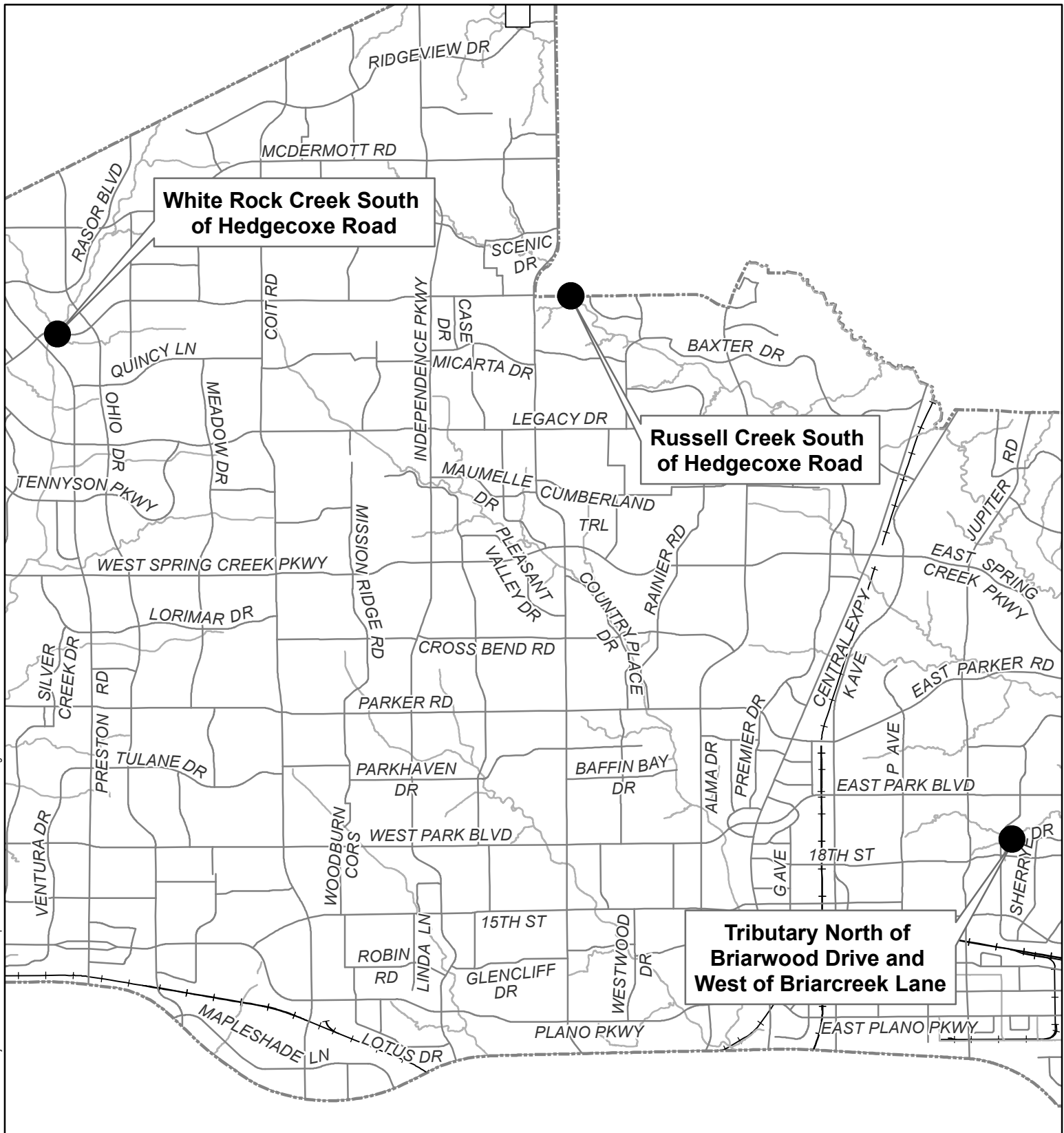
From: Daniel Prendergast, P.E., Engineering Manager

Subject: Approval of an Expenditure in the amount of \$123,272 for Erosion Control Improvements at Three Aerial Sewer Crossings – Project No. 6913 – RFQ No. 2017-0284-X

The Engineering Department recommends approval of an expenditure in the amount of \$123,272 for professional design services from Gresham, Smith and Partners, a Tennessee General Partnership Company, for Erosion Control Improvements at Three Aerial Sewer Crossings. This project includes design and plan preparation for repair of existing or installation of new erosion control for erosion related protection of three aerial sewer crossings in the City of Plano. The total expenditure is for \$123,272.

Gresham, Smith and Partners, a Tennessee General Partnership was deemed most qualified based on their Statement of Qualifications submission for RFQ No. 2017-0284-X.

Not approving the expenditure would result in further erosion deterioration, leading to sewer line failure, affecting the wildlife environment, health and safety of the citizens.



0 2,500 5,000
Feet



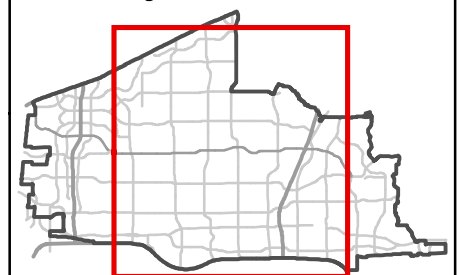
City of Plano GIS Division
January 2018

Erosion Control Improvements at Three Aerial Sewer Crossings

Project 6913

Page 43

Project Location





CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Libby McCabe

CAPTION

To approve an expenditure for railroad construction related services in the amount of \$203,168 from Kansas City Southern Railway Company (KCS) for Coit Road at KCS - Pedestrian Improvements; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		2,500	287,500	0	290,000
Encumbered/Expended Amount		-2,500	-29,800	0	-32,300
This Item		0	-203,168	0	-203,168
BALANCE		0	54,532	0	54,532

FUND(S): Street Improvements CIP

COMMENTS: Funding is available in the 2017-18 Street Improvements CIP for this item. Construction of pedestrian improvements along Coit Road and the Kansas City Southern rail line, in the amount of \$203,168, will leave a project balance of \$54,532 available for future project expenditures.

SUMMARY OF ITEM

See Recommendation Memorandum.

The City is exempt from the competitive bid process for this purchase as allowed by Texas Local Government Code Chapter 252 Subchapter B Section 252.022(a)(7)(A) and 252.022(a)(2).

Strategic Plan Goal:

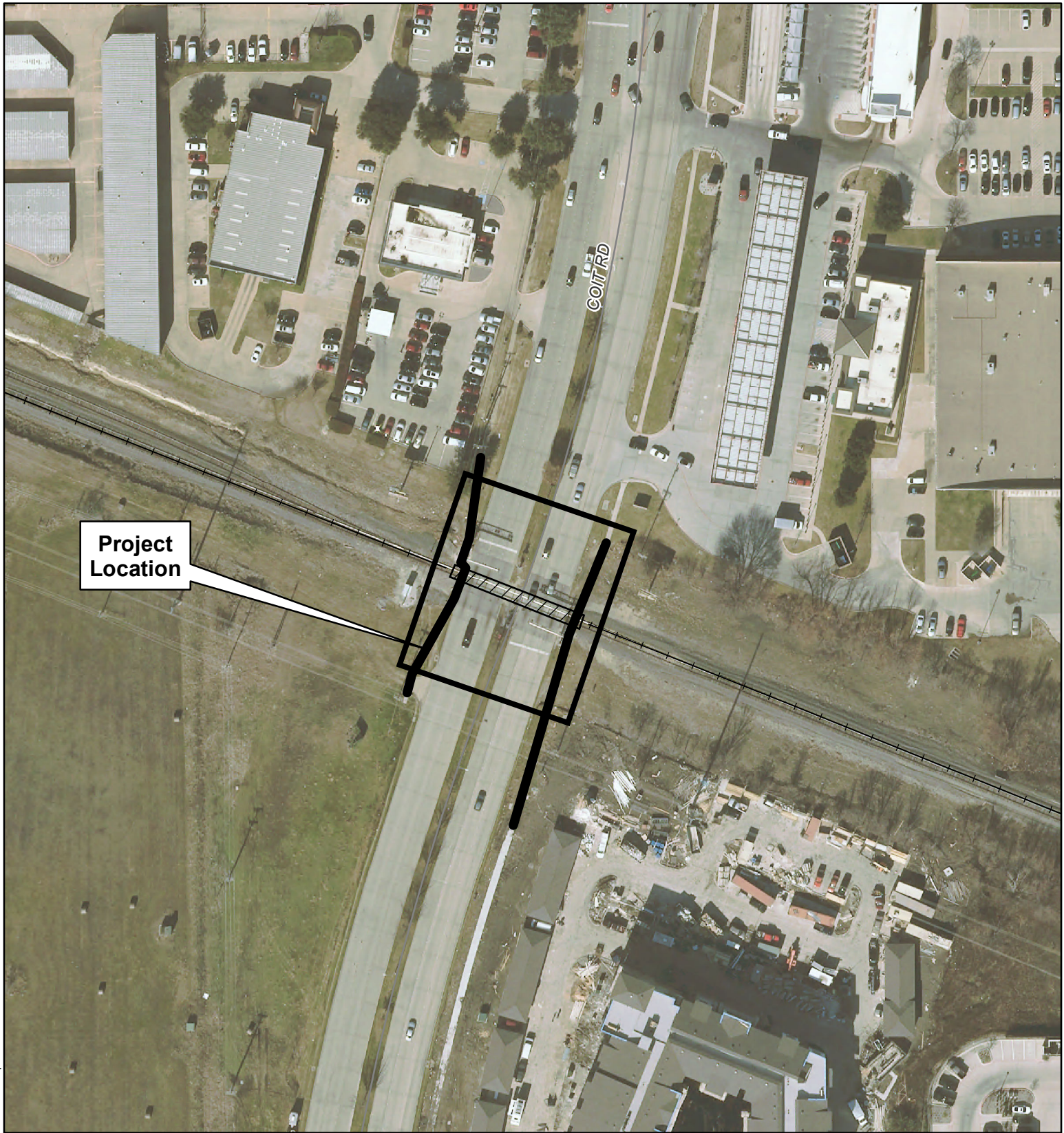
Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live

Plano Tomorrow Plan Pillar:

Built Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Map	1/11/2018	Map
Recommendation Memorandum	1/16/2018	Memo



0 75 150
Feet



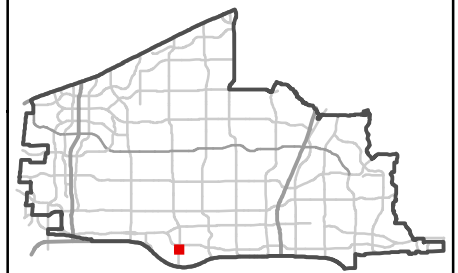
City of Plano GIS Division
August 2017

Coit Road at KCS Pedestrian Improvements

Project No. 6891

Page 46

Project Location



Date: January 22, 2018

To: Bruce D. Glasscock, City Manager

Via: B. Caleb Thornhill, P.E., Director of Engineering

From: Daniel Prendergast, P.E., Engineering Manager

Subject: Approval of an Expenditure in the amount of \$203,168 for Coit Road at KCS – Pedestrian Improvements – Project No. 6891

The Engineering Department recommends approval of an expenditure in the amount of \$203,168 for railroad construction related services from Kansas City Southern Railway Company, a Missouri corporation, for the Coit Road at KCS – Pedestrian Improvements project. The City is exempt from the competitive bid process for this purchase as allowed by Texas Local Government Code Chapter 252 Subchapter B Section 252.022 (a)(7)(A) and 252.022(a)(2). The purpose of this expenditure is to contract with KCS to repair the existing railroad crossing at Coit Road that has fallen under disrepair. The existing concrete panels along the rail will be replaced and extend further east and west to provide for a future sidewalk on both sides of Coit Road. The total expenditure is for \$203,168.

The benefit of this project includes improvements to the drivability and safety of the rail crossing. In addition, the proposed widening of the concrete railroad panels will improve pedestrian facilities (sidewalks/DART bus stops) by accommodating the future extension of sidewalks beyond the railroad crossing on both the west and east sides of Coit Road.

Not approving the expenditure would result in continued deterioration of the railroad crossing creating a road hazard and safety issues for drivers. In addition, pedestrians crossing the railroad along the west/east sides of Coit Road will continue to face hazardous situations without proper pedestrian facilities (sidewalks) crossing the railroad.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Linda Sweeney

CAPTION

To approve an expenditure for the design development, construction documents and construction administration of the interior renovations and aquatic enhancements and provision of a Building Information Model for the Liberty Recreation Center Renovation in the amount of \$336,000 from SmithGroupJJR, Inc.; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

CIP

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	32,354	1,367,646	1,100,000	2,500,000
Encumbered/Expended Amount	-32,354	-1,646	0	-34,000
This Item	0	-336,000	0	-336,000
Balance	0	1,030,000	1,100,000	2,130,000

FUND(S): Recreation Center Facilities CIP

COMMENTS: Funding is available for this item in the 2017-18 Recreation Facilities CIP. This modification to the professional design contract for the Liberty Recreation Center Renovations project, in the amount of \$336,000, will leave a project balance of \$2,130,000 available for future expenditures.

SUMMARY OF ITEM

See Recommendation Memo.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live

Plano Tomorrow Plan Pillar:

Built Environment, Social Environment

ATTACHMENTS:

Description	Upload Date	Type
Recommendation Memo	1/9/2018	Agreement

Date: January 8, 2018

To: Bruce D. Glasscock, City Manager

Via: B. Caleb Thornhill, Director of Engineering *ct*

From: Jim Razinha, Facilities Division Manager *jea*

Subject: Recommendation of Architectural Services Agreement for Liberty Recreation Center Renovation - Design (Project No. 6876)

Through RFQ 2017-0079-X, the City selected SmithGroupJJR, Inc., for the design of the Liberty Recreation Center Renovation. Staff determined that the initial agreement should be for programming and schematic design only, to best determine the scope of the project attainable within the budget constraints; and the City and SmithGroupJJR, Inc., entered into an agreement on June 20, 2017, for the work.

After programming, schematic designs and Construction Manager at Risk selection, the City requested SmithGroupJJR, Inc., submit their proposal for the scope and fees for the full design and construction administration of the subject project. During negotiations, staff requested SmithGroup to submit a fee proposal to also provide a survey of the full building and compare it to the record as-built drawings, then provide a Building Information Model (BIM) for the entire facility in addition to that portion of the facility that is being renovated. Facilities is requesting BIM as a deliverable on all capital projects for integration with its asset management program.

This agreement provides for the design development, construction documents and construction administration for the interior renovations and aquatic enhancements at the Liberty Recreation Center and provision of a BIM for the entire facility. Staff agrees the fee of \$336,000 is reasonable for the work and recommends approval to continue design and complete the project.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Eco Dev

Department Head: Sally Bane

Agenda Coordinator: Paula Date

CAPTION

To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and General Dynamics Mission Systems, Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents.

Approved

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2018-19 through 2025-26	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	52,530,479	0	52,530,479
Encumbered/Expended Amount	0	-1,300,000	-29,038,511	-30,338,511
This Item	0	-176,400	0	-176,400
Balance	0	51,054,079	-29,038,511	22,015,568

FUND(S): ECONOMIC DEVELOPMENT INCENTIVE FUND

COMMENTS: Funding for this item is available in the Economic Development Incentive Fund.

SUMMARY OF ITEM

A request to approve an Economic Development Incentive Agreement for General Dynamics Mission Systems, Inc., a Delaware corporation, pursuant to Chapter 380 of the Texas Local Government Code and conditioned on the terms as set forth in the attached agreement. General Dynamics Mission Systems, Inc., a Delaware corporation agrees to occupy 104,000 gross square feet of office space at 1000 Klein Road, Plano, TX 75074 and transfer, retain or create up to 280 Job Equivalents by 05/31/2020.

<https://goo.gl/RMrJb1>

Strategic Plan Goal:

Strong Local Economy

Plano Tomorrow Plan Pillar:

Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
General Dynamics Chptr 380 Agmt 01.22.18	1/5/2018	Agreement

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (“City”), and General Dynamics Mission Systems, Inc., a Delaware corporation (“Company”), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of secure communication systems, and plans to add Four Million Dollars (\$4,000,000) of Real Property improvements and One Million Three Hundred Thousand Dollars (\$1,300,000) of Business Personal Property (“BPP”) on the Real Property; and

WHEREAS, Company agrees to occupy at least 104,000 gross square feet of office space and transfer, create and maintain up to 280 Job Equivalents to be located on the Real Property for the term of this Agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the City Council finds that the occupancy of at least 104,000 gross square feet of office space and the creation or transfer of up to 280 Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV’T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Commencement Date” shall mean the earlier of the occupancy of the office space on the Real Property or March 31, 2018, whichever occurs first.

“Company” shall mean General Dynamics Mission Systems, Inc., a Delaware corporation.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic downturn shall not constitute an Event of Force Majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property and each Job Equivalent is paid a total 2,080 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” or “Property” shall mean 1000 Klein Road, Plano, TX 75074.

Article II Term

The term of this Agreement shall begin on the Commencement Date and continue for eighty-one (81) months thereafter, unless sooner terminated as provided herein.

Article III Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) By the Commencement Date, occupy the office space on the Real Property and maintain occupancy throughout the term of the Agreement; and

(b) By May 31, 2018, create or transfer at least 250 Job Equivalents and maintain the Job Equivalents for a minimum of 180 days prior to grant payment and continue to maintain those Job Equivalents on the Real Property throughout the Agreement; and

(c) By May 31, 2020, and subject to maintaining the required number of Job Equivalents pursuant to Article III, Section (b) herein, Company may create or transfer up to 30 additional Job Equivalents and maintain those Job Equivalents on the Real Property throughout the Agreement; and

(d) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant of up to One Hundred Seventy-Six Thousand Four Hundred Dollars (\$176,400) as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in Section 4.02 below.

4.02 **Grant Payment Requirements and Schedule.** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a) By March 31, 2018, Company shall occupy the office space and by May 31, 2018 transfer or create at least 250 Job Equivalents to the Real Property and maintain the Job Equivalents for a minimum of 180 days to be eligible to receive a payment of One Hundred Fifty-Seven Thousand Five Hundred Dollars (\$157,500). The payment will not be pro-rated. **Company must submit the Initial Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III, Sections (a), (b) and (d) not earlier than November 30, 2018 and not later than February 28, 2019. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.**

City will make the payment within thirty (30) days of receipt of the initial certification unless the City reasonably objects to the certification.

(b) By May 31, 2020, and subject to the Company transferring, creating and maintaining the minimum number of Job Equivalents required pursuant to Section 4.02(a) herein, Company may add up to an additional 30 Job Equivalents for a total maximum number of 280 Job Equivalents at the Real Property to be eligible to receive a second (2nd) grant payment of up to Eighteen Thousand Nine Hundred Dollars (\$18,900) which may be pro-rated at Six Hundred Thirty Dollars (\$630) for each Job Equivalent up to the maximum amount allowed herein. **Company must submit the Annual Certification form attached hereto as Exhibit "B" as required by Section 4.02(c) below certifying the number of Job Equivalents added pursuant to Article III, Section (c) and compliance with Article III, Sections (a), (b) and (d) not later than June 30, 2020 to be eligible for the second (2nd) grant payment. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and**

complete forfeiture of the remaining grant and invokes the City's right to a full refund, including damages as set out in Section 4.03 below.

City will make the payment within thirty (30) days of receipt of the May 31, 2020 certification if Company qualifies for a second (2nd) grant payment pursuant to this Section 4.02(b), unless the City reasonably objects to the certification. In no event will the City make the second (2nd) grant payment prior to May 31, 2020.

(c) Beginning January 31, 2019, Company must submit an annual certification on the form attached hereto as Exhibit "B" not later than January 31st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III above. **A failure to file the annual certification by the January 31st deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City's right to a full refund, including damages as set out in Section 4.03.**

(d) All certifications must be executed by the Company's chief executive or financial officer.

4.03 Refund/Default.

(a) If the Company fails to meet and maintain the required number of Job Equivalents for more than 180 consecutive days as set out in Section 4.02(a) and the loss is not the result of an Event of Force Majeure, the Company shall forfeit the entire grant. Thereafter, if the Company fails to maintain the required number of Job Equivalents, for which it has received payment, for more than 180 consecutive days at any time during the term of this Agreement and the loss is not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to Six Hundred Thirty Dollars (\$630) for each lost Job Equivalent.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02 above the actual number of Job Equivalents at the Real Property for the compliance period using the form attached as Exhibit "B". A failure to make the refund payment prior to or at the time of filing certification shall constitute an event of default. If a refund has been paid for one or more Job Equivalent(s), Company is not entitled to any future payment for that lost Job Equivalent(s) notwithstanding that it subsequently complies with the Job Equivalent requirements of this Agreement at a later date.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02, the full amount of the entire grant paid shall be refunded by Company to the City. City may use any efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as

determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the Company is convicted of the offense.

Article V Termination

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

- (a) By expiration of the term and where no defaults have occurred; or
- (b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

Article VI Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of:

- (a) Five (5) years from the end of the Agreement period; or
- (b) The period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Any information that

is not required by law to be made public shall be kept confidential by City. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5.01 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location.

Article VII Assignment

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention: Mr. Bruce D. Glasscock
City Manager
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
City of Plano, Texas
Attention: Ms. Paige Mims
City Attorney
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

If intended for the Company:
General Dynamics Mission Systems, Inc.
Attention: Mr. Raj Thomas, Sr. Tax Manager
IS&T Tax Department
13857 McLearen Road
Herndon, VA 20171
(703) 268-7973

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;
- (h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or
- (i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;
- (j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;
- (k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;
- (l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

GENERAL DYNAMICS MISSION
SYSTEMS, INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"

INITIAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that General Dynamics Mission Systems, Inc. has occupied the office space by March 31, 2018 and transferred or added at least 250 Job Equivalent positions at the Real Property by May 31, 2018, and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.

_____ b. I hereby certify that General Dynamics Mission Systems, Inc. has failed to occupy the office space by March 31, 2018 and/or has failed to transfer or add at least 250 Job Equivalent positions at the Real Property by May 31, 2018, and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.

ATTEST:

GENERAL DYNAMICS MISSION
SYSTEMS, INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date

NOTE: This form is due not earlier than November 30, 2018 and not later than February 28, 2019.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT "B"

ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that General Dynamics Mission Systems, Inc. is in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has not fallen below the number for which General Dynamics Mission Systems, Inc. has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ b. I hereby certify that General Dynamics Mission Systems, Inc. is not in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has fallen below the number for which General Dynamics Mission Systems, Inc. has received a grant payment. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____ and that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.
- _____ c. **(FOR USE NOT EARLIER THAN JUNE 1, 2020 ONLY IF APPLICABLE)** I hereby certify that General Dynamics Mission Systems, Inc. is in compliance with all terms and conditions of the Agreement and that as of May 31, 2020, General Dynamics Mission Systems, Inc. has added up to 30 Job Equivalents (not to exceed 280), in addition to the 250 initial Job Equivalents, and is entitled to receive a second (2nd) grant payment in accordance with Section 4.02(b). I further certify that as of December 31 of the prior year, the total number of Job Equivalents was _____.

ATTEST:

GENERAL DYNAMICS MISSION
SYSTEMS, INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date

NOTE: This form is due by January 31 of each year beginning on January 31, 2019, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Eco Dev

Department Head: Sally Bane

Agenda Coordinator: Paula Date

CAPTION

To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and BRP US Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2018-19 through 2028-29	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	52,530,479	0	52,530,479
Encumbered/Expended Amount	0	-1,300,000	-29,038,511	-30,338,511
This Item	0	-180,000	0	-180,000
Balance	0	51,050,479	-29,038,511	22,011,968

FUND(S): ECONOMIC DEVELOPMENT INCENTIVE FUND

COMMENTS:

Funding for this item is available in the Economic Development Incentive Fund.

SUMMARY OF ITEM

A request to approve an Economic Development Incentive Agreement for BRP US Inc., a Delaware corporation, pursuant to Chapter 380 of the Texas Local Government Code and conditioned on the terms as set forth in the attached agreement. BRP US Inc. agrees to occupy 15,000 gross square feet of office space at The Shops at Legacy Town Center North, Blk, Lot 1r, 7300 Dallas Parkway, Plano, TX 75024 and transfer, retain or create up to 80 Job Equivalents by 02/28/2023.

<https://goo.gl/ALpSGM>

Strategic Plan Goal:

Strong Local Economy

Plano Tomorrow Plan Pillar:

Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
BRP_Chapter 380 Agmt_1.22.18	1/5/2018	Agreement

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement ("Agreement") is made by and between the City of Plano, Texas ("City"), and BRP US Inc., a Delaware corporation ("Company"), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of design, development, manufacturing, distribution and marketing of power sports vehicles and propulsion systems and plans to add Four Hundred Fifty Thousand Dollars (\$450,000) of Real Property improvements and Five Hundred Thousand Dollars (\$500,000) of Business Personal Property ("BPP") on the Real Property; and

WHEREAS, Company agrees to occupy at least 15,000 gross square feet of office space and plans to transfer or create up to 80 Job Equivalents to be located on the Real Property for the term of this Agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the City Council finds that the occupancy of at least 15,000 gross square feet of office space and the creation or transfer of up to 80 Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Commencement Date” shall mean the earlier of the occupancy of the office space on the Real Property or February 28, 2018, whichever occurs first.

“Company” shall mean BRP US Inc., a Delaware corporation.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic downturn shall not constitute an Event of Force Majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property and each Job Equivalent is paid a total 2,080 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” or “Property” shall mean The Shops at Legacy Town Center North, Blk, Lot 1r, 7300 Dallas Pkwy, Plano, TX 75024.

Article II Term

The term of this Agreement shall begin on the Commencement Date and continue for ten (10) years thereafter, unless sooner terminated as provided herein.

Article III Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) By the Commencement Date, occupy the office space on the Real Property and maintain occupancy throughout the term of the Agreement; and

(b) By February 28, 2019, create or transfer at least 45 Job Equivalents and maintain the Job Equivalents for a minimum of 180 days prior to grant payment and continue to maintain those Job Equivalents on the Real Property throughout the Agreement; and

(c) By February 28, 2023, and subject to maintaining the required number of Job Equivalents pursuant to Article III, Section (b) herein, Company may create or transfer up to 35 additional Job Equivalents and maintain those Job Equivalents on the Real Property throughout the Agreement; and

(d) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant of up to One Hundred Eighty Thousand Dollars (\$180,000) as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in Section 4.02 below.

4.02 **Grant Payment Requirements and Schedule.** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a) By February 28, 2019, Company shall occupy the office space and transfer or create at least 45 Job Equivalents to the Real Property and maintain the Job Equivalents for a minimum of 180 days to be eligible to receive a payment of Forty-Five Thousand Dollars (\$45,000). The payment will not be pro-rated.

(b) Subject to compliance with Section 4.02(a) above, Company may submit itemized relocation and occupancy expenses for approval to be eligible to receive a payment of up to One Hundred Thousand Dollars (\$100,000) to offset relocation and occupancy costs incurred by the Company associated with occupying the Property. Failure to comply with this Section 4.02(b) shall not subject the grant in Section 4.02(a) to forfeiture. Payment will be made upon satisfaction of the receipt of Company's certification of compliance and receipt and approval of itemized relocation expenses associated with Company's occupancy of the Property.

Company must submit the Initial Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III, Sections (a), (b) and (d) not earlier than August 31, 2019 and not later than November 30, 2019. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.

City will make the payment within thirty (30) days of receipt of the initial certification unless the City reasonably objects to the certification.

(c) By February 28, 2023, and subject to the Company transferring, creating and maintaining the minimum number of Job Equivalents required pursuant to Section 4.02(a) herein, Company may add up to an additional 35 Job Equivalents for a total maximum number of

80 Job Equivalents at the Real Property to be eligible to receive a second (2nd) grant payment of up to Thirty-Five Thousand Dollars (\$35,000) which may be pro-rated at One Thousand Dollars (\$1,000) for each Job Equivalent up to the maximum amount allowed herein.

Company must submit the Annual Certification form attached hereto as Exhibit “B” as required by Section 4.02(c) below certifying the number of Job Equivalents added pursuant to Article III, Section (c) and compliance with Article III, Sections (a), (b) and (d) not later than March 31, 2023 to be eligible for the second (2nd) grant payment. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the remaining grant and invokes the City’s right to a full refund of any amounts paid under the second (2nd) grant, including damages as set out in Section 4.03 below.

City will make the payment within thirty (30) days of receipt of the March 31, 2023 certification if Company qualifies for a second (2nd) grant payment pursuant to this Section 4.02(b), unless the City reasonably objects to the certification. In no event will the City make the second (2nd) grant payment prior to February 1, 2023.

(d) Beginning January 31, 2020, Company must submit an annual certification on the form attached hereto as Exhibit “B” not later than January 31st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III above. **A failure to file the annual certification by the January 31st deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City’s right to a full refund, including damages as set out in Section 4.03.**

(e) All certifications must be executed by the Company’s chief executive or financial officer.

4.03 **Refund/Default.**

(a) If the Company fails to meet and maintain the required number of Job Equivalents for more than 180 consecutive days as set out in Section 4.02(a) and the loss is not the result of an Event of Force Majeure, the Company shall forfeit the entire grant. Thereafter, if the Company fails to maintain the required number of Job Equivalents, for which it has received payment, for more than 180 consecutive days at any time during the term of this Agreement and the loss is not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to One Thousand Dollars (\$1,000) for each lost Job Equivalent.

Subject to an Event of Force Majeure, if the Company fails to maintain occupancy of the Property for the entire term of the Agreement, Company shall refund the City the entire grant amount paid to Company by City for relocation expenses associated with Company’s occupancy of the Property pursuant to Section 4.02(b). This refund is in addition to any refund due and payable for failure to meet the required number of Job Equivalents pursuant to this Agreement.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02 above the actual number of Job Equivalents at the Real Property for the compliance period using the form attached as Exhibit "B". A failure to make the refund payment prior to or at the time of filing certification shall constitute an event of default. If a refund has been paid for one or more Job Equivalent(s), Company is not entitled to any future payment for that lost Job Equivalent(s) notwithstanding that it subsequently complies with the Job Equivalent requirements of this Agreement at a later date.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02, the full amount of the entire grant paid shall be refunded by Company to the City. City may use any reasonable efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including reasonable attorney fees and actual costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the Company is convicted of the offense.

Article V Termination

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred; or

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall

survive the termination of this Agreement, including the payment and refund provisions, maintenance of records, and access thereto.

Article VI

Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of:

- (a) Five (5) years from the end of the Agreement period; or
- (b) The period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, provided such designees or representatives are subject to confidentiality obligations sufficient to protect Company's confidential information, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by City, its designees and representatives. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5.01 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location or make provisions for their review in an accessible location upon request pursuant to this Section.

Article VII

Assignment

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the

City's consent (a) to one of its wholly owned affiliates (i.e. a corporation, partnership, trust or other business entity that directly or indirectly controls, is controlled by, or is under common control with the Company), or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention: Mr. Bruce D. Glasscock
City Manager
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
City of Plano, Texas
Attention: Ms. Paige Mims
City Attorney
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

If intended for the Company before relocation:
BRP US Inc.
Attention: Mr. Delton Bohlman
Director of Business and Dealer Development
726 Saint-Joseph St.
Valcourt, Quebec, Canada J0E 2L0

If intended for the Company after relocation:
BRP US Inc.
Attention: Mr. Delton Bohlman
The Shops at Legacy Town Center North
7300 Dallas Pkwy, Plano, TX 75024

In both cases with a copy to:
BRP US Inc.
Attention: Legal Department
10101 Science Drive
Sturtevant, WI 53177

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;

(d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;

(e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;

(f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;

(g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;

(h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or

(i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;

(j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;

(k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;

(l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

BRP US INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"

INITIAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that BRP US Inc., a Delaware corporation has occupied the office space and transferred or added at least 45 Job Equivalent positions at the Real Property by February 28, 2019, and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.
- _____ b. I hereby certify that BRP US Inc., a Delaware corporation has failed to occupy the office space and/or has failed to transfer or add at least 45 Job Equivalent positions at the Real Property by February 28, 2019, and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.
- _____ c. Subject to certification of Section (a) of this Exhibit "A" above, I hereby certify that BRP US Inc., a Delaware corporation has submitted for approval itemized relocation and occupancy expenses for reimbursement in an amount not to exceed One Hundred Thousand Dollars (\$100,000), attached hereto as Exhibit "1", and is in compliance with all terms of the Agreement and is requesting payment in accordance with Section 4.02(b) of that Agreement in the amount of One Hundred Thousand Dollars.
- _____ d. I hereby certify that BRP US Inc., a Delaware corporation has failed to submit itemized relocation and occupancy expenses for reimbursement in an amount not to exceed One Hundred Thousand Dollars (\$100,000) and is not entitled to receive payment in accordance with Section 4.02(b) of that Agreement.

ATTEST:

BRP US INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Chief Executive or Chief Financial Officer

Date

NOTE: This form is due not earlier than August 31, 2019 and not later than November 30, 2019.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT “B”

ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that BRP US Inc., a Delaware corporation is in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has not fallen below the number for which BRP US Inc., a Delaware corporation has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ b. I hereby certify that BRP US Inc., a Delaware corporation is not in compliance with each applicable term as set forth in the Agreement and the transferred or added number of Job Equivalents has fallen below the number for which BRP US Inc., a Delaware corporation has received a grant payment. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____ and that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.
- _____ c. **(FOR USE IN FEBRUARY 2023 ONLY IF APPLICABLE)** I hereby certify that BRP US Inc., a Delaware corporation is in compliance with all terms and conditions of the Agreement and that as of February 28, 2023, BRP US Inc., a Delaware corporation has added ____ total number of Job Equivalents (not to exceed 35), in addition to the 45 initial Job Equivalents, and is entitled to receive a second (2nd) grant payment in accordance with Section 4.02(c). I further certify that as of December 31 of the prior year, the total number of Job Equivalents was _____.

ATTEST:

BRP US INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Chief Executive or Chief Financial Officer

Date

NOTE: This form is due by January 31 of each year beginning on January 31, 2020, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Eco Dev

Department Head: Sally Bane

Agenda Coordinator: Paula Date

CAPTION

To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and Varsity Spirit, LLC, a Tennessee limited liability company ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2017-18 through 2024-25	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	52,530,479	0	52,530,479
Encumbered/Expended Amount	0	-1,300,000	-29,038,511	-30,338,511
This Item	0	-20,000	0	-20,000
Balance	0	51,210,479	-29,038,511	22,171,968

FUND(S): ECONOMIC DEVELOPMENT INCENTIVE FUND

COMMENTS:

Funding for this item is available in the Economic Development Incentive Fund.

SUMMARY OF ITEM

A request to approve an Economic Development Incentive Agreement for Varsity Spirit, LLC, a Tennessee limited liability company, pursuant to Chapter 380 of the Texas Local Government Code and conditioned on the terms as set forth in the attached agreement. Varsity Spirit agrees to occupy 78,000 gross square feet of office space at 640 Shiloh Road, Suite 200, Plano, TX 75074 and transfer, retain or create up to 162 Job Equivalents by 04/30/2018.

<https://goo.gl/SVJ8PS>

Strategic Plan Goal:

Strong Local Economy

Plano Tomorrow Plan Pillar:

Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Varsity Spirit Chptr 380 Agmt 01.22.18	1/5/2018	Agreement

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (“City”), and Varsity Spirit, LLC, a Tennessee limited liability company (“Company”), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of designing and marketing of cheer and dance team uniforms and accessories and operating camps and competitions and plans to add One Million Five Hundred Sixty Thousand Dollars (\$1,560,000) of Real Property improvements and Three Hundred Eighty Thousand Dollars (\$380,000) of Business Personal property on the Real Property; and

WHEREAS, Company agrees to occupy at least 78,000 gross square feet of office space throughout the term of the Agreement and transfer or create at least 162 Job Equivalents to be located on the Real Property; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the Council finds that the occupancy of at least 78,000 gross square feet of office space and the transfer or creation of at least 162 initial Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Commencement Date” shall mean the earlier of the occupancy of the office space on the Real Property or April, 30, 2018, whichever occurs first.

“Company” shall mean Varsity Spirit, LLC, a Tennessee limited liability company.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic downturn shall not constitute an Event of Force Majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property and each Job Equivalent is paid a total 2,080 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” or “Property” shall mean 640 Shiloh Road, Suite 200, Plano, TX 75074.

Article II Term

The term of this Agreement shall begin on the Commencement Date and continue for seven (7) years thereafter, unless sooner terminated as provided herein.

Article III Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) On or before April 30, 2018, occupy at least 78,000 gross square feet of office space on the Real Property and maintain operations and occupancy throughout the term of the Agreement; and

(b) By April 30, 2018, create or transfer at least 162 Job Equivalents and thereafter maintain operations and occupancy on the Real Property throughout the term of the Agreement; and

(c) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's business activities, at facilities located in the City of Plano.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant of up to Twenty Thousand Dollars (\$20,000) to offset relocation and occupancy expenses as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in Section 4.02 below.

4.02 **Grant Payment Requirements and Schedule.** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a) By April 30, 2018, Company shall occupy not less than 78,000 gross square feet of office space and transfer or create at least 162 Job Equivalents to the Real Property to be eligible to receive a reimbursement payment of up to Twenty Thousand Dollars (\$20,000) to offset relocation and occupancy expenses. **Company must submit for approval, itemized relocation and occupancy expenses along with the Initial Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III, Sections (a) and (b) not earlier than April 30, 2018 and not later than July 31, 2018. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.**

City will make the payment within thirty (30) days of receipt of the initial certification unless the City reasonably objects to the certification.

(b) Beginning January 31, 2019 Company must submit an annual certification on the form attached hereto as Exhibit "B" not later than January 31st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III above. **A failure to file the annual certification by the January 31st deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City's right to a full refund, including damages, as set out in Section 4.03.**

(c) All certifications must be executed by the Company's chief executive or financial officer.

4.03 **Refund/Default.**

(a) If the Company fails to occupy the Real Property and meet the initial required number of Job Equivalents as set out in Section 4.02(a) and the failure is not the result of an Event of Force Majeure, the Company shall forfeit the entire grant. Thereafter, if the Company fails to maintain occupancy and operations at the Real Property at any time during the term of this Agreement and the failure is not the result of an Event of Force Majeure, the Company shall refund to the City the full amount of the grant received.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02(b) above for the compliance period using the form attached as Exhibit “B”.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02(b), the full amount of the entire grant paid shall be refunded by Company to the City. City may use any efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the Company is convicted of the offense.

Article V Termination

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred; or

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

Article VI

Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of:

- (a) Five (5) years from the end of the Agreement period; or
- (b) The period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by City. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5.01 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location.

Article VII

Assignment

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention: Mr. Bruce D. Glasscock
City Manager
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
City of Plano, Texas
Attention: Ms. Paige Mims
City Attorney
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

If intended for the Company before relocation:

Varsity Spirit, LLC
Attention: Mr. Terry Colley
Dallas Operations Manager, Production
2010 Merritt Drive
Garland, TX 75041

If intended for the Company after relocation:

Varsity Spirit, LLC
Attention: Mr. Terry Colley
Dallas Operations Manager, Production
640 Shiloh Rd, Suite 200
Plano, TX 75074

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;

(h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or

(i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;

(j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;

(k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;

(l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

Varsity Spirit, LLC, a Tennessee
limited liability company

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"
INITIAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that Varsity Spirit, LLC has occupied at least 78,000 gross square feet of office space and transferred or added at least 162 Job Equivalent positions at the Real Property by April 30, 2018, and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is_____.

Subject to above certification, I hereby certify that Varsity Spirit, LLC has submitted for approval itemized relocation and occupancy expenses for reimbursement in an amount not to exceed Twenty Thousand Dollars (\$20,000), attached hereto as Exhibit "1", and is in compliance with all terms of the Agreement and is requesting payment in accordance with Section 4.02(a) of the Agreement in the amount of_____ Dollars.

_____ b. I hereby certify that Varsity Spirit, LLC has failed to occupy at least 78,000 gross square feet of office space and has failed to transfer or add at least 162 Job Equivalent positions at the Real Property by April 30, 2018, and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is_____.

I hereby certify that Varsity Spirit, LLC has failed to submit itemized relocation and occupancy expenses for reimbursement in an amount not to exceed Twenty Thousand Dollars (\$20,000) and is not entitled to receive payment in accordance with Section 4.02(a) of the Agreement.

ATTEST:

Varsity Spirit, LLC, a Tennessee
limited liability company

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date

NOTE: This form is due not earlier than April 30, 2018 and not later than July 31, 2018.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT “B”

ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that Varsity Spirit, LLC is in compliance with each applicable term as set forth in the Agreement and has maintained occupancy and operations as set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was_____.

_____ b. I hereby certify that Varsity Spirit, LLC is not in compliance with each applicable term as set forth in the Agreement and has not maintained occupancy and operations at the Real Property as set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was_____ and that that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.

ATTEST:

Varsity Spirit, LLC, a Tennessee
limited liability company

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date:

NOTE: This form is due by January 31 of each year beginning on January 31, 2019, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Eco Dev

Department Head: Sally Bane

Agenda Coordinator: Paula Date

CAPTION

To approve an Economic Development Incentive Agreement between the City of Plano, Texas, and Alkami Technology, Inc., a Delaware corporation ("Company"), providing an economic development grant to the Company; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Operating Expense

FISCAL YEAR: 2017-18 through 2027-28	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	52,530,479	0	52,530,479
Encumbered/Expended Amount	0	-1,300,000	-29,038,511	-30,338,511
This Item	0	-99,750	0	-99,750
Balance	0	51,130,729	-29,038,511	22,092,218

FUND(S): ECONOMIC DEVELOPMENT INCENTIVE FUND

COMMENTS:

Funding for this item is available in the Economic Development Incentive Fund.

SUMMARY OF ITEM

A request to approve an Economic Development Incentive Agreement for Alkami Technology, Inc., a Delaware corporation, pursuant to Chapter 380 of the Texas Local Government Code and conditioned on the terms as set forth in the attached agreement. Alkami Technology, Inc., a Delaware corporation agrees to occupy 89,000 gross square feet of office space at 5601 Granite Parkway, Suite 120, Plano, TX 75024 and transfer, retain or create up to 365 Job Equivalents by 12/31/2021.

<https://goo.gl/Wc8XBm>

Strategic Plan Goal:

Strong Local Economy

Plano Tomorrow Plan Pillar:

Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Alkami Chptr 380 Agmt 1.22.18	1/8/2018	Agreement

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement ("Agreement") is made by and between the City of Plano, Texas ("City"), and Alkami Technology, Inc., a Delaware corporation ("Company"), acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, Company is engaged in the business of providing digital banking solutions and software development for financial institutions and plans to add Three Million Six Hundred Thousand Dollars (\$3,600,000) of Real Property improvements and Two Million Dollars (\$2,000,000) of Business Personalty property ("BPP") on the Real Property; and

WHEREAS, Company agrees to occupy at least 89,000 gross square feet of office space and transfer or create at least 365 Job Equivalents to be located on the Real Property or Other Locations in the City of Plano as approved by the parties in writing for the term of this Agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the City Council finds that the occupancy of at least 89,000 gross square feet of office space and the creation or transfer of at least 365 Job Equivalents within the City will promote economic development, stimulate commercial activity and enhance the tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

Article I

Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Commencement Date” shall mean the earlier of the occupancy of the Property or March 31, 2018, whichever occurs first.

“Company” shall mean Alkami Technology, Inc., a Delaware corporation.

“Event of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the party), fires, explosions or floods, strikes, slowdowns or work stoppages any of which event(s) directly and significantly impact the Company’s operations in the City. An economic downturn shall not constitute an Event of Force Majeure.

“Job Equivalent” shall mean one or more Company employees, whether individual or combined with other employees, who are located at the Real Property and each Job Equivalent is paid a total 2,080 hours annually and issued an Internal Revenue Service W-2 form by the Company.

“Real Property” or “Property” shall mean 5601 Granite Parkway, Suite 120, Plano, TX 75024.

“Other Locations” shall include a property in Plano, Texas and shall not include the property located at 5601 Granite Parkway, Suite 120, Plano, TX 75024 and shall be approved by the parties in writing prior to the Real Property’s lease expiration.

Article II

Term

The term of this Agreement shall begin on the Commencement Date and continue for ten (10) years thereafter, unless sooner terminated as provided herein.

Article III

Obligations of Company

In consideration for the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) By the Commencement Date, retain, create or transfer at least 260 Job Equivalents and occupy the Property and maintain occupancy at the Property or Other Locations throughout the term of the Agreement; and

(b) By December 31, 2021, create or transfer up to an additional 105 Job Equivalents and maintain the Job Equivalents for a minimum of 180 days prior to grant payment and continue to maintain those Job Equivalents on the Real Property or Other Locations in the City of Plano throughout the Agreement; and

(c) Use reasonable efforts to place all Company-managed hotel room nights, related to the Company's locally scheduled meetings at the Property, at facilities located in the City of Plano.

Article IV Economic Development Grant

4.01 **Grant.** The City agrees to provide the Company a cash grant of Ninety-Nine Thousand Seven Hundred Fifty Dollars (\$99,750) as long as Company meets each of the obligations set out in Article III above and complies with the certification schedule and requirements set out in Section 4.02 below.

4.02 **Grant Payment Requirements and Schedule.** Except as otherwise indicated, the Company shall be entitled to the grant award in accordance with the following requirements and schedule:

(a) By March 31, 2018, Company shall occupy the office space and transfer or create and maintain at least 260 Job Equivalents to the Real Property. By December 31, 2021, Company may add up to an additional 105 Job Equivalents for a total maximum number of up to 365 Job Equivalents at the Real Property for a minimum of 180 days to be eligible to receive a payment of Ninety-Nine Thousand Seven Hundred Fifty Dollars (\$99,750). The payment will not be pro-rated. **Company must submit the Certification form attached hereto as Exhibit "A" certifying compliance with the obligations set forth in Article III not earlier than June 30, 2022 and not later than September 30, 2022. A failure to provide this form by that date is an event of default and, if not cured, results in an immediate and complete forfeiture of the entire grant.**

City will make the payment within thirty (30) days of receipt of the certification unless the City reasonably objects to the certification.

(b) Beginning January 31, 2019, Company must submit an annual certification on the form attached hereto as Exhibit "B" not later than January 31st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III. **A failure to file the annual certification by the January 31st deadline during the remaining years of the Agreement shall be an event of default and, if not cured, results in the City's right to a full refund, including damages as set out in Section 4.03.**

(c) All certifications must be executed by the Company's chief executive or financial officer.

4.03 **Refund/Default.**

(a) If the Company fails to meet the required number of Job Equivalents for more than 180 consecutive days as set out in Section 4.02(a) and the loss is not the result of an Event of Force Majeure, the Company shall forfeit the entire grant. Thereafter, if the Company fails to maintain the required number of Job Equivalents, for which it has received payment, for more than 180 consecutive days at any time during the term of this Agreement and the loss is not the result of an Event of Force Majeure, the Company shall refund to the City an amount equal to Nine Hundred Fifty Dollars (\$950) for each lost Job Equivalent above 260 Job Equivalents.

For the purposes of determining whether the City is due a refund under this section, the Company shall certify to the City as set out in Section 4.02(b) above the actual number of Job Equivalents at the Real Property for the compliance period using the form attached as Exhibit "B". A failure to make the refund payment prior to or at the time of filing certification shall constitute an event of default. If a refund has been paid for one or more Job Equivalent(s), Company is not entitled to any future payment for that lost Job Equivalent(s) notwithstanding that it subsequently complies with the Job Equivalent requirements of this Agreement at a later date.

(b) If the Company defaults on the payment of any refund or fails to timely provide any certification as required by Section 4.02(b), the full amount of the entire grant paid shall be refunded by Company to the City. City may use any efforts to collect such sums owed and Company agrees to pay any and all interest, and expenses, including attorney fees and costs incurred by City. This obligation shall survive termination of this Agreement.

(c) At any time during the term of this Agreement the Company is convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of undocumented workers, it shall reimburse the City all grant funds paid pursuant to this Agreement together with interest charged from the date of payment of the funds at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty. Repayment of grant funds and interest shall be due not later than 120 days after the date the Company is convicted of the offense.

Article V Termination

5.01 **Events of Termination.** This Agreement terminates upon any one or more of the following:

(a) By expiration of the term and where no defaults have occurred; or

(b) If a party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice

thereof by the non-defaulting party unless a longer period is provided. Any default under this provision and right to recover any claims, refunds, damages and/or expenses shall survive the termination of the Agreement.

The City Manager is authorized on behalf of the City to send notice of default and to terminate this Agreement for any default that is not cured.

5.02 **Effect of Termination/Survival of Obligations.** The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

Article VI

Retention and Accessibility of Records

6.01 Company shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. Company shall retain such records, and any supporting documentation for the greater of:

- (a) Five (5) years from the end of the Agreement period; or
- (b) The period required by other applicable laws and regulations.

6.02 Company gives City, its designee, or any of their duly authorized representatives, access to and the right to examine relevant books, accounts, records, audit reports, reports, files, documents, written or photographic material, videotape and other papers, things, or personal and Real Property belonging to or in use by Company pertaining to the Economic Development Program Grant (the "Records") upon receipt of ten (10) business days written notice from the City. The City's access to Company's books and records will be limited to information needed to verify that Company is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by City. In no event shall City's access to Company's Records include any access to any personal and/or medical data of any employees of Company except to confirm payroll information compliance for Job Equivalents. Company shall not be required to disclose to the City any information that by law Company is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the City reserves the right to require Company to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of Company. The rights to access the Records shall terminate five (5) years after the termination or expiration of this Agreement. Failure to provide reasonable access to the Records to authorized City representatives shall give the City the right to suspend or terminate this Agreement as provided for in Section 5.01 above, or any portion thereof, for reason of default. All Records shall be retained by Company for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations,

lawsuits, administrative inquiries and open record requests are completed. Company agrees to maintain the Records in an accessible location.

Article VII Assignment

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City.

Article VIII Miscellaneous

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City:
City of Plano, Texas
Attention: Mr. Bruce D. Glasscock
City Manager
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

With a copy to:
City of Plano, Texas
Attention: Ms. Paige Mims
City Attorney
1520 Avenue K
P.O. Box 860358
Plano, TX 75086-0358

If intended for the Company:
Alkami Technology, Inc.
Attention: Mr. Douglas A. Linebarger
General Counsel and VP, Administration
5601 Granite Parkway, Suite 120
Plano, TX 75024

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;

(f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;

(g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;

(h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment; or

(i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;

(j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;

(k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;

(l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.

8.12 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule
municipal corporation

Lisa C. Henderson, CITY SECRETARY

Bruce D. Glasscock, CITY MANAGER
Date: _____

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

ATTEST:

ALKAMI TECHNOLOGY, INC., a
Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT "A"

CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. I hereby certify that Alkami Technology, Inc., a Delaware corporation has occupied the office space as of March 31, 2018 and transferred, created or maintained at least 260 Job Equivalent positions at the Real Property and created up to 105 additional Job Equivalents by December 31, 2021, and is in compliance with all terms of the Agreement and is entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.
- _____ b. I hereby certify that Alkami Technology, Inc., a Delaware corporation has failed to occupy the office space as of March 31, 2018 and/or has failed to transfer, create or maintain at least 260 Job Equivalent positions at the Real Property and has failed to create up to 105 additional Job Equivalents by December 31, 2021, and is not in compliance with the Agreement and is not entitled to receive payment in accordance with Section 4.02(a) of that Agreement. The actual number of Job Equivalents is _____.

ATTEST:

ALKAMI TECHNOLOGY, INC., a
Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date

NOTE: This form is due not earlier than June 30, 2022 and not later than September 30, 2022.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358

EXHIBIT "B"
ANNUAL CERTIFICATE OF COMPLIANCE

Please select one of the options below before signing and returning the certification:

- _____ a. **(FOR USE BETWEEN JANUARY 2019 AND JANUARY 2022)** I hereby certify that Alkami Technology, Inc., a Delaware corporation is in compliance with each applicable term as set forth in the Agreement Section III (a) and (c) and the transferred or added number of Job Equivalents has not fallen below the 260 Job Equivalents at the Real Property. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ b. **(FOR USE BETWEEN JANUARY 2019 AND JANUARY 2022)** I hereby certify that Alkami Technology, Inc., a Delaware corporation is not in compliance with each applicable term as set forth in the Agreement Section III (a) and (c) and the transferred or added number of Job Equivalents has fallen below the 260 Job Equivalents at the Real Property. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ c. **(FOR USE BETWEEN JANUARY 2023 AND JANUARY 2028)** I hereby certify that Alkami Technology, Inc., a Delaware corporation is in compliance with each applicable term as set forth in the Agreement Section III (a) (b) and (c) and the transferred or added and maintained number of Job Equivalents has not fallen below the number for which Alkami Technology, Inc., a Delaware corporation has received a grant payment in accordance with the terms and conditions set out in Article IV. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____.
- _____ d. **(FOR USE BETWEEN JANUARY 2023 AND JANUARY 2028)** I hereby certify that Alkami Technology, Inc., a Delaware corporation is not in compliance with each applicable term as set forth in the Agreement Section III (a) (b) and (c) and the transferred or added and maintained number of Job Equivalents has fallen below the number for which Alkami Technology, Inc., a Delaware corporation has received a grant payment. I further certify that as of December 31 of the prior year, the number of Job Equivalents was _____ and that that the City of Plano has been refunded the appropriate amount as required by Article IV, Section 4.03 of the Agreement.

ATTEST:

ALKAMI TECHNOLOGY, INC., a Delaware corporation

Name: _____
Title: _____

By: _____
Name: _____
Chief Financial Officer

Date

NOTE: This form is due by January 31 of each year beginning on January 31, 2019, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Plano
Finance Department
P.O. Box 860358
Plano, TX 75086-0358



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Eva X-7152

CAPTION

To approve an Interlocal Cooperation Agreement by and between the City of Plano and North Texas Municipal Water District for the Plano Legacy West Wastewater Improvements; and authorizing the City Manager to execute all necessary documents. **Approved**

FINANCIAL SUMMARY

Revenue, CIP

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	554,416	0	554,416
Balance	0	554,416	0	554,416

FUND(S): Sewer CIP

COMMENTS: This item approves an Interlocal Cooperation Agreement with the North Texas Municipal Water District which will provide \$554,416 to offset expenditures on the Legacy West Lift Station and Legacy West Force Main projects in the Sewer CIP.

SUMMARY OF ITEM

See attached Recommendation Memo.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Exciting Urban Centers - Destination for Residents and Guests, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Economic Environment, Regionalism

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/8/2018	Memo
Map	1/8/2018	Map
Agreement	1/2/2018	Agreement

Date: January 22, 2018

To: Bruce D. Glasscock, City Manager

From: B. Caleb Thornhill, Director of Engineering

Subject: Interlocal Cooperation Agreement between City of Plano and North Texas Municipal Water District - Legacy West Wastewater Improvements

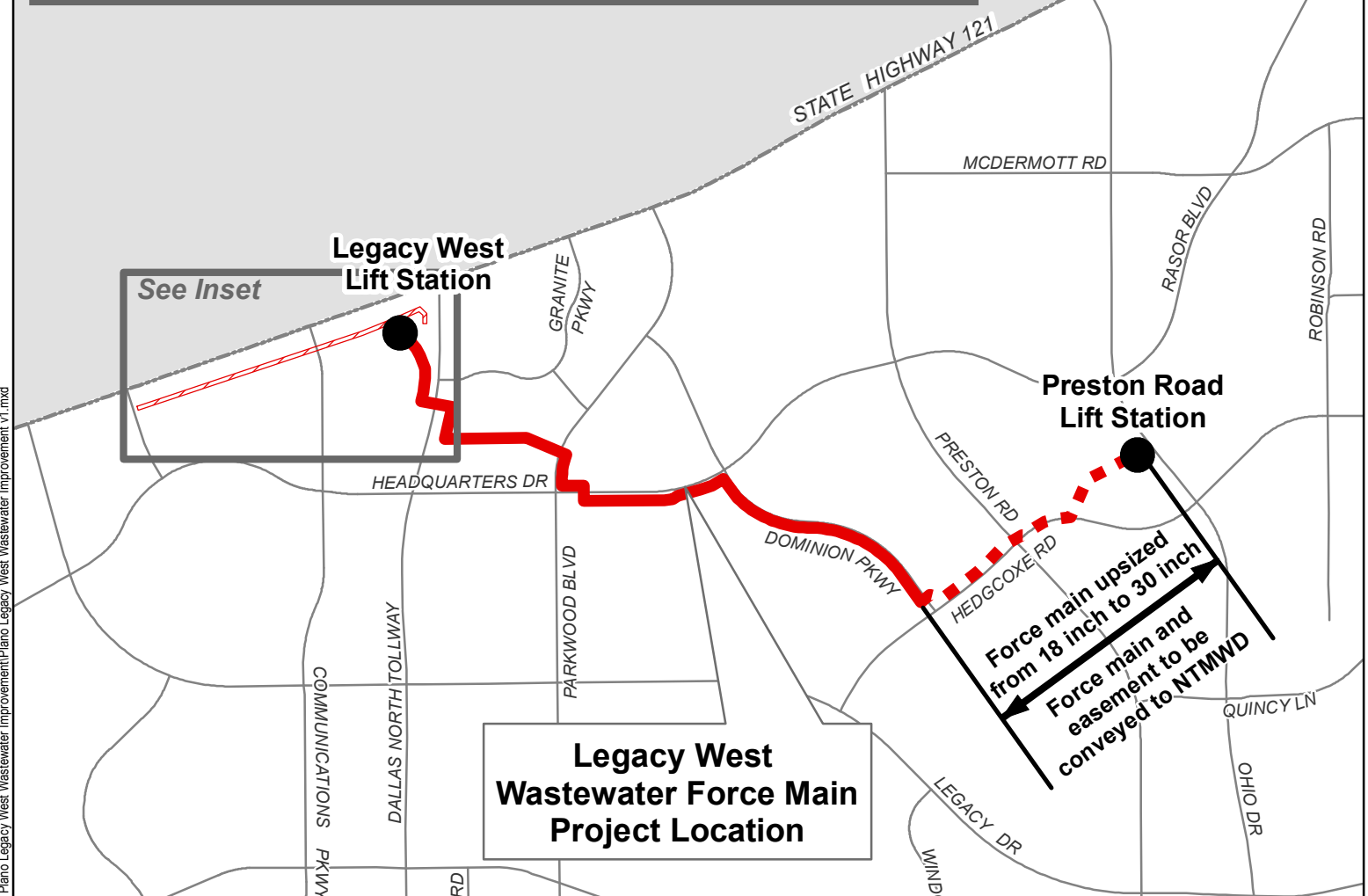
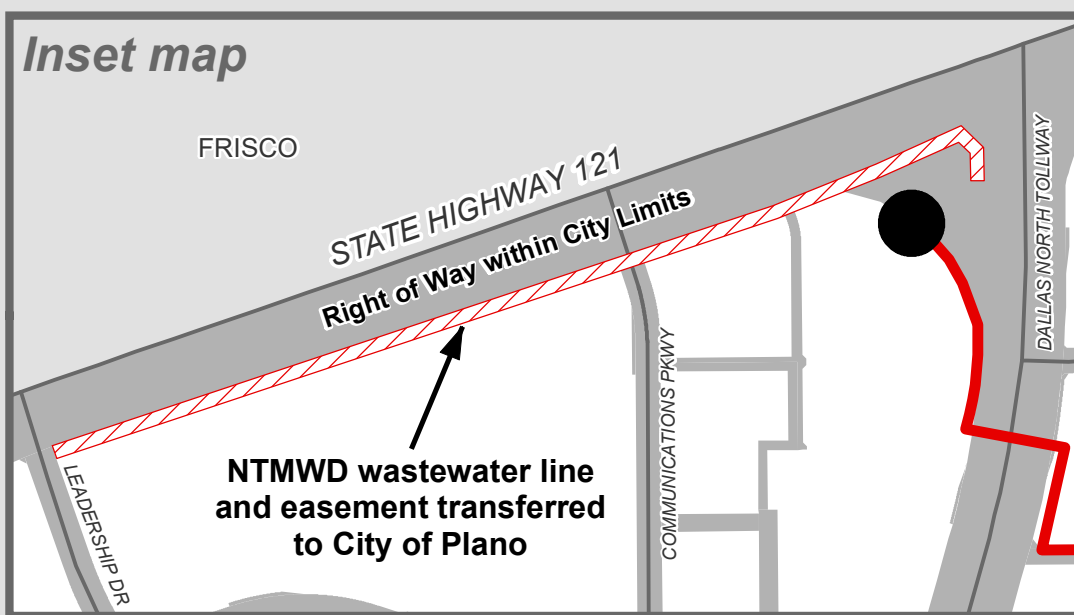
Staff recommends approval of an Interlocal Cooperation Agreement by and between City of Plano and the North Texas Municipal Water District (NTMWD) for the necessary wastewater improvements in northwest Plano; authorizing the City Manager or his designee to take such action and execute such documents as necessary to effectuate the agreement herein; and providing an effective date.

Plano is constructing a lift station at the southwest corner of Dallas North Tollway and SRT (SH 121) and an 18-inch/30-inch force main from the proposed lift station to the existing Preston Road Lift Station in order to meet the growing demands in the northwest Plano area. NTMWD is planning a 24-inch force main from the Indian Creek Lift Station to the Preston Road Lift Station. Plano will construct a 30-inch line (upsizing from a proposed 18-inch line) on a portion of the force main to the Preston Road Lift Station in order to accept wastewater flows from the proposed NTMWD 24-inch force main. Both the lift station and force main are substantially complete and in operation. Upon completion of the 30-inch force main, the City shall convey all easements and right of ways necessary for NTMWD to own, operate and maintain the force main.

Upon substantial completion of the Legacy West Lift station, NTMWD shall transfer and Plano shall accept conveyance of the portion of the wastewater line located along SRT (SH 121) from Leadership Drive to Dallas North Tollway. NTMWD shall convey all easements and right of ways necessary for Plano to own and maintain the portion of the wastewater line conveyed to Plano.

This Interlocal Cooperation Agreement authorizes the NTMWD share of the project cost, in the amount of \$554,416.46 as well as easement conveyance as stated.

Inset map



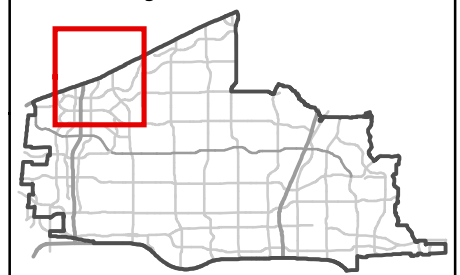
0 750 1,500
Feet



City of Plano GIS Division
January 2018

Plano Legacy West Wastewater Improvement

Project Location



INTERLOCAL COOPERATION AGREEMENT BETWEEN
NORTH TEXAS MUNICIPAL WATER DISTRICT AND
THE CITY OF PLANO, TEXAS FOR
PLANO LEGACY WEST WASTEWATER IMPROVEMENTS

THIS AGREEMENT, is made and entered into by and between the **NORTH TEXAS MUNICIPAL WATER DISTRICT**, a political subdivision of the State of Texas, (hereinafter referred to as “NTMWD” or “District”) and the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation (hereinafter referred to as “Plano”). Individually, NTMWD and Plano may be referred to as a “Party” and collectively, NTMWD and Plano may be referred to as “Parties.”

WHEREAS, the Interlocal Cooperation Act (the “Act”), codified as Chapter 791, Texas Government Code, authorizes any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and

WHEREAS, NTMWD, Plano and the City of Mesquite previously entered into that October 1, 1975 Trinity East Fork Regional Wastewater System Contract to establish and provide for the District’s operation and maintenance of a regional wastewater system serving Plano and other communities (“Regional Wastewater System”);and

WHEREAS, Plano is currently pursuing a wastewater project to meet growing demands in the northwest Plano area, including the construction of a 4.5 MGD lift station (the “Proposed Lift Station”) at Dallas North Tollway and State Highway 121 and construction of an 18-inch force main from the Proposed Lift Station to the Preston Road Lift Station; and

WHEREAS, NTMWD is currently in the planning and design process of improvements to the Regional Wastewater System to provide permanent wastewater service to the northwest area of Plano.

WHEREAS, NTMWD plans to construct an 24-inch force main leading to the NTMWD Preston Road Lift Station; and

WHEREAS, Plano agrees to construct and upsize a portion of the force main to the Preston Road Lift Station to accept wastewater flows from the proposed NTMWD 24-inch force main;

WHEREAS, the District agrees to compensate Plano for the cost of the upsizing of the portion of the force main that Plano constructs; and

NOW THEREFORE, for mutual consideration hereinafter stated, Plano and the District agree as follows:

**I.
EFFECTIVE DATE**

The Agreement shall be effective on the date of the last signature hereto (the "Effective Date").

**II.
THE AGREEMENT**

A. Upsize and Transfer of the Force Main from Plano to NTMWD

1. Upsizing of the Force Main

The Parties agree that Plano shall upsize from an 18-inch line to a 30-inch line the portion of the Plano force main to the Preston Road Station as identified on Exhibit A, which is hereby incorporated herein, (referred to as the "Force Main" or the "Project"), to allow NTMWD to accommodate wastewater flows for the Indian Creek basin. The Force Main is the portion of line beginning at the junction box where the proposed NTMWD 24-inch force main and the Plano proposed 18-inch force main converge and ending at the NTMWD Preston Road Lift Station. NTMWD shall fund its pro rata share of the cost to increase the size of the line in the amount of \$554,416.46. Payment of costs to upsize the Force Main will be due upon the completion of the Project and acceptance of the construction by NTMWD.

2. Conveyance of a Portion of the Force Main

The Parties agree that a portion of the Force Main, identified in Exhibit A, upon completion of the oversizing construction, shall be transferred from Plano to NTMWD, and that NTMWD shall use such facilities to provide permanent wastewater service to Plano.

Once construction on the Force Main has commenced, and upon request by NTMWD, Plano shall grant a right of access to NTMWD to inspect the Force Main during construction.

Upon substantial completion of the Force Main, Plano shall notify NTMWD of such completion. The Force Main shall be conveyed to NTMWD after NTMWD inspection of the Force Main and upon NTMWD's provision of a notice of acceptance of the construction. At the time the Force Main is conveyed to NTMWD, Plano shall convey all easements and right of ways necessary for NTMWD to own, operate and maintain the Force Main. All documents or instruments of conveyance, release, transfer or assignment required shall be in a form and content reasonably acceptable to NTMWD.

3. Line Markers

Plano shall provide, according to NTMWD specifications and standards, line markers on the portion of the Force Main to be conveyed to NTMWD and identified in Exhibit A.

B. Transfer of Wastewater Line from NTMWD to Plano

Upon substantial completion of the proposed Legacy West Lift Station by Plano, NTMWD shall transfer and Plano shall accept conveyance of the portion of the wastewater line located along State Highway 121 and leading to the Legacy West Lift Station (the "Indian Creek Trunk Sewer Extension"), identified in the attached Exhibit B. Acceptance shall be documented by a letter accepting conveyance of the facility from Plano's Director of Engineering. NTMWD shall convey all easements and right of ways necessary for Plano to own and maintain the portion of the Indian Creek Trunk Sewer Extension conveyed to Plano. All documents or instruments of conveyance, release, transfer or assignment required shall be in a form and content reasonably acceptable to Plano.

**III.
TERM**

This Agreement shall be effective for a period of five (5) years from the Effective Date unless terminated earlier pursuant to Section IV below. Thereafter, upon mutual agreement, in writing, of the Parties, this Agreement may be renewed for subsequent one (1) year terms.

**IV.
TERMINATION**

This Agreement shall automatically terminate and be of no further force or effect if Plano has not commenced construction of the Force Main within two (2) years of the Effective Date. In the event of any default by either Party on any of the covenants or obligations contained in this Agreement, the defaulting Party shall be notified in writing and specify the precise nature of the default. The defaulting Party shall thereafter have thirty (30) days from date the notice is received in which to cure such default (or, if same cannot be reasonably cured within such period, to take significant steps to commence such cure and thereafter diligently complete such cure), failing in which the non-defaulting Party shall be entitled to terminate this Agreement by written notice to the defaulting party.

**V.
NOTICE**

Notice as required by this Agreement shall be in writing delivered to the Parties via e-mail or certified mail at the addresses listed below:

PLANO
Gerald Cosgrove
Director of Public Works
City of Plano

NTMWD
Thomas W. Kula
Executive Director
North Texas Municipal Water District

July 28, 2017

P.O. Box 860358
Plano, TX 75086-0358
972-769-4163 (Telephone)
Gerald@plano.gov

P.O. Box 2408
Wylie, TX 75098
972-442-5405 (Telephone)
tkula@ntmwd.com

Each Party shall notify the other in writing within ten (10) days of any change in the information listed in this paragraph.

**VI.
ENTIRE AGREEMENT**

This Agreement represents the entire agreement between NTMWD and Plano, and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Parties.

**VII.
VENUE**

This Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas, and this Agreement is performable in Collin County, Texas. Exclusive venue shall be in Collin County, Texas.

**VIII.
SEVERABILITY**

The provisions of this Agreement are severable. In the event that any section, subsection, paragraph, sentence, clause, or phrase of this Agreement shall be found to be contrary to law, or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of this Agreement; however, upon the occurrence of such event, either Party may terminate this Agreement by giving the other Party thirty (30) days written notice of its intent to terminate.

**IX.
ASSIGNMENT**

This Agreement shall not be assigned in whole or in part without the written consent of both Parties.

**X.
INTERPRETATION OF AGREEMENT**

This is a negotiated document. Should any part of this Agreement be in dispute, the Parties agree that this Agreement shall not be construed more favorably for either Party based on the presumption that it was drafted by either Party.

XI. REMEDIES

No right or remedy granted herein or reserved to the Parties is exclusive of any right or remedy granted by law or equity, but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the Parties. It is further agreed that one (1) or more instances of forbearance by either Party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

XII. AUTHORITY TO SIGN

The undersigned officers and/or agents of the Parties hereto are the duly authorized officials and have the necessary authority to execute this Agreement on behalf of the Party it represents.

XIII. CALENDAR DAYS

Throughout this Agreement, "Day" shall mean a calendar day, unless otherwise specified. If a deadline falls on a weekend or holiday, the deadline shall be the following working day.

[Remainder of Page Intentionally Blank]

July 28, 2017

EXECUTED in duplicate originals this ____ day of _____, 2016.

CITY OF PLANO, TEXAS

By: _____

Bruce Glasscock
CITY MANAGER

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

**NORTH TEXAS MUNICIPAL WATER
DISTRICT**

By: _____


Thomas W. Kula
Executive Director

EXHIBIT A

To ILA between NTMWD and City of
Plano, "Plano Legacy West Wastewater
Improvement 28 July 2017"

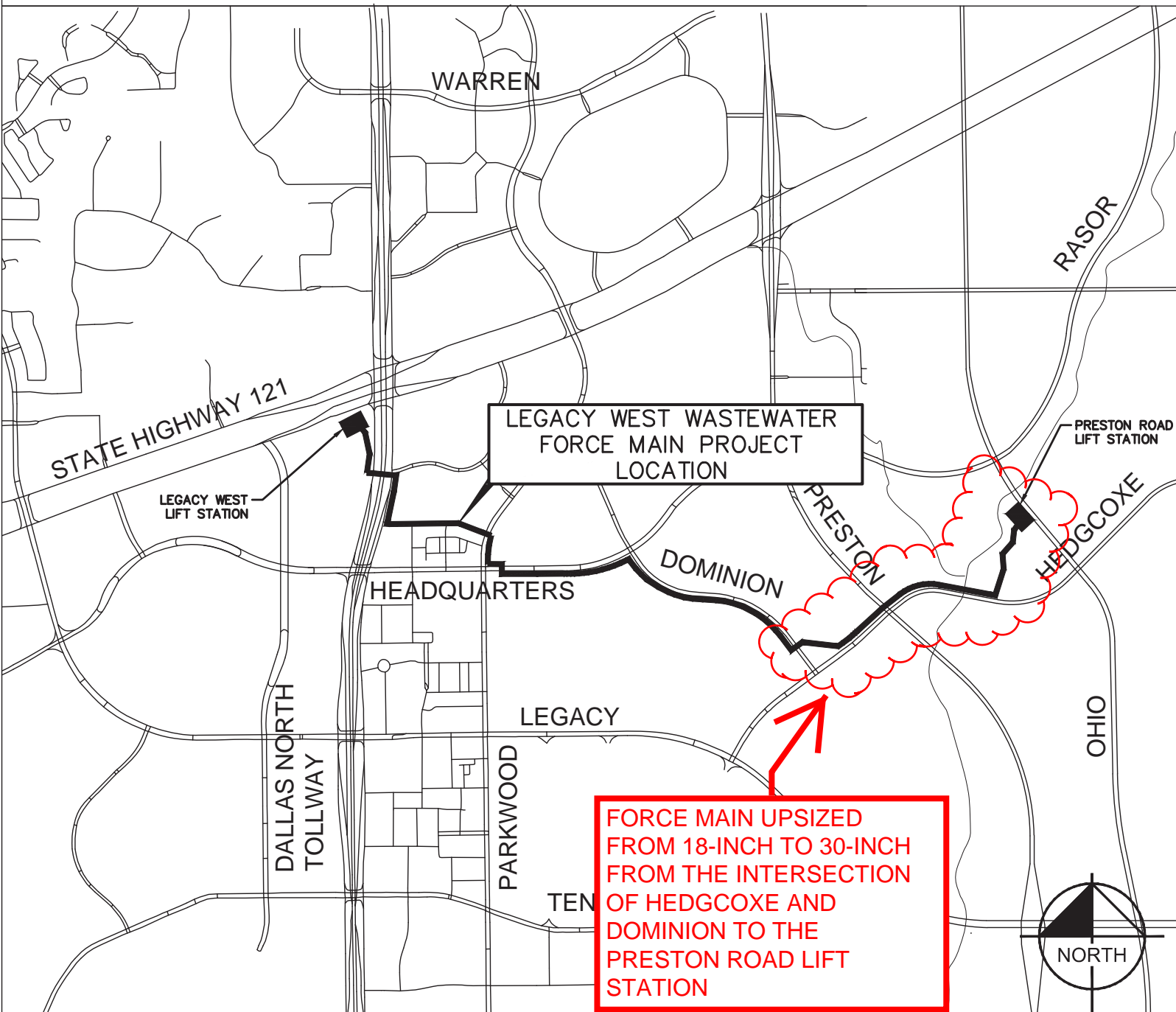


Exhibit "B"

LEGAL DESCRIPTION

BEING a tract of land situated on the J.C. Barrow Survey, Abstract No. 90, the Garland R. Martin Survey, Abstract No. 622 and the Collin County School Land Survey No. 5, Abstract No. 149, City of Plano, Collin County, Texas and being part of Lot 1R, Block C of the Legacy West Addition, Lots 1R, 3R and 7, Block C, an addition to the City of Plano according to the plat recorded in Volume 2016, Page 231 of the Official Public Records of Collin County, Texas; and being part of Lot 1, Block B of the Legacy West Addition, Lot 1 and Lot 2, Block B, Lot 1, Block C, Lot 1R Block D, Lot 1 and Lot 2, Block E, an addition the City of Plano according to the plat recorded in Volume 2015, Page 63 of said Official Public Records; and being part of a tract of land described in Dedication Deed to North Texas Tollway Authority recorded in Instrument No. 20100210000136340 of said Official Public Records; and being all at a 50' sanitary sewer easement described as "Parcel One" in Volume 5415, Page 1106, Deed Records Collin County Texas; and being more particularly described as:

BEGINNING at the intersection of the east right-of-way line of Leadership Drive (a 110 foot wide right-of-way) and the south right-of-way line of State Highway 121 (a variable width right-of-way);

THENCE with said south right-of-way line of State Highway 121, the following courses and distances:

North 71°34'10" East, a distance of 2800.57 feet to a brass disk found for corner;
North 67°59'24" East, a distance of 410.36 feet to a point for corner;
North 65°53'43" East, a distance of 344.50 feet to a brass disk found for corner;
South 46°17'13" East, a distance of 114.81 feet to a point for corner;
South 0°41'15" East, a distance of 122.39 feet to a point for corner;

CONTINUE ON SHEET 2

DANA BROWN
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5336
12750 MERIT DRIVE, SUITE 1000
DALLAS, TEXAS 75251
PH. 972-770-1300
dana.brown@kimley-horn.com



SANITARY SEWER EASEMENT
J.C. BARROW SURVEY,
ABSTRACT NO. 90
GARLAND R MARTIN SURVEY
ABSTRACT NO. 622
COLLIN COUNTY SCHOOL LAND SURVEY NO. 5
ABSTRACT NO. 149
CITY OF PLANO
COLLIN COUNTY, TEXAS

Kimley»Horn

12750 Merit Drive, Suite 1000
Dallas, Texas 75251

FIRM # 101155-00

Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
N/A	MTC	DAB	AUG 2016	069321300	1 OF 5

THENCE with the south line of said 50 foot sanitary sewer easement, the following courses and distances:

South 89°18'45" West, a distance of 50.00 feet to a point for corner;
North 0°41'15" West, a distance of 101.38 feet to a point for corner;
North 46°17'13" West, a distance of 60.18 feet to a point for corner;
South 65°53'43" West, a distance of 311.81 feet to a point for corner;
South 67°59'24" West, a distance of 412.84 feet to a point for corner;
South 71°34'10" West, a distance of 2801.45 feet to a point for corner in said east right-of-way line of Leadership Drive;

THENCE with said east right-of-way line of Leadership Drive, North 19°12'44" West, a distance of 49.84 feet to the **POINT OF BEGINNING** and containing 4.293 acres or 187,005 square feet of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

SANITARY SEWER EASEMENT
J.C. BARROW SURVEY,
ABSTRACT NO. 90
GARLAND R MARTIN SURVEY
ABSTRACT NO. 622
COLLIN COUNTY SCHOOL LAND SURVEY NO. 5
ABSTRACT NO. 149
CITY OF PLANO
COLLIN COUNTY, TEXAS

Kimley»Horn

12750 Merit Drive, Suite 1000
Dallas, Texas 75251

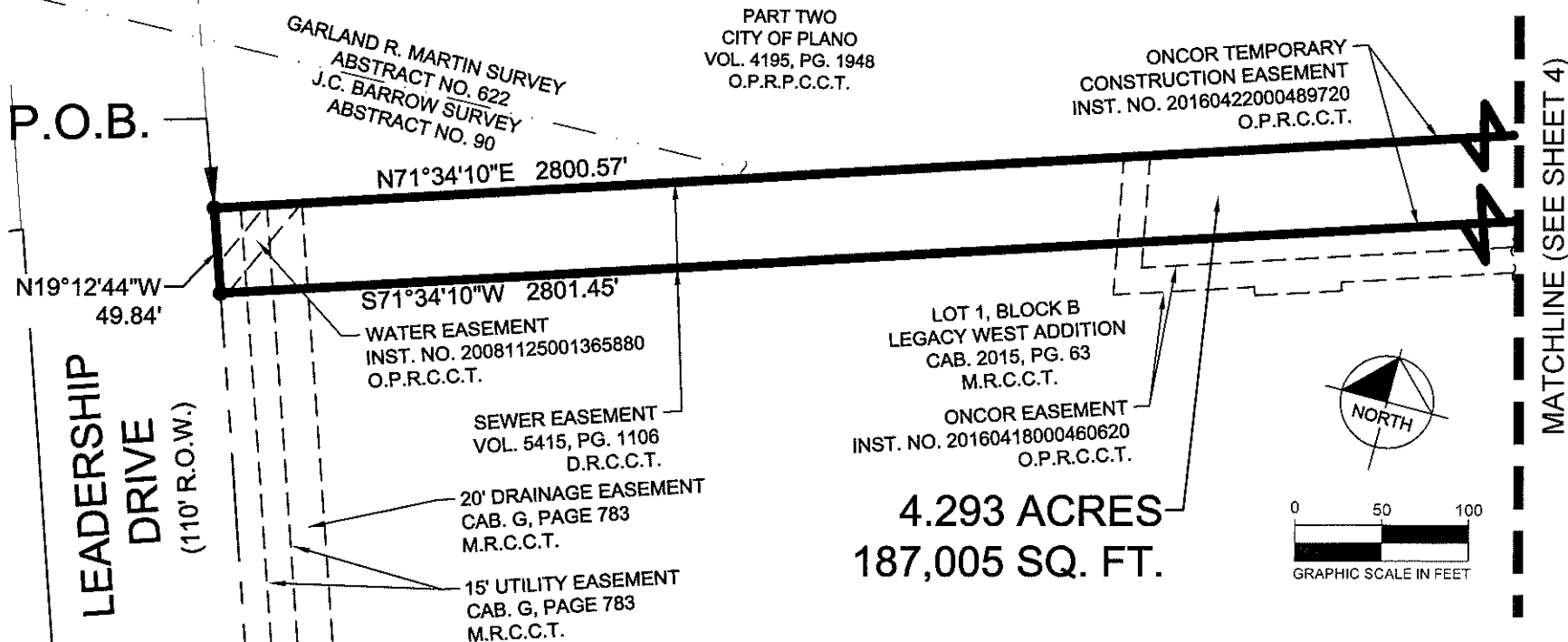
FIRM # 101155-00

Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
N/A	MTC	DAB	AUG 2016	069321300	2 OF 5

STATE HIGHWAY NO. 121

(VARIABLE WITH R.O.W.)



LEGEND

Δ = CENTRAL ANGLE
P.O.C. = POINT OF COMMENCING
P.O.B. = POINT OF BEGINNING
IRSC = 5/8" IRON ROD W/ "KHA" CAP SET
IRFC = IRON ROD W/CAP FOUND
IPF = IRON PIPE FOUND
CAB. = CABINET
INST. NO. = INSTRUMENT NUMBER
M.R.C.C.T. = MAP RECORDS OF COLLIN COUNTY, TEXAS
D.R.C.C.T. = DEED RECORDS OF COLLIN COUNTY, TEXAS
O.P.R.C.C.T. = OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS

NOTES

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

SANITARY SEWER EASEMENT
J.C. BARROW SURVEY,
ABSTRACT NO. 90
GARLAND R MARTIN SURVEY
ABSTRACT NO. 622
COLLIN COUNTY SCHOOL LAND SURVEY NO. 5
ABSTRACT NO. 149
CITY OF PLANO
COLLIN COUNTY, TEXAS

Kimley»Horn

12750 Merit Drive, Suite 1000
Dallas, Texas 75251

FIRM # 101155-00

Tel. No. (972) 770-1300
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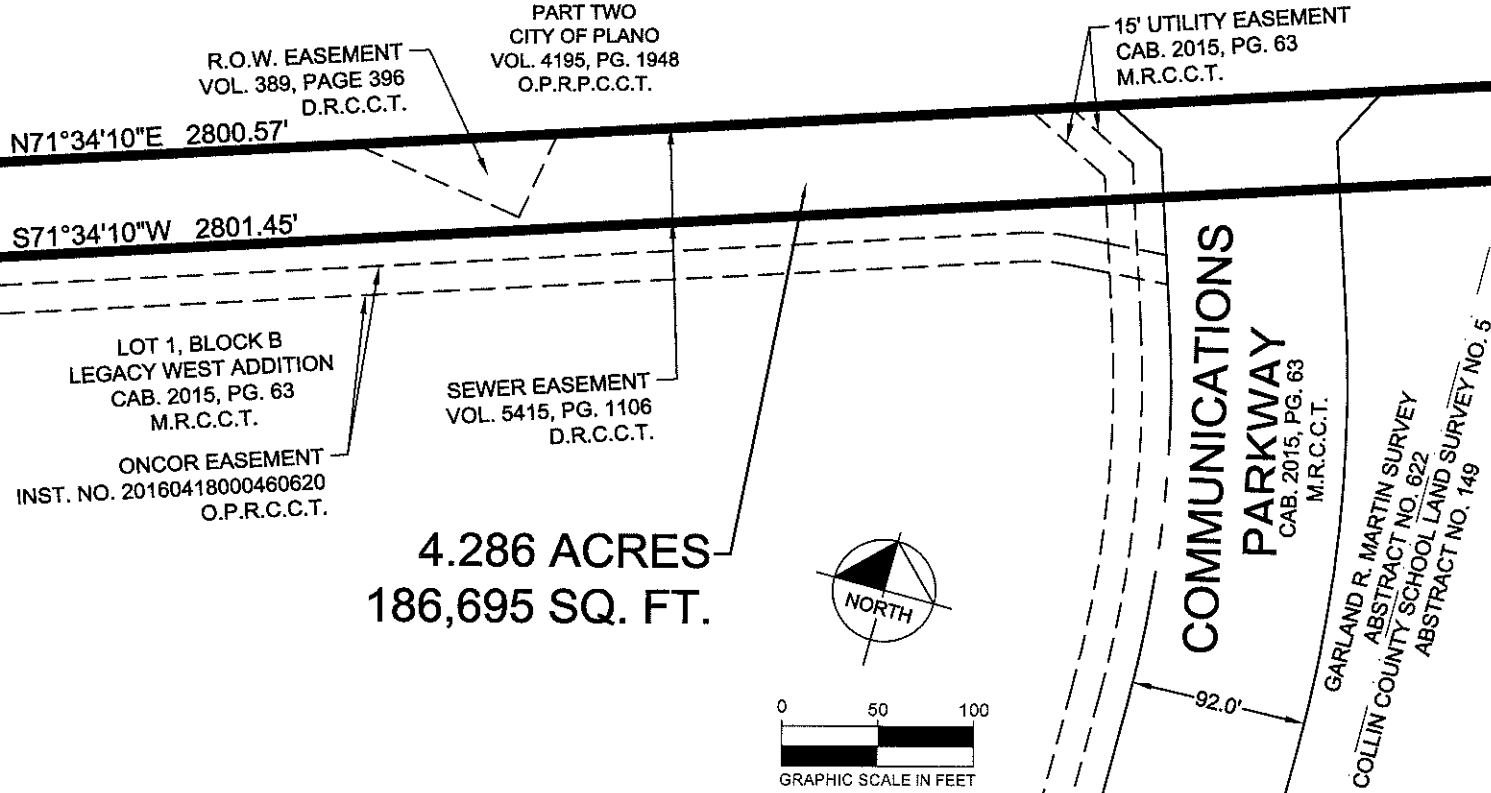
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1" = 100'	MTG	DAB	AUG 2016	069321300	3 OF 5

STATE HIGHWAY NO. 121

(VARIABLE WITH R.O.W.)

MATCHLINE (SEE SHEET 3)

MATCHLINE (SEE SHEET 5)



LEGEND

Δ = CENTRAL ANGLE
P.O.C. = POINT OF COMMENCING
P.O.B. = POINT OF BEGINNING
IRSC = 5/8" IRON ROD W/ "KHA" CAP SET
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NOTES

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

SANITARY SEWER EASEMENT
J.C. BARROW SURVEY,
ABSTRACT NO. 90
GARLAND R MARTIN SURVEY
ABSTRACT NO. 622
COLLIN COUNTY SCHOOL LAND SURVEY NO. 5
ABSTRACT NO. 149
CITY OF PLANO
COLLIN COUNTY, TEXAS

Kimley»Horn

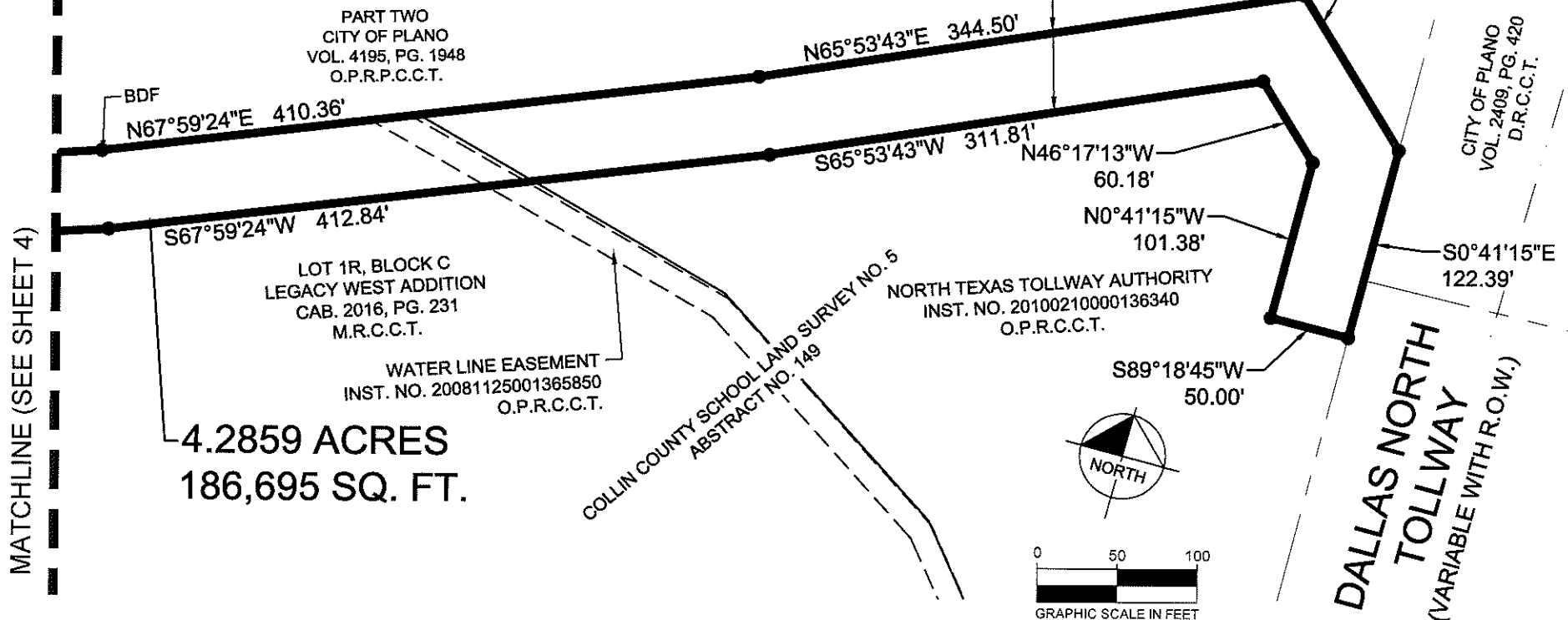
12750 Merit Drive, Suite 1000
Dallas, Texas 75251

FIRM # 101155-00

Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 100'	MTC	DAB	AUG 2016	069321300	4 OF 5

STATE HIGHWAY NO. 121 (VARIABLE WITH R.O.W.)



LEGEND

Δ = CENTRAL ANGLE
P.O.C. = POINT OF COMMENCING
P.O.B. = POINT OF BEGINNING
IRSC = 5/8" IRON ROD W/ "KHA" CAP SET
IRFC = IRON ROD W/CAP FOUND
IPF = IRON PIPE FOUND
CAB. = CABINET
INST. NO. = INSTRUMENT NUMBER
M.R.C.C.T. = MAP RECORDS OF COLLIN COUNTY, TEXAS
D.R.C.C.T. = DEED RECORDS OF COLLIN COUNTY, TEXAS
O.P.R.C.C.T. = OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS

NOTES

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

SANITARY SEWER EASEMENT

J.C. BARROW SURVEY,

ABSTRACT NO. 90

GARLAND R MARTIN SURVEY

ABSTRACT NO. 622

COLLIN COUNTY SCHOOL LAND SURVEY NO. 5

ABSTRACT NO. 149

CITY OF PLANO

COLLIN COUNTY, TEXAS

Kimley»Horn

12750 Merit Drive, Suite 1000
Dallas, Texas 75251

FIRM # 101155-00

Tel. No. (972) 770-1300
Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 100'	MTG	DAB	AUG 2016	089321300	5 OF 5



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Special Projects

Department Head: Peter Braster

Agenda Coordinator: Kendra Cobbs

CAPTION

Resolution No. 2018-1-7(R): To approve the Assessment Plan and Service Plan for the Downtown Plano Public Improvement District as recommended by the Public Improvement District Advisory Board; and establishing an effective date. (Tabled at 12/11/17 Council meeting to 1/22/18 Council meeting.) **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: While this item outlines the service and assessment plans for the Downtown Plano Public Improvement District (PID) in the future, it has no immediate financial impact. The City of Plano will contribute \$50,000 to the PID following the approval of annual assessments.

SUMMARY OF ITEM

This resolution adopts the Downtown Plano Public Improvement District Advisory Board's recommendation for an Assessment Plan and Service Plan.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Exciting Urban Centers - Destination for Residents and Guests, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/9/2018	Memo
Resolution	1/10/2018	Resolution
Assessment Plan	1/9/2018	Exhibit
Service Plan	1/9/2018	Exhibit

Date: January 9, 2018

To: Bruce D. Glasscock, City Manager
Jack Carr, Deputy City Manager

From: Peter J. Braster, Director of Special Projects

Subject: Downtown Plano PID Assessment Plan and Service Plan

The Downtown Plano Public Improvement District (PID) operates with an Assessment Plan and Service Plan that City Council reviews and approves annually. The PID Assessment Plan outlines the funding sources available by way of the PID assessment; the City's \$50,000 contribution; and any cash balance carried forward from previous years. The PID Service Plan is a budgeted list of services and improvements carried out within the PID boundary. In addition to approving the two plans, the resolution will direct staff to prepare the assessment roll for the Downtown Plano PID.

Background:

City Council approved the PID renewal during a public hearing on November 13, 2017. The PID has been successful in its three-year trial period, and was set to end on December 31, 2017. There has been overwhelming support for the PID, due to the benefit it offers Downtown businesses and the excitement it adds to Downtown. During the petition renewal process, more than 78% of PID property owners supported renewing the PID. Now with City Council affirming renewal, the next step is to approve a Service Plan and Assessment Plan.

City Council initially reviewed the Service Plan and Assessment Plan, and also held a public hearing on the assessment roll at the December 11, 2017 Council meeting. During the public hearing, the K Avenue Station property owner requested that their \$50,000 assessment be reduced to \$25,000. Council reviewed the request, and voted to reduce their assessment to \$25,000 based on redefining a "development project" as one or more parcels owned or managed as a single unit. Council then determined that the Plans should be remitted back to the Downtown Plano PID Advisory Board for revisions consistent with the new definition.

The PID Advisory Board met on January 2, 2018, and approved revised plans for Council's consideration. The Assessment Plan still covers the five years of total funds available within the PID including the annual assessment, the City's contribution, and the cash balance carried forward from the previous year. The Board also approved a revised Service Plan budget of \$152,000 through 2022. Although City Council reviews and approves the plans annually, State law requires the plans cover a five-year period.

A Resolution of the City of Plano, Texas, approving the Assessment Plan and Service Plan for the Downtown Plano Public Improvement District as recommended by the Public Improvement District Advisory Board and establishing an effective date.

WHEREAS, Chapter 372 of the Texas Local Government Code (the “Act”) allows for the creation of public improvement districts in municipalities to finance certain supplemental services and public improvements within a district by means of special assessments levied on real property within the district; and

WHEREAS, on November 13, 2017, City Council approved Resolution No. 2017-11-2(R) authorizing the renewal of the Downtown Plano Public Improvement District; and

WHEREAS, the Act requires that City Council annually review and approve the Assessment Plan and Service Plan; and

WHEREAS, on December 11, 2017, City Council tabled discussion on the Assessment Plan and Service Plan remitting the Plans back to the Advisory Board for revisions; and

WHEREAS, the Advisory Board met on January 2, 2018 and approved revisions to the Assessment Plan and Service Plan, as prepared by the Executive Committee of the Advisory Board;

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

Section I. That pursuant to the requirements of the Act, the City Council, after being presented with the Assessment Plan and Service Plan for the District developed by the Executive Committee of the Advisory Board and approved by the Advisory Board, hereby approves and adopts the Assessment Plan and Service Plan, attached as Exhibits “A” and “B.”

Section II. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this 22nd day of January, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

Exhibit A

Downtown Plano PID Assessment Plan

Notes and assumptions:

The PID petition provides for a 5 year term. The Texas Local Government Code requires a service plan to cover at least five years. After the petitions were received for this renewal, the PID management committee voted to revisit the cap per property owned in the PID after two years of this PID term.

Assessments will be set annually by the Plano City Council, upon recommendation from the PID advisory board, but may not exceed \$0.15 per \$100. No owner may be assessed more than \$25,000 in any year per development project.

Annual assessments will be based on 2017 real property appraisals by the Collin Central Appraisal District or as further limited by the Plano City Council.

The 2017 appraised value cap remains in place unless there is a change in ownership or \$200,000 or more in improvements are made to the property.

Annual assessments are capped at \$25,000 per development project (one or more lots owned or managed as a single unit).

The Municipal Center South redevelopment is projected to add an incremental \$16.7MM of taxable value by the 2019 appraisal roll to reach the \$25,000 cap.

The City of Plano will pay at minimum \$50,000 annually to the PID fund in lieu of other assessment.

The assessment and service plan will be reviewed and approved annually as consistent with the PID designation petition and relevant law.

Owners may elect to prepay estimated future assessments. This assessment plan/service plan does not reflect revenue or expenditures related to pre-payments.

Year of Valuation and Levy

Assessment Plan

	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022
Estimated appraisals for Jan. 1					
PID revenue received in fiscal year ending Sept. 30,					
2017 appraised real property value liable for assessment	\$53,040,726	\$53,040,726	\$53,040,726	\$53,040,726	\$53,040,726
Additional appraisals liable for assessment after 2017					
Municipal Center South		8,148,722	14,815,389	14,815,389	14,815,389
Adjusted basis for assessment	53,040,726	61,189,448	67,856,115	67,856,115	67,856,115
PID assessment @ .15 per \$100 of value	79,561	91,784	101,784	101,784	101,784
Minimum City payment in lieu of assessment	50,000	50,000	50,000	50,000	50,000
Anticipated total PID assessments with capped projects and City payments	129,561	141,784	151,784	151,784	151,784
Cash balance carried forward from prior year	35,174	12,735	2,519	2,303	2,087
Total funds available	\$164,735	\$154,519	\$154,303	\$154,087	\$153,871

Exhibit B

Downtown Plano PID Service Plan

Public improvement district revenues generated by assessments and municipal contribution are to be used for the following categorial purposes in accordance with the adopted budget and further directed by the PID Management Committee.

PID funds shall be retained and managed by the City of Plano, except as provided by contract with a non-profit organization.

Service Plan

Budget for Fiscal Year Ending Sept. 30

Item	2018	2019	2020	2021	2022
Marketing/Advertising	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Events	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
Beautification	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PID Management	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
City Administration	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Security	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total Budget	\$152,000	\$152,000	\$152,000	\$152,000	\$152,000
Funds carried to next year	\$12,735	\$2,519	\$2,303	\$2,087	\$1,871

Notes:

Marketing and Advertising - Commercial media advertising, printed material, social media, web-based information and messaging, signs, billboards, banners and souvenirs.

Events - Entertainment, celebrations, support services, equipment/venue charges and fees.

Beautification - landscaping, streetscaping, lighting, and other decorative improvements.

PID Management - Services and costs related to coordinating and administering the PID program and budget by persons and organizations other than the city.

City Administration - Contract services related to assessment administration and collection.

Security - typically relates to lighting projects, etc.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Accounting

Department Head: Denise Tacke

Agenda Coordinator: Allison Friloux

CAPTION

Resolution No. 2018-1-8(R): To accept the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date. **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: This item has no fiscal impact.

SUMMARY OF ITEM

Accept the findings and opinions of the Annual Audit.

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Fiscal Year 2017 Comprehensive Annual Financial Report Resolution	1/11/2018	Agreement
Fiscal Year 2017 Comprehensive Annual Financial Report	1/11/2018	Agreement

A Resolution of the City of Plano, Texas, accepting the findings and opinions of the Annual Audit; authorizing the City Manager, or in his absence the Director of Finance, to publish the results thereof; and providing an effective date.

WHEREAS, Section 3.14 of the City Charter requires that a complete audit be made by a duly licensed Public Accountant at the close of each fiscal year; and

WHEREAS, the City Council has been presented the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2016-17, a copy of which has been filed with the City Secretary, available for public inspection, and incorporated herein by reference (hereinafter called "CAFR"); and

WHEREAS, upon full review and consideration of the CAFR, and the included opinion of the City's duly appointed auditors, Weaver and Tidwell, LLP, the City Council is of the opinion that the requirements of the Charter have been satisfied.

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

Section I. The findings and opinions of the CAFR have been reviewed by the City Council of the City of Plano, and are hereby in all things accepted.

Section II. The City Manager, or in his absence, the Director of Finance, is hereby instructed to publish the results of the CAFR and all other documents in connection therewith on behalf of the City of Plano, as provided in Section 3.14 of the City Charter.

Section III. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED this the 22nd day of January, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

CITY OF PLANO, TEXAS

Comprehensive Annual Financial Report

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2017

Prepared By:

Accounting Division

**Director of Finance – Denise Tacke
Controller – Allison Friloux**

**Tyler Anderson
Natalie Chavez
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Ebony Lusk
Katherine McGuire
Brandon Potemra
Sheri Stephens
Crystal Swiere
Valerie Tidwell
Leeia Wiggins**



CITY OF PLANO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
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January 3, 2018

To the Honorable Mayor, Members of the City Council
and Citizens of the City of Plano, Texas:

The Comprehensive Annual Financial Report (CAFR) of the City of Plano, Texas (the City or Plano), for the year ended September 30, 2017, is submitted in accordance with Section 3.14 in the City Charter.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose.

Weaver and Tidwell, L.L.P. has issued an unmodified (clean) opinion on the City's financial statements for the year ended September 30, 2017. The independent auditors' report is located in the beginning of the financial section of the CAFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

City of Plano Profile

The City of Plano is the largest city in Collin County, located in the southwest corner of the county, approximately 20 miles north of downtown Dallas. There are currently 72.1 square miles of land in the City's boundary.

The City was incorporated on June 2, 1873, under the provisions of H.B. 901 of the Texas Legislature. It was subsequently chartered on June 10, 1961, and operates under a Council-Manager form of government. The City Council is comprised of a Mayor and seven members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Attorney, and a Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the Deputy City Managers and heads of departments, and the performance of functions within the municipal organization.

Financial reporting of the entity (the government) includes all the funds of the primary government (i.e., the City of Plano as legally defined, in addition to three blended component units as discussed in the accompanying footnotes), as well as the Tax Increment Financing District, a discretely presented component unit. Discretely presented component units are legally separate entities and are not part of the primary government's operations. The government provides a full range of services including police and fire protection, environmental health, sanitation services, community development, building inspection, traffic control, parks and libraries, the construction and operation of water, sewer, drainage, environmental waste services, streets and infrastructure, and convention, tourism, and cultural events. The Plano Housing Authority, a related organization, is not a part of this report as the City's accountability does not extend beyond making the appointments of the Plano Housing Authority Board.

Local Economy

Plano is a community that offers exceptional housing, award-winning schools and a dynamic business climate, all of which are strong factors in the success of the City's economy. The City continues to benefit from other favorable conditions associated with Plano including a stable, diverse economic base and a desirable location for work and living.

Since 2015, Plano's population grew an estimated 2.0% to 279,100 in 2017. According to residential development projections by the City's planning department, it is projected to grow to 292,100 by 2027 and to 300,000 by 2037.

According to the *U.S. Census Bureau*, the median household income of Plano is \$83,793.

Plano is ranked #1 for Best Places to Live according to *Area Vibes*. Cities were ranked based upon amenities, cost of living, crime, education, employment, housing and weather.

WalletHub ranks Plano 19th in their "2017's Happiest Places to Live". According to *WalletHub*, their data team drew upon the various findings of positive-psychology research in order to determine which among 150 of the largest U.S. cities is home to the happiest people in America. More than 100 cities with a population of 200,000 or more were considered in the study.

SmartAsset ranks Plano the 8th best city to sell a house in 2017. According to *SmartAsset*, "With its low price-to-rent ratio, Plano is one of the best cities to buy a home."

Livability names Plano as the #4 Best Place in America to Retire. Due to Plano's location in the metroplex, facilities available, as well as health institutions, Plano residents enjoy the amenities while living in a more relaxed environment.

Three neighborhoods from Plano made The *Dallas Morning News*' list "2016 Best Neighborhoods". The characteristics used to score were based on safety, affordability, schools, surrounding amenities and a variety of other qualifications.

SmartAsset's ranks Plano the 7th Best City for 2016. According to *SmartAsset*'s, "Plano, Texas is definitely a city more people should be paying attention to. We ranked it as one of the most undervalued cities in the country and one of the most livable cities. Also, Plano is an excellent place for workers. Its unemployment rate is below 6% according to the U.S. Census Bureau, and we ranked it as one of the hardest-working cities."

Keep America Beautiful presented the City of Plano with its President's Circle Award recognition.

WalletHub ranks Plano the 2nd best city for Jobs in America and 2nd for Most Affordable Housing.

WalletHub ranks Plano in the top 100 Greenest Cities in America based upon 22 metrics such as green space, commuting options, energy sources and environmentally friendly lifestyle.

GoodCall.com ranks Plano #2 in "2017 Safest Cities to Raise a Family". According to *GoodCall.com*, Plano has the second-lowest rate of criminal activity per 1,000 residents among the nation's largest cities.

WalletHub ranks Plano as the 3rd Best Place to Raise a Family, comparing the 150 most populated U.S. cities across five key dimensions: family fun; health and safety; education and child care; affordability; and socio-economics.

Plano remains one of only a few cities in the United States receiving an “AAA” bond rating, the highest possible bond rating from Moody’s Investor Services, Standard & Poor’s and Fitch IBCA. In issuing their ratings, they praised the City for its stable financial position driven by conservative budgeting as well as its large and diverse tax base and strong management practices.

Given Plano’s continued pro-business attitude and enthusiastic accommodation of industry, the City continues to prosper economically. The following categories represent key factors that impact Plano’s economic and financial success:

Property Tax Revenues

Property tax revenues are the City’s largest source of funding. Tax collections totaled \$161.6 million for fiscal year 2017, an increase of 6.0% from the prior year. According to the Collin County Appraisal District, Plano property appraisals increased 9.8% for 2017 on property tax estimates.

Sales Tax Revenues

After property tax revenues, the General Fund’s second largest revenue source is sales tax generated from a variety of businesses operating in the City. Sales tax collections are produced primarily from Plano’s sizeable retail base which includes, numerous retail stores facilities, Historic Downtown Plano with Dallas Area Rapid Transit (DART) light rail access, as well as hundreds of other specialty shops and major retailers.

Sales tax allocations to the City totaled \$81.5 million from October 2016 through September 2017, an increase of 6.8% compared to fiscal year 2016.

Employment

A strong business atmosphere, coupled with a highly educated and motivated workforce, continue to draw diverse companies to relocate to Plano. The four largest job industries are trade, transportation, and utilities; professional and business services; government; and financial activities. According to the U.S. Census Bureau, 54.9% of Plano residents have a bachelor’s degree or higher. The unemployment rate in Plano for fiscal year 2017 was 3.2% compared to 3.7% in 2016.

Plano’s large businesses, employing 1000+, include: Bank of America Home Loans, Capital One Finance, Cigna, Dr. Pepper, Snapple Group, Ericsson, FedEx Office, Frito-Lay, Hewlett Packard Enterprise, Intel Security, J.C. Penney, Liberty Mutual Insurance Co., Medical Center of Plano, Nokia, NTT DATA, PepsiCo, Texas Health Presbyterian Hospital, Plano Toyota Motor North America, and Dell Services. Employing 500-999, companies having significant operations in Plano include: AT&T, Baylor Scott & White Medical Center – Plano, Children’s Health Plano, CROSSMARK, CVE Technologies Group, Denbury Resources, Intuit, NetScout, nThrive, Pizza Hut, U.S. Raytheon, Rent-A-Center, St. Jude Medical Neuromodulation Division, The Heart Hospital Baylor Plano, Transamerica Premier Life Insurance, Tyler Technologies, and XO Communications. This type of environment creates a broad range of employment opportunities for Plano and area residents and creates a significant business component to the local tax base.

Job Growth

In fiscal year 2017, the following businesses announced relocation and expansion:

NTT DATA, Japan’s largest IT services provider, expanded their portfolio with its \$3.1 billion acquisition of Dell Services, a Plano-based company. In an effort to consolidate, NTT DATA announced the company would expand its footprint to two new locations. In June 2017, the company signed a lease with One Legacy West, located on 7950 Legacy Drive, and occupies over 150,000-square feet. In September, NTT DATA

signed an additional lease at The Campus at Legacy West, and will occupy 232,000 square-feet. Both locations will house over 3,700 employees.

Angel Cellular, a high-tech company that refurbishes and resells mobile phones and devices, purchased a building at Shiloh Commerce Center, located on 620 Shiloh Road. The 127,600 square-foot building will house a consolidation of operations which includes Angel Hospitality, an affiliated hotel management company. The company plans on moving into the new building before the end of 2017 and will have 85 employees.

Altice USA, a France-based subsidiary in the telecommunications, media and entertainment industry, announced plans to expand its office presence and move to Granite Park. Altice will occupy nearly 80,000 square-feet in Granite Park V, located on 5830 Granite Parkway. With plans to employ 400, the new location will include a variety of positions including payroll, IT, management, software development and programming, and data analysis. Altice USA provides video and broadband services to 4.9 million business and residential customers across 21 states. The company moved into Granite Park in the third quarter of 2017.

SOLiD Gear, a South Korea-based wireless network equipment solutions provider, relocated its North American headquarters from the Silicon Valley to a 45,000 square-foot facility at 800 Klein Road. The tech company provides cellular connectivity solutions for high-density areas and recently completed work at Toyota's new headquarters in Plano. SOLiD Gear's facility, which will house 49 employees, will include a product research and development lab, engineering and dedicated training resources and facilities. The company held their grand opening and open house in August 2017.

BroadSoft, a communications and software firm, relocated its North Texas regional office to the new Platinum Park building, located on 6000 Tennyson Parkway. The Maryland-based company is the first tenant in the building and will occupy 35,000 square-feet in November 2017. Founded in 1998, BroadSoft is an industry leader (49% market share) of cloud unified communication software and services.

Fogo de Chao, a Brazilian steakhouse chain, will move its headquarters and its 75 corporate employees to Plano's Legacy West development. Currently under construction, the new office will be located on Windrose Avenue. The 22,000 square-foot office space will include a Fogo de Chao restaurant and a 3,000 square-foot test kitchen. The company anticipates adding two to five employees per year, upon opening its doors in late 2017 or early 2018.

Toyota Connected, a data science hub and product development company, was launched by Toyota in 2016 to expand the company's capabilities in data management and data services development. The company is expanding and expects to double their employment headcount to 200 and has added an additional 13,000 square feet to their existing 20,000 square-foot office, located on 5905 Legacy Drive.

MIC Global Services, a holding company, and a division of New York-based Macquarie Infrastructure Corporation, moved their operations to Legacy Business Park, located on 5201 Tennyson Parkway in September. Leasing 31,000 square-feet, the new location will also house MIC's airport services business, Atlantic Aviation, an existing headquarters operation in Plano. The new shared services center will have 170 employees.

Tokio Marine North America, an insurance company, consolidated its operations into a single office location in Legacy Business Park, located on 5340 Legacy Drive. The consolidation included the relocation of Maguire Insurance, Tokio Marine Management and Tokio Marine Claims. The company moved in September 2017 and occupies 29,000 square-feet with a staff of 154.

LiquidAgents Healthcare, a healthcare staffing company, relocated its headquarters to 5810 Tennyson Parkway in January 2017. Recognized as one of Inc.'s 2017 Best Places to Work, the company has 85 employees and occupies 28,000 square-feet. The new location provides employees walkable amenities in Legacy and an open-space floor plan.

Pharmaceutical Strategies Group, a Plano-based pharmaceutical consulting firm, has moved to The Campus at Legacy, into 23,000 square-feet, at 5360 Legacy Drive. The company has been in Plano since 2008 and due to its growing employee base, the need arose to expand its office space to accommodate its 150 employees.

Boeing Global Services, the world's largest aerospace company, selected Plano to serve as the new headquarters for its Global Services division. The new division settled into a 15,000 square-foot office in the Legacy West development in June 2017. Boeing Global Services will focus on four key capability areas including Supply Chain, Engineering, Modifications and Maintenance, Digital Aviation and Analytics, and Training and Professional Services. The executive team, along with its support staff, will have a team of 50 employees that will serve about 20,000 employees globally.

L3 Technologies, an aerospace and defense technology firm, will call Plano home for its new regional headquarters office. Occupying 12,000 square-feet of office space, L3 will move into Granite Park located on 5800 Granite Parkway. With an initial headcount of 35 employees, the company expects to hire high-end systems engineers and move in by the end of December.

Long-Term Financial Planning

Long-term planning and reacting prudently to changing economic conditions remain key in maintaining the City's fiscal health. Economic forecasts for Plano and the North Texas region remain highly favorable; however, Plano faces a shrinking supply of undeveloped land and economic uncertainties at both the regional and national level, which remain factors taken into account when planning for the city's financial future. As Plano continues to shift from a Greenfield suburb to a regional economic center, it continues to utilize its Core Business Matrix to ensure expenditures align with the strategic plan and community goals set forth by the Plano City Council.

Across all of Plano's operating funds in fiscal year 2018 appropriations equal \$550.2 million, an \$18.1 million or 3.4% increase from the fiscal year 2017 re-estimated budget. Projected at \$290.9 million, in fiscal year 2018 General Fund revenues are expected to increase \$12.8 million from the fiscal year 2017 re-estimated budget, while fiscal year 2018 General Fund appropriations are set at \$303.7 million, which is an increase of \$5.5 million from the fiscal year 2017 re-estimated budget.

Resources have been diligently set aside on a pay-go basis for renovating, repairing and replacing existing infrastructure via the Capital Reserve Fund, which has been a highlighted factor in maintaining the City's AAA bond ratings. Capital Reserve funding for fiscal year 2018 will be primarily supported by transfers of \$25.9 million from the General Fund, \$1.5 million from the Water and Sewer Fund, \$1.4 million from the Convention & Tourism Fund and \$500 thousand from the Municipal Drainage Fund.

The City of Plano will begin utilizing bond authority approved by voters in May 2017 in the fiscal year 2018 Community Investment Program. Of the \$137.3 million budgeted for General Obligation capital expenditures in fiscal year 2018, \$33.2 million pertains to municipal facilities, \$35.7 million for parks and recreation projects, \$63.9 million for street improvements and \$4.5 million for improvements to public infrastructure to support economic redevelopment.

Budgetary impacts are minimized by setting aside resources to purchase equipment and replace existing equipment which has reached the end of its useful life with the Equipment Replacement Fund. The fund collects regularly scheduled depreciation charges from city departments possessing vehicles and capital equipment, and then uses those funds for future purchases of new equipment on an as needed basis. In fiscal year 2018, the Equipment Replacement Fund's projected revenues total \$13.8 million, with depreciation charges of over \$9.0 million as the primary source of revenue. The fund is also expected to collect \$509 thousand from the auction of City equipment and \$175 thousand from interest earned on the fund's available balance.

The City has programed a General Obligation bond sale of \$92.9 million, a Water & Sewer Revenue bond sale of \$12.5 million and a Municipal Drainage Revenue bond sale of \$4.2 million to support capital projects in fiscal year 2018. The General Obligation sale will fund the continued development of Plano's park system, numerous street improvements, design and construction of a Fire Training Center and new Police Substation and public infrastructure improvements. The Water & Sewer Revenue bond sale will fund the first phase of a citywide water meter replacement project that will reach half of Plano's water utility customers. Municipal Drainage revenue bond sales will fund utility infrastructure construction and rehabilitation for Plano's municipal drainage utility system.

On November 1, 2017 billing for water use was increased at various amounts depending on consumption volumes, ranging from 8.51% to 14% to help pay for a 10.0% increase in water related fees passed down from the North Texas Municipal Water District (NTMWD), Plano's water supplier. The NTMWD has raised rates 164% since 2010. In a continuing effort to minimize the overall effect of the increase, the City of Plano hired a water and sewer rate consultant in order to plan both short-term and long-term water and sewer rates to ensure sustainability of the water and sewer utility fund. The Plano City Council attempted to absorb the additional charges from NTMWD initially, but has since had to raise rates to both residents and non-residents to offset the increases. Plano City Council deemed it necessary to raise water and sewer rates for both residential and non-residential customers by variable rates depending on volumetric usage.

Relevant Financial Policies

Financial Policies. The City Council Finance Subcommittee developed written policies detailing financial goals and guidelines for the City. These included policies for accounting, budgeting, capital improvements, asset management, revenue management, risk management, investing, cash management and fund balance/reserve levels. The City Council adopted these policies and on a periodic basis, the financial policies are reviewed and updated.

Accounting Procedures and Budgetary Controls. The City's accounting records for governmental funds are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Recognizing the value of internal control, an internal audit program has been in place since 1988. This program serves to enhance controls to safeguard the City's assets and provide a reasonable assurance of proper recording of financial transactions, which, due to the changing complexity of the organization, require greater attention.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's financial management staff and expenditure estimates by each City department. Budgets are reviewed by the Budget Committee which consists of the City Manager, Deputy City Managers, Director of Budget, Director of Finance, and Director of Human Resources. The City Manager makes final decisions and submits a recommended budget, or "Program of Service," to the City Council. The proposed budget is reviewed extensively by the City Council, a process that includes a Charter-mandated public hearing, in addition to work sessions which are open to the public. The City Charter requires adoption of the City budget by no later than September 15 of each fiscal year.

While the budget is developed and controlled at the departmental level, appropriations are made at the fund level. An ordinance establishes the budget for operating expenditures, debt service payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

As part of each year's budget development process, departments are required to update expenditure estimates for the current fiscal year. These estimates are reviewed by the Budget Committee and the City Council concurrent with review of the proposed budget. (The "re-estimated" current year budget is used as a working budget for the last half of the current fiscal year.) This re-estimated budget may require a supplemental appropriation and, if so, such supplemental appropriation is approved by ordinance adopted by the City Council prior to the end of the current fiscal year.

During the course of the fiscal year, expenditure controls are maintained by each department head with overall review exercised by the Budget Committee. Monthly departmental expenditure reports are generated by an automated management accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month, as well as a year-to-date total, and an actual versus planned rate of expenditure. Major expenditure requests are reviewed by the Budget and Research Department prior to the encumbrance of funds.

Constant review of revenue and expenditure trends is maintained with specific responsibility assigned to the Director of Budget. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the adopted budget.

The City's Finance Department publishes a Comprehensive Monthly Financial Report (CMFR) directed at providing internal and external users with a general awareness of the City's financial positions and economic activity. The CMFR includes a Financial Summary section reporting the performances of the major operating funds, an Economic Analysis section summarizing key economic indicators and an in-depth review with graphic illustrations, and an Investment Report section describing investment activity, interest earnings and the City's portfolio. The CMFR is presented quarterly to the City Council.

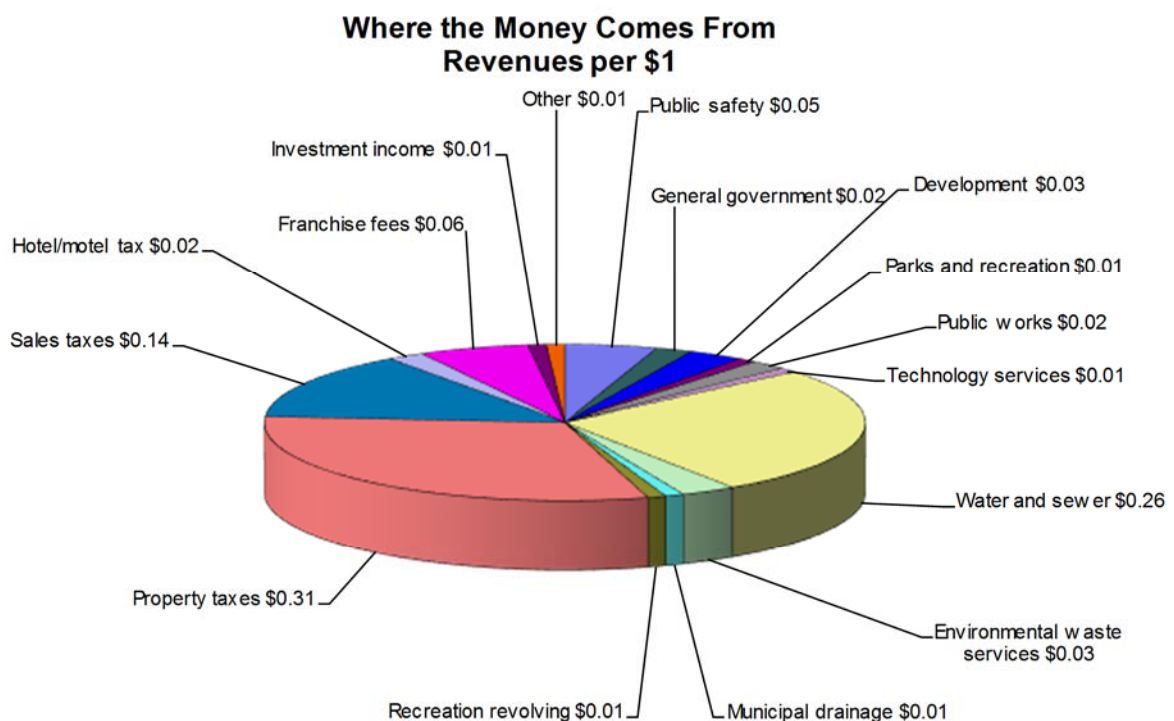
Major Initiatives

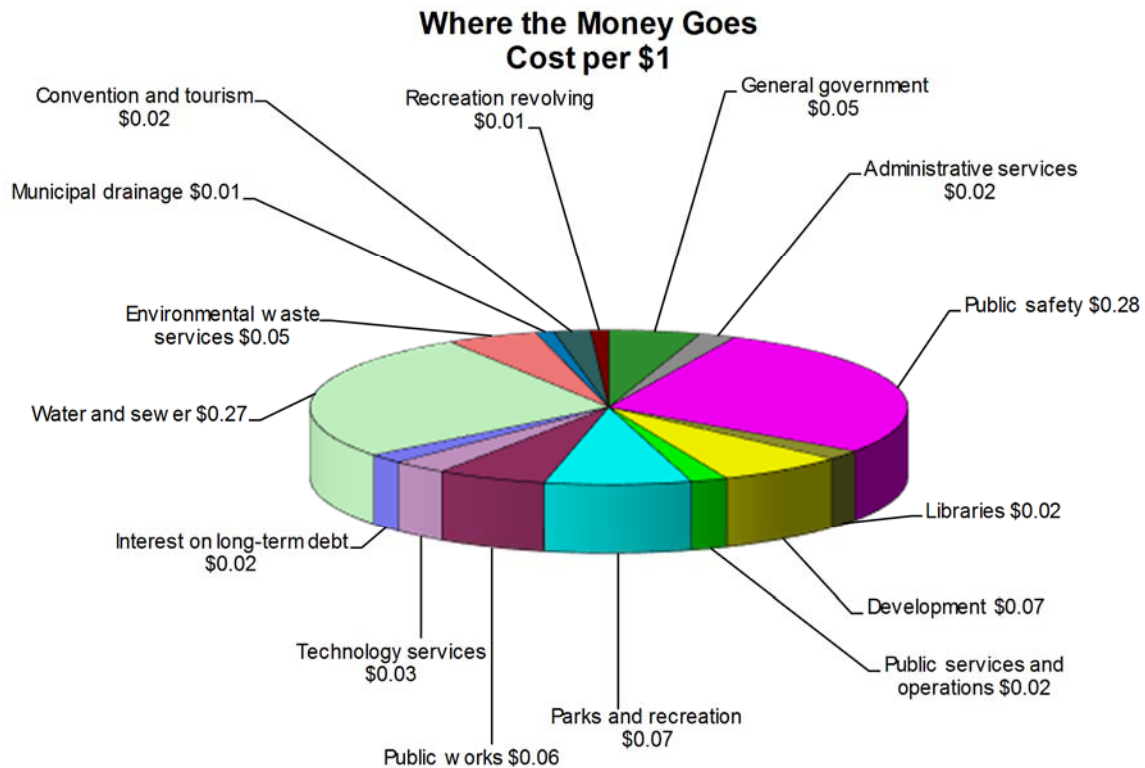
The fiscal year 2018 Community Investment Program (CIP) will continue to reflect the City's commitment to enhancing and maintaining its infrastructure. Major facility projects from the fiscal year 2017 CIP included significant expansion of the Oak Point Recreation Center, construction of an indoor pool at Carpenter Recreation Center and significant reconfiguration at all five of Plano's branch libraries to accommodate a new Radio Frequency Identification System for books and other library materials. Plano's park system saw \$19.2 million in expenditures to improve parks, connect trails and obtain land for future park development, with the largest expenditure being a parcel acquisition near the Legacy West development for a future park in northwest Plano. Numerous major street projects were undertaken in fiscal year 2017, with a total of \$12.4 million spent to improve collector and residential streets, screening walls, intersections and sidewalks. Major sewer projects in fiscal year 2017 included construction of a lift station and force main to improve sanitary sewer capacity in northwest Plano, completion of the Brown Branch Sewer Line and near completion of the Rowlett Creek Cured In Place Pipe and White Rock Creek & Prairie Creek Sewer Main Rehabilitation project. These projects accounted for \$19.2 million of the \$24.0 million spent in fiscal year

2017 on sanitary sewer improvements. Water improvement projects totaled nearly \$6.3 million, with the largest being the US 75 Water Line and repainting of the Parkwood Elevated Storage Tank. Finally, nearly \$36.3 million was invested through the Capital Reserve Fund in repairs, renovations and rehabilitation projects for City streets, facilities, and park assets with the goal of extending the useful life of those assets.

Plano also budgeted more than \$7.7 million for economic development incentives for fiscal year 2018 so that it remains competitive with surrounding neighboring cities. Fiscal year 2017 was the 11th year that two-cents from Plano's property tax rate was devoted for these incentives. The Economic Development Incentive fund is used to attract and retain major business and employees to the City.

The following chart depicts the sources and uses of the City's financial breakout as of fiscal year-end 2017:





Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for the last 36 consecutive years (fiscal years ended 1981-2016). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Many persons are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to the City employees throughout the organization, especially those employees of the Accounting Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Our appreciation is also extended to the Mayor and members of the City Council for providing the resources necessary to maintain the integrity of the City's financial affairs.

Respectfully submitted,



Bruce D. Glasscock
CITY MANAGER



Denise Tacke, CPA
DIRECTOR OF FINANCE



Allison Friloux
CONTROLLER



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Plano
Texas**

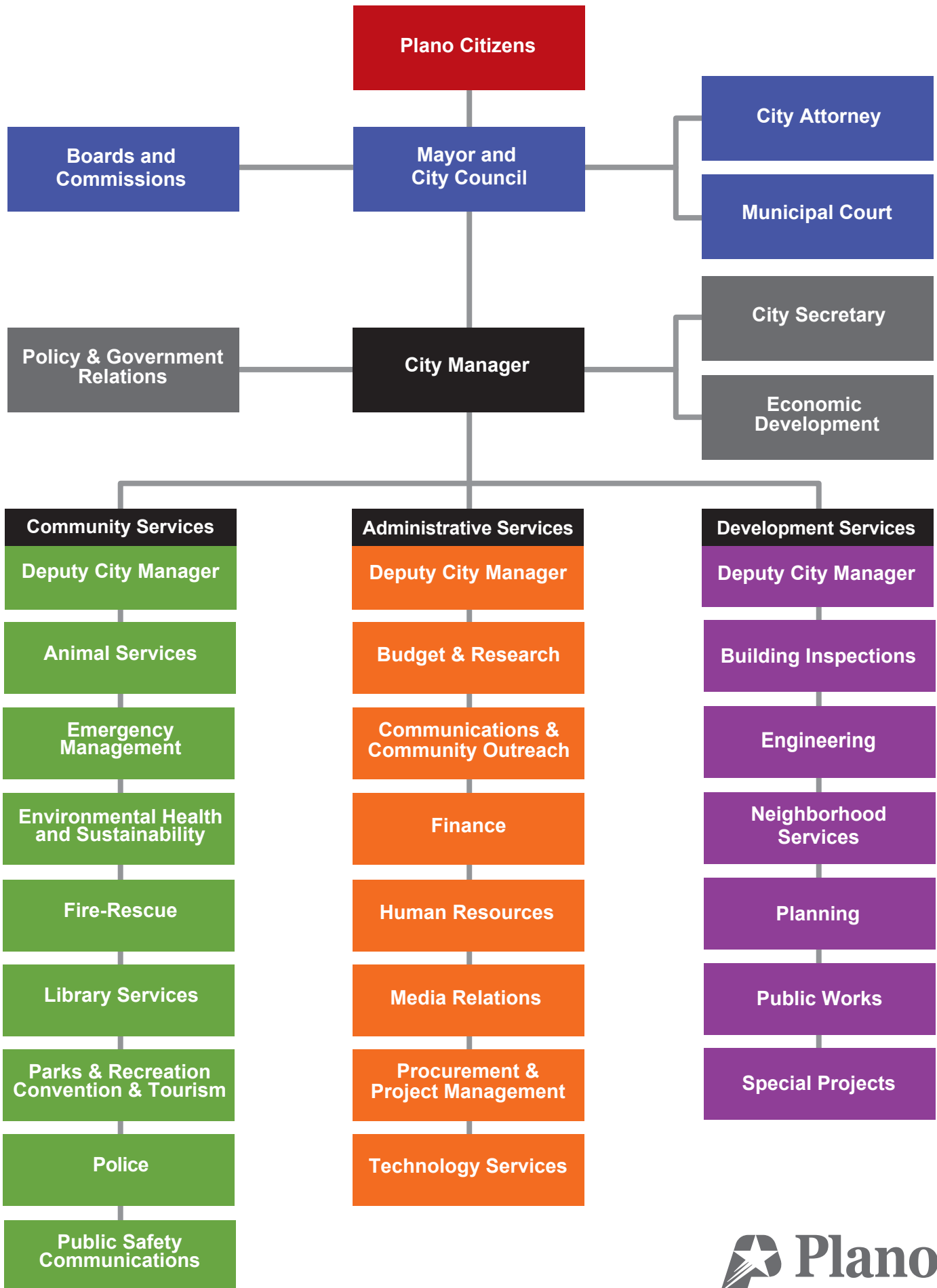
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

CITY OF PLANO ORGANIZATION CHART



CITY OF PLANO, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

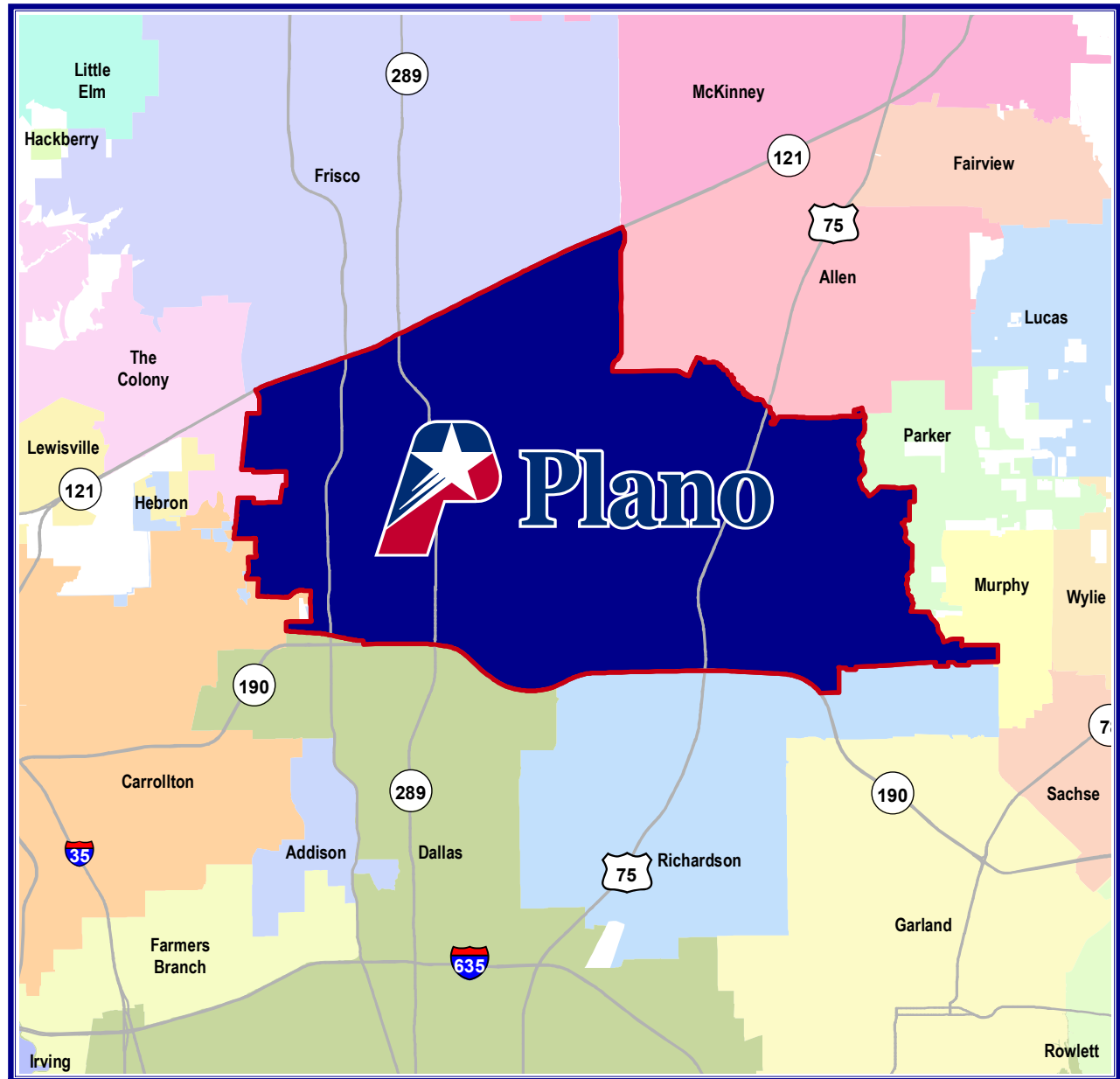
Elected Officials

<u>City Council</u>	<u>Term Expires</u>
Harry LaRosiliere Mayor Place 6	May 2021
Rick Grady Mayor Pro Tem Place 3	May 2019
Ron Kelley Deputy Mayor Pro Tem Place 5	May 2019
Angela Miner Place 1	May 2019
Anthony Ricciardelli Place 2	May 2021
Kayci Prince Place 4	May 2021
Tom Harrison Place 7	May 2019
Rick Smith Place 8	May 2021

Administrative Officers

<u>Name</u>	<u>Position</u>
Bruce D. Glasscock	City Manager
Denise Tacke, CPA	Director of Finance
Allison Friloux	Controller

The City of Plano and Surrounding Areas







Independent Auditor's Report

The Honorable Mayor and Members of the City Council
The City of Plano, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual nonmajor fund financial statements and the individual fund budgetary comparison schedule are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018



CITY OF PLANO, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2017

Our discussion and analysis of the City's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1.5 billion (net position). Of this amount, \$1.2 billion (79.0 percent) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$65.9 million (4.5 percent). The remaining \$245.1 million (16.5 percent) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$27.7 million. Property tax revenues are higher over prior year by \$9.4 million as a result of higher assessed property values in the current year. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of \$1.4 billion while existing property values are expected to increase by \$3.3 billion. Sales tax revenues increased over prior year by \$4.8 million where large gains are reported by the professional, scientific and technical services; retail trade; and wholesale trade environments. Hotel/Motel tax revenues are higher over prior year by \$422 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$3.3 million primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. General government charges for services increased over prior year by \$3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$304.6 million, an increase of \$14.4 million in comparison with the prior year. Within this total, \$118.2 million (38.8 percent) is restricted by specific legal requirements and \$143.1 million (47.0 percent) has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$42.6 million (14.0 percent) and can be used for any lawful purpose. The remaining \$630 thousand (0.2 percent) is nonspendable.
- The City's total debt increased by \$34.9 million primarily because of a larger general obligation and refunding bond issuance, as well as tax anticipation notes issued in the current year related to technology projects throughout the City.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator

of whether the financial position of the City is improving or deteriorating. The Statement of Net Position combines and consolidates current financial resources (short-term spendable resources) with capital assets and long-term obligations of governmental and business-type funds. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City's property tax base and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, parks and recreation, public works, technology services and general administration. Property taxes, sales taxes and franchise fees finance most of these activities. Additionally, the City has three blended component units that are detailed in the accompanying footnotes.
- **Business-type activities** – The City charges a fee to customers in order to cover all or most of the cost of certain services the City provides. The City's water and sewer system, environmental waste system, municipal drainage system, convention and tourism, municipal golf course, recreation revolving activities and downtown center development activities are reported as business-type activities.
- **Component unit** – The City includes one separate legal entity in its report – Tax Increment Financing District (TIF) East Side. Although legally separate, the City is financially accountable for the TIF.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a

reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund, all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 20-25.

- **Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, environmental waste services, municipal drainage, convention and tourism, golf course, recreation revolving centers, and downtown development. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management, employee health and disability programs, municipal warehouse and its information systems. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains seven individual enterprise funds. The proprietary fund financial statements provide separate information for the water and sewer, environmental waste services and municipal drainage functions, as they are considered major funds. Data from the remaining four enterprise funds are combined into a single, aggregated presentation, as other Enterprise Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 26-32 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 33 and 34 of this report.

- **Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 35-75 of this report.

- **Other information.** In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and health benefits to its employees and retirees.

The required supplementary information can be found on pages 76-82 of this report.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2017

The combining statements referred to earlier in connection with nonmajor governmental, nonmajor enterprise, internal service, agency, and component unit funds can be found on pages 83-115 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$1.5 billion as of September 30, 2017. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

By far the largest portion of the City's net position (79.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Table 1
Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 422,668	\$ 404,901	\$ 124,142	\$ 142,608	\$ 546,810	\$ 547,509
Capital assets	1,084,471	1,030,694	417,985	392,535	1,502,456	1,423,229
Total assets	1,507,139	1,435,595	542,127	535,143	2,049,266	1,970,738
Deferred outflows	73,775	80,645	8,114	9,140	81,889	89,785
Noncurrent liabilities	531,498	495,294	65,166	60,915	596,664	556,209
Other liabilities	30,403	29,760	19,606	16,408	50,009	46,168
Total liabilities	561,901	525,054	84,772	77,323	646,673	602,377
Deferred inflows	4,608	5,860	554	702	5,162	6,562
Net position:						
Invested in capital assets, net of related debt	790,688	749,830	377,622	374,463	1,168,310	1,124,293
Restricted	59,810	68,249	6,107	3,299	65,917	71,548
Unrestricted	163,907	167,247	81,186	88,496	245,093	255,743
Total net position	<u>\$ 1,014,405</u>	<u>\$ 985,326</u>	<u>\$ 464,915</u>	<u>\$ 466,258</u>	<u>\$ 1,479,320</u>	<u>\$ 1,451,584</u>

An additional portion of the City's net position (4.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16.5 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true to the prior fiscal year.

The City's net position increased by \$27.7 million during the current fiscal year. Property tax revenues are higher over prior year by \$9.4 million as a result of higher assessed property values in the current year and

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2017

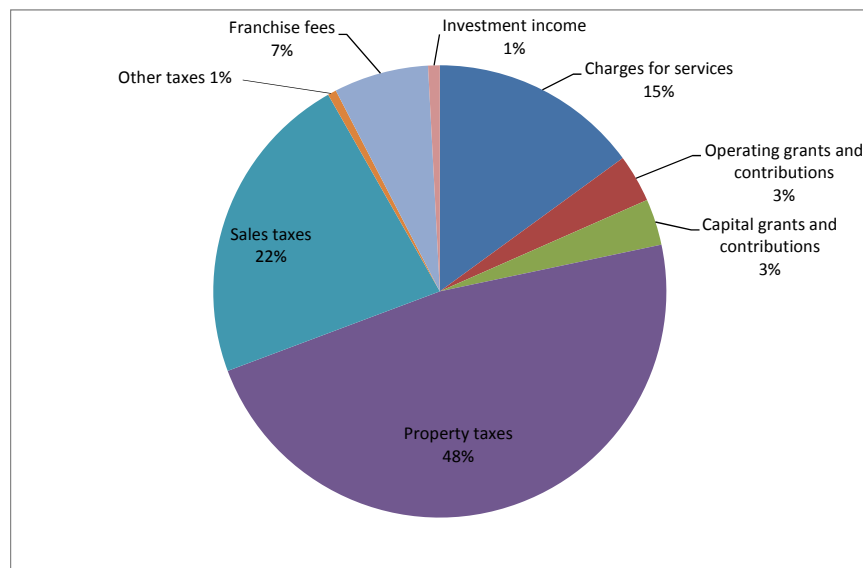
new property coming on-line. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of \$1.4 billion while existing property values are expected to increase by \$3.3 billion. Sales tax revenues increased over prior year by \$4.8 million. Hotel/Motel tax revenues are higher over prior year by \$422 thousand primarily due to the addition of new hotels in the current year resulting in higher occupancy rates. Water and sewer service charges are higher over prior year by \$3.3 million primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. This increase in revenue is offset by an increase in expense of \$10.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD) as the result of a rate increase effective October 1, 2016. General government charges for services increased over prior year by \$3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017.

Governmental Activities

Governmental activities increased the City's net position by \$29.1 million. Key elements of this increase are as follows (Table 2):

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 54,350	\$ 53,760	\$ 176,157	\$ 171,377	\$ 230,507	\$ 225,137
Operating grants and contributions	12,736	13,847	-	1	12,736	13,848
Capital grants and contributions	12,042	16,642	7,779	4,451	19,821	21,093
General revenues:						
Property taxes	173,005	163,620	-	-	173,005	163,620
Sales taxes	81,795	76,948	-	-	81,795	76,948
Other taxes	2,263	2,076	8,685	8,263	10,948	10,339
Franchise fees	24,553	24,665	8,754	8,500	33,307	33,165
Investment income	3,019	3,180	454	540	3,473	3,720
Total revenues	363,763	354,738	201,829	193,132	565,592	547,870
Expenses:						
General government	27,353	27,018	-	-	27,353	27,018
Administrative services	11,730	10,635	-	-	11,730	10,635
Police	88,408	80,837	-	-	88,408	80,837
Fire	63,105	56,725	-	-	63,105	56,725
Libraries	12,381	12,108	-	-	12,381	12,108
Development	38,018	36,860	-	-	38,018	36,860
Public services and operations	8,350	7,638	-	-	8,350	7,638
Parks and recreation	36,070	32,463	-	-	36,070	32,463
Public works	33,752	32,288	-	-	33,752	32,288
Technology services	18,193	18,524	-	-	18,193	18,524
Interest on long-term debt	10,897	10,309	-	-	10,897	10,309
Water and sewer	-	-	144,380	133,482	144,380	133,482
Environmental waste services	-	-	26,767	25,354	26,767	25,354
Municipal drainage	-	-	4,978	4,933	4,978	4,933
Convention and tourism	-	-	8,662	7,402	8,662	7,402
Municipal golf course	-	-	1,221	1,198	1,221	1,198
Recreation revolving	-	-	3,574	3,296	3,574	3,296
Downtown center development	-	-	17	14	17	14
Total expenses	348,257	325,405	189,599	175,679	537,856	501,084
Increase in net position before transfers	15,506	29,333	12,230	17,453	27,736	46,786
Transfers	13,573	12,121	(13,573)	(12,121)	-	-
Increase (decrease) in net position	29,079	41,454	(1,343)	5,332	27,736	46,786
Net position – October 1	985,326	943,872	466,258	460,926	1,451,584	1,404,798
Net position – September 30	\$ 1,014,405	\$ 985,326	\$ 464,915	\$ 466,258	\$ 1,479,320	\$ 1,451,584

Revenues by Source – Governmental Activities



Program revenues were \$79.1 million, compared to \$84.2 million in fiscal year 2016. The breakdown of the decrease is as follows:

- Charges for services for governmental activities increased \$590 thousand. General government charges for services increased over prior year by \$3.4 million due to insurance receipts received as the result of a severe storm in fiscal year 2017. This increase is offset by a decrease in development charges for services of \$3.2 million due to several large-scale commercial projects occurring in the prior fiscal year.
- Operating grants and contributions decreased \$1.1 million primarily due to relocation of signals and utilities in the prior year with contributions from Dallas Area Rapid Transit (DART).
- Capital grants decreased \$4.6 million primarily due to decreased contributions from external agencies related to streets projects.

General revenues increased from \$270.5 million in fiscal year 2016 to \$284.6 million in fiscal year 2017. Property tax revenues increased by \$9.4 million due to an increase in assessed valuations. For fiscal year 2018, the total appraised value will include an increase in new property coming on-line of \$1.4 billion while existing property values are expected to increase by \$3.3 billion.

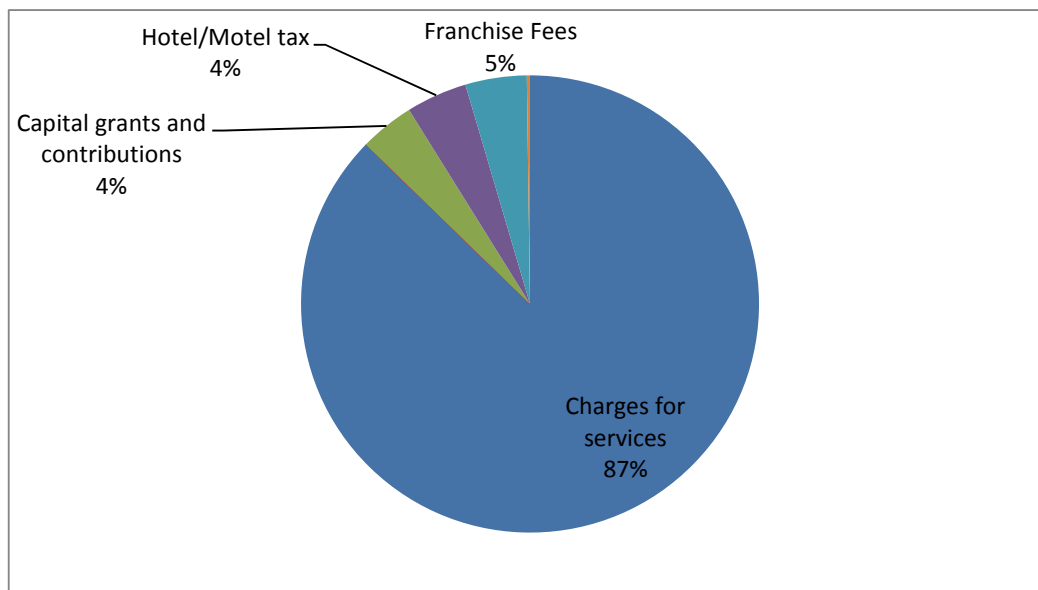
Overall, governmental activities expenses were \$348.3 million, an increase of \$22.9 million over the prior year primarily as a result of land acquisition that will be used to accommodate a public safety and public works facility, in addition to increased salary expenditures and costs associated with onboarding of additional personnel primarily in the Public Safety departments.

Business-Type Activities

Revenues of the City's business-type activities were \$201.8 million for the fiscal year ended September 30, 2017. Revenues increased approximately \$8.7 million or 4.5 percent as compared to the prior fiscal year. Expenses for the City's business-type activities increased \$13.9 million or 7.9 percent. The increase in net revenues is the result of several factors, including the following:

- The City's water and sewer system recorded charges for services of \$144.0 million, an increase of \$3.3 million or 2.3 percent from the prior year primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. The increase in revenue is offset by an increase in expense of \$10.9 million due to increased contractual payments to North Texas Municipal Water District (NTMWD) as the result of a rate increase effective October 1, 2016.
- The City's environmental waste services activities operated with program expenses exceeding program revenues by \$8.9 million compared to \$9.1 million in fiscal year 2016. The City's percentage of contractual payments to North Texas Municipal Water District (NTMWD) increased \$495 thousand over the prior year. Payment is based on allocation of tonnage between member cities. Franchise fee revenue increased \$254 thousand due to an increase in collection fees and disposal volumes.
- The City's municipal drainage activity operated with charges for services exceeding expenses by \$2.6 million, compared to \$2.4 million in the prior year. The municipal drainage system recorded charges for services of \$7.5 million, which is comparable to the prior year as rates for residential billing have not changed since November 2014.
- The City's convention and tourism activity operated with expenses exceeding charges for services by \$6.8 million as compared to \$5.0 million in the prior fiscal year. Charges for services are reported at \$1.9 million, a decrease of \$559 thousand, due to fewer events booked because of renovations at the facility.

Revenues by Source – Business-Type Activities

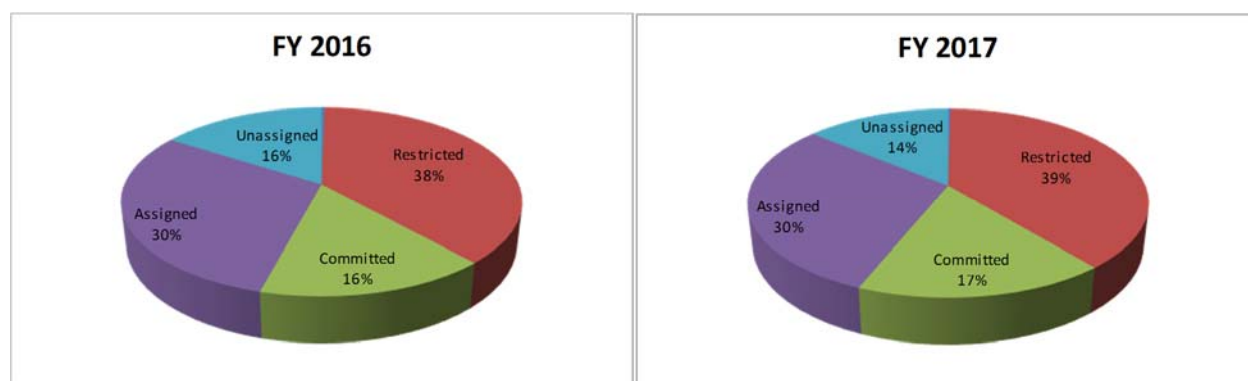


Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balances (unassigned, assigned, and committed) may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$304.6 million. Within this total \$118.2 million is restricted by specific legal requirements, such as by debt covenants, and \$143.1 million has been committed and assigned to specific types of expenditures. Unassigned fund balance is \$42.6 million and can be used for any lawful purpose. The remaining \$630 thousand is nonspendable.



The general fund is the chief operating fund of the City. The fund balance of the City's general fund decreased by \$2.6 million during the current fiscal year. Key factors in this decrease are as follows:

- Expenditures increased \$16.0 million primarily due to a 3% across the board pay increase for non-civil and civil service employees, as well as the addition of new positions in the current fiscal year primarily in the Public Safety departments. Additionally, land was acquired that will be used to accommodate a public safety and public works facility.
- The increases to expenditures are offset by increased revenue primarily related to higher property tax revenues of \$8.6 million as a result of increased property valuations.

The debt service fund has a total fund balance of \$4.4 million, all of which is restricted for the payment of debt service. The debt service fund increased by \$515 thousand primarily because of the City's refunding of general obligation debt.

The capital reserve fund balance of \$46.0 million is assigned for replacement and renewals of the City's infrastructure. The capital reserve fund balance decreased \$4.3 million from the prior year as the result of capital outlay expenditures of \$36.3 million.

The street improvements fund has a total balance of \$47.5 million, which has \$33.1 million in restricted, \$14.3 million in assigned, and \$60 thousand in nonspendable fund balance. The street improvements fund balance increased \$10.1 million primarily due to other financing sources related to debt issuance of \$22.5 million exceeding revenues net of expenditures of \$12.5 million.

City of Plano, Texas
Management's Discussion and Analysis (continued)
September 30, 2017

The municipal facilities fund has a total balance of \$24.7 million, which has \$21.0 million in restricted and \$3.8 million in assigned fund balance. The municipal facilities fund balance increased \$15.0 million due to \$17.3 million in other financing sources related to debt issuance exceeding revenues net of expenditures of \$2.2 million.

The park improvements fund has a total fund balance of \$31.4 million, which has \$18.4 million in restricted and \$12.9 million in assigned fund balance. The park improvements fund balance decreased over prior year \$10.8 million due to increased capital outlay in the current fiscal year for projects.

The economic development incentive fund balance of \$52.1 million increased over prior year by \$6.2 million as a result of revenues exceeding expenditures. The portion of the fund balance that is obligated but unpaid for potential incentives the City has signed economic development agreements relating to totals \$29.0 million. Although fund balance increased compared to last year, contributions from the general fund decreased \$392 thousand.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- The City's Water and Sewer fund net position of \$407.8 million decreased by \$2.2 million over the prior year. In the current fiscal year, total operating revenues are \$143.8 million while operating expenses are \$143.4 million. Revenue is higher primarily attributable to higher commercial consumers of sewer charges in addition to an overall increase in the sewer rate. Contractual payments to NTMWD are \$95.9 million of the total operating expense and increased compared to prior year due to a rate increase effective October 1, 2016.
- The City's Environmental Waste Services fund net position of \$2.9 million decreased by \$56 thousand over the prior year. Contractual payments to NTMWD are higher in fiscal year 2017 due to an increase in waste tonnage in both residential and commercial customers.
- The City's Municipal Drainage fund net position increased over the prior year by \$1.7 million. Drainage rates remained constant in fiscal year 2017 with revenues reported at \$7.5 million and operating expenses and transfers out of \$5.2 million.

General Fund Budgetary Highlights

During the current year, the actual on a budgetary basis expenditures were \$266.9 million compared to the re-estimated final budget amount of \$272.8 million. Actual expenditures on a budgetary basis were \$3.7 million lower than the original budget implemented for fiscal year 2017 and \$5.9 million lower as compared to the re-estimate final. Decreases were due to continued prudent spending by the various departments, as well as salary savings from the original budget.

For fiscal year 2017, the actual on a budgetary basis revenues were \$271.6 million as compared to the re-estimated final budget amount and original budget amount of \$268.0 million and \$269.6 million, respectively. The primary reason for the increase in actual revenue compared to the re-estimated budget is related to a \$5.1 million increase in sales tax revenue as a result of the slight improvement in the local economy. The City Council has capped the amount that can be budgeted for sales tax revenue based upon a rolling three-year average, which is \$76.5 million.

The City has an actual on a budgetary basis general fund balance of \$43.3 million as of the fiscal year-end, compared to the re-estimated budget fund balance and original budget fund balance of \$34.2 million and \$38.1 million, respectively. The variance in fund balance is primarily due to the aforementioned variance in sales tax and continued prudent spending by the departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2017, the City had \$1.5 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines (Table 3). This amount represents a net increase (including additions and deductions) of \$79.2 million over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 152,099	\$ 139,756	\$ 6,765	\$ 6,510	\$ 158,864	\$ 146,266
Buildings and improvements	215,935	211,343	356,601	337,907	572,536	549,250
Equipment	48,384	50,915	786	740	49,170	51,655
Construction in progress	61,821	40,748	20,768	18,028	82,589	58,776
Public art	1,762	1,699	-	-	1,762	1,699
Infrastructure	604,470	586,233	-	-	604,470	586,233
Drainage improvements	-	-	33,065	29,350	33,065	29,350
Totals	\$ 1,084,471	\$ 1,030,694	\$ 417,985	\$ 392,535	\$ 1,502,456	\$ 1,423,229

This year's major capital outlay additions for governmental capital projects included (in millions):

Oak Point recreation center renovations	\$ 6.0
Carpenter recreation center renovations	4.7
Park land acquisitions	9.8
Oak Point park development	4.7
Residential street and alley repair	3.6
Reconstruction of pavement and sidewalk	8.2
Arterial concrete repair	6.3
Plano Event Center enhancements	2.3
	<u>\$ 45.6</u>

The City's fiscal year 2018 general obligation capital budget includes \$137.3 million for capital projects, principally for four major categories: street improvements and enhancements, parks and recreation, municipal facilities and public infrastructure improvements. An additional \$92.9 million in general obligation bond proceeds will be required to support the entire 2017-2018 general obligation capital investment program.

Street Improvements and Enhancements. The City plans to spend \$63.9 million on street improvements and enhancements including \$4.8 million for 18th Street and Rigsbee Drive street rehabilitation, \$4.1 million for the Preston Road and Plano Parkway intersection, \$3.3 million for Legacy Drive corridor improvements, \$3.1 million for Park Boulevard corridor improvements and \$3.1 million for various bridge inspections and repairs. The remaining funds for street improvements are for a variety of projects.

Parks and Recreation. Estimated expenditures for parks and recreation facilities are \$35.7 million including \$8.0 million for Oak Point Park and Nature Preserve, \$1.5 million for Windhaven Meadows Park development, \$1.1 million for Liberty Recreation Center renovations, \$1.0 million for Carpenter Park renovations, \$13.0 million for various land acquisitions and \$1.3 million for various park improvements. The remaining funds for park improvements are for a variety of projects.

Municipal Facilities. Estimated expenditures for municipal facilities are \$33.2 million including \$14.3 million for the fire training center, \$12.0 million for the police substation at McDermott and Robinson, \$6.0 million of renovations at Fire Station No. 1 and Fire Administration buildings, and work scheduled for various City facilities.

Public Infrastructure Improvement. Estimated expenditures of \$4.5 million are to improve publicly owned infrastructure that serves commercial areas, such as streets, utilities and open spaces, in coordination with private development and reinvestment in commercial properties. Funds are intended to improve older areas of Plano by enhancing existing infrastructure so further economic development becomes attractive to private firms and investors.

More detailed information about the City's capital asset activity is presented in Note 4 to the financial statements.

Debt

At year-end, the City had \$409.8 million in bonds and tax anticipation notes outstanding as compared to \$374.9 million at the end of the prior fiscal year, an increase of 9.3 percent – as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
General obligation bonds and tax anticipation notes (backed by the City)	\$ 363,534	\$ 332,366	\$ -	\$ -	\$ 363,534	\$ 332,366
Revenue bonds (backed by fee revenues)	-	-	46,217	42,491	46,217	42,491
Totals	\$ 363,534	\$ 332,366	\$ 46,217	\$ 42,491	\$ 409,751	\$ 374,857

During the current fiscal year, the City issued \$41.3 million in new general obligation bonds and \$13.5 million in tax anticipation notes and refunded \$27.8 million of general obligation debt. Additionally, the City issued \$6.2 million in municipal drainage revenue bonds in fiscal year 2017, in addition to refunding \$1.9 million in drainage revenue bonds.

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's

The City's general obligation bonds and tax notes continue to carry an "AAA" rating, the highest rating possible. This rating has been assigned to the City's tax-supported debt since February 2000, by Moody's Investor Service, Standard & Poor's and Fitch, Inc. The City's drainage revenue bonds carry Aa2 and AAA ratings, as assigned by two of the national rating agencies. The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The City has claims and judgments of \$6.9 million outstanding at year-end compared with \$5.9 million at the end of the prior fiscal year. Claims and judgements of \$4.3 million relate to property/liability losses while \$2.6 million relate to health claims. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

In addition to the economy, the City's elected and appointed officials addressed a variety of factors, departmental requests and public input when setting the budget and tax rates for fiscal year 2018. With a strategic goal to deliver outstanding operational analysis and effectiveness, the City of Plano is committed to providing exceptional city services at the greatest possible value. This is reinforced by consistently offering one of the lowest tax rates in the region, which includes a one-cent reduction in the tax rate for the 2017-18 Budget. The 2017-18 Combined Budget solely includes enhancements to current services in response to continued growth in the City, which in turn places higher demands on service levels. No new programs are included in the adopted budget. While the budget does include increased property tax revenues, significant declines in other revenue sources have been anticipated including building and development related revenues, municipal court fines and franchise fees. However, through careful planning, the 2017-18 Adopted Budget allows us to meet the above listed demands on the budget even with the previously mentioned one-cent reduction in the tax rate.

The largest single revenue source in the fiscal year 2018 General Fund Budget is property taxes, which account for 45.8% of total revenues. Assessed property values in Plano increased 13.7% from the prior year, including \$1.4 billion in new property entering the tax roll for the first time. As mentioned, the 2017-18 Budget does include a one-cent tax rate decrease from 47.86 cents to 46.86 cents per \$100 of assessed property valuation in order to recognize taxpayers concerns over increasing assessed property values. Sales tax revenue remains the City's second largest revenue source, making up 26.6% of General Fund revenues.

The North Texas Municipal Water District (NTMWD) is projecting both water and sewer rate increases for FY 2017-18. Wholesale water purchased from the district is projected to increase by 10.0% per thousand gallons and is based on the full take-or-pay contract volume of 26.7 billion gallons. The increased costs are directly tied to payments for the NTMWD debt service associated with the pipeline that brings raw water from Lake Texoma to the Wylie treatment plant and the Lower Bois d'Arc Creek Reservoir project. A Water & Sewer rate model has been conducted to analyze our rates and to ensure long-term sustainability of the fund. This includes analyzing capital improvement projects, such as distribution infrastructure and meter replacements, as well as increased expenditures related to NTMWD. It is currently projected that Plano will end the water year (the annual period runs from August 1 to July 31) at 23.0 billion gallons of water purchased from NTMWD.

A wastewater rate increase will also be required to offset the \$2.7 million in increased contract cost from NTMWD. The increase in the wastewater rate is to pay for increased NTMWD debt service costs along with requirements by the Environmental Protection Agency (EPA) for Capacity Management, Operations and Maintenance (CMOM).

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Accounting Office, at City of Plano, 1520 Avenue K, Suite 370, Plano, Texas 75074.



CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 55,930,218	\$ 6,255,806	\$ 62,186,024	\$ 1,885,331
Investments	333,257,829	30,735,421	363,993,250	11,633,814
Receivables (net of allowance for uncollectibles)	21,101,262	24,480,272	45,581,534	-
Internal balances	(13,660,088)	13,660,088	-	-
Due from other governments	2,785,610	-	2,785,610	-
Inventories	1,143,200	200,830	1,344,030	-
Prepays and other assets	22,109,754	1,429,169	23,538,923	-
Restricted assets:				
Cash and cash equivalents	-	6,607,528	6,607,528	-
Investments	-	40,601,305	40,601,305	-
Receivables	-	171,769	171,769	-
Capital assets:				
Nondepreciable	215,682,067	27,532,677	243,214,744	1,579,168
Depreciable (net)	868,788,965	390,451,974	1,259,240,939	-
Total assets	1,507,138,817	542,126,839	2,049,265,656	15,098,313
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	63,901,052	7,752,610	71,653,662	-
Deferred charges on refunding	9,873,996	361,547	10,235,543	-
	73,775,048	8,114,157	81,889,205	-
LIABILITIES				
Accounts payable	5,099,710	7,688,003	12,787,713	10,480
Accrued liabilities	9,110,301	3,147,899	12,258,200	-
Accrued interest payable	1,214,624	677,455	1,892,079	-
Contracts payable	4,441,840	1,701,005	6,142,845	-
Customer deposits	-	3,592,343	3,592,343	-
Escrow liability	-	231,320	231,320	-
Unearned revenue	5,009,266	717,506	5,726,772	-
Due to other governments	2,930,731	-	2,930,731	-
Retainage payable	2,531,007	1,850,745	4,381,752	-
Seized assets payable	66,110	-	66,110	-
Noncurrent liabilities				
Due within one year:				
Compensated absences	5,047,763	460,589	5,508,352	-
Bonds and notes payable	33,986,604	2,778,850	36,765,454	-
Liability for insurance claims	6,862,866	-	6,862,866	-
Due in more than one year:				
Compensated absences	33,734,498	3,603,908	37,338,406	-
Bonds and notes payable	329,547,442	43,437,755	372,985,197	-
Net pension liability	122,318,669	14,884,424	137,203,093	-
Total liabilities	561,901,431	84,771,802	646,673,233	10,480
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	4,607,628	553,959	5,161,587	-
NET POSITION				
Net investment in capital assets	790,687,802	377,622,087	1,168,309,889	1,579,168
Restricted for:				
Capital projects	14,757,263	2,748,691	17,505,954	-
Special revenue	40,519,325	-	40,519,325	-
Component unit	92,370	-	92,370	13,508,665
Debt service	4,440,933	3,358,299	7,799,232	-
Unrestricted	163,907,113	81,186,158	245,093,271	-
Total net position	\$ 1,014,404,806	\$ 464,915,235	\$ 1,479,320,041	\$ 15,087,833

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 27,352,742	\$ 10,088,711	\$ 308,079	\$ -
Administrative services	11,729,785	5,855	-	-
Police	88,408,381	18,608,424	1,913,658	151,804
Fire	63,104,587	5,941,980	630,019	-
Libraries	12,381,069	251,187	131,997	-
Development	38,018,301	9,335,464	9,049,221	-
Public services and operations	8,350,096	1,550,664	188,399	-
Parks and recreation	36,069,542	4,858,934	306,484	164,100
Public works	33,751,984	34,783	208,019	11,726,292
Technology services	18,193,246	3,673,689	-	-
Interest on long-term debt	10,897,222	-	-	-
Total governmental activities	348,256,955	54,349,691	12,735,876	12,042,196
Business-type Activities:				
Water and sewer	144,379,544	143,957,017	-	7,778,571
Environmental waste services	26,767,335	17,819,166	-	-
Municipal drainage	4,977,428	7,541,895	-	-
Convention and tourism	8,661,450	1,861,402	-	-
Municipal golf course	1,220,462	1,020,019	-	-
Recreation revolving	3,574,034	3,889,169	-	-
Downtown center development	17,406	68,678	-	-
Total business-type activities	189,597,659	176,157,346	-	7,778,571
Total primary government	\$ 537,854,614	\$ 230,507,037	\$ 12,735,876	\$ 19,820,767
Component unit:				
TIF East Side	\$ 356,819	\$ -	\$ -	\$ 50,000

General revenues:
Property taxes
Sales taxes
Mixed drink taxes
Hotel/Motel tax
Other taxes
Franchise fees based upon gross receipts
Investment income
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (16,955,952)		\$ (16,955,952)	
(11,723,930)		(11,723,930)	
(67,734,495)		(67,734,495)	
(56,532,588)		(56,532,588)	
(11,997,885)		(11,997,885)	
(19,633,616)		(19,633,616)	
(6,611,033)		(6,611,033)	
(30,740,024)		(30,740,024)	
(21,782,890)		(21,782,890)	
(14,519,557)		(14,519,557)	
(10,897,222)		(10,897,222)	
(269,129,192)		(269,129,192)	
	\$ 7,356,044	7,356,044	
	(8,948,169)	(8,948,169)	
	2,564,467	2,564,467	
	(6,800,048)	(6,800,048)	
	(200,443)	(200,443)	
	315,135	315,135	
	51,272	51,272	
	(5,661,742)	(5,661,742)	
(269,129,192)	(5,661,742)	(274,790,934)	
			(306,819)
173,005,300	-	173,005,300	1,821,395
81,795,481	-	81,795,481	-
2,048,388	-	2,048,388	-
-	8,685,384	8,685,384	-
213,020	-	213,020	-
24,553,341	8,753,718	33,307,059	-
3,018,751	453,519	3,472,270	-
13,573,300	(13,573,300)	-	-
298,207,581	4,319,321	302,526,902	1,821,395
29,078,389	(1,342,421)	27,735,968	1,514,576
985,326,417	466,257,656	1,451,584,073	13,573,257
\$ 1,014,404,806	\$ 464,915,235	\$ 1,479,320,041	\$ 15,087,833

**CITY OF PLANO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017**

	General	Debt Service	Capital Reserve	Street Improvements
ASSETS				
Cash and cash equivalents	\$ 8,285,617	\$ 618,593	\$ 6,566,019	\$ 7,257,828
Investments	46,493,191	3,801,068	40,346,244	44,597,203
Receivables (net of allowance for uncollectibles)				
Taxes	15,140,832	230,169	-	-
Accounts	1,800,374	-	-	-
Accrued interest	196,695	16,081	170,690	188,673
Assessments	-	-	-	1,366,121
Other	-	-	-	-
Due from other funds	1,023,417	-	165,000	-
Due from other governments	8,793	-	-	1,567,323
Inventories	85,553	-	-	-
Prepaid items and other assets	341,382	-	-	60,480
Total assets	73,375,854	4,665,911	47,247,953	55,037,628
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	2,774,933	-	-	-
Accrued liabilities	8,813,542	-	-	-
Contracts payable	-	-	563,004	1,882,759
Unearned revenue	1,181,152	-	-	4,940,601
Due to other funds	638,067	-	-	-
Due to other governments	211,599	-	-	-
Retainage payable	-	-	681,193	749,934
Seized assets payable	-	-	-	-
Total liabilities	13,619,293	-	1,244,197	7,573,294
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	8,121,438	224,978	-	-
Fund Balance:				
Nonspendable:				
Prepaid items and inventories	426,935	-	-	60,480
Restricted for:				
Debt service	-	4,440,933	-	-
Street improvements	-	-	-	33,142,665
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Special revenue	-	-	-	-
Blended component unit	-	-	-	-
Committed to:				
Economic development incentive	-	-	-	-
Assigned to:				
General government	218,435	-	-	-
Administrative services	527,063	-	-	-
Police	509,597	-	-	-
Fire	1,488,723	-	-	-
Libraries	270,457	-	-	-
Development	2,208,315	-	-	-
Public services and operations	227,847	-	-	-
Parks and recreation	1,755,447	-	-	-
Public works	1,149,866	-	-	-
Capital reserve	-	-	46,003,756	-
Street improvements	-	-	-	14,261,189
Municipal facilities	-	-	-	-
Park improvements	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	293,097	-	-	-
Unassigned	42,559,341	-	-	-
Total fund balance	51,635,123	4,440,933	46,003,756	47,464,334
Total liabilities, deferred inflows, and fund balance	\$ 73,375,854	\$ 4,665,911	\$ 47,247,953	\$ 55,037,628

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ 3,507,216	\$ 4,747,725	\$ 7,262,453	\$ 7,775,531	\$ 46,020,982
21,550,806	29,173,365	44,625,627	41,781,001	272,368,505
-	-	-	-	15,371,001
-	-	-	753,732	2,554,106
91,175	123,421	188,794	176,639	1,152,168
-	-	-	-	1,366,121
-	-	-	175,068	175,068
-	-	-	584,214	1,772,631
-	-	-	1,209,494	2,785,610
-	-	-	-	85,553
-	-	543	142,040	544,445
<u>25,149,197</u>	<u>34,044,511</u>	<u>52,077,417</u>	<u>52,597,719</u>	<u>344,196,190</u>
-	-	-	405,253	3,180,186
-	-	-	43,105	8,856,647
402,118	1,593,959	-	-	4,441,840
-	-	-	253,634	6,375,387
-	-	-	1,011,664	1,649,731
-	-	-	2,719,132	2,930,731
3,405	1,096,475	-	-	2,531,007
-	-	-	66,110	66,110
<u>405,523</u>	<u>2,690,434</u>	<u>-</u>	<u>4,498,898</u>	<u>30,031,639</u>
-	-	-	1,265,559	9,611,975
-	-	543	142,040	629,998
-	-	-	-	4,440,933
-	-	-	-	33,142,665
20,988,114	-	-	2,027,168	23,015,282
-	18,415,656	-	-	18,415,656
-	-	-	39,114,496	39,114,496
-	-	-	89,600	89,600
-	-	52,076,874	-	52,076,874
-	-	-	-	218,435
-	-	-	-	527,063
-	-	-	-	509,597
-	-	-	-	1,488,723
-	-	-	-	270,457
-	-	-	-	2,208,315
-	-	-	-	227,847
-	-	-	-	1,755,447
-	-	-	-	1,149,866
-	-	-	-	46,003,756
-	-	-	-	14,261,189
3,755,560	-	-	-	3,755,560
-	12,938,421	-	-	12,938,421
-	-	-	5,459,958	5,459,958
-	-	-	-	293,097
-	-	-	-	42,559,341
<u>24,743,674</u>	<u>31,354,077</u>	<u>52,077,417</u>	<u>46,833,262</u>	<u>304,552,576</u>
<u>\$ 25,149,197</u>	<u>\$ 34,044,511</u>	<u>\$ 52,077,417</u>	<u>\$ 52,597,719</u>	<u>\$ 344,196,190</u>

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	\$ 304,552,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,043,959,974
Deferred outflows represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.	9,873,996
Deferred outflows related to pensions.	63,901,052
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are deferred in the funds.	22,479,782
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	89,887,244
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(402,935,496)
Deferred inflows represent an acquisition of net position that applies to future periods. The amount is unavailable and deferred at the fund level but recognized as revenue in the governmental activities.	9,611,975
Net pension liability and deferred inflows related to pensions.	(126,926,297)
Net position of governmental activities	<u>\$ 1,014,404,806</u>

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General	Debt Service	Capital Reserve	Street Improvements
REVENUES				
Taxes:				
Property taxes	\$ 120,048,669	\$ 41,588,745	\$ -	\$ -
Sales taxes	81,530,064	-	-	-
Other taxes	2,194,161	-	-	-
Franchise fees	23,778,918	-	-	-
Fines and forfeitures	6,081,129	-	-	-
Contributions	-	-	13,671	1,032,647
Rollback taxes	-	-	1,083,768	-
Licenses and permits	11,096,275	-	-	-
Intragovernmental	10,272,023	-	-	-
Intergovernmental	1,041,292	-	-	82,062
Fees for services	14,170,506	-	-	-
Assessed taxes	-	-	-	-
Loan repayments	-	-	-	-
Investment income	659,020	284,622	283,048	360,687
Miscellaneous	1,858,760	151,804	36,202	-
Total revenues	<u>272,730,817</u>	<u>42,025,171</u>	<u>1,416,689</u>	<u>1,475,396</u>
EXPENDITURES				
Current operating:				
General government	27,946,543	-	-	-
Administrative services	11,009,172	-	-	-
Police	76,650,126	-	-	-
Fire	58,553,377	-	-	-
Libraries	10,799,003	-	-	-
Development	32,331,624	-	-	-
Public services and operations	6,586,559	-	-	-
Parks and recreation	24,471,388	-	-	-
Public works	6,488,697	-	-	-
Technology services	1,000,000	-	-	-
Capital outlay	3,833,561	-	36,274,035	13,876,478
Interest and fiscal charges	-	-	-	73,189
Debt service:				
Principal retirement	-	27,145,000	-	-
Interest and fiscal charges	-	14,652,723	-	-
Total expenditures	<u>259,670,050</u>	<u>41,797,723</u>	<u>36,274,035</u>	<u>13,949,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,060,767</u>	<u>227,448</u>	<u>(34,857,346)</u>	<u>(12,474,271)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	20,626,175
Issuance of debt - refunding	-	27,805,000	-	-
Escrow payment - refunding	-	(32,589,261)	-	-
Premium on sale of bonds	-	5,071,986	-	1,913,349
Insurance Receipts	-	-	2,524,669	-
Transfers in	10,060,903	-	28,070,000	-
Transfers out	(25,676,520)	-	-	-
Total other financing sources (uses)	<u>(15,615,617)</u>	<u>287,725</u>	<u>30,594,669</u>	<u>22,539,524</u>
Net change in fund balances	(2,554,850)	515,173	(4,262,677)	10,065,253
Fund balances-beginning	54,189,973	3,925,760	50,266,433	37,399,081
Fund balances-ending	<u>\$ 51,635,123</u>	<u>\$ 4,440,933</u>	<u>\$ 46,003,756</u>	<u>\$ 47,464,334</u>

The notes to the financial statements are an integral part of this statement.

Municipal Facilities	Park Improvements	Economic Development Incentive	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 161,637,414
-	-	-	-	81,530,064
-	-	-	-	2,194,161
-	-	-	-	23,778,918
-	-	-	7,784,323	13,865,452
-	-	6,801,800	427,283	8,275,401
-	-	-	-	1,083,768
-	-	-	-	11,096,275
-	-	-	-	10,272,023
-	-	-	2,171,629	3,294,983
-	-	-	3,420,554	17,591,060
-	-	-	97,091	97,091
-	-	-	44,326	44,326
173,254	275,908	291,700	282,025	2,610,264
-	125,000	767,055	2,761	2,941,582
173,254	400,908	7,860,555	14,229,992	340,312,782
-	-	-	-	27,946,543
-	-	-	-	11,009,172
-	-	-	8,523,686	85,173,812
-	-	-	513,757	59,067,134
-	-	-	134,167	10,933,170
-	-	1,674,435	1,581,664	35,587,723
-	-	-	1,073,187	7,659,746
-	-	-	-	24,471,388
-	-	-	-	6,488,697
-	-	-	-	1,000,000
2,331,773	31,477,950	-	2,816,103	90,609,900
71,869	59,154	-	-	204,212
-	-	-	-	27,145,000
-	-	-	-	14,652,723
2,403,642	31,537,104	1,674,435	14,642,564	401,949,220
(2,230,388)	(31,136,196)	6,186,120	(412,572)	(61,636,438)
15,463,766	18,650,059	-	-	54,740,000
-	-	-	-	27,805,000
-	-	-	-	(32,589,261)
1,802,296	1,730,038	-	-	10,517,669
-	-	-	-	2,524,669
-	-	-	550,000	38,680,903
-	-	-	(10,525)	(25,687,045)
17,266,062	20,380,097	-	539,475	75,991,935
15,035,674	(10,756,099)	6,186,120	126,903	14,355,497
9,708,000	42,110,176	45,891,297	46,706,359	290,197,079
\$ 24,743,674	\$ 31,354,077	\$ 52,077,417	\$ 46,833,262	\$ 304,552,576

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$ 14,355,497
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	41,560,890
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	11,154,608
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(32,180,074)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	(10,326,667)
Other long-term liabilities related to pension expense in internal service funds	(613,052)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,048,890
Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds. The net expenses of certain activities of internal service funds are reported within governmental activities.	3,078,297
Change in net position of governmental activities	<u>\$ 29,078,389</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,869,127	\$ 891,259	\$ 500,863	\$ 994,557	\$ 6,255,806	\$ 9,909,236
Investments	16,173,515	5,404,747	3,077,655	6,079,504	30,735,421	60,889,324
Receivables (net of allowance for uncollectibles)						
Accounts	20,014,641	1,193,204	809,495	1,040,260	23,057,600	225,182
Accrued interest	68,424	22,865	13,020	25,721	130,030	257,208
Other	5,247	1,257,010	-	30,385	1,292,642	408
Due from other funds	-	-	-	-	-	53,853
Inventories	200,830	-	-	-	200,830	1,057,647
Prepaid expenses and other assets	937,637	24,078	-	467,454	1,429,169	451,648
Restricted assets:						
Revenue bond debt service-						
Cash and cash equivalents	112,390	-	524,108	-	636,498	-
Investments	690,604	-	2,014,650	-	2,705,254	-
Accrued interest receivable	2,922	-	13,625	-	16,547	-
Revenue bond reserve fund-						
Investments	-	-	1,205,839	-	1,205,839	-
Revenue bond construction fund-						
Cash and cash equivalents	4,903,713	-	1,067,317	-	5,971,030	-
Investments	30,131,864	-	6,558,348	-	36,690,212	-
Accrued interest receivable	127,476	-	27,746	-	155,222	-
Total current assets	<u>77,238,390</u>	<u>8,793,163</u>	<u>15,812,666</u>	<u>8,637,881</u>	<u>110,482,100</u>	<u>72,844,506</u>
Capital assets:						
Land	3,656,767	-	115,616	2,992,154	6,764,537	62,522
Buildings	2,748,029	529,780	52,921	13,782,224	17,112,954	5,975,294
Improvements other than buildings	632,978,681	-	-	3,519,353	636,498,034	-
Equipment	110,512	470,301	15,048	1,498,435	2,094,296	41,456,215
Furniture and fixtures	129,460	2,448	4,421	269,974	406,303	316,835
Rolling equipment	2,417	-	-	-	2,417	54,702,570
Drainage improvements	-	-	42,294,731	-	42,294,731	-
Construction in progress	19,192,150	-	1,575,990	-	20,768,140	-
Less accumulated depreciation	<u>(281,659,298)</u>	<u>(163,232)</u>	<u>(9,278,694)</u>	<u>(16,855,537)</u>	<u>(307,956,761)</u>	<u>(62,002,378)</u>
Total capital assets (net of accumulated depreciation)	<u>377,158,718</u>	<u>839,297</u>	<u>34,780,033</u>	<u>5,206,603</u>	<u>417,984,651</u>	<u>40,511,058</u>
Total noncurrent assets	<u>377,158,718</u>	<u>839,297</u>	<u>34,780,033</u>	<u>5,206,603</u>	<u>417,984,651</u>	<u>40,511,058</u>
Total assets	<u>\$ 454,397,108</u>	<u>\$ 9,632,460</u>	<u>\$ 50,592,699</u>	<u>\$ 13,844,484</u>	<u>\$ 528,466,751</u>	<u>\$ 113,355,564</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	3,538,787	2,287,933	636,756	1,289,134	7,752,610	3,573,657
Deferred charges on refunding	-	-	361,547	-	361,547	-
	<u>3,538,787</u>	<u>2,287,933</u>	<u>998,303</u>	<u>1,289,134</u>	<u>8,114,157</u>	<u>3,573,657</u>

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds					
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	Governmental Activities- Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 6,472,298	\$ 487,681	\$ 620,567	\$ 107,457	\$ 7,688,003	\$ 1,919,524
Accrued liabilities	248,476	2,597,919	44,757	256,747	3,147,899	253,654
Unearned revenue	170	-	-	717,336	717,506	-
Due to other funds	-	-	-	11,753	11,753	165,000
Customer deposits	3,327,871	-	-	264,472	3,592,343	-
Escrow liability	231,320	-	-	-	231,320	-
Liability for compensated absences	279,320	111,719	51,979	17,571	460,589	226,738
Liability for insurance claims	-	-	-	-	-	6,862,866
Total current liabilities	10,559,455	3,197,319	717,303	1,375,336	15,849,413	9,427,782
Current liabilities payable from restricted assets:						
Contracts payable	1,701,005	-	-	-	1,701,005	-
Current portion of long-term debt	890,867	-	1,887,983	-	2,778,850	-
Accrued interest payable	408,500	-	268,955	-	677,455	-
Retainage payable	1,825,764	-	24,981	-	1,850,745	-
Total current liabilities payable from restricted assets	4,826,136	-	2,181,919	-	7,008,055	-
Total current liabilities	15,385,591	3,197,319	2,899,222	1,375,336	22,857,468	9,427,782
Noncurrent liabilities:						
Bonds payable	26,385,584	-	17,052,171	-	43,437,755	-
Net pension liability	6,777,873	4,411,048	1,195,795	2,499,708	14,884,424	6,757,474
Liability for compensated absences	1,371,763	1,289,791	293,563	648,791	3,603,908	368,697
Total noncurrent liabilities	34,535,220	5,700,839	18,541,529	3,148,499	61,926,087	7,126,171
Total liabilities	49,920,811	8,898,158	21,440,751	4,523,835	84,783,555	16,553,953
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	253,673	163,366	46,416	90,504	553,959	258,201
	253,673	163,366	46,416	90,504	553,959	258,201
NET POSITION						
Net investment in capital assets	376,267,851	839,297	21,693,920	5,206,603	404,007,671	40,511,058
Restricted for:						
Debt service	805,916	-	2,552,383	-	3,358,299	-
Unrestricted	30,687,644	2,019,572	5,857,532	5,312,676	43,877,424	59,606,009
Total net position	\$ 407,761,411	\$ 2,858,869	\$ 30,103,835	\$ 10,519,279	\$ 451,243,394	\$ 100,117,067

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF PROPRIETARY FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2017**

Amounts reported for business-type activities in the statement of net position are different because:

Total net position of proprietary funds	\$ 451,243,394
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Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.

The net receivable due from activities of the internal service funds which is reported within business-type activities.	13,671,841
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Net position of business-type activities	<u>\$ 464,915,235</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
Operating revenues:						
Charges for sales and services:						
Service charges	\$ 143,280,428	\$ 14,646,846	\$ 7,535,378	\$ 6,695,376	\$ 172,158,028	\$ 76,861,724
Franchise fees	-	8,753,718	-	-	8,753,718	-
Compost products	-	1,878,528	-	-	1,878,528	-
Subrogation receipts	-	-	-	-	-	1,587,431
Contributions	-	117,348	-	-	117,348	-
Miscellaneous charges	502,795	1,123,672	6,517	138,303	1,771,287	21,428
Total operating revenues	<u>143,783,223</u>	<u>26,520,112</u>	<u>7,541,895</u>	<u>6,833,679</u>	<u>184,678,909</u>	<u>78,470,583</u>
Operating expenses:						
Personnel services	11,652,539	7,303,647	2,567,984	4,840,418	26,364,588	10,864,732
Pension expense (net)	585,014	386,922	107,698	215,045	1,294,679	613,052
Contractual services	8,305,867	7,953,905	517,479	7,457,645	24,234,896	14,381,662
Supplies	1,990,250	481,074	185,862	907,379	3,564,565	8,279,739
Claims expense	-	-	-	-	-	34,394,670
Depreciation	15,142,631	29,930	820,838	391,739	16,385,138	9,400,162
Solid waste disposal	-	8,805,414	-	-	8,805,414	-
Wastewater treatment	30,197,147	-	-	-	30,197,147	-
Charges in lieu of taxes	8,793,965	1,478,308	-	-	10,272,273	-
Water supply	65,688,523	-	-	-	65,688,523	-
Miscellaneous	1,043,711	223,667	26,247	220,075	1,513,700	94,042
Total operating expenses	<u>143,399,647</u>	<u>26,662,867</u>	<u>4,226,108</u>	<u>14,032,301</u>	<u>188,320,923</u>	<u>78,028,059</u>
Operating income (loss)	<u>383,576</u>	<u>(142,755)</u>	<u>3,315,787</u>	<u>(7,198,622)</u>	<u>(3,642,014)</u>	<u>442,524</u>
Nonoperating revenues (expenses):						
Investment income	278,867	34,464	100,651	39,537	453,519	408,487
Loss on property disposition	-	-	-	(6,268)	(6,268)	787,009
Interest and fiscal charges	(550,623)	-	(583,257)	-	(1,133,880)	-
Hotel/Motel tax	-	-	-	8,685,384	8,685,384	-
Intergovernmental revenues	-	-	-	-	-	163,852
Miscellaneous	173,794	52,772	(128,733)	5,589	103,422	76,076
Total nonoperating revenue (expenses)	<u>(97,962)</u>	<u>87,236</u>	<u>(611,339)</u>	<u>8,724,242</u>	<u>8,102,177</u>	<u>1,435,424</u>
Income (loss) before contributions and transfers	285,614	(55,519)	2,704,448	1,525,620	4,460,163	1,877,948
Contributions from developers	7,778,571	-	-	-	7,778,571	-
Transfers in	-	-	-	-	-	829,442
Transfers out	(10,299,367)	-	(1,020,362)	(2,253,571)	(13,573,300)	(250,000)
Change in net position	(2,235,182)	(55,519)	1,684,086	(727,951)	(1,334,566)	2,457,390
Total net position-beginning	409,996,593	2,914,388	28,419,749	11,247,230	452,577,960	97,659,677
Total net position-ending	<u>\$ 407,761,411</u>	<u>\$ 2,858,869</u>	<u>\$ 30,103,835</u>	<u>\$ 10,519,279</u>	<u>\$ 451,243,394</u>	<u>\$ 100,117,067</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

Amounts reported for business-type activities in the statement of activities are different because:

Net change in net position - total proprietary funds	\$ (1,334,566)
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Internal service funds are used by management to charge the costs of fleet management, property liability loss, health claims and municipal warehouse to individual funds.

The net revenues of certain activities of internal service funds are reported within business-type activities.	(7,855)
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Change in net position of business-type activities	<u>\$ (1,342,421)</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 140,408,270	\$ 18,519,161	\$ 7,463,442	\$ 6,765,577	\$ 173,156,450	\$ 76,825,797
Cash received from subrogation	-	-	-	-	-	1,587,431
Franchise fees	-	8,753,718	-	-	8,753,718	-
Charges in lieu of taxes	(8,793,965)	(1,478,308)	-	-	(10,272,273)	-
Cash payments to suppliers for goods and services	(105,806,691)	(16,663,484)	(210,770)	(8,588,705)	(131,269,650)	(56,932,116)
Cash paid to or on behalf of employees for services	(11,785,769)	(6,906,813)	(2,531,151)	(4,772,617)	(25,996,350)	(10,917,021)
Net cash provided (used) by operating activities	14,021,845	2,224,274	4,721,521	(6,595,745)	14,371,895	10,564,091
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Repayments to other funds	-	-	-	-	-	(53,853)
Hotel/Motel tax	-	-	-	8,685,384	8,685,384	-
Transfers to other funds	(10,299,367)	-	(1,020,362)	(2,253,571)	(13,573,300)	(250,000)
Transfers from other funds	-	-	-	-	-	829,442
Intergovernmental receipts	-	-	-	-	-	163,852
Net cash provided (used) by noncapital financing activities	(10,299,367)	-	(1,020,362)	6,431,813	(4,887,916)	689,441
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(31,329,286)	(187,322)	(1,663,711)	(101,118)	(33,281,437)	(11,664,946)
Bond proceeds	-	-	6,430,492	-	6,430,492	-
Bond issuance costs paid	(750)	-	(2,250)	-	(3,000)	-
Proceeds from sale of equipment	-	-	-	-	-	1,447,097
Principal paid on long-term debt	(930,000)	-	(1,960,000)	-	(2,890,000)	-
Interest and fees paid on long-term debt	(907,225)	-	(476,554)	-	(1,383,779)	-
Proceeds from insurance damages	173,794	52,772	11,652	5,589	243,807	76,076
Net cash provided (used) by capital and related financing activities	(32,993,467)	(134,550)	2,339,629	(95,529)	(30,883,917)	(10,141,773)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of investment securities	(46,995,983)	(5,404,747)	(12,856,492)	(6,079,504)	(71,336,726)	(60,889,324)
Proceeds from sale and maturities of investment securities	65,991,804	3,277,839	6,944,319	5,731,892	81,945,854	54,490,082
Interest on investments	470,877	31,012	87,387	47,762	637,038	473,993
Net cash provided (used) by investing activities	19,466,698	(2,095,896)	(5,824,786)	(299,850)	11,246,166	(5,925,249)
Net increase (decrease) in cash and cash equivalents	(9,804,291)	(6,172)	216,002	(559,311)	(10,153,772)	(4,813,490)
Cash and cash equivalents, beginning of year	18,689,521	897,431	1,876,286	1,553,868	23,017,106	14,722,726
Cash and cash equivalents, end of year	\$ 8,885,230	\$ 891,259	\$ 2,092,288	\$ 994,557	\$ 12,863,334	\$ 9,909,236
Classified as:						
Current assets	\$ 3,869,127	\$ 891,259	\$ 500,863	\$ 994,557	\$ 6,255,806	\$ 9,909,236
Restricted assets	5,016,103	-	1,591,425	-	6,607,528	-
Total	\$ 8,885,230	\$ 891,259	\$ 2,092,288	\$ 994,557	\$ 12,863,334	\$ 9,909,236
Noncash disclosures:						
Developers' contributions	\$ 7,778,571	\$ -	\$ -	\$ -	\$ 7,778,571	\$ -
Premium amortization	35,867	-	47,983	-	83,850	-
Amortization of deferred charge on refunding	-	-	(127,270)	-	(127,270)	-
Loss on property disposition	-	-	-	(6,268)	(6,268)	(660,088)
Decrease in fair value of investments	(303,935)	(32,522)	(76,880)	(37,735)	(451,072)	(276,296)
Transfer in (out) of capital assets	(2,889)	(4,495)	(245)	-	(7,629)	315,377

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds					Governmental Activities- Internal Service Funds
	Water and Sewer	Environmental Waste Services	Municipal Drainage	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 383,576	\$ (142,755)	\$ 3,315,787	\$ (7,198,622)	\$ (3,642,014)	\$ 442,524
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	15,142,631	29,930	820,838	391,739	16,385,138	9,400,162
Change in assets and liabilities:						
(Increase) decrease in-						
Accounts receivable	(3,877,999)	(80,194)	(81,145)	(182,806)	(4,222,144)	(7,885)
Other accounts receivable	97	846,461	-	(11,127)	835,431	(203,935)
Due from other funds	12,662	-	2,692	-	15,354	-
Prepaid expenses and other assets	588,666	427,017	2,070	(22,289)	995,464	(18,230)
Inventories	(122,804)	-	-	-	(122,804)	37,102
Pensions	585,014	386,922	107,698	215,045	1,294,679	613,052
Increase (decrease) in-						
Accounts payable	727,945	373,559	516,748	31,239	1,649,491	(765,961)
Accrued liabilities	(37,055)	264,341	149	43,343	270,778	(551)
Due to other funds	-	-	-	10,323	10,323	154,465
Liability for compensated absences	(96,175)	132,493	36,684	24,458	97,460	(51,738)
Customer deposits	490,297	-	-	71,314	561,611	-
Escrow liability	225,000	-	-	-	225,000	-
Unearned revenue	(10)	(13,500)	-	31,638	18,128	-
Liability for insurance claims	-	-	-	-	-	965,086
Total adjustments	13,638,269	2,367,029	1,405,734	602,877	18,013,909	10,121,567
Net cash provided (used) by operating activities	\$ 14,021,845	\$ 2,224,274	\$ 4,721,521	\$ (6,595,745)	\$ 14,371,895	\$ 10,564,091

The notes to the financial statements are an integral part of this statement.

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY AND AGENCY FUNDS
AS OF SEPTEMBER 30, 2017**

	Pension and Other Employee Benefit Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,571,829	\$ 449,535
Investment pool	-	2,762,262
Other U.S. government obligations	26,551,750	-
Corporate bonds	21,019,382	-
Asset-backed securities	3,838,804	-
Common stocks	104,302,889	-
Mutual funds	64,342,565	-
Accrued interest	444,109	11,687
Pending trades	129,991	-
Total assets	223,201,319	3,223,484
LIABILITIES		
Accrued liabilities	256,967	-
Developers' escrow liability	-	3,037,669
Unclaimed property payable	-	185,815
Total liabilities	256,967	3,223,484
NET POSITION		
Held in trust for pension benefits	142,428,362	
Held in trust for other postemployment benefits	80,515,990	
Total net position	\$ 222,944,352	

The notes to the financial statements are an integral part of this statement.

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Pension and Other Employee Benefit Trust Funds
ADDITIONS	
Contributions	
From employers	\$ 10,410,996
From retirees	1,283,286
Total contributions	<u>11,694,282</u>
Investment return:	
Net increase (decrease) in fair value of investments	22,343,315
Interest	1,426,042
Dividends	2,835,161
Miscellaneous	18,707
Total investment return	<u>26,623,225</u>
Total additions, net	<u><u>38,317,507</u></u>
DEDUCTIONS	
Benefits	8,183,592
Administrative expenses	803,626
Miscellaneous expenses	24,073
Total deductions	<u>9,011,291</u>
Net increase	29,306,216
Net position held in trusts - beginning of year	<u>193,638,136</u>
Net position held in trusts - end of year	<u><u>\$ 222,944,352</u></u>

The notes to the financial statements are an integral part of this statement.



CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Plano, Texas (City) was originally incorporated in 1873 and chartered on June 10, 1961, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide*. The significant accounting policies of the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GAAP, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net position and statement of activities. The City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary fund types and the pension trust and postemployment benefits trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Management's Discussion and Analysis provides an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund and Debt Service Fund budgets with actual results. The City does not have any Special Revenue funds with legally adopted budgets.

B. Reporting Entity

The City is governed by an elected mayor and seven-member council. As required by GAAP, these financial statements present the City (the primary government) and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The criteria for including organizations as component units within the City's

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name);
- the City appoints a voting majority of the organization's board;
- the City is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the City; or
- there is fiscal dependency by the organization on the City.

Discretely Presented Component Unit.

The City has established a Tax Increment Financing district (TIF) for project improvements within the City. The TIF provides financing for public improvements associated with the future development of East Plano. The project was approved by the City Council in fiscal year 1999. The TIF is legally separate from the City, and the City appoints a majority of its governing board for the TIF; however, the entity is fiscally dependent on the City. In fiscal year 2014, the City passed an ordinance to extend the termination date for an additional 15 years. The additional 15 year term will include participation with the City, as well as Collin County. All taxing entities, including the Plano Independent School District, Collin College and Collin County continued to participate through the initial term which expired December 31, 2014. Financial reports may be obtained by request to the City's Accounting Department, 1520 Avenue K, Suite 370, Plano, Texas 75074.

Blended Component Units.

The City has established a Public Improvement District (PID) for project improvements and services for the Downtown Plano area, which benefits the primary government. The PID was approved in October 2014. The PID is utilized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value. Chapter 372 of the Texas Local Government Code allows City Council to establish an advisory board for the PID, which has the responsibility of developing the improvement plan for the PID. The advisory board must consist of the property owners. Additionally, an executive committee is comprised of three property owners representing the greatest appraised property values, plus five other members to be elected by the entire advisory board. The executive committee shall prepare a service plan and assessment plan for consideration of the advisory board, whose recommendation shall be presented to the City Council for review and approval.

In fiscal year 2016, the Plano Improvement Corporation (PIC) was established as a 501(c)3 to serve as a non-profit corporation to facilitate real estate transactions and serve as an independent foundation for acceptance of donations. The City desired to create the PIC for the purpose of transfer of land and improvements that the City wants developed pursuant to Texas Local Government Code §272.001(b)(4). Occasionally, individuals, as well as charitable corporations and foundations desire to donate real and/or personal property to the City to further the charitable purposes of the person or entity and to benefit the citizens of Plano. The City provides all financial support to the PIC and because the services provided by the PIC exclusively benefit the City, it is blended into the City's financial statements in the Other Governmental Funds category.

In fiscal year 2017, the Transportation Management Association (TMA) was created as a 501(c)6 comprised of businesses and local governments dedicated to solving local transportation concerns, which benefits the primary government. The TMA is an organized group applying selected measures to facilitate the movement of people and goods within an area led by a Board of Directors, with public and private members with a common interest. The TMA represents and connects employers, employees and government agencies to mitigate mobility challenges. Additionally, the organization allows businesses to pool resources to support commuter

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

transportation strategies, act in an advocacy role with local government and expand knowledge of alternatives to commuting in single occupancy vehicles. Currently, membership is restricted to specific boundaries and derived from dues paid by contributing businesses in the area. In fiscal year 2017, the City of Plano applied for grant funding through the North Central Texas Council of Governments which will pass-through to the TMA by means of an agreement. The City will be involved in the initial implementation and establishment of the TMA organization through the life of the grant, which at that time operations will be conducted by the TMA Board.

Related Organization.

The City's mayor appoints the board of the Plano Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments. Thus, it is not included in the primary government or as a discretely presented component unit.

The financial statements are formatted to allow the user to clearly distinguish between primary government and its discretely presented component unit.

C. Upcoming and Newly Implemented Accounting Pronouncements

During fiscal year 2017, the City adopted the following GASB Statements:

GASB Statement No. 77, "*Tax Abatement Disclosures*," addresses financial reporting for tax abatement agreements entered into by state and local governments. This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. The City implemented this Statement in the current fiscal year.

GASB Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*," addresses a practice issue regarding the scope and applicability of Statement No. 68, "*Accounting and Financial Reporting for Pensions*". Statement No. 78 is to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of this statement has no effect on the financial statements.

GASB Statement No. 80, "*Blending Requirements for Certain Component Units*," is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14, "*The Financial Reporting Entity*", as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The City has the PIC which was established to serve as a non-profit corporation and is therefore, reported as a blended component unit.

GASB Statement No. 81, "*Irrevocable Split-Interest Agreements*," is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement has no effect on the financial statements.

GASB Statement No. 82, "*Pension Issues*," is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The City implemented this statement in the current fiscal year.

The GASB has issued the following statements which will be effective next fiscal year as described below:

GASB Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* establishes financial reporting standards for state and local governmental other post employment benefit plans (OPEB). The statement replaces Statement No. 43, *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,"* as amended, and Statement No. 57, *"OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans"*. The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 74 is effective for financial statements for fiscal years beginning after June 15, 2016. The OPEB Plan is reported on a calendar year basis.

GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB),"* addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and pension expense. The City is currently evaluating changes to the financial statements as a result of the implementation of this statement. Statement No. 75 is effective for fiscal years beginning after June 15, 2017.

D. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements; the focus is either the City as a whole or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (e.g., police, fire, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property and sales taxes, franchise fees and interest income).

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund,

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

capital reserve fund, street improvements fund, municipal facilities fund, park improvements fund and economic development incentive fund. The major enterprise funds are the water and sewer fund, environmental waste services fund and municipal drainage fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the fund financial statements.

Internal Service Funds, which traditionally provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. Because the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the cost of these services is reflected in the appropriate functional activity (e.g., police, fire, public works, etc.). The City's internal service funds consist of equipment maintenance and replacement, municipal warehouse, technology services, risk management and health claims funds.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist of funds that account for the pension trust, postemployment benefits trust, developers' escrow and unclaimed property.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The focus of the fund financial statements is on the major individual funds of the governmental and proprietary categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

E. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, in other words, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and is due and payable shortly after year-end as required by GASB Interpretation No. 6.

Ad valorem, franchise and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met. Additionally, funds received in advance for which all eligibility requirements have not been met are considered unearned revenue.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as needed.

Paving assessments in the Street Improvements Fund are recorded as revenues when cash is received. The assessments are due in annual installments, including interest, over a four to eight year period. The assessments are measurable when assessed but are generally not available for use when assessed. Unallocated assessments are recorded as unearned revenue.

Business-type activities and all proprietary funds, and the pension trust and postemployment benefits trust funds, are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, environmental waste services, municipal drainage, convention and tourism, municipal golf course, downtown center development and recreation revolving funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major funds are used by the City:

1. Governmental Funds:

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

- a. The General Fund accounts for several of the City's primary services (e.g., police, fire, public works, libraries, parks and recreation, etc.) and is the primary operating unit of the City.
- b. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- c. The Capital Reserve Fund accounts for the financing of betterments and renewals to the City's infrastructure and for public improvements not requiring general obligation bond financing.
- d. The Street Improvements Fund accounts for the financing and acquisition of right of way and construction of streets, storm sewers and alleys. Funds are provided primarily through bond sales, paving assessments and interest earnings.
- e. The Municipal Facilities Fund accounts for the financing and construction of various City facilities. Funds are provided primarily through bond sales and interest earnings.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

- f. The Park Improvements Fund accounts for the financing and construction of park projects. Funds are provided primarily through bond sales and interest earnings.
- g. The Economic Development Incentive Fund accounts for \$0.02 of ad valorem revenue designated by the City Council for stimulating economic development for the City through usage of Chapter 380 agreements as authorized by the Texas Local Government Code.
- h. Other Governmental Funds is a summarization of all of the nonmajor governmental funds.

2. Enterprise Funds:

The focus of proprietary funds measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Enterprise Funds of the City:

- a. The Water and Sewer Fund accounts for the operation of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure financial integrity of the fund.
- b. The Environmental Waste Services Fund accounts for the provision of environmental services to customers who are billed monthly at a rate sufficient to cover the cost of providing such services.
- c. The Municipal Drainage Fund accounts for the City's storm water management program.
- d. Other Enterprise Funds are a summarization of all of the nonmajor enterprise funds.

3. Other Fund Types:

The City additionally reports for the following fund types:

- a. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, generally on a cost-reimbursement basis.
- b. Agency funds are used to account for assets held by the City in an agency capacity for individuals (Unclaimed property) or developers (Developers' escrow). Agency funds record only assets and liabilities and therefore have no measurement focus.
- c. Trust funds are used to account for the accumulation of resources to be used for the retirement benefit payments to employees of the City and for postemployment health benefits.

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, escrow cash with a fiscal agent and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and cash equivalents for government-wide funds are combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit and government agencies, which are recorded at amortized cost. Amortized cost approximates

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund advances or interfund receivable/payable. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories, Prepaid Items and Other Assets

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. They are valued at cost, which is determined using a weighted-average method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased.

Prepaid items are for payments made by the City in the current year to receive services occurring in the subsequent fiscal year, utilizing the consumption method. Inventories and prepaid items are reflected as nonspendable fund balance in the governmental funds.

The other assets category consists of other postemployment benefits.

I. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Long-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts and fund balance is nonspendable for these amounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations of both governmental and proprietary funds. Nonrecurring or nonroutine transfers of equity between funds – for example, contribution of capital assets to a proprietary fund or transfers of residual balances of discontinued funds to other funds – are accounted for as transfers.

J. Capital Assets

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed capital assets are recorded at acquisition value at the time received. Public domain (infrastructure) capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For fiscal year 2017, \$830,466 and \$49,398 of such interest costs were capitalized in the Water and Sewer and Municipal Drainage Funds, respectively.

Property, plant and equipment of the primary government and business-type activities are depreciated using the straight-line method over the following estimated useful lives:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Improvements other than buildings	20 - 50
Equipment	2 - 10
Furniture and fixtures	5 - 10
Drainage improvements	50
Meters	10
Storm/sanitary sewer	50
System infrastructure	30 - 50

K. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. Employees are required to utilize a minimum of 40 hours of vacation per year. Upon termination and completion of five years of service, an employee is reimbursed for accumulated vacation. Vacation leave is capped at 480 hours and leave in excess of 480 hours will not be reimbursed upon termination. Police and firefighters are reimbursed upon termination up to a maximum of 90 days accumulated sick leave as required by state civil service law. All other full-time City employees with five or more years of service are reimbursed up to 90 days accumulated sick leave upon termination. Sick leave in excess of 90 days is not paid upon termination, but will be paid only upon illness while in the employment of the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary financial statements.

L. Federal and State Grants

Grants and shared revenues are generally accounted for within the fund financed. Federal grants are from various federal agencies including the Departments of Energy and Transportation, Housing and Urban Development, Justice, Treasury and Homeland Security, Office of National Drug Control Policy and Institute of Museum and Library Services which are accounted for within the Grant Fund (Special Revenue) and Street Improvements Fund (Capital Projects). Various state grants are also included in the Grant Fund and Street Improvements Funds. Grant revenues received for purposes normally financed through the general government are accounted for within the General Fund and those for specific purposes in the special revenue funds.

M. Deferred Inflows/Outflows of Resources

Deferred outflows of resources are used to report consumptions of net position by the City that are applicable to a future reporting period. Deferred inflows of resources are used to report acquisitions of net position by the City that are applicable to future reporting periods. The deferred inflow is reclassified to revenue on the government-wide financial statements.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category. First, the deferred charge on refunding reported in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt. Second, the City's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. The last deferred outflow is the difference between projected and actual investment earnings that are amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify in this category, which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is recorded in the government-wide Statement of Net Position and fund level financials for the proprietary Statements of Net Position for the difference in projected and actual experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the Plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

N. Long-Term Debt

General obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund. To date, revenue bonds have been issued for municipal drainage and waterworks and sewer system improvements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective-interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as issuance costs in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Retirement Plans

The City has two separate retirement plans, Texas Municipal Retirement System (TMRS) and Retirement Security Plan (RSP), covering substantially all employees. In addition, the City has a deferred compensation plan and a postemployment benefit plan. It is the City's policy to record the cost for such plans on the accrual basis (See Note 5).

P. Net Position

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(402,935,496) difference are as follows:

Bonds and tax anticipation notes payable	\$ (327,935,000)
Add: Premium	(35,599,046)
Accrued interest payable	(1,214,624)
Compensated absences	(38,186,826)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (402,935,496)</u></u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$41,560,890 difference are as follows:

Capital outlay	\$ 90,609,900
Depreciation expense	(48,777,914)
Other capital-related transactions	<u>(271,096)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 41,560,890</u></u>

Another element of the reconciliation states, “The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$(32,180,074) difference are as follows:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Bonds issued:	
New money	\$ (54,740,000)
Refunded bonds	(27,805,000)
Premium	(10,517,669)
Underwriter's discount	(508,575)
Difference in refunded principal/interest and escrow deposit	1,656,909
Payment to escrow agent	32,589,261
Principal payments	<u>27,145,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (32,180,074)</u>

The reconciliation also states, "Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds." The details of this \$2,048,890 difference are as follows:

Changes in:	
Compensated absences	\$ (503,047)
Accrued interest	(108,110)
Amortization of deferred charge on refunding	(2,488,528)
Amortization of bond premium	5,203,809
Change in net OPEB asset	<u>(55,234)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,048,890</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Legal Compliance - Budgets

The City Charter contains the following requirements, which are adhered to by the City Council, regarding preparation of the annual budget:

- The City Manager, between 60 and 90 days prior to October 1 of each fiscal year, shall submit to the Council a proposed budget. Such budget shall provide a complete financial plan for the fiscal year.
- At the meeting of the City Council at which the budget is submitted, the City Council shall fix the time and place of a public hearing on the budget and shall cause to be published in the official newspaper of the City, a notice of the hearing setting forth the time and place thereof at least five days before the date of such hearing.
- The budget shall be finally adopted no later than 15 days prior to the beginning of the fiscal year and should the City Council fail to so adopt a budget, the then existing budget together with its tax-levying ordinance and its appropriation ordinance, shall be deemed adopted for the ensuing fiscal year.

The City Council approves annual appropriations for operations and interfund transfers for all operating and debt service funds. Only the General Fund and Debt Service Fund have legally adopted annual budgets. The City Manager has the authority to transfer unexpended balances between departmental budgets within appropriated funds. The City Council, however, must approve any increase in fund appropriations. The legal level of budgetary control is the fund level. During the year, there were no

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

appropriation increases for the General Fund. Funds with operating appropriations and interfund transfers set by ordinance include the General Fund and Debt Service Fund. During the year, appropriations are adjusted as a result of re-estimates by the departments. For budgetary purposes, unencumbered appropriations lapse at fiscal year-end.

Budgets and Budgetary Basis of Accounting

The Budgetary Comparison Statement, included in the basic financial statements, presents a comparison of budgetary data to actual results of operations for the General Fund, for which an annual operating budget is legally adopted. This fund utilizes the same basis of accounting for both budgetary purposes and actual results, with the following exceptions:

The portion of ad valorem tax revenues in the General Fund from “rolled back” tax payments (those taxes, up to five years back, on properties previously taxed at special use exemption values and currently changed to full values) are excluded from the budgetary basis tax revenues and from the general governmental expenditures.

The General Fund encumbrances are added to the actual expenditures for budgetary comparison.

Nature and Purpose of Classifications of Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provision or enabling legislation. Fund balance should be reported as committed when amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. Fund balance should be reported as assigned for amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the general fund and includes amounts that are available for any purpose. Positive amounts are reported only in the general fund.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

The details of fund balance classifications for other governmental funds are as follows:

Restricted for:

Other Capital Projects:

Public Infrastructure	\$ 1,848,274
DART	178,894
	<u>\$ 2,027,168</u>

Special Revenue funds:

Criminal investigation fund	\$ 4,296,230
Grant fund	18,196
PTV fund	1,611,363
Public safety communications fund	16,792,361
Municipal court fund	15,640,889
Memorial library fund	372,981
Libraries fund	36,985
Animal shelter donations fund	246,433
Community paramedic program fund	99,058
	<u>\$ 39,114,496</u>

Blended Component Unit:

PID	\$ 32,404
PIC	47,196
TMA	10,000
	<u>\$ 89,600</u>

Assigned to:

Other Capital Projects:

Park services fund	\$ 5,446,945
Public Infrastructure	13,013
	<u>\$ 5,459,958</u>

Nonspendable:

Special Revenue funds:

Grant fund	\$ 225
PTV fund	127,430
Municipal court fund	11,615
	<u>\$ 139,270</u>

Blended Component Unit:

PID	\$ 2,770
	<u>\$ 2,770</u>

Open encumbrances are recorded as assignments of fund balance as of September 30 of each year, and the subsequent year's budget is increased to reflect these encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. This can also be done through adoption or amendment of the budget. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

The City Council has authorized the City Manager as the official authorized to assign fund balance. Such assignments cannot exceed the available (spendable, unrestricted, and uncommitted) fund balance in any particular fund.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before the next category with available funds.

It is the desire of the City to maintain adequate general fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a general fund minimum unassigned fund balance of 30 days working capital.

IV. DETAILED NOTES ON ALL FUNDS

1. DEPOSITS AND INVESTMENTS:

Deposits

Pursuant to provisions of both the Texas Public Funds Investment Act (PFIA) and the Public Funds Investment Policy of the City, all deposits of the City that exceed the federal depository insurance coverage level are collateralized with an irrevocable letter of credit at 100% or by securities held by a third party custodian and pledged to the City in an amount not less than 102% (on a market value basis) of the City's deposit of public funds and any accrued interest.

At September 30, 2017, the carrying amount of the City's demand deposits was \$44,544,583, which includes component unit deposits of \$1,255,127. The bank balance was \$52,498,849. At September 30, 2017, the City's cash on hand totaled \$1,194,085. At September 30, 2017, the carrying value and the bank balance of the City's non-negotiable certificates of deposit (CD's) was \$36,825,437. At September 30, 2017 the carrying value of cash held in trust by a bank trust department for the City's Postemployment Benefit Trust Fund was \$347,027. At September 30, 2017 the carrying value of cash held in trust by a bank trust department for the City's Retirement Security Plan was \$2,224,802.

Investments – Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs or quoted prices in markets that are not active; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2017:

- U.S. Agencies of \$112.4 million are valued using matrix pricing (Level 2 inputs)
- Municipal Bonds of \$234.8 million are valued using quoted market prices in markets that are not active (Level 2 inputs)

The Retirement Security Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2017:

- U.S. Government Obligations of \$24.5 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of \$17.0 million are valued using matrix pricing (Level 2 inputs)
- Equities of \$98.4 million are valued using quoted market prices (Level 1 inputs)

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

The Postemployment Benefit Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of September 30, 2017:

- U.S. Agencies of \$2.0 million are valued using matrix pricing (Level 2 inputs)
- Corporate Bonds of \$4.1 million are valued using matrix pricing (Level 2 inputs)
- Asset-backed securities of \$3.8 million are valued using quoted market prices (Level 1 inputs)
- Equities of \$70.3 million are valued using quoted market prices (Level 1 inputs)

At September 30, 2017, the City's investment balances were as follows:

Investments by Fair Value Level	Fair Value Measurements Using				Weighted Avg Maturity (Years)*
	Quoted Prices in Active Markets for Identical Assets Primary Government (Level 1)	Significant Other Observable Inputs Primary Government (Level 2)	Significant Other Observable Inputs Component Unit (Level 2)		
	9/30/2017				
U.S. Agencies	\$ 122,326,705	\$ -	\$ 112,451,533	\$ 9,875,172	0.5405
Municipal Bonds	234,789,363	-	234,789,363	-	0.9988
Total investments and cash equivalents by fair value level	\$ 357,116,068	\$ -	\$ 347,240,896	\$ 9,875,172	1.5393
Investment Trust Funds					
Retirement Security Plan:					
U.S. Government obligations	\$ 24,549,309	\$ -	\$ 24,549,309	\$ -	4.2700
Corporate bonds	16,961,074	-	16,961,074	-	3.6200
Equities:					
Common stocks	83,450,383	83,450,383	-	-	NA
Foreign equities	13,417,810	13,417,810	-	-	NA
Master limited partnerships	1,505,132	1,505,132	-	-	NA
Postemployment Benefit:					
Government agency obligations	2,006,320	-	2,006,320	-	5.7380
Corporate bonds	4,058,308	-	4,058,308	-	2.9950
Asset-backed securities	3,838,804	3,838,804	-	-	8.8500
Equities:					
Common stocks	9,570,396	9,570,396	-	-	NA
Mutual funds	60,701,734	60,701,734	-	-	NA
Total Investment Trust Funds	\$ 220,059,270	\$ 172,484,259	\$ 47,575,011	\$ -	
TOTAL INVESTMENTS	\$ 577,175,338	\$ 172,484,259	\$ 394,815,907	\$ 9,875,172	

*Fair-value basis

Equity securities are valued using prices in active markets and matrix pricing is used to value based on benchmarks

GASB Statement No. 79, establishes criteria for an external investment pool to qualify for making an election to measure all of its investments at amortized cost. The City does not have any limitations or restrictions on withdrawals.

Investments in both the Retirement Security Plan and the Postemployment Benefit Trust Fund are held by a bank trust department, apart from the overall City's cash and investments. The City has contracted with a bank trust department to manage the investment portfolio of the Retirement Security Plan and Postemployment Benefit Trust Fund. The investments are subject to the policies and guidelines established by the Retirement Security Plan and Postemployment Benefit Trust Fund committee members.

The City is authorized to invest in: (1) obligations of, or guaranteed by, governmental entities; (2) certificates of deposit, issued by a depository institution that has its main office or branch in Texas; (3) fully collateralized repurchase agreements having a defined termination date; (4) commercial paper having a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (5) no-load money market mutual funds registered and regulated by the SEC having a dollar-weighted average stated maturity of 90 days or fewer; no-load mutual funds registered with the SEC, having an average weighted maturity of less than two years and

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

continuously rated of not less than AAA or its equivalent; and (6) eligible investment pools that invest in instruments and follow practices allowed by current law as defined by PFIA, provided that each investment meets guidelines set forth by the City's investment policy.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the City's investment policy establishes the portfolio's maximum average dollar-weighted maturity of no more than two and a half years. By policy, the City will not directly invest in securities maturing more than five years from the date of purchase.

Credit Risk. The City's investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments. The City's investments in U.S. Agency securities, including, Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and First Federal Community Bank (FFCB), are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. Although Federal Agricultural Mortgage Corporation (FAMC) does not have a rating from S&P or Moody's, as a Government Sponsored Enterprise, it is backed by the full faith and credit of the United States Government. The investment in the Texas Local Government Pools (TexPool and Texas Daily) carried a credit rating of AAAm by Standard & Poor's as of September 30, 2017.

Custodial Credit Risk. Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Concentration of Credit Risk. With the exception of U.S. Treasury securities, the City's investment policy limits the amount that may be invested in any one issuer to 50% of the total investment portfolio. As of September 30, 2017, five percent (5%) or more of the City's total investments are in: Municipal Bonds (48.92%), Federal Home Loan Mortgage Corporation securities (5.81%), Certificates of Deposits/Fixed Term Products (12.39%), Investment Pools (5.01%), Federal National Mortgage Association (8.42%) and Bank Accounts (10.52%), on a fair value basis.

2. PROPERTY TAXES:

The City's ad valorem or property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. The property taxes attach as an enforceable lien on property as of January 1. Appraised values are established by the Central Appraisal Districts of Collin and Denton Counties at 100% of estimated market value and certified by the Appraisal Review Boards. The assessed value for the tax roll of January 1, 2016 upon which the original 2017 levy was based, was \$33,799,501,674. Subsequent adjustments increased this value to \$33,843,171,960.

Taxes are due October 1 and become delinquent after the following January 31. Penalty and interest is charged at 7% on delinquent taxes beginning February 1, and increases each month to 18% on July 1.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the tax levy is billed. Current year revenues recognized are those ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, generally thirty days after year-end. Current tax collections for the year ended September 30, 2017, were 99.8% of the tax levy.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The tax rate to finance general governmental services, including debt service, for the year ended September 30, 2017, was \$0.4786 (\$0.3556 for general government and \$0.1230 for debt service) per \$100 of assessed valuation. Thus, the City has a tax margin of approximately \$2.0214 per \$100 and could have levied up to approximately \$684,105,878 in additional taxes from the present assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City, at its own expense, requires annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this system, the City sets tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. RECEIVABLES:

Receivables at September 30, 2017 for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	Debt Service	Capital Reserve	Street Improvements	Municipal Facilities	Park Improvements	Economic Development Incentive	Water and Sewer	Environmental Waste Services	Municipal Drainage	Nonmajor and Other Funds	Total
Property Taxes	\$ 1,812,162	736,773	-	-	-	-	-	-	-	-	-	\$ 2,548,935
Sales Taxes	13,895,178	-	-	-	-	-	-	-	-	-	-	13,895,178
Mixed Drink Taxes	540,395	-	-	-	-	-	-	-	-	-	-	540,395
Accounts	1,800,374	-	-	-	-	-	-	20,263,434	1,235,329	821,109	2,019,174	26,139,420
Accrued Interest	196,695	16,081	170,690	188,673	91,175	123,421	188,794	198,822	22,865	54,391	459,568	1,711,175
Assessments	-	-	-	1,366,121	-	-	-	-	-	-	-	1,366,121
Other	-	-	-	-	-	-	-	5,247	1,257,010	-	205,861	1,468,118
Gross Receivables	18,244,804	752,854	170,690	1,554,794	91,175	123,421	188,794	20,467,503	2,515,204	875,500	2,684,603	47,669,342
Less: Allowance for Uncollectibles	(1,106,903)	(506,604)	-	-	-	-	-	(248,793)	(42,125)	(11,614)	-	(1,916,039)
Net total												
Receivables	\$ 17,137,901	246,250	170,690	1,554,794	91,175	123,421	188,794	20,218,710	2,473,079	863,886	2,684,603	\$ 45,753,303

The enterprise fund accounts receivable includes unbilled charges for services of \$7,699,704 rendered at September 30, 2017.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

4. CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2017 was as follows:

Primary Government

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 139,756,355	\$ 12,342,698	\$ -	\$ 152,099,053
Construction in progress	40,748,343	86,256,550	(65,183,398)	61,821,495
Public art	1,698,740	62,779	-	1,761,519
Total capital assets, not being depreciated	182,203,438	98,662,027	(65,183,398)	215,682,067
Capital assets, being depreciated:				
Buildings	226,946,987	7,556,631	-	234,503,618
Improvements other than buildings	205,066,140	12,352,228	-	217,418,368
Equipment	225,597,802	15,268,348	(7,585,581)	233,280,569
Infrastructure	1,160,888,000	44,271,308	-	1,205,159,308
Total capital assets being depreciated	1,818,498,929	79,448,515	(7,585,581)	1,890,361,863
Less accumulated depreciation for:				
Buildings	(125,049,120)	(8,703,428)	-	(133,752,548)
Improvements other than buildings	(95,620,987)	(6,613,517)	-	(102,234,504)
Equipment	(174,682,982)	(16,827,167)	6,613,683	(184,896,466)
Infrastructure	(574,655,416)	(26,033,964)	-	(600,689,380)
Total accumulated depreciation	(970,008,505)	(58,178,076)	6,613,683	(1,021,572,898)
Total capital assets, being depreciated, net	848,490,424	21,270,439	(971,898)	868,788,965
Governmental activities capital assets, net	\$1,030,693,862	\$ 119,932,466	\$ (66,155,296)	\$ 1,084,471,032

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 11,078,550
Administrative services	26,114
Police	750,467
Fire	366,733
Libraries	1,185,180
Development	201,044
Public services and operations	89,505
Parks and recreation	8,682,684
Public works	26,397,637
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	9,400,162
Total depreciation expense - governmental activities	\$ 58,178,076

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,509,950	\$ 254,587	\$ -	\$ 6,764,537
Construction in progress	18,027,809	34,133,496	(31,393,165)	20,768,140
Total capital assets, not being depreciated	<u>24,537,759</u>	<u>34,388,083</u>	<u>(31,393,165)</u>	<u>27,532,677</u>
Capital assets, being depreciated:				
Buildings	16,925,632	187,322	-	17,112,954
Improvements other than buildings	602,473,252	34,024,782	-	636,498,034
Drainage improvements	37,775,933	4,518,798	-	42,294,731
Furniture and fixtures	423,149	-	(16,846)	406,303
Equipment	2,002,643	123,022	(28,952)	2,096,713
Total capital assets, being depreciated	<u>659,600,609</u>	<u>38,853,924</u>	<u>(45,798)</u>	<u>698,408,735</u>
Less accumulated depreciation for:				
Buildings	(15,189,430)	(282,630)	-	(15,472,060)
Improvements other than buildings	(266,302,325)	(15,235,783)	-	(281,538,108)
Drainage improvements	(8,425,523)	(804,381)	-	(9,229,904)
Furniture and fixtures	(245,811)	(1,959)	10,576	(237,194)
Equipment	(1,440,433)	(60,385)	21,323	(1,479,495)
Total accumulated depreciation	<u>(291,603,522)</u>	<u>(16,385,138)</u>	<u>31,899</u>	<u>(307,956,761)</u>
Total capital assets, being depreciated, net	<u>367,997,087</u>	<u>22,468,786</u>	<u>(13,899)</u>	<u>390,451,974</u>
Business-type activities capital assets, net	<u>\$ 392,534,846</u>	<u>\$ 56,856,869</u>	<u>\$ (31,407,064)</u>	<u>\$ 417,984,651</u>

Business-type activities:	
Water and sewer	\$ 15,142,631
Environmental waste services	29,930
Convention and tourism	131,596
Municipal drainage	820,838
Municipal golf course	185,381
Recreation Revolving	74,762
Total depreciation expense - business-type activities	<u>\$ 16,385,138</u>

Component Unit

	Balance at Beginning of Year	Additions and Transfers	Retirements and Transfers	Balance at End of Year
TIF East side activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,579,168	\$ -	\$ -	\$ 1,579,168
Total capital assets, not being depreciated	<u>1,579,168</u>	<u>-</u>	<u>-</u>	<u>1,579,168</u>
TIF East side activities capital assets	<u>\$ 1,579,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,579,168</u>

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Future expenditures for capital projects will be funded from federal and state grants as well as unexpended bond proceeds and additional general obligation or revenue bonds and operating revenues. In May 2009, \$128,622,500 of various purpose general obligation bonds were authorized and \$127,612,500 of the 2009 bonds have been issued. In May 2013, \$98,313,000 of various purpose general obligation bonds were authorized and \$62,052,500 have been issued. In May 2017, \$220,620,000 of various purpose general obligation bonds were authorized, none of which have been issued.

5. EMPLOYEE BENEFIT PLANS:

During fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*. The benefit plans impacted by GASB Statement No. 68 pertain to TMRS and RSP.

A summary of the net pension liability, deferred outflows and inflows and pension expense are below and discussed in further detail in the following footnote.

	TMRS	RSP	Total
Net pension liability	\$ 131,250,319	\$ 5,952,774	\$ 137,203,093
Deferred outflow	56,023,605	15,630,057	71,653,662
Deferred inflow	4,363,062	798,525	5,161,587
Pension expense (current year)	37,163,462	8,026,075	45,189,537

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TMRS and RSP and additions to/deductions from TMRS and RSP's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Texas Municipal Retirement System Plan

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by TMRS. TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) where further information can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150% or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount, which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit rate	7%
Matching Ratio (City to Employee)	2 – 1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are: 5 years of service and age 60 or 20 years of service and any age.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,114
Inactive employees entitled to but not yet receiving benefits	911
Active employees	<u>2,270</u>
	4,295

Contributions and Funding Policy

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.11% in 2017. The City's contributions to TMRS for fiscal year 2017, were \$28,074,675, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic equity	17.50 %	4.55 %
International equity	17.50	6.35
Core fixed income	10.00	1.00
Non-core fixed income	20.00	4.15
Real return	10.00	4.15
Real estate	10.00	4.75
Absolute return	10.00	4.00
Private equity	5.00	7.75
Total	100.00 %	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the Net Pension Liability

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance at December 31, 2015	\$ 897,635,803	\$ 766,550,193	\$ 131,085,610
Changes for the year:			
Service cost	27,113,143	-	27,113,143
Interest (on the total pension liability)	60,407,716	-	60,407,716
Difference between expected and actual experience	950,930	-	950,930
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(32,526,510)	(32,526,510)	-
Contributions - employer	-	26,761,281	(26,761,281)
Contributions - employee	-	10,345,977	(10,345,977)
Net investment income	-	51,816,415	(51,816,415)
Administrative expense	-	(585,071)	585,071
Other	-	(31,522)	31,522
Net changes	55,945,279	55,780,570	164,709
Balance at December 31, 2016	\$ 953,581,082	\$ 822,330,763	\$ 131,250,319

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%) than the current rate:

<u>1% Decrease 5.75%</u>	<u>Current Single Rate Assumption 6.75%</u>	<u>1% Increase 7.75%</u>
\$ 267,277,173	\$ 131,250,319	\$ 19,505,134

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report which may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of \$37,163,462.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 777,719	\$ (3,929,321)
Difference in assumption changes	-	(433,741)
Difference in projected and actual investment earnings on pension plan investments	34,807,286	-
Employer contributions subsequent to the measurement date	20,438,600	-
	<u>\$ 56,023,605</u>	<u>\$ (4,363,062)</u>

Deferred outflows of resources of \$20,438,600 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ 11,114,125
2018	11,114,126
2019	9,312,148
2020	(403,331)
2021	84,875
Total	<u>\$ 31,221,943</u>

B. Retirement Security Plan

Plan Description

On January 1, 1983, the City withdrew from the Federal Social Security system and created the RSP, a single-employer, defined-benefit pension trust fund, to provide retirement benefits for all full-time employees of the City. The Plan is created by City ordinance and administered by a committee of five, which meets four times a year. Professional investment management is used and a custodial bank retains the assets and provides for administration of benefit payments.

The Plan issues a separate publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

As of the December 31, 2015 biennial actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	704
Inactive employees entitled to but not yet receiving benefits	68
Active employees	<u>2,076</u>
	2,848

Retirement benefits become vested after five years of service. Members who terminate employment prior to completing five years of service are not eligible for any benefit and all contributions made on their behalf remain with the plan. Members are eligible to receive full retirement income benefits when they reach age 65 or reduced benefits when they reach a younger age and meet certain length-of-service requirements. Early retirement benefits are paid upon completion of 20 years of vesting service (TMRS credited service) or upon attaining age 60 with five years of vesting service. At least five years must be with the City. The RSP provides retirement income benefits, with annual cost-of-living adjustments, based on a member's years of service, average compensation (highest three years of last ten), and choice of single or joint-life monthly payments or a lump-sum payment as detailed following.

For normal retirement, the monthly benefit payment is calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10).

Early retirement benefits paid upon completion of 20 years of vesting (TMRS credited service) or upon attaining age 60 with 5 years of vesting service with the City are calculated as follows:

.007 X City of Plano credited service since January 1, 1983 (not to exceed 25 years) X average compensation (highest 3 years of last 10) X a reduction factor based on the number of years which the benefit start date precedes the normal retirement date. The benefit amount is reduced by one-fifteenth (1/15) for each of the first five years and one-thirtieth (1/30) for each of the next five years (and on an Actuarial Equivalent basis thereafter) by which the starting date of payments precedes the employee's normal retirement date.

Benefits are paid as a monthly life annuity to the participant, with a guarantee that should the participant die prior to receiving 60 monthly payments, the payments will continue to a beneficiary for the balance of the 60-month period. There is no reduction factor if the participant waits until age 65 to begin drawing a monthly benefit.

A lump-sum payment option is available to eligible employees. Lump-sum payments follow these guidelines:

When lump-sum value is less than \$5,000, the benefit must be in form of a single lump-sum payment.

When lump-sum value is \$5,000 - \$25,000, participant has choice of single lump-sum payment or monthly annuity payments.

When lump-sum value exceeds \$25,000, the participant must receive monthly annuity payments.

Joint and survivor options are available. Additionally, benefits are available for members who become totally and permanently disabled. Each April 1, retirement benefits that have been paid for at least 12 months are adjusted to reflect changes in the U.S. Consumer Price Index (not to exceed 4%), as determined by the Plan's actuary. This cost of living adjustment is applied to only the participant's benefits; spouses or beneficiaries are excluded.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Contributions and Funding Policy

Contributions by the City are established as part of the City budget process and the actuarially determined percentage of each payroll. No employee contributions are required by the plan. The City contributed \$4,880,321 for the year ended September 30, 2017.

The contribution amount is an 18-year level percentage of pay funding with a 3.25% payroll growth assumption. This funding approach produces a contribution pattern that is intended to increase in amount from year to year but remain relatively constant as a percent of payroll. Administrative costs, including investment, custodial trustee, and actuarial services are charged to the plan.

Net Pension Liability

The City's NPL was measured as of December 31, 2016 and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of December 31, 2015. The TPL as of December 31, 2016 was determined by rolling forward the liability from the actuarial valuation date using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	18 years as of the valuation date
Asset valuation method:	5-year smoothed market; 20% corridor
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.

Notes	Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.
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CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Rate of Return

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	Target Asset Allocation	Development of Long-Term Arithmetic Return for Investment Portfolio
U.S. Government Obligations	2.8%	18%	0.50%
Government Agency Obligations	2.8%	2%	0.06%
Corporate Bonds	1.6%	12%	0.19%
U.S. Large Cap Stocks	5.9%	44%	2.60%
U.S. Mid Cap Stocks	7.2%	10%	0.72%
U.S. Small Cap Stocks	7.2%	3%	0.22%
Foreign Equities	6.8%	8%	0.54%
Alternatives (REITS)	6.3%	3%	0.19%
Total Expected Arithmetic Real Return:			5.02%
Inflation Assumption for Actuarial Valuation:			2.75%
Total Expected Arithmetic Nominal Return:			7.77%

Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability for the plan years ended December 31, 2015 and 2016. This single discount rate was based on the expected rate of return on pension plan investment of 7.50%. Based on the stated assumptions and the projection of cash flows as of each plan year ending December 31, the pension plan's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine the single discount rate for the Plan assumed that the funding policy adopted by the RSP's Retirement Committee will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the closed period ending September 30, 2035, as a level percentage of payroll. Under this policy, there are 18 years remaining in the amortization period.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balance at December 31, 2015	\$ 122,992,163	\$ 120,921,693	\$ 2,070,470
Changes for the year:			
Service cost	4,716,387	-	4,716,387
Interest (on the total pension liability)	9,240,119	-	9,240,119
Difference between expected and actual experience	-	-	-
Assumption changes	-	-	-
Benefit payments	(4,297,533)	(4,297,533)	-
Contributions - employer	-	4,133,463	(4,133,463)
Net investment income	-	6,276,782	(6,276,782)
Administrative expense	-	(336,043)	336,043
Other	-	-	-
Net changes	9,658,973	5,776,669	3,882,304
Balance at December 31, 2016	\$ 132,651,136	\$ 126,698,362	\$ 5,952,774

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
\$ 24,473,966	\$ 5,952,774	\$ (9,435,799)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2017, the City recognized pension expense of \$8,026,075.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (798,525)
Assumption Changes	5,346,050	-
Difference between projected and actual earnings on pension plan investments	6,558,690	-
Employer contributions subsequent to the measurement date	3,725,317	-
	<u>\$ 15,630,057</u>	<u>\$ (798,525)</u>

Deferred outflows of resources of \$3,725,317 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending 2018. Deferred outflows of resources of \$2,914,482, of which \$874,237 related to assumption changes and \$2,040,245 is the difference between projected and actual earnings on investments, will be recognized in the current fiscal year. Additionally, deferred inflows of \$130,583 related to differences between expected and actual experience will be recognized in the current fiscal year. The remaining years reported as deferred outflows of resources will be recognized in pension expense as follows:

2018	\$ 2,783,899
2019	2,783,899
2020	2,667,139
2021	1,298,369
2022	743,654
Thereafter	829,255
Total	<u>\$ 11,106,215</u>

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan, which is a defined-contribution benefit plan, created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. Accordingly, the assets of the plan are not reported in the City's basic financial statements.

D. Postemployment Benefits

The City offers its retired employees under age 65 health insurance coverage under the same plan as the active employees and Medicare supplementary insurance for retirees 65 and older. The number of retired participants receiving health insurance coverage for 2017 was 464 of which 238 were on the same plan as the active employees and 226 on Medicare supplementary insurance. Premiums are paid by the retired employees and claims are processed by the City's agent and paid through the Health Claims Fund. Expenditures for postretirement healthcare benefits are recognized as retirees report claims. Claims paid for retired employees for 2017 were \$3,491,625.

Postemployment Benefits Trust Fund - Section 115 Trust

Plan Description

On March 1, 2008, the City established a Section 115 Trust (the Trust) to comply with the requirements of GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions* (OPEB), for the purpose of funding and providing certain benefits to its eligible retirees and dependents. The single-employer, joint contributor hybrid defined-benefit plan is created by City ordinance and administered by the Risk Pool Trustees who meet four times a year. The Risk Pool Trustees consist of three or more City employees who are appointed by the City pursuant to the Plano Welfare Benefit Plan. Professional investment management is used and a custodial bank retains the assets of the Trust. The Trust issued a separate publicly available financial report that includes financial statements and required supplementary information at the Trust's fiscal year-end which is December 31. Those financial reports may be obtained by request to the City's Human Resources Department, 1520 Avenue K, Suite 130, Plano, Texas 75074.

Receipt of Contributions

The City delivers to the Section 115 Trustee the amounts of money that are contributed to the Trust Fund by the City and by participants. Contributions by the City are established as part of the City budget process and are based on amounts determined in the actuarial study prepared biennially. For fiscal year ending September 30, 2017, the City contributed \$5,530,675 to the Trust, which represents approximately 100% of the annual required contribution of the employer (ARC). In addition, retirees contributed \$1,283,286 to the Trust.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the City's ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount annually contributed to the Trust, and the changes in the City's net OPEB asset to the Trust.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

	2017	2016	2015
Annual required contribution (ARC)	\$ 5,530,675	\$ 5,530,675	\$ 5,050,024
Interest on net OPEB asset	(1,485,689)	(1,485,689)	(1,463,996)
Adjustment to the ARC	1,540,923	1,540,923	1,465,224
Annual OPEB cost	5,585,909	5,585,909	5,051,252
Contributions made	(5,530,675)	(5,530,675)	(5,192,408)
(Increase) Decrease in net OPEB asset	55,234	55,234	(141,156)
Net OPEB asset, beginning of year	(21,168,895)	(21,224,129)	(21,082,973)
Net OPEB asset, end of year	<u>\$ (21,113,661)</u>	<u>\$ (21,168,895)</u>	<u>\$ (21,224,129)</u>

The net OPEB asset has been recorded in prepaid and other assets in the government-wide financial statements.

The following table shows the assumed annual OPEB cost and net OPEB asset for the prior three years (7% discount and level percent of pay amortization):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Asset
9/30/15	7.0%	5,051,252	102.8%	(21,224,129)
9/30/16	7.0%	5,585,909	99.0%	(21,168,895)
9/30/17	7.0%	5,585,909	99.0%	(21,113,661)

Funding Status and Funding Progress

The funding status as of the most recent actuarial valuation date is as follows:

Fiscal Year	Valuation Date	Value of Assets at Fiscal Year End	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
9/30/15	10/01/13	60,007,584	73,844,336	81.3%	(13,836,752)	128,505,673	(10.8%)
9/30/16	10/01/15	68,443,273	84,392,988	81.1%	(15,949,715)	141,555,822	(11.3%)
9/30/17	10/01/15	80,515,990	84,392,988	95.4%	(3,876,998)	148,694,595	(2.6%)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Trust and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Actuarial Methods and Assumptions

	2017	2016	2015
Actuarial valuation date	10/01/15	10/01/15	10/01/13
Actuarial cost method	Projected	Projected	Projected
	Unit Credit	Unit Credit	Unit Credit
Amortization method	Level%	Level%	Level%
Remaining amortization period	21.0 years-	22.2 years-	22.2 years-
	Closed	Closed	Closed
Asset valuation method	Market	Market	Market
Actuarial assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Payroll growth	3.0%	3.0%	3.0%
Inflation rate	2.5%	2.5%	2.5%
Medical inflation trend rate	5.9% initial	5.9% initial	5.7% initial

In the October 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the Trust assets and on the employer's own investments calculated based on the funded level of the Trust at the valuation date, and an annual healthcare trend rate of 5.9% initially, adjusted each year with an ultimate trend rate of 4.4% reached in 68 years. Both rates include a 2.5% inflation assumption. The initial UAAL was amortized over the maximum permissible period of 30 years as a level percentage of projected payroll on a closed basis, where salaries are assumed to increase at 3% per annum. The effective remaining amortization period at October 1, 2015 was 22.2 years. The value of assets is equal to the market value of assets as of the valuation date.

6. LONG-TERM DEBT:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2017, is as follows (in thousands of dollars):

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Governmental Activities:					
General obligation bonds and certificates of obligation	\$ 297,970	\$ 69,095	\$ (55,970)	\$ 311,095	\$ 25,935
Tax anticipation notes	4,620	13,450	(1,230)	16,840	2,830
Deferred amounts:					
Premium	29,776	11,026	(5,203)	35,599	5,222
Total bonds and notes payable	332,366	93,571	(62,403)	363,534	33,987
Compensated absences	38,331	16,512	(16,061)	38,782	5,048
Liability for insurance claims	5,898	34,395	(33,430)	6,863	6,863
Net pension liability	118,699	3,620	-	122,319	-
Governmental activities					
Long-term debt	\$ 495,294	\$ 148,098	\$ (111,894)	\$ 531,498	\$ 45,898

The compensated absences liability attributable to the governmental activities will be liquidated by several of the City's governmental and internal service funds. Approximately 96.7% has been paid by the General Fund, 0.7% by Special Revenue Funds and 2.6% by Internal Service Funds.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

The liability for insurance claims will be liquidated through a variety of funds. The General Fund bears approximately 83.7% of the claims and judgments liability. The Enterprise Funds bear approximately 11.5% of the claims and judgment liability, while the Internal Service and Special Revenue Funds bear approximately 4.6% and 0.2%, respectively.

	Balance, Beginning of Year	Increase	Decrease	Balance, End of Year	Due Within One Year
Business-Type Activities:					
Water and Sewer revenue bonds	\$ 24,775	\$ -	\$ (930)	\$ 23,845	\$ 855
Municipal Drainage revenue bonds	13,760	8,035	(3,840)	17,955	1,840
Deferred amounts:					
Premium	3,956	512	(51)	4,417	84
Total bonds payable	42,491	8,547	(4,821)	46,217	2,779
Compensated absences	3,967	1,999	(1,902)	4,064	461
Net pension liability	14,457	427	-	14,884	-
Business-type activities					
Long-term debt	\$ 60,915	\$ 10,973	\$ (6,723)	\$ 65,165	\$ 3,240

Long-term debt at September 30, 2017 includes the following individual issues (not including the unamortized premium of \$35,599,046 and the unamortized deferred charge on refunding of \$9,873,996 of the General Obligation Bonds, and the unamortized premium of \$985,154 and unamortized deferred charges of \$361,547 of the Municipal Drainage Revenue Bonds and the unamortized premium of \$3,431,451 of the Water and Sewer Revenue Bonds).

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
General Obligation Bonds:						
2008 Various purpose	3.50 – 5.00	1/15/2008	9/1/2028	\$ 41,295,000	\$ 41,295,000	\$ -
2009 Refunding and Improvements	2.25 – 4.75	1/15/2009	9/1/2029	35,330,000	28,210,000	7,120,000
2010 Refunding and Improvements	2.00 – 4.00	1/15/2010	9/1/2030	28,520,000	20,935,000	7,585,000
2011 Various purpose	2.50 - 4.75	1/15/2011	9/1/2031	21,400,000	18,600,000	2,800,000
2011 Refunding and Improvements	2.00 – 5.00	10/15/2011	9/1/2032	46,400,000	20,250,000	26,150,000
2013 Refunding and Improvements	2.00 – 5.00	2/15/2013	9/1/2033	61,925,000	5,065,000	56,860,000
2014 Refunding and Improvements	2.00 - 4.00	4/15/2014	9/1/2034	29,325,000	11,055,000	18,270,000
2015 Refunding and Improvements	2.00 - 5.00	5/1/2015	9/1/2035	75,685,000	20,545,000	55,140,000
2016 Refunding and Improvements	1.00 - 5.00	4/15/2016	9/1/2036	67,195,000	1,790,000	65,405,000
2017 Improvements	2.00 - 5.00	2/1/2017	9/1/2036	41,290,000	295,000	40,995,000
2017 Refunding	4.00 - 5.00	8/1/2017	9/1/2031	27,805,000	-	27,805,000
				\$ 476,170,000	\$ 168,040,000	\$ 308,130,000
Tax Anticipation Notes:						
2009 Tax anticipation notes	2.25 – 3.00	1/15/2009	9/1/2016	\$ 6,355,000	\$ 6,355,000	\$ -
2015 Tax anticipation notes	2.00 - 3.00	5/1/2015	9/1/2021	5,745,000	2,010,000	3,735,000
2017 Tax anticipation notes	4.50 - 5.00	2/1/2017	9/1/2023	13,450,000	345,000	13,105,000
				\$ 25,550,000	\$ 8,710,000	\$ 16,840,000
Certificates of Obligation:						
2010 Various purpose	2.00 – 4.00	1/15/2010	9/1/2022	\$ 9,660,000	\$ 6,695,000	\$ 2,965,000
				\$ 9,660,000	\$ 6,695,000	\$ 2,965,000
Water & Sewer Revenue Bonds:						
2016 Improvements	1.00 - 5.00	4/15/2016	5/1/2036	\$ 24,775,000	\$ 930,000	\$ 23,845,000
				\$ 24,775,000	\$ 930,000	\$ 23,845,000
Municipal Drainage Revenue Bonds:						
2007 Improvements	4.00 – 5.50	5/1/2007	5/15/2027	\$ 2,000,000	\$ 2,000,000	\$ -
2008 Improvements	4.00 – 4.50	1/15/2008	5/15/2028	2,085,000	2,085,000	-
2009 Refunding and Improvements	3.00 – 3.50	1/15/2009	5/15/2029	4,790,000	3,880,000	910,000
2010 Refunding and Improvements	2.00 – 4.25	1/15/2010	5/15/2030	6,790,000	2,580,000	4,210,000
2015 Refunding	2.00 - 4.00	5/1/2015	5/15/2027	7,105,000	2,120,000	4,985,000
2017 Refunding and Improvements	2.00 - 5.00	2/1/2017	5/15/2036	8,035,000	185,000	7,850,000
				\$ 30,805,000	\$ 12,850,000	\$ 17,955,000

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

The annual requirements to amortize debt outstanding as of September 30, 2017, including interest payments of \$126,558 follow. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable and have not been included in the following summary (noted in thousands).

Year Ended September 30	General Obligation, Tax Anticipation Notes & Certificates of Obligation		Water & Sewer		Municipal Drainage	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 28,765	14,641	855	980	1,840	624
2019	28,450	13,519	880	955	1,680	578
2020	24,840	12,201	905	928	1,535	534
2021	25,030	11,011	945	892	1,580	483
2022	23,895	9,803	980	854	1,325	431
2023-2027	102,935	32,741	5,635	3,540	5,505	1,509
2028-2032	63,780	13,815	6,985	2,192	2,845	628
2033-2036	30,240	2,852	6,660	679	1,645	168
Total	\$ 327,935	110,583	23,845	11,020	17,955	4,955

The City intends to retire all of its general long-term liabilities, plus interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt will be repaid, plus interest, from the operating revenues of the Water and Sewer Fund and the Municipal Drainage Fund.

A. General Obligation Bonds and Certificates

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current interest and principal installments as they become due. The Debt Service Fund has \$4,440,933 available to service the general obligation debt after all debt due in the current fiscal year has been paid.

There are a number of limitations and restrictions contained in the various general obligation bonds and certificate indentures. Management of the City believes it is in compliance with the significant limitations and restrictions at September 30, 2017.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. Beginning in 1992, the City paid required five-year rebates. There are no future rebates estimated as of September 30, 2017. As provided for by the bond indentures, this amount has been recorded in the General Fund in "Due to other governments" for the benefit of the federal government and will be paid as required by applicable regulations.

In March 2017, the City issued \$41,290,000 in General Obligation improvements bonds, with interest rates ranging from 2.0% to 5.0%. In March 2017, the City also issued \$13,450,000 in Tax Notes, with interest rates ranging from 4.5% to 5.0%. Then in September 2017, the City issued \$27,805,000 in General Obligation refunding bonds, with interest rates ranging from 4.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2010 Tax and Certificates of Obligation and General Obligation Refunding Improvement Bonds, as well as Series 2011 General Obligation Bonds and General Obligation Refunding and Improvement Bonds. Series 2010 Certificates of Obligation totaled \$30,055,000 and carried interest rates ranging from 3.3% to 5.0% with maturity dates of 2020 through 2031. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$2,049,874.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

B. Water and Sewer Revenue Bonds

The Water and Sewer Revenue Bonds are secured by the net revenues of the Water and Sewer Fund as defined in the respective bond indentures.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2017, \$805,916 is restricted within the Water and Sewer Fund for debt service requirements.

A reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

Bond proceeds since 1988 are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2017. The City is in compliance with all requirements of the bond ordinances for the year ended September 30, 2017.

Restricted assets of the Water and Sewer Fund at September 30, 2017 are as follows:

Cash and cash equivalents	\$ 5,016,103
Investments	30,822,468
Accrued interest receivable	<u>130,398</u>
	<u>\$ 35,968,969</u>

C. Municipal Drainage Revenue Bonds

These bonds are secured by a first lien on and pledge of the revenues of the Municipal Drainage Fund in accordance with the provisions of the bond indenture.

The bond indenture requires the City to make equal monthly installments to a debt service fund to pay principal and interest requirements as they become due. At September 30, 2017, \$2,552,383 is restricted within the Municipal Drainage Fund for debt service requirements.

In addition, the bond indenture requires a reserve equal to the average annual debt services requirement be maintained in order to pay any bond principal and interest should the debt service funds be insufficient. At September 30, 2017, the reserve required and restricted within the Municipal Drainage Fund is \$1,205,839.

In March 2017, the City issued \$8,035,000 in Municipal Drainage refunding and improvement bonds, with interest rates ranging from 2.0% to 5.0%. The portion of the debt that represents refunded bonds were Series 2008 and 2009 Municipal Drainage revenue bonds totaling \$1,880,000 and carried interest rates ranging from 4.0% to 5.0% with maturity dates in 2018 through 2029. As a result of the refunding, the City obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$134,152.

Municipal Drainage revenue bonds are covered by the arbitrage provisions of the Internal Revenue Tax Act of 1986. Accordingly, there were no excess arbitrage earnings estimated at September 30, 2017. The City is in compliance with all requirements of the bond ordinance for the year ended September 30, 2017.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Restricted assets of the Municipal Drainage Fund at September 30, 2017 are as follows:

Cash and cash equivalents	\$	1,591,425
Investments		9,778,837
Accrued interest receivable		41,371
		<u>11,411,633</u>
	\$	<u>11,411,633</u>

7. INTERFUND TRANSACTIONS:

A summary of interfund receivables and payables at September 30, 2017 is as follows:

Due To	Due From				Total
	General Fund	Capital Reserve	Nonmajor Governmental Funds	Internal Service	
General Fund	\$ -	\$ -	\$ 584,214	\$ 53,853	\$ 638,067
Nonmajor Governmental Funds	1,011,664	-	-	-	1,011,664
Internal Service	-	165,000	-	-	165,000
Nonmajor Enterprise Funds	11,753	-	-	-	11,753
Total	<u>\$ 1,023,417</u>	<u>\$ 165,000</u>	<u>\$ 584,214</u>	<u>\$ 53,853</u>	<u>\$ 1,826,484</u>

Due to and due from entries are primarily used to account for cash owed between funds that are expected to be repaid within one year or less.

The City performs a complex calculation to determine the value of the charges in lieu of taxes to be paid to the General Fund. This calculation is reasonably equivalent to the value of the services provided to the Water and Sewer and Environmental Waste Services funds and is, therefore, appropriately reported as an expense as opposed to a transfer. During fiscal year 2017, charges in lieu of taxes were \$10,272,023.

Transfers between funds during the year were as follows:

Transfers Out	Transfers In				Total
	General Fund	Capital Reserve	Internal Service	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 24,550,000	\$ 826,520	\$ 300,000	\$ 25,676,520
Internal Service	-	-	-	250,000	250,000
Water and Sewer	8,799,367	1,500,000	-	-	10,299,367
Municipal Drainage	520,362	500,000	-	-	1,020,362
Blended Component Units	7,603	-	2,922	-	10,525
Nonmajor Enterprise Funds	733,571	1,520,000	-	-	2,253,571
Total	<u>\$ 10,060,903</u>	<u>\$ 28,070,000</u>	<u>\$ 829,442</u>	<u>\$ 550,000</u>	<u>\$ 39,510,345</u>

The City performs a cost allocation to determine the portion of indirect expenses that will be reimbursed by the respective business-type activities to the General Fund. The City funds the Capital Reserve fund by transferring amounts from the General Fund and Water and Sewer fund each year based on a portion of depreciation.

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Transfers are primarily used to move funds to finance various programs in accordance with budgetary authorizations.

8. TAX ABATEMENTS AND ECONOMIC DEVELOPMENT INCENTIVES

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales tax revenues. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

- Tax Abatements - The City of Plano offers tax abatement on improvements to real and business personal property as directed under Chapter 312 of the Texas Tax Code. The abatements allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants with underlying goals to further economic development in Plano. Real Property abatements are offered to applicants that pursue the construction of new or expanded facilities in which to house the applicable project. The abatement applies to the assessed value of the improvements made. Business Personal Property abatements are offered to applicants that pursue the purchase or long-term lease of existing facilities. The abatement applies to the assessed value of new personal property brought into the taxing jurisdiction. Property taxes abated under this program in fiscal year 2017 are \$1,859,130.

Additionally, the City completed an agreement with a corporation abating sales tax totaling \$257,928 for fiscal year 2017. The final payment of the agreement was made in January 2017.

- Economic Development – In 2006, a property tax increase of two-cents per \$100 valuation was approved by City Council that is dedicated to economic development. Chapter 380 of the Texas Local Government Code allows municipalities to establish and provide programs to promote state or local economic development and to stimulate business and commercial activity. The City's economic development program offers incentives to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements within the City. For fiscal year 2017, the City paid incentives of \$1,480,760.
- Tax Increment Financing – The City has a TIF zone under Chapter 311 of the State of Texas Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are described in section I.B. of the footnotes. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City paid \$356,819 in obligations in fiscal year 2017.

**CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017**

9. REGIONAL SYSTEMS FOR WATER SUPPLY, WASTEWATER TREATMENT AND SOLID WASTE DISPOSAL:

The City secures its water supply and sewer services from the North Texas Municipal Water District ("District"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 17-member board (the "Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee or rental due to the District. Because of the factors mentioned above, the District is not included in the City's basic financial statements. A portion of the outstanding bonds of the District is contract revenue bonds based on contracts with certain member cities of the District. The City provides for the payment of its contractual obligations with the District from revenues generated by its waterworks and sewer systems. Such contractual payments provide for the payment of the principal and interest requirements, and the premium payment, if any, on specified indebtedness and associated operation and maintenance expenses of the District.

Water Supply

On December 12, 1953, the City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return for this service, the City agreed to pay the District at a rate per 1,000 gallon basis, subject to minimum annual payments. The City's annual payment for the year ended September 30, 2017 was \$65,688,523. The City has also contracted for water transmission facility improvements and pays the District for debt service for bonds issued to fund the improvements. For fiscal year 2017, this payment was \$836,650. Future years' payments to debt service are as follows:

2018	\$ 222,525
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Wastewater Treatment

On October 1, 1975, the City entered into a contract for wastewater treatment services with the District. The District has been designated by the Texas Water Quality Board as the regional agency to provide and develop a Regional System for Wastewater Treatment in the general area of the East Fork of the Trinity River, which includes the City and other cities located in Collin, Dallas, Kaufman and Rockwall Counties, Texas. Relative thereto, the City and other cities have entered into wastewater system contracts with the District, which provide for the establishment, operation and maintenance of a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of wastewater for the cities. In order to provide said services, the contract provides that (a) the District will acquire, design, construct and complete the system, repair, replace and/or extend the system to provide service to the cities; (b) in consideration of payments to be made under the contract, each of the cities shall have the right to discharge all its wastewater from its sewage system into the District's system, subject to certain quality requirements set forth in the contract; (c) the District will issue its bonds, in amounts and at times determined by the District, to provide for the wastewater treatment facilities; (d) each city agrees to pay its proportionate share of the annual requirement sufficient to pay or provide for the payment of an "Operation and Maintenance Component" and a "Bond Service Component;" (e) each city's proportionate share of the annual requirement shall be a percentage obtained by dividing such city's estimated contributing flow to the system by the total estimated contributing flow to the system by all cities

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

during such fiscal year. No city will exercise oversight responsibility for the District and no city is liable for the District's debt. The City's payment for the year ended September 30, 2017 was \$30,197,147, net of payments to the City for facilities usage.

Solid Waste Disposal

On November 29, 1979, the City entered into a contract for services with the District, whereby the District agreed to provide a solid waste disposal system for the benefit of the City and other cities. Each city agreed to pay its share of an annual requirement for the operating expenses and debt service of the District to be calculated in the same manner as the wastewater contract. The City's annual payment for the year ended September 30, 2017 was \$8,805,414.

10. COMMITMENTS AND CONTINGENCIES:

The City has contractual commitments of \$55,797,557 in the Capital Projects Funds, \$12,041,897 in the Water and Sewer Fund, and \$5,119,217 in the Municipal Drainage Fund. These commitments are for construction of various projects and will be funded primarily from general obligation bond proceeds in the Capital Projects Funds, operating revenues in the Water and Sewer Fund and revenue bond proceeds in the Municipal Drainage Fund.

Various claims and lawsuits are pending in which the City is involved. Included among the various actions are those for which the discovery process is currently underway or which have yet to proceed to trial. It is the opinion of City management that the ultimate outcome of all other lawsuits will not have a material adverse effect on the City's financial position.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

11. SELF-INSURANCE:

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance program for general liability, public officials' errors and omission, police professional liability, property loss and workers' compensation. The Property/Liability Loss Fund (Internal Service) has been established to pay identified claims and judgments, maintain loss reserves and purchase insurance coverage as required.

Group medical benefits are paid from the Health Claims Fund (Internal Service), which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage.

The liabilities for insurance claims reported in each of the funds are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. Change in each fund's claims liability amount in fiscal years 2017 and 2016 was as follows:

CITY OF PLANO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2017

Fund	Liability, Beginning of year	Current year Claims and Changes in Estimates	Claim Payments	Liability, End of year
2017				
Property/Liability Loss	\$ 3,460,122	\$ 7,596,312	\$ (6,748,075)	\$ 4,308,359
Health Claims	2,437,658	26,798,358	(26,681,509)	2,554,507
Total	<u>\$ 5,897,780</u>	<u>\$ 34,394,670</u>	<u>\$ (33,429,584)</u>	<u>\$ 6,862,866</u>
2016				
Property/Liability Loss	\$ 3,840,044	\$ 2,837,630	\$ (3,217,552)	\$ 3,460,122
Health Claims	2,099,547	26,725,515	(26,387,404)	2,437,658
Total	<u>\$ 5,939,591</u>	<u>\$ 29,563,145</u>	<u>\$ (29,604,956)</u>	<u>\$ 5,897,780</u>



CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Adjustments- Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual			
REVENUES:						
Taxes:						
Property taxes	\$ 119,687,600	\$ 120,070,969	\$ 120,048,669	\$ (1,083,768)	\$ 118,964,901	\$ (1,106,068)
Sales taxes	75,418,120	76,478,415	81,530,064	-	81,530,064	5,051,649
Other taxes	2,000,452	2,128,738	2,194,161	-	2,194,161	65,423
Franchise fees	23,920,708	23,049,048	23,778,918	-	23,778,918	729,870
Fines and forfeitures	7,228,045	6,449,450	6,081,129	-	6,081,129	(368,321)
Licenses and permits	13,459,213	11,554,739	11,096,275	-	11,096,275	(458,464)
Intragovernmental	10,272,023	10,272,023	10,272,023	-	10,272,023	-
Intergovernmental	1,012,350	1,064,377	1,041,292	-	1,041,292	(23,085)
Fees for services	14,158,064	14,289,145	14,170,506	-	14,170,506	(118,639)
Investment income	700,000	850,000	659,020	-	659,020	(190,980)
Miscellaneous	1,706,525	1,830,479	1,858,760	-	1,858,760	28,281
Total revenues	269,563,100	268,037,383	272,730,817	(1,083,768)	271,647,049	3,609,666
EXPENDITURES:						
General government	31,383,782	28,011,646	27,946,543	(865,333)	27,081,210	930,436
Administrative services	11,302,181	11,677,453	11,009,172	477,063	11,486,235	191,218
Police	79,422,597	77,676,703	76,650,126	509,597	77,159,723	516,980
Fire	57,799,582	58,566,655	58,553,377	403,724	58,957,101	(390,446)
Libraries	10,454,746	11,058,698	10,799,003	134,281	10,933,284	125,414
Development	33,657,715	34,806,678	32,331,624	1,631,755	33,963,379	843,299
Public services and operations	6,827,322	6,985,995	6,586,559	227,847	6,814,406	171,589
Parks and recreation	26,351,643	27,014,549	24,471,388	1,143,423	25,614,811	1,399,738
Public works	7,076,884	7,118,319	6,488,697	149,866	6,638,563	479,756
Technology services	1,000,000	1,000,000	1,000,000	-	1,000,000	-
Capital outlay	5,332,983	8,884,935	3,833,561	3,459,759	7,293,320	1,591,615
Total expenditures	270,609,435	272,801,631	259,670,050	7,271,982	266,942,032	5,859,599
Excess (deficiency) of revenues over (under) expenditures	(1,046,335)	(4,764,248)	13,060,767	(8,355,750)	4,705,017	9,469,265
OTHER FINANCING SOURCES (USES):						
Transfers in	10,224,699	10,053,299	10,060,903	-	10,060,903	7,604
Transfers out	(25,300,000)	(25,300,000)	(25,676,520)	-	(25,676,520)	(376,520)
Total other financing uses	(15,075,301)	(15,246,701)	(15,615,617)	-	(15,615,617)	(368,916)
Net change in fund balance	(16,121,636)	(20,010,949)	(2,554,850)	(8,355,750)	(10,910,600)	9,100,349
FUND BALANCE, October 1	54,189,973	54,189,973	54,189,973	-	54,189,973	-
FUND BALANCE, September 30	\$ 38,068,337	\$ 34,179,024	\$ 51,635,123	\$ (8,355,750)	\$ 43,279,373	\$ 9,100,349

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
ADJUSTMENTS TO REVENUES, EXPENDITURES AND OTHER
FINANCING USES FROM GAAP BASIS TO BUDGETARY BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Net Change in Fund Balance
GAAP basis	\$ (2,554,850)
Revenues:	
Decrease due to rolled back taxes	(1,083,768)
Expenditures:	
Increase due to encumbrances	(7,271,982)
Budgetary basis	\$ (10,910,600)

See accompanying independent auditors' report.

CITY OF PLANO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF OPEB TRUST - POSTEMPLOYMENT BENEFITS 115 TRUST FUNDING PROGRESS AND CONTRIBUTIONS
LAST SIX FISCAL YEARS (Unaudited)

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Unit Credit	Unfunded Actuarial Accrued Liability UAAL	Funded Percent	Covered Payroll	UAAL Percent of Covered Payroll	Annual Required Contributions	Actual City Contributions	Actual Retiree Contributions	Percent Contributed By City
2012	10/1/11	42,695,443	59,410,089	(16,714,646)	71.87%	124,090,481	(13.5%)	4,579,847	4,243,468	812,013	92.66%
2013	10/1/11	50,768,285	59,410,089	(8,641,804)	85.45%	124,090,481	(7.0%)	4,579,847	4,911,473	938,320	107.24%
2014	10/1/13	58,010,950	73,844,336	(15,833,386)	78.56%	128,505,673	(12.3%)	5,050,024	5,219,998	1,001,647	103.37%
2015	10/1/13	60,007,584	73,844,336	(13,836,752)	81.26%	128,505,673	(10.8%)	5,050,024	5,192,408	1,042,959	102.82%
2016	10/1/15	68,443,273	84,392,988	(15,949,715)	81.10%	141,555,822	(11.3%)	5,530,675	5,530,675	1,102,654	100.00%
2017	10/1/15	80,515,990	84,392,988	(3,876,998)	95.41%	141,555,822	(2.7%)	5,530,675	5,530,675	1,283,286	100.00%

See accompanying independent auditors' report.

TMRS

Schedule of Changes in Net Pension Liability and Related Ratios (10 years)

Fiscal year ending December 31,	2014	2015	2016
Total pension liability			
Service cost	\$ 22,556,087	\$ 25,341,004	\$ 27,113,143
Interest (on the total pension liability)	55,667,118	59,290,515	60,407,716
Difference between expected and actual experience	(122,591)	(6,117,445)	950,930
Change of assumptions	-	(685,185)	-
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)
Net change in total pension liability	\$ 51,699,959	\$ 48,769,011	\$ 55,945,279
Total pension liability - beginning	797,166,833	848,866,792	897,635,803
Total pension liability - ending (a)	<u>\$ 848,866,792</u>	<u>\$ 897,635,803</u>	<u>\$ 953,581,082</u>
Plan fiduciary net position			
Contributions - employer	\$ 28,690,370	\$ 25,429,543	\$ 26,761,281
Contributions - employee	9,684,277	9,831,426	10,345,977
Net investment income	40,500,200	1,121,428	51,816,415
Benefit payments, including refunds of employee contributions	(26,400,655)	(29,059,878)	(32,526,510)
Administrative expense	(422,815)	(683,011)	(585,071)
Other	(34,762)	(33,734)	(31,522)
Net change in plan fiduciary net position	\$ 52,016,615	\$ 6,605,774	\$ 55,780,570
Plan fiduciary net position - beginning	707,927,804	759,944,419	766,550,193
Plan fiduciary net position - ending (b)	<u>\$ 759,944,419</u>	<u>\$ 766,550,193</u>	<u>\$ 822,330,763</u>
Net pension liability (a) - (b)	<u>\$ 88,922,373</u>	<u>\$ 131,085,610</u>	<u>\$ 131,250,319</u>
Plan fiduciary net position as a percentage of the total pension liability	89.52%	85.40%	86.24%
Covered - employee payroll	\$ 138,229,574	\$ 140,393,376	\$ 147,755,548
Net pension liability as a percentage of covered employee payroll	64.33%	93.37%	88.83%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016	2017
Actuarially determined contributions	\$ 25,309,703	\$ 26,364,866	\$ 28,074,675
Contributions in relation to the actuarially determined contribution	28,309,703	26,364,866	28,074,675
Contribution deficiency (excess)	(3,000,000)	-	-
Covered employee payroll	\$ 138,720,040	\$ 145,557,931	\$ 155,007,834
Contributions as a percentage of covered employee payroll	20.41%	18.11%	18.11%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combine Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

RSP

Schedule of Changes in Net Pension Asset/Liability and Related Ratios (10 years)

Fiscal year ending December 31,	2014	2015	2016
Total pension liability			
Service cost	\$ 3,674,544	\$ 3,803,153	\$ 4,716,387
Interest (on the total pension liability)	7,802,936	8,412,933	9,240,119
Difference between Expected and Actual Experience	-	(1,059,691)	-
Assumption Changes	-	7,094,524	-
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)
Net change in total pension liability	7,958,578	14,428,614	9,658,973
Total pension liability - beginning	100,604,971	108,563,549	122,992,163
Total pension liability - ending (a)	<u>\$ 108,563,549</u>	<u>\$ 122,992,163</u>	<u>\$ 132,651,136</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 4,037,995	\$ 3,959,196	\$ 4,133,463
Net investment income	8,012,049	2,076,698	6,276,782
Benefit payments	(3,518,902)	(3,822,305)	(4,297,533)
Administrative expense	(278,376)	(327,528)	(336,043)
Other	(22,051)	-	-
Net change in plan fiduciary net position	8,230,715	1,886,061	5,776,669
Plan fiduciary net position - beginning	110,804,917	119,035,632	120,921,693
Plan fiduciary net position - ending (b)	<u>\$ 119,035,632</u>	<u>\$ 120,921,693</u>	<u>\$ 126,698,362</u>
Net pension (asset)/liability (a) - (b)	<u>\$ (10,472,083)</u>	<u>\$ 2,070,470</u>	<u>\$ 5,952,774</u>
Plan fiduciary net position as a percentage of the total pension liability	109.65%	98.32%	95.51%
Covered - employee payroll	\$ 117,023,684	\$ 130,412,851	\$ 132,482,794
Net pension asset/liability as a percentage of covered employee payroll	(8.95)%	1.59%	4.49%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

See accompanying independent auditors' report.

Schedule of Contributions (10 years)

Fiscal year ending September 30,	2015	2016	2017
Actuarially determined contributions	\$ 3,908,790	\$ 4,081,765	\$ 4,880,321
Contributions in relation to the actuarially determined contribution	3,908,790	4,081,765	4,880,321
Contribution deficiency (excess)	-	-	-
Covered employee payroll	\$ 125,281,726	\$ 130,825,766	\$ 139,928,684
Contributions as a percentage of covered employee payroll	3.12%	3.12%	3.49%

Note: GASB 68 requires 10 fiscal years of data. As a result of the City implementing GASB 68 in fiscal year 2015, this schedule will be built to show the remaining reporting requirement.

Notes to Schedule of Contributions

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 of odd numbered years. The actuarially determined contribution rate determined by the valuation is effective for the biennium period beginning with the fiscal year following the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of payroll, 18 years
Remaining amortization period:	18 years - Closed
Asset valuation method:	5-year smoothed market
Inflation:	2.75%
Salary increases:	7.85% to 3.25% including inflation
Investment rate of return:	7.50%
Retirement age:	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality:	RP-2000 mortality for combined healthy annuitants with blue-collar adjustment. Males rates are multiplied by 1.09 and female rates are multiplied by 1.03. Generational mortality improvements applied using Scale BB.



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

CRIMINAL INVESTIGATION FUND – to account for any monies taken into police custody as a result of police investigation. These monies are to be spent only on law enforcement activities as provided by state statute.

GRANT FUND – to account for monies received from other governmental agencies.

PLANO TELEVISION (PTV) FUND – to account for monies received for local access programming, under conditions contained within the franchise agreement with AT&T Broadband.

PUBLIC SAFETY COMMUNICATIONS – to account for 9-1-1 reserve fund monies received from wireless communication fees to be used for related 9-1-1 services; and intergovernmental radio fund fees collected under an interlocal agreement for a joint communication system between the cities of Plano, Allen and Frisco, the fees are used to pay maintenance expenses of the system; and wireline fees and reporting for 9-1-1 expenditures.

MUNICIPAL COURT – to account for building security fund monies received from conviction of misdemeanor fees to be used to provide for the security and housing of municipal courts; teen court fees collected from teens requesting teen court, these monies are used to cover the costs of administering teen court; municipal court technology state fees collected with each citation that has resulted from a conviction; judicial efficiency state fees collected for payment on any part of a judgment on or after the 31st date on which a judgment is entered where one-half is remitted to the state, four-tenths is retained locally with no restriction, while one-tenth is used for the purpose of improving judicial efficiency; juvenile case managers supervise youth under 17 years of age who have been charged with a crime, fees received are used to fund a portion of the juvenile case manager position; traffic safety fees collected in relation to motor vehicle code violations which are used for public safety purposes; child safety fees collected from \$1 for each registered vehicle, these fees are used to fund the school crossing guard program and other child safety related programs.

MEMORIAL LIBRARY FUND – to account for monies received in support of the City's library.

SEIZED ASSETS FUND – to account for the seizure and disposition of assets confiscated by local law enforcement agencies.

LIBRARIES – to account for library training lab monies received from the Bill and Melinda Gates Foundation for the establishment of a library training lab; and Sproles library fund monies received in support of the City's library.

ANIMAL SHELTER DONATIONS – to account for donations to assist the animal shelter.

COMMUNITY PARAMEDIC PROGRAM – to account for donations from local hospitals to increase the overall well-being of patients recently discharged from the hospital enabling paramedics to better assist Plano residents who frequently use the 9-1-1 system.

BLENDED COMPONENT UNITS:

PUBLIC IMPROVEMENT DISTRICT – organized to provide additional improvements and services in Downtown Plano where funding is derived from a special assessment paid by downtown property owners and based on a property's taxable value.

PLANO IMPROVEMENT CORPORATION – organized as a legally separate, nonprofit entity that serves the citizens of the City by facilitating real estate transactions and serve as an independent foundation for acceptance of donations.

LEGACY AREA TRANSPORTATION MANAGEMENT ASSOCIATION – organized to solve transportation concerns and funded through membership dues paid by contributing businesses in the area.

CAPITAL PROJECTS FUNDS:

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other government.

The City's nonmajor Capital Projects Funds are as follows:

DART – to account for the financing and construction of street modifications necessary to accommodate the public transportation system. Funds are provided through the DART Local Assistance Program.

PARK SERVICES – to account for building permit fees exclusively for the acquisition and development of new neighborhoods and parks.

PUBLIC INFRASTRUCTURE – to account for Improvements to City of Plano owned infrastructure related to existing commercial facilities, including streets, utilities, open space and other infrastructure.



CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017

	Special Revenue				
	Criminal Investigation	Grant	PTV	Public Safety Communications	Municipal Court
ASSETS					
Cash and cash equivalents	\$ 601,515	\$ 949,102	\$ 228,113	\$ 2,346,228	\$ 2,422,688
Investments	3,696,130	191,164	1,401,686	14,416,878	14,886,698
Receivables (net of allowance for uncollectible)					
Accounts	209	-	-	23,933	729,250
Accrued interest	15,637	809	5,930	60,992	62,981
Other	-	175,068	-	-	-
Due from other funds	-	-	-	-	584,214
Due from other governments	15,114	996,795	-	100,717	96,868
Prepaid items and other assets	-	225	127,430	-	11,615
Total assets	<u>4,328,605</u>	<u>2,313,163</u>	<u>1,763,159</u>	<u>16,948,748</u>	<u>18,794,314</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	32,375	23,708	9,067	108,629	185,105
Accrued liabilities	-	13,200	15,299	-	12,308
Unearned revenue	-	253,634	-	-	-
Due to other funds	-	738,641	-	-	273,023
Due to other governments	-	-	-	47,758	2,671,374
Seized assets payable	-	-	-	-	-
Total liabilities	<u>32,375</u>	<u>1,029,183</u>	<u>24,366</u>	<u>156,387</u>	<u>3,141,810</u>
Deferred inflows of resources:					
Unavailable revenue	-	1,265,559	-	-	-
Fund Balances:					
Nonspendable:					
Prepaid items and other assets	-	225	127,430	-	11,615
Restricted for:					
Capital projects	-	-	-	-	-
Special revenue	4,296,230	18,196	1,611,363	16,792,361	15,640,889
Blended component unit	-	-	-	-	-
Assigned to:					
Capital projects	-	-	-	-	-
Total fund balances	<u>4,296,230</u>	<u>18,421</u>	<u>1,738,793</u>	<u>16,792,361</u>	<u>15,652,504</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 4,328,605</u>	<u>\$ 2,313,163</u>	<u>\$ 1,763,159</u>	<u>\$ 16,948,748</u>	<u>\$ 18,794,314</u>

Special Revenue				Blended Component Units			
Memorial Library	Seized Assets	Libraries	Animal Shelter Donations	Community Paramedic Program	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
\$ 52,014	\$ 9,219	\$ 5,158	\$ 34,347	\$ 14,135	\$ 4,730	\$ 48,046	\$ 10,000
319,610	56,651	31,692	211,053	86,854	29,189	-	-
200	-	-	140	-	-	-	-
1,352	240	135	893	367	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,770	-	-
373,176	66,110	36,985	246,433	101,356	36,689	48,046	10,000
195	-	-	-	-	1,515	850	-
-	-	-	-	2,298	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	66,110	-	-	-	-	-	-
195	66,110	-	-	2,298	1,515	850	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,770	-	-
-	-	-	-	-	-	-	-
372,981	-	36,985	246,433	99,058	-	-	-
-	-	-	-	-	32,404	47,196	10,000
-	-	-	-	-	-	-	-
372,981	-	36,985	246,433	99,058	35,174	47,196	10,000
\$ 373,176	\$ 66,110	\$ 36,985	\$ 246,433	\$ 101,356	\$ 36,689	\$ 48,046	\$ 10,000

(continued)

CITY OF PLANO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2017
(continued)

	Capital Projects			Total Nonmajor Governmental Funds
	DART	Public Infrastructure	Park Services	
ASSETS				
Cash and cash equivalents	\$ 24,948	\$ 265,677	\$ 759,611	\$ 7,775,531
Investments	153,297	1,632,512	4,667,587	41,781,001
Receivables (net of allowance for uncollectible)				
Accounts	-	-	-	753,732
Accrued interest	649	6,907	19,747	176,639
Other	-	-	-	175,068
Due from other funds	-	-	-	584,214
Due from other governments	-	-	-	1,209,494
Prepaid items and other assets	-	-	-	142,040
Total assets	178,894	1,905,096	5,446,945	52,597,719
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	43,809	-	405,253
Accrued liabilities	-	-	-	43,105
Unearned revenue	-	-	-	253,634
Due to other funds	-	-	-	1,011,664
Due to other governments	-	-	-	2,719,132
Seized assets payable	-	-	-	66,110
Total liabilities	-	43,809	-	4,498,898
Deferred inflows of resources:				
Unavailable revenue	-	-	-	1,265,559
Fund Balances:				
Nonspendable:				
Prepaid items and other assets	-	-	-	142,040
Restricted for:				
Capital projects	178,894	1,848,274	-	2,027,168
Special revenue	-	-	-	39,114,496
Blended component unit	-	-	-	89,600
Assigned to:				
Capital projects	-	13,013	5,446,945	5,459,958
Total fund balances	178,894	1,861,287	5,446,945	46,833,262
Total liabilities, deferred inflows, and fund balance	\$ 178,894	\$ 1,905,096	\$ 5,446,945	\$ 52,597,719



CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue				
	Criminal Investigation	Grant	PTV	Public Safety Communications	Municipal Court
REVENUES					
Fines and forfeitures	\$ 72,925	\$ -	\$ -	\$ -	\$ 7,711,398
Contributions	-	-	-	-	-
Intergovernmental	39,923	2,027,389	-	104,317	-
Fees for services	-	-	774,423	1,564,320	920,800
Assessed taxes	-	-	-	-	-
Loan repayments	-	44,326	-	-	-
Investment income	20,716	7,836	9,381	96,708	100,736
Miscellaneous	1,625	-	-	-	-
Total revenues	<u>135,189</u>	<u>2,079,551</u>	<u>783,804</u>	<u>1,765,345</u>	<u>8,732,934</u>
EXPENDITURES					
Police	896,060	654,558	-	440,276	6,532,792
Fire	-	404,918	-	90,177	-
Libraries	-	129,170	-	-	-
Development	-	1,226,744	-	-	-
Public services and operations	-	-	982,346	87,770	-
Capital outlay	82,233	139,003	212,353	58,882	21,827
Total expenditures	<u>978,293</u>	<u>2,554,393</u>	<u>1,194,699</u>	<u>677,105</u>	<u>6,554,619</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(843,104)</u>	<u>(474,842)</u>	<u>(410,895)</u>	<u>1,088,240</u>	<u>2,178,315</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	500,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(843,104)</u>	<u>(474,842)</u>	<u>89,105</u>	<u>1,088,240</u>	<u>2,178,315</u>
Fund balances-beginning	<u>5,139,334</u>	<u>493,263</u>	<u>1,649,688</u>	<u>15,704,121</u>	<u>13,474,189</u>
Fund balances-ending	<u>\$ 4,296,230</u>	<u>\$ 18,421</u>	<u>\$ 1,738,793</u>	<u>\$ 16,792,361</u>	<u>\$ 15,652,504</u>

Special Revenue				Blended Component Units		
Memorial Library	Libraries	Animal Shelter Donations	Community Paramedic Program	Public Improvement District	Plano Improvement Corporation	Transportation Management Association
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,803	-	52,847	117,284	-	235,349	10,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	97,091	-	-
-	-	-	-	-	-	-
2,141	214	1,370	436	-	-	-
-	-	665	-	36	-	-
13,944	214	54,882	117,720	97,127	235,349	10,000
-	-	-	-	-	-	-
-	-	-	18,662	-	-	-
4,971	26	-	-	-	-	-
-	-	-	-	177,292	177,628	-
-	-	3,071	-	-	-	-
5,491	-	-	-	-	-	-
10,462	26	3,071	18,662	177,292	177,628	-
3,482	188	51,811	99,058	(80,165)	57,721	10,000
-	-	-	-	50,000	-	-
-	-	-	-	-	(10,525)	-
-	-	-	-	50,000	(10,525)	-
3,482	188	51,811	99,058	(30,165)	47,196	10,000
369,499	36,797	194,622	-	65,339	-	-
\$ 372,981	\$ 36,985	\$ 246,433	\$ 99,058	\$ 35,174	\$ 47,196	\$ 10,000

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Capital Projects			Total Nonmajor Governmental Funds
	DART	Public Infrastructure	Park Services	
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 7,784,323
Contributions	-	-	-	427,283
Intergovernmental	-	-	-	2,171,629
Fees for services	-	-	161,011	3,420,554
Assessed taxes	-	-	-	97,091
Loan repayments	-	-	-	44,326
Investment income	930	9,396	32,161	282,025
Miscellaneous	-	435	-	2,761
Total revenues	<u>930</u>	<u>9,831</u>	<u>193,172</u>	<u>14,229,992</u>
EXPENDITURES				
Police	-	-	-	8,523,686
Fire	-	-	-	513,757
Libraries	-	-	-	134,167
Development	-	-	-	1,581,664
Public services and operations	-	-	-	1,073,187
Capital outlay	108,783	1,784,434	403,097	2,816,103
Total expenditures	<u>108,783</u>	<u>1,784,434</u>	<u>403,097</u>	<u>14,642,564</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(107,853)</u>	<u>(1,774,603)</u>	<u>(209,925)</u>	<u>(412,572)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	550,000
Transfers out	-	-	-	(10,525)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,475</u>
Net change in fund balances	<u>(107,853)</u>	<u>(1,774,603)</u>	<u>(209,925)</u>	<u>126,903</u>
Fund balances-beginning	286,747	3,635,890	5,656,870	46,706,359
Fund balances-ending	<u>\$ 178,894</u>	<u>\$ 1,861,287</u>	<u>\$ 5,446,945</u>	<u>\$ 46,833,262</u>

CITY OF PLANO, TEXAS
BUDGETARY COMPARISON SCHEDULE-GAAP BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	\$ 41,240,189	\$ 41,504,596	\$ 41,588,745	\$ 84,149
Investment income	200,000	200,000	284,622	84,622
Miscellaneous	151,804	151,804	151,804	-
Total revenues	41,591,993	41,856,400	42,025,171	168,771
EXPENDITURES:				
Principal retirement	26,505,000	27,145,000	27,145,000	-
Interest and fiscal charges	15,009,444	14,357,750	14,652,723	(294,973)
Total expenditures	41,514,444	41,502,750	41,797,723	(294,973)
Excess (deficiency) of revenues over (under) expenditures	77,549	353,650	227,448	(126,202)
OTHER FINANCING SOURCES (USES):				
Issuance of debt-refunding	-	-	27,805,000	27,805,000
Escrow payment-refunding	-	-	(32,589,261)	(32,589,261)
Premium from sale of bonds	-	-	5,071,986	5,071,986
Total other financing sources	-	-	287,725	287,725
Net change in fund balance	77,549	353,650	515,173	161,523
FUND BALANCE, October 1	3,925,760	3,925,760	3,925,760	-
FUND BALANCE, September 30	<u>\$ 4,003,309</u>	<u>\$ 4,279,410</u>	<u>\$ 4,440,933</u>	<u>\$ 161,523</u>



NONMAJOR ENTERPRISE FUNDS

Following are the nonmajor Enterprise Funds:

CONVENTION AND TOURISM FUND – to account for the convention and tourism activities of the City's Plano Event Center and Visit Plano operations.

MUNICIPAL GOLF COURSE FUND – to account for operation of the City's golf course, including administration, operation and maintenance. All costs are financed through fees charged to patrons.

DOWNTOWN CENTER DEVELOPMENT FUND – to account for improvements and activities in support of the City's downtown area.

RECREATION REVOLVING FUND – to account for recreational programs and activities that are offered to groups and individuals on a fee basis. Fees are adjusted periodically to cover the cost of providing each program.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
AS OF SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	Total Nonmajor Enterprise Funds
ASSETS					
Cash and cash equivalents	\$ 626,030	\$ 6,339	\$ 84,248	\$ 277,940	\$ 994,557
Investments	3,818,703	38,953	517,676	1,704,172	6,079,504
Receivables:					
Accounts	939,689	21,776	16,920	61,875	1,040,260
Accrued interest	16,156	165	2,190	7,210	25,721
Other	28,815	-	-	1,570	30,385
Prepaid expenses and other assets	451,225	-	-	16,229	467,454
Capital assets:					
Land	2,359,859	595,296	36,999	-	2,992,154
Buildings	11,354,841	2,427,383	-	-	13,782,224
Improvements other than buildings	790,021	1,247,352	-	1,481,980	3,519,353
Equipment	1,429,013	40,278	-	29,144	1,498,435
Furniture and fixtures	185,185	14,915	-	69,874	269,974
Less accumulated depreciation	(13,115,830)	(3,559,783)	-	(179,924)	(16,855,537)
Total capital assets (net of accumulated depreciation)	3,003,089	765,441	36,999	1,401,074	5,206,603
Total assets	8,883,707	832,674	658,033	3,470,070	13,844,484
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	909,364	197,511	-	182,259	1,289,134
	909,364	197,511	-	182,259	1,289,134
LIABILITIES					
Current liabilities:					
Accounts payable	87,638	10,937	-	8,882	107,457
Accrued liabilities	211,597	14,964	-	30,186	256,747
Unearned revenue	221,506	-	-	495,830	717,336
Due to other funds	11,753	-	-	-	11,753
Customer deposits	-	-	-	264,472	264,472
Liability for compensated absences	17,571	-	-	-	17,571
Total current liabilities	550,065	25,901	-	799,370	1,375,336
Noncurrent liabilities:					
Net pension liability	1,775,963	379,547	-	344,198	2,499,708
Liability for compensated absences	418,434	109,144	-	121,213	648,791
Total noncurrent liabilities	2,194,397	488,691	-	465,411	3,148,499
Total liabilities	2,744,462	514,592	-	1,264,781	4,523,835
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	63,400	14,040	-	13,064	90,504
	63,400	14,040	-	13,064	90,504
NET POSITION					
Net investment in capital assets	3,003,089	765,441	36,999	1,401,074	5,206,603
Unrestricted	3,982,120	(263,888)	621,034	973,410	5,312,676
Total net position	\$ 6,985,209	\$ 501,553	\$ 658,033	\$ 2,374,484	\$ 10,519,279

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
Operating revenues:					
Charges for sales and services:					
Service charges	\$ 1,800,020	\$ 1,020,019	\$ 68,678	\$ 3,806,659	\$ 6,695,376
Miscellaneous charges	56,672	-	-	81,631	138,303
Total operating revenues	1,856,692	1,020,019	68,678	3,888,290	6,833,679
Operating expenses:					
Personnel services	3,021,187	644,921	-	1,174,310	4,840,418
Pension expense (net)	150,798	33,032	-	31,215	215,045
Contractual services	5,134,823	258,992	17,706	2,046,124	7,457,645
Supplies	599,942	94,537	-	212,900	907,379
Depreciation	131,596	185,381	-	74,762	391,739
Miscellaneous	188,886	1,773	(300)	29,716	220,075
Total operating expenses	9,227,232	1,218,636	17,406	3,569,027	14,032,301
Operating income (loss)	(7,370,540)	(198,617)	51,272	319,263	(7,198,622)
Nonoperating revenues (expenses):					
Investment income	23,999	97	3,495	11,946	39,537
Loss on property disposition	(6,268)	-	-	-	(6,268)
Hotel/motel tax	8,685,384	-	-	-	8,685,384
Miscellaneous	4,710	-	-	879	5,589
Total nonoperating revenue	8,707,825	97	3,495	12,825	8,724,242
Income (loss) before transfers	1,337,285	(198,520)	54,767	332,088	1,525,620
Transfers out	(2,015,539)	(51,285)	-	(186,747)	(2,253,571)
Change in net position	(678,254)	(249,805)	54,767	145,341	(727,951)
Total net position-beginning	7,663,463	751,358	603,266	2,229,143	11,247,230
Total net position-ending	\$ 6,985,209	\$ 501,553	\$ 658,033	\$ 2,374,484	\$ 10,519,279

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 1,837,604	\$ 1,013,516	\$ 68,678	\$ 3,845,779	\$ 6,765,577
Cash payments to suppliers for goods and services	(5,924,996)	(358,440)	(18,836)	(2,286,433)	(8,588,705)
Cash paid to or on behalf of employees for services	(2,961,179)	(628,588)	-	(1,182,850)	(4,772,617)
Net cash provided (used) by operating activities	(7,048,571)	26,488	49,842	376,496	(6,595,745)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Hotel/Motel tax	8,685,384	-	-	-	8,685,384
Transfers to other funds	(2,015,539)	(51,285)	-	(186,747)	(2,253,571)
Net cash provided (used) by noncapital financing activities	6,669,845	(51,285)	-	(186,747)	6,431,813
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(115,392)	-	-	14,274	(101,118)
Proceeds from insurance damages	4,710	-	-	879	5,589
Net cash provided (used) in capital and related financing activities	(110,682)	-	-	15,153	(95,529)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(3,818,703)	(38,953)	(517,676)	(1,704,172)	(6,079,504)
Proceeds from sale and maturities of investment securities	3,856,816	54,977	431,605	1,388,494	5,731,892
Interest on investments	30,685	257	3,861	12,959	47,762
Net cash provided (used) in investing activities	68,798	16,281	(82,210)	(302,719)	(299,850)
Net decrease in cash and cash equivalents	(420,610)	(8,516)	(32,368)	(97,817)	(559,311)
Cash and cash equivalents, beginning of year	1,046,640	14,855	116,616	375,757	1,553,868
Cash and cash equivalents, end of year	\$ 626,030	\$ 6,339	\$ 84,248	\$ 277,940	\$ 994,557
Noncash disclosures:					
Loss on property disposition	\$ (6,268)	\$ -	\$ -	\$ -	\$ (6,268)
Decrease in fair value of investments	\$ (23,847)	\$ (252)	\$ (3,181)	\$ (10,455)	\$ (37,735)

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	Business-type Activities Enterprise Funds				Total Nonmajor Enterprise Funds
	Convention and Tourism	Municipal Golf Course	Downtown Center Development	Recreation Revolving	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (7,370,540)	\$ (198,617)	\$ 51,272	\$ 319,263	\$ (7,198,622)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	131,596	185,381	-	74,762	391,739
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(113,753)	(6,502)	-	(62,551)	(182,806)
Other receivable	(10,900)	-	-	(227)	(11,127)
Prepaid expenses and other assets	(21,851)	-	-	(438)	(22,289)
Pensions	150,798	33,032	-	31,215	215,045
Increase (decrease) in:					
Accounts payable	31,406	(3,139)	-	2,972	31,239
Accrued liabilities	40,929	1,296	-	1,118	43,343
Liability for compensated absences	19,079	15,037	-	(9,658)	24,458
Customer deposits	-	-	-	71,314	71,314
Due to other funds	11,753	-	(1,430)	-	10,323
Unearned revenue	82,912	-	-	(51,274)	31,638
Total adjustments	321,969	225,105	(1,430)	57,233	602,877
Net cash provided (used) by operating activities	\$ (7,048,571)	\$ 26,488	\$ 49,842	\$ 376,496	\$ (6,595,745)



INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department for another.

The City has five Internal Service Funds as follows:

EQUIPMENT MAINTENANCE FUND – to account for the cost of operating and maintaining automotive and other equipment used by City departments. Service charges are billed to departments on a monthly basis to cover all expenses of the fund, including depreciation of furniture and fixtures, machinery and equipment necessary to provide maintenance services and for replacement of the fleet.

MUNICIPAL WAREHOUSE FUND – to account for the operation of a central warehouse facility which provides the capability of storing and distributing in volume supplies and materials used by City departments. An overhead charge is applied to the purchase price of all materials handled to cover the operating costs, including the cost of goods sold.

TECHNOLOGY SERVICES FUND – to account for the data processing and information systems. Charges for software, hardware and maintenance of the systems are billed to the user funds.

RISK MANAGEMENT FUND – to account for the operation of a self-insurance program for general liability, public officials errors and omission, police professional liability, property loss and worker's compensation.

HEALTH CLAIMS FUND – to account for the self-insurance operation of group accident and health insurance coverage for all City employees. In addition to the basic insurance coverage provided, employees may purchase dependent coverage through payroll deductions. Coverage is financed by billings to the departments and through employee payroll deductions.

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
ASSETS			
Cash and cash equivalents	\$ 3,780,776	\$ 15,099	\$ 2,039,262
Investments	23,231,751	92,782	12,530,660
Receivables:			
Accounts	203,527	21,655	-
Accrued interest	98,285	-	53,013
Other	-	-	408
Due from other funds	53,853	-	-
Inventories	36,058	1,021,589	-
Prepaid items	-	-	69,377
Capital assets:			
Land	51,515	-	11,007
Buildings	5,264,915	-	710,379
Equipment	18,700,919	-	22,327,610
Furniture and fixtures	250,986	9,413	55,625
Rolling equipment	54,702,570	-	-
Less accumulated depreciation	(48,642,511)	(9,413)	(12,921,957)
Total capital assets (net of accumulated depreciation)	30,328,394	-	10,182,664
Total assets	<u>57,732,644</u>	<u>1,151,125</u>	<u>24,875,384</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	850,991	182,825	2,340,080
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	1,026,011	139,402	649,607
Accrued liabilities	60,283	13,845	166,980
Due to other funds	-	165,000	-
Compensated absences	123,094	486	102,701
Liability for insurance claims	-	-	-
Total current liabilities	<u>1,209,388</u>	<u>318,733</u>	<u>919,288</u>
NONCURRENT LIABILITIES:			
Net pension liability	1,608,270	344,452	4,422,779
Compensated absences	-	46,227	299,661
Total liabilities	<u>2,817,658</u>	<u>709,412</u>	<u>5,641,728</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	60,896	13,218	169,721
	<u>60,896</u>	<u>13,218</u>	<u>169,721</u>
NET POSITION			
Net investment in capital assets	30,328,394	-	10,182,664
Unrestricted	25,376,687	611,320	11,221,351
Total net position	<u>\$ 55,705,081</u>	<u>\$ 611,320</u>	<u>\$ 21,404,015</u>

Risk Management	Health Claims	Total
\$ 713,457	\$ 3,360,642	\$ 9,909,236
4,383,980	20,650,151	60,889,324
-	-	225,182
18,547	87,363	257,208
-	-	408
-	-	53,853
-	-	1,057,647
3,443	378,828	451,648
-	-	62,522
-	-	5,975,294
427,686	-	41,456,215
811	-	316,835
-	-	54,702,570
(428,497)	-	(62,002,378)
-	-	40,511,058
5,119,427	24,476,984	113,355,564
199,761	-	3,573,657
77,638	26,866	1,919,524
12,546	-	253,654
-	-	165,000
457	-	226,738
4,308,359	2,554,507	6,862,866
4,399,000	2,581,373	9,427,782
381,973	-	6,757,474
22,809	-	368,697
4,803,782	2,581,373	16,553,953
14,366	-	258,201
14,366	-	258,201
-	-	40,511,058
501,040	21,895,611	59,606,009
\$ 501,040	\$ 21,895,611	\$ 100,117,067

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
REVENUES:			
Charges for services	\$ 18,466,454	\$ 4,526,192	\$ 18,366,044
Subrogation receipts	-	-	-
Miscellaneous	4,870	5,837	-
Total operating revenues	<u>18,471,324</u>	<u>4,532,029</u>	<u>18,366,044</u>
EXPENSES:			
Personnel services	2,539,674	623,555	7,141,148
Pension expense (net)	139,859	29,677	409,293
Contractual services	1,627,805	45,055	7,900,369
Supplies	3,139,838	3,791,090	1,294,964
Claims expense	-	-	-
Depreciation	8,465,574	-	934,588
Miscellaneous	30,511	32,536	17,174
Total operating expenses	<u>15,943,261</u>	<u>4,521,913</u>	<u>17,697,536</u>
Operating income (loss)	<u>2,528,063</u>	<u>10,116</u>	<u>668,508</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	152,412	-	79,352
Gain (loss) on capital asset disposal	732,433	55,164	(588)
Intergovernmental revenues	-	-	163,852
Miscellaneous	62,377	-	13,699
Total nonoperating revenues	<u>947,222</u>	<u>55,164</u>	<u>256,315</u>
Income (loss) before transfers	<u>3,475,285</u>	<u>65,280</u>	<u>924,823</u>
Transfers in	<u>326,520</u>	<u>-</u>	<u>502,922</u>
Transfers out	<u>-</u>	<u>-</u>	<u>(250,000)</u>
Change in net position	<u>3,801,805</u>	<u>65,280</u>	<u>1,177,745</u>
Total net position-beginning	<u>51,903,276</u>	<u>546,040</u>	<u>20,226,270</u>
Total net position-ending	<u>\$ 55,705,081</u>	<u>\$ 611,320</u>	<u>\$ 21,404,015</u>

Risk Management	Health Claims	Total
\$ 4,663,230	\$ 30,839,804	\$ 76,861,724
1,587,431	-	1,587,431
10,721	-	21,428
6,261,382	30,839,804	78,470,583
560,355	-	10,864,732
34,223	-	613,052
1,238,219	3,570,214	14,381,662
53,847	-	8,279,739
7,596,312	26,798,358	34,394,670
-	-	9,400,162
13,777	44	94,042
9,496,733	30,368,616	78,028,059
(3,235,351)	471,188	442,524
35,545	141,178	408,487
-	-	787,009
-	-	163,852
-	-	76,076
35,545	141,178	1,435,424
(3,199,806)	612,366	1,877,948
-	-	829,442
-	-	(250,000)
(3,199,806)	612,366	2,457,390
3,700,846	21,283,245	97,659,677
\$ 501,040	\$ 21,895,611	\$ 100,117,067

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Equipment Maintenance	Municipal Warehouse	Technology Services
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,267,797	\$ 4,689,144	\$ 18,364,907
Cash received from subrogation	-	-	-
Cash payments to suppliers for goods and services	(5,535,948)	(4,103,953)	(8,893,325)
Cash paid to or on behalf of employees for services	(2,551,892)	(623,654)	(7,147,042)
Net cash provided (used) by operating activities	<u>10,179,957</u>	<u>(38,463)</u>	<u>2,324,540</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Repayments (to) from other funds	(53,853)	-	-
Transfers to other funds	-	-	(250,000)
Transfers from other funds	326,520	-	502,922
Intergovernmental receipts	-	-	163,852
Net cash provided by noncapital financing activities	<u>272,667</u>	<u>-</u>	<u>416,774</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(10,625,527)	-	(1,039,419)
Proceeds on sale of equipment	1,391,933	55,164	-
Proceeds from insurance damages	62,377	-	13,699
Net cash provided (used) by capital and related financing activities	<u>(9,171,217)</u>	<u>55,164</u>	<u>(1,025,720)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment securities	(23,231,751)	(92,782)	(12,530,660)
Proceeds from sales and maturities of investment securities	20,121,262	71,412	10,052,397
Interest on investments	173,294	423	85,874
Net cash provided (used) by investing activities	<u>(2,937,195)</u>	<u>(20,947)</u>	<u>(2,392,389)</u>
Net increase (decrease) in cash and cash equivalents	(1,655,788)	(4,246)	(676,795)
Cash and cash equivalents, beginning of year	<u>5,436,564</u>	<u>19,345</u>	<u>2,716,057</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,780,776</u></u>	<u><u>\$ 15,099</u></u>	<u><u>\$ 2,039,262</u></u>
Noncash disclosure:			
Loss on property disposition	\$ (659,500)	\$ -	\$ (588)
Decrease in fair value of investments	(143,194)	(567)	(76,784)
Transfer in (out) of capital assets	315,612	(73)	(162)

Risk Management	Health Claims	Total
\$ 4,664,145	\$ 30,839,804	\$ 76,825,797
1,587,431	-	1,587,431
(8,088,476)	(30,310,414)	(56,932,116)
(594,433)	-	(10,917,021)
(2,431,333)	529,390	10,564,091
-	-	(53,853)
-	-	(250,000)
-	-	829,442
-	-	163,852
-	-	689,441
-	-	(11,664,946)
-	-	1,447,097
-	-	76,076
-	-	(10,141,773)
(4,383,980)	(20,650,151)	(60,889,324)
5,886,450	18,358,561	54,490,082
51,860	162,542	473,993
1,554,330	(2,129,048)	(5,925,249)
(877,003)	(1,599,658)	(4,813,490)
1,590,460	4,960,300	14,722,726
<u>\$ 713,457</u>	<u>\$ 3,360,642</u>	<u>\$ 9,909,236</u>
\$ -	\$ -	(660,088)
(28,200)	(27,551)	(276,296)
-	-	315,377

(continued)

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)

	<u>Equipment Maintenance</u>	<u>Municipal Warehouse</u>	<u>Technology Services</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 2,528,063</u>	<u>\$ 10,116</u>	<u>\$ 668,508</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	8,465,574	-	934,588
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	-	(7,885)	-
Other receivable	(203,527)	-	(408)
Prepaid items	510	-	32,277
Inventories	(232)	37,334	-
Pensions	139,859	29,677	409,293
Increase (decrease) in:			
Accounts payable	(738,072)	(272,606)	286,905
Accrued liabilities	7,972	1,818	1,289
Due to other funds	-	165,000	(729)
Compensated absences	(20,190)	(1,917)	(7,183)
Liability for insurance claims	-	-	-
Total adjustments	<u>7,651,894</u>	<u>(48,579)</u>	<u>1,656,032</u>
Net cash provided (used) by operating activities	<u>\$ 10,179,957</u>	<u>\$ (38,463)</u>	<u>\$ 2,324,540</u>

Risk Management	Health Claims	Total
<u>\$ (3,235,351)</u>	<u>\$ 471,188</u>	<u>\$ 442,524</u>
-	-	9,400,162
-	-	(7,885)
-	-	(203,935)
2,005	(53,022)	(18,230)
-	-	37,102
34,223	-	613,052
(36,563)	(5,625)	(765,961)
(11,630)	-	(551)
(9,806)	-	154,465
(22,448)	-	(51,738)
848,237	116,849	965,086
<u>804,018</u>	<u>58,202</u>	<u>10,121,567</u>
<u><u>\$ (2,431,333)</u></u>	<u><u>\$ 529,390</u></u>	<u><u>\$ 10,564,091</u></u>



FIDUCIARY FUNDS

PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS:

RETIREMENT SECURITY PLAN PENSION TRUST – to account for assets held for full-time employees as a substitute retirement plan to Social Security.

POSTEMPLOYMENT BENEFITS 115 TRUST – to account for assets held for the purpose of funding and providing certain benefits to its eligible retirees in accordance with the requirements of Governmental Accounting Standards Board Statement No. 45.

AGENCY FUNDS:

DEVELOPERS' ESCROW FUND – to account for escrow received from developers. The escrow will be used for construction of improvements to be made by the City.

UNCLAIMED PROPERTY FUND – to account for assets under \$100, which have been issued by the City but remain unclaimed. Disposition is made upon claim by rightful owners or escheatment to the State of Texas.

**CITY OF PLANO, TEXAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AS OF SEPTEMBER 30, 2017**

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 2,224,802	\$ 347,027	\$ 2,571,829
Investments:			
Other U.S. government obligations	24,545,430	2,006,320	26,551,750
Corporate bonds	16,961,074	4,058,308	21,019,382
Asset-backed securities	-	3,838,804	3,838,804
Common stocks	94,732,493	9,570,396	104,302,889
Mutual funds	3,640,831	60,701,734	64,342,565
Accrued interest	323,732	120,377	444,109
Receivable from pending trades	-	129,991	129,991
Total assets	142,428,362	80,772,957	223,201,319
LIABILITIES			
Accrued liabilities	-	256,967	256,967
Total liabilities	-	256,967	256,967
NET POSITION			
Held in trust for pension benefits	142,428,362	-	142,428,362
Held in trust for other postemployment benefits	-	80,515,990	80,515,990
Total net position	\$ 142,428,362	\$ 80,515,990	\$ 222,944,352

CITY OF PLANO, TEXAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Pension Trust Fund	Postemployment Benefits Trust Fund	Total
ADDITIONS			
Contributions			
From employers	\$ 4,880,321	\$ 5,530,675	\$ 10,410,996
From retirees	-	1,283,286	1,283,286
Total contributions	4,880,321	6,813,961	11,694,282
Investment return:			
Net increase (decrease) in fair value of investments	14,686,722	7,656,593	22,343,315
Interest	996,574	429,468	1,426,042
Dividends	1,675,441	1,159,720	2,835,161
Miscellaneous	17,300	1,407	18,707
Total investment return	17,376,037	9,247,188	26,623,225
Total additions, net	22,256,358	16,061,149	38,317,507
DEDUCTIONS			
Benefits	4,691,967	3,491,625	8,183,592
Administrative expenses	308,772	494,854	803,626
Miscellaneous expenses	22,120	1,953	24,073
Total deductions	5,022,859	3,988,432	9,011,291
Net increase	17,233,499	12,072,717	29,306,216
Net position held in trusts - beginning of year	125,194,863	68,443,273	193,638,136
Net position held in trusts - end of year	\$ 142,428,362	\$ 80,515,990	\$ 222,944,352

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
AS OF SEPTEMBER 30, 2017

	Agency Funds		Total
	Developers'	Unclaimed	
	Escrow	Property	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 423,622	\$ 25,913	\$ 449,535
Investment pool	2,603,034	159,228	2,762,262
Accrued interest	11,013	674	11,687
Total Assets	3,037,669	185,815	3,223,484
LIABILITIES			
Developers' escrow liability	3,037,669	-	3,037,669
Unclaimed property payable	-	185,815	185,815
Total Liabilities	\$ 3,037,669	\$ 185,815	\$ 3,223,484

CITY OF PLANO, TEXAS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Balance September 30, 2016	Additions	Deductions	Balance September 30, 2017
Developers' Escrow				
ASSETS:				
Cash and cash equivalents	\$ 574,560	\$ 2,636	\$ 153,574	\$ 423,622
Investments	2,126,503	476,531	-	2,603,034
Accrued interest receivable	12,594	-	1,581	11,013
Total Assets	<u>\$ 2,713,657</u>	<u>\$ 479,167</u>	<u>\$ 155,155</u>	<u>\$ 3,037,669</u>
LIABILITIES:				
Developers' escrow liability	\$ 2,713,657	\$ 444,750	\$ 120,738	\$ 3,037,669
	<u>\$ 2,713,657</u>	<u>\$ 444,750</u>	<u>\$ 120,738</u>	<u>\$ 3,037,669</u>
Unclaimed Property				
ASSETS:				
Cash and cash equivalents	\$ 25,127	\$ 786	\$ -	\$ 25,913
Investments	92,999	66,229	-	159,228
Accrued interest receivable	551	123	-	674
Total Assets	<u>\$ 118,677</u>	<u>\$ 67,138</u>	<u>\$ -</u>	<u>\$ 185,815</u>
LIABILITIES:				
Unclaimed property payable	\$ 118,677	\$ 67,138	\$ -	\$ 185,815
	<u>\$ 118,677</u>	<u>\$ 67,138</u>	<u>\$ -</u>	<u>\$ 185,815</u>
Total Agency Funds				
ASSETS:				
Cash and cash equivalents	\$ 599,687	\$ 3,422	\$ 153,574	\$ 449,535
Investments	2,219,502	542,760	-	2,762,262
Accrued interest receivable	13,145	123	1,581	11,687
Total Assets	<u>\$ 2,832,334</u>	<u>\$ 546,305</u>	<u>\$ 155,155</u>	<u>\$ 3,223,484</u>
LIABILITIES:				
Developers' escrow liability	\$ 2,713,657	\$ 444,750	\$ 120,738	\$ 3,037,669
Unclaimed property payable	118,677	67,138	-	185,815
Total Liabilities	<u>\$ 2,832,334</u>	<u>\$ 511,888</u>	<u>\$ 120,738</u>	<u>\$ 3,223,484</u>



COMPONENT UNIT

TIF EAST SIDE – organized to account for a tax increment financing unit for improvements related to the future development of East Plano.

**CITY OF PLANO, TEXAS
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
AS OF SEPTEMBER 30, 2017**

	TIF East Side
ASSETS	
Current:	
Cash and cash equivalents	\$ 1,885,331
Investments	11,633,814
Noncurrent:	
Capital assets, net	1,579,168
Total assets	<u>15,098,313</u>
LIABILITIES	
Current:	
Accounts payable	10,480
Total liabilities	<u>10,480</u>
NET POSITION	
Net investment in capital assets	1,579,168
Restricted	13,508,665
Total net position	<u>\$ 15,087,833</u>

CITY OF PLANO, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	TIF East Side
	<hr/>
EXPENSES	
Contractual services	\$ 356,819
Total operating expenses	<hr/> 356,819
Operating loss	(356,819)
 NONOPERATING REVENUES	
Property taxes	1,821,395
Note repayment	50,000
Total nonoperating revenues	<hr/> 1,871,395
 NET INCOME	<hr/> 1,514,576
Change in net position	1,514,576
 Total net position-beginning	13,573,257
Total net position-ending	<hr/> <hr/> \$ 15,087,833

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	TIF East Side
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	\$ (346,739)
Net cash used by operating activities	<u>(346,739)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Property taxes	1,821,395
Note repayment	50,000
Net cash provided by noncapital financing activities	<u>1,871,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investment securities	(11,633,814)
Proceeds from sales and maturities of investment securities	9,454,908
Net cash used by investing activities	<u>(2,178,906)</u>
Net decrease in cash and cash equivalents	(654,250)
Cash and cash equivalents, beginning of year	<u>2,539,581</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,885,331</u></u>

**CITY OF PLANO, TEXAS
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(continued)**

	TIF East Side
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	<u>\$ (356,819)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in assets and liabilities-	
Increase in:	
Accounts payable	<u>10,080</u>
Total adjustments	<u>10,080</u>
Net cash used by operating activities	<u><u>\$ (346,739)</u></u>



**STATISTICAL SECTION
(unaudited)**

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	<u>Pages</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	117-122
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	123-126
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	127-132
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	133-134
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	135-139

CITY OF PLANO, TEXAS
NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 1

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
Net investment in capital assets	\$ 790,687,802	\$ 749,829,714	\$ 716,648,113	\$ 695,615,093	\$ 672,747,769	\$ 663,420,473	\$ 665,695,098	\$ 663,597,387	\$ 728,662,561	\$ 700,704,326
Restricted	59,809,891	68,249,570	47,465,237	32,097,048	51,536,304	50,707,627	46,410,136	1,182,560	3,270,626	5,473,218
Unrestricted	163,907,113	167,247,133	179,758,472	215,051,526	194,617,363	185,546,080	162,537,262	165,352,118	72,524,094	78,416,391
Total governmental activities net position	1,014,404,806	985,326,417	943,871,822	942,763,667	918,901,436	899,674,180	874,642,496	830,132,065	804,457,281	784,593,935
Business-type activities:										
Net investment in capital assets	377,622,087	374,462,834	370,220,021	360,960,813	362,997,446	363,340,513	362,757,006	367,024,467	383,531,217	376,593,433
Restricted	6,106,990	3,298,965	2,377,534	2,242,278	2,375,886	2,671,383	2,514,172	2,639,954	3,911,737	6,588,596
Unrestricted	81,186,158	88,495,857	88,328,906	89,364,337	88,538,490	78,609,397	81,237,936	57,584,753	25,620,288	25,092,659
Total business-type activities net position	464,915,235	466,257,656	460,926,461	452,567,428	453,911,822	444,621,293	446,509,114	427,249,174	413,063,242	408,274,688
Primary government:										
Net investment in capital assets	1,168,309,889	1,124,292,548	1,086,868,134	1,056,575,906	1,035,745,215	1,026,760,986	1,028,452,104	1,030,621,854	1,112,193,778	1,077,297,759
Restricted	65,916,881	71,548,535	49,842,771	34,339,326	53,912,190	53,379,010	48,924,308	3,822,514	7,182,363	12,061,814
Unrestricted	245,093,271	255,742,990	268,087,378	304,415,863	283,155,853	264,155,477	243,775,198	222,936,871	98,144,382	103,509,050
Total primary government net position	\$ 1,479,320,041	\$ 1,451,584,073	\$ 1,404,798,283	\$ 1,395,331,095	\$ 1,372,813,258	\$ 1,344,295,473	\$ 1,321,151,610	\$ 1,257,381,239	\$ 1,217,520,523	\$ 1,192,868,623

117 Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 2

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities:										
General government	\$ 27,352,742	\$ 27,017,457	\$ 27,636,869	\$ 22,837,719	\$ 22,902,283	\$ 23,945,434	\$ 17,854,055	\$ 18,468,819	\$ 14,360,212	\$ 9,052,498
Administrative services	11,729,785	10,635,244	9,555,715	9,004,302	8,715,712	7,925,435	7,595,755	7,799,815	8,294,111	8,423,416
Police	88,408,381	80,837,474	74,607,299	73,546,241	70,839,690	68,056,743	66,433,966	66,061,326	65,225,173	68,433,179
Fire	63,104,587	56,724,482	51,268,423	50,822,815	48,085,904	45,660,603	44,652,064	43,654,787	44,279,959	44,201,284
Libraries	12,381,069	12,107,913	10,646,832	11,152,367	10,268,273	9,765,576	10,136,834	10,295,418	11,104,945	11,765,263
Development	38,018,301	36,859,600	33,116,211	35,304,179	28,041,761	24,286,697	24,693,554	18,945,171	19,929,365	20,447,190
Public services and operations	8,350,096	7,638,382	6,575,756	7,350,378	6,372,030	5,469,346	5,602,338	5,662,869	5,645,771	5,402,333
Parks and recreation	36,069,542	32,462,901	30,933,825	32,444,929	28,605,874	26,999,247	25,773,639	27,219,522	26,170,315	26,134,622
Public works	33,751,984	32,287,926	30,531,725	29,653,914	31,256,009	32,261,282	30,868,916	34,002,485	28,025,006	27,944,393
Technology services	18,193,246	18,524,241	18,193,965	17,035,972	15,485,073	14,144,322	14,738,189	13,806,148	14,008,840	13,686,048
Other	-	-	-	-	-	-	-	1,963,496	5,480,962	7,401,221
Interest on Long-Term Debt	10,897,222	10,309,486	8,887,609	11,454,975	16,606,292	13,546,098	13,821,383	14,089,411	14,640,081	14,625,019
Unallocated depreciation	-	-	-	-	-	-	-	111,959	96,934	102,199
Total governmental activities expenses	348,256,955	325,405,106	301,954,229	300,607,791	287,178,901	272,060,783	262,170,693	262,081,226	257,261,674	257,618,665
Business-type activities:										
Water and sewer	144,379,544	133,481,605	117,747,963	113,527,471	108,229,423	108,565,144	101,645,618	97,546,366	96,352,987	83,264,179
Environmental waste services	26,767,335	25,354,273	22,043,523	22,664,437	22,343,541	23,342,162	23,431,488	21,163,351	21,354,795	21,863,854
Municipal drainage	4,977,428	4,933,219	4,613,572	4,576,230	4,475,248	4,223,993	3,952,974	4,051,080	3,843,011	3,530,079
Convention and tourism	8,661,450	7,402,651	9,093,255	6,547,215	6,287,787	6,098,248	5,889,739	6,393,145	7,331,173	7,311,505
Municipal golf course	1,220,462	1,198,346	1,789,341	1,017,816	1,021,602	965,133	231,640	718,046	870,436	1,000,257
Property management	-	-	-	-	-	-	-	59,678	32,053	39,291
Recreation revolving	3,574,034	3,295,974	3,349,987	3,215,117	3,326,229	3,226,272	3,176,716	3,216,311	3,191,594	3,096,166
Downtown center development	17,406	14,273	11,726	28,931	9,893	9,327	55,683	47,918	47,917	46,176
Total business-type activities expenses	189,597,659	175,680,341	158,649,367	151,577,217	145,693,723	146,430,279	138,383,858	133,195,895	133,023,966	120,151,507
Total primary government expenses	\$ 537,854,614	\$ 501,085,447	\$ 460,603,596	\$ 452,185,008	\$ 432,872,624	\$ 418,491,062	\$ 400,554,551	\$ 395,277,121	\$ 390,285,640	\$ 377,770,172
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 10,088,711	\$ 6,691,140	\$ 6,551,280	\$ 6,152,383	\$ 5,913,645	\$ 5,561,420	\$ 4,739,503	\$ 1,394,826	\$ 994,964	\$ 1,634,183
Administrative services	5,855	3,928	21,428	5,296	11,515	8,200	-	-	-	-
Police	18,608,424	17,981,734	17,361,393	16,615,952	16,518,724	16,242,970	15,458,080	15,429,740	15,344,518	12,939,924
Fire	5,941,980	5,798,677	5,496,159	4,898,085	4,549,906	4,461,129	3,630,026	3,882,667	4,161,383	3,801,412
Libraries	251,187	245,954	339,198	432,864	467,501	449,743	473,956	500,514	545,755	453,572
Development	9,335,464	12,573,047	10,206,808	6,492,386	6,129,225	5,274,987	4,833,730	3,990,274	3,175,176	4,686,571
Public services and operations	1,550,664	1,534,663	1,494,484	1,448,584	1,473,792	1,431,446	1,319,479	1,333,016	1,277,357	1,150,449
Parks and recreation	4,858,934	5,049,382	4,668,090	4,423,381	4,534,559	4,528,827	4,179,352	4,058,923	3,952,244	3,685,465
Public works	34,783	18,829	39,452	48,710	112,267	175,256	194,348	247,408	40,592	104,028
Technology services	3,673,689	3,862,930	3,297,065	3,044,377	2,930,541	2,796,312	2,626,768	2,870,243	2,882,354	2,590,036
Operating grants and contributions	12,735,876	13,846,703	18,586,476	15,264,041	14,058,293	10,244,037	5,624,013	6,858,965	7,430,737	4,773,881
Capital grants and contributions	12,042,196	16,642,121	19,043,456	11,542,543	8,576,392	5,158,140	13,736,398	20,765,810	10,939,098	9,654,400
Total governmental activities program revenues	\$ 79,127,763	\$ 84,249,108	\$ 87,105,289	\$ 70,368,602	\$ 65,276,360	\$ 56,332,467	\$ 56,815,653	\$ 61,332,386	\$ 50,744,178	\$ 45,473,921

**CITY OF PLANO, TEXAS
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)**

**Table 2
(continued)**

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Business-type activities:										
Charges for services:										
Water and sewer	\$ 143,957,017	\$ 140,654,894	\$ 132,067,317	\$ 114,554,767	\$ 121,115,371	\$ 114,415,670	\$ 128,109,639	\$ 116,516,442	\$ 108,076,125	\$ 100,049,904
Environmental waste services	17,819,166	16,288,331	16,168,862	16,147,526	16,403,721	16,096,610	16,368,530	15,616,880	15,101,758	14,772,782
Municipal drainage	7,541,895	7,318,823	7,163,876	7,400,810	6,292,462	5,208,675	5,228,986	5,161,087	5,050,406	4,995,106
Convention and tourism	1,861,402	2,420,541	2,214,354	1,727,103	1,759,911	1,812,576	1,822,231	2,180,520	2,439,129	2,693,882
Municipal golf course	1,020,019	887,717	954,645	965,465	994,125	933,533	65,906	600,919	792,753	846,096
Property management	-	-	-	-	-	-	9,967	7,594	42,309	72,567
Recreation revolving	3,889,169	3,733,821	3,635,336	3,773,493	3,820,358	3,870,482	3,347,434	3,545,142	3,325,754	3,080,725
Downtown center development	68,678	73,206	147,789	93,896	67,928	67,828	68,128	68,128	68,127	68,127
Operating grants and contributions	-	1,041	60,980	-	358,588	1,070,468	1,568,388	60,194	339,804	60,609
Capital grants and contributions	7,778,571	4,451,393	5,548,273	3,463,123	4,254,902	2,078,980	1,377,582	3,721,845	5,128,295	7,354,169
Total business-type activities program revenues	183,935,917	175,829,767	167,961,432	148,126,183	155,067,366	145,554,822	157,966,791	147,478,751	140,364,460	133,993,967
Total primary government program revenues	\$ 263,063,680	\$ 260,078,875	\$ 255,066,721	\$ 218,494,785	\$ 220,343,726	\$ 201,887,289	\$ 214,782,444	\$ 208,811,137	\$ 191,108,638	\$ 179,467,888
Net (expense) revenue										
Governmental activities	(269,129,192)	(241,155,998)	(214,848,940)	(230,239,189)	(221,902,541)	(215,728,316)	(205,355,040)	(200,748,840)	(206,517,496)	(212,144,744)
Business-type activities	(5,661,742)	149,426	9,312,065	(3,451,034)	9,373,643	(875,457)	19,582,933	14,282,856	7,340,494	13,842,460
Total primary government net (expense)	\$ (274,790,934)	\$ (241,006,572)	\$ (205,536,875)	\$ (233,690,223)	\$ (212,528,898)	\$ (216,603,773)	\$ (185,772,107)	\$ (186,465,984)	\$ (199,177,002)	\$ (198,302,284)
General revenues and transfers										
Governmental activities:										
Property taxes	\$ 173,005,300	\$ 163,619,692	\$ 150,960,855	\$ 140,180,751	\$ 133,922,409	\$ 130,761,336	\$ 128,274,660	\$ 129,741,125	\$ 127,265,332	\$ 123,054,998
Sales taxes	81,795,481	76,948,348	76,326,156	74,468,963	68,831,243	70,355,058	62,441,697	58,652,787	56,064,538	62,122,119
Mixed drink taxes	2,048,388	1,930,054	1,761,817	1,659,703	1,277,913	1,061,390	1,140,818	1,103,815	997,051	1,003,932
Other taxes	213,020	145,579	131,642	164,195	398,357	167,773	206,389	77,968	118,580	360,115
Franchise fees	24,553,341	24,665,352	25,341,454	24,332,547	23,283,089	22,668,521	23,220,388	22,361,082	23,995,388	23,022,217
Investment income	3,018,751	3,180,298	3,096,190	1,396,949	973,519	2,926,435	4,756,044	3,473,366	4,632,949	10,683,028
Transfers	13,573,300	12,121,270	10,491,502	11,898,312	12,443,267	12,819,487	29,825,475	11,013,481	13,307,004	13,217,146
Total governmental activities	298,207,581	282,610,593	268,109,616	254,101,420	241,129,797	240,760,000	249,865,471	226,423,624	226,380,842	233,463,555
Business-type activities:										
Hotel/Motel tax	8,685,384	8,263,231	7,342,639	5,984,727	5,095,504	4,669,257	4,722,431	4,098,810	3,951,890	4,909,061
Franchise fees	8,753,718	8,499,964	7,957,587	7,570,258	7,068,059	6,498,108	6,761,347	6,286,201	6,198,973	6,721,464
Investment income	453,519	539,844	544,194	449,967	196,590	639,758	795,789	531,546	604,201	1,411,359
Transfers	(13,573,300)	(12,121,270)	(10,491,502)	(11,898,312)	(12,443,267)	(12,819,487)	(12,602,560)	(11,013,481)	(13,307,004)	(13,217,146)
Total business-type activities	4,319,321	5,181,769	5,352,918	2,106,640	(83,114)	(1,012,364)	(322,993)	(96,924)	(2,551,940)	(175,262)
Total primary government	\$ 302,526,902	\$ 287,792,362	\$ 273,462,534	\$ 256,208,060	\$ 241,046,683	\$ 239,747,636	\$ 249,542,478	\$ 226,326,700	\$ 223,828,902	\$ 233,288,293
Change in net position										
Governmental activities	\$ 29,078,389	\$ 41,454,595	\$ 53,260,676	\$ 23,862,231	\$ 19,227,256	\$ 25,031,684	\$ 44,510,431	\$ 25,674,784	\$ 19,863,346	\$ 21,318,811
Business-type activities	(1,342,421)	5,331,195	14,664,983	(1,344,394)	9,290,529	(1,887,821)	19,259,940	14,185,932	4,788,554	13,667,198
Total primary government	\$ 27,735,968	\$ 46,785,790	\$ 67,925,659	\$ 22,517,837	\$ 28,517,785	\$ 23,143,863	\$ 63,770,371	\$ 39,860,716	\$ 24,651,900	\$ 34,986,009

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 3

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nondisposable	\$ 426,935	\$ 455,431	\$ 506,576	\$ 793,454	\$ 152,616	\$ 189,920	\$ 176,588	\$ 2,321,839	\$ 6,976,517	\$ 6,678,087
Assigned	8,648,847	7,482,574	5,308,518	4,617,229	3,467,826	2,579,810	3,110,127	4,604,162	4,055,302	2,683,725
Unassigned	42,559,341	46,251,968	45,788,922	45,914,135	52,689,982	50,197,033	41,547,010	34,474,576	31,712,311	35,379,734
Total general fund	\$ 51,635,123	\$ 54,189,973	\$ 51,604,016	\$ 51,324,818	\$ 56,310,424	\$ 52,966,763	\$ 44,833,725	\$ 41,400,577	\$ 42,744,130	\$ 44,741,546
All Other Governmental Funds										
Nondisposable	\$ 203,063	\$ 350,071	\$ 200,110	\$ 64,510	\$ 22,830	\$ 905	\$ 4,405	\$ -	\$ 2,680	\$ 6,195
Restricted	118,218,632	110,520,152	83,521,364	87,225,859	94,919,165	93,888,376	80,004,218	61,975,246	85,435,605	74,471,250
Committed	52,076,874	45,745,697	41,176,158	34,066,858	26,320,350	20,280,369	16,052,538	-	-	-
Assigned	82,418,884	79,391,186	96,276,903	86,964,225	69,940,931	63,918,355	59,782,814	71,516,720	61,199,709	76,924,976
Unassigned	-	-	(441,228)	-	-	-	-	(374,071)	-	-
Total all other governmental funds	\$ 252,917,453	\$ 236,007,106	\$ 220,733,307	\$ 208,321,452	\$ 191,203,276	\$ 178,088,005	\$ 155,843,975	\$ 133,117,895	\$ 146,637,994	\$ 151,402,421

Source: Comprehensive Annual Financial Report

CITY OF PLANO, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)
 (unaudited)

Table 4

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Taxes:										
Property taxes	\$ 161,637,414	\$ 152,476,517	\$ 139,784,392	\$ 130,387,583	\$ 124,453,986	\$ 121,496,666	\$ 117,691,853	\$ 121,312,517	\$ 119,568,563	\$ 114,494,640
Other taxes	83,724,225	78,390,614	78,708,945	75,793,144	70,185,140	71,089,176	63,851,345	59,176,584	57,577,341	63,266,376
Franchise fees	23,778,918	23,795,403	24,452,648	23,469,220	22,455,605	21,895,025	22,770,634	21,886,667	23,586,443	22,628,847
Fines and forfeitures	13,865,452	13,228,933	17,004,610	12,381,098	11,584,047	12,111,722	10,949,125	10,912,913	10,982,616	9,167,406
Contributions	8,275,401	16,065,928	14,451,847	14,386,075	7,912,545	7,195,450	7,161,721	10,691,912	5,206,878	3,845,932
Rollback taxes	1,083,768	2,080,324	1,705,253	593,756	704,467	896,012	172,594	63,296	263,577	1,134,487
Licenses and permits	11,096,275	13,864,396	11,521,327	8,464,559	8,514,993	6,976,693	6,619,204	5,763,535	4,786,291	5,235,695
Intragovernmental	10,272,023	9,845,021	9,073,068	8,839,577	9,246,857	8,354,150	8,879,036	8,211,958	7,739,588	7,276,212
Intergovernmental	3,294,983	8,600,986	8,762,083	6,861,157	8,378,604	5,695,397	12,269,550	7,236,142	7,118,445	3,432,643
Fees for services	17,591,060	17,476,570	17,235,709	16,093,966	15,626,146	15,654,770	13,535,139	13,769,089	13,808,677	13,488,581
Assessments	-	-	4,555	-	13,512	56,776	157,805	88,375	10,094	25,465
Assessed taxes	97,091	96,327	-	-	-	-	-	-	-	-
Loan repayments	44,326	52,553	-	-	-	-	-	-	-	-
Investment income	2,610,264	2,708,822	2,566,239	539,548	803,395	2,323,962	3,932,542	2,884,604	3,988,091	8,420,799
Insurance receipts	2,524,669	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	2,456,619	-
Miscellaneous	2,941,582	2,088,223	2,688,796	2,409,120	2,715,685	1,574,428	1,292,782	1,398,742	-	1,909,910
Total revenues	\$ 342,837,451	\$ 340,770,617	\$ 327,959,472	\$ 300,218,803	\$ 282,594,982	\$ 275,320,227	\$ 269,283,330	\$ 263,396,334	\$ 257,093,223	\$ 254,326,993
Expenditures:										
Current:										
General government	\$ 27,946,543	\$ 28,719,550	\$ 28,745,531	\$ 23,153,000	\$ 22,100,556	\$ 23,684,196	\$ 21,355,266	\$ 392,129	\$ 613,652	\$ 878,675
Administrative services	11,009,172	10,137,693	9,671,352	9,075,852	8,429,725	7,998,091	7,978,998	7,901,744	8,239,334	8,208,019
Police	85,173,812	77,750,758	76,345,150	72,624,201	69,419,105	66,547,202	65,618,061	65,289,730	63,987,283	61,831,212
Fire	59,067,134	53,993,731	51,601,545	48,671,045	45,723,609	44,454,375	43,239,799	42,984,135	43,080,441	41,361,437
Libraries	10,933,170	10,910,966	9,894,090	9,807,337	9,163,013	9,146,500	9,392,127	9,926,819	10,314,568	10,467,040
Development	35,587,723	35,279,126	33,168,506	35,721,485	27,163,001	24,417,148	24,830,560	19,694,309	19,924,444	19,635,957
Public services and operations	7,659,746	7,323,817	6,603,174	7,293,539	6,204,948	5,515,414	5,653,648	5,634,193	5,757,144	5,377,281
Parks and recreation	24,471,388	23,043,731	21,730,109	20,362,792	19,376,076	18,729,207	18,792,674	19,909,716	21,407,832	20,681,818
Environmental waste services	-	877	51,856	-	664,613	875,569	1,284,956	88,202	300,339	53,576
Public works	6,488,697	6,328,770	5,945,885	5,817,124	5,931,011	5,327,481	5,538,454	5,592,600	5,840,246	5,820,027
Technology services	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-
Other	-	-	-	-	-	-	-	27,809,863	27,609,726	27,266,420
Capital outlay	90,609,900	79,143,347	79,259,135	44,164,938	45,403,651	33,542,010	47,374,962	64,827,368	60,362,017	54,679,984
Interest and fiscal charges	204,212	267,002	273,480	100,335	175,051	105,385	-	-	-	-
Debt service:										
Principal retirement	27,145,000	28,540,000	29,430,000	28,135,000	30,335,000	28,990,000	28,405,000	27,650,000	25,645,000	23,510,000
Interest and fiscal charges	14,652,723	12,982,753	12,398,406	13,015,703	13,902,230	14,219,545	14,128,251	14,553,158	15,037,063	14,598,200
Total expenditures	\$ 401,949,220	\$ 375,422,121	\$ 366,118,219	\$ 318,942,351	\$ 304,991,589	\$ 284,552,123	\$ 294,592,756	\$ 312,253,966	\$ 308,119,089	\$ 294,369,646
Deficiency of revenues over expenditures	\$ (59,111,769)	\$ (34,651,504)	\$ (38,158,747)	\$ (18,723,548)	\$ (22,396,607)	\$ (9,231,896)	\$ (25,309,426)	\$ (48,857,632)	\$ (51,025,866)	\$ (40,042,653)

CITY OF PLANO, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 4
(continued)

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Other financing sources:										
Proceeds from sale of bonds	\$ 54,740,000	\$ 33,610,000	\$ 30,130,000	\$ 20,680,000	\$ 22,175,000	\$ 25,860,000	\$ 21,400,000	\$ 22,615,000	\$ 29,315,000	\$ 58,370,000
Bond proceeds-refunding	27,805,000	33,585,000	51,300,000	8,645,000	39,750,000	20,540,000	-	16,633,613	12,370,000	-
Premium on sale of bonds	10,517,669	12,243,821	10,503,390	952,750	11,439,780	3,820,972	114,918	444,228	250,350	925,415
Discount on sale of bonds	-	-	-	-	-	(253,786)	-	-	-	-
Escrow payment-refunding	(32,589,261)	(39,339,873)	(57,298,532)	(11,373,354)	(48,059,266)	(22,783,832)	-	(16,777,204)	(12,428,331)	-
Capital receipt of land	-	650,000	-	-	-	-	-	-	-	-
Capital disposal of land	-	(650,000)	-	-	-	-	-	-	-	-
Sale of land	-	830,000	456,000	-	144,020	-	-	426,129	-	-
Disbursements from component unit	-	-	-	-	-	-	1,793,418	-	-	-
Transfer of assets from Plano Economic Development Board	-	-	-	-	-	-	16,052,538	-	-	-
Operating transfers in	38,680,903	36,271,298	38,735,713	33,629,949	26,993,051	23,893,031	24,366,126	21,898,253	25,390,773	24,276,733
Operating transfers out	(25,687,045)	(24,688,986)	(22,976,771)	(21,678,227)	(13,587,046)	(11,467,421)	(11,762,012)	(11,246,039)	(10,633,769)	(10,809,587)
Total other financing sources	\$ 73,467,266	\$ 52,511,260	\$ 50,849,800	\$ 30,856,118	\$ 38,855,539	\$ 39,608,964	\$ 51,964,988	\$ 33,993,980	\$ 44,264,023	\$ 72,762,561
Net change in fund balances	\$ 14,355,497	\$ 17,859,756	\$ 12,691,053	\$ 12,132,570	\$ 16,458,932	\$ 30,377,068	\$ 26,655,562	\$ (14,863,652)	\$ (6,761,843)	\$ 32,719,908
 Debt service as a percentage of noncapital expenditures	 13.4%	 14.0%	 14.6%	 15.0%	 17.1%	 17.2%	 17.2%	 17.1%	 16.4%	 15.9%

**CITY OF PLANO, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF
 TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 5

Fiscal Year	Estimated Market Value			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Residential	Real Property Non-Residential	Non-Real Property Personal			
2008	18,954,823,683	7,727,575,850	2,462,948,501	4,633,847,568	24,511,500,466	0.4735
2009	20,436,560,005	8,494,498,706	2,836,955,143	5,982,698,546	25,785,315,308	0.4735
2010	20,331,824,829	8,516,248,849	2,669,986,601	6,010,842,123	25,507,218,156	0.4886
2011	20,081,379,973	7,798,953,065	2,648,600,517	5,848,034,850	24,680,898,705	0.4886
2012	20,038,395,317	8,054,393,555	2,740,588,934	5,819,334,127	25,014,043,679	0.4886
2013	20,614,106,560	8,261,636,814	2,793,315,064	6,021,553,525	25,647,504,913	0.4886
2014	21,311,000,073	8,823,285,904	2,991,385,705	6,200,498,251	26,925,173,431	0.4886
2015	23,162,425,188	9,484,172,986	3,226,199,045	7,039,911,544	28,832,885,675	0.4886
2016	25,513,643,395	10,228,975,248	3,332,540,330	7,795,148,020	31,280,010,953	0.4886
2017	28,337,673,807	11,154,737,907	3,336,271,261	8,476,155,936	34,352,527,039	0.4786

Source: City of Plano Budget Department and Collin County Central Appraisal District based on original tax roll.

Note: Real, Personal and Tax-Exempt breakout of Net Adjustments provided by Kenneth L. Maun, Tax Assessor/Collector, is unavailable.

CITY OF PLANO, TEXAS
PROPERTY TAX RATES/ASSESSMENT RATIOS -
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(unaudited)

Table 6

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Fiscal Year (1)	General Fund	City of Plano			Plano School District		Allen School District		Collin County		Frisco School District		Lewisville School District		Denton County		Collin College	
		Debt Service Fund	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio	Rate	Assess- ment Ratio
2008	0.3210	0.1525	0.4735	100	1.2680	100	1.47	100	0.245	100	1.350	100	1.3800	100	0.2360	100	0.0800	100
2009	0.3268	0.1467	0.4735	100	1.3030	100	1.47	100	0.243	100	1.370	100	1.3800	100	0.2360	100	0.0860	100
2010	0.3284	0.1602	0.4886	100	1.3284	100	1.54	100	0.243	100	1.390	100	1.4087	100	0.2500	100	0.0860	100
2011	0.3135	0.1751	0.4886	100	1.3534	100	1.54	100	0.240	100	1.390	100	1.4267	100	0.2739	100	0.0863	100
2012	0.3149	0.1737	0.4886	100	1.3734	100	1.67	100	0.240	100	1.420	100	1.4260	100	0.2774	100	0.0863	100
2013	0.3192	0.1694	0.4886	100	1.3734	100	1.67	100	0.240	100	1.460	100	1.4530	100	0.2829	100	0.0836	100
2014	0.3296	0.1590	0.4886	100	1.4530	100	1.67	100	0.235	100	1.460	100	1.4770	100	0.2849	100	0.0836	100
2015	0.3438	0.1448	0.4886	100	1.4390	100	1.64	100	0.225	100	1.460	100	1.4770	100	0.2849	100	0.0820	100
2016	0.3576	0.1310	0.4886	100	1.4390	100	1.61	100	0.225	100	1.460	100	1.4767	100	0.2620	100	0.0820	100
2017	0.3556	0.1230	0.4786	100	1.4390	100	1.59	100	0.192	100	1.460	100	1.4200	100	0.2484	100	0.0812	100

(1) For School Districts, fiscal years ended on August 31 and include the County Education District tax rate.

NOTE: Property tax rates are levied per \$100 assessed valuation.

Sources: Representatives of the various taxing jurisdictions.

**CITY OF PLANO, TEXAS
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(unaudited)**

Table 7

Name of Taxpayer	2017			2008		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Toyota Motor North America Inc	\$ 358,743,658	1	1.06%			
Silos Harvesting Partners LP	245,000,000	2	0.72%			
Legacy West Investors LP	221,702,635	3	0.66%			
Oncor Electric Delivery Company	199,598,544	4	0.59%	\$ 176,693,012	1	0.72%
HP Enterprise Services LLC	178,540,755	5	0.53%			
394 Pacific DCD LLC	168,000,000	6	0.50%			
KBSIII Legacy Town Center LLC	154,458,567	7	0.46%			
HSP Of Texas Inc	146,666,124	8	0.43%			
UDR Legacy Village LLC	142,527,900	9	0.42%			
JP Morgan Chase Bank NA	140,967,122	10	0.42%			
J C Penney Co Inc #9900-2				171,255,476	2	0.70%
Electronic Data Systems Corporation				140,996,529	3	0.57%
Willow Bend Shopping Center LP				127,374,433	4	0.52%
United Dominion Realty LP				113,285,714	5	0.46%
Shops at Legacy (Inland) LP				104,152,381	6	0.42%
Countrywide Home Loans Inc				99,518,999	7	0.40%
Alcatel USA Sourcing LP				98,563,283	8	0.40%
Legacy Campus LP				95,000,000	9	0.39%
Tollway/121 Partners LTD				84,596,532	10	0.34%
	<u>\$ 1,956,205,305</u>		<u>5.79%</u>	<u>\$ 1,211,436,359</u>		<u>4.92%</u>

Source: Collin County Appraisal District

**CITY OF PLANO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)**

Table 8

Fiscal Year	Total Tax Levy	Collection Current Year's Taxes During Period	Collections Transferred to TIF Component Units	Total Current Year Collections	Percent of Levy Collected During Fiscal Period	Collections in Subsequent Years	Total Tax Collections	Ratio of Total Tax Collections to Current Levy
2008	116,214,292	113,215,333	2,127,954	115,343,287	99.25	1,279,307	116,622,594	100.35
2009	121,434,014	118,459,942	2,205,306	120,665,248	99.37	1,108,621	121,773,869	100.28
2010	123,231,506	120,537,005	1,976,550	122,513,555	99.42	775,512	123,289,067	100.05
2011	* 119,311,553	117,076,366	1,740,962	118,817,328	99.59	615,487	119,432,815	100.10
2012	121,179,947	120,112,398	682,096	120,794,494	99.68	1,384,268	122,178,762	100.82
2013	124,539,135	123,491,655	765,800	124,257,455	99.77	962,331	125,219,786	100.55
2014	130,892,241	129,629,986	765,689	130,395,675	99.62	757,597	131,153,272	100.20
2015	139,575,321	137,952,646	866,051	138,818,697	99.46	1,831,746	140,650,443	100.77
2016	151,033,590	149,652,774	1,032,587	150,685,361	99.77	2,823,743	153,509,104	101.64
2017	161,973,421	160,230,498	1,467,896	161,698,394	99.83	1,406,953	163,105,347	100.70

* 2011 Total Levy has been reduced by \$29,552 refund for tax abatement.

**CITY OF PLANO, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)**

Table 9

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Water and Sewer Revenue Bonds	Municipal Drainage Revenue Bonds			
2008	344,466,792	5,750,000	23,482,263	373,699,055	3.44	1,429
2009	349,122,792	3,895,000	23,834,830	376,852,622	3.49	1,426
2010	342,254,729	1,955,000	26,060,884	370,270,613	3.77	1,397
2011	334,358,571	695,000	24,200,916	359,254,487	3.53	1,370
2012	332,298,643	365,000	22,210,947	354,874,590	3.49	1,345
2013	330,423,813	-	20,150,978	350,574,791	3.19	1,318
2014	319,362,266	-	18,016,010	337,378,276	3.06	1,249
2015	322,852,271	-	16,367,610	339,219,881	2.92	1,240
2016	332,366,608	28,210,692	14,279,894	374,857,194	3.19	1,355
2017	363,534,046	27,276,451	18,940,154	409,750,651	3.39	1,468

Note: See Table 15 for personal income and population data.

CITY OF PLANO, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Table 10

Fiscal Year	General Obligation Bonds, Certificates of Obligation, Tax Anticipation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2008	344,466,792	3,250,126	341,216,666	1.26	1,179
2009	349,122,792	5,491,973	343,630,819	1.20	1,162
2010	342,254,729	1,175,155	341,079,574	1.17	1,126
2011	334,358,571	2,035,641	332,322,930	1.23	1,133
2012	332,298,643	2,224,744	330,073,899	1.20	1,134
2013	330,423,813	1,573,430	328,850,383	1.16	1,112
2014	319,362,268	3,340,771	316,021,497	1.08	1,075
2015	322,852,271	3,701,797	319,150,474	1.01	1,050
2016	332,366,608	3,925,760	328,440,847	0.94	1,055
2017	363,534,046	4,440,930	359,093,116	0.91	1,104

Note: See Table 5 for property value data.

Note: See Table 15 for population data.

CITY OF PLANO, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2017
(unaudited)

Table 11

Taxing Body	Debt Outstanding	Percentage of Debt Applicable to Area	City of Plano Share of Debt
City of Plano	<u>\$ 401,720,871</u>	100.00%	<u>\$ 401,720,871</u>
Total direct debt	<u>401,720,871</u>		<u>401,720,871</u>
Plano Independent School District	1,031,725,000	69.81%	720,247,223
Collin County	352,380,000	33.38%	117,624,444
Denton County	645,305,000	1.58%	10,195,819
Frisco Independent School District	2,147,871,338	12.99%	279,008,487
Allen Independent School District	651,299,087	0.65%	4,233,444
Lewisville Independent School District	1,622,209,675	3.91%	63,428,398
Collin College	<u>14,590,000</u>	33.38%	<u>4,870,142</u>
Total overlapping debt	<u>6,465,380,100</u>		<u>1,199,607,957</u>
Total direct and overlapping bonded debt	<u>\$ 6,867,100,971</u>		<u>\$ 1,601,328,828</u>
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)			<u>4.74%</u>
Per capita overlapping bonded debt			<u>\$ 5,737</u>

Sources: For net bonded debt, representatives (business manager or finance officer) of the taxing jurisdictions. For percentage of debt applicable to City, the Municipal Advisory Council of Texas.

**CITY OF PLANO, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2017
(unaudited)**

Table 12

As a home rule city, the City of Plano is not limited by the law in the amount of debt it may issue.
The City's Charter (Section 9.18) states:

The City Council shall have the power under the provisions of the state law to levy, assess and collect an annual tax upon real and personal property within the City to the maximum provided by the Constitution and the general laws of the State of Texas. The City Council shall also have the power to levy occupation taxes on such occupations as consistent with the general laws of the State of Texas.

Article II, Section 5 of the State of Texas Constitution states in part:

...but no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.

The tax rate at October 1, 2016 is \$0.4786 per \$100.00 with assessed valuation at 100% of market value.

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - WATER AND SEWER BONDS
LAST TEN FISCAL YEARS
(unaudited)

Table 13

Fiscal Year	Total Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Annual Debt Service Requirements			
				Principal	Interest	Total	Coverage
2008	99,931,712	64,224,159	35,707,553	1,169,492	107,551	1,277,043	27.96
2009	107,388,857	77,222,182	30,166,675	994,468	73,915	1,068,383	28.24
2010	116,274,847	77,198,970	39,075,877	670,286	40,269	710,555	54.99
2011	127,990,851	80,214,600	47,776,251	362,609	22,122	384,731	124.18
2012	114,265,966	87,746,758	26,519,208	398,182	15,927	414,109	64.04
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	140,225,993	109,031,127	31,194,866	930,000	985,050	1,915,050	1629%
2017	143,783,223	118,878,037	24,905,186	855,000	980,400	1,835,400	1357%

Note: Direct operating expense excludes depreciation, charges in lieu of taxes, and net pension expense.
For the 2016 bond issue, a reserve fund is not required so long as the net revenues equal or exceed 150% of the annual debt service requirements due and payable in the fiscal year.

CITY OF PLANO, TEXAS
SCHEDULE OF REVENUE BOND COVERAGE - MUNICIPAL DRAINAGE BONDS
LAST TEN FISCAL YEARS
(unaudited)

Table 14

Fiscal Year	Gross Revenue	Operating and Maintenance Expense	Gross Revenues Times Expense	Average Annual Debt Service Requirement			
				Principal	Interest	Total	Coverage
2008	5,490,072	2,248,948	2.44	1,158,500	403,715	1,562,215	2.07
2009	5,250,108	2,444,101	2.15	1,250,250	436,656	1,686,906	1.66
2010	5,331,169	2,475,433	N/A	1,282,500	421,898	1,704,398	1.68
2011	5,432,677	2,411,295	N/A	1,253,421	387,407	1,640,828	1.84
2012	5,334,131	2,615,205	N/A	1,213,889	356,451	1,570,340	1.73
2013	6,327,655	2,524,631	N/A	1,165,588	325,751	1,491,339	2.55
2014	7,475,077	2,852,291	N/A	1,106,563	295,615	1,402,178	3.30
2015	7,256,952	3,350,309	N/A	1,053,667	230,741	1,284,408	3.04
2016	7,392,218	3,445,947	N/A	982,857	211,124	1,193,981	3.31
2017	7,507,296	3,297,572	N/A	945,000	260,839	1,205,839	3.49

Note: Operating expense excludes depreciation and net pension expense.

NOTE: 1995 is the first Fiscal Year of coverage for the bonds. Bond ordinance requires that revenues are at least 1.25 times the average annual debt service for all outstanding bonds. Beginning in Fiscal Year 2010, the City no longer has the requirement related to gross revenues times expense.

**CITY OF PLANO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)**

Table 15

DEMOGRAPHICS					
Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	PISD School Enrollment	Unemployment Rate (%)
2008	261,500	10,861,901	41,537	53,683	4.8
2009	264,250	10,813,110	40,920	54,203	7.6
2010	265,000	9,813,480	37,032	54,939	7.0
2011	262,200	10,167,592	38,778	55,570	7.4
2012	263,750	10,162,288	38,530	55,659	5.6
2013	265,900	11,004,272	41,385	54,735	5.6
2014	270,100	11,308,547	41,868	54,822	4.6
2015	273,600	11,604,197	42,413	54,689	3.5
2016	276,700	11,765,837	42,522	54,573	3.7
2017	279,100	12,083,914	43,296	54,173	3.2

Sources: Population estimates were prepared by the City of Plano. Personal income estimates were obtained from the U.S. Census Bureau for the year 2014. School enrollment figures were provided by the Plano Independent School District (PISD). Unemployment rates were provided by the Texas Workforce Commission.

**CITY OF PLANO, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO
(unaudited)**

Table 16

	2017			2008		
	Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
	Capital One Finance	5,500	3.43	Countrywide Home Loans	10,762	7.27
	Bank of America Home Loans	3,400	2.13	J.C. Penney, Inc.	5,200	3.51
	HP Enterprise Services	3,250	2.03	Electronic Data Systems	5,000	3.38
	Ericsson	3,200	2.00	Perot Systems Corporation	2,732	1.85
	Toyota Motor North America, Inc.	2,900	1.82	Alcatel	2,280	1.54
	Frito-Lay	2,500	1.56	CHC Acquisition Corporation	2,000	1.35
	J. C. Penney Company, Inc.	2,420	1.51	Frito-Lay	1,920	1.30
	Dell Services	2,250	1.41	Dr. Pepper/SevenUp Corporation	1,700	1.15
	Texas Health Presbyterian Hospital Plano	1,680	1.05	Medical Center of Plano	1,491	1.01
	Medical Center of Plano	1,600	1.00	Presbyterian Hospital of Plano	1,480	1.00
	Total	28,700	17.94	Total	34,565	23.36

Sources: Plano Economic Development Board
Sources: Texas Workforce Commission

**CITY OF PLANO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)**

Table 17

	Fiscal year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	92.5	90.0	93.0	91.0	96.5	95.0	93.5	54.5	64.5	63.5
Administrative services	92.5	91.5	87.5	83.5	81.5	79.5	79.0	79.5	79.5	86.0
Police	669.5	628.0	611.0	625.5	616.0	606.0	604.5	620.0	651.5	661.0
Fire	397.0	362.5	365.0	359.0	349.0	335.0	334.0	335.0	334.0	335.5
Libraries	152.0	155.0	149.0	148.5	148.5	149.0	159.0	157.0	156.0	172.0
Development	184.5	180.0	167.0	155.5	147.5	148.0	148.0	149.5	159.5	164.0
Public services and operations	75.0	73.0	71.5	69.0	66.5	66.5	67.5	60.5	66.0	64.0
Parks and recreation	415.5	360.5	358.0	347.5	386.0	357.0	342.0	387.5	378.0	376.5
Public works	69.0	66.0	61.0	61.0	61.0	55.0	56.5	64.0	61.5	65.5
Technology services	54.0	58.0	55.0	57.0	50.0	46.0	47.0	49.0	50.0	50.0
Water and sewer	141.5	145.5	147.0	150.0	147.0	146.0	144.5	152.0	153.0	146.5
Environmental waste services	100.0	94.5	95.5	97.5	94.0	95.5	95.5	95.0	93.0	90.5
Municipal drainage	26.0	28.0	28.0	25.0	22.0	22.0	20.0	22.0	19.0	18.0
Civic center	41.0	39.5	40.0	42.0	40.0	40.5	43.0	48.5	50.0	47.5
Municipal golf course	8.0	8.0	8.0	9.5	8.0	8.5	7.0	6.0	7.0	8.0
Recreation revolving	143.5	149.5	126.5	138.5	139.0	160.5	159.0	160.5	169.0	148.0
Total	2,661.5	2,529.5	2,463.0	2,460.0	2,452.5	2,410.0	2,400.0	2,440.5	2,491.5	2,496.5

CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 18

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Administrative Services										
Legal										
Ordinance/resolution review/preparation	141	226	194	226	237	240	258	266	552	658
Human Resources										
Full-time civilian employees	1,434	1,410	1,378	1,363	1,330	1,308	1,320	1,349	1,387	1,422
Accounting										
Payment requests processed	65,025	66,170	64,268	64,765	66,076	63,183	65,723	70,850	81,677	86,869
Police										
Employees (uniformed)	394	361	346	352	345	340	335	340	341	344
Citations	53,111	63,559	65,269	68,258	72,507	75,009	60,378	68,598	92,133	87,801
Public Safety Communications										
911 Calls*	161,310	159,795	166,304	164,299	160,196	150,508	150,614	157,277	234,876	228,214
911 Dispatches*	204,016	215,733	218,773	226,704	235,572	239,491	232,981	240,175	229,669	222,252
Fire										
Employees (uniformed)	377	343	347	341	333	316	315	313	323	317
Fire runs	26,570	25,005	24,618	22,615	21,801	20,342	21,040	19,893	20,235	19,665
EMS runs	15,760	15,689	15,462	14,521	14,155	13,293	12,902	12,782	13,693	12,297
Libraries										
Volumes in collection	795,654	770,701	786,982	803,074	811,941	807,343	798,347	757,837	793,073	804,410
Registered borrowers	188,787	181,131	200,369	203,478	205,512	206,550	204,234	200,386	196,093	192,578
Development										
Building Inspections										
Inspections (all construction)	71,069	65,230	59,384	56,014	62,479	58,217	53,890	50,790	52,805	80,600
New construction permits issued	5,204	5,446	1,070	810	818	854	1,885	1,010	825	1,718
Engineering										
New streets/alleys paved (miles)	5	4	4	5	5	2	4	3	2	9
New water lines installed (miles)	24	18	24	16	21	14	10	23	28	36
Public Services and Operations										
Environmental Health										
Inspections	7,417	6,482	5,929	6,087	5,898	5,478	4,489	4,554	3,931	3,961
Animal Control										
Animals impounded	6,891	6,947	7,687	8,302	9,152	9,388	7,591	9,616	8,728	8,307

**CITY OF PLANO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)**

**Table 18
(continued)**

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Parks and Recreation										
Recreation attendance	2,295,266	2,561,438	2,420,165	2,356,309	2,393,394	2,447,363	2,169,763	2,361,390	2,377,182	2,341,119
Recreation center members	54,482	51,254	49,857	52,664	50,476	35,222	21,690	22,246	22,083	38,341
Public Works										
Streets										
Streets, alleys, and sidewalks										
Excavate/Replace (Sq Ft)	2,461,590	2,109,483	1,661,006	1,607,939	1,490,877	975,140	1,639,893	1,377,388	877,475	984,657
Water and Sewer										
Water customers	84,081	82,388	80,371	79,139	78,534	78,144	77,720	79,243	77,082	77,440
Average daily water consumption (gal)	48,909,020	56,517,827	49,676,000	73,200,000	80,928,294	80,284,182	61,740,731	63,893,260	62,645,000	61,657,000
Maximum storage capacity (gal)	85,500,000	85,500,000	85,500,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000	88,000,000
Environmental Waste Services (residential)										
Refuse collected (tons)	58,319	60,287	58,703	57,154	57,191	57,810	62,078	59,530	60,670	62,982
Bulky waste pickups (tons)	6,470	6,535	5,095	4,925	4,600	4,194	5,544	5,142	5,264	5,650
Recyclables collected (tons)	17,489	18,406	18,627	18,623	18,816	18,882	19,216	19,435	19,632	20,867
Yard trimmings collected (tons)	19,540	21,199	20,840	24,299	21,108	19,614	21,139	21,704	21,465	26,836
Municipal Drainage										
Environmental assessment requests	132	171	207	133	92	74	70	65	54	82
Storm sewer inlets maintained	9,870	9,268	8,462	8,983	9,527	9,673	10,483	10,483	10,483	4,139
Civic Center										
Event days booked and serviced	150	246	275	247	249	693	883	834	1,145	1,200
Municipal Golf Course										
Rounds of golf played	52,746	48,982	45,223	50,447	53,324	50,759	4,902	41,592	54,109	55,004
Recreation Revolving										
Courses completed	6,512	6,971	7,137	6,966	7,172	6,810	6,924	7,046	6,822	6,896

Source: City Departments

Notes: *911 Calls and 911 dispatches include all calls to 911 which represent both police and fire.

Operating indicators are not available for the general government, technology services, property management or downtown center development functions.

CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Table 19

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Police										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of patrol units	147	130	127	124	128	126	121	143	166	189
Number of motorcycle units	5	5	5	6	6	7	7	6	6	6
Fire										
Number of stations	13	13	13	13	13	13	13	12	11	11
Number of fire engines/trucks	22	22	22	22	22	22	22	22	22	22
Number of EMS trucks	11	11	10	10	10	10	10	10	7	7
Libraries										
Number of libraries	5	5	5	5	5	5	5	5	5	5
Development										
Planning										
Streets- paved (miles)	1,044	1,039	1,035	1,031	1,026	1,021	1,019	1,016	1,014	1,012
Alleys- paved (miles)	519	519	519	519	519	519	519	518	517	517
Public Services and Operations										
Animal Services										
Animal control trucks	8	8	8	8	8	8	8	8	8	15
Parks and Recreation										
Parks* (acres)	4,322	4,268	4,244	4,241	4,002	3,995	3,994	3,936	3,858	3,858
Athletic fields	161	171	179	179	179	179	179	179	179	179
Playgrounds	71	69	70	69	69	69	71	71	71	71
Recreation centers	5	5	4	4	4	4	4	4	5	5
Tennis centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Aquatic/Natatorium	9	8	7	8	9	9	9	9	9	9
Public Works										
Traffic signals	227	225	221	220	219	219	216	215	212	211

**CITY OF PLANO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

**Table 19
(continued)**

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Water and Sewer										
Water mains (miles)	1,427	1,414	1,405	1,391	1,384	1,373	1,367	1,362	1,351	1,335
Sanitary sewers (miles)	1,037	1,032	1,029	1,024	1,019	1,014	1,009	1,007	1,001	999
Fire hydrants	15,452	15,256	15,111	14,918	14,817	14,677	14,604	14,516	14,369	14,109
Environmental Waste Services										
Collection trucks	51	50	50	50	50	50	48	45	45	45
Municipal Drainage										
Storm sewers (miles)	694	688	682	677	673	668	665	662	656	646
Civic Center										
Civic Centers	1	1	1	1	1	1	1	1	1	1

Source: City Departments

Notes: N/A - Data not available.

*Includes Golf Course.

Capital asset indicators are not available for the general government, administrative services, property management, recreation revolving or downtown center development functions.

City of Plano, Texas

Single Audit Report

September 30, 2017

City of Plano
Single Audit Report
For the Fiscal Year Ended September 30, 2017
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Plano, Texas (the City) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 3, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "Weaver and Tidwell LLP". The signature is written in a cursive, flowing style.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018



**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; and Report on Schedule of
Expenditures of Federal and State Awards Required by the Uniform Guidance**

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Plano, Texas (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic statements. We issued our report thereon dated January 3, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures,

The Honorable Mayor and Members of the City Council
The City of Plano, Texas

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2018

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2017

FEDERAL GRANTOR \ PASS THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	GRANTOR OR PASS-THROUGH GRANTOR'S NUMBER	PROGRAM AWARD EXPENDITURES	PASSED THROUGH SUBRECIPIENTS
DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY:				
Passed through Texas Office of the Governor - Homeland Security Grants Division:				
Homeland Security Grant Program	97.067	2984501	\$ 127,595	\$ -
Homeland Security Grant Program	97.067	2942702	115,537	-
Homeland Security Grant Program	97.067	3161801	18,295	-
Homeland Security Grant Program	97.067	3162201	46,145	-
Homeland Security Grant Program	97.067	3311001	92,800	-
Total CFDA 97.067			400,372	
Passed through Texas A&M Engineering Extension Service:				
National Urban Search and Rescue Response System	97.025	Hurricane Maria	9,675	-
TOTAL DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY			410,047	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Direct Programs:				
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-48-0035	1,111,601	197,256
HOME Investment Partnerships Program	14.239	M-16-MC-480234	238,949	110,817
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			1,350,550	308,073
DEPARTMENT OF JUSTICE:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0496	21,950	-
Drug Enforcement Administration Task Force 2	16.UNK		1,315	-
Federal Bureau of Investigation Computer Crime Lab Task Force	16.UNK		15,779	-
Federal Bureau of Investigation Cyber Crime Task Force	16.UNK		13,077	-
Federal Bureau of Investigation Joint Terrorism Task Force	16.UNK		17,145	-
TOTAL DEPARTMENT OF JUSTICE			69,266	-
DEPARTMENT OF TRANSPORTATION:				
Passed through Dallas Area Rapid Transit:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		21,000	-
Passed through Texas Department of Transportation:				
Windhaven - Spring Creek to West City	20.205	CSJ: 0918-24-143	87,661	-
State and Community Highway Safety	20.600	2017-PlanoPD-S-1YG-0020	136,628	-
TOTAL DEPARTMENT OF TRANSPORTATION			245,289	-
DEPARTMENT OF TREASURY:				
Direct Programs:				
North Texas Financial Crimes Task Force	21.UNK	N/A	6,999	-
Department of the Treasury Equitable Sharing	21.016	N/A	813,548	-
TOTAL DEPARTMENT OF TREASURY			820,547	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES:				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program	45.310	SFY2017	49,687	-
Texas State Library and Archives Commission Research Institute for Public Libraries	45.310	SFY2016	336	-
Texas State Library and Archives Commission Special Projects	45.310	478-17019	46,144	-
Texas State Library and Archives Commission Impact Grant Program	45.310	475-17011	9,960	-
Texas State Library and Archives Commission Texas Reads	45.310	451-17008	5,000	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			111,127	-
TOTAL FEDERAL ASSISTANCE			\$ 3,006,826	\$ 308,073

See accompanying notes to schedule of expenditures of federal and state awards.

City of Plano, Texas

Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended September 30, 2017

STATE GRANTOR \ PASS THROUGH GRANTOR PROGRAM TITLE	GRANTOR OR PASS-THROUGH GRANTOR'S NUMBER	PROGRAM AWARD EXPENDITURES
TEXAS DEPARTMENT OF PUBLIC SAFETY, TEXAS DIVISION OF EMERGENCY MANAGEMENT:		
Passed through the City of Dallas:		
Texas Task Force 2	Van Zandt Tornadoes	\$ 1,167
Texas Task Force 2	Harvey 2017 17-0021	29,441
Passed through Texas A&M Engineering Extension Service:		
Texas Task Force 1	April Severe Weather #2 17-0010	5,025
Texas Task Force 1	Hurricane Harvey 17-0021	35,162
TOTAL TEXAS DEPARTMENT OF PUBLIC SAFETY, TEXAS DIVISION OF EMERGENCY MANAGEMENT		70,795
TEXAS DEPARTMENT OF STATE HEALTH SERVICES:		
Passed through North Central Texas Trauma Regional Advisory Council, Inc.:		
EMS Trauma Care System Program	N/A	4,171
TOTAL TEXAS DEPARTMENT OF STATE HEALTH SERVICES		4,171
TEXAS PARKS AND WILDLIFE DEPARTMENT:		
Direct Programs:		
Conservation License Plates Grants	487419	30,000
TOTAL TEXAS PARKS AND WILDLIFE DEPARTMENT		30,000
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS:		
Direct Programs:		
Law Enforcement Officer Standards and Education	N/A	50,453
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		50,453
TEXAS OFFICE OF THE GOVERNOR/CRIMINAL JUSTICE DIVISION:		
Direct Programs:		
Body Worn Camera Program	3225001	120,825
TOTAL TEXAS OFFICE OF THE GOVERNOR/CRIMINAL JUSTICE DIVISION		120,825
ATTORNEY GENERAL OF TEXAS:		
Direct Programs:		
Texas Crime Victims Compensation	N/A	33,727
TOTAL ATTORNEY GENERAL OF TEXAS		33,727
CRIMINAL INVESTIGATION:		
Direct Programs:		
State/Local Criminal Investigation	N/A	124,823
TOTAL CRIMINAL INVESTIGATION		124,823
TOTAL STATE ASSISTANCE		\$ 434,794

See accompanying notes to schedule of expenditures of federal and state awards.

City of Plano, Texas

Notes to Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended September 30, 2017

1. General

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Plano, Texas (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal and state awards passed through other government agencies are included on the schedule.

2. Subrecipients

Program Title	Federal CFDA #	Amount
Community Development Block Grants/Entitlement Grants	14.218	\$ 197,256
HOME Investment Partnership Program	14.239	110,817
		<u>\$ 308,073</u>

3. Loans

At September 30, 2017, the amount of loans outstanding related to the Community Development Block Grants and HOME Investment Partnerships Program was approximately \$792,412 and \$72,291, respectively.

4. Indirect Cost Rate

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2017

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS:

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ Yes ☒ None noted
- c. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

FEDERAL AWARDS:

- d. An unmodified opinion was issued for the major program.
- e. Internal control over major program:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiencies identified that are not considered to be material weakness(es)? ☐ Yes ☒ None noted
- f. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No
- g. Identification of Major Programs
- | <u>CFDA Number</u> | <u>Program Title</u> |
|--------------------|--|
| 21.016 | Department of the Treasury Equitable Sharing |
- h. Dollar threshold used to distinguish between type A and type B programs: \$750,000
- i. Auditee qualified as low-risk auditee? ☒ Yes ☐ No

City of Plano, Texas

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2017

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Year Findings and Questioned Costs

None



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Special Projects

Department Head: Peter Braster

Agenda Coordinator: Kendra Cobbs

CAPTION

Ordinance No. 2018-1-9: To approve the levy of a special assessment for the Downtown Plano Public Improvement District; approving an assessment roll and levying an assessment for 2017-2018 at a rate of \$0.15 per \$100 of appraised value on real property in the Public Improvement District; and providing an effective date. (Public Hearing Conducted and Tabled at 12/11/17 Council meeting to 1/22/18 Council meeting.) **Adopted**

FINANCIAL SUMMARY

Operating Expense, Revenue

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	50,000	0	50,000
Encumbered/Expended Amount	0	0	0	0
This Item	0	-50,000	0	-50,000
Balance	0	0	0	0

FUND(S): General Fund, Downtown PID Fund

COMMENTS: This item approves the levy of a special assessment for the Downtown Plano Public Improvement District, which includes the City of Plano's contribution of \$50,000 to the district from the General Fund.

SUMMARY OF ITEM

This ordinance approves the 2017-2018 assessment roll and assessment levy on property owners in the Downtown Plano Public Improvement District (PID).

Strategic Plan Goal:

Great Neighborhoods - 1st Choice to Live, Exciting Urban Centers - Destination for Residents and Guests, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/10/2018	Memo
Ordinance	1/12/2018	Ordinance
Map	1/8/2018	Map
Assessment Roll	1/8/2018	Exhibit
Assessment Plan	1/10/2018	Exhibit
Service Plan	1/10/2018	Exhibit

Date: January 10, 2018

To: Bruce D. Glasscock, City Manager
Jack Carr, Deputy City Manager

From: Peter J. Braster, Director of Special Projects

Subject: Downtown Plano PID Assessment Levy

The Downtown Plano Public Improvement District (PID) Advisory Board met on January 2, 2018 to approve revisions to the Assessment Plan and Service Plan. City Council remitted the plans back to the Board at the December 11, 2017 Council meeting. The plans required revision in order to be consistent with Council's redefined meaning of "development project." It is now defined as one or more parcels owned or managed as a single unit. This new definition means that developments like K Avenue Station apartments, although consisting of four separate parcels, will have a capped assessment of \$25,000.

In addition, please note that:

1. The Assessment Plan and Service Plan were developed by the PID Executive Committee, then approved by the PID Advisory Board. The PID Advisory Board is comprised of every PID property owner.
2. The Assessment Plan and Service Plan recommend a levy of \$0.15 per \$100. This rate has been consistent since the PID's adoption.
3. All property owners in the PID will pay an assessment levy based on 2017 property values, as determined by the Collin County Central Appraisal District. 2017 values are fixed for the entire five-year term of the PID; reevaluations occur only if a property is sold or improvements greater than \$200,000 are made to the property.
4. In 2018, the PID will generate \$79,561, not including the City's \$50,000 contribution. Following the Southern Land Project (Morada Plano) completion, overall revenue will increase.
5. In addition to the City's annual \$50,000 contribution, the City also provides additional funding for Downtown events within the PID boundary (i.e. concerts in McCall Plaza and the yearly Dickens holiday festival).

An Ordinance of the City of Plano, Texas approving the levy of a special assessment for the Downtown Plano Public Improvement District; approving an assessment roll and levying an assessment for 2017-2018 at a rate of \$0.15 per \$100 of appraised value on real property in the Public Improvement District; and providing an effective date.

WHEREAS, on November 13, 2017, City Council of the City of Plano, Texas adopted Resolution No. 2017-11-2(R), renewing the Downtown Plano Public Improvement District (the “District”) pursuant to Chapter 372 of the Texas Local Government Code (the “Act”) and including the properties shown on the attached map (Exhibit A); and

WHEREAS, the Advisory Board and Executive Committee are tasked with the development of the annual Service Plan and Assessment Plan to be approved by City Council; and

WHEREAS, City Council conducted and closed the public hearing on December 11, 2017, after hearing property owners’ concerns and comments on the proposed assessment for the District, to consider the levy of a special assessment for 2017-2018 at \$0.15 per \$100 of appraised value of taxable real property in the District to fund improvements and services undertaken within the District; and

WHEREAS, City staff mailed to property owners liable for assessment notice of the public hearing as the ownership appears on the most recent tax roll and published notice in a newspaper of general circulation in accordance with the notice requirements contained within the Act; and

WHEREAS, the failure of a property owner to receive notice does not invalidate the proceeding; and

WHEREAS, during the public hearing, a property owner requested a reduced assessment, which City Council granted; and

WHEREAS, City Council approved the request based on the finding that a “development project” should be defined as one or more parcels owned or managed as a single unit; and

WHEREAS, City Council remitted the Assessment Plan and Service Plan back to the Advisory Board to make revisions consistent with the new definition and assessment; and

WHEREAS, the Advisory Board met on January 2, 2018 and approved revisions to the Assessment Plan and Service Plan, as prepared by the Executive Committee of the Advisory Board; and

WHEREAS, on January 22, 2018, City Council enacted Resolution No. _____, which adopted the Service Plan and Assessment Plan for 2017-2018; and

WHEREAS, City Council has based the assessment on 2017 appraised property values for the entire five (5) year term of the District, unless the property changes ownership or \$200,000 or more in improvements are made to the property; and

WHEREAS, City Council wishes to stipulate a cap on the annual assessment at \$25,000 per property and/or development project; and

WHEREAS, City Council wishes to contribute \$50,000 in lieu of assessment on City-owned properties in the District; and

WHEREAS, City Council desires to levy a special assessment to fund improvements and services within the District for the 2017-2018 fiscal year at a rate of \$0.15 per \$100 of appraised value of real property in the District, as determined by the Collin County Central Appraisal District.

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

Section I. The City Council of the City of Plano, Texas, hereby approves the levy of a special assessment on all taxable real property within the District by the City of Plano at a rate of \$0.15 per \$100 valuation of real property, as determined by the Collin County Central Appraisal District, to fund improvements and services in the District, in accordance with the approved assessment roll, attached as Exhibit B. Annual assessments shall be capped at \$25,000 per development project (property of one or more lots owned or managed as a single unit).

Section II. The City Council finds that the assessments should be made and levied against the respective parcels of property within the District, as shown in Exhibit B and against the owners thereof, and further finds that in each case the property assessed is especially benefited by means of the said services and improvements in the District, and further finds that the apportionment of costs of the services and improvements is in accordance with the law in force in this City and the State and in the proceedings of the City heretofore with reference to the formation of the District.

Section III. The real property of entities that have obtained an exemption from the City of Plano real property taxes pursuant to the Texas Tax Code (except under the provisions of Sections 11.24 and 11.28 of the Tax Code) will not be subject to an assessment on that portion of the assessed value of the property exempt from City real property taxes.

Section IV. That the several sums above mentioned and assessed against the said parcels of property and the owners thereof, together with reasonable fees and the costs of collection, if incurred, are hereby declared to be and are made a first and prior lien against the property assessed, superior to all other liens and claims except liens and claims for state, county, community college, school district and municipal ad valorem taxes and is a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of this ordinance until the assessment is paid and may be enforced by the governing body in the same manner that an ad valorem tax lien against real property may be enforced by the City Council.

Section V. The assessments levied herein shall be due and payable in full on or before March 30, 2018. Delinquent payment of assessments shall incur interest, penalties, and attorney fees in the same manner as delinquent ad valorem taxes. If default be made in the payment of any of the said sums hereby assessed against said property owners and their property, collection hereof, including costs and fees, shall be enforced by the governing body in the same manner that an ad valorem tax lien against real property may be enforced by the City Council. The owner of the assessed property may pay at any time the entire assessment, with interest that has accrued on the assessment, on any lot or parcel. All assessments levied are a personal liability and charge against the real and true owners of the premises described, notwithstanding such owners may not be named, or may be incorrectly named.

Section VI. The City of Plano will collect and disburse the District funds, and may contract with non-profit corporations to conduct District activities and programs. The Management Committee of the Board shall manage the service plan and improvements undertaken by the District and shall oversee expenditure of District funds that are to be undertaken by contract with non-profit corporations.

Section VII. The City Council hereby attaches the final Service Plan and Assessment Plan, adopted by Resolution No. _____ as Exhibit C to this Ordinance.

Section VIII. The statements set forth in the recitals of this ordinance are true and correct, and are incorporated as part of this ordinance.

Section IX. This ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED AND APPROVED this 22nd day of January, 2018.

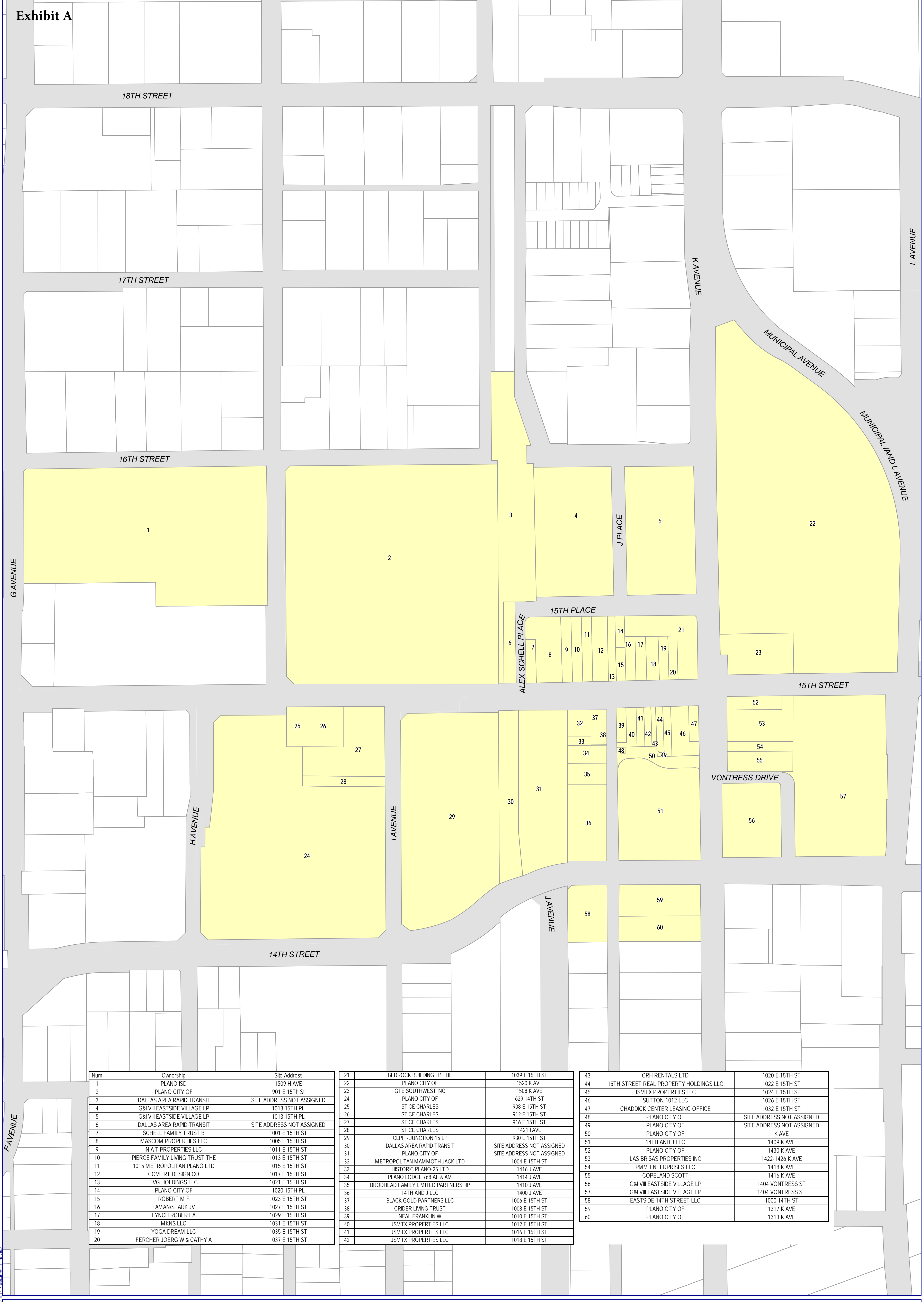
Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY



Num	Ownership	Site Address
1	PLANO ISD	1509 H AVE
2	PLANO CITY OF	901 E 15TH ST
3	DALLAS AREA RAPID TRANSIT	SITE ADDRESS NOT ASSIGNED
4	G&I VIII EASTSIDE VILLAGE LP	1013 15TH PL
5	G&I VIII EASTSIDE VILLAGE LP	1013 15TH PL
6	DALLAS AREA RAPID TRANSIT	SITE ADDRESS NOT ASSIGNED
7	SHELL FAMILY TRUST B	1001 E 15TH ST
8	MASCOM PROPERTIES LLC	1005 E 15TH ST
9	N A T PROPERTIES LLC	1011 E 15TH ST
10	PIERCE FAMILY LIVING TRUST THE	1013 E 15TH ST
11	1015 METROPOLITAN PLANO LTD	1015 E 15TH ST
12	COMERT DESIGN CO	1017 E 15TH ST
13	TVG HOLDINGS LLC	1021 E 15TH ST
14	PLANO CITY OF	1020 15TH PL
15	ROBERT M F	1023 E 15TH ST
16	LAMAN/STARK JV	1027 E 15TH ST
17	LYNCH ROBERT A	1029 E 15TH ST
18	MKNS LLC	1031 E 15TH ST
19	YOGA DREAM LLC	1035 E 15TH ST
20	FERCHER JOERG W & CATHY A	1037 E 15TH ST

21	BEDROCK BUILDING LP THE	1039 E 15TH ST
22	PLANO CITY OF	1520 K AVE
23	GTE SOUTHWEST INC	1508 K AVE
24	PLANO CITY OF	629 14TH ST
25	STICE CHARLES	908 E 15TH ST
26	STICE CHARLES	912 E 15TH ST
27	STICE CHARLES	916 E 15TH ST
28	STICE CHARLES	1421 I AVE
29	CLPF - JUNCTION 15 LP	930 E 15TH ST
30	DALLAS AREA RAPID TRANSIT	SITE ADDRESS NOT ASSIGNED
31	PLANO CITY OF	SITE ADDRESS NOT ASSIGNED
32	METROPOLITAN MAMMOTH JACK LTD	1004 E 15TH ST
33	HISTORIC PLANO 25 LTD	1416 J AVE
34	PLANO LODGE 768 AF & AM	1414 J AVE
35	BRODHEAD FAMILY LIMITED PARTNERSHIP	1410 J AVE
36	14TH AND J LLC	1400 J AVE
37	BLACK GOLD PARTNERS LLC	1006 E 15TH ST
38	CRIDER LIVING TRUST	1008 E 15TH ST
39	NEAL FRANKLIN W	1010 E 15TH ST
40	JSMTX PROPERTIES LLC	1012 E 15TH ST
41	JSMTX PROPERTIES LLC	1016 E 15TH ST
42	JSMTX PROPERTIES LLC	1018 E 15TH ST

43	CRH RENTALS LTD	1020 E 15TH ST
44	15TH STREET REAL PROPERTY HOLDINGS LLC	1022 E 15TH ST
45	JSMTX PROPERTIES LLC	1024 E 15TH ST
46	SUTTON-1012 LLC	1026 E 15TH ST
47	CHADDICK CENTER LEASING OFFICE	1032 E 15TH ST
48	PLANO CITY OF	SITE ADDRESS NOT ASSIGNED
49	PLANO CITY OF	SITE ADDRESS NOT ASSIGNED
50	PLANO CITY OF	K AVE
51	14TH AND J LLC	1409 K AVE
52	PLANO CITY OF	1430 K AVE
53	LAS BRISAS PROPERTIES INC	1422-1426 K AVE
54	PMM ENTERPRISES LLC	1418 K AVE
55	COPELAND SCOTT	1416 K AVE
56	G&I VIII EASTSIDE VILLAGE LP	1404 VONTRESS ST
57	G&I VIII EASTSIDE VILLAGE LP	1404 VONTRESS ST
58	EASTSIDE 14TH STREET LLC	1000 14TH ST
59	PLANO CITY OF	1317 K AVE
60	PLANO CITY OF	1313 K AVE

Exhibit B

**Downtown Plano Public Improvement District
Proposed 2017-2018 Assessment Roll**

Num	Ownership	Area (SF)	Site Address	2017 Collin CAD Appraisal	PID Amount Subject to Assessment	Assessment @ 0.15 per \$100
11	1015 METROPOLITAN PLANO LTD	4,283	1015 E 15TH ST	\$292,733	\$292,733	\$439
36	14TH AND J LLC	19,409	1400 J AVE	\$1,288,744	\$1,288,744	\$1,933
51	14TH AND J LLC	51,150	1409 K AVE	\$562,534	\$562,534	\$844
44	15TH STREET REAL PROPERTY HOLDINGS LLC	2,100	1022 E 15TH ST	\$525,693	\$525,693	\$789
21	BEDROCK BUILDING LP THE	15,441	1039 E 15TH ST	\$1,429,453	\$1,429,453	\$2,144
37	BLACK GOLD PARTNERS LLC	1,767	1006 E 15TH ST	\$615,080	\$615,080	\$923
35	BRODHEAD FAMILY LIMITED PARTNERSHIP	5,355	1410 J AVE	\$401,760	\$401,760	\$603
47	CHADDICK CENTER LEASING OFFICE	2,263	1032 E 15TH ST	\$430,280	\$430,280	\$645
29	CLPF - JUNCTION 15 LP	127,850	930 E 15TH ST	\$46,034,989	\$16,666,667	1 \$25,000
12	COMERT DESIGN CO	6,658	1017 E 15TH ST	\$702,653	\$702,653	\$1,054
55	COPELAND SCOTT	8,463	1416 K AVE	\$219,198	\$219,198	\$329
43	CRH RENTALS LTD	1,213	1020 E 15TH ST	\$80,107	\$80,107	\$120
38	CRIDER LIVING TRUST	1,740	1008 E 15TH ST	\$360,467	\$360,467	\$541
3	DALLAS AREA RAPID TRANSIT	22,069	SITE ADDRESS NOT ASSIGNED	\$376,576	\$0	\$0
6	DALLAS AREA RAPID TRANSIT	6,253	SITE ADDRESS NOT ASSIGNED	\$139,485	\$0	\$0
30	DALLAS AREA RAPID TRANSIT	53,664	SITE ADDRESS NOT ASSIGNED	\$139,485	\$0	\$0
58	EASTSIDE 14TH STREET LLC	14,518	1000 14TH ST	\$3,146,756	\$3,146,756	\$4,720
20	FERCHER JOERG W & CATHY A	2,570	1037 E 15TH ST	\$213,613	\$213,613	\$320
56	G&I VIII EASTSIDE VILLAGE LP	96,998	1404 VONTRESS ST	\$4,575,027	\$0	1&2 \$0
57	G&I VIII EASTSIDE VILLAGE LP	28,332	1404 VONTRESS ST	\$24,216,833	\$16,666,667	1&2 \$25,000
23	GTE SOUTHWEST INC	18,359	1508 K AVE	\$501,625	\$501,625	\$752
33	HISTORIC PLANO-25 LTD	1,617	1416 J AVE	\$270,360	\$270,360	\$406
40	JSMTX PROPERTIES LLC	2,510	1012 E 15TH ST	\$234,307	\$234,307	\$351
41	JSMTX PROPERTIES LLC	1,992	1016 E 15TH ST	\$158,547	\$158,547	\$238
42	JSMTX PROPERTIES LLC	2,916	1018 E 15TH ST	\$110,973	\$110,973	\$166
45	JSMTX PROPERTIES LLC	1,799	1024 E 15TH ST	\$233,640	\$233,640	\$350
16	LAMAN/STARK JV	2,883	1027 E 15TH ST	\$266,853	\$266,853	\$400
53	LAS BRISAS PROPERTIES INC	14,553	1422-1426 K AVE	\$1,467,547	\$1,467,547	\$2,201
17	LYNCH ROBERT A	3,069	1029 E 15TH ST	\$367,987	\$367,987	\$552
8	MASCOM PROPERTIES LLC	12,464	1005 E 15TH ST	\$987,960	\$987,960	\$1,482
32	METROPOLITAN MAMMOTH JACK LTD	3,998	1004 E 15TH ST	\$443,080	\$443,080	\$665
18	MKNS LLC	3,563	1031 E 15TH ST	\$274,853	\$274,853	\$412
9	N A T PROPERTIES LLC	4,346	1011 E 15TH ST	\$520,413	\$520,413	\$781
39	NEAL FRANKLIN W	2,201	1010 E 15TH ST	\$221,960	\$221,960	\$333
10	PIERCE FAMILY LIVING TRUST THE	4,361	1013 E 15TH ST	\$473,827	\$473,827	\$711
2	PLANO CITY OF	13,521	901 E 15Th St	\$1,713,909	\$0	\$0
4	PLANO CITY OF	216,090	1013 15TH PL	\$9,258,256	\$0	\$0
	G&I VIII EASTSIDE VILLAGE LP	0	1013 15TH PL	\$13,062,672	\$0	1&2 \$0
5	PLANO CITY OF	57,489	1013 15TH PL	\$7,796,122	\$0	\$0
	G&I VIII EASTSIDE VILLAGE LP	0	1013 15TH PL	\$9,655,018	\$0	1&2 \$0
14	PLANO CITY OF	65,059	1020 15TH PL	\$39,204	\$0	\$0
22	PLANO CITY OF	203	1520 K AVE	\$16,366,943	\$0	\$0
24	PLANO CITY OF	4,851	629 14TH ST	\$21,747,485	\$0	\$0
31	PLANO CITY OF	49,789	SITE ADDRESS NOT ASSIGNED	\$1,156,940	\$0	\$0
48	PLANO CITY OF	356	SITE ADDRESS NOT ASSIGNED	\$8,000	\$0	\$0
49	PLANO CITY OF	316,898	SITE ADDRESS NOT ASSIGNED	\$2,156	\$0	\$0
50	PLANO CITY OF	16,613	K AVE	\$44,344	\$0	\$0
52	PLANO CITY OF	1,909	1430 K AVE	\$108,465	\$0	\$0
59	PLANO CITY OF	6,416	1317 K AVE	\$191,472	\$0	\$0
60	PLANO CITY OF	301,070	1313 K AVE	\$135,560	\$0	\$0
1	PLANO ISD	198,634	1509 H AVE	\$2,762,104	\$0	\$0
34	PLANO LODGE 768 AF & AM	4,610	1414 J AVE	\$507,333	\$0	\$0
54	PMM ENTERPRISES LLC	4,352	1418 K AVE	\$228,307	\$228,307	\$342
15	ROBERT M F	2,071	1023 E 15TH ST	\$249,920	\$249,920	\$375
7	SHELL FAMILY TRUST B	2,879	1001 E 15TH ST	\$559,733	\$559,733	\$840
25	STICE CHARLES	24,167	908 E 15TH ST	\$59,861	\$59,861	\$90
26	STICE CHARLES	7,836	912 E 15TH ST	\$216,000	\$216,000	\$324
27	STICE CHARLES	4,093	916 E 15TH ST	\$224,151	\$224,151	\$336
28	STICE CHARLES	5,469	1421 I AVE	\$261,430	\$261,430	\$392
46	SUTTON-1012 LLC	6,644	1026 E 15TH ST	\$560,947	\$560,947	\$841
13	TVG HOLDINGS LLC	3,273	1021 E 15TH ST	\$330,427	\$330,427	\$496
19	YOGA DREAM LLC	2,735	1035 E 15TH ST	\$213,613	\$213,613	\$320

Totals	1,869,755	\$179,745,770	\$53,040,726	\$79,561
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1. Development project capped at \$25,000 assessment. A development project is defined as one or more lots owned or managed as a single unit.

2. K Avenue Station is a development project consisting of four (4) parcels and capped at \$25,000 assessment.

Downtown Plano PID Assessment Plan

Notes and assumptions:

The PID petition provides for a 5 year term. The Texas Local Government Code requires a service plan to cover at least five years. After the petitions were received for this renewal, the PID management committee voted to revisit the cap per property owned in the PID after two years of this PID term.

Assessments will be set annually by the Plano City Council, upon recommendation from the PID advisory board, but may not exceed \$0.15 per \$100. No owner may be assessed more than \$25,000 in any year per development project.

Annual assessments will be based on 2017 real property appraisals by the Collin Central Appraisal District or as further limited by the Plano City Council.

The 2017 appraised value cap remains in place unless there is a change in ownership or \$200,000 or more in improvements are made to the property.

Annual assessments are capped at \$25,000 per development project (one or more lots owned or managed as a single unit).

The Municipal Center South redevelopment is projected to add an incremental \$16.7MM of taxable value by the 2019 appraisal roll to reach the \$25,000 cap.

The City of Plano will pay at minimum \$50,000 annually to the PID fund in lieu of other assessment.

The assessment and service plan will be reviewed and approved annually as consistent with the PID designation petition and relevant law.

Owners may elect to prepay estimated future assessments. This assessment plan/service plan does not reflect revenue or expenditures related to pre-payments.

Year of Valuation and Levy

Assessment Plan

	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022
Estimated appraisals for Jan. 1					
PID revenue received in fiscal year ending Sept. 30,					
2017 appraised real property value liable for assessment	\$53,040,726	\$53,040,726	\$53,040,726	\$53,040,726	\$53,040,726
Additional appraisals liable for assessment after 2017					
Municipal Center South		8,148,722	14,815,389	14,815,389	14,815,389
Adjusted basis for assessment	53,040,726	61,189,448	67,856,115	67,856,115	67,856,115
PID assessment @ .15 per \$100 of value	79,561	91,784	101,784	101,784	101,784
Minimum City payment in lieu of assessment	50,000	50,000	50,000	50,000	50,000
Anticipated total PID assessments with capped projects and City payments	129,561	141,784	151,784	151,784	151,784
Cash balance carried forward from prior year	35,174	12,735	2,519	2,303	2,087
Total funds available	\$164,735	\$154,519	\$154,303	\$154,087	\$153,871

Exhibit C

Downtown Plano PID Service Plan

Public improvement district revenues generated by assessments and municipal contribution are to be used for the following categorial purposes in accordance with the adopted budget and further directed by the PID Management Committee.

PID funds shall be retained and managed by the City of Plano, except as provided by contract with a non-profit organization.

Service Plan

Budget for Fiscal Year Ending Sept. 30

Item	2018	2019	2020	2021	2022
Marketing/Advertising	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Events	\$47,000	\$47,000	\$47,000	\$47,000	\$47,000
Beautification	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
PID Management	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
City Administration	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Security	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total Budget	\$152,000	\$152,000	\$152,000	\$152,000	\$152,000
Funds carried to next year	\$12,735	\$2,519	\$2,303	\$2,087	\$1,871

Notes:

Marketing and Advertising - Commercial media advertising, printed material, social media, web-based information and messaging, signs, billboards, banners and souvenirs.

Events - Entertainment, celebrations, support services, equipment/venue charges and fees.

Beautification - landscaping, streetscaping, lighting, and other decorative improvements.

PID Management - Services and costs related to coordinating and administering the PID program and budget by persons and organizations other than the city.

City Administration - Contract services related to assessment administration and collection.

Security - typically relates to lighting projects, etc.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: City Secretary

Department Head: Lisa Henderson

Agenda Coordinator: Deborah Richardson

CAPTION

Ordinance No 2018-1-10: To adopt and enact Supplement Number 122 to the Code of Ordinances for the City of Plano, providing for amendment to certain sections of the Code; and providing an effective date.
Adopted

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR:	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
2017-18				
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: This item has no fiscal impact.

SUMMARY OF ITEM

Adoption of the Quarterly Code Supplement #122

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

ATTACHMENTS:

Description	Upload Date	Type
Ordinance for Supplement No. 122	1/10/2018	Ordinance

An Ordinance of the City of Plano, Texas adopting and enacting Supplement Number 122 to the Code of Ordinances for the City of Plano; providing for amendment to certain sections of the Code; and providing an effective date.

WHEREAS, the City Council of the City of Plano, Texas adopted a new Code of Ordinances upon adoption of Ordinance No. 87-3-14, on March 9, 1987; and

WHEREAS, Sections V and VI of Ordinance No. 87-3-14 provide for amendment to said Code of Ordinances; and

WHEREAS, the Code of Ordinances of the City of Plano, Texas has been revised by previous amendments duly passed as individual ordinances by the City Council and such amendments are reflected on Supplement Number 122; and

WHEREAS, the City Council wishes to adopt the ordinance codification version appearing in Supplement Number 122 of the Plano Code of Ordinances in order for the printed Code form to be considered identical to the original ordinance and to eliminate any confusion or differences in the format of the original ordinance.

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

Section I. The City Council hereby adopts the printed Code form of the ordinances contained in Supplement Number 122 as prepared by the codifier.

Section II. This Ordinance shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 22nd day of January, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Eva X-7232

CAPTION

Public Hearing on an application for the adoption of a Municipal Setting Designation Ordinance for the PSC Management LP – Plano Campus property, a 71.2 acre tract of land located at 2300 West Plano Parkway, as requested by Dell, Inc. (Conducted and Tabled 8/14/17, Tabled 8/28/17 and 10/23/17, and Conducted and Tabled 12/11/17) **Conducted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

Regulatory Jurisdiction

In Texas, the Texas Commission on Environmental Quality (TCEQ) has regulatory authority to address the environmental issues communicated to the City. The TCEQ administers the Texas Risk Reduction Program (TRRP; 30 TAC §350) and Petroleum Storage Tank rules (30 TAC §334) which provides guidance and requirements for property owners to resolve releases such as those at the Designated

Property.

Through its regulatory programs, the TCEQ requires an evaluation of risk associated with multiple potential exposure pathways. One of these potential exposure pathways is the potable use of shallow groundwater. If it can be demonstrated through a recorded restriction such as a Municipal Setting Designation (MSD) ordinance that potable use is prohibited, this one exposure pathway assumption can be removed and the next most stringent exposure pathway will be applicable. The TCEQ can certify an MSD application only if there is support from the municipality.

To establish an MSD, a property owner must request the municipality to adopt an ordinance to restrict the use of the groundwater. Only after this and additional TCEQ-required steps are completed, will the TCEQ consider certification of the MSD for use in the regulatory process.

MSD Property

The Applicant has entered the Designated Property at 2300 West Plano Parkway (Exhibit A) into the TCEQ Voluntary Cleanup Program (VCP) to pursue closure. As required by the City of Plano, the Applicant engaged a licensed professional to certify the nature and extent of impact to soil and groundwater at the Designated Property.

Dell has requested an MSD be established to prohibit potable use of the groundwater within the Designated Property. If the ordinance is approved by the City Council, the TCEQ would then remove the potable groundwater-ingestion pathways from consideration as part of the regulatory closure process and all other complete exposure pathways would continue to be evaluated by the TCEQ as part of their review. Public meetings were held on August 8, 2017 and November 14, 2017 and public hearings were held on August 14, 2017 and December 11, 2017. The public hearing on January 22, 2018 will allow the public to provide input to the Council regarding this request.

Strategic Plan Goal:

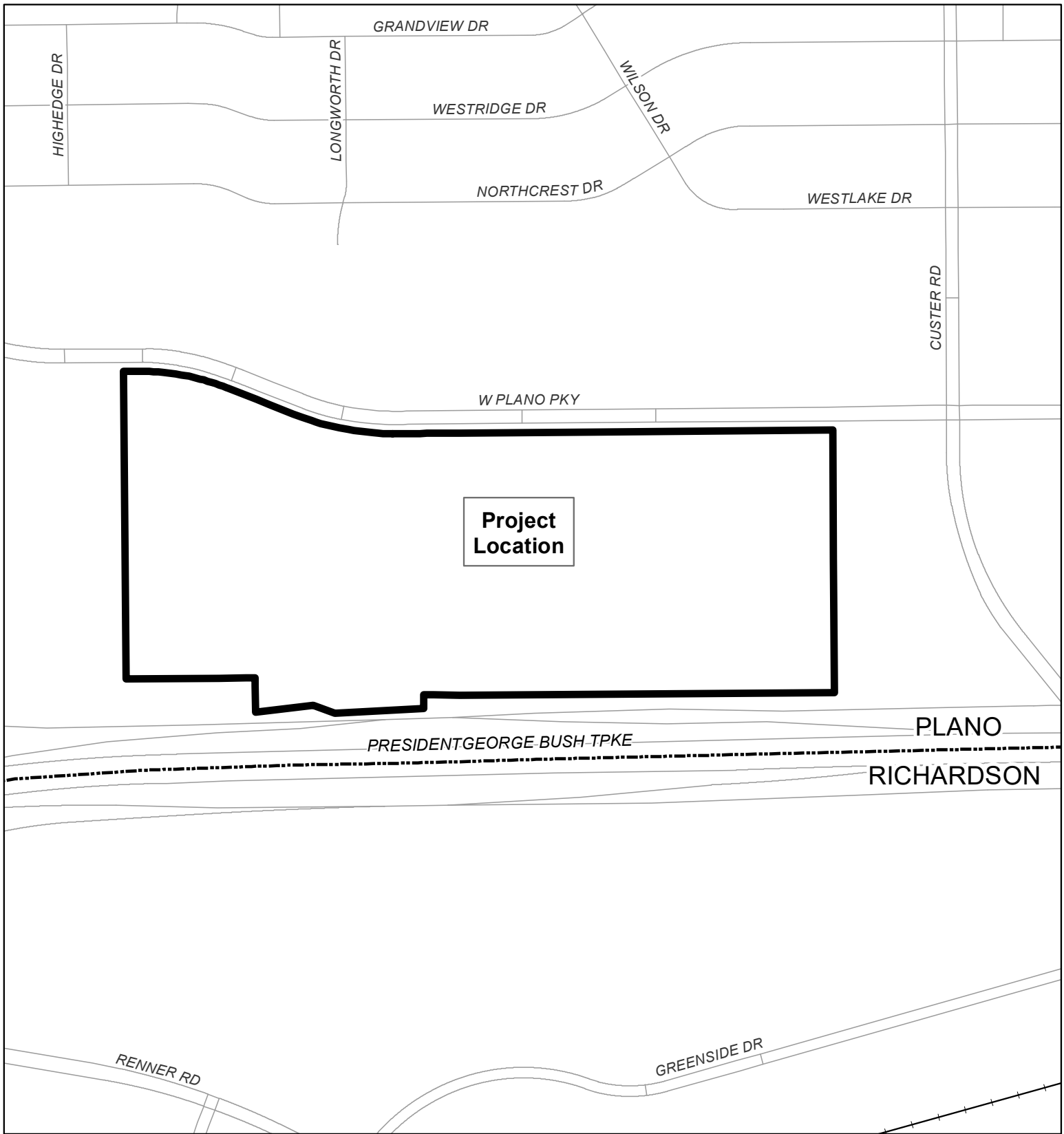
Financially Strong City with Service Excellence, Strong Local Economy

Plano Tomorrow Plan Pillar:

Built Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Location Map	12/5/2017	Map

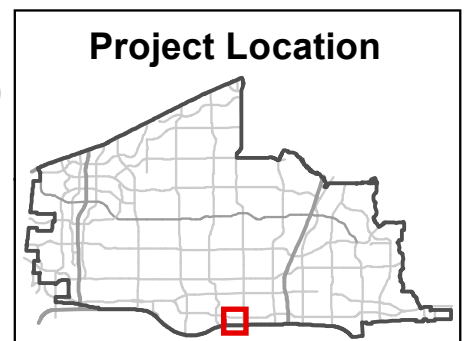


0 250 500
Feet



City of Plano GIS Division
July 2017

Municipal Setting Designation (MSD) **PSC – Plano Campus** **2300 West Plano Parkway**





CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Eva X-7232

CAPTION

Ordinance No. 2018-1-11: To prohibit the use of designated groundwater from beneath a 71.2 acre tract of land located at 2300 West Plano Parkway and supporting issuance of a Municipal Setting Designation by the Texas Commission on Environmental Quality; providing a penalty clause, a savings clause, a severability clause, a publication clause, and providing an effective date. (Tabled 8/14/17, 8/28/17, 10/23/17, and 12/11/17) **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

The attached ordinance supports Dell, Inc.'s request to TCEQ for a Municipal Setting Designation and

also prohibits the use of groundwater beneath the property for potable or irrigation use.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Strong Local Economy

Plano Tomorrow Plan Pillar:

Built Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/9/2018	Memo
Map	1/8/2018	Map
Ordinance	1/8/2018	Ordinance

Date: January 22, 2018

To: Bruce D. Glasscock
City Manager

From: B. Caleb Thornhill, P.E.
Director of Engineering

Subject: Municipal Setting Designation (MSD) – 2300 West Plano Parkway

Dell Inc. is working with the Texas Commission on Environmental Quality (TCEQ) to address contamination on a 71.2 acre tract located at 2300 West Plano Parkway. Dell has requested a Municipal Setting Designation (MSD) be established for this site.

The Engineering Department recommends approval of the ordinance and resolution supporting the application and restricting the use of groundwater from the Municipal Setting Designation (MSD) area.

The following is a brief timeline and links to additional information:

August 8, 2017 – Public Meeting

August 14, 2017 – Public Hearing at City Council – Tabled to 8/28/17

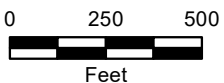
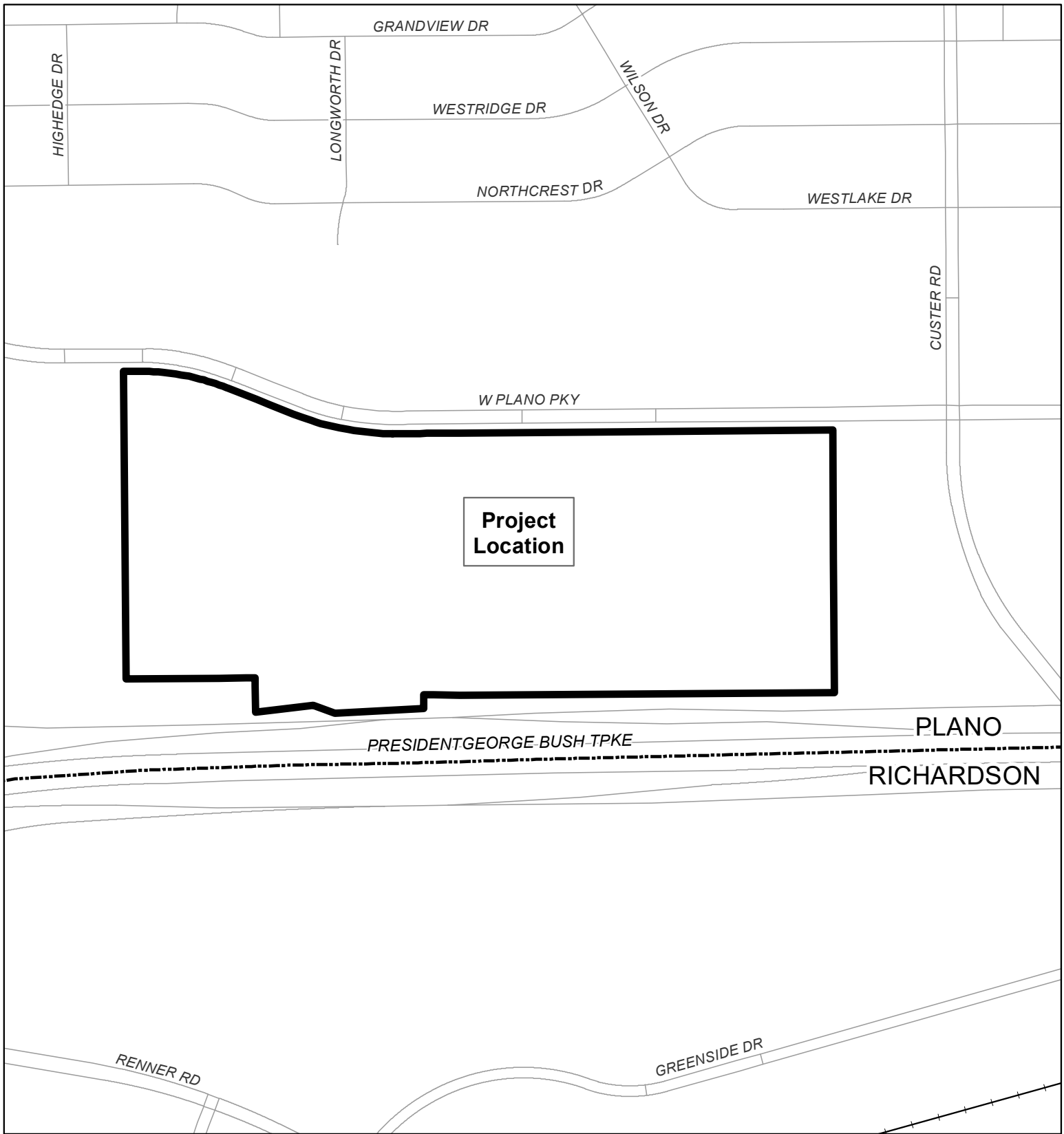
August 28, 2017 – Tabled to 10/23/17

October 23, 2017 – Tabled to 12/11/17

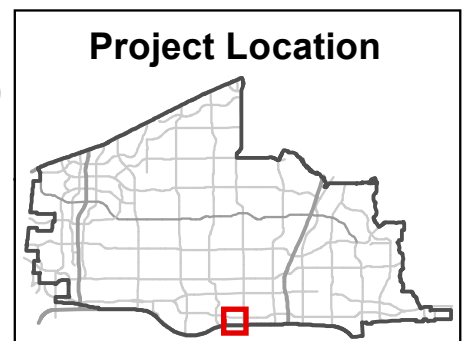
November 14, 2017 – Community Meeting, Dr. Kenneth Tramm - PowerPoint
Link to PowerPoint and video - <http://www.plano.gov/DocumentCenter/View/27854>;
<https://www.youtube.com/watch?v=3y8PNp6bxUM&feature=youtu.be>

December 11, 2017 – Public Hearing at City Council - Tabled to 1/22/18

TCEQ General Information – Municipal Setting Designations: A Guide for Cities – Link to pdf -
https://www.tceq.texas.gov/assets/public/comm_exec/pubs/gi/gi-326.pdf



Municipal Setting Designation (MSD) **PSC – Plano Campus** **2300 West Plano Parkway**



An Ordinance of the City of Plano, Texas prohibiting the use of designated groundwater from beneath a 71.2 acre tract of land located at 2300 West Plano Parkway and supporting issuance of a Municipal Setting Designation by the Texas Commission on Environmental Quality; providing a penalty clause, a savings clause, a severability clause, a publication clause, and providing an effective date.

WHEREAS, Subchapter W, “Municipal Setting Designations,” of Chapter 361, “Solid Waste Disposal Act,” of the Texas Health and Safety Code authorizes the Texas Commission on Environmental Quality to create municipal setting designations; and

WHEREAS, the City Council finds that:

- (1) the eligibility criteria of Section 361.803 of the Texas Health and Safety Code have been met;
- (2) this municipal setting designation ordinance will not have an adverse effect on the current or future water resource needs or obligations of the City of Plano;
- (3) there is a public drinking water supply system that satisfies the requirements of Chapter 341 of the Texas Health and Safety Code and that supplies or is capable of supplying drinking water to the designated property and property within one-half mile of the designated property; and
- (4) this municipal setting designation ordinance is necessary because the concentration of chemicals of concern exceed concentrations safe for human ingestion; and

WHEREAS, the City Council, in accordance with the Charter of the City of Plano and the state law, have given the required notices and have held the required public hearings regarding this municipal setting designation ordinance.

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

Section I. That for purposes of this municipal setting designation ordinance, the “designated property” means the property described in Exhibit “A”, attached to the ordinance.

Section II. That for purposes of this municipal setting designation ordinance, “designated groundwater” means water below the surface of the designated property to a depth of 200 feet.

Section III. That use of the designated groundwater from beneath the designated property as potable water, as defined in Section 361.801(2) of the Texas Health and Safety Code, are prohibited for the following:

- (1) Human consumption or drinking.
- (2) Showering or bathing.

- (3) Cooking.
- (4) Irrigation of crops for human consumption.

Section IV. That the City Council supports the application to the Texas Commission on Environmental Quality for certification of a Municipal Setting Designation for the designated property.

Section V. That any person owning, operating, or controlling the designated property remains responsible for complying with all applicable federal and state laws and regulations; all ordinances, rules, and regulations of the City of Plano; and all environmental regulations, and that this municipal setting designation ordinance in itself does not change any environmental assessment or cleanup requirements applicable to the designated property.

Section VI. That approval of this municipal setting designation ordinance shall not be construed to subject the City of Plano to any responsibility or liability for any injury to persons or damages to property caused by any chemical of concern.

Section VII. That within 30 days after adoption of this municipal setting designation ordinance, the applicant shall provide the Director of Engineering with an electronic file showing the location of the designated property and the designated groundwater in a format compatible with the city of Plano's geographic information system.

Section VIII. That within 60 days after adoption of this municipal setting designation ordinance, the Director of Engineering shall cause to be filed a certified copy of this municipal setting designation ordinance in the deed records of the county where the designated property is located.

Section IX. That within 60 days after adoption of this municipal setting designation ordinance, the Director of Engineering shall send a certified copy of this municipal setting designation ordinance to the applicant and the Texas Commission on Environmental Quality, and that the Director of Engineering shall notify the Texas Commission on Environmental Quality 60 days prior to any amendment or repeal of this municipal setting designation ordinance.

Section X. That the applicant shall provide the Director of Engineering with a copy of the municipal setting designation certificate issued by the Texas Commission on Environmental Quality pursuant to Section 361.807 of the Texas Health and Safety Code within 30 days after issuance of the certificate.

Section XI. That by no later than January 22, 2020 the applicant shall provide the Director of Engineering with a copy of the certificate of completion or other documentation issued by the Texas Commission on Environmental Quality showing that any site investigations and response actions required pursuant to Section 361.808 of the Texas Health and Safety Code have been completed to the satisfaction of the Texas

Commission on Environmental Quality. Upon the applicant's failure to comply with this requirement, the Director of Engineering may, for good cause, take any of the following actions:

- (1) Allow additional time to complete required investigations or response actions;
- (2) Request a review by the Texas Commission on Environmental Quality;
- (3) Recommend to the City Council that this municipal setting designation ordinance be repealed;
- (4) Request additional information or documentation from the applicant; or
- (5) Pursue other actions that the Director of Engineering believes may be warranted.

Section XII. That the applicant shall notify the Director of Engineering in writing if the applicant determines that notice is required to be sent to an owner of other property beyond the boundaries of the designated property under Title 30 Texas Administrative Code, Chapter 30, Section 350.55(b), and provide the name of the property owner, the property address, and a copy of the notice sent to the property owner.

Section XIII. That the Director of Engineering shall correct the City of Plano's Zoning District Map to reflect the imposition of this municipal setting designation ordinance on the designated property and the designated groundwater.

Section XIV. That a person violating a provision of this municipal setting designation ordinance, upon conviction, is punishable by a fine not to exceed \$2,000, and that the Texas Commission on Environmental Quality shall be notified of any violations.

Section XV. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provision of any Ordinances at the time of passage of this Ordinance.

Section XVI. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or unconstitutionality of any other portion of this Ordinance.

Section XVII. That this municipal setting designation ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Plano, and it is accordingly so ordained.

DULY PASSED AND APPROVED this the 22nd day of January, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

5869 00199

Exhibit A
Legal Description

5869 00200

Exhibit A

GP-Number 05R01566

BEING all of Lot 1, Block A, Atlantic Richfield Subdivision, an addition to the City of Plano, Collin County, Texas, per Plat recorded in Cabinet G, Page 519, Deed Records, Collin County, Texas, save and except the R.O.W. to the State of Texas recorded in Volume 3127, Page 163, Deed Records, Collin County, Texas and the R.O.W. to the City of Plano recorded in Volume 3298, Page 599, Deed Records, Collin County, Texas, said tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch Huitt-Zollars capped steel rod being the common Northwest corner of said Lot 1, Block A, and the Northeast corner of the J. C. Penney Life Insurance Company Addition, per plat recorded in Cabinet C, Page 696 of said Deed Records an addition of the City of Plano, Collin County, Texas, and also being on the South R.O.W. line of Plano Parkway (a variable width R.O.W.);

THENCE along the South R.O.W. line of said Plano Parkway the following:

South 89 degrees 31 minutes 00 seconds East, a distance of 40.69 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the right whose center bears South 00 degrees 29 minutes 00 seconds West, a distance of 950.00 feet, whose chord bears South 88 degrees 09 minutes 03 seconds East, a distance of 45.29 feet;

Southeasterly along said curve to the right through a central angle of 02 degrees 43 minutes 53 seconds, an arc length of 45.29 feet to a 5/8 inch Huitt-Zollars capped steel rod;

South 76 degrees 07 minutes 48 seconds East, a distance of 146.74 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the right whose center bears South 11 degrees 37 minutes 02 seconds West, a distance of 935.00 feet, whose chord bears South 73 degrees 11 minutes 44 seconds East, a distance of 169.07 feet;

Southeasterly along said curve to the right through a central angle of 10 degrees 22 minutes 29 seconds, an arc length of 169.30 feet to a 5/8 inch Vandell & Hiller capped steel rod;

North 22 degrees 24 minutes 29 seconds East, a distance of 150.00 feet to a 5/8 inch Huitt-Zollars capped steel rod;

South 67 degrees 35 minutes 31 seconds East, a distance of 260.31 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the left whose center bears North 22 degrees 29 minutes 23 seconds East a distance of 1050.00 feet, whose chord bears South 78 degrees 30 minutes 37 seconds East a distance of 400.70 feet;

Southeasterly along said curve to the left through a central angle of 22 degrees 00 minutes 00 seconds, an arc length of 403.17 feet to a 1/2 inch capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 734.62 feet to a 5/8

5869 00201

Exhibit A (Continued)

GF-Number 05R01566

inch Huitt-Zollars capped steel rod;

South 81 degrees 01 minutes 57 seconds East, a distance of 67.83 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 21.42 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 85 degrees 35 minutes 01 seconds East, a distance of 102.22 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 55.12 feet to a 5/8 inch Yandell & Hiller capped steel rod;

North 00 degrees 29 minutes 23 seconds East a distance of 17.00 feet to a "X" in concrete;

South 89 degrees 30 minutes 37 seconds East, a distance of 464.12 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 82 degrees 59 minutes 28 seconds East, a distance of 123.31 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 85.00 feet to a 5/8 inch Yandell & Hiller capped steel rod and being the Northeast corner of said Lot 1, Block A, and also being on the East line of a tract of land described in Deed to William Herbert Hunt Trust Estate and Caroline Hunt Trust Estate recorded in Volume 594, Page 243 of said Deed Records;

THENCE South 00 degrees 27 minutes 02 seconds West, along the common East line of said Hunt Tract, a distance of 985.92 feet, to a 5/8 inch Yandell & Hiller capped steel rod on the North R.O.W. line of State Highway No. 190 (a variable width R.O.W.);

THENCE North 89 degrees 30 minutes 44 seconds West along said North R.O.W. line, a distance of 1556.50 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE South 00 degrees 27 minutes 50 seconds West a distance of 57.66 feet to a 5/8 inch Huitt-Zollars capped steel rod being the Northeast corner of a tract of land described in Deed to the State of Texas recorded in Volume 3127, Page 163, of said Deed Records;

THENCE South 88 degrees 33 minutes 55 seconds West along said North R.O.W. line, a distance of 315.16 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE North 74 degrees 01 minutes 32 seconds West along said North R.O.W. line, a distance of 114.56 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE South 85 degrees 56 minutes 24 seconds West along said North R.O.W. line, a distance of 213.11 feet to a 5/8 inch Huitt-Zollars capped steel rod on the most Southerly West line of said Lot 1, Block A, and also being the Northwest corner of said State of Texas tract;

5869 00202

Exhibit A (Continued)

GP-Number 05R01566

THENCE North 00 degrees 27 minutes 57 seconds East a distance of 118.59 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE North 89 degrees 23 minutes 25 seconds West along said North R.O.W. line, a distance of 488.59 feet to a 5/8 inch Vandell & Hiller capped steel rod being the Southwest corner of said Lot 1, Block A, and also being the Southeast corner of said J. C. Penney Life Insurance Company Addition;

THENCE North 00 degrees 26 minutes 25 seconds East along the common West line of said Lot 1, Block A, and the East line of said J. C. Penney Addition, a distance of 1177.16 feet to the Point of Beginning and embracing 2,805,871 square feet or 64.414 acres of land.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Engineering

Department Head: B. Caleb Thornhill

Agenda Coordinator: Eva X-7232

CAPTION

Resolution No. 2018-1-12(R): To support the application of Dell, Inc. to the Texas Commission on Environmental Quality for certification of a Municipal Setting Designation Ordinance on a 71.2 acre tract of land located at 2300 West Plano Parkway; and providing an effective date. (Tabled 8/14/17, 8/28/17, 10/23/17, and 12/11/17) **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

The attached resolution supports Dell Inc., application to the Texas Commission on Environmental Quality for a Municipal Setting Designation.

Strategic Plan Goal:

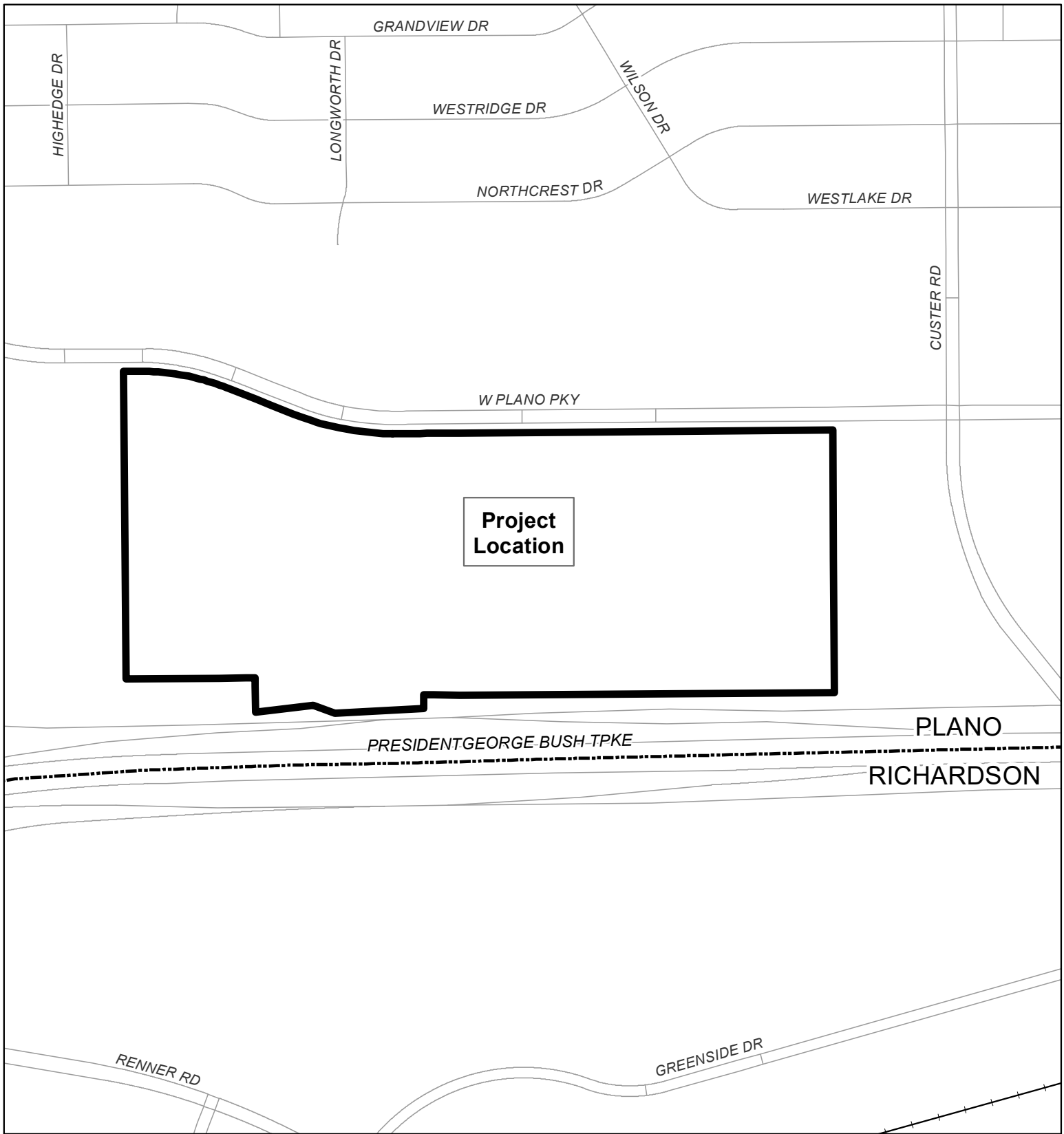
Financially Strong City with Service Excellence, Strong Local Economy

Plano Tomorrow Plan Pillar:

Built Environment, Economic Environment

ATTACHMENTS:

Description	Upload Date	Type
Location Map	12/5/2017	Map
Memo	1/9/2018	Agreement
Resolution	1/9/2018	Agreement

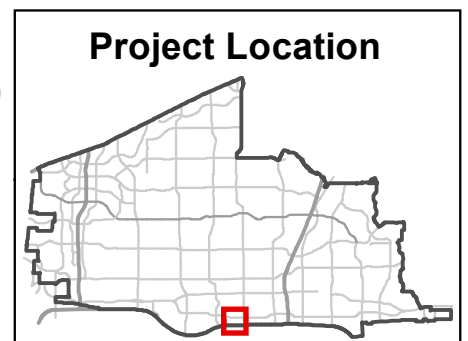


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City of Plano GIS Division
July 2017

Municipal Setting Designation (MSD) **PSC – Plano Campus** **2300 West Plano Parkway**



Date: January 22, 2018

To: Bruce D. Glasscock
City Manager

From: B. Caleb Thornhill, P.E.
Director of Engineering

Subject: Municipal Setting Designation (MSD) – 2300 West Plano Parkway

Dell Inc. is working with the Texas Commission on Environmental Quality (TCEQ) to address contamination on a 71.2 acre tract located at 2300 West Plano Parkway. Dell has requested a Municipal Setting Designation (MSD) be established for this site.

The Engineering Department recommends approval of the ordinance and resolution supporting the application and restricting the use of groundwater from the Municipal Setting Designation (MSD) area.

The following is a brief timeline and links to additional information:

August 8, 2017 – Public Meeting

August 14, 2017 – Public Hearing at City Council – Tabled to 8/28/17

August 28, 2017 – Tabled to 10/23/17

October 23, 2017 – Tabled to 12/11/17

November 14, 2017 – Community Meeting, Dr. Kenneth Tramm - PowerPoint
Link to PowerPoint and video - <http://www.plano.gov/DocumentCenter/View/27854>;
<https://www.youtube.com/watch?v=3y8PNp6bxUM&feature=youtu.be>

December 11, 2017 – Public Hearing at City Council - Tabled to 1/22/18

TCEQ General Information – Municipal Setting Designations: A Guide for Cities – Link to pdf -
https://www.tceq.texas.gov/assets/public/comm_exec/pubs/gi/gi-326.pdf

A Resolution of the City of Plano, Texas supporting the application of Dell, Inc. to the Texas Commission on Environmental Quality for certification of a Municipal Setting Designation Ordinance on a 71.2 acre tract of land located at 2300 West Plano Parkway; and providing an effective date.

WHEREAS, Dell, Inc. (“Applicant”) has filed an application with the City of Plano, Texas, (“City”) for the City’s adoption of a Municipal Setting Designation ordinance for the property located at 2300 West Plano Parkway, more fully described in a metes and bounds description attached hereto as Exhibit “A” (“Site”); and

WHEREAS, public hearings were held in Plano on August 14, 2017, December 11, 2017, and January 22, 2018, and the matter was brought before council and tabled on August 28, 2017 and October 23, 2017, and the affected community was duly notified of same; and

WHEREAS, the eligibility criteria of Section 361.803 of the Texas Health & Safety Code have been met; and

WHEREAS, a public drinking water supply system exists that meets the requirements of Texas Health and Safety Code Chapter 341 and the system supplies or is capable of supplying drinking water to the property for which the MSD is sought and all properties within one-half mile of the site; and

WHEREAS, certification of the Municipal Setting Designation will not have an adverse effect on the current or future water resource needs or obligations of the City of Plano; and

WHEREAS, the City, by ordinance, has prohibited the use of designated groundwater beneath the Site as potable water; and

WHEREAS, upon passage of a supporting resolution by the City Council, Applicant intends to file an application with the Texas Commission on Environmental Quality for certification of a Municipal Setting Designation for the Site pursuant to Texas Health and Safety Code, Chapter 361, Subchapter W; and

WHEREAS, Applicant has continuing obligations to satisfy applicable statutory and regulatory provisions concerning groundwater contamination investigation and response actions at the Site; and

WHEREAS, the certification of a Municipal Setting Designation for the Site is in the best interest of the citizens of the City.

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

Section I. The City of Plano hereby supports Applicant's application to the Texas Commission on Environmental Quality for a Municipal Setting Designation for the Site.

Section II. This Resolution shall become effective immediately upon its passage.

DULY PASSED AND APPROVED this the 22nd day of January, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

5869 00199

Exhibit A
Legal Description

5869 00200

Exhibit A

GP-Number 05R01566

BEING all of Lot 1, Block A, Atlantic Richfield Subdivision, an addition to the City of Plano, Collin County, Texas, per Plat recorded in Cabinet G, Page 519, Deed Records, Collin County, Texas, save and except the R.O.W. to the State of Texas recorded in Volume 3127, Page 163, Deed Records, Collin County, Texas and the R.O.W. to the City of Plano recorded in Volume 3298, Page 599, Deed Records, Collin County, Texas, said tract being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch Huitt-Zollars capped steel rod being the common Northwest corner of said Lot 1, Block A, and the Northeast corner of the J. C. Penney Life Insurance Company Addition, per plat recorded in Cabinet C, Page 696 of said Deed Records an addition of the City of Plano, Collin County, Texas, and also being on the South R.O.W. line of Plano Parkway (a variable width R.O.W.);

THENCE along the South R.O.W. line of said Plano Parkway the following:

South 89 degrees 31 minutes 00 seconds East, a distance of 40.69 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the right whose center bears South 00 degrees 29 minutes 00 seconds West, a distance of 950.00 feet, whose chord bears South 88 degrees 09 minutes 03 seconds East, a distance of 45.29 feet;

Southeasterly along said curve to the right through a central angle of 02 degrees 43 minutes 53 seconds, an arc length of 45.29 feet to a 5/8 inch Huitt-Zollars capped steel rod;

South 76 degrees 07 minutes 48 seconds East, a distance of 146.74 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the right whose center bears South 11 degrees 37 minutes 02 seconds West, a distance of 935.00 feet, whose chord bears South 73 degrees 11 minutes 44 seconds East, a distance of 169.07 feet;

Southeasterly along said curve to the right through a central angle of 10 degrees 22 minutes 29 seconds, an arc length of 169.30 feet to a 5/8 inch Vandell & Hiller capped steel rod;

North 22 degrees 24 minutes 29 seconds East, a distance of 150.00 feet to a 5/8 inch Huitt-Zollars capped steel rod;

South 67 degrees 35 minutes 31 seconds East, a distance of 260.31 feet to a 5/8 inch Huitt-Zollars capped steel rod at the beginning of a curve to the left whose center bears North 22 degrees 29 minutes 23 seconds East a distance of 1050.00 feet, whose chord bears South 78 degrees 30 minutes 37 seconds East a distance of 400.70 feet;

Southeasterly along said curve to the left through a central angle of 22 degrees 00 minutes 00 seconds, an arc length of 403.17 feet to a 1/2 inch capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 734.62 feet to a 5/8

5869 00201

Exhibit A (Continued)

GF-Number 05R01566

inch Huitt-Zollars capped steel rod;

South 81 degrees 01 minutes 57 seconds East, a distance of 67.83 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 21.42 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 85 degrees 35 minutes 01 seconds East, a distance of 102.22 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 55.12 feet to a 5/8 inch Yandell & Hiller capped steel rod;

North 00 degrees 29 minutes 23 seconds East a distance of 17.00 feet to a "X" in concrete;

South 89 degrees 30 minutes 37 seconds East, a distance of 464.12 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 82 degrees 59 minutes 28 seconds East, a distance of 123.31 feet to a 5/8 inch Yandell & Hiller capped steel rod;

South 89 degrees 30 minutes 37 seconds East, a distance of 85.00 feet to a 5/8 inch Yandell & Hiller capped steel rod and being the Northeast corner of said Lot 1, Block A, and also being on the East line of a tract of land described in Deed to William Herbert Hunt Trust Estate and Caroline Hunt Trust Estate recorded in Volume 594, Page 243 of said Deed Records;

THENCE South 00 degrees 27 minutes 02 seconds West, along the common East line of said Hunt Tract, a distance of 985.92 feet, to a 5/8 inch Yandell & Hiller capped steel rod on the North R.O.W. line of State Highway No. 190 (a variable width R.O.W.);

THENCE North 89 degrees 30 minutes 44 seconds West along said North R.O.W. line, a distance of 1556.50 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE South 00 degrees 27 minutes 50 seconds West a distance of 57.66 feet to a 5/8 inch Huitt-Zollars capped steel rod being the Northeast corner of a tract of land described in Deed to the State of Texas recorded in Volume 3127, Page 163, of said Deed Records;

THENCE South 88 degrees 33 minutes 55 seconds West along said North R.O.W. line, a distance of 315.16 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE North 74 degrees 01 minutes 32 seconds West along said North R.O.W. line, a distance of 114.56 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE South 85 degrees 56 minutes 24 seconds West along said North R.O.W. line, a distance of 213.11 feet to a 5/8 inch Huitt-Zollars capped steel rod on the most Southerly West line of said Lot 1, Block A, and also being the Northwest corner of said State of Texas tract;

5869 00202

Exhibit A (Continued)

GP-Number 05R01566

THENCE North 00 degrees 27 minutes 57 seconds East a distance of 118.59 feet to a 5/8 inch Huitt-Zollars capped steel rod;

THENCE North 89 degrees 23 minutes 25 seconds West along said North R.O.W. line, a distance of 488.59 feet to a 5/8 inch Vandell & Hiller capped steel rod being the Southwest corner of said Lot 1, Block A, and also being the Southeast corner of said J. C. Penney Life Insurance Company Addition;

THENCE North 00 degrees 26 minutes 25 seconds East along the common West line of said Lot 1, Block A, and the East line of said J. C. Penney Addition, a distance of 1177.16 feet to the Point of Beginning and embracing 2,805,871 square feet or 64.414 acres of land.



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Community Services

Department Head: Lori Schwarz

Agenda Coordinator: Alijah Cox

CAPTION

Resolution No. 2018-1-13(R): Providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	0	0	0
BALANCE		0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

Gardner Capital Development, Texas, LLC submitted a housing tax credit application for 9% housing tax credit (HTC) financing for Gala at Premier to the Texas Department of Housing and Community Affairs (TDHCA).

Proposed Project Location: "Gala at Premier" will include approximately 97 units on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Regionalism

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/19/2018	Memo
Memo Attachment 1	1/19/2018	Attachment
Memo Attachment 2	1/19/2018	Attachment
Resolution	1/19/2018	Resolution

Date: January 9, 2018
To: Bruce D. Glasscock, City Manager
From: Shanette Eaden, Housing and Community Services Manager
Subject: City Housing Tax Credit Resolution Application

Summary

Gardner Capital Development, Texas, LLC submitted a housing tax credit application for 9% housing tax credit (HTC) financing for Gala at Premier to the Texas Department of Housing and Community Affairs (TDHCA).

Proposed Project Location: “Gala at Premier” will include approximately 97 units on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive.

Background

Housing Tax Credits (HTC), through the Texas Department of Housing and Community Affairs (TDHCA), promote the development of affordable rental housing for low income households. Texas Government Code §2306.6710 and Texas Administrative Code Title 10, §11.09(d)(1) affords TDHCA applicants up to seventeen (17) points for a resolution voted on and adopted by the governing body of the municipality. Additionally, TDHCA applicants may receive one (1) point for a commitment of development funding from the municipality in which it is located, and up to seven (7) points if it is located within the municipality's Concerted Revitalization Plan area. The City Council approved the criteria necessary to receive a resolution supporting a housing tax credit application through Resolution No. 2016-11-4(R) and reviewed application amendments at the Preliminary Open Meeting on November 13, 2017.

Project Details:

On December 22, 2017, Gardner Capital Development, Texas, LLC submitted a proposed 9% Housing Tax Credit project for Gala at Premier. The development will have a total of four (4) units priced at market rate and 93 units made affordable to seniors at or below 60% of the area median income.

Community Need

The 2015-2019 Consolidated Plan of Housing and Community Development Needs (the Plan) highlights the unmet housing affordability that low income renters experience. The Plan includes a decent housing strategy of encouraging the provision of decent, safe, and affordable housing for low and moderate income and special needs residents. Article XI of the City of Plano Code of Ordinances establishes an Infill Housing Program that promotes the development of real property for low and moderate income housing to effectuate the public purpose of providing affordable housing for low and moderate income families.

Resolution of Support Application Review

After review of the HTC application by the Neighborhood Services, Planning, and Special Projects Departments, staff finds the application for Gala at Premier to be in conformance with the City Council approved evaluation criteria to receive a Resolution of No Objection. The application met a minimum of three out of the six threshold questions. The committee's threshold question review of the housing tax credit application is attached.

Next Steps

If approved, Gardner Capital Development, Texas, LLC will include the Resolution of No Objection with the application for 9% housing tax credits for Gala at Premier to TDHCA.

Attachment 1: Gala at Premier Threshold Evaluation

Attachment 2: Application

XC: Jack Carr, Deputy City Manager
Lori Feild Schwarz, Director of Neighborhood Services



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

Development Name	Gala at Premier
Applicant Name	Gardner Capital Development, Texas, LLC
Total Threshold Questions Met	Three (3)
Resolution Recommendation	Resolution of No Objection

Threshold Questions

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?

Review Committee Assessment: Yes

Review Committee Comments:

The application addresses the unmet housing affordability that low-income renters experience, as identified in the city's current Consolidated Plan.

- 2) Does the developer have an existing relationship with utilizing City of Plano HUD funds to provide or maintain affordable housing or a letter of support from a municipality for which the developer has collaborated with for the purpose of building or rehabilitating housing and are they in good standing with their current and/or past contracts?

Review Committee Assessment: No

Review Committee Comments:

The applicant does not have a relationship using City of Plano HUD funds, nor did the applicant provide a letter of support from another municipality.

- 3) Location: Is the project located within 0.50 mile walking distance of DART transportation (current or developing public transportation route) or is the project located in a high opportunity area? High opportunity area is defined as an area that has the following:

- An Area Median Income greater than 80%; or An area poverty rate 10% or less

Review Committee Assessment: Yes

Review Committee Comments:

The proposed development is located within a half a mile from DART Transportation.

- 4) Does the development have at least 20% of market rate units?

Review Committee Assessment: No

Review Committee Comments:

The development includes 4.12% market rate units.



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

5) Does this project redevelop a multifamily complex or under-performing development?

Review Committee Assessment: No

Review Committee Comments:

The proposed project does not redevelop a multifamily complex or under-performing commercial property. The property is primarily vacant, which disqualified it from meeting this criteria.

6) Does the development include at least four of the below energy efficient or sustainable/green build components?

- The use of **better than** R-3 insulation on exposed hot water pipes;
- Energy Star qualified windows with Low E glass;
- Energy Star qualified HVAC;
- Energy Star qualified Efficiency Water Heaters;
- Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**);
- Spray foam insulation exceeding code requirements; or
- Low or no VOC paint

Review Committee Assessment: Yes

Review Committee Comments:

The application lists four of the above components: 1) low or no VOC paints, 2) Energy Star qualified windows with Low E glass, 3) Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing, and 4) Better than R-3 insulation on exposed hot water pipes.

Additional Information

All applications receiving a Resolution of Support will be provided:

- A minimum of a \$1,000 commitment of development funding in the form of a fee waiver; and
- Consideration to be deemed the application that best fits the City's Concerted Revitalization Plan.

Review Committee Assessment: Not Applicable

Review Committee Comments:

The additional information is not applicable, as the application did not meet the minimum threshold requirements to recommend a Resolution of Support and additional considerations.



City of Plano Housing Tax Credit Resolution Application

Select type of Housing Tax Credit Resolution are you requesting:

4% Housing Tax Credit ☐

OR

9% Housing Tax Credit ☒

Development Information

Development Name as it will appear on the TDHCA application:

Gala at Premier

Development Address: NW Quadrant of Premier Drive and Enterprise Drive, Plano, Texas 75075

Legal Description:

Central Center (SPL) Block A, Lot 2
Land (Acreage: Approximate Size +/- 4.51 Acres) NW Quadrant of Premier Drive and Enterprise Drive, Plano, Texas 75075

Ownership Entity as it will appear on the TDHCA application:

Gala at Premier, LP

Applicant Information *(Applicant Representative will be used as the City's Official Contact)*

Name: Gardner Capital Development, Texas, LLC

Address: 2501 N. Harwood St, Suite 1501

City/State/Zip code: Dallas / Texas / 75201

DUNS Number:

Work Phone: (469) 904-5375

Cell Phone: (248) 752-6622

Email: jpalmer@gardnercapital.com

Applicant Representative Name: John W. Palmer

Do you have site control or owner's consent to apply for HTC funding on this site?

Yes ☒ **OR** No ☐

Property Owner Information

Owner Name(s): Abundant Life Church of Plano; DBA Life Central Church of Plano, Texas

Address: 2301 Premier Drive

City/State/Zip: Plano / Texas / 75075

Work Phone: (972) 424-4846

Cell Phone:

Email:

Application Submittal Signature

Applicant Signature:

Printed Name: John W. Palmer

Date: 12/21/17

By signing this form, the owner of the property authorizes the City of Plano to begin proceeding in accordance with the process for this request. The owner further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application and that although City staff may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the staff's recommendation.



Development Description

Unit Type	Market Rate Units	Affordable Units	Total Number of Units
Number of Units	4	93	97
Percentage of Total Units (Staff Only Field)	4.12%	95.88%	

How many units are available to each income bracket listed below (i.e. rent level of tenants)?

0 - 30% AMI	31-50% AMI	51 - 60% AMI	61- 80% AMI	Market Rate	Total Units
10	83			4	97

Unit mix/types available:

Efficiency	1 Bedroom	2 Bedroom	3 bedroom	4 bedroom	Total Units
	55	42			97

How many accessible units are included?

8

Will this development focus on a particular target population? If yes, please explain the target population below. If no, please type no.

TDHCA: Elderly Individuals. Elderly Development--A Development that is subject to an Elderly Limitation or a Development that is subject to an Elderly Preference. Elderly Limitation Development--A Development subject to an "elderly limitation" is a Development that meets the requirements of the Housing for Older Persons Act.

List property amenities below, noting any difference between market rate and affordable amenities:

The Community amenities that will be provided at this development will include: 1) controlled access gate and perimeter fence; 2) furnished community room; 3) library with accessible seating areas; 4) swimming pool; 5) furnished fitness center equipped with stationary bicycles, elliptical trainer, treadmill, rowing machine and universal gym; 6) on-site management staff with 24 hour emergency maintenance; 7) supportive services specifically tailored for an aging population 8) salon/barber shop.

Each unit will be equipped with 9-foot ceilings, Energy Star rated appliances, modern, durable floor coverings, modern cabinets and granite counter tops, water-conserving plumbing fixtures, and energy star rate lighting and ceiling fans. All units will also be equipped with window treatments, RG-6 COAT or better.

Describe the energy efficient components that will be installed.

Each unit will be equipped with the following Energy Efficient or Energy Star components:

- 1) Energy Star rated appliances to include an Energy Star rated Dishwasher, Refrigerator with ice-maker, and Garbage Disposal
- 2) Energy Star rated windows with Low-E glass; 3) Energy Star rated light fixtures which may include compact fluorescent or LED light bulbs; 4) Energy Star rated ceiling fans (one per unit); 5) R-15 wall systems and R-30 ceiling systems; 6) 14 SEER HVAC systems; 7) Radiant barrier per ASTM standards in the attic and/or roof sheathing and exterior walls; 8) Better than R-3 insulation on exposed hot water pipes; 9) Low VOC paint 10) Daylight sensors will be installed on all exterior lighting



Explain how the development addresses a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan.

This development will provide both "decent housing" and "suitable environment" to the low-income elderly population of Plano – a population identified as special needs and deemed to be in substantial need of such housing by the information put forth in the Consolidated Plan. The issue of housing cost burden is more significant in the lower and moderate-income segments of Plano's population, as the Needs Assessment Section states that over 8,855 low and moderate-income households pay more than 50% of their income for housing. The Needs Assessment Section placed on emphasis on the vulnerability of the low-income elderly and disabled persons, stating those segments experienced poverty at roughly twice the rate than the population at large, 13% as compared to 6%. Due to limited or fixed incomes, their need for affordable housing and supportive services is much greater and are at higher risk of becoming homeless. This project aims to provide affordable, quality housing to those populations.

Does this development redevelop a multifamily complex or under-performing development? If yes, briefly explain. If no, type no.

Yes. This development proposes to re-purpose vacant land (under-performing development) and creates a solution for critical housing needs and generates both direct and indirect economic benefits for the City of Plano; i.e. new property tax revenue.

Will the development be tax exempt upon completion? Yes ☐ OR No ☒

Additional Information about the Ownership Entity/ Applicant

Is the Ownership Entity and/or Applicant a 501(c)3 organization? Yes ☐ OR No ☒

Has the ownership entity and/or applicant been certified as a CHDO within the last 12 months? If yes, please state the city/cities which provided such certification. If no, please type no.

No.

Does the Ownership Entity/Applicant have current funding contracts and/or had previous funding contracts within the past three (3) years for the use of federal funds for providing housing through the State of Texas or another municipality? If yes, please list the name of the federal funding and funding jurisdiction (i.e. TDHCA, City of Plano/Dallas/Fort Worth/McKinney, etc.). If no, please type no.

Yes.

TDHCA Tax Credit Financing:

1. Riverstone, Family Affordable, Corpus Christi, Texas - Completed in 2016
2. Bella Vista, Family Affordable. Alton, Texas - Completed in 2016
3. River View, Family Affordable, Corpus Christi, Texas- Under Construction 2017
4. Provision at Four Corners, Family Affordable, (Four Corners) Houston, Texas - Under Construction 2017
5. Gala at Oak Crest Estates, Senior Living, Euless, Texas - Under Construction 2017
6. Provision at Melissa, Family Affordable, Melissa, Texas - Under Construction 2017
7. Gala at Melissa, Senior Living, Melissa, Texas - Under Construction 2017
8. Gala at Four Corners, Senior Living, (Four Corners) Houston Texas - Under Construction 2017
9. Provision at West Bellfort, Family Affordable, Houston, Texas - Under Construction 2017
10. Provision at North Valentine, Family Affordable, Hurst, Texas - Awarded 2017
11. Gala at Texas Parkway, Senior Living, Missouri City, Texas - Awarded 2017
12. Jubilee at Texas Parkway, Senior Living, Missouri City, Texas - Awarded 2017

HUD Loan Financing:

Artistry at Craig Ranch, McKinney, Texas - HUD 221d4 HUD loan financing.



List existing Housing Tax Credit properties (and the cities in which they are located) that have been built by the Ownership Entity and/or the Applicant within the past five (5) years.

Gardner Capital is a privately held, 25-year old, award-winning, "build and hold", tax credit developer and syndicator that develops, constructs, operates and manages its own national portfolio of investment properties.

In the State of Texas, Gardner Capital Development has been awarded and developed of the following LITHC properties within the last 5 years:

1. Riverstone, Family Affordable, Corpus Christi, Texas - Completed in 2016
2. Bella Vista, Family Affordable, Alton, Texas - Completed in 2016
3. River View, Family Affordable, Corpus Christi, Texas- Under Construction 2017
4. Provision at Four Corners, Family Affordable, (Four Corners) Houston, Texas - Under Construction 2017
5. Gala at Oak Crest Estates, Senior Living, Euless, Texas - Under Construction 2017
6. Provision at Melissa, Family Affordable, Melissa, Texas - Under Construction 2017
7. Gala at Melissa, Senior Living, Melissa, Texas - Under Construction 2017
8. Gala at Four Corners, Senior Living, (Four Corners) Houston Texas - Under Construction 2017
9. Provision at West Bellfort, Family Affordable, Houston, Texas - Under Construction 2017
10. Provision at North Valentine, Family Affordable, Hurst, Texas - Awarded 2017
11. Gala at Texas Parkway, Senior Living, Missouri City, Texas - Awarded 2017
12. Jubilee at Texas Parkway, Senior Living, Missouri City, Texas - Awarded 2017

Is the proposed development located within the City of Plano Concerted Revitalization Plan Area? If yes, explain why your proposed development contributes more to the Concerted Revitalization Plan than any other proposed Development. If the development is not located within the area type no.

Yes. The site is located within the boundary of the City of Plano's Concerted Revitalization Area. Gardner Capital, through its community engagement process, will work to jump-start community revitalization plans by investing private capital investment in the estimated amount of \$20,000,000, and an estimated annual property tax revenue of \$130,000.

This proposed development will address the need for mixed income, and quality senior housing. By providing favorable options for residents looking to downsize from single family, it is the goal of this senior community to help preserve the existing neighborhoods and community that is already in place.

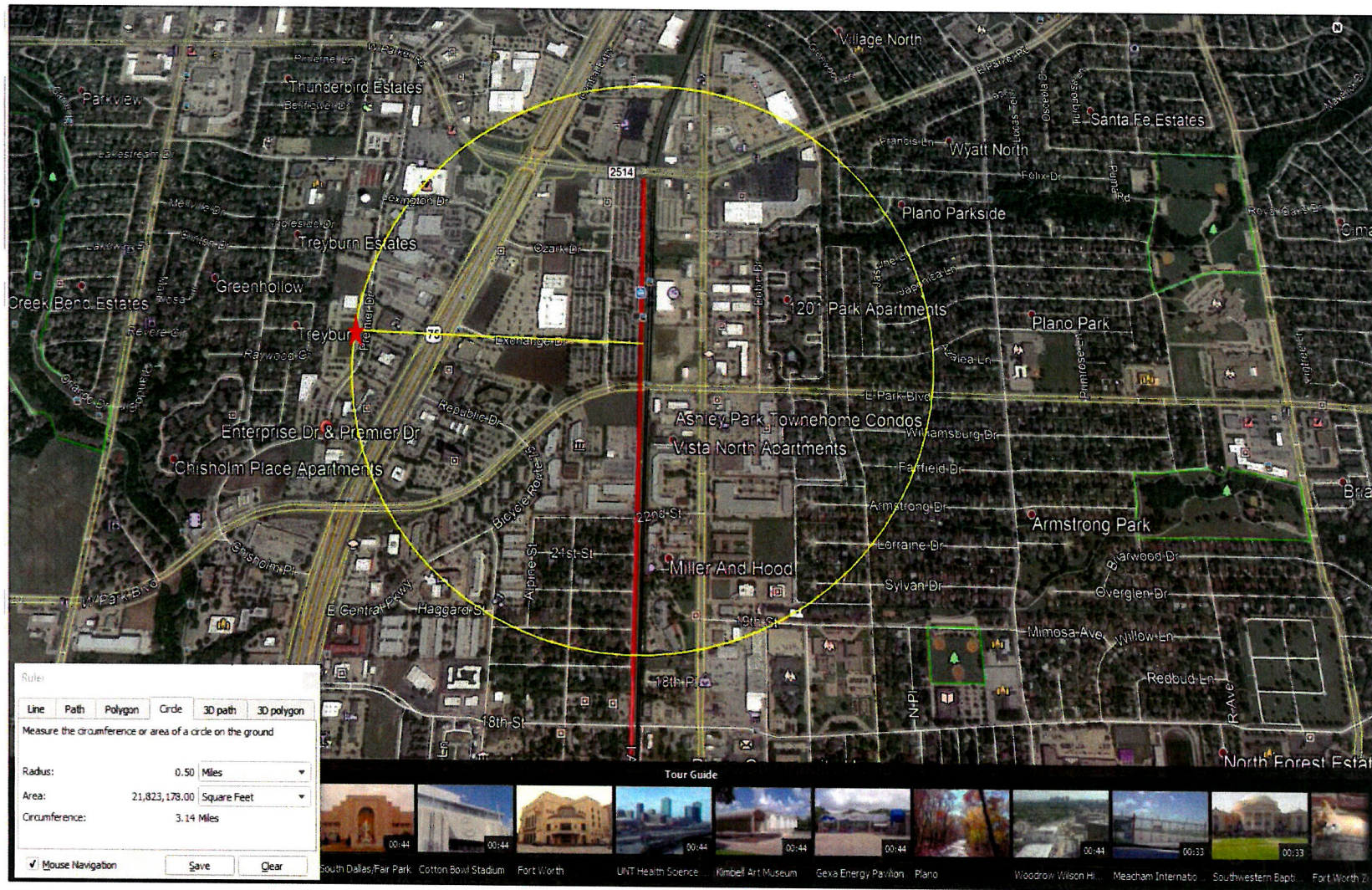
By building a new construction senior community, Gala at Premier will create competition with more antiquated apartment communities. This senior development will be considered pedestrian-friendly and located in close proximity to core amenities and public transit.

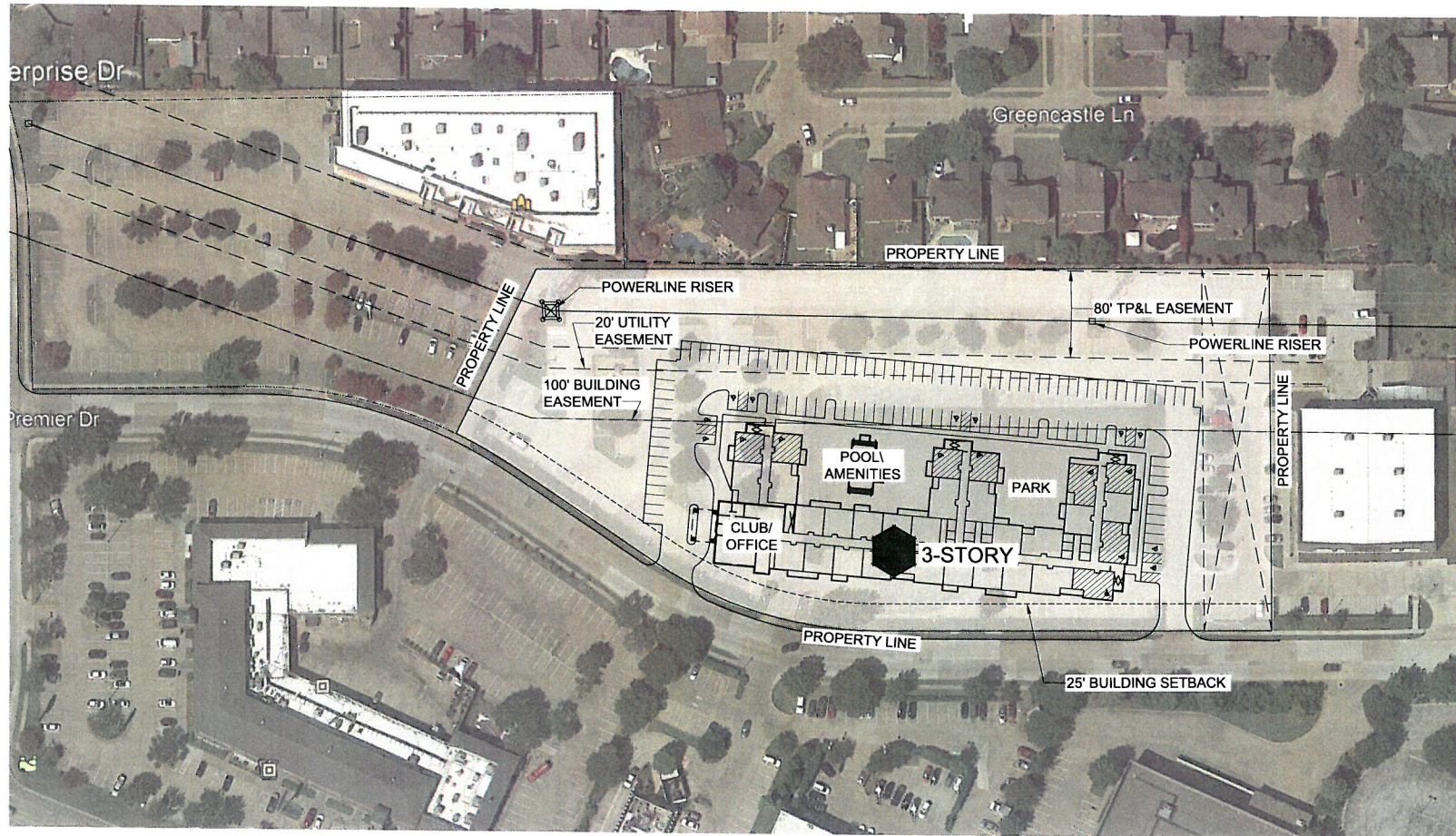
Gardner Capital promotes a "Plano First Campaign" whereby our proposed development shall generate new business revenues locally through the process of seeking local services and materials through operations: planning, construction, property management and resident services. One of the services we provide in our senior communities are art and craft services along with an art gallery to showcase resident artwork or to partner with local groups to showcase local art from the community.

Through our partnership with local non-profits, the proposed development will offer the following resident services:

- Health & Nutrition- Blood Pressure Checks, Diabetes Classes, Healthy Cooking, Chair Exercises
- Neighborhood Development – "Meet Your Neighbors" parties, Senior Scam Prevention, National Night Out, Volunteer Recognition, Community Gardens
- Recreational/Social Events – Bingo, Birthday Parties, Potlucks, Cards/Dominos, Senior Prom
- Adult Development – Computer classes, Sewing classes, Book Clubs
- Social Services - Assistance with applying for State programs such as Housing, SNAP, Medicaid, etc.

MAP OF LOCATION OF THE PROPOSED DEVELOPMENT





SITE DATA

TOTAL ACRES 4.513 ACRES

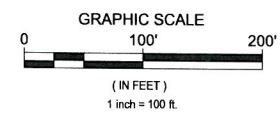
97 UNITS
20.61 UNITS/ACRE

PARKING DATA

PARKING REQUIRED:
1 SPACES PER UNIT 97

PARKING PROVIDED:
UNCOVERED 97
HC 8
VAN 2
CLUB 12

TOTAL PROVIDED 118



SITE PLAN
SCALE 1" = 100'

**GALA AT PREMIER
PLANO, TEXAS**

A1.0

SITE PLAN
OPTION 02
Copyright © 2017

UNIT MIX & BASE RENT SCHEDULE

UNIT TYPE	UNIT DESCRIPTION	UNIT COUNT	%	N.R. AREA	TOTAL AREA	RENT/UNIT/MONTH	TOTAL MONTHLY	RENT/PSF/MONTH
A1 - 30% AMI	1BR/1BA	9	9%	700	6,300	\$349	\$3,141	\$0.499
A1 - 50% AMI	1BR/1BA	37	38%	700	25,900	\$624	\$23,088	\$0.891
A1 - 60% AMI	1BR/1BA	8	8%	700	5,600	\$762	\$6,096	\$1.089
A1 - MARKET	1BR/1BA	1	1%	700	700	\$826	\$826	\$1.180
B1 - 30% AMI	2BR/1BA	1	1%	910	910	\$415	\$415	\$0.456
B1 - 50% AMI	2BR/1BA	1	1%	910	910	\$746	\$746	\$0.820
B1 - 60% AMI	2BR/1BA	37	38%	910	33,670	\$911	\$33,707	\$1.001
B1 - MARKET	2BR/1BA	3	3%	910	2,730	\$991	\$2,973	\$1.089
B2 - 30% AMI	2BR/2BA			955		\$415		\$0.435
B2 - 50% AMI	2BR/2BA			955		\$746		\$0.781
B2 - 60% AMI	2BR/2BA			955		\$911		\$0.954
B2 - MARKET	2BR/2BA			955		\$991		\$1.038
TOTALS		97	100%	791	76,720	\$732	\$70,992	\$0.925
				AVG.	NRSF	AVG.		AVG.

PROJECT USES

	% of Total	Per Unit	Per SF
Land	\$2,226,011	12.4%	\$22,949
Direct Construction Cost	\$10,753,885	60.1%	\$110,865
Indirect Construction Cost	\$1,043,653	5.8%	\$10,759
FF&E	\$250,000	1.4%	\$2,577
Start Up Costs	\$150,000	0.8%	\$1,546
Reserves	\$378,665	2.1%	\$3,904
Other Development Costs	\$624,260	3.5%	\$6,436
Interim Interest	\$568,876	3.2%	\$5,865
Developer Fee	\$1,727,604	9.7%	\$17,810
Total Uses	\$17,890,454	100.0%	\$184,438

PROJECT SOURCES

Debt Financing	\$3,926,000	21.9%	\$40,474
Municipal Contribution	\$0	0.0%	\$0
LIHTC Equity	\$13,159,284	73.6%	\$135,663
Deferred Development Fees	\$804,170	4.5%	\$8,290
Match	\$0	0.0%	\$0
Sponsor Equity	\$0	0.0%	\$0
Total Sources	\$17,890,454	100.0%	\$184,438

LAND INFORMATION

Size	4.51 Acres
Density	21.49 Units/Acre
Price	\$2,161,011
	\$22,278 Per Unit
	\$10.99 Per LASF

CONSTRUCTION LOAN INFORMATION

Principal	\$10,000,000
Interest Rate	4.75%
Term - Months	24
PMT Type	I/O

PERMANENT LOAN INFORMATION

Principal	\$3,926,000
Interest Rate	5.75%
Amortization	35 Years
Monthly Pmt (Inc MIP) Annual	\$21,730
DSCR - Perm	\$260,765
	1.200

TAX CREDIT EQUITY INFORMATION

Credit Type	9%
Tax Credit Reservation	\$1,430,500
Tax Credit Pricing	\$0.92
Investor Equity	\$13,159,284

Inflation Factor - Income:	2.00%
Inflation Factor - Expenses:	3.00%

DEVELOPMENT & CONSTRUCTION FEES

Development Fee

Paid	\$923,435	53.45%
Deferred	\$804,170	46.55%
Total	\$1,727,604	

Construction Fees

Gen Con. & Overhead	\$748,016	57.14%
Profit	\$561,012	42.86%
Total	\$1,309,028	

PRO FORMA ADDITIONAL INCOME

(at date of substantial completion)

	TOTAL	UNIT YEAR	NRSF YEAR
Gross Rental Income	\$851,904	\$8,783	\$11.10
			\$0.93
Additional Income:			
Laundry & Miscellaneous	0	\$5.00	\$0.00
Parking	0	\$99.06	\$0.00
App/Late/Pet &	97	\$20.00	\$240
Pool & Other Views	0	\$25.00	\$0.00
Fireplaces	0	\$15.00	\$0.00
Vaulted Ceilings	0	\$15.00	\$0.00
Storage Units	0	\$50.00	\$0.00
Carports	0	\$50.00	\$0.00
Garages	0	\$125.00	\$0.00
Dir. Acc Garages	0	\$100.00	\$0.00
Utilities Reimbursement	0	\$9.00	\$0.00
Total Potential Income	\$875,184	\$9,023	\$11.41
(*) less Vacancy @	7.50%	(\$65,639)	(\$677)
			(\$0.86)
Total Collected Income	\$809,545	\$8,346	\$10.55
less Oper. Expenses	\$5,119.23	(\$496,565)	(\$5,119)
NET OPERATING INCOME	\$312,980	\$3,227	\$4.08

Gardner Capital Development Texas, LLC

Gala at Premier Investment Summary

12/22/17

Project Location:	2655 Premier Dr (Approx) Plano, TX
Number of Units:	97
Estimated Start Date:	April-19
Estimated Total Project Cost:	\$17,890,454
Type of Financing:	
Land Cost Per Unit:	\$22,278
Contract Type:	Turnkey
Contract Status:	Closed

Gardner Capital Development Texas, LLC
DEVELOPMENT MODEL
Gala at Premier: Plano, TX

DEVELOPMENT INPUT BUDGET

	TOTAL COST	PER UNIT	PER SQ. FT.	Service Month	Months Used
Total Units/Net Rentable Square Feet		97 UNITS	76,720 TSF		

LAND:

Land & Revtl Fund	\$2,161,011	22,278	28.17	1	1
Land Holding Costs	\$50,000	515	0.65	1	1
Option Fee/Acquisition Costs	\$0	0	0.00	1	1
Closing Cost & Acq. Legal Fees	\$15,000	155	0.20	1	1
Total Land	\$2,226,011	\$22,949	29.01		

DIRECT CONSTRUCTION COSTS:

Construction Cost	\$90.00	\$6,904,800	71,184	90.00	4	15
General Requirements	6.00%	\$561,012	5,784	7.31	1	15
Builder's General Overhead	2.00%	\$187,004	1,928	2.44	1	15
Builder's Profit	6.00%	\$561,012	5,784	7.31	3	15
Contingency	5.00%	\$445,248	4,590	5.80	12	3
Site Utilities		\$480,150	4,950	6.26	3	2
Site Work, Roads, Retaining Walls		\$970,000	10,000	12.64	1	3
Amenities		\$550,000	5,670	7.17	12	2
Landscaping	\$250,000			3.26		
Pool & Decking	\$150,000			1.96		
Playground	\$0			0.00		
Misc., Cabling, Fencing, Sign	\$150,000			1.96		
Band Premium	1.00%	\$94,660	976	1.23	1	1
Off-Site		\$0	0	0.00	1	2
Total Direct Costs	140.17	\$10,753,885	\$110,865	140.17		

INDIRECT CONSTRUCTION COSTS:

Design Subtotal		\$345,000	3,557	4.50	1	1
Architectural	\$120,000		1,237	1.56		
Civil Engineering	\$75,000		773	0.98		
M/E/P/S Engineering	\$65,000		670	0.85		
Interior Design	\$30,000		309	0.39		
Landscape/Irrigation Design	\$30,000		309	0.39		
Reimbursable Expenses	\$25,000		258	0.33		
Design/Civil - Const Admin.	15	\$95,000	1,309	1.24	1	15
Market Study		\$10,000	103	0.13	1	1
Soil Report		\$10,000	103	0.13	1	1
Surveys & Platting		\$30,000	309	0.39	1	1
Property Taxes	0.02179656	\$58,878	607	0.77	1	15
Insurance		\$2,000	21	0.03	1	1
Environmental Reports		\$5,000	52	0.07	1	1
Other:		\$40,000	412	0.52	1	1
Leveraging Cost Needed		\$0	0	0.00		
Consultants	\$40,000		412	0.52		
Arch. Rendering Service		\$15,000	155	0.20	1	1
Municipal Fees		\$300,000	3,093	3.91	1	1
W/S Tap Fees	\$0		0	0.00		
Meter Fees	\$0		0	0.00		
Impact Fees	\$200,000		2,062	2.61		
Revitalization	\$0		0	0.00		
Permit & Misc Fees	\$100,000		1,031	1.30		
Builder's Risk		\$53,350	550	0.70	1	1
Soft Cost Contingency	5.00%	\$79,424	819	1.04	1	15
Total Indirect Costs	Of Unit	\$1,043,653	\$10,759	13.60		

FURNISHINGS/EQUIPMENT:

Weight Room Equipment	\$35,000	361	0.46	12	1
Pool Furniture & Equipment	\$35,000	361	0.46	12	1
Model Apartments	\$5,000	52	0.07	12	1
Club & Rec. Room Furnishings	\$100,000	1,031	1.30	12	1
Office Equipment	\$25,000	258	0.33	12	1
Golf Carts (Leasing Only)	\$5,000	52	0.07	12	1
Maintenance Equipment	\$10,000	103	0.13	12	1
Interior Designer Fee	\$35,000	361	0.46	12	1
Total Furnishing/Equipment	\$250,000	\$2,577	3.26		

	TOTAL COST	PER UNIT	PER SQ. FT.	Service Month	Months Used
		97 UNITS	76,720 NRSF		

START UP COSTS:

Advertising/Promotion		0	0.00	13	3
Leasing Brochures		0	0.00	13	1
Design/Graphics/Displays		0	0.00	13	1
Lease-Up Expenses Initial	\$25,000	258	0.33	12	2
Lease-Up Expenses	\$105,600	1,089	1.38	15	5
Lease-Up Bonus	\$19,400	200	0.25	25	1
Total Start Up Costs	\$150,000	\$1,546	1.96		

RESERVES

Operating Deficit Reserve (Equity)	6 months	\$378,665	3,904	4.94	24	1
Other Operating Reserve		\$0	0	0.00	1	1
Additional Const. Interest (Lender)	0.00%	\$0	0	0.00		
Total Reserves		\$378,665	\$3,904	4.94		

OTHER DEVELOPMENT COSTS/FEEs:

Rate Lock Fee	0.000%	\$0	0	0.00	1	1
Const. Loan Origination Fee	1.000%	\$100,000	1,031	1.30	1	1
Perm. Loan Origination Fee	1.000%	\$39,260	405	0.51	1	1
Lender Due Diligence & Fees		\$45,000	464	0.59	1	1
Tax Credit Syndication Cost		\$50,000	515	0.65	1	1
Legal & Closing Cost		\$160,000	1,649	2.09	1	1
Legal Fees - Lender	\$45,000		464	0.59		
Legal Fees - Borrower's Counsel	\$80,000		825	1.04		
Legal Fees - Organization	\$0		0	0.00		
Accounting	\$15,000		155	0.20		
Cost Certification	\$20,000		206	0.26		
Title Fee		\$110,000	1,134	1.43	1	1
Tax Credit Fees		\$70,000	722	0.91	1	1
3rd Party Const. Inspection Fees		\$35,000	361	0.46	1	1
Other 1		\$0	0	0.00	1	1
Other Fees and Reimbursables		\$15,000	155	0.20	1	1
Total Other Development Cost:		\$624,260	\$6,435.67	8.14		

INTERIM INTEREST:

Additional Const. Interest (Lender)	0.00%	\$0	0	0.00		
Construction Period Interest	4.75%	\$568,876	5,865	7.41		
Total Interim Interest:		\$568,876	\$5,865	7.41		

DEVELOPER FEE

Housing Consultant Fee	\$167,500	1,727	2.18	1	1
Net Developer Fee	\$1,727,604	17,810	22.52		
Total Developer Fee	\$1,895,104	\$19,537	24.70		

GENERAL CONTINGENCY:

as percent of construction cost -	0.00%	\$0.00	0	0.00	6	9
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GROSS DEVELOPMENT COSTS:

\$17,890,454 184,438 233.19



December 19, 2017

TDHCA
Sharon Gamble
221 East 11th Street
Austin, TX 78701

RE: Gala at Premier

Dear Ms. Gamble:

I am writing this letter to voice my support for TDHCA Tax Credit Application for Gala at Premier to be located at NW Quadrant of Premier Drive and Enterprise Drive in Plano, TX 75075.

Portfolio Resident Services is a tax exempt civic organization that serves the community in which the development site is located, with a primary purpose of the overall betterment of the community. We believe that there is a need for housing that is affordable to citizens of modest means and this development will help meet that need.

Sincerely,
Melinda Frazer

Melinda Frazer
Resident Services Director
www.portfolioresidentservices.org



ALLIED ORION GROUP

December 21, 2017

TDHCA
Sharon Gamble
221 East 11th Street
Austin, TX 78701

RE: Gala at Premier

Dear Ms. Gamble:

I am writing this letter to voice my support for TDHCA Tax Credit Application for Gala at Premier to be located at NW Quadrant of Premier Drive and Enterprise Drive in Plano, TX 75075.

Allied Orion Group is an organization that serves the community in which the development site is located, with a primary purpose of the overall betterment of the community. We believe that there is a need for housing that is affordable to citizens of modest means and this development will help meet that need.

Sincerely,

Cecilia Cossio
Regional Vice President
Management Division

2051 Greenhouse Road | Suite 300 | Houston, TX 77084

ccossio@allied-orion.com

P: 713-622-5844 | C: 817-689-2701

www.allied-orion.com

A Resolution of the City of Plano, Texas, providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive; designating the City Manager, or his designee, to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Gardner Capital Development, Texas, LLC, has proposed a development for affordable rental housing which will be named “Gala at Premier” and will include approximately 97 units on 4.5± acres located on the west side of Premier Drive, 400 ft. north of Enterprise Drive, in the City of Plano, Collin County; and

WHEREAS, Gardner Capital Development, Texas, LLC intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2018 Competitive 9% Housing Tax Credits for Gala at Premier; and

WHEREAS, Gala at Premier will include approximately four (4) market rate units and 93 units affordable to seniors with an income at or below 60% of the area median income; and

WHEREAS, Gardner Capital Development, Texas, LLC has submitted a housing tax credit resolution application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R) and application amendments reviewed during the Preliminary Open City Council Meeting on November 13, 2017; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution of No Objection is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

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

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.09(d)(1), the City of Plano, acting through its governing body, hereby confirms that it has no objection to the proposed application for Gala at Premier on 4.5± acres located on the west side of Premier Drive, 400 ft. north of

Enterprise Drive, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 22, 2018.

SECTION II. The Resolution of No Objection is based on the following information presented in the application for Gala at Premier:

1. The application met three out of the six City of Plano Housing Tax Credit Resolution Application threshold questions; and
2. The development will include four (4) market rate units and 93 units affordable to seniors with an income at or below 60% of the area median income.

SECTION III. The City Manager, or his designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION IV. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 22ND DAY OF JANUARY, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

Approved as to form:

Paige Mims, CITY ATTORNEY



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Community Services

Department Head: Lori Schwarz

Agenda Coordinator: Alijah Cox

CAPTION

Resolution No. 2018-1-14(R): Providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Amended to a Resolution of Support and Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	0	0	0
BALANCE		0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

Plano Housing Corporation submitted a housing tax credit application for 9% housing tax credit (HTC) financing for the Patriot Park Family Phase I Transit Oriented Development to the Texas Department of Housing and Community Affairs (TDHCA). The proposed project is one of two HTC resolution applications located within the City's Concerted Revitalization Plan area.

Proposed Project Location: Patriot Park Family Phase I Transit Oriented Development will include approximately 139 units on 3.475± acres located at the northwest corner of G Avenue and 13th/14th

Connector.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Regionalism

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/19/2018	Memo
Memo Attachment 1	1/19/2018	Attachment
Memo Attachment 2	1/19/2018	Attachment
Resolution	1/19/2018	Resolution

Date: January 9, 2018
To: Bruce D. Glasscock, City Manager
From: Shanette Eaden, Housing and Community Services Manager
Subject: City Housing Tax Credit Resolution Application

Summary

Plano Housing Corporation submitted a housing tax credit application for 9% housing tax credit (HTC) financing for the Patriot Park Family Phase I Transit Oriented Development to the Texas Department of Housing and Community Affairs (TDHCA). The proposed project is one of two HTC resolution applications located within the City's Concerted Revitalization Plan area.

Proposed Project Location: Patriot Park Family Phase I Transit Oriented Development will include approximately 139 units on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector.

Background

Housing Tax Credits (HTC), through the Texas Department of Housing and Community Affairs (TDHCA), promote the development of affordable rental housing for low income households. Texas Government Code §2306.6710 and Texas Administrative Code Title 10, §11.09(d)(1) affords TDHCA applicants up to seventeen (17) points for a resolution voted on and adopted by the governing body of the municipality. Additionally, TDHCA applicants may receive one (1) point for a commitment of development funding from the municipality in which it is located, and up to seven (7) points if it is located within the municipality's Concerted Revitalization Plan area. The City Council approved the criteria necessary to receive a resolution supporting a housing tax credit application through Resolution No. 2016-11-4(R) and reviewed application amendments at the Preliminary Open Meeting on November 13, 2017.

Project Details:

On December 21, 2017, Plano Housing Corporation submitted a proposed 9% Housing Tax Credit project for Patriot Park Family Phase I Transit Oriented Development. The development will have 28 units priced at market rate and 111 units made affordable to households at or below 60% of the area median income.

Community Need

The 2015-2019 Consolidated Plan of Housing and Community Development Needs (the Plan) highlights the unmet housing affordability that low income renters experience. The Plan includes a decent housing strategy of encouraging the provision of decent, safe, and affordable housing for low and moderate income and special needs residents. Article XI of the City of Plano Code of Ordinances establishes an Infill Housing Program that promotes the development of real property for low and moderate income housing to effectuate the public purpose of providing affordable housing for low and moderate income families.

Resolution of Support Application Review

After review of the HTC application by the Neighborhood Services, Planning, and Special Projects Departments, staff finds the application for Patriot Park Family Phase I Transit Oriented Development to be in conformance with the City Council approved evaluation criteria to receive a Resolution of No

Objection. The application met a minimum of three out of the six threshold questions. The committee's threshold question review of the housing tax credit application is attached.

Next Steps

If approved, Plano Housing Corporation will include the Resolution of No Objection with the application for 9% housing tax credits for Patriot Park Family Phase I Transit Oriented Development to TDHCA.

Attachment 1: Patriot Park Family Phase I Transit Oriented Development Threshold Evaluation

Attachment 2: Application

XC: Jack Carr, Deputy City Manager
Lori Feild Schwarz, Director of Neighborhood Services



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

Development Name	Patriot Park Family Phase I Transit Oriented Development
Applicant Name	Plano Housing Corporation
Total Threshold Questions Met	Three (3)
Resolution Recommendation	Resolution of No Objection

Threshold Questions

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?

Review Committee Assessment: Yes

Review Committee Comments:

The application addresses the unmet housing affordability that low-income renters experience, as identified in the city's current Consolidated Plan.

- 2) Does the developer have an existing relationship with utilizing City of Plano HUD funds to provide or maintain affordable housing or a letter of support from a municipality for which the developer has collaborated with for the purpose of building or rehabilitating housing and are they in good standing with their current and/or past contracts?

Review Committee Assessment: No

Review Committee Comments:

The applicant does not have an existing contract with the City for the use of HUD funds. In August 2015 and October 2016, the applicant was awarded approximately \$200,000 in City of Plano, U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnership (HOME) funds to construct two (2) affordable, single-family homes. In July 2017, the applicant notified the City of Plano of their inability to use the HUD funds due to rising construction costs that would prohibit the sale of two new single family housing units to households at or below eighty (80%) of the area median income, as required by HUD.

The applicant submitted support letters written by city staff that were signed January and February 2017 with their 2018 housing tax credit resolution application. However, these support letters were for The Artist Lofts application, and since that time, the project name and partnership have changed.

- 3) Location: Is the project located within 0.50 mile walking distance of DART transportation (current or developing public transportation route) or is the project located in a high opportunity area? High opportunity area is defined as an area that has the following:

- An Area Median Income greater than 80%; or An area poverty rate 10% or less

Review Committee Assessment: Yes

Review Committee Comments:

The proposed development is located within half a mile of DART transportation.



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

4) Does the development have at least 20% of market rate units?

Review Committee Assessment: Yes

Review Committee Comments:

Market rate units make up 20.14% the development.

5) Does this project redevelop a multifamily complex or under-performing development?

Review Committee Assessment: No

Review Committee Comments:

The proposed project does not redevelop a multifamily complex or under-performing commercial property. The property is partially vacant and has otherwise been utilized for single-family residential, which disqualified it from meeting this criteria.

6) Does the development include at least four of the below energy efficient or sustainable/green build components?

- The use of **better than** R-3 insulation on exposed hot water pipes;
- Energy Star qualified windows with Low E glass;
- Energy Star qualified HVAC;
- Energy Star qualified Efficiency Water Heaters;
- Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**);
- Spray foam insulation exceeding code requirements; or
- Low or no VOC paint

Review Committee Assessment: No

Review Committee Comments:

The application did not list at least four of the energy efficient or sustainable/green build components listed. The application listed three of the above components: 1) low or no VOC paints, 2) Energy Star Windows, and 3) Energy Star HVAC.

Additional Information

All applications receiving a Resolution of Support will be provided:

- A minimum of a \$1,000 commitment of development funding in the form of a fee waiver; and
- Consideration to be deemed the application that best fits the City's Concerted Revitalization Plan.

Review Committee Assessment: Not applicable

Review Committee Comments:

The additional information is not applicable, as the application did not meet the minimum threshold requirements to recommend a Resolution of Support and additional considerations.



City of Plano Housing Tax Credit Resolution Application

Select type of Housing Tax Credit Resolution are you requesting:

4% Housing Tax Credit ☐ **OR** 9% Housing Tax Credit ☒



Development Information

Development Name as it will appear on the TDHCA application:

Patriot Park Family Phase I Transit Oriented Development (formerly Artist Lofts)

Development Address: 13th 14th Street Connector at Ave G

Legal Description: 3 pages attached

Ownership Entity as it will appear on the TDHCA application:

Plano Family 001 LP

Applicant Information (Applicant Representative will be used as the City's Official Contact)

Name: Plano Housing Corporation in partnership with Banc of America CDC

Address: 2320 King Arthur Blvd

City/State/Zip code: Lewisville, TX 75056

DUNS Number: 961867657

Work Phone: (972) 899-4246

Cell Phone: (214) 906-1085

Email: [redacted] **Applicant Representative Name:** Jean Brown

Do you have site control or owner's consent to apply for HTC funding on this site?

Yes ☒ **OR** No ☐

Property Owner Information

Owner Name(s): Plano Family 001 LP

Address: 2320 King Arthur Blvd

City/State/Zip: Lewisville, TX 75056

Work Phone: (972) 899-4246

Cell Phone: (214) 906-1085

Email: [redacted]

Application Submittal Signature

Applicant Signature: Jean Brown

Printed Name: Jean Brown

Date: 12/21/2017

By signing this form, the owner of the property authorizes the City of Plano to begin proceeding in accordance with the process for this request. The owner further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application and that although City staff may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the staff's



Development Description

Unit Type	Market Rate Units	Affordable Units	Total Number of Units
Number of Units	28	111	139
Percentage of Total Units (Staff Only Field)	20.14%	79.86%	

How many units are available to each income bracket listed below (i.e. rent level of tenants)?

0 - 30% AMI	31-50% AMI	51 - 60% AMI	61- 80% AMI	Market Rate	Total Units
23	44	44		28	139

Unit mix/types available:

Efficiency	1 Bedroom	2 Bedroom	3 bedroom	4 bedroom	Total Units
17	59	49	14		139

How many accessible units are included?

14

Will this development focus on a particular target population? If yes, please explain the target population below. If no, please type no.

Family with a emphasis on Veterans

List property amenities below, noting any difference between market rate and affordable amenities:

There will be no difference between market rate and affordable. Amenities include a pool, clubhouse that will encompass a computer lab, workout facility and social services for the community. Ample green spaces and pocket parks have also been included in the site plan. In addition to washer/dryer connections in each unit, a clothes facility will also be included in the clubhouse.

Describe the energy efficient components that will be installed.

Patriot Park will be built to the Enterprise Green criteria which exceeds current building codes. Included is low flow plumbing fixtures, low or no VOC paints, CFL and LED lighting, drought tolerant landscaping, Energy star windows, HVAC and appliances, and insulation exceeding code requirements that will deliver an extremely energy efficient development



Explain how the development addresses a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan.

Provides affordable rental housing in the downtown area within walking distance of the 15th Street Dart Station. Site is within 0.5 miles of the Dart Rail Station meeting the City's goal of walkability for transportation.

Does this development redevelop a multifamily complex or under-performing development? If yes, briefly explain. If no, type no.

Yes, we are currently in the process of removing 3 blighted single family homes.

Will the development be tax exempt upon completion? Yes ☒ 50% **OR** No ☐

Additional Information about the Ownership Entity/ Applicant

Is the Ownership Entity and/or Applicant a 501(c)3 organization? Yes ☒ **OR** No ☐

Has the ownership entity and/or applicant been certified as a CHDO within the last 12 months? If yes, please state the city/cities which provided such certification. If no, please type no.

Not in the last 12 months

Does the Ownership Entity/Applicant have current funding contracts and/or had previous funding contracts within the past three (3) years for the use of federal funds for providing housing through the State of Texas or another municipality? If yes, please list the name of the federal funding and funding jurisdiction (i.e. TDHCA, City of Plano/Dallas/Fort Worth/McKinney, etc.). If no, please type no.

In 2012 we were asked by the City of Plano to take over Plano Housing Corporation. At that time it was 3 years behind on its contracts. We brought PHC current in 6 months and fulfilled grants in 2012 and 2013. We were unable to utilize 2014 and 2016 due to market conditions. Finding houses in the price range for our low income clients was impossible. When a house in the affordable price range comes on the market its immediately in a multiple offer escalating the price. New construction prices and property tax values have both increased making new construction prohibitive. This is why the tax credit program for affordable rental is so important.



List existing Housing Tax Credit properties (and the cities in which they are located) that have been built by the Ownership Entity and/or the Applicant within the past five (5) years.

Veranda Townhomes - BACDC & PHC permit secured. Site work to commence

BACDC

Wynnewood Properties 140 units Dallas

Highpoint Dallas 161 units Dallas

Eban 1 & 11 330 units Dallas

BACDC has acquired & rehabbed in excess of 3,000 multifamily units.

Is the proposed development located within the City of Plano Concerted Revitalization Plan Area? If yes, explain why your proposed development contributes more to the Concerted Revitalization Plan than any other proposed Development. If the development is not located within the area type no.

This development is in downtown Plano TIFF and EMPOWERMENT ZONE. Patriots Park (formerly Artist Lofts) has broad based community support. We respectfully request that we be given the most significant CRP development for the purposes of the 9% competitive tax credit round. We worked hard this past year to get downtown Plano to be considered urban core in this round. Last year we didn't receive Urban core points and had we we would have received an allocation. This year we will get these points

LEGAL DESCRIPTION

BEING a tract of land located in the JOSEPH KLEPPER SURVEY, ABSTRACT No. 213, City of Plano, Collin County, Texas and a portion of Lots 10, 11 and 12, J. F. Kendrick 1st Addition to the City of Plano, Collin County, Texas according to the plat recorded in Volume 23, Page 494 of the Plat Records Collin County, Texas being all that certain tract of land described in deed to 14th-Ave. G, LLC recorded in Clerk's File No. 20080819001007820 of the Official Public Records of Collin County, Texas, a portion of that certain tract of land described in deed to Raymond Jones, Melinda D. High, Dora Denson and Melanie High as Trustees of the Holy Temple Church of God in Christ recorded in Volume 4169, Page 2737 of the Deed Records of Collin County, Texas, all those certain tracts of land described as Parcel No. 3 and Parcel No. 4 in deed to Rhonda Gibson, Trustee of the Rhonda Gibson Revocable Living Trust Dated July 17, 2008 recorded in Clerk's File No. 20081118001340140 of the Official Public Records of Collin County, Texas, a portion of Lot 2R, Block 1, Millennium Addition to the City of Plano, Collin County, Texas according to the plat recorded in Cabinet K, Page 747 of the Plat Records of Collin County, Texas and a portion of that certain part of F Avenue abandoned by the City of Plano, recorded in Clerk's File No. 20160628000812880 of the Official Public Records of Collin County, Texas and more particularly described by metes and bounds as follows:

BEGINNING at a ½-inch iron rod found with yellow plastic cap stamped "ROONE" at the Northwest corner of said Gibson Tract being the most Westerly Southwest corner of that certain tract of land described in deed to Texas State Affordable Housing Corporation recorded in Clerk's File No. 20120604000659050 of the Deed Records of Collin County, Texas and lying in the East right-of-way line of aforesaid F Avenue (Avenue (a called 50-foot wide right-of-way));

THENCE along the common boundary line between said Gibson Tract and said Texas State Affordable Housing Tract as follows:

N 89° 42' 45" E, 86.61 feet to a ½-inch iron rod found with yellow plastic cap stamped "ROONE" at the Northeast corner of said Gibson Tract;

S 01° 13' 43" E, 65.57 feet to ½-inch iron rod found with yellow plastic cap stamped "ROONE";

N 88° 53' 16" E, 58.45 feet to a 1/2-inch iron rod found;

S 00° 43' 13" E, 67.36 feet to a ½-inch iron rod found with yellow plastic cap stamped "ROONE" at the Southeast corner of aforesaid Gibson Tract lying in the North boundary line of aforesaid Church of God Tract;

THENCE N 89° 15' 40" E, at 70.12 feet passing a 1-inch iron rod found at the Northwest corner of aforesaid 14th-Ave. G Tract, at 274.68 feet passing an "X" cut in concrete found at the Southeast corner of said Texas State Affordable Housing Tract and continuing in all a total distance of 286.12 feet to a point at the Northeast corner of said 14th-Ave. G Tract lying in the pavement for G Avenue (a variable width right-of-way);

THENCE S 00° 46' 47" E, 44.63 feet along the East boundary line of said 14th-Ave. G Tract to a point at the Southeast corner thereof lying in the pavement for said G Avenue;

THENCE S 89° 13' 13" W, 25.79 feet along the South boundary line of said 14th-Ave. G Tract to a 5/8-inch iron rod found at the Northeast corner of aforesaid Church of God Tract lying in the Northwest right-of-way line of 13th/14th Street Connector (a variable width right-of-way);

THENCE along the Southeast boundary line of said Church of God Tract with the said Northwest right-of-way line of said 13th/14th Street Connector as follows:

SOUTHWESTERLY, 45.44 feet along a Curve to the Right, having a radius of 90.50 feet, a central angle of 28° 46' 03" and a chord bearing S 35° 35' 21" W, 44.96 feet to a 1-inch iron rod found at the End of said Curve and the Beginning of a Curve to the Left;

SOUTHWESTERLY, 113.83 feet along said Curve to the Left, having a radius of 468.00 feet, a central angle of 13° 56' 11" and a chord bearing S 42° 56' 04" W, 113.55 feet to a 1-inch iron rod found at the End of said Curve and the Beginning of a Curve to the Right;

SOUTHWESTERLY, 71.87 feet along said Curve to the Right, having a radius of 393.00 feet, a central angle of 10° 28' 41" and a chord bearing S 41° 13' 54" W, 71.77 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the North boundary line of that certain tract of land described in deed to City of Plano recorded in Clerk's File No. 93-0030465 of the Real Property Records of Collin County, Texas;

THENCE S 89° 15' 03" W, 38.72 feet along the North boundary line of said City of Plano Tract to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" at the Northwest corner thereof;

THENCE S 00° 44' 57" E, 31.51 feet along the West boundary line of said City of Plano Tract to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the South boundary line of aforesaid Church of God Tract lying in the aforesaid Northerly right-of-way line of aforesaid 13th/14th Street Connector and lying in a Curve to the Right;

THENCE SOUTHWESTERLY, 218.67 feet along said right-of-way line with said Curve to the Right, having a radius of 393.00 feet, a central angle of 31° 52' 51" and a chord bearing S 69° 41' 37" W, 215.86 feet to a 1-inch iron rod found at the most Southerly Southwest corner of aforesaid Church of God Tract lying at the Southerly end of a corner clip for the East right-of-way line of aforesaid abandoned F Avenue;

THENCE S 80° 41' 11" W, 81.23 feet along the South line of said abandoned F Avenue to a 1-inch iron rod found at the Southerly end of a corner clip for the West right-of-way line thereof, being the most Southerly Southeast corner of aforesaid Lot 2R, Block 1,

Millennium Addition and lying in the North right-of-way line of 13th Street (a variable width right-of-way);

THENCE along the Southerly boundary line of said Lot 2R as follows:

THENCE N 89° 54' 03" W, 59.48 feet along the Southerly boundary line of said Lot 2R with the said North right-of-way line of 13th Street to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE NORTH, 78.72 feet departing said boundary line and said right-of-way line to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE N 87° 46' 15" W, 22.59 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE NORTH, 90.00 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE EAST, 18.00 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE NORTH 165.00 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE EAST, 231.72 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE NORTH, 36.00 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

THENCE WEST, 136.00 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294";

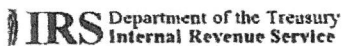
THENCE NORTH, 46.96 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the North line of aforesaid abandoned F Avenue from which a 1-inch iron rod found at the Southeast corner of Lot 5R, Original Donation Block 28, an addition to the City of Plano, Collin County, Texas according to the plat recorded in Cabinet P, Page 738 of the Plat Records of Collin County, Texas bears N 89° 53' 51" W, 14.77 feet;

THENCE N 89° 53' 51" E, 32.62 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" at the Northeast corner of said abandoned F Avenue lying in the West boundary line of aforesaid Gibson Tract;

THENCE N 00° 55' 03" W, 48.79 feet along the said East right-of-way line of F Avenue with the West boundary line of said Gibson Tract to the PLACE OF BEGINNING, containing 3.475 acres (151,370 square feet) of land.



Imagery ©2015 Google, Map data ©2015 Google 100 ft



P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 024856236.
Aug. 29, 2008 LTR 4168C E0
000000 00 000
00018725
BODC: TE

PLANO HOUSING CORPORATION
% DAN ALLGEIER
PO BOX 861776
PLANO TX 75086-1776760

Employer Identification Number: [REDACTED]
Person to Contact: Robert C Voss
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Aug. 20, 2008, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in October 1992, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Michele M. Sullivan, Oper. Mgr.
Accounts Management Operations I

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: **OCT 23 1992**

PLANO HOUSING CORPORATION
C/O ROBERT W BUFFINGTON
P O BOX 860358
PLANO, TX 75086-0358

Employer Identification Number:

Contact Person:
SHARI FLOWERS
Contact Telephone Number:
(214) 767-3526

Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(1)
Advance Ruling Period Begins:
March 16, 1992
Advance Ruling Period Ends:
December 31, 1996
Addendum Applies:
N/A

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045(DO/CG)

PLANO HOUSING CORPORATION

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social securities taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If you are required to file a return you must file it by the 15th day of

PLANO HOUSING CORPORATION

the fifth month after the end of your annual accounting period. We charge a penalty of \$10 a day when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty we charge cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. We may also charge this penalty if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

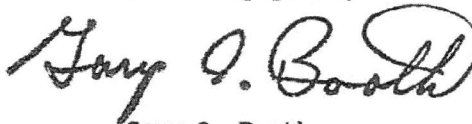
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Gary O. Booth
District Director

Enclosure(s):
Form 872-C



Plano Community Homes

www.planocommunityhome.org

December 18, 2017

Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, Texas 78711

To whom it may concern:

I am writing to extend my organization's full support for the new construction proposed for Patriots Place, located near the corner of 14th Street and Avenue G in Plano, Texas, Collin County. I understand that the Patriot Place apartments will be considered for 9% low income tax credits from the Texas Department of Housing and Community Affairs in the 2018 competitive round.

I believe this project represents a magnificent opportunity to continue to meet the need for affordable housing in Collin County.

I fully support Plano Housing Corporation in its efforts to win tax credits and see this development to fruition in the coming year. This letter should serve to evidence our tax-exempt status and our active work in Plano. We currently have 6 properties serving the elderly at 50% of median income or below with most at 30% and below across 3 campuses in Plano, TX. We have an additional campus for very low-income seniors in Denton, Texas.

Please keep me aware of developments concerning the project.

Sincerely,

Lee Ann Hubanks,
President
Plano Community Home Sponsored Properties

East Campus
1612 Avenue L
Plano, Texas 75074
(972) 423-6058
FAX: (972) 423-9681

West Campus
3905-3915-3925 American Drive
Plano, Texas 75075
(972) 867-1905
FAX: (972) 867-9421

Pioneer Place Senior Housing, Inc.
1928-1932 Avenue K
Plano, Texas 75074
(972) 424-3933
FAX: (972) 424-9808

Fairoaks of Denton, Inc.
1950 Lattimore
Denton, Texas 76209
(940) 891-1719
FAX: (940) 891-6129





TEXAS HOUSE OF REPRESENTATIVES

JEFF LEACH

DISTRICT 67

March 1, 2017

Mr. Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: "TDHCA #17140 Plano Artist Lofts [to be renamed "Patriot Park" after an award of tax credits and prior to Carryover] (hereafter, the "Project")"

Dear Director Irvine,

This letter is regarding the above-referenced Project in House District 67 in Plano, Texas. This Project is a proposed federal Housing Tax Credit (HTC) program development, administered by the Texas Department of Housing & Community Affairs (TDHCA). The proposed development sits on approximately 4.8 acres bounded by "14th Street" on the north, "G Avenue" on the east, the "13th/14th Connector" on the south and "F Avenue" on the west.

At the outset, I feel it necessary to once again express my strong and sincere concerns with and objections to the current scoring process within the Qualified Allocation Plan (QAP). As you know, the current scoring process essentially allows Texas State Representatives, like myself, the ability to unilaterally approve or deny an HTC Project located in our respective House Districts. I am troubled by the fact that Texas is one of only a few states that gives State Representatives this power, even if a local community has rallied unanimous support behind such a project. I believe that all under-served groups who are impacted by this system, including veterans, seniors and individuals with disabilities, would be better served by a locally-focused process, ensuring effective community input, and setting a framework for more transparency and accountability. To that end, I recently filed House Bill 616, a measure which reforms the HTC process by removing State Representatives from the scoring process within the QAP. As Vice-Chairman of the House Committee on Urban Affairs, I believe now is the time to work collaboratively to implement positive change for the betterment of communities all across the State of Texas. I welcome your counsel, input and support of our efforts to do just that during the 85th Legislative Session.

Over the past several weeks my office has performed the substantial due diligence necessary to thoroughly vet the proposed "Patriot Park" development. Most notably, this proposed development presents an opportunity for the City of Plano to provide at least 60 units to house veterans and their families. As you may know, this project anticipates funding from the Veterans

Affairs Supportive Housing Program (VASH), which would provide project-based vouchers to be used solely to provide rental assistance towards the cost of housing for individuals who have served in a branch of the United States military, including their family members. Further, I have been assured that the veteran-restricted nature of the VASH financing will not raise any Fair Housing Act concerns, as explicitly acknowledged in Section 3004(g) of the Housing and Economic Recovery Act.

There is no question that caring for our veterans and their families remains a great challenge in America. Answering this challenge is and always has been one of my core priorities as a legislator and I am confident that given the tax credit allocation this Project will serve as a great first step to provide much needed housing for veterans in North Texas.

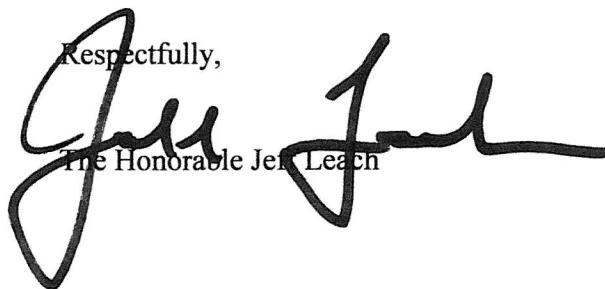
Upon consultation and communication with community stakeholders, including local veterans, numerous constituents, community leaders, adjacent neighborhood associations, the Collin County Veterans Coalition, the Veterans Center of North Texas, and The Association of the United States Army – North Texas Audie Murphy Chapter, it is abundantly clear that this Project is resoundingly supported and has solid backing within our own community. Also, notably, I have not received a single expression of opposition to the Project.

As I have made clear during the application process, I was not elected to approve or deny any real estate development, which is why I have never written a letter for any HTC project application in House District 67. Having said that, I am aware that without my expressed support, an allocation of 9% tax credits will not occur, resulting in no additional housing options for Plano's growing veteran population - a conclusion I simply cannot accept.

Therefore, in an effort to address the need for housing for our faithful veterans and their families, I hereby express my full and unequivocal support for this Project.

Should you have any questions or need any further information, please feel free to contact me directly.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jeff Leach', written over the printed name 'The Honorable Jeff Leach'.

The Honorable Jeff Leach



City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

February 23, 2017

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701
Attention: Marni Holloway

Dear Ms. Holloway,

Since 1999, the strategies outlined and updated in the City's Concerted Revitalization Plan have assisted in preserving existing affordable housing, attracting private sector development, providing public transportation, and improving under-performing schools within the Plan area. Throughout the years, the City has engaged residents from neighborhood preservation areas, as well as businesses and social service providers within the area, to best determine the manner in which revitalization should go forth.

The City has invested resources in the above areas with demonstrated progress. Below are a few of the measurable improvements that have been made within the Plan boundaries as identified problems per subclause (III) of the concerted revitalization plan criteria section of the 2017 Qualified Allocation Plan (QAP):

A. Creation of needed affordable housing by improvement of existing affordable housing that is in need of replacement or major renovations

- Numerous home restorations and repairs in Plan's neighborhood preservation areas, such as Douglass, Old Towne, Haggard Park and Haggard Addition neighborhoods, have been completed. In the past two years, the City has completed 53 home repair and/or renovation projects with the use of Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and city general funds.
- \$791,051 in fee waivers for rehabilitation and new construction in the Plan area.

B. Attracting private sector development of housing and/or business

- 742 apartments, 34 townhouses and 33 condominium units have been constructed.
- \$638,222 spent for demolition and hazard abatement of blighted commercial buildings.
- Nearly \$1M spent by developers and small businesses in new construction and renovation.
- Improvements have occurred that enhance, and in many cases, establish pedestrian sidewalks, bike lanes, and better lighting with street reconstruction.
- Nearly \$3.3M in land acquisition for public purposes have been spent for mixed use developments.

Harry LaRosliere Mayor	Lissa Smith Mayor Pro Tem	Ben Harris Deputy Mayor Pro Tem	Angela Miner Place 1	Rick Grady Place 3	Ron Kelley Place 5	Tom Harrison Place 7	David Downs Place 8	Bruce D. Glasscock City Manager
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C. Providing public transportation

- Approximately \$2.3M has been funded for street and side walk reconstruction to improve connectivity to the Dallas Area Rapid Transit (DART) stations. Additionally, land was purchased to add parking to the newly funded DART 12th Street rail station.

D. Improving underperforming school

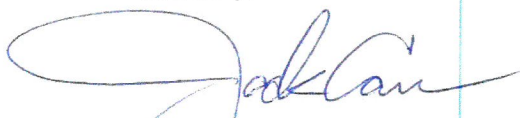
- Approximately \$11M in tax increment finance (TIF) funds were utilized to replace the 1950's Mendenhall Elementary School and construct the new Mendenhall Elementary School/Employee Child Care Center II

Thus far, these investments have yielded desirable results in terms of increased property values, a safer and more navigable downtown area, more residents improving their homes, and an influx of businesses improving and making use of once-abandoned commercial buildings and once-vacant properties. In light of the success of the Plan to date, the city will continue such investments in the Plan area. One integral component of the Plan is the provision of affordable housing for struggling families and individuals in downtown Plano, which is entirely absent within the Plan area and scarce throughout the entire city.

The Artist Lofts ("Plano Artist Lofts") is an important part of our Plan. The Plano Artist Lofts, if awarded, will help satisfy this already large and growing housing need. The City of Plano fully supports the Plano Artist Lofts as a future development within its boundaries, and has included it in the 2017 update to the Plan.

Please contact me if you have any further questions.

Sincerely,



Jack Carr
Deputy City Manager

Attachments:

City Council Concerted Revitalization Plan resolution
Concerted Revitalization Plan
Tax Increment Finance (TIF) funded Plan projects
Previous Fiscal Year TIF funded Plan projects

January 31, 2017

Jean Brown
Executive Director
Plano Housing Corporation
2320 King Arthur Boulevard
Lewisville, Texas 77007

Subject: Artist Lofts Project, Downtown Plano

Dear Ms. Brown:

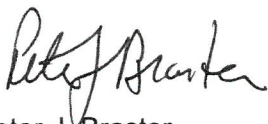
This letter is confirmation that the City of Plano City Council:

1. Passed an ordinance on June 13, 2016, abandoning that portion of Avenue F that bisected the project. In addition, the ordinance provide that the abandoned property be dedicated to the benefit of the project; and
2. Passed a resolution on August 13, 2016, approving a development agreement with the Plano Housing Corporation that contained the following provisions:
 - a. Reimburse the Plano Housing Corporation for project related public improvement costs in an amount not to exceed Five Hundred Thousand Dollars (\$500,000); and
 - b. All payments by the City for the public improvements will be reimbursement to the Plano Housing Corporation from TIF 2 funds.

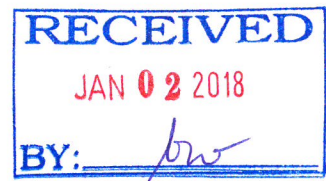
In addition, I can confirm that the project is entirely located within the City's Neighborhood Empowerment Zone Number 1. That automatically makes the project eligible for all development and building fee waivers.

Please let me know if you need any further information of clarification. I can be reached by email at peterb@plano.gov or by telephone at 972-941-7430.

Regards,



Peter J. Braster
Director of Special Projects
City of Plano, Texas



**PATRIOT PARK
(FAMILY)
PLANO, TEXAS
PRELIMINARY BUDGET**

Development Cost Schedule

PATRIOT PARK (FAMILY)

**PRELIMINARY
BUDGET**

TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.

ACQUISITION

Site acquisition cost
Closing costs & acq. legal fees
Other (specify) - see footnote 1
Other (specify) - see footnote 1
Subtotal Acquisition Cost

2,469,000		
24,000		
\$2,493,000	\$0	\$0

OFF-SITES²

Off-site concrete
Storm drains & devices
Water & fire hydrants
Off-site utilities
Sewer lateral(s)
Off-site paving
Off-site electrical
PLEASE SPECIFY - see footnote 1
Other (specify) - see footnote 1
Subtotal Off-Sites Cost

31,175		
9,175		
9,375		
18,500		
\$68,225	\$0	\$0

SITE WORK³

Demolition
Asbestos Abatement (Demolition Only)
Detention
Rough grading
Fine grading
On-site concrete
On-site electrical
On-site paving
On-site utilities
Decorative masonry
Bumper stops, striping & signs
PLEASE SPECIFY - see footnote 1
Subtotal Site Work Cost

23,213		
180,000		180,000
235,904		235,904
		0
92,381		92,381
465,875		465,875
122,400		122,400
8,350		8,350
\$1,128,123	\$0	\$1,104,910

SITE AMENITIES

Landscaping
Pool and decking
Athletic court(s), playground(s)
Fencing
Other (specify) - see footnote 1
Subtotal Site Amenities Cost

177,100		177,100
100,000		100,000
18,000		18,000
\$295,100	\$0	\$295,100

BUILDING COSTS*:

Concrete
Masonry
Metals
Woods and Plastics
Thermal and Moisture Protection
Roof Covering
Doors and Windows
Finishes
Specialties
Equipment
Furnishings
Special Construction
Conveying Systems (Elevators)
Mechanical (HVAC; Plumbing)
Electrical

997,764		997,764
393,000		393,000
185,435		185,435
2,177,821		2,177,821
195,205		195,205
261,565		261,565
393,938		393,938
1,659,085		1,659,085
147,345		147,345
263,405		263,405
440,023		440,023
10,000		10,000
212,000		212,000
1,560,080		1,560,080
1,291,750		1,291,750

PATRIOT PARK (FAMILY)

PRELIMINARY

BUDGET

Individually itemize costs below:

11.9(e)(2)

\$10,188,416	\$0	\$10,188,416
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Voluntary Eligible Building Costs (After 11.9(e)(2))
Enter amount to be used to achieve desired score.

\$0.00 psf

WORK

\$11,611,639	\$0	\$11,588,426
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(including site amenities)

Contingency	8.17%	\$954,425	954,425
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TOTAL HARD COSTS

\$12,634,289	\$0	\$12,542,851
--------------	-----	--------------

OTHER CONSTRUCTION COSTS

%THC

%EHC

General requirements (<6%)	6.00%	758,057	758,057	6.04%
Field supervision (within GR limit)				
Contractor overhead (<2%)	2.00%	253,000	253,000	2.02%
G & A Field (within overhead limit)				
Contractor profit (<6%)	6.00%	758,057	758,057	6.04%

TOTAL CONTRACTOR FEES

\$1,769,114	\$0	\$1,769,114
-------------	-----	-------------

TOTAL CONSTRUCTION CONTRACT

\$14,403,403	\$0	\$14,311,965
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Voluntary Eligible "Hard Costs" (After 11.9(e)(2))
Enter amount to be used to achieve desired score.

\$0.00 psf

SOFT COSTS³

Architectural - Design fees	408,496	408,496
Architectural - Supervision fees	100,000	100,000
Engineering fees	185,000	185,000
Real estate attorney/other legal fees	140,000	140,000
Accounting fees	50,000	50,000
Impact Fees	75,000	75,000
Building permits & related costs	75,000	75,000
Appraisal	20,000	20,000
Market analysis	15,000	15,000
Environmental assessment	25,000	25,000
Soils report	10,000	10,000
Survey	7,500	7,500
Marketing	50,000	
Hazard & liability insurance	175,000	175,000
Real property taxes	150,000	150,000
Personal property taxes		
Construction Materials Testing	260,783	260,783
Subtotal Soft Cost	\$1,746,779	\$1,696,779

PATRIOT PARK (FAMILY)

PRELIMINARY

BUDGET

FINANCING:

CONSTRUCTION LOAN(S)³

Interest	1,024,033		700,000
Loan origination fees	81,000		81,000
Title & recording fees	25,000		25,000
Closing costs & legal fees	125,000		125,000
Inspection fees	25,000		25,000

PERMANENT LOAN(S)

Loan origination fees	122,000		
Title & recording fees	20,000		
Closing costs & legal	25,000		

OTHER FINANCING COSTS³

Tax credit fees	75,000		
Tax and/or bond counsel	125,000		125,000
Payment bonds			
Cost of underwriting & issuance	45,000		45,000
Syndication organizational cost	75,000		
Tax opinion	35,000		
Subtotal Financing Cost	\$1,802,033	\$0	\$1,126,000

DEVELOPER FEES³

Housing consultant fees ⁴			
General & administrative	1,292,000		1,292,000
Profit or fee	1,279,000		1,279,000
Subtotal Developer Fees 14.92%	\$2,571,000	\$0	\$2,571,000 15.00%

RESERVES

Rent-up	200,000		
Operating	765,196		
Replacement	34,750		
Escrows			
Subtotal Reserves	\$999,946	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$24,016,161	\$0	\$24,016,161
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A Resolution of the City of Plano, Texas, providing no objection to an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector; designating the City Manager, or his designee, to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Plano Housing Corporation has proposed development for affordable rental housing which will be named “Patriot Park Family Phase I Transit Oriented Development” and will include approximately 139 units on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector, in the City of Plano, Collin County; and

WHEREAS, Plano Housing Corporation intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2018 Competitive 9% Housing Tax Credits for Patriot Park Family Phase I Transit Oriented Development; and

WHEREAS, Patriot Park Family Phase I Transit Oriented Development will include approximately 28 market rate units and 111 units affordable to families with an income at or below 60% of the area median income; and

WHEREAS, Plano Housing Corporation has submitted a housing tax credit resolution application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R) and application amendments reviewed during the Preliminary Open City Council Meeting on November 13, 2017; and

WHEREAS, the proposed development is located within the Concerted Revitalization Plan area; and

WHEREAS, the applicant, Plano Housing Corporation, is recognized as a 501(c)3 organization by the Internal Revenue Service; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution of No Objection is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

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

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.09(d)(1), the City of Plano, acting through its governing body, hereby confirms that it has no objection to the proposed application for Patriot Park Family Phase I Transit Oriented Development, on 3.475± acres located at the northwest corner of G Avenue and 13th/14th Connector, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 22, 2018.

SECTION II. The Resolution of No Objection is based on the following information presented in the application for Patriot Park Family Phase I Transit Oriented Development:

1. The application met three out of the six City of Plano Housing Tax Credit Resolution Application threshold questions; and
2. Patriot Park Family Phase I Transit Oriented Development will include 28 market rate units and 111 units affordable to families with an income at or below 60% of the area median income.

SECTION III. The City Manager, or his designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION IV. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 22ND DAY OF JANUARY, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

Approved as to form:

Paige Mims, CITY ATTORNEY



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Community Services

Department Head: Lori Schwarz

Agenda Coordinator: Alijah Cox

CAPTION

Resolution No. 2018-1-15(R): To support an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 1.5± acres on the southwest corner of G Avenue and 14th Street; designating the City Manager to certify this resolution to TDHCA; and declaring an effective date. **Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR:	2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget		0	0	0	0
Encumbered/Expended Amount		0	0	0	0
This Item		0	0	0	0
BALANCE		0	0	0	0

FUND(S): N/A

COMMENTS: This item has no financial impact.

SUMMARY OF ITEM

Plano DMA-TSAHC Housing, LLC, later changed to Plano TSAHC-DMA Housing, LLC, submitted a housing tax credit application for 9% housing tax credit (HTC) financing for The Park on 14th to the Texas Department of Housing and Community Affairs (TDHCA). The proposed project is one of two HTC resolution applications located within the City's Concerted Revitalization Plan area.

Proposed Project Location: "The Park on 14th" will include approximately 66 units located on 1.5± acres on the southwest corner of G Avenue and 14th Street.

Strategic Plan Goal:

Financially Strong City with Service Excellence, Great Neighborhoods - 1st Choice to Live, Partnering for Community Benefit

Plano Tomorrow Plan Pillar:

Social Environment, Regionalism

ATTACHMENTS:

Description	Upload Date	Type
Memo	1/19/2018	Memo
Memo Attachment 1	1/19/2018	Attachment
Memo Attachment 2	1/19/2018	Attachment
Resolution	1/19/2018	Resolution

Date: January 9, 2018
To: Bruce D. Glasscock, City Manager
From: Shanette Eaden, Housing and Community Services Manager
Subject: City Housing Tax Credit Resolution Application

Summary

Plano DMA-TSAHC Housing, LLC, later changed to Plano TSAHC-DMA Housing, LLC, submitted a housing tax credit application for 9% housing tax credit (HTC) financing for The Park on 14th to the Texas Department of Housing and Community Affairs (TDHCA). The proposed project is one of two HTC resolution applications located within the City's Concerted Revitalization Plan area.

Proposed Project Location: "The Park on 14th" will include approximately 66 units located on 1.5± acres on the southwest corner of G Avenue and 14th Street.

Background

Housing Tax Credits (HTC), through the Texas Department of Housing and Community Affairs (TDHCA), promote the development of affordable rental housing for low income households. Texas Government Code §2306.6710 and Texas Administrative Code Title 10, §11.09(d)(1) affords TDHCA applicants up to seventeen (17) points for a resolution voted on and adopted by the governing body of the municipality. Additionally, TDHCA applicants may receive one (1) point for a commitment of development funding from the municipality in which it is located, and up to seven (7) points if it is located within the municipality's Concerted Revitalization Plan area. The City Council approved the criteria necessary to receive a resolution supporting a housing tax credit application through Resolution No. 2016-11-4(R) and reviewed application amendments at the Preliminary Open Meeting on November 13, 2017.

Project Details:

On December 22, 2017, Plano TSAHC-DMA Housing, LLC submitted a proposed 9% Housing Tax Credit project for The Park on 14th. The development will have 66 units made affordable to seniors at or below 60% of the area median income.

Community Need

The 2015-2019 Consolidated Plan of Housing and Community Development Needs (the Plan) highlights the unmet housing affordability that low income renters experience. The Plan includes a decent housing strategy of encouraging the provision of decent, safe, and affordable housing for low and moderate income and special needs residents. Article XI of the City of Plano Code of Ordinances establishes an Infill Housing Program that promotes the development of real property for low and moderate income housing to effectuate the public purpose of providing affordable housing for low and moderate income families.

Resolution of Support Application Review

After review of the HTC application by the Neighborhood Services, Planning, and Special Projects Departments, staff finds the application for The Park on 14th to be in conformance with the City Council approved evaluation criteria to receive a Resolution of Support. The application met a minimum of four out of the six threshold questions.

The application will receive a minimum of \$1,000 commitment of development funding in the form of fee waivers since it meets the criteria for a Resolution of Support. Additionally, the staff review committee is recommending the application be named the development that contributes to the concerted revitalization efforts of the City more than any other proposed nine percent housing tax credit application. The committee's threshold question review of the housing tax credit application is attached.

Next Steps

If approved, Plano TSAHC-DMA Housing, LLC will include the Resolution of Support with the application for 9% housing tax credits for The Park on 14th.

Attachment 1: The Park on 14th Threshold Evaluation

Attachment 2: Application

XC: Jack Carr, Deputy City Manager
Lori Feild Schwarz, Director of Neighborhood Services



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

Development Name	Park on 14th
Applicant Name	Plano TSAHC-DMA Housing, LLC
Total Threshold Questions Met	Four (4)
Resolution Recommendation	Resolution of Support

Threshold Questions

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?

Review Committee Assessment: Yes

Review Committee Comments:

The application addresses the unmet housing affordability that low-income renters experience, as identified in the city's current Consolidated Plan.

- 2) Does the developer have an existing relationship with utilizing City of Plano HUD funds to provide or maintain affordable housing or a letter of support from a municipality for which the developer has collaborated with for the purpose of building or rehabilitating housing and are they in good standing with their current and/or past contracts?

Review Committee Assessment: Yes

Review Committee Comments:

The applicant submitted a letter of support from the City of Austin's Housing Finance Corporation, and the applicant is in good standing with current and past contracts with the City of Austin.

- 3) Location: Is the project located within 0.50 mile walking distance of DART transportation (current or developing public transportation route) or is the project located in a high opportunity area? High opportunity area is defined as an area that has the following:

- An Area Median Income greater than 80%; or An area poverty rate 10% or less

Review Committee Assessment: Yes

Review Committee Comments:

The proposed development is located within a half a mile from DART Transportation.

- 4) Does the development have at least 20% of market rate units?

Review Committee Assessment: No

Review Committee Comments:

The development includes 19.70% market rate units.



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

5) Does this project redevelop a multifamily complex or under-performing development?

Review Committee Assessment: No

Review Committee Comments:

The proposed project does not redevelop a multifamily complex or under-performing commercial property. The property is vacant, which disqualified it from meeting this criteria.

6) Does the development include at least four of the below energy efficient or sustainable/green build components?

- The use of **better than** R-3 insulation on exposed hot water pipes;
- Energy Star qualified windows with Low E glass;
- Energy Star qualified HVAC;
- Energy Star qualified Efficiency Water Heaters;
- Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**);
- Spray foam insulation exceeding code requirements; or
- Low or no VOC paint

Review Committee Assessment: Yes

Review Committee Comments:

The application lists four of the above components: 1) Energy Star qualified windows, 2) Better than R-3 insulation on exposed hot water pipes, 3) Energy Star HVAC; and 4) Spray foam insulation exceeding code requirements.

Additional Information

All applications receiving a Resolution of Support will be provided:

- A minimum of a \$1,000 commitment of development funding in the form of a fee waiver; and
- Consideration to be deemed the application that best fits the City's Concerted Revitalization Plan.

Review Committee Assessment: Yes

Review Committee Comments:

The application meets the criteria for a Resolution of Support, and therefore, qualifies to receive a minimum of \$1,000 commitment of development funding in the form of fee waivers. Additionally, the proposed development is located within the Concerted Revitalization Plan area, so the staff review committee considered the following qualifications.

a) Is the applicant a nonprofit organization?

Review Committee Assessment: Yes

b) Has the applicant been certified as a Community Housing Development Organization within the last twelve (12) months?

Review Committee Assessment: No



City of Plano Housing Tax Credit Resolution Application Threshold Evaluation

- c) Is the applicant in “good standing” with existing grant contracts with other municipalities?

Review Committee Assessment: Yes

- d) Does the development advance the goals of the City’s Concerted Revitalization Plan; Is it located within the tax increment finance (TIF) district and is it located within the Neighborhood Empowerment Zone (NEZ)?

Review Committee Assessment:

The proposed development is located within the tax increment finance (TIF) district and the Neighborhood Empowerment Zone (NEZ). Therefore, this development contributes to the concerted revitalization efforts of the City more than any other proposed nine percent housing tax credit application.



City of Plano Housing Tax Credit Resolution Application

Select type of Housing Tax Credit Resolution are you requesting:

4% Housing Tax Credit ☐ **OR** 9% Housing Tax Credit ☒

Development Information

Development Name as it will appear on the TDHCA application:

The Park on 14th

Development Address: 1421 G Avenue, Plano TX 75074

Legal Description:

Attached behind application

Ownership Entity as it will appear on the TDHCA application:

Plano DMA-TSAHC Housing, LLC

Applicant Information *(Applicant Representative will be used as the City's Official Contact)*

Name: Plano DMA-TSAHC Housing, LLC

Address: 4101 Parkstone Heights Dr, Suite 310

City/State/Zip code: Austin, TX 78746

DUNS Number:

Work Phone: (512) 328-3232

Cell Phone:

Email: JanineS@dmacompanies.com

Applicant Representative Name: Janine Sisak

Do you have site control or owner's consent to apply for HTC funding on this site?

Yes ☐ **OR** No ☐

Property Owner Information

Owner Name(s): Texas State Affordable Housing Corporation

Address: 2200 E. Martin Luther King Jr. Blvd.

City/State/Zip: Austin, Texas 78702

Work Phone: (512) 477-3555

Cell Phone:

Email: ddanenfelzer@tsahc.org

Application Submittal Signature

Applicant Signature:

Printed Name: Janine Sisak

Date: 12/20/17

By signing this form, the owner of the property authorizes the City of Plano to begin proceeding in accordance with the process for this request. The owner further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application and that although City staff may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the staff's recommendation.



Development Description

Unit Type	Market Rate Units	Affordable Units	Total Number of Units
Number of Units	13	53	66
Percentage of Total Units (Staff Only Field)	19.70%	80.30%	

How many units are available to each income bracket listed below (i.e. rent level of tenants)?

0 - 30% AMI	31-50% AMI	51 - 60% AMI	61- 80% AMI	Market Rate	Total Units
6	22	25		13	66

Unit mix/types available:

Efficiency	1 Bedroom	2 Bedroom	3 bedroom	4 bedroom	Total Units
12	20	34			66

How many accessible units are included?

Will this development focus on a particular target population? If yes, please explain the target population below. If no, please type no.

Yes. This development will provide housing for seniors age 55 and older. We will specifically target older adults, including veterans and retirees on fixed incomes who currently live in the community, and empty nesters looking to downsize from single family homes, therefore freeing up housing stock for the next generation of home owners.

List property amenities below, noting any difference between market rate and affordable amenities:

The following amenities will be included within the property: a community room with a covered patio and party kitchen, a library/T.V. lounge, a movie theater/auditorium, outdoor seating areas, a business center, fitness room, and community laundry facilities.

There are no design or amenity differences between market rate and affordable units. Each apartment will include 9' ceilings, a full appliance package, washer/dryer hook-ups, and ceiling fans. First floor stoops and/or patios fronting 14th Street and G will activate the streetscape and will encourage residents and neighbors to walk to the variety of amenities nearby including shops, restaurants and neighborhood services in downtown Plano.

Describe the energy efficient components that will be installed.

The development will include at least 4 of the energy efficient/green build components listed in the application, including the use of better than R-3 insulation on hot water pipes, energy star qualified windows, energy star qualified HVAC, energy star qualified water heaters, and spray foam insulation exceeding code requirements. Additionally, we will landscape with native and drought resistant planting and minimal impervious cover. Other green features will include water conserving fixtures, energy star rated appliances, and durable vinyl plank flooring.



Explain how the development addresses a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan.

The Park on 14th addresses many of the needs identified in the City's Consolidated Plan. Primarily, this development will add to the supply of centrally located, quality affordable housing within the City of Plano which the Consolidated Plan notes as "critical to meeting demand in Plano over the next five years." Because these units are targeting to seniors, with the majority set aside to those with incomes within 30% to 60% of the Area Median Income, The Park on 14th will provide greater housing choice for Plano's aging population of various income levels. The location of the development in the City's urban core also goes to a Non-Housing Community Development Need for more efficient transportation because the site's location within walking distance to public transportation and neighborhood amenities keeps car trips in and out of this development to a minimum.

Does this development redevelop a multifamily complex or under-performing development? If yes, briefly explain. If no, type no.

Yes. This development began with the demolition of 8 blighted homes in an under-performing area of town. The site is now poised for redevelopment which will help this area revitalize.

Will the development be tax exempt upon completion? Yes ☒ OR No ☐

Additional Information about the Ownership Entity/ Applicant

Is the Ownership Entity and/or Applicant a 501(c)3 organization? Yes ☒ OR No ☐

Has the ownership entity and/or applicant been certified as a CHDO within the last 12 months? If yes, please state the city/cities which provided such certification. If no, please type no.

No.

Does the Ownership Entity/Applicant have current funding contracts and/or had previous funding contracts within the past three (3) years for the use of federal funds for providing housing through the State of Texas or another municipality? If yes, please list the name of the federal funding and funding jurisdiction (i.e. TDHCA, City of Plano/Dallas/Fort Worth/McKinney, etc.). If no, please type no.

Yes. DMA Development Company, LLC, through various affiliates, has several current funding contracts with the City of Austin. A letter of good standing is included as an attachment to this application.

DMA Development Company, LLC, again through various affiliates, also has numerous funding contracts with TDHCA. All of those contracts are in good standing.



List existing Housing Tax Credit properties (and the cities in which they are located) that have been built by the Ownership Entity and/or the Applicant within the past five (5) years.

Since 2013, the developer, DMA Development Company, LLC, has completed the following:

The Terrace at MidTowne (Midlothian, TX, 2013)
The Overlook at Plum Creek (Kyle, TX, 2013)
Bailey Square (Cuero, TX, 2015)
The Trails at Carmel Creek (Hutto, TX, 2015)
Prairie Gardens (Abilene, TX, 2016)
Aldrich 51 (Austin, TX, 2017)
Altura Heights (Houston, TX, 2017)
Reserve at Dry Creek (Hewitt, TX, 2018)

Is the proposed development located within the City of Plano Concerted Revitalization Plan Area? If yes, explain why your proposed development contributes more to the Concerted Revitalization Plan than any other proposed Development. If the development is not located within the area type no.

Please see attached write-up behind application.

City of Plano Concerted Revitalization Area Write Up:

The Park on 14th contributes most significantly to the City's Concerted Revitalization Plan, specifically the Neighborhood Empowerment Zone (NEZ #1) and Tax Increment Finance area (TIF #2) for three primary reasons. First, the proposed development, which is a high density, senior apartment, is the highest and best use for this site, which was once blighted, but has since been cleared and prepared for redevelopment. As noted in the Concerted Revitalization Plan itself, this area of Plano is one of the City's most mature neighborhoods and is predominantly low-income with about half of all households earning below 80% of the area median income. This development—at this prime location within a short half mile distance from the City of Plano rail station—will not only add new affordable units to the existing housing stock, but will help combat the chronic blight the neighborhood has faced for years. TSAHC purchased the property in 2010 and demolished eight abandoned buildings on this site to clear the way for its redevelopment. When completed, this proposed new construction will surely be a catalyst for updates and improvements to the surrounding properties.

Second, the proposed design will be urbanist in nature, with a particular eye toward the built environment. As an urban infill development, The Park on 14th will directly meet the Plan Priorities of neighborhood preservation and the creation of pedestrian-friendly streets. Many new urbanist design principles will be implemented here such as front stoops to engage and activate the street, vertical development to create density, and a pedestrian-oriented site plan to encourage walking and public transit use. This form-based design will also indirectly contribute to the City's Downtown Vision by increasing the population of senior adults in the area – many of whom are retired and still very active, and will have more disposable income as a result of the affordable rent levels. For these reasons, The Park on 14th as proposed senior affordable housing is the highest and best use for this property, specifically meeting the goals and objectives of the City of Plano, and thus, is the development that contributes most to the Concerted Revitalization Plan.

Finally, this development is co-sponsored by two very experienced developers and long term owners of affordable housing which gives the City of Plano the assurance that the final product will be of the highest standard. On the development side, DMA Development Company brings a quarter of a century of experience in creating innovative and site-specific developments, and in recent years, has developed a singular reputation for producing award winning urban developments. Most recently, DMA Development was awarded the 2017 Jack Kemp Award for Excellence in Affordable and Workforce Housing for its flagship vertical mixed-use senior development in the Mueller Neighborhood in Austin. DMA is now currently completing construction on a companion workforce housing development in that same neighborhood in Austin. In addition to achieving a high level in design, DMA is respected for the quality of the communities they create. Again, going beyond what the building looks like from the outside, DMA strives to ensure a quality of lifestyle in terms of functionality and usability of interior spaces by the people living and working there. To that end, DMA also manages its developments through its sister company, DMA Properties, LLC. In addition to providing typical management services, DMA Properties also works with local service providers to make sure that the senior residents have access to services they need within the larger community. In this case, both TSAHC and DMA will stay in the ownership structure long term, in accordance with their standard business practices. TSAHC and DMA are also committed to being good neighbors – over the course of the past several months, DMA has conducted community outreach and shared information about this proposed development with the Douglass Community, the Haggard HOA, and the Old Towne Neighborhood Association.

EXHIBIT "A"

LEGAL DESCRIPTIONS OF REAL PROPERTY

TRACT 1

BEING a tract of land located in the JOSEPH KLEPPER SURVEY, ABSTRACT No. 213, City of Plano, Collin County, Texas and a portion of Lots 11 and 12, J. F. Kendrick 1st Addition to the City of Plano, Collin County, Texas according to the plat recorded in Volume 23, Page 494 of the Plat Records Collin County, Texas being a portion of that certain tract of land described in deed to Raymond Jones, Melinda D. High, Dora Denson and Melanie High as Trustees of the Holy Temple Church of God in Christ recorded in Volume 4169, Page 2737 of the Deed Records of Collin County, Texas and more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found at the Northwest corner of said Church of God Tract being the Southwest corner of that certain tract of land described as Parcel No. 3 in deed to Rhonda Gibson, Trustee of the Rhonda Gibson Revocable Living Trust dated July 17, 2008 recorded in Clerk's File No. 20081118001340140 of the Deed Records of Collin County, Texas and lying in the East right-of-way line of F Avenue as abandoned by the City of Plano recorded in Clerk's File No. 20160628000812880 of the Official Public Records of Collin County, Texas;

THENCE along the Northerly boundary line of said Church of God Tract as follows:

N 89° 15' 40" E, at 145.19 feet passing a 1/2-inch iron rod found with yellow plastic cap stamped "ROONE" at the Southeast corner of said Gibson Tract being the Southwest corner of that certain tract of land described in deed to Texas State Affordable Housing Corporation recorded in Clerk's File No. 20120604000659050 of the Deed Records of Collin County, Texas and continuing in all a total distance of 215.31 feet to a 1-inch iron rod found at the Northwest corner of that certain tract of land described in deed to 14th-Ave. G, LLC recorded in Clerk's File No 20080819001007820 of the Deed Records of Collin County, Texas;

S 00° 46' 47" E, 44.79 feet with the West boundary line of said 14th-Ave. G Tract to a 1-inch iron rod found at the Southwest corner thereof;

N 89° 13' 13" E, 190.21 feet with the South boundary line of said 14th-Ave. G Tract to a 5/8-inch iron rod found at the Northeast corner of aforesaid Church of God Tract lying in the Northwest right-of-way line of 13th/14th Street Connector (a variable width right-of-way);

THENCE along the Southeast boundary line of said Church of God Tract with the said Northwest right-of-way line of said 13th/14th Street Connector as follows:

SOUTHWESTERLY, 45.44 feet along a Curve to the Right, having a radius of 90.50 feet, a central angle of 28° 46' 03" and a chord bearing S 35° 35' 21" W, 44.96 feet to a 1-inch iron rod found at the End of said Curve and the Beginning of a Curve to the Left;

SOUTHWESTERLY, 113.83 feet along said Curve to the Left, having a radius of 468.00 feet, a central angle of $13^{\circ} 56' 11''$ and a chord bearing $S 42^{\circ} 56' 04'' W$, 113.55 feet to a 1-inch iron rod found at the End of said Curve and the Beginning of a Curve to the Right;

SOUTHWESTERLY, 71.87 feet along said Curve to the Right, having a radius of 393.00 feet, a central angle of $10^{\circ} 28' 41''$ and a chord bearing $S 41^{\circ} 13' 54'' W$, 71.77 feet to a 1/2-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the North boundary line of that certain tract of land described in deed to City of Plano recorded in Clerk's File No. 93-0030465 of the Real Property Records of Collin County, Texas;

THENCE $S 89^{\circ} 15' 03'' W$, 38.72 feet along the North boundary line of said City of Plano Tract to a 1/2-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" at the Northwest corner thereof;

THENCE $S 00^{\circ} 44' 57'' E$, 31.51 feet along the West boundary line of said City of Plano Tract to a 1/2-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the South boundary line of aforesaid Church of God Tract lying in the aforesaid Northerly right-of-way line of aforesaid 13th/14th Street Connector and lying in a Curve to the Right;

THENCE SOUTHWESTERLY, 218.67 feet along said right-of-way line with said Curve to the Right, having a radius of 393.00 feet, a central angle of $31^{\circ} 52' 51''$ and a chord bearing $S 69^{\circ} 41' 37'' W$, 215.86 feet to a 1-inch iron rod found at the most Southerly Southwest corner of aforesaid Church of God Tract lying at the Southerly end of a corner clip for the East right-of-way line of aforesaid abandoned F Avenue;

THENCE along the said East right-of-way line of aforesaid abandoned F Avenue as follows:

$N 46^{\circ} 55' 37'' W$, 14.09 feet to a 1-inch iron rod found at the North end of said corner clip;

$N 00^{\circ} 46' 47'' W$, 310.42 feet to the PLACE OF BEGINNING, containing 1.912 acre (83,305 square feet) of land.

TRACT 2

BEING an abandoned portion of F Avenue (a called 50-foot wide right-of-way) located in the JOSEPH KLEPPER SURVEY, ABSTRACT No. 213, City of Plano, Collin County, Texas and more particularly described by metes and bounds as follows:

BEGINNING at a 1-inch iron rod found at the most Easterly Northeast corner of Lot 2R, Block I, Millennium Addition to the City of Plano, Collin County, Texas according to the plat recorded in Cabinet K, Page 747 of the Plat Records of Collin County, Texas, being the Southeast corner of Lot 5R, Original Donation Block 28, an addition to the City of Plano, Collin County, Texas according to the plat recorded in Cabinet P, Page 738 of the Plat Records of Collin County, Texas and lying in the West right-of-way line of said F Avenue;

THENCE S 89° 53' 48" E, 47.39 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the East right-of-way line of said F Avenue lying in the West boundary line of that certain tract of land described in deed to The Rhonda Gibson Revocable Living Trust recorded in Clerk's File No. 20150625000768140 of the Deed Records of Collin County, Texas;

THENCE along the East right-of-way line of said F Avenue as follows:

S 00° 55' 03" E, at 18.03 feet passing a ½-inch iron rod found at the Southwest corner of said Gibson Tract being the Northwest corner of that certain tract of land described in deed to Rhonda Gibson, Trustee of the Rhonda Gibson Revocable Living Trust dated July 17, 2008 recorded in Clerk's File No. 20081118001340140 of the Deed Records of Collin County, Texas and continuing in all a total distance of 84.44 feet to a 5/8-inch iron rod found at the Northwest corner of that certain tract of land described in deed to Raymond Jones, Melinda D. High, Dora Denson and Melanie High, as Trustees of Holy Temple Church of God in Christ recorded in Volume 4169, Page 2737 of the Deed Records of Collin County, Texas;

S 00° 46' 47" E, 310.43 feet to a 1-inch iron rod found;

S 46° 55' 37" E, 14.09 feet to a 1-inch iron rod found at the most Southerly Southwest corner of said Church Tract lying in the North right-of-way line of 13th Street (a variable width right-of-way);

THENCE S 80° 41' 11" W, 81.23 feet to a 1-inch iron rod found at the most Southerly Southwest corner of aforesaid Lot 2R lying in the West right-of-way line of aforesaid F Avenue;

THENCE along the East boundary line of said Lot 2R with the said West right-of-way line of F Avenue as follows:

N 44° 33' 19" E, 28.34 feet to a 1-inch iron rod found;

N 00° 25' 52" W, 397.50 feet to the PLACE OF BEGINNING, containing 0.465 acre (20,251 square feet) of land.



EXHIBIT "A"

LEGAL DESCRIPTIONS OF REAL PROPERTY

TRACT 1

Being Lot 2R, Block 1, of MILLENNIUM ADDITION, an Addition to the City of Plano, Collin County, Texas, according to the Replat thereof recorded in Volume K, Page 747, Map Records, Collin County, Texas.

TRACT 2

BEING an abandoned portion of F Avenue (a called 50-foot wide right-of-way) located in the JOSEPH KLEPPER SURVEY, ABSTRACT No. 213, City of Plano, Collin County, Texas and more particularly described by metes and bounds as follows:

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THENCE S 89° 53' 48" E, 47.39 feet to a ½-inch iron rod set with orange plastic cap stamped "R. W. COOMBS RPLS 5294" in the East right-of-way line of said F Avenue lying in the West boundary line of that certain tract of land described in deed to The Rhonda Gibson Revocable Living Trust recorded in Clerk's File No. 20150625000768140 of the Deed Records of Collin County, Texas;

THENCE along the East right-of-way line of said F Avenue as follows:

S 00° 55' 03" E, at 18.03 feet passing a ½-inch iron rod found at the Southwest corner of said Gibson Tract being the Northwest corner of that certain tract of land described in deed to Rhonda Gibson, Trustee of the Rhonda Gibson Revocable Living Trust dated July 17, 2008, recorded in Clerk's File No. 20081118001340140 of the Deed Records of Collin County, Texas and continuing in all a total distance of 84.44 feet to a 5/8-inch iron rod found at the Northwest corner of that certain tract of land described in deed to Raymond Jones, Melinda D. High, Dora Denson and Melanie High, as Trustees of Holy Temple Church of God in Christ recorded in Volume 4169, Page 2737 of the Deed Records of Collin County, Texas;

S 00° 46' 47" E, 310.43 feet to a 1-inch iron rod found;

S 46° 55' 37" E, 14.09 feet to a 1-inch iron rod found at the most Southerly Southwest corner of said Church Tract lying in the North right-of-way line of 13th Street (a variable width right-of-way);

THENCE S 80° 41' 11" W, 81.23 feet to a 1-inch iron rod found at the most Southerly Southwest corner of aforesaid Lot 2R lying in the West right-of-way line of aforesaid F Avenue;

THENCE along the East boundary line of said Lot 2R with the said West right-of-way line of F Avenue as follows:

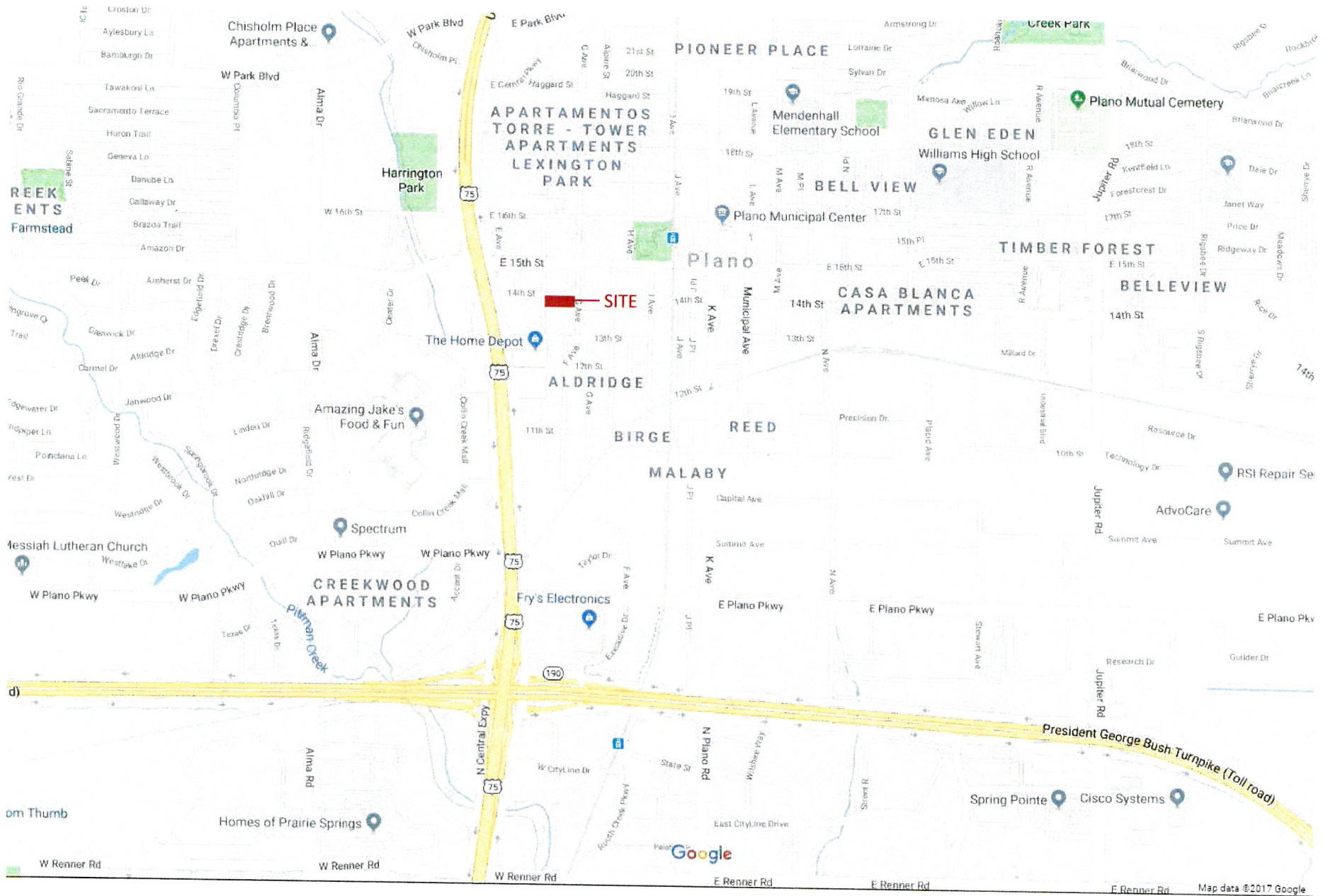
N 44° 33' 19" E, 28.34 feet to a 1-inch iron rod found;

N 00° 25' 52" W, 397.50 feet to the PLACE OF BEGINNING, containing 0.465 acre (20,251 square feet) of land.



Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
11/01/2016 10:00:38 AM
\$42.00 SCAPELA
20161101001482600

Stacey Kemp



PLANO The Park on 14th Site Location

SW of the intersection of 14th Street and G Avenue (Approx. 1421 G Avenue, Plano TX 75074)

DEVELOPMENT COST SCHEDULE	
---------------------------	--

Notes

ACQUISITION

Site acquisition cost
Existing building acquisition cost
Closing costs & acq. legal fees
Other (specify) - see footnote 2
Other (specify) - see footnote 2

OFF-SITES³

Off-site concrete
Storm drains & devices
Water & fire hydrants
Off-site utilities
Sewer lateral(s)
Off-site paving
Off-site electrical
Other (specify) - see footnote 2
Other (specify) - see footnote 2

SITE WORK⁴

Demolition
Asbestos Abatement (Demolition Only)
Rough grading
Fine grading
On-site concrete
On-site electrical
On-site paving
On-site utilities
Decorative masonry
Bumper stops, striping & signs
Other (specify) - see footnote 2

[illegible]

SITE AMENITIES

Landscaping
Pool and decking
Athletic court(s), playground(s)
Fencing
Other (specify) - see footnote 2

BUILDING COSTS*:

- Concrete
- Masonry
- Metals
- Woods and Plastics
- Thermal and Moisture Protection
- Roof Covering
- Floors and Windows

DEVELOPMENT NAME:Plano Senior Housing**City:**Plano**BUILDING COSTS (Continued):**

Finishes		0
Specialties		0
Equipment		0
Furnishings		0
Special Construction		0
Conveying Systems (Elevators)		0
Mechanical (HVAC; Plumbing)		0
Electrical		0

Individually itemize costs below:

Detached Community Facilities/Building		0
Carports and/or Garages		0
Lead-Based Paint Abatement		0
Asbestos Abatement (Rehabilitation Only)		0
Structured Parking		0
Commercial Space Costs		0
Other (specify) - see footnote 2		0
Subtotal Building Costs	\$6,600,000	\$0

TOTAL BUILDING COSTS & SITE WORK**(including site amenities)**

\$6,600,000	\$0	\$4,700,000
--------------------	------------	--------------------

Contingency

5.68%

375,000		375,000
\$6,975,000	\$0	\$5,075,000

7.98%

TOTAL HARD COSTS**OTHER CONSTRUCTION COSTS**

General requirements (<6%)	6.00%	418,500		304,500	6.00%
Field supervision (within GR limit)				0	
Contractor overhead (<2%)	2.00%	139,500		101,500	2.00%
G & A Field (within overhead limit)				0	
Contractor profit (<6%)	6.00%	418,500		304,500	6.00%
TOTAL CONTRACTOR FEES	14.00%	\$976,500	\$0	\$710,500	14.00%

TOTAL CONSTRUCTION CONTRACT

\$7,951,500	\$0	\$5,785,500
--------------------	------------	--------------------

SOFT COSTS

Architectural - Design fees	500,000		500,000
Architectural - Supervision fees			0
Engineering fees	150,000		150,000
Real estate attorney/other legal fees	150,000		150,000
Accounting fees	20,000		20,000
Impact Fees			0
Building permits & related costs	150,000		150,000
Appraisal	15,000		15,000
Market analysis	15,000		15,000
Environmental assessment	15,000		15,000
Soils report	7,500		7,500
Survey	15,000		15,000
Marketing	25,000		
Hazard & liability insurance	50,000		50,000
Real property taxes	0		0
Personal property taxes	0		0

Tenant relocation expenses

PLEASE SPECIFY - see footnote 2

PLEASE SPECIFY - see footnote 2

Subtotal Soft Cost

		0
100,000		100,000
50,000		50,000
\$1,262,500	\$0	\$1,237,500

FFE

Soft Cost Contingency

DEVELOPMENT NAME:

Plano Senior Housing

City:

Plano

FINANCING:

CONSTRUCTION LOAN(S)⁴

Interest

Loan origination fees

Title & recording fees

Closing costs & legal fees

Inspection fees

Credit Report

Discount Points

PLEASE SPECIFY - see footnote 2

Other (specify) - see footnote 2

PERMANENT LOAN(S)

Loan origination fees

Title & recording fees

Closing costs & legal

Bond premium

Credit report

Discount points

Credit enhancement fees

Prepaid MIP

PLEASE SPECIFY - see footnote 2

Other (specify) - see footnote 2

BRIDGE LOAN(S)

Interest

Loan origination fees

Title & recording fees

Closing costs & legal fees

Other (specify) - see footnote 2

Other (specify) - see footnote 2

OTHER FINANCING COSTS⁴

Tax credit fees

Tax and/or bond counsel

Payment bonds

Performance bonds

Credit enhancement fees

Mortgage insurance premiums

Cost of underwriting & issuance

Syndication organizational cost

Tax opinion

Contractor Guarantee Fee

Developer Guarantee Fee

Other (specify) - see footnote 2

Other (specify) - see footnote 2

Subtotal Financing Cost

304,000		304,000
76,000		76,000
100,000		100,000
50,000		50,000
12,000		12,000
		0
		0
25,000		25,000

38,750	
25,000	
10,000	
10,000	

50,000		
60,000		
		0
\$760,750	\$0	\$567,000

App fee and third party reports

Conversion Fee

DEVELOPMENT NAME:

Plano Senior Housing

City:

Plano

DEVELOPER FEES⁴Housing consultant fees⁵

General & administrative

Profit or fee

Subtotal Developer Fees 15.01%

		0
		0
1,139,250		1,139,250
\$1,139,250	\$0	\$1,139,250

RESERVES

Rent-up

Operating

Replacement

Escrows

Subtotal Reserves

267,063		
\$267,063	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁶- Commercial Space Costs⁷**TOTAL RESIDENTIAL DEVELOPMENT COSTS**

\$11,381,063	\$0	\$8,729,250
\$11,381,063		

*The following calculations are for HTC Applications only.***Deduct From Basis:**

Fed. grant proceeds used to finance costs in eligible basis

Non-qualified non-recourse financing

Non-qualified portion of higher quality units (42.(d)(5))

Historic Credits (residential portion only)

Total Eligible Basis

**High Cost Area Adjustment (100% or 130%)

Total Adjusted Basis

Applicable Fraction

Total Qualified BasisApplicable Percentage⁸**Calculated Credits**

Credits Supported by Eligible Basis

\$0	\$8,729,250	
	130%	
\$0	\$11,348,025	
	80%	80%
\$9,112,808	\$0	\$9,112,808
	3.39%	9.00%
\$820,153	\$0	\$820,153

\$820,153

Actual Credits Requested**\$820,153**

SUMMARY OF SOURCES AND USES OF FUNDS

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period						Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort	Term	Syndication Rate (\$)	Debt Service	
Debt											
HUD	Conventional Loan	\$7,600,000	4.00%		\$3,875,000	5.50%	30	18		\$264,022	
	0 Local Government Loan	\$0	0.00%		\$0	0.00%	0	0		#NUM!	
	0	\$0	0.00%		\$0	0.00%	0	0		#NUM!	
	0	\$0	0.00%		\$0	0.00%	0	0		#NUM!	
										#NUM!	
										#NUM!	
	Other (Please Describe)									#NUM!	
	Other (Please Describe)									#NUM!	
Third Party Equity											
	HTC Allocation	\$820,153	\$2,952,256		\$7,380,639				0.90		
	Other (Please Describe)										
Grant											
	Other (Please Describe)										
Deferred Developer Fee											
	Deferred Developer Fee				\$125,424						
	Other (Please Describe)										
Other											
	TOTAL SOURCES OF FUNDS	\$ 10,552,256			\$ 11,381,063						
	TOTAL USES OF FUNDS				\$ 11,381,063						

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **MAY 02 2006**

TEXAS STATE AFFORDABLE HOUSING
CORPORATION
1005 CONGRESS AVE STE 500
AUSTIN, TX 78701

Employer Identification Number:

DLN:

Contact Person:

SHEILA M ROBINSON

ID# 31220

Contact Telephone Number:

(877) 829-5500

Public Charity Status:

509(a)(2)

Dear Applicant:

Our letter dated February 6, 2001, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

RECEIVED

MAY 08 2006

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

Letter 1050 (DO/CG)



Austin Housing Finance Corporation

P.O. Box 1088, Austin, TX 78767-1088

(512) 974-3100 • Fax (512) 974-3161 • www.austintexas.gov/ahfc

December 21, 2017

Ms. Shanette Eaden
Neighborhood Services Department
City of Plano
P.O. Box 860358
Plano, Texas 75086-0358

Re: DMA Development Company, LLC

Dear Ms. Eaden:

The Austin Housing Finance Corporation has partnered with DMA Development Company on two senior affordable housing developments in Austin, and has awarded grant contracts to DMA Development Company on multiple Austin-area developments. DMA Development Company, LLC is in good standing on all their award contracts, and is truly considered one of the most reputable developers in Austin.

Sincerely,


for Rosie Truelove
Treasurer

Board of Directors: Steve Adler, President • Kathie Tovo, Vice President
Ora Houston, Director • Delia Garza, Director • Sabino Rentera, Director • Gregorio Casar, Director
Ann Kitchen, Director • James Flannigan, Director • Lashie Pool, Director • Ellen Troxclair, Director • Alison Mier, Director
Elaine Hart, General Manager • Rosie Truelove, Treasurer • Jannette Goodall, Secretary
• Anne L. Morgan, General Counsel •

The Austin Housing Finance Corporation is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

A Resolution of the City of Plano, Texas, supporting an application for nine percent (9%) housing tax credit (HTC) financing to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed affordable residential development project located on 1.5± acres on the southwest corner of G Avenue and 14th Street; designating the City Manager, or his designee, to certify this resolution to TDHCA; and declaring an effective date.

WHEREAS, Plano TSAHC-DMA Housing, LLC has proposed a development for affordable rental housing which will be named “The Park on 14th” and will include approximately 66 units that will be located on 1.5± acres on the southwest corner of G Avenue and 14th Street, in the City of Plano, Collin County; and

WHEREAS, Plano TSAHC-DMA Housing, LLC intends to submit an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2018 Competitive 9% Housing Tax Credits for The Park on 14th; and

WHEREAS, Plano TSAHC-DMA Housing, LLC will include approximately 13 market rate units and 53 units affordable to seniors with an income at or below 60% of the area median income; and

WHEREAS, Plano TSAHC-DMA Housing, LLC has submitted a housing tax credit resolution application to the City which satisfies the criteria established in Resolution No. 2016-11-4(R) and application amendments reviewed during the Preliminary Open City Council Meeting on November 13, 2017; and

WHEREAS, the proposed development is located within the Concerted Revitalization Plan area and contributes to the concerted revitalization efforts of the City more than any other proposed nine percent housing tax credit applications; and

WHEREAS, the applicant, Plano TSAHC-DMA Housing, LLC, is recognized as a 501(c)(3) organization by the Internal Revenue Service; and

WHEREAS, the City of Plano Housing Infill Program encourages the development of real property for low and moderate income housing; and

WHEREAS, the 2015-2019 Consolidated Plan of Housing and Community Development Needs notes that low income renters within the City of Plano have unmet housing needs, mostly related to affordability; and

WHEREAS, this Resolution is specifically related to potential financing only and makes no finding regarding either the suitability of the proposed development site or compliance with the city’s development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, the City of Plano will waive a minimum of \$1,000 in fees for each development of which a Resolution of Support was adopted by the City Council; and

WHEREAS, the waiving of the fee makes no finding regarding either the suitability of the proposed development site or compliance with the City's development regulations, and approval of this resolution will not be construed as a development permit or approval; and

WHEREAS, it is in the public interest of the citizens of the City of Plano that the application be made for such funding.

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

SECTION I. In accordance with Texas Government Code §2306.6710 and Texas Administrative Code Title 10, § 11.09(d)(1), the City of Plano, acting through its governing body, hereby confirms that it supports the proposed application for The Park on 14th located on 1.5± acres on the southwest corner of G Avenue and 14th Street, and that this formal action has been taken to put on record the opinion expressed by the City of Plano on January 22, 2018.

SECTION II. This Resolution of Support is based on the following information presented in the applications for The Park on 14th:

1. The application met four out of the six City of Plano Housing Tax Credit Resolution Application threshold questions; and
2. The development will include 13 market rate units and 53 units affordable to seniors with an income at or below 60% of the area median income.

SECTION III. The City Manager, or his designee, is hereby authorized, empowered, and directed to certify this resolution to the Texas Department of Housing and Community Affairs.

SECTION IV. This resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED THIS THE 22ND DAY OF JANUARY, 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

Approved as to form:

Paige Mims, CITY ATTORNEY



CITY OF PLANO COUNCIL AGENDA ITEM

Council Meeting Date: 1/22/2018

Department: Zoning

Department Head: Christina Day

Agenda Coordinator: Linette Magaña

CAPTION

Public Hearing and adoption of Ordinance No. 2018-1-16 as requested in Zoning Case 2017-029 to amend the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to expand Planned Development-197-Downtown Business/Government on 2.6 acres of land out of the Joseph Klepper Survey, Abstract No. 213, located at the southwest corner of 15th Street and H Avenue, and rezone 0.1 acre of land out of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition from Planned Development-197-Downtown Business/Government to Downtown Business/Government in the City of Plano, Collin County, Texas, to incorporate additional land area and modify standards; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date. Applicant: Texas Intown Homes, LLC and City of Plano **Conducted and Adopted**

FINANCIAL SUMMARY

Not Applicable

FISCAL YEAR: 2017-18	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
Budget	0	0	0	0
Encumbered/Expended Amount	0	0	0	0
This Item	0	0	0	0
Balance	0	0	0	0

FUND(S): N/A

COMMENTS:

SUMMARY OF ITEM

Strategic Plan Goal:

Financially Strong City with Service Excellence

Plano Tomorrow Plan Pillar:

Built Environment

ATTACHMENTS:

Description	Upload Date	Type
ZC 2017-029 Follow Up	1/10/2018	P/Z Follow-up Memo
ZC 2017-029 Write Up	1/10/2018	Staff Report
ZC 2017-029 Locator	1/10/2018	Map
ZC 2017-029 Aerial	1/16/2018	Map
ZC 2017-029 Zoning Exhibit (Bold)	1/10/2018	Map
ZC 2017-029 Preliminary Site Plan	1/10/2018	Exhibit
ZC 2017-029 PISD Letter	1/10/2018	Letter
ZC 2017-029 Ordinance with Exhibits	1/10/2018	Ordinance

DATE: January 3, 2018
TO: Honorable Mayor & City Council
FROM: M. Nathan Barbera, 1st Vice Chair, Planning & Zoning Commission
SUBJECT: Results of Planning & Zoning Commission Meeting of January 2, 2018

**AGENDA ITEM NO. 1A - PUBLIC HEARING
ZONING CASE 2017-029
APPLICANT: TEXAS INTOWN HOMES, LLC, AND CITY OF PLANO**

Request to amend and expand Planned Development-197-Downtown Business/Government on 1.9 acres located at the southwest corner of 15th Street and H Avenue. Zoned Planned Development-197-Downtown Business/Government and Downtown Business/Government. Tabled December 4, 2017. Project #ZC2017-029.

APPROVED: 6-0 **DENIED:** **TABLED:**

Speaker Card(s) Received **Support:** 2 **Oppose:** 0 **Neutral:** 0

Letters Received Within 200' Notice Area: **Support:** 1 **Oppose:** 0 **Neutral:** 1

Received Outside 200' Notice Area: **Support:** 0 **Oppose:** 0 **Neutral:** 0

Petition(s) Received: 0 **# Of Signatures:** 0

STIPULATIONS:

Recommended for approval as follows:

- A. Rezone 0.1 acre of city parking lot property in Planned Development-197-Downtown Business/Government to Downtown Business/Government; and
- B. Amend Planned Development-197-Downtown Business/Government as follows: (Additions are shown as underlined text; deletions are indicated by strikethrough text).

Restrictions:

- 1. ~~Maximum Height: 5 Story (75 feet) for multifamily uses.~~

Single-family residence attached uses must be developed in accordance with the Downtown Business/Government (BG) zoning district requirements except as noted below:

- 1. Maximum Height: 4 stories, 60 feet. For units fronting 15th St., fourth floor occupied areas must be designed to be screened from view at a point of 5.5 feet above the property lines located on the north side of 15th St.
- 2. Minimum Lot Width: A maximum of 25% of the lots may be developed with a minimum lot width of 16 feet.

3. A maximum of 60% of units may abut a mews street as the only point of street frontage and access.
4. Parking:
 - a. A minimum of 2 garage parking spaces must be provided for each dwelling unit. 16 foot wide units may utilize tandem garage arrangements.
 - b. A minimum of 6 internal off-street guest parking spaces must be provided. A minimum of 8 on-street public parking spaces must be provided. The number of on-street parking spaces may only be reduced if required by the City of Plano.
5. Minimum Lot Depth:
 - a. A maximum of 2 residential lots may have a minimum lot depth of 20 feet with a corresponding minimum lot width of 40 feet.
 - b. A maximum of 1 residential lot may have a minimum lot depth of 30 feet with a corresponding minimum lot width of 30 feet.
6. Minimum Building Separation: 6 feet wall to wall; 5 feet eave to eave.
7. Fencing is prohibited in the front yard setback between the property line and the face of buildings fronting 15th St., G Ave., and H Ave.
8. A compactor access easement must be provided to facilitate refuse and recycling service for the 15th Street Village No. 2 development.

NOTE:

Staff is correcting the acreage from 1.9 to 2.6 to reflect what was accurately depicted on the maps presented to the Planning & Zoning Commission, the difference in acreage resulting from the zoning including the street to the center line.

FOR CITY COUNCIL MEETING OF: January 22, 2018 (To view the agenda for this meeting, see www.plano.gov)

PUBLIC HEARING - ORDINANCE

RA/ks

xc: David Foor, Texas InTown Homes, LLC
Joshua Bosler, Texas InTown Homes, LLC

<https://goo.gl/maps/1EN3tzxbUfz>

CITY OF PLANO
PLANNING & ZONING COMMISSION

January 2, 2018

Agenda Item No. 1A

Public Hearing: Zoning Case 2017-029

Applicant: Texas InTown Homes, LLC and City of Plano

DESCRIPTION:

Request to amend and expand Planned Development-197-Downtown Business/Government on 1.9 acres located at the southwest corner of 15th Street and H Avenue. Zoned Planned Development-197-Downtown Business/Government and Downtown Business/Government. Tabled December 4, 2017. Project #ZC2017-029.

REMARKS:

This item was tabled at the December 4, 2017, Planning & Zoning Commission meeting. It must be removed from the table for consideration.

Planned Development-197-Downtown Business/Government (PD-197-BG) was established in 2007 to accommodate a second phase of the existing 15th Street Village No. 2 multifamily development. With this zoning case, the applicant is requesting to amend and expand PD-197-BG to incorporate an additional 1.6 acres into the existing PD, and modify development standards pertaining to single-family residence attached uses.

The BG district is intended to serve as a pedestrian-oriented center for retail, office, governmental, cultural, entertainment, and residential uses. It is designed to ensure that development, redevelopment, and renovation within the district are consistent with the historical character of Plano's original business district and the surrounding area. The standards of this district apply to specific characteristics of Plano's downtown area and are not appropriate for other locations and districts. A PD district provides the ability to amend use, height, setback, and other development standards at the time of zoning to promote innovative design and better development controls to both off- and onsite conditions.

A preliminary site plan, 15th Street Townhomes, accompanies this rezoning request as Agenda Item 1B.

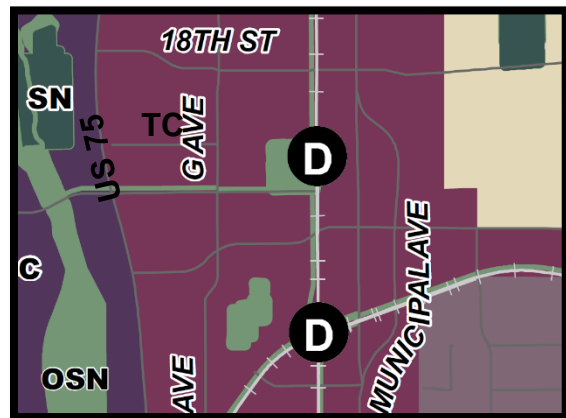
Surrounding Land Use and Zoning

North	Immediately to the north of the western portion of the subject property is an existing multifamily development zoned BG, and an existing general office building. Across 15th Street is a religious facility and multi-tenant building with retail, restaurant, and personal service shop zoned BG.
East	Across H Avenue, City of Plano municipal court zoned BG.
South	Office building and parking lot zoned BG.
West	Immediately to the west of the northern portion of the subject property is an existing office building and multifamily development zoned BG. Across G Avenue are single-family residence attached units zoned BG.

Conformance to the Plano Tomorrow Comprehensive Plan

Future Land Use Map - The Future Land Use Map designates this property as Transit Corridor (TC).

The Transit Corridor future land use category applies to the Downtown Plano core and the adjoining rail corridor linking the Dallas Area Rapid Transit (DART) red/orange line and the future Cotton Belt line. It is the intention to continue the transformation of the Downtown Plano core into a distinct and authentic urban center and expand the vision for transit-oriented development within the entire corridor. Major uses within Transit Corridor include housing, retail, cultural facilities, hotels, and government offices. Infill and redevelopment projects should be compatible with the historical character of the area and transit-oriented residential, employment, retail, and civic uses should be located between one-quarter to one-half mile walking distance of a transit stop. Uses should be serviced by parking structures to reduce surface parking and encourage efficient use of land. Street, bike trail, and sidewalk improvements will be emphasized to create a more accessible, walkable, and unified corridor.

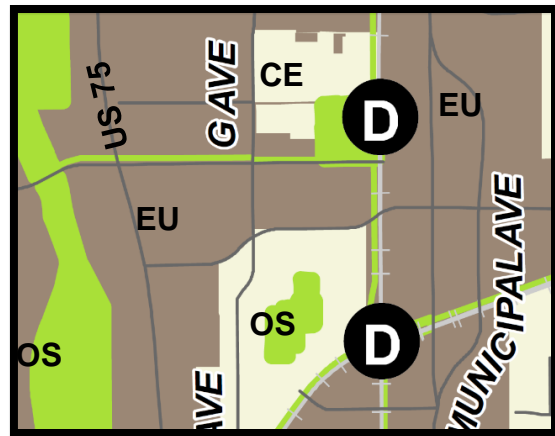


Single-family residence attached uses are permitted in the existing zoning district, and housing is identified as a major use within the TC designation. This project will continue the transformation of Downtown Plano by creating an infill housing development within walking distance of the Dallas Area Rapid Transit (DART) rail line. The subject property is less than a quarter mile (approximately 1,105 feet) as measured along the streets from the Downtown Plano Transit Center. This request is in conformance with the Future Land Use Map.

Growth and Change Map - The Growth and Change Map designates the subject property as Evolve Urban (EU).

EU areas are expected to experience significant redevelopment and transformation of the existing form into small-scale pedestrian-friendly centers.

The requested zoning will create new housing while continuing the small-scale pedestrian-friendly development pattern within Downtown Plano. The proposed development will also encourage future reinvestment and enhancement of adjacent properties, supporting the area's continued evolution as a transit-oriented district. This request is consistent with the EU designation.

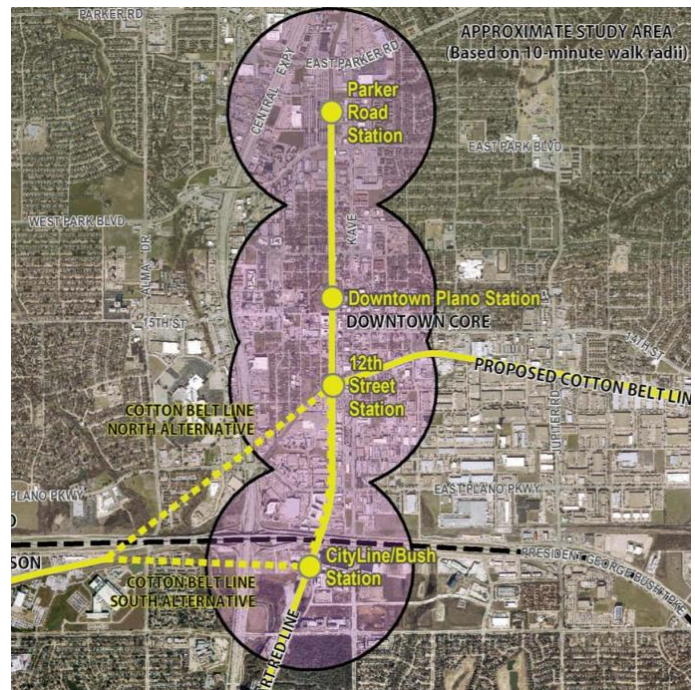


Transit Oriented Development Policy - *Plano will proactively encourage and incentivize development within walking distance of existing and future rail stations or bus transit centers to create an integrated mix of uses including residential, employment, retail, and civic spaces.*

This policy supports rezoning property within one-half mile of transit stations to encourage development opportunities. The requested PD is less than a quarter mile from the Downtown Plano Transit Station with existing and proposed sidewalks intended to accommodate pedestrian traffic and connectivity to the rail station. This zoning request is in conformance with the Transit Oriented Development Policy.

Downtown Plano Vision and Strategy Update - The Update includes goals to continue the growth and resurgence of Downtown Plano and properties along the DART rail corridor, recognizing that urban infill and redevelopment opportunities exist at all four stations. The goals which apply to this request are as follows:

1. Develop 1,000 units of housing within 1/2 mile of the Downtown Plano Station and a total of 2,000 units within the Plano DART rail corridor. Promote a variety of housing types and price points.
2. Improve streets, trails and sidewalks to create a pedestrian-friendly environment and better connections among neighborhoods, mixed-use centers and transit stations.



3. Continue the economic and tax base growth required to provide public improvements, services, and reinvestment incentives.

This request is in conformance with the goals of the Downtown Plano Vision and Strategy Update.

Adequacy of Public Facilities - Water and sanitary sewer services are available to serve the subject property; however, the applicant may be responsible for making improvements to either the water and/or sanitary sewer system to increase the system capacity if required.

School Capacity - Staff has requested information from Plano Independent School District pertaining to school capacity. PISD is preparing a response at this time and staff will provide information at the January 2, 2018 meeting, if available.

Public Safety Response Time - Based upon existing personnel, equipment, and facilities, fire emergency response times will be sufficient to serve the site. Residential units in this area will increase EMS and fire calls for service, and may impact future staffing levels and the type of equipment assigned to area fire stations.

Access to and Availability of Amenities and Services - Future residents would be served by Harrington Library, which has sufficient capacity to serve the development. The nearest park facility is Haggard Park to the northeast, which is at capacity with the existing residential developments downtown. To the south, within the Douglass Community, Stimpson and Drake Park is also available to serve future residents. No additional parks are planned to serve this area.

Planned Development Stipulations

The subject property is small (1.9 acres), and is surrounded by existing streets, as well as residential and nonresidential developments. The existing PD was established in 2007 and contains one stipulation which allows for a maximum height of five stories, 75 feet, for multifamily uses. With this request, the applicant is proposing to delete this existing standard.

This zoning case includes requested amendments to BG zoning standards to create a unique, urban, single-family residence attached product. The proposed modifications will allow the applicant to more efficiently use the subject property, maximizing the number of potential lots. The proposed housing product is intended to complement the adjacent 5-story multifamily building, and add to the variety of housing within the general area.

The proposed modifications to the BG district include:

1. Height - the requested zoning would allow a 4-story townhome product. Currently, the BG district specifies a 3-story height limitation for townhome uses. In order to minimize the visual impact of the fourth floor from the nonresidential properties to the north, the applicant is proposing to design the homes so that fourth floor occupied areas are screened from view from the north side of 15th Street.

2. Lot Allowances - In order to provide an efficient layout which will allow for more lots, the applicant is proposing several amendments to reduce required lot dimensions. The PD language includes an allowance for 25% of the lots to be developed at a reduced lot width of 16 feet with tandem parking garages (one car parked behind the other). Additionally, three other lots are proposed with a reduced lot depth, and an increased lot width.
3. Lot Access - the BG district restricts no more than 50% of lots within a development from abutting a mews street as the only point of street frontage and access. The applicant proposes to increase this allowance to 60%. This restriction was established to prevent developments from being internalized and isolated with no public street access or frontage. The companion preliminary site plan shows 23 residences abutting 15th Street, G Avenue, and H Avenue, with the front of the homes oriented towards these streets. The remaining 26 lots have frontage and access only on internal mews streets.
4. Parking - to ensure adequate visitor parking, the request includes a requirement to provide on-street parking adjacent to H Avenue, subject to approval of the city, and off-street spaces internal to the development.
5. Compactor Access - the adjacent multifamily building, 15th Street Village No. 2, has an existing compactor on the south side of the property. To ensure adequate access to service the existing compactor, the applicant is proposing an easement within the single-family development. This area is shown on the companion preliminary site plan.

Staff believes the requested PD stipulations are appropriate to create a unique, infill, single-family residence attached development within Downtown Plano.

SUMMARY:

The applicant is requesting to amend and expand PD-197-BG to incorporate additional land area and modify standards to create an innovative single-family residence attached development. The request is in conformance with the recommendations of the Comprehensive Plan and will provide new housing within walking distance of the DART rail line. The proposed PD amendments are appropriate within the context of this small, infill property, and will contribute to the continued revitalization of Downtown Plano. For these reasons, staff is in support of the zoning case.

RECOMMENDATION:

Recommended for approval as follows:

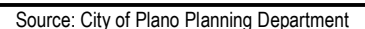
- A. Rezone 0.1 acre of city parking lot property in Planned Development-197-Downtown Business/Government to Downtown Business/Government; and
- B. Amend Planned Development-197-Downtown Business/Government as follows: (Additions are shown as underlined text; deletions are indicated by strikethrough text).

Restrictions:

1. ~~Maximum Height: 5 Story (75 feet) for multifamily uses.~~

Single-family residence attached uses must be developed in accordance with the Downtown Business/Government (BG) zoning district requirements except as noted below:

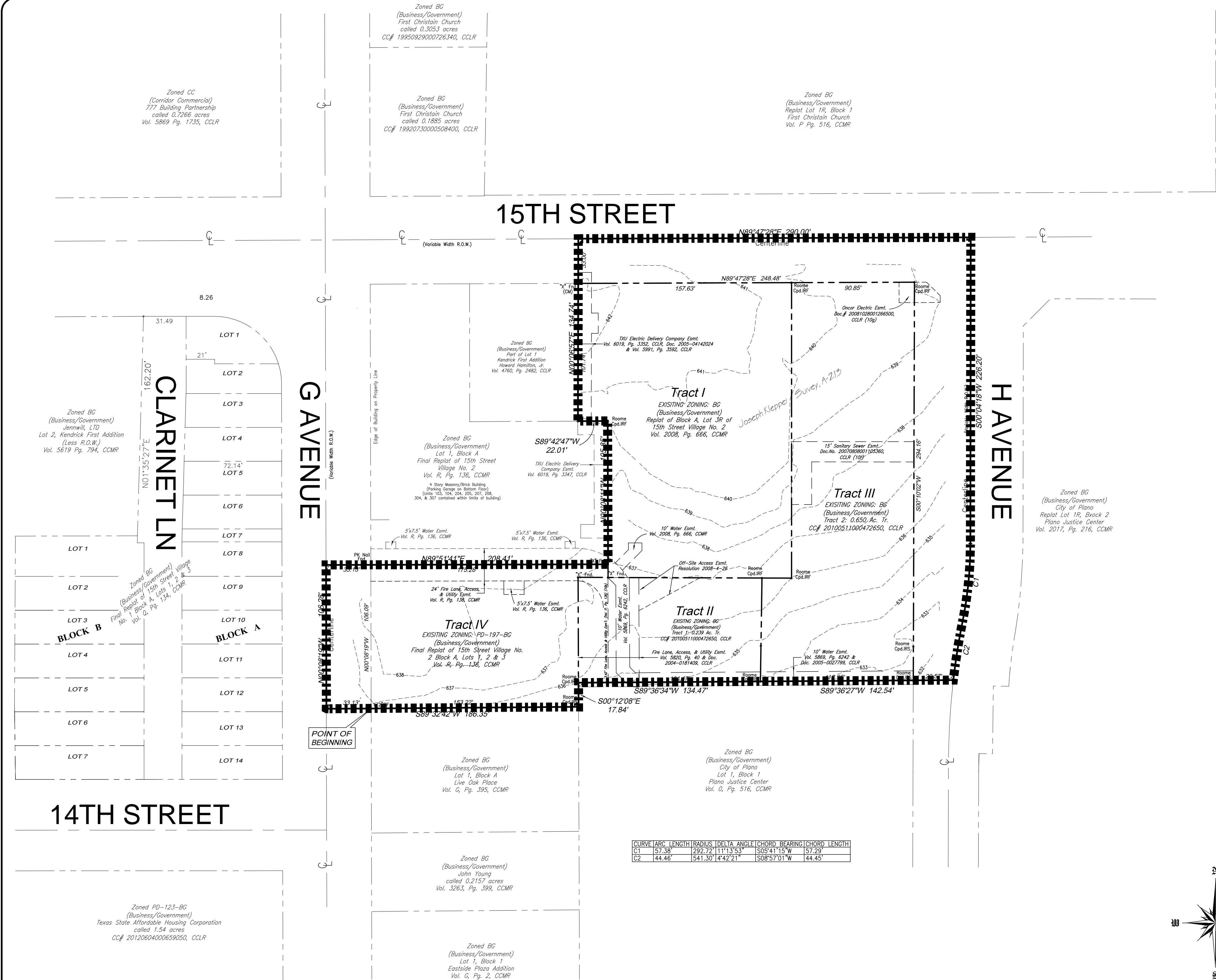
1. Maximum Height: 4 stories, 60 feet. For units fronting 15th St., fourth floor occupied areas must be designed to be screened from view at a point of 5.5 feet above the property lines located on the north side of 15th St.
2. Minimum Lot Width: A maximum of 25% of the lots may be developed with a minimum lot width of 16 feet.
3. A maximum of 60% of units may abut a mews street as the only point of street frontage and access.
4. Parking:
 - a. A minimum of 2 garage parking spaces must be provided for each dwelling unit. 16 foot wide units may utilize tandem garage arrangements.
 - b. A minimum of 6 internal off-street guest parking spaces must be provided. A minimum of 8 on-street public parking spaces must be provided. The number of on-street parking spaces may only be reduced if required by the City of Plano.
5. Minimum Lot Depth:
 - a. A maximum of 2 residential lots may have a minimum lot depth of 20 feet with a corresponding minimum lot width of 40 feet.
 - b. A maximum of 1 residential lot may have a minimum lot depth of 30 feet with a corresponding minimum lot width of 30 feet.
6. Minimum Building Separation: 6 feet wall to wall; 5 feet eave to eave.
7. Fencing is prohibited in the front yard setback between the property line and the face of buildings fronting 15th St., G Ave., and H Ave.
8. A compactor access easement must be provided to facilitate refuse and recycling service for the 15th Street Village No. 2 development.





Source: City of Plano, Planning Dept.
Date: 1/10/2018

Zoning Case 2017-029



Property Description

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Joseph Klepper Survey, Abstract No. 213, being comprised of the following four tracts of land as described and recorded in a Special Warranty Deed filed under County Clerk No. 20170518000639970 of the Collin County Land Records: All of Tract I: Lot 3R, Block A, Replat of Block A, Lot 3R of 15th Street Village No. 2, an addition to the City of Plano, according to the map or plat thereof, recorded in Volume 2008, Page 666, Map Records, Collin County, Texas; all of Tract II: a 0.239 acre tract; all of Tract III: a 0.650 acre tract; and all of Tract IV: a 0.376 acre tract out of Lot 2, Block A, Final Replat of 15th Street Village No. 2, Block A, Lots 1, 2, 3, an addition to the City of Plano, according to the map or plat thereof recorded in Volume R, Page 136 Document No. 2005-0160018, Map Records, Collin County, Texas, being part of Lot 1, Block 1, Plano Justice Center, according to the map or plat thereof, recorded in Volume O, Page 516 Document No. 2003-0077341, Map Records, Collin County, Texas, with said premises being more particularly described as follows:

BEGINNING at a 1/8" iron rod found in the east right-of-way line of G Avenue, said iron marking the southwest corner of the aforementioned Tract IV, and the northwest corner of Lot 1, Block A, Live Oak Place as recorded in Vole G, Page 395 of the Collin County Map Records;

THENCE with the prolongation of the south line of Tract IV, South 89°32'42" West, 33.13 feet to the centerline of G Avenue (a variable width right-of-way);

THENCE with the centerline of G Avenue, North 00°08'19" West, 106.28 feet to a point for corner;

THENCE North 89°51'41" East, passing at 33.13 feet a P.K. Nail found marking the northwest corner of Tract IV and the southwest corner of Lot 1, Block A of the Final Plat of 15th Street Village No. 2 as recorded in Volume R, Page 136 of the Collin County Map Records, and continuing with the north line of Tract IV, and the south line of said Lot 1, a total distance of 208.41 feet to an "X" found cut in concrete marking the northeast corner of Tract IV, the southeast corner of Lot 1, the northwest corner of the aforementioned Tract II, and being in a west line of the aforementioned Tract I;

THENCE with a common line between Lot 1 and Tract 1, North 00°08'11" West, 105.85 feet to a Roome capped iron rod found marking the most easterly northeast corner of Lot 1, and an ell corner of Tract I;

THENCE with a north line of Lot 1, and a south line of Tract I, South 89°42'47" West, 22.01 feet to a point marking a southwest corner of Tract I, and the southeast corner of Hamilton's Property as recorded in Volume 4760, Page 2482 of the Collin County Land Records;

THENCE with the common line between Tract I and Hamilton's east line, North 00°06'57" East, passing at 101.74 feet an "X" found cut in concrete in the south right-of-way line of 15th Street (variable width right-of-way) marking the northwest corner of Tract I, and the northeast corner of Hamilton's Property, and continuing with the prolongation of said line a total distance of 134.74 feet to a point for corner in the centerline of 15th Street;

THENCE with the centerline of 15th Street, North 89°47'28" East, 290.00 feet to a point marking its intersection with the centerline of H Avenue (a variable width right-of-way);

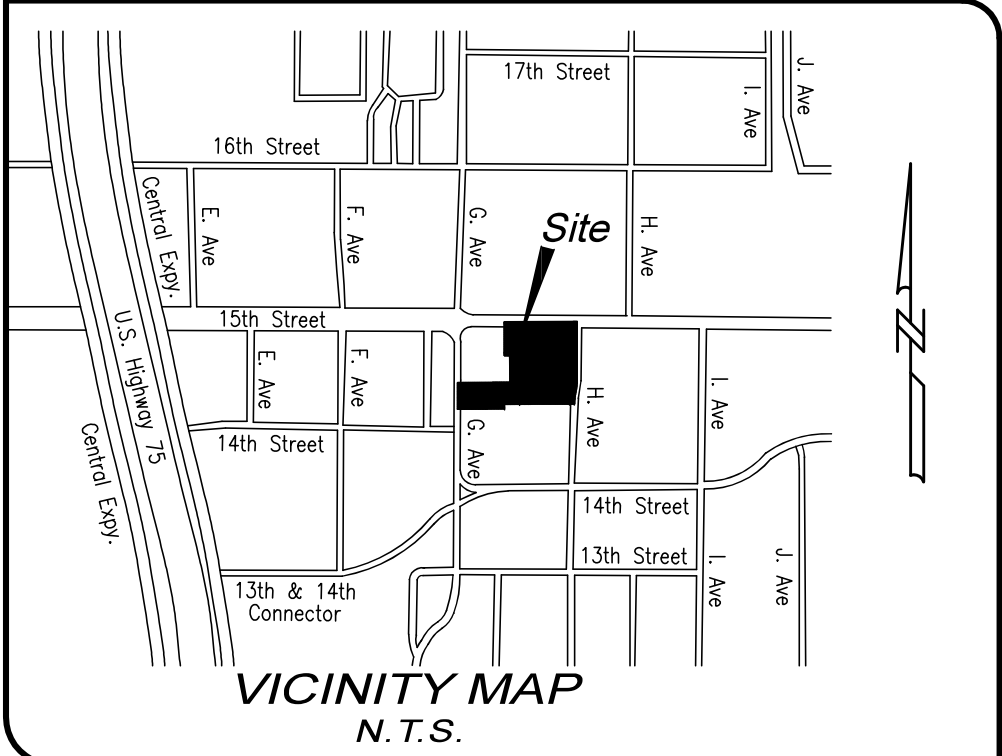
THENCE with the centerline of H Avenue as follows: South 00°04'18" West, 226.20 feet to a point marking the beginning of a curve to the right; southwesterly along said curve having a radius of 292.72 feet, for an arc length of 57.38 feet (chord = South 05°41'15" West, 57.29 feet) to a point of reverse curve; southwesterly along said curve to the left having a radius pf 541.30 feet, with an arc distance of 44.46 feet (chord = South 08°57'01" West, 44.45 feet) to a point marking the southeast corner of the herein described premises;

THENCE South 89°36'27" West, passing at 29.57 feet a Roome capped iron rod set marking the southeast corner of the aforementioned Tract III, and being in the north line of Lot 1, Block 1 of Plano Justice Center as recorded in Volume O, Page 516 of the Collin County Map Records, and continuing with the south line of Tract III, and the north line of said Lot 1 a total distance of 142.54 feet to a Roome capped iron rod found marking the southwest corner of Tract III and the southeast corner of the aforementioned Tract II;

THENCE with the south line of Tract II and the north line of said Lot 1, Block 1 of Plano Justice Center, South 89°36'34" West, 134.47 feet to a Roome capped iron rod found marking the southwest corner of Tract II, the northwest corner of Lot 1, and being in the east line of the aforementioned Tract IV;

THENCE with the east line of Tract IV, and a west line of Lot 1, South 00°12'08" East, 17.84 feet to a Roome capped iron rod found marking the southeast corner of Tract IV, and the northeast corner of the aforementioned Lot 1, Block 1 of Live Oak Addition;

THENCE WITH THE SOUTH LINE OF Tract IV, and the north line of Lot 1, Block 1 of Live Oak Addition, South 89°32'42" West, 153.22 feet to the place of beginning and containing 111,796 square feet or 2.566 acres of land.



NOTE: Approval of the zoning case associated with the exhibit shall not imply approval of any associated study, plat, or plan, approval of development standards shown hereon, or the initiation of the development process. Planning & Zoning Commission and/or City Council action on studies plats or plans relation to development of the property shall be considered as an action separate from action taken on this zoning case.

Owner

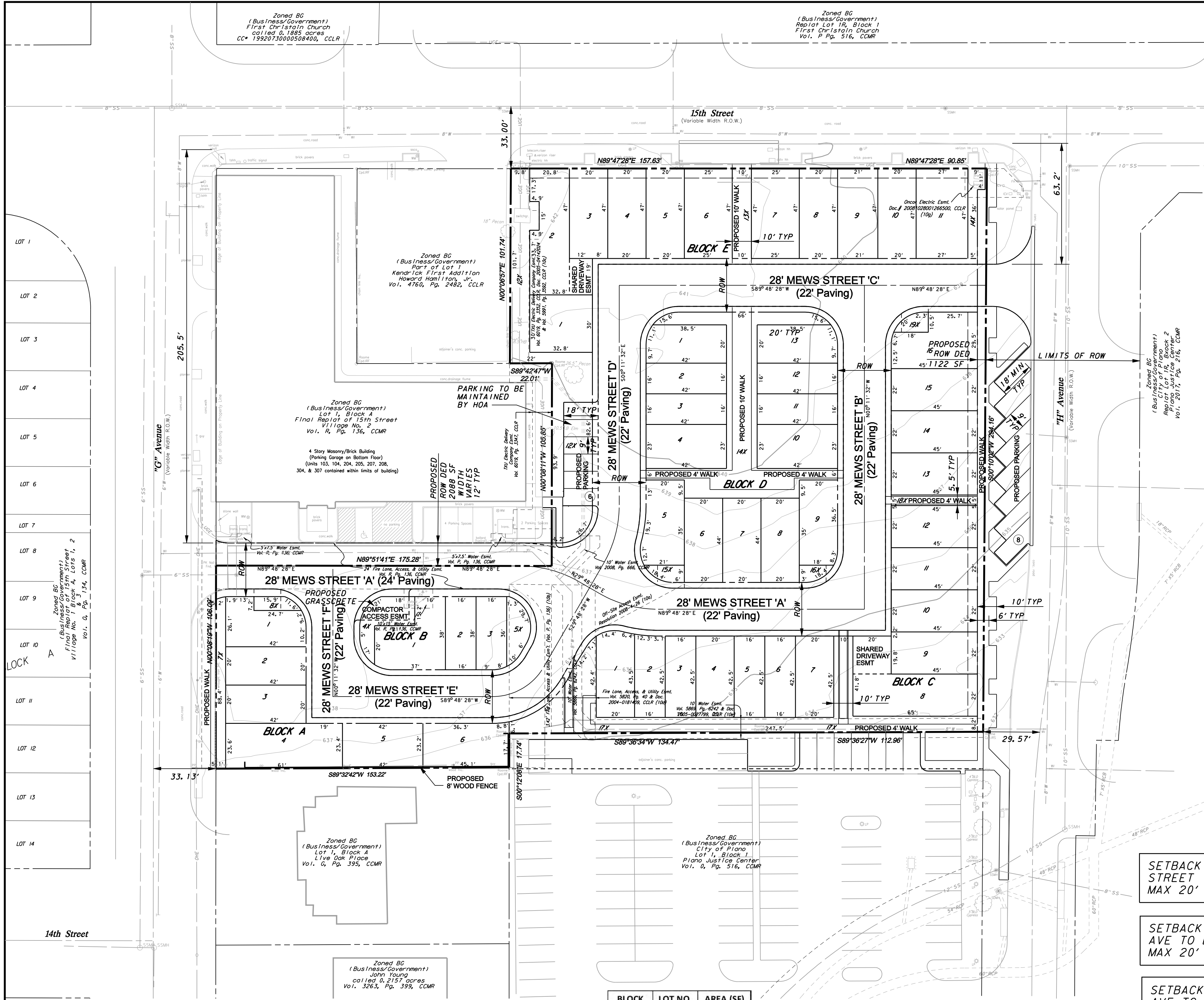
Attn: Josh Bosler
Texas Intownhomes, LLC
1919 McKinney Ave.
Dallas, TX 75201
(P) (469) 805-7383

Surveyor

Roome Land Surveying
2000 Ave G, Suite 810
Plano, Texas 75074
Ph. (972) 423-4372
Fax (972) 423-7523
Attn: Fred Bemenderfer

P/AC/201703/AC838741.dwg

Roome Land Surveying
2000 Avenue G, Suite 810
Plano, Texas 75074
Phone (972) 423-4372 / Fax (972) 423-7523
www.roomesurveying.com / Firm No. 10013100



SITE PLAN GENERAL NOTES

- Buildings 6,000 square feet or greater shall be 100% fire sprinkled.
- Fire lanes shall be designed and constructed per city standards.
- Handicapped parking areas shall be designed and provided per city standards and shall comply with requirements of the current, adopted International Building Code.
- Four-foot wide sidewalks shall be provided 2.5 feet off of the property line within the rights-of-way, unless a sidewalk easement is provided for a meandering sidewalk or an alternative design is approved by the city. Barrier-free ramps, per city standards, shall be provided on sidewalks at all curb crossings.
- Mechanical units, dumpsters, and trash compactors shall be screened in accordance with the Zoning Ordinance.
- All signage contingent upon approval by Building Inspections Department.
- Approval of the site plan is not final until all engineering plans are approved.
- Open storage, where permitted, shall be screened in accordance with the Zoning Ordinance.
- Building facades within this development shall be compatible, as provided in the Retail Corner Design Guidelines.
- Outdoor lighting shall comply with illumination standards within Section 6-466 of the Code of Ordinances.
- Please contact the Building Inspections Department to determine the type of construction and occupancy group.
- All electrical transmission, distribution, and service lines must be underground.
- Uses shall conform in operation, location, and construction to the following performance standards in Article 24 of the Zoning Ordinance: noise, smoke and particulate matter, odorous matter, fire or explosive hazard material, toxic and noxious matter, vibration, and/or other performance standards.

15TH STREET TOWNHOMES
PLANNED DEVELOPMENT STIPULATIONS
ZONING CASE 2017-029

Amend PD-197-BG with the following stipulations:

Single-Family Attached Residences (Townhomes) shall be developed in accordance with the standards in the BG zoning district with the following exceptions:

- Maximum Height: 4 stories, 60 feet. For units facing 15th Street, the fourth floor occupiable space and roof deck shall be designed to not be visible to a person standing on the sidewalk on the north side of the street.
- Minimum Lot Width: A maximum of 25% of the lots may be developed with a minimum lot width of 16 feet.
- Sixty percent of single-family attached residences may abut a mews street, alley and/or quasi-public street as the only point of street frontage and access.
- Two garage parking spaces shall be provided for each dwelling unit; 16 foot wide units may utilize tandem garage arrangements.
- Minimum Building Separation: 6 feet wall to wall; 5 feet eave to eave.
- Fencing is not allowed in the front yard setback between the property line and the face of the buildings along 15th Street, G Avenue and H Avenue.
- A maximum of two lots which abut the shared property line of Live Oak Place Addition may have a minimum lot depth of 20 feet if a minimum lot width of 40 feet is provided. One lot adjacent to the HOA lot which abuts the shared property line of Kendrick First Addition Lot 1 may have a minimum lot depth of 30 feet if a minimum lot width of 30 feet is provided.
- A minimum of 6 internal off-street guest parking spaces must be provided. A minimum of 8 on-street guest parking spaces must be provided. The number of on-street parking spaces may only be reduced if required by the City of Plano.
- An access easement must be provided to facilitate refuse and recycling service for 15th Street Village No. 2.

SETBACK FROM 15TH STREET TO BE MIN 15' MAX 20' FROM CURB

SETBACK FROM "G" AVE TO BE MIN 10' MAX 20' FROM CURB

SETBACK FROM "H" AVE TO BE MIN 5' MAX 20' FROM OUTSIDE EDGE OF SIDEWALK

SETBACK FROM MEWS STREETS TO BE 3' FROM TRAVEL LANE



VICINITY MAP
N.T.S.

Site Data Summary Table

BG-PDS-F / 1.996

Item	Lot 1*	Lot 2*	Total for All Lots*
General Site Data			
zoning (from zoning map)			BG-PD
Use (from zoning ordinance)			Single Family Attached
Lot Area (square feet & acres)			86845 S.F. / 1.996 Acres
Building Footprint Area (square feet)			41380 S.F.
Total Building Area (square feet)			109400 S.F.
Building Height (stories)			4 Stories
Building Height (feet - distance to tallest building element)			56 Feet
Lot Coverage (percent - x.xx%)			47.59%
Floor Area Ratio (FAR - x.xx)			2.32
Parking			
Parking Spaces (from zoning ordinance)			2 Per Unit
Required Parking (if spaces)			58
Provided Parking (if spaces)			110 Spaces
ON-STREET PARKING			0
ON-SITE PARKING			0
Parking in Excess of 110% of Required Parking (if spaces)			0
Landscape Area (including turf areas)			
Landscape Edge Area (square feet)			11577 S.F.
Required Interior Landscape Area (parking lot landscaping) (square feet)			0
Additional Interior Landscape Area (square feet)			0
Other Landscape Area within the lot including Storm Water Conservation Areas (square feet)			0
Total Landscape Area (square feet)			11577 S.F.
Permeable Area (not including landscaping or turf areas)			
Permeable Pavement (square feet)			0
Other Permeable Area within the lot not including landscaping or turf areas (square feet)			0 S.F.
Total Permeable Area (square feet)			0 S.F.
Impervious Area			
Building Footprint Area (square feet)			41380 S.F.
Area of Sidewalks, Pavement & other Impervious Pavement (square feet)			33988 S.F.
Other Impervious Area			0
Total Impervious Area			75368 S.F.
Sum of Total Landscape Area + Total Permeable Area + Total Impervious Area (square feet) - Note: Sum must equal Lot Area			86045 S.F.
Total Impervious Area			75368 S.F.
Less BMP Impervious Area Credit			75368 S.F.

* Provide data for each lot/phase. If there are multiple lots/phases provide totals for all lots/phases.

11/10/2006

Revision: #3

Site data summary table (2) xls

OWNER:

TEXAS INTOWNHOMES, LLC
1520 OLIVER STREET, SUITE 202
HOUSTON, TEXAS 77007
JOSH BOSLER, 469-805-7383

CIVIL ENGINEER:

ICON CONSULTING ENGINEERS, INC.
2840 W. SOUTHLAKE BLVD., SUITE 110
SOUTHLAKE, TEXAS 76092
BRUCE DUNNE, 817-552-6210

BLOCK	LOT NO.	AREA (SF)
A	1	898.1
	2	840.0
	3	840.0
	4	1433.8
	5	977.9
	6	1043.4
	7X	452.9
	8X	154.2
B	1	1086.4
	2	611.5
	3	607.3
	4X	513.9
	5X	326.6

BLOCK	LOT NO.	AREA (SF)
C	1	889.7
	2	684.1
	3	680.0
	4	850.0
	5	680.0
	6	680.0
	7	850.0
	8	1826.9
	9	990.0
	10	990.0
	11	990.0
	12	990.0
	13	990.0
	14	990.0
	15	990.0
	16	1121.7
	17X	3063.2
	18X	247.5
	19X	143.7

BLOCK	LOT NO.	AREA (SF)
D	1	828.4
	2	672.0
	3	672.0
	4	966.0
	5	937.2
	6	880.0
	7	880.0
	8	880.0
	9	884.8
	10	966.0
	11	672.0
	12	672.0
	13	828.4
	14X	2934.6
	15X	150.6
	16X	123.2

BLOCK	LOT NO.	AREA (SF)
E	1	982.5
	2	1523.4
	3	940.0
	4	940.0
	5	940.0
	6	1175.0
	7	1175.0
	8	940.0
	9	987.0
	10	940.0
	11	1269.0
	12X	3211.8
	13X	470.0
	14X	279.0



January 2, 2018

City of Plano
Ross Altobelli, Planning Department
1520 K Avenue, Suite 250
Plano, Texas 75074

RE: ZC2017-029

Dear Mr. Altobelli:

You have inquired as to the capacities and enrollment projections for the schools impacted by ZC2017-028.

The following table provides both enrollment and capacity figures.

School	2017/18 Enrollment (Current)	2018/19 Enrollment (Projected)	2019/20 Enrollment (Projected)	2020/21 Enrollment (Projected)	2021/22 Enrollment (Projected)	Program Capacity	Functional Capacity
Mendenhall Elementary	594	580	576	570	576	746	634
Otto Middle	1,063	1,129	1,171	1,146	1,110	1,439	1,223
Williams High	1,110	1,233	1,254	1,325	1,371	2,204	1,873
Plano East Senior High	3,041	2,993	3,031	3,193	3,281	3,661	3,112

The enrollment figures are derived from our most recent demographer's report. The 2017/18 column represents actual enrollment as of the October 2017 snapshot date. All other enrollment figures are projected and are based on City zoning as it existed in the fall of 2017. The impact of any zoning changes since that time (including this requested rezoning) are not yet factored into the projections.

Program capacity figures are based on current building floor plans, and the application of the District's maximum class size to every standard classroom. 22 students max for Kindergarten and Grades 1 through 4, 26 max for Grade 5, and 28 max at the Secondary level.

Functional capacity figures recognize there will always be inherent/uncontrollable inefficiencies in classroom utilization. For instance, as mentioned above, the District limits class sizes in kindergarten through grade 4 to a maximum of 22 students. If a building has three first grade classrooms, it can accommodate up to 66 students (Program Capacity). However, if only 54 students are enrolled in first grade, each class will actually only serve 18 students. The additional capacity of 12 students (66-54) is not utilized as it is not available to other grades or other campuses. In recognition of this variable, the functional capacity is calculated at 85% of the program capacity.

Sincerely,

Randy McDowell
Assistant Superintendent for Business Services
Plano ISD

Zoning Case 2017-029

An Ordinance of the City of Plano, Texas, amending the Comprehensive Zoning Ordinance of the City, Ordinance No. 2015-5-2, as heretofore amended, so as to expand Planned Development-197-Downtown Business/Government on 2.6 acres of land out of the Joseph Klepper Survey, Abstract No. 213, located at the southwest corner of 15th Street and H Avenue, and rezone 0.1 acre of land out of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition from Planned Development-197-Downtown Business/Government to Downtown Business/Government in the City of Plano, Collin County, Texas, to incorporate additional land area and modify standards; directing a change accordingly in the official zoning map of the City; and providing a penalty clause, a repealer clause, a savings clause, a severability clause, a publication clause, and an effective date.

WHEREAS, the City Secretary of Plano, Texas, directed that notices of a hearing be issued, as required by the Zoning Ordinance of the City of Plano and laws of the State of Texas, at a meeting of the City Council, to be held on the 22nd day of January 2018, for the purpose of considering expanding Planned Development-197-Downtown Business/Government on 2.6 acres of land out of the Joseph Klepper Survey, Abstract No. 213, located at the southwest corner of 15th Street and H Avenue, and rezoning 0.1 acre of land out of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition from Planned Development-197-Downtown Business/Government to Downtown Business/Government in the City of Plano, Collin County, Texas, to incorporate additional land area and modify standards; and

WHEREAS, the City Secretary of the said City accordingly caused to be issued and published the notices required by its Zoning Ordinance and laws of the State of Texas applicable thereto, the same having been published in a paper of general circulation in the City of Plano, Texas, at least fifteen (15) days prior to the time set for such hearing; and

WHEREAS, the City Council of said City, pursuant to such notice, held its public hearing and heard all persons wishing to be heard both for and against the aforesaid change in the Zoning Ordinance, on the 22nd day of January 2018; and

WHEREAS, the City Council is of the opinion and finds that such amendment would not be detrimental to the public health, safety, or general welfare, and will promote the best and most orderly development of the properties affected thereby, and to be affected thereby, in the City of Plano, and as well, the owners and occupants thereof, and the City generally.

IT IS, THEREFORE, ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:

Section I. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to expand Planned Development-197-Downtown Business/Government on 2.6 acres of land out of the Joseph Klepper Survey, Abstract No. 213, located at the southwest corner of 15th Street and H Avenue, in the City of Plano, Collin County, Texas, to incorporate additional land area and modify standards, said property being described in the legal description on Exhibit A attached hereto.

Section II. The Comprehensive Zoning Ordinance No. 2015-5-2, as the same has been heretofore amended, is hereby further amended so as to rezone 0.1 acre of land out of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition, in the City of Plano, Collin County, Texas, from Planned

Development-197-Downtown Business/Government to Downtown Business/Government, said property being described in the legal description on Exhibit B attached hereto.

Section III. The change in Section I is granted subject to the following:

Restrictions:

Single-family residence attached uses must be developed in accordance with the Downtown Business/Government (BG) zoning district requirements except as noted below:

1. Maximum Height: 4 stories, 60 feet. For units fronting 15th St., fourth floor occupied areas must be designed to be screened from view at a point of 5.5 feet above the property lines located on the north side of 15th St.
2. Minimum Lot Width: A maximum of 25% of the lots may be developed with a minimum lot width of 16 feet.
3. A maximum of 60% of units may abut a mews street as the only point of street frontage and access.
4. Parking:
 - a. A minimum of 2 garage parking spaces must be provided for each dwelling unit. 16-foot wide units may utilize tandem garage arrangements.
 - b. A minimum of 6 internal off-street guest parking spaces must be provided. A minimum of 8 on-street public parking spaces must be provided. The number of on-street parking spaces may only be reduced if required by the City of Plano.
5. Minimum Lot Depth:
 - a. A maximum of 2 residential lots may have a minimum lot depth of 20 feet with a corresponding minimum lot width of 40 feet.
 - b. A maximum of 1 residential lot may have a minimum lot depth of 30 feet with a corresponding minimum lot width of 30 feet.
6. Minimum Building Separation: 6 feet wall to wall; 5 feet eave to eave.
7. Fencing is prohibited in the front yard setback between the property line and the face of buildings fronting 15th St., G Ave., and H Ave.
8. A compactor access easement must be provided to facilitate refuse and recycling service for the 15th Street Village No. 2 development.

Section IV. It is directed that the official zoning map of the City of Plano (which is retained in electronic record format) be changed to reflect the zoning classification established by this Ordinance.

Section V. All provisions of the ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section VI. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions of any ordinance at the time of passage of this Ordinance.

Section VII. Any violation of the provisions or terms of this ordinance by any person, firm, or corporation shall be a misdemeanor offense and shall be subject to a fine in accordance with Section 1-4(a) of the City Code of Ordinances for each offense. Every day a violation continues shall constitute a separate offense.

Section VIII. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or partial invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section IX. This Ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED AND APPROVED THIS THE 22ND DAY OF JANUARY 2018.

Harry LaRosiliere, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY

Zoning Case 2017-029

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Joseph Klepper Survey, Abstract No. 213, being comprised of the following four tracts of land as described and recorded in a Special Warranty Deed filed under County Clerk No. 20170518000639970 of the Collin County Land Records: All of Tract I: Lot 3R, Block A, Replat of Block A, Lot 3R of 15th Street Village No. 2, an addition to the City of Plano, according to the map or plat thereof, recorded in Volume 2008, Page 666, Map Records, Collin County, Texas; all of Tract II: a 0.239 acre tract; all of Tract III: a 0.650 acre tract; and all of Tract IV: a 0.376 acre tract out of Lot 2, Block A, Final Replat of 15th Street Village No. 2, Block A, Lots 1, 2, 3, an addition to the City of Plano, according to the map or plat thereof recorded in Volume R, Page 136 Document No. 2005-0160018, Map Records, Collin County, Texas, being part of Lot 1, Block 1, Plano Justice Center, according to the map or plat thereof, recorded in Volume O, Page 516 Document No. 2003-0077341, Map Records, Collin County, Texas, with said premises being more particularly described as follows:

BEGINNING at a ½" iron rod found in the east right-of-way line of G Avenue, said iron marking the southwest corner of the aforementioned Tract IV, and the northwest corner of Lot 1, Block A, Live Oak Place as recorded in Vole G, Page 395 of the Collin County Map Records;

THENCE with the prolongation of the south line of Tract IV, South 89°32'42" West, 33.13 feet to the centerline of G Avenue (a variable width right-of-way);

THENCE with the centerline of G Avenue, North 00°08'19" West, 106.28 feet to a point for corner;

THENCE North 89°51'41" East, passing at 33.13 feet a P.K. Nail found marking the northwest corner of Tract IV and the southwest corner of Lot 1, Block A of the Final Plat of 15th Street Village No. 2 as recorded in Volume R, Page 136 of the Collin County Map Records, and continuing with the north line of Tract IV, and the south line of said Lot 1, a total distance of 208.41 feet to an "X" found cut in concrete marking the northeast corner of Tract IV, the southeast corner of Lot 1, the northwest corner of the aforementioned Tract II, and being in a west line of the aforementioned Tract I;

THENCE with a common line between Lot 1 and Tract 1, North 00°08'11" West, 105.85 feet to a Roome capped iron rod found marking the most easterly northeast corner of Lot 1, and an ell corner of Tract I;

THENCE with a north line of Lot 1, and a south line of Tract I, South 89°42'47" West, 22.01 feet to a point marking a southwest corner of Tract I, and the southeast corner of Hamilton's Property as recorded in Volume 4760, Page 2482 of the Collin County Land Records;

THENCE with the common line between Tract I and Hamilton's east line, North 00°06'57" East, passing at 101.74 feet an "X" found cut in concrete in the south right-of-way line of 15th Street (variable width right-of-way) marking the northwest corner of Tract I, and the northeast corner of Hamilton's Property, and continuing with the prolongation of said line a total distance of 134.74 feet to a point for corner in the centerline of 15th Street;

THENCE with the centerline of 15th Street, North 89°47'28" East, 290.00 feet to a point marking its intersection with the centerline of H Avenue (a variable width right-of-way);

THENCE with the centerline of H Avenue as follows: South 00°04'18" West, 226.20 feet to a point marking the beginning of a curve to the right; southwesterly along said curve having a radius of 292.72 feet, for an arc length of 57.38 feet (chord = South 05°41'15" West, 57.29 feet) to a point of reverse curve; southwesterly along said curve to the left having a radius of 541.30 feet, with an arc distance of 44.46 feet (chord = South 08°57'01" West, 44.45 feet) to a point marking the southeast corner of the herein described premises;

THENCE South 89°36'27" West, passing at 29.57 feet a Roome capped iron rod set marking the southeast corner of the aforementioned Tract III, and being in the north line of Lot 1, Block 1 of Plano Justice Center as recorded in Volume O, Page 516 of the Collin County Map Records, and continuing with the south line of Tract III, and the north line of said Lot 1, a total distance of 142.54 feet to a Roome capped iron rod found marking the southwest corner of Tract III and the southeast corner of the aforementioned Tract II;

THENCE with the south line of Tract II and the north line of said Lot 1, Block 1 of Plano Justice Center, South 89°36'34" West, 134.47 feet to a Roome capped iron rod found marking the southwest corner of Tract II, the northwest corner of Lot 1, and being in the east line of the aforementioned Tract IV;

THENCE with the east line of Tract IV, and a west line of Lot 1, South 00°12'08" East, 17.84 feet to a Roome capped iron rod found marking the southeast corner of Tract IV, and the northeast corner of the aforementioned Lot 1, Block 1 of Live Oak Addition;

THENCE WITH THE SOUTH LINE OF Tract IV, and the north line of Lot 1, Block 1 of Live Oak Addition, South 89°32'42" West, 153.22 feet to the place of BEGINNING AND CONTAINING 111,796 square feet or 2.566 acres of land.

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SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Joseph Klepper Survey, Abstract No. 213, being part of Lot 2, Block A of the replat of 15th Street Village No. 2 addition of the City of Plano as recorded in Volume R, Page 136 Document No. 19000101001037890 of the Collin County Land Records, with said premises being more particularly described as follows:

BEGINNING at a point in the East line of said lot 2, which lies North 0° 41' 12" West a distance of 17.59 feet from the southeast corner of lot 2.

THENCE with the east line of lot 2, South 0° 41' 12" East a distance of 16.16 feet to a point for corner.

THENCE South 85° 22' 08" West a distance of 22.48 feet to a point for corner.

THENCE South 87° 31' 20" West a distance of 0.72 feet to a point for corner in the south line of said lot 2 and at the northeast corner of lot 1 block A of the LIVE OAK PLACE addition to the City of Plano recorded in Volume G Page 395 Document No 19000101000947350 of the Collin County Land Records.

THENCE North 0° 12' 08" West a distance of 17.84 feet to a point for corner.

THENCE North 89° 34' 46" East a distance of 23.00 feet to the place of BEGINNING AND CONTAINING 0.009 acres of land.

Property Description

SITUATED in the State of Texas, County of Collin and City of Plano, being part of the Joseph Klepper Survey, Abstract No. 213, being comprised of the following four tracts of land as described and recorded in a Special Warranty Deed filed under County Clerk No. 20170518000639970 of the Collin County Land Records: All of Tract I: Lot 3R, Block A, Replat of Block A, Lot 3R of 15th Street Village No. 2, an addition to the City of Plano, according to the map or plat thereof, recorded in Volume 2008, Page 666, Map Records, Collin County, Texas; all of Tract II: a 0.239 acre tract; all of Tract III: a 0.650 acre tract; and all of Tract IV: a 0.376 acre tract out of Lot 2, Block A, Final Replat of 15th Street Village No. 2, Block A, Lots 1, 2, 3, an addition to the City of Plano, according to the map or plat thereof recorded in Volume R, Page 136 Document No. 2005-0160018, Map Records, Collin County, Texas, being part of Lot 1, Block 1, Plano Justice Center, according to the map or plat thereof, recorded in Volume O, Page 516 Document No. 2003-0077341, Map Records, Collin County, Texas, with said premises being more particularly described as follows:

BEGINNING at a 1/8" iron rod found in the east right-of-way line of G Avenue, said iron marking the southwest corner of the aforementioned Tract IV, and the northwest corner of Lot 1, Block A, Live Oak Place as recorded in Vole G, Page 395 of the Collin County Map Records;

THENCE with the prolongation of the south line of Tract IV, South 89°32'42" West, 33.13 feet to the centerline of G Avenue (a variable width right-of-way);

THENCE with the centerline of G Avenue, North 00°08'19" West, 106.28 feet to a point for corner;

THENCE North 89°51'41" East, passing at 33.13 feet a P.K. Nail found marking the northwest corner of Tract IV and the southwest corner of Lot 1, Block A of the Final Plat of 15th Street Village No. 2 as recorded in Volume R, Page 136 of the Collin County Map Records, and continuing with the north line of Tract IV, and the south line of said Lot 1, a total distance of 208.41 feet to an "X" found cut in concrete marking the northeast corner of Tract IV, the southeast corner of Lot 1, the northwest corner of the aforementioned Tract II, and being in a west line of the aforementioned Tract I;

THENCE with a common line between Lot 1 and Tract 1, North 00°08'11" West, 105.85 feet to a Roome capped iron rod found marking the most easterly northeast corner of Lot 1, and an ell corner of Tract I;

THENCE with a north line of Lot 1, and a south line of Tract I, South 89°42'47" West, 22.01 feet to a point marking a southwest corner of Tract I, and the southeast corner of Hamilton's Property as recorded in Volume 4760, Page 2482 of the Collin County Land Records;

THENCE with the common line between Tract I and Hamilton's east line, North 00°06'57" East, passing at 101.74 feet an "X" found cut in concrete in the south right-of-way line of 15th Street (variable width right-of-way) marking the northwest corner of Tract I, and the northeast corner of Hamilton's Property, and continuing with the prolongation of said line a total distance of 134.74 feet to a point for corner in the centerline of 15th Street;

THENCE with the centerline of 15th Street, North 89°47'28" East, 290.00 feet to a point marking its intersection with the centerline of H Avenue (a variable width right-of-way);

THENCE with the centerline of H Avenue as follows: South 00°04'18" West, 226.20 feet to a point marking the beginning of a curve to the right; southwesterly along said curve having a radius of 292.72 feet, for an arc length of 57.38 feet (chord = South 05°41'15" West, 57.29 feet) to a point of reverse curve; southwesterly along said curve to the left having a radius pf 541.30 feet, with an arc distance of 44.46 feet (chord = South 08°57'01" West, 44.45 feet) to a point marking the southeast corner of the herein described premises;

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THENCE with the east line of Tract IV, and a west line of Lot 1, South 00°12'08" East, 17.84 feet to a Roome capped iron rod found marking the southeast corner of Tract IV, and the northeast corner of the aforementioned Lot 1, Block 1 of Live Oak Addition;

THENCE WITH THE SOUTH LINE OF Tract IV, and the north line of Lot 1, Block 1 of Live Oak Addition, South 89°32'42" West, 153.22 feet to the place of beginning and containing 111,796 square feet or 2.566 acres of land.

Zoning Request: PD-179-BG
Zoning Exhibit

ZONING CASE # ZC-2017-029
2.566 Gross Acres
Joseph Klepper Survey, Abstract No. 213
City of Plano, Collin County, Texas
October 02, 2017

Owner

Attn: Josh Bosler
Texas Intownhomes, LLC
1919 McKinney Ave.
Dallas, TX 75201
(P) (469) 805-7383

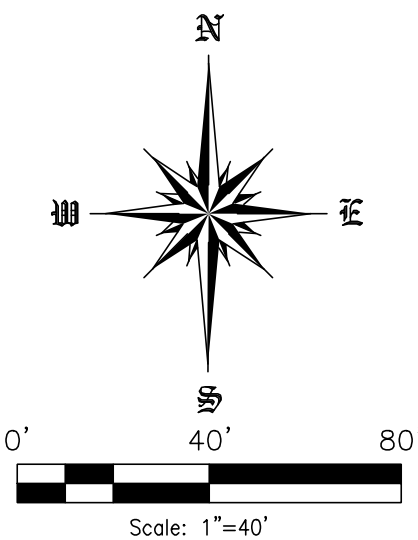
Surveyor

Roome Land Surveying
2000 Ave G, Suite 810
Plano, Texas 75074
Ph. (972) 423-4372
Fax (972) 423-7523
Attn: Fred Bemenderfer

P/AC/201703/AC838741.dwg



NOTE: Approval of the zoning case associated with the exhibit shall not imply approval of any associated study, plat, or plan, approval of development standards shown hereon, or the initiation of the development process. Planning & Zoning Commission and/or City Council action on studies plats or plans relation to development of the property shall be considered as an action separate from action taken on this zoning case.



CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	57.38	292.72	111°13'53"	S05°41'15"W	57.29
C2	44.46	541.30	4°42'21"	S08°57'01"W	44.45

