



A G E N D A
REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, MAY 24, 2022 at 6:00 P.M.

EARLY WORK SESSION
City Council Chambers – 6:00 P.M.

Convene Meeting in Open Session

1. **Discuss Selection of Mayor Pro Tem and Deputy Mayor Pro Tem**
2. **Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for May 24, 2022**

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session.)

CLOSED SESSION
City Manager's Conference Room

3. **Hold a Closed Meeting in accordance with the following Sections of the Texas Government Code:**
 - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
 - (b) **Section 551.074 – Personnel – Deliberate the Employment and Evaluation of the Highland Village Municipal Court Judge**

OPEN SESSION
City Council Chambers – 7:00 P.M.

4. **Call Meeting to Order**
5. **Prayer led by Councilmember Jon Kixmiller**
6. **Pledge of Allegiance to the U.S. and Texas flags led by Councilmember Jon Kixmiller: *"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."***
7. **Administration of Ceremonial Oaths of Office for Newly Elected City Council Members**
8. **Selection of a Mayor Pro Tem and Deputy Mayor Pro Tem**

9. **Visitor Comments** *(Anyone wishing to address the City Council must complete a Speakers' Request Form and return it to the City Secretary. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action on items not posted on the agenda. Action on your statement can only be taken at a future meeting. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)*
10. **Mayor and Council Reports on Items of Community Interest** pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety
11. **City Manager/Staff Reports**
 - **The Village Report**

Anyone wishing to address the City Council on any item posted on the City Council agenda for possible action, including matters placed on the Consent Agenda or posted as a Public Hearing, must complete a Speakers' Request Form available at the entrance to the City Council Chambers and present it to the City Secretary prior to the Open Session being called to order. Speakers may be limited to three (3) minutes and given only one opportunity to speak on an item. Other procedures regarding speaking on matters posted for action on the City Council agenda are set forth on the Speakers' Request Form. Subject to applicable law, the City Council reserves the right to modify or waive at any time the procedures relating to members of the public speaking on matters placed the Council's agenda.

CONSENT AGENDA

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

12. **Consider approval of Minutes of the Regular City Council Meeting held on May 10, 2022 and the Special City Council Meeting held on May 17, 2022**

ACTION AGENDA

13. **Take action, if any, on Matters discussed in Closed Session in accordance with the following Sections of the Texas Government Code:**
 - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed**
 - (b) **Section 551.074 – Personnel – Deliberate the Employment and Evaluation of the Highland Village Municipal Court Judge**
14. **Consider Resolution 2022-3000 authorizing Execution of a Lease with the Point Compass Limited Liability Company relating to the Lease of a Portion of the Building at 2810 FM 407 for the City Animal Shelter**
15. **Consider Resolution 2022-3001 authorizing an Application to Texas Parks and Wildlife Department Local Park Grant Program for the Pilot Knoll Park Redevelopment Project - Phase I**

LATE WORK SESSION

(Items may be discussed during Early Work Session, time permitting)

16. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)
17. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 20TH DAY OF MAY 2022 NOT LATER THAN 5:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the _____ day of _____, 2022 at _____

am / pm by _____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 1	MEETING DATE: May 24, 2022
SUBJECT:	Discuss Selection of Mayor Pro Tem and Deputy Mayor Pro Tem
PREPARED BY:	Angela Miller, City Secretary

COMMENTS:

In accordance with Chapter 3.12 and Chapter 3.12.1 of the City Charter, the Council shall select one of its members to serve as Mayor Pro Tem and one of its members to serve as Deputy Mayor Pro Tem. The Mayor Pro Tem performs all the duties of the Mayor in the absence or disability of the Mayor; the Deputy Mayor Pro Tem performs all the duties of the Mayor in the absence or disability of the Mayor and the Mayor Pro Tem.

Currently, Councilmember Mike Lombardo serves as Mayor Pro Tem and recently serving Councilmember Barbara Fleming served as Deputy Mayor Pro Tem. This item is on the agenda for Council to discuss selection of a Mayor Pro Tem and Deputy Mayor Pro Tem.

An item is also included on the action agenda for Council to formally select a Mayor Pro Tem and a Deputy Mayor Pro Tem.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 8

MEETING DATE: May 24, 2022

SUBJECT: Selection of Mayor Pro Tem and Deputy Mayor Pro Tem

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

In accordance with Chapter 3.12 and Chapter 3.12.1 of the City Charter, the Council shall select one of its members to serve as Mayor Pro Tem and one of its members to serve as Deputy Mayor Pro Tem.

IDENTIFIED NEED/S:

To discuss and select Council members to serve as Mayor Pro Tem and Deputy Mayor Pro Tem. Currently, Councilmember Mike Lombardo is serving as Mayor Pro Tem; recently serving Councilmember Barbara Fleming served as Deputy Mayor Pro Tem.

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

This item has been placed on the agenda for Council to select a Mayor Pro Tem and Deputy Mayor Pro Tem.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To select a Mayor Pro Tem and a Deputy Mayor Pro Tem.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10

MEETING DATE: May 24, 2022

SUBJECT: Mayor and Council Reports on Items of Community Interest

PREPARED BY: Karen McCoy, Executive Assistant

COMMENTS

Pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: May 24, 2022

SUBJECT: Consider Approval of Minutes of the Regular City Council Meeting held on May 10, 2022 and the Special City Council Meeting held on May 17, 2022

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Minutes are approved by a majority vote of Council at the Council meetings and listed on the Consent Agenda.

IDENTIFIED NEED/S:

Council is encouraged to call the City Secretary's Office prior to the meeting with suggested changes. Upon doing so, staff will make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote.

OPTIONS & RESULTS:

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

PROGRESS TO DATE: (if appropriate)

The City Manager has reviewed the minutes and given approval to include the minutes in this packet.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve the minutes of the Regular City Council Meeting held on May 10, 2022 and the Special City Council Meeting held on May 17, 2022.



**MINUTES OF THE REGULAR MEETING
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD
TUESDAY, MAY 10, 2022**

EARLY WORK SESSION

Mayor Charlotte J. Wilcox called the meeting to order at 6:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Tom Heslep	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Paul Stevens	City Manager
	Ken Heerman	Assistant City Manager
	Kevin Laughlin	City Attorney
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Mike Thomson	Fire Chief
	Scott Kriston	Public Works Director
	Jana Onstead	Human Resources Director
	Sunny Lindsey	Information Services Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist

1. Receive Presentation of Salary Survey Results by University of Texas Arlington Graduate Students

Human Resources Director Jana Onstead reported graduate students from the University of Texas Arlington conducted a salary survey for the City. Their goal was to survey eighty-nine (89) positions against ten (10) market cities and the private sector, determine market placement for each position and establish recommendations for cost of living salary adjustments for reference in preparing the FY 2022-2023 budget, commensurate with inflation. The students were also tasked with surveying market cities for anticipated increase and pay schedule adjustments, while also illustrating the impact of all pay adjustments to the City's overall budget.

The team reported of the 89 positions surveyed:

- 38 (42.6%) fell below mid-market
- 33 (37.1%) fell below the 35th percentile
- 5 (5.6%) fell between the 35th and 42nd percentile

They reported all but two (2) positions were in line with the private sector comparison. The team also reported that public safety positions continue to be highly competitive across all positions; Crew Leaders in the Parks, Streets and Drainage Departments fell below mid-market; and many part-time positions were found to not meet mid-market.

Team recommendations included:

- Cost of living adjustment (COLA) of 3% to all employees and positions
- Additional pay increase for positions in the 35th to 42nd percentile
- Additional pay increase for positions below the 35th percentile
- Shifting select positions on the City's pay schedule to meet the City's goal of mid-market pay

The budget impact reflected a total increased salary cost of \$450,633, and total projected payroll cost for Fiscal Year 2022-2023 would be \$11,321,539.

2. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for May 10, 2022

Relating to Agenda Item #15, Mayor Wilcox asked if there was consensus to nominate Jim Carter for another term on the Denco Area Board of Managers. Councilmembers concurred, and with that, she suggested moving the Agenda Item to the Consent Agenda.

Mayor Wilcox announced Council would meet in Closed Session and read Agenda Item #3(a).

CLOSED SESSION

Council convened into Closed Session at 6:25 p.m.

3. Hold a Closed Meeting in accordance with the following Sections of the Texas Government Code:

- (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

Council concluded Closed Session at 6:50 p.m. and Mayor Wilcox adjourned the Early Work Session at that time.

OPEN SESSION

4. Call Meeting to Order

Mayor Charlotte J. Wilcox called the meeting to order at 7:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Tom Heslep	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Paul Stevens	City Manager
	Ken Heerman	Assistant City Manager
	Kevin Laughlin	City Attorney
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Mark Stewart	Assistant Police Chief
	Karl Schlichter	Police Commander
	Mike Thomson	Fire Chief
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist

5. Prayer led by Councilmember Dan Jaworski

Councilmember Dan Jaworski gave the invocation.

6. Pledge of Allegiance to the U.S. and Texas flags led by Councilmember Dan Jaworski

Councilmember Dan Jaworski led the Pledge of Allegiance to the U.S. and Texas flags.

7. Visitor Comments

No one wished to speak.

8. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

- **Presentation of a Proclamation designating National Police Week in Highland Village**

Mayor Wilcox presented a proclamation to Chief Reim and members of the Highland Village Police Department.

Chief Reim presented Mayor Wilcox with a plaque in appreciation of her support to the Police Department while serving on the City Council.

- **Presentation to Outgoing Mayor Charlotte J. Wilcox for her Service to Highland Village**

City Manager Paul Stevens presented Mayor Wilcox with a plaque in honor of her time and dedication to serving Highland Village.

9. City Manager/Staff Reports

City Manager Stevens reported Fire Chief Mike Thomson accepted a position as Fire Chief for the City of Carrollton.

- **The Village Report**

The Village Report featured an overview of the Highland Village Fire Department training, new businesses in Highland Village, information about the upcoming Movie in the Park event, and Celebrate Highland Village that will be held on June 11.

CONSENT AGENDA **APPROVED (7 – 0)**

Mayor Pro Tem Lombardo requested Agenda Item #15 be moved up to the Consent Agenda. Mayor Wilcox announced the item would be moved and that Jim Carter would be nominated as a candidate to the slate of nominees for the Board of Managers of the Denco Area 911 District.

- 10. Consider approval of Minutes of the Regular City Council Meeting held on April 26, 2022**
- 11. Receive Investment Report for Quarter ending March 31, 2022**
- 12. Receive Budget Reports for Period ending March 31, 2022**
- 15. Consider Resolution 2022-2998 nominating a Candidate to a Slate of Nominees for the Board of Managers of the Denco Area 911 District**

Motion by Deputy Mayor Pro Tem Fleming, seconded by Councilmember Fiester, to approve Consent Agenda Items #10 through #12, and Agenda Item #15. Motion carried 7-0.

ACTION AGENDA

- 13. Take action, if any, on Matters discussed in Closed Session in accordance with the following Sections of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

No action was taken on this item.

- 14. Consider Resolution 2022-2997 amending the City's Master Fee Schedule by adopting Fees authorized by Chapter 4 "Animal Control" of the City's Code of Ordinances**

APPROVED (7 – 0)

Chief Reim reported Council had reviewed animal service fees at their April 12 and April 26 meetings. Based on their input, he provided the proposed fees, along with a comparison from other area cities.

Motion by Councilmember Kixmiller, seconded by Deputy Mayor Pro Tem Fleming, to approve Resolution 2022-2997. Motion carried 7-0.

15. **Consider Resolution 2022-2998 nominating a Candidate to a Slate of Nominees for the Board of Managers of the Denco Area 911 District**

This item was moved to the Consent Agenda.

LATE WORK SESSION

16. **Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)**

No items were discussed.

17. **Adjournment**

Mayor Wilcox adjourned the meeting at 7:25 p.m.

Daniel Jaworski, Mayor

ATTEST:

Angela Miller, City Secretary



**MINUTES OF THE SPECIAL MEETING
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD
TUESDAY, MAY 17, 2022**

Convene Meeting in Open Session

1. Call Meeting to Order

Mayor Charlotte J. Wilcox called the meeting to order at 8:35 a.m.

Roll Call

Present:	Charlotte Wilcox	Mayor
	Mike Lombardo	Mayor Pro Tem
	Jon Kixmiller	Councilmember
	Tom Heslep	Councilmember
	Dan Jaworski	Councilmember
Absent:	Barbara Fleming	Deputy Mayor Pro Tem
	Robert Fiester	Councilmember
Staff Members:	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Ingrid Rex	Deputy City Secy/Records Coordinator
	Karen McCoy	Executive Assistant
	Laurie Mullens	Marketing and Communications Director
	Andrew Boyd	Senior A/V Technician

2. Approve Resolution 2022-2999 Canvassing and Declaring the Results of the May 7, 2022 General Election of the City of Highland Village for the Purpose of Electing Council Members for Places 1 (Mayor), 2, 4 and 6

APPROVED (5 – 0)

Mayor Wilcox stated that on May 7, 2022 the City of Highland Village held a General Election for City Council, Places 1 (Mayor), 2, 4 and 6. The results of the election are as follows:

Council, Place 1 (Mayor)	Total Number of Absentee Votes Received	Total Number of Early Votes Received	Total Number of Election Day Votes Received	Total Number of Votes Received	Percentage of Votes Received
Daniel H. Jaworski	58	764	383	1,205	63.59%
Barbara Fleming	53	426	211	690	36.41%
Council, Place 2	Total Number of Absentee Votes Received	Total Number of Early Votes Received	Total Number of Election Day Votes Received	Total Number of Votes Received	Percentage of Votes Received
Jon Kixmiller	83	877	393	1,353	100%
Council, Place 4	Total Number of Absentee Votes Received	Total Number of Early Votes Received	Total Number of Election Day Votes Received	Total Number of Votes Received	Percentage of Votes Received
Kevin Cox	27	266	124	417	23.79%
Shawn Nelson	48	679	314	1,041	59.38%
Ray David	25	176	94	295	16.83%
Council, Place 6	Total Number of Absentee Votes Received	Total Number of Early Votes Received	Total Number of Election Day Votes Received	Total Number of Votes Received	Percentage of Votes Received
Robert A. Fiester	82	873	394	1,349	100%

Motion by Mayor Wilcox, seconded by Councilmember Heslep, to approve Resolution 2022-2999 canvassing and declaring the returns and declaring the results of the May 7, 2022 General Election. Motion carried 5-0.

Mayor Wilcox reported, per Resolution 2022-2992 issued on March 22, 2022, having received certification from the City Secretary that Brian Fiorenza was unopposed in the May 7, 2022 Special Election, he was hereby declared elected to Place 7 to fill an unexpired term.

3. Adjournment

Mayor Wilcox adjourned the meeting at 8:40 a.m.

Daniel Jaworski, Mayor

ATTEST:

Angela Miller, City Secretary

DRAFT

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14

MEETING DATE: May 24, 2022

SUBJECT: Consider Resolution 2022-3000 authorizing Execution of a Lease with the Point Compass Limited Liability Company relating to the Lease of a Portion of the Building at 2810 FM 407 for the City Animal Shelter

PREPARED BY: Doug Reim, Chief of Police

BACKGROUND:

The term of the current 20-year lease for the Animal Shelter expires on May 31, 2022. In 2020, City staff made a presentation to the City Council regarding the various options available to the City with respect to the future of the Animal Shelter at the end of the current lease. Among the options considered were remaining in the current space, outsourcing animal control services, building a new shelter, or remaining in the current space but expanding. Based on the discussion, the direction provided was to seek to execute a new lease to remain in the current space without an expansion of the space.

City Administration has negotiated a new 172 month lease with the owner of the building for a lease term starting June 1, 2022, and ending on September 30, 2036, with options to extend the lease term for two (2) successive additional periods of five (5) years each.

The monthly rent under the current lease is presently \$1,672. The City is also paying a flat fee established under the current lease for certain veterinary services that is presently \$1,230 per month. The proposed starting rent under the new lease is \$1,666.16/month (\$26.00 per square foot) (\$19,993.92 per year), which will be adjusted annually to reflect increases in the Consumer Price Index for "all Urban Consumers, Dallas-Fort Worth-Arlington, All Items," but not more than TWO PERCENT (2%) of the previous year's Base Rent. Additionally, the new lease will include the "Tenant's pro rata share" at an initial rate of 11.49% and which is calculated using the square footage use by tenant. Pro rata share includes costs associated with the Landlord's reasonably incurred expenses to maintain, repair, operate, manage, secure the property, insurance, taxes on the property, and structural costs. It is a projected cost which is adjusted annually and either refunded or increased based on the percentage rate and actual costs. The first year's projected monthly cost to the City of Highland Village is \$446.62 per month (\$5,719.82 for current year).

As in the previous lease, the new lease contains a provision required by state law that allows the City to terminate the lease at the end of any fiscal year if the City Council fails to appropriate funds to pay the rent and other expenses under the lease for the following fiscal year. Unlike the previous lease, the new lease contains a requirement for the City to pay an early termination fee of \$35,000 if the City terminates the lease early pursuant to the non-appropriations clause. However, the early termination fee is reduced by \$203.49 per month for each month the lease remains in effect. No early termination fee will be required to be paid

if the termination occurs under the non-appropriations clause during either of the two 5-year extensions of the lease term.

This new lease includes no cost associated for “animal services”.

IDENTIFIED NEED/S:

The City of Highland Village has a need to continue its Animal Control program which provides valuable services to its residents. Having an Animal Shelter allows the City of Highland Village to maintain these well established and needed services of housing strays, forfeited, quarantined, or other identified animals in need of shelter before returning them to the appropriate owners or new ones.

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

The City of Highland Village explored various options over the past three years. Those options included contracting animal services through other cities or independent contractors and building our own facility. Not only is this recommended proposal economically prudent, but the relationship with Animal Medical Center Highland Village for almost 20 years has proven reliable, sustainable, and convenient for the City and its residents. A copy of the proposed lease, which has been reviewed by the City Attorney, is included in the agenda packet.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

See table.

Expense	Current		Proposed	
	Monthly	Annual	Monthly	Annual
Shelter Lease	\$1,672.00	\$20,064.00	\$1,666.16	\$19,993.92
Animal Services	\$1,230.00	\$14,760.00	N/A	N/A
Pro Rata Share	N/A	N/A	\$446.62	\$5,359.44
Total	\$2,902.00	\$34,824.00	\$2,112.78	\$25,353.36

Animal Services solution(s) have not yet been fully decided.

RECOMMENDATION:

To approve Resolution 2022-3000 authorizing execution of a lease with Point Compass LLC relating to the lease of a portion of the building located at 2810 FM 407 for the City Animal Shelter.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2022-3000

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING EXECUTION OF A LEASE WITH THE POINT COMPASS LIMITED LIABILITY COMPANY RELATING TO THE LEASE OF A PORTION OF THE BUILDING AT 2810 FM 407 FOR THE CITY ANIMAL SHELTER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City has leased a769 square foot space in the building located at 2810 FM 407 since June 2002 for use as the City's Animal Shelter, the term of which lease end on May 31, 2022; and

WHEREAS, City Administration has negotiated a new 15-year lease with the owner of the building which would allow the City to continue operating the Animal Shelter at the same location; and

WHEREAS, the City Council of the City of Highland Village finds it to be in the public interest to authorize the City Manager to sign such lease agreement.

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

SECTION 1. The City Manager is authorized to sign on behalf of the City that certain Lease with Point Compass Limited Liability Company for space within the building at 2810 FM 407 substantially in the form attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 2. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED THIS THE 24TH DAY OF MAY 2022.

APPROVED:

Daniel Jaworski, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:5/19/2022:129354)

Resolution No. 2022-3000
Exhibit "A"

Lease

Basic Information

Date: June 1, 2022

Landlord: POINT COMPASS LIMITED LIABILITY COMPANY, a Texas limited liability company

Landlord's Address: 2810 FM 407
Highland Village, Texas 75077

Tenant: CITY OF HIGHLAND VILLAGE, a Texas home rule municipality

Tenant's Address: 1000 Highland Village Road
Highland Village, Texas 75077

Premises:

Approximate square feet:	769 square feet
Street address/suite:	2801 FM 407
City, state, zip:	Highland Village, Texas 75077

Property description: Being approximately 769 square feet of space in the building located at 2801 FM 407, Highland Village, Texas 75077 (the "Building"), such space being shown in Exhibit A, and the legal description of the tract on which the building is located, ("Site"), is shown on Exhibit B, ("Site Legal Description").

Term (months): ONE HUNDRED SEVENTY TWO (172) MONTHS commencing on the Commencement Date and ending on the Termination Date (said period being the "Original Term"), unless terminated earlier or extended as provided herein. As used herein, the phrase "Term" shall be inclusive of the period encompassing the Original Term and the Extension Term(s).

Extension Option: If this Lease has not been terminated pursuant to any provisions hereof and no uncured Events of Default for which Tenant has received notice exist hereunder at the time of exercise of the option, then Tenant may, at Tenant's option, extend the Term of this Lease (the "Extension Option") for two (2) successive additional periods of five (5) years each (each an "Extension Term," collectively the "Extension Terms") commencing on the expiration of the Original Term, or the immediately preceding Extension Term, as the case may be. Tenant may exercise such option by giving Landlord written notice (an "Extension Notice") not less than six (6) months prior to the expiration of the Original Term or the immediately preceding Extension Term, as the case may be. Upon Tenant's delivery of the Extension Notice to Landlord, the Term of this Lease shall be deemed to be automatically extended upon all the covenants, agreements, terms, provisions and conditions set forth in this Lease.

Termination for Non-Appropriations: Notwithstanding anything herein to the contrary, Tenant shall have the right to terminate this Lease by providing notice to Landlord not later than August 1 of any calendar year the Tenant does not intend to appropriate funds to pay Rent pursuant to this Lease for Tenant's immediately subsequent fiscal year commencing on the October 1st immediately following delivery of such notice (a "Non-Appropriation Notice"). Termination of this Lease pursuant to a Non-Appropriation Notice shall be effective on said October 1st. Neither party shall have any further obligation to the other party upon Tenant's termination of this Lease following a Non-Appropriation Notice; provided, however, Tenant shall not be relieved from any liability for Rent or other amounts due and payable for any periods prior to the

Resolution No. 2022-3000
Exhibit "A"

termination of the Lease and Tenant shall pay to Landlord, concurrently upon delivery of a "Non-Appropriation Notice", an early termination fee (the "Early Termination Fee") in an amount equal to \$203.49 multiplied by the number of months remaining in the Original Term as of the date of termination pursuant to this paragraph. Notwithstanding delivery of a Non-Appropriation Notice, Tenant shall have the right to withdraw said notice and to receive a full refund of the Early Termination Fee if the final annual budget adopted by Tenant's city council appropriates funds for Tenant's fiscal year that includes funds to pay Rent and Tenant's other financial obligations pursuant to this Lease, in which case this Lease shall continue in accordance with the terms set forth herein. Notwithstanding the foregoing, no Early Termination Fee shall be required to be paid by Tenant for terminating this Lease following a Non-Appropriation Notice given during an Extension Term.

Commencement Date: June 1, 2022

Termination Date: September 30, 2036

Base Rent (monthly): \$1,666.16 (\$26.00 per square foot)

Additional Rent (monthly): as described in the Addendum for Expense Reimbursement attached hereto as Exhibit "C".

Tenant's Pro Rata Share: 11.49 % (769 ft² / 6,693ft²)

Security Deposit: NONE

Permitted Use: Tenant shall use the Premises only for the Tenant's public animal shelter operations, related office space, and uses normally incident to those purposes. Tenant shall have access to the Premises at all times, including after the regular business hours of Landlord, and shall be supplied with keys and security access codes to doors on outside walls of the building, but not including doors that access the remainder of building.

Insurance: As required by the Insurance Addendum attached hereto as Exhibit "D".

Tenant's Rebuilding Obligations: If the Premises are damaged by fire or other elements, Tenant will be responsible for repairing or rebuilding the following leasehold improvements: All partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements originally installed in the Premises by Tenant. The parties acknowledge and agree that, pursuant to that certain Lease between the parties hereto dated and effective June 1, 2002, providing for Tenant's lease of the Premises, Landlord constructed and paid for all of Tenant's leasehold finish-out.

A. Definitions

A.1. "Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

A.2. "Emergency Repair" means a repair necessary to fix a condition in the building on the Property which poses an eminent risk of causing damage to real and/or personal property and/or injury or death to people or animals if not conducted immediately or as soon as reasonably possible after the discovery of the condition.

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A.3. "Essential Services" means utility connections reasonably necessary for occupancy of the Premises for the Permitted Use including, specifically, water, electricity, natural gas, and solid waste collection services. "Essential Services" does not include telephone, cable television, internet, or other data information, transmission, or communications services, that are provided directly to the Premises and not through a central data information server maintained by Landlord.

A.4. "Injury" means (1) harm to or impairment or loss of property or its use, (2) harm to or death of a person, or (3) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

A.5. "Lienholder" means the holder of a deed of trust covering the Premises.

A.6. "Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

Clauses and Covenants

B. Tenant's Obligations

B1. Tenant agrees to -

B.1.a. Except as otherwise provided herein, Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

B.1.b. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.

B.1.c. Obey (a) all laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises and Tenant's use of any common areas and (b) any requirements imposed by utility companies serving or insurance companies covering the Premises.

B.1.d. Pay monthly, in advance, without demand or notice, on the first day of the month, the Rent and Additional Rent to Landlord at Landlord's Address.

B.1.e. Pay a late charge of five (5) percent of the monthly installment of Rent not received by Landlord by the tenth day after it is due.

B.1.f. Obtain and pay for all utility services used by Tenant and not provided by Landlord as an Essential Services.

B.1.g. Except where necessary to conduct an Emergency Repair, allow Landlord to enter the Premises during Tenant's regular business hours to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants, and only after delivery of notice to Tenant not less than two (2) business days prior to such entry.

B.1.h. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.

B.1.i. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

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B.1.j. Vacate the Premises on the last day of the Term.

B.1.k. Following reasonable prior notice to Tenant and, except in the case of an Emergency Repair, during Tenant's regular business, allow Landlord and Southern Veterinary Partners, LLC, its successor in interest to the Building lease with Landlord, and its agents to access the Premises for the purpose of performing maintenance and repair to the other Building tenant's premises to the extent such access is required in order to perform such maintenance and repair.

B2. Tenant agrees not to -

B.2.a. Use the Premises for any purpose other than the Permitted Use.

B.2.b. Create a nuisance.

B.2.c. Permit any waste.

B.2.d. Use the Premises in any way that would increase insurance premiums or void insurance on the Premises.

B.2.e. Change Landlord's lock system.

B.2.f. Alter the Premises except as provided in Section *D.1.*

B.2.g. Allow a lien to be placed on the Premises.

B.2.h. Assign this lease or sublease any portion of the Premises without Landlord's written consent.

B.2.i. Store any trash, equipment, vehicles, machinery, tools, or other personal property at the Site that is visible to the public without Landlord's written permission.

C. Landlord's Obligations

C.1. Landlord agrees to -

C.1.a. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date as extended pursuant to exercise of the Extension Option(s).

C.1.b. Obey all laws relating to Landlord's operation of the Premises.

C.1.c. Provide the Essential Services.

C.1.d. Repair, replace, and maintain the (a) roof, (b) foundation, and (c) structural soundness of the exterior walls, excluding windows and doors.

C.2. Landlord agrees not to -

C.2.a. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

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C.2.b. Unreasonably withhold consent to a proposed assignment or sublease.

D. General Provisions

Landlord and Tenant agree to the following:

D.1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

D.2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant may not abate Rent for any reason.

D.3. *Insurance.* Tenant and Landlord will maintain the respective insurance coverages described in the attached Insurance Addendum.

D.4. *Release of Claims/Subrogation.* LANDLORD AND TENANT RELEASE EACH OTHER AND LIENHOLDER, AND THEIR RESPECTIVE AGENTS, FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE PREMISES, AND LOSS OF BUSINESS OR REVENUES THAT ARE INSURED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN INSURED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS.

D.5. *Casualty/Total or Partial Destruction*

D.5.a. If the Premises are damaged by casualty and can be restored within ninety (90) days after the date written notice of the occurrence of such casualty event ("Casualty Notice") is delivered to Landlord, Landlord will, at Landlord's expense, restore the roof, foundation, and structural soundness of the exterior walls of the Premises, electrical, plumbing, and HVAC systems, and exterior windows and doors, and any other leasehold improvements within the Premises that are not within Tenant's Rebuilding Obligations to substantially the same condition that existed before the casualty, and Tenant will, at its expense, be responsible for replacing any of its damaged furniture, fixtures, and personal property and performing Tenant's Rebuilding Obligations. If Landlord fails to complete the portion of the restoration for which Landlord is responsible within ninety days after delivery of the Casualty Notice, Tenant may terminate this Lease by written notice to Landlord, provided such notice is delivered before Landlord completes Landlord's restoration obligations.

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D.5.b. If the extent of damages to the Premises following the casualty event are such that Landlord cannot reasonably complete the portion of the restoration for which Landlord is responsible on or before the ninetieth (90th) day after delivery of the Casualty Notice, not later than fifteen (15) days after delivery of the Casualty Notice, Landlord will notify Tenant in writing of (i) the estimated time and cost to restore the portions of the Premises for which Landlord is responsible for restoring to substantially the conditions of the Premises prior to the casualty event subject to any upgrades or alterations to the Premises required to be constructed as the result of changes in applicable construction codes and other laws and ordinances enacted after the original construction of the Premises and (ii) the insurance proceeds available to Landlord (less any deductible) to be applied to the cost of such restoration (the "Restoration Estimate").

D.5.c. If (i) the insurance proceeds available to pay the estimated costs to restore the Premises as set forth in the Restoration Estimate plus the amount of Landlord's deductible under the provisions of any applicable insurance policy is less than 95% of the costs to restore the Premises as set forth in the Restoration Estimate, Landlord shall have right to terminate this Lease by providing written notice to Tenant not later than ten (10) days after delivery of the Restoration Notice to Tenant. If Landlord fails to elect to terminate this Lease by timely providing the notice described in this Section D.5.c, this Lease will continue in effect and Landlord shall be obligated to restore the Premises unless Tenant elects to terminate the Lease as provided in Section D.5.d, below.

D.5.d. If Landlord does not terminate the Lease pursuant to Section D.5.c, above, Tenant shall have the right to terminate this Lease by notifying Landlord in writing not later than twenty (20) days after receipt of the Restoration Estimate if the Restoration Estimate states that the reasonable time to reconstruct the Premises as the result of the casualty will exceed ninety (90) days unless Tenant agrees in writing to such longer period of time for reconstruction of the Premises.

D.5.e. If Tenant does not notify Landlord timely of Tenant's election to terminate this Lease as provided in Section D.5.d. above, the Lease will continue, and Landlord will restore the Premises as provided in D.5.a. above.

D.5.f. To the extent the Premises are untenantable after the casualty and the Lease has not otherwise been terminated, the Rent will be abated during such time that Tenant is unable to occupy the Premises as the result of the casualty, said Rent abatement to commence on the date of the casualty.

D.6. Condemnation/Substantial or Partial Taking

D.6.a. If the Premises cannot be used for the purposes contemplated by this Lease because of condemnation or purchase in lieu of condemnation, this Lease will terminate effective on the date the condemning authority is to take possession of the Premises. Landlord shall provide a copy to Tenant of any notice received from a condemning authority of the intent to purchase all or any portion of the Property, whether or not such portion includes the Premises, not later than five (5) days after receipt of such notice from the condemning authority or such authority's representative.

D.6.b. If there is a condemnation or purchase in lieu of condemnation of all or a portion of the Property such that Tenant's occupancy of the Premises is not affected, or if the taking is such that that a portion of the building in which the Premises is taken is altered such that the Premises can be reasonably modified to allow for Tenant's continued occupancy of the Premises, Landlord will, at Landlord's expense, restore the Premises, the Lease will not be terminated, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

D.6.c. Notwithstanding Section D.6.b. to the contrary, Tenant shall have the right to terminate this

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Lease effective on the date the condemning authority takes possession of the portion of the Property pursuant to condemnation of a conveyance in lieu of condemnation if the taking by the condemning authority materially alters the access to the Premises or reduces the number of parking spaces available for use by Tenant and Tenant's customers.

D.6.d. Tenant shall have no claim to the condemnation award or proceeds in lieu of condemnation to which Landlord may be entitled or receive relating to the taking of Landlord's fee interest in the Property or the Premises or any portion thereof or to any proceeds to which Landlord may be entitled in the way of relocation assistance pursuant to state or federal law. Landlord shall have no claim to any condemnation award or proceeds in lieu of condemnation to which Tenant may be entitled or receive pursuant to the taking of Tenant's leasehold interest in the Premises or any portion thereof or to any proceeds to which Tenant may be entitled in the way of relocation assistance pursuant to state or federal law.

D.7. Default by Landlord/Events. Defaults by Landlord are failing to comply with any provision of this Lease not later than thirty (30) days after delivery of written notice by Tenant and failing to provide Essential Services to Tenant not later than ten (10) business days after delivery written notice by Tenant.

D.8. Default by Landlord/Tenant's Remedies. Tenant's sole remedies for Landlord's default are to (i) terminate this Lease or (ii) if the default is the result of Landlord's failure to perform Landlord's obligation to repair or maintenance of the Premises or the Property or to provide Essential Services, upon providing written notice to Landlord after Landlord's failure to timely cure such default pursuant to Section D.7., Tenant may elect to perform such repair or maintenance or obtain such Essential Service at Tenant's reasonable cost and deduct such amounts from future payments of Rent.

D.9. Default by Tenant/Events. Defaults by Tenant are (a) failing to pay Rent timely, (b) abandoning the Premises or vacating a substantial portion of the Premises, and (c) failing to comply within thirty (30) days after written notice with any provision of this Lease other than the defaults set forth in (a) and (b).

D.10. Default by Tenant/Landlord's Remedies. Landlord's sole remedy for Tenant's default is to terminate this Lease by written notice and sue for damages. Tenant acknowledges and agrees that, as a governmental entity, Tenant's continued occupancy of the Premises after termination of this Lease pursuant to the provisions herein may be considered a temporary taking of an interest in real property for which Landlord may be entitled to compensation pursuant to state and/or federal law notwithstanding any provision of this Lease to the contrary.

D.11. Default/Waiver. All waivers must be in writing and signed by the waiving party. The failure of either party to enforce any provisions of this Lease or, in the case of Landlord, the acceptance of late installments of Rent, will not be a waiver and will not estop the party from enforcing that provision that has been breached by the other party or any other provision of this Lease in the future.

D.12. Holdover. If Tenant does not vacate the Premises following termination of this Lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.

D.13. Alternative Dispute Resolution. Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

D.14. Venue. The terms and conditions of this Lease shall be construed, interpreted and enforced in accordance with the applicable laws of the State of Texas. If any legal action is necessary to enforce the

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terms and conditions of this Lease, the parties agree that the jurisdiction and venue for bringing such action shall be in the appropriate state court in Denton County, Texas.

D.15. Entire Agreement. This Lease, its exhibits, addenda and riders, are the entire agreement of the parties concerning the Lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the Premises or the lease of the Premises by Landlord to Tenant, and Tenant is not relying on any statements or representations of any agent of Landlord, that are not in this lease and any exhibits, addenda, and riders.

D.16. Amendment of Lease. This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.

D.17. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

D.18. Notices. Any notice required or permitted under this Lease must be in writing. Any notice required by this Lease will be deemed to be given (whether received or not) the earlier of receipt or three (3) business days after being deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Lease. Notice may also be given by regular mail, personal delivery, courier delivery, or e-mail and will be effective when received. Any address for notice may be changed by written notice given as provided herein. Notice may be effected by personal delivery in writing or by registered or certified mail, return receipt requested, and will be considered received as of mailing to Landlord's Address if to Landlord and to Tenant's Address if to Tenant.

D.19. Abandoned Property. Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

D.20. Base Rent Adjustment. Beginning one (1) year from the Commencement Date, the Base Rent will be adjusted on each anniversary of the Commencement Date (the "Adjustment Date") to reflect increases in the Consumer Price Index for "All Urban Consumers, Dallas-Fort Worth-Arlington, All Items," issued by the Bureau of Labor Statistics of the United States Department of Labor or an increase of TWO PERCENT (2%) of the previous year's Base Rent, whichever is less.

D.20.a. The adjustments in the Base Rent will be determined by multiplying the Base Rent specified in the Lease ("Initial Base Rent") by a fraction, the *numerator* of which is the index number for the last month before the adjustment and the denominator of which is the index number for the first month of the first year of the Term. If the product is greater than the Initial Base Rent, Tenant will pay this greater amount as Base Rent until the next rental adjustment. Base Rent will never be less than the Initial Base Rent.

D.20.b. Landlord will notify Tenant of each adjustment to Base Rent no later than sixty (60) days after the Adjustment Date.

D.21. Tenant's Parking. During the Term, or any extension thereof, Tenant shall have the right to exclusive use of TWO (2) covered parking spaces located in the rear of the Premises. Tenant's employees, contractors, and customers may park in any uncovered, marked parking space located on the Property.

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D.22. Facilities. Tenant is permitted to utilize the restroom facilities and dumpster on the Premises so long as Tenant's use is reasonable.

D.23. No Partnership. Nothing in this Lease shall be construed to create any partnership, joint venture, or joint ownership between Landlord and Tenant.

Signatures on Following Page

**Resolution No. 2022-3000
Exhibit "A"**

LANDLORD:

POINT COMPASS LIMITED LIABILITY COMPANY,
a Texas limited liability company,

By: _____
DR. PAUL J. MCCULOUGH, DVM
Its: Manager

By: _____
DR. LEWIS AUSTIN STRAUCH, Trustee of the
Lewis Austin Strauch Living Trust
Its: Manager

TENANT:

CITY OF HIGHLAND VILLAGE, a Texas home
rule municipal municipality

By: _____
Paul Stevens, City Manager

ATTEST:

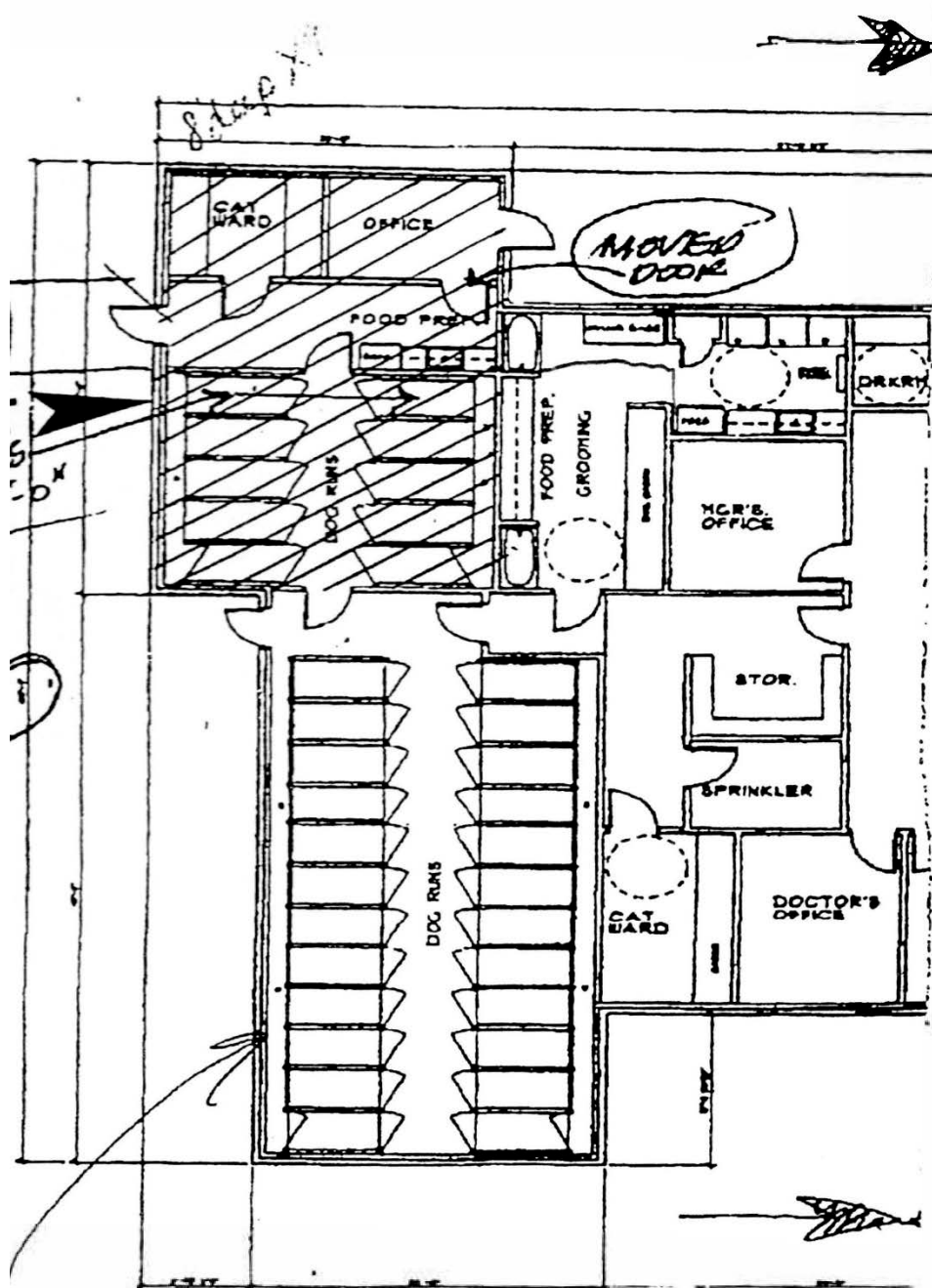
Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

Resolution No. 2022-3000
Exhibit "A"

EXHIBIT A
LEASED PREMISES



Resolution No. 2022-3000
Exhibit "A"

EXHIBIT B
SITE LEGAL DESCRIPTION

0.990 ACRE PORTION OF TRACT 1 AND TRACT 1A, BARNETT SUBDIVISION

Being a 0.990 acre tract of land situated in the Fred Hyatt Survey, Abstract No.559, and being a portion of the remainder tract of Tract 1 and Tract 1A of Barnett Subdivision, an addition to the City of Highland Village, Denton County, Texas, according to the Plat thereof recorded in Cabinet F, Slide 31 of the Plat Records of Denton County, Texas, said 0.990 acre tract being more particularly described as follows:

BEGINNING at an iron rod set for corner in the north line of F.M. 407, same point from which an iron rod found at the southeast corner of said Tract 1A bears North 88 degrees 34 minutes 24 seconds East, a distance of 80.00 feet;

THENCE South 88 degrees 34 minutes 24 seconds West, along the north line of said F.M. 407, passing at a distance of 20.00 feet an iron rod found at the southeast corner of said Tract; continuing for a total distance of 205.60 feet to an iron rod found for corner at the southeast corner of Tract 1, Lot 1 of Barnett Subdivision, an addition to the City of Highland Village as recorded in Cabinet S, Page 181 of the Plat Records of Denton County, Texas, same point from which an iron rod found at the southwest corner of said Tract 1, Lot 1 bears South 88 degrees 34 minutes 24 seconds West, a distance of 206.56 feet;

THENCE along the east line of said Tract 1, Lot 1 the following course and distances:

North 01 degrees 25 minutes 36 seconds West, a distance of 150.00 feet to an iron rod set for corner;

South 88 degrees 34 minutes 25 seconds West, a distance of 40.00 feet to an iron rod set for corner;

North 01 degrees 25 minutes 36 seconds West, a distance of 48.75 feet to an iron rod set for corner, same point from which on iron rod found for the northwest corner of said Remainder of Tract 1 bears North 01 degrees 25 minutes 36 seconds West, a distance of 71.25 feet;

THENCE North 88 degrees 17 minutes 01 seconds East, passing at a point the common line of said Tract 1 and Tract 1A, continuing on a total distance of 247.09 feet to an iron rod set for corner;

THENCE South 01 degrees 00 minutes 00 seconds East, a distance of 200.00 feet to the POINT OF BEGINNING, and containing in all a total of 0.990 acre of land, more or less, and being subject to any and all easements that may affect.

Resolution No. 2022-3000
Exhibit "A"

Exhibit "C"
Addendum for Expense Reimbursement

In addition to Rent stated in the Lease, Tenant will pay Landlord the Additional Rent described in this addendum. Tenant will pay the Additional Rent each month at the time the Base Rent is due.

A. Definitions: "Tenant's pro rata share" is 11.49%.

(1) "CAM" means all of Landlord's expenses reasonably incurred to maintain, repair, operate, manage, and secure the Property (for example, security, lighting, painting, cleaning, decorations, utilities, trash removal, pest control, and other expenses reasonably related the Property's operations); CAM does not include capital expenditures, interest, depreciation, tenant improvements, insurance, taxes, promotional expenses, or brokers' leasing fees. Notwithstanding the foregoing, CAM does include the amortized costs incurred by Landlord in making capital improvements or other modifications to the Property to the extent such improvements or modifications reduce CAM overall and provides a common benefit to Tenant and other tenants on the Property. Such costs will be amortized over the useful life of the improvement or modification on a straight-line basis; however, in no event will the charge for such amortization included in CAM exceed the actual reduction in CAM achieved by the improvements and modifications.

(2) "Insurance" means Landlord's costs to insure the leased premises and the Property including, but not limited to, insurance for casualty loss, general liability, and reasonable rent loss.

(3) "Taxes" means the real property ad valorem taxes assessed against the Premises and Property inclusive of all general and special assessments and surcharges.

(4) "Structural" means all of Landlord's expenses reasonably incurred to maintain, repair, and replace the roof, foundation, exterior walls, load bearing walls and other structural components of the Property.

B. Method: The Additional Rent will be calculated under the following method:

Note: "CAM" does not include taxes and insurance costs.

(1) Base-year expenses: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed the amount of the monthly base-year expenses for the calendar year ____ for: ___ taxes; ___ insurance; ___ CAM; structural; and _____

(2) Expense-stop: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed \$ _____ per square foot per year for: ___ taxes; ___ insurance; ___ CAM; structural; and _____

(3) Net: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property for: taxes; insurance; CAM; ___ structural; and **backflow testing, fire sprinkler testing, and fire extinguisher testing.**

C. Projected Monthly Expenses: On or about December 31 of each calendar year, Landlord will project the applicable monthly expenses (those that Tenant is to pay under this Addendum) for the following calendar year and will notify Tenant of the projected expenses. The projected expenses are based on Landlord's estimates of such expenses. The actual expenses may vary.

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Notice: The applicable projected expenses at the time which the above-referenced lease commences are shown in the table below. The total area of the Property presently used by Landlord for calculating expense reimbursements is 769 rentable square feet (including any add on factor for common areas).

Projected Expenses	
\$ Monthly Rate	\$ Annual Rate
\$.6198/rsf/ month	\$7.438/rsf/year
<u>Projected Monthly Total: \$476.62</u>	<u>Projected Annual Total: \$5,719.82</u>

- D. Reconciliation:** Within a reasonable time after the end of each calendar year, Landlord will notify Tenant of the actual costs of the applicable expenses (those that Tenant is to pay under this Addendum) for the previous year. If the actual costs of the applicable expenses exceed the amounts paid or owed by Tenant for the previous year, Tenant must pay the deficient amount to Landlord not later than thirty (30) days after Landlord notifies Tenant of the deficient amount. If the actual costs of the applicable expenses are less than the amounts paid by Tenant for the previous year, Landlord will refund the excess to Tenant or will credit the excess to Tenant's next rent payment. Tenant may audit or examine those items in Landlord's records that relate to Tenant's obligations under this Addendum. Landlord will promptly refund to Tenant any overpayment revealed by an audit or examination. If the audit or examination reveals an error of more than 5% over the amounts Landlord collected in a calendar year from Tenant under this Addendum, Landlord will pay the reasonable cost of the audit or examination. Landlord may not seek a deficiency from Tenant under this paragraph if Landlord fails to timely provide the required notice.

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Exhibit "A"

Exhibit "D"
Insurance Addendum to Lease

This insurance addendum is part of the Lease.

A. Tenant agrees to -

1. Maintain the following coverages:
 - a. Commercial property insurance written on a causes of loss - special form (formerly known as "all risks" form) covering Tenant's personal property, fixtures, and leasehold improvements in the Premises, and naming Landlord as "Building Owner Loss Payable".
 - b. Commercial general liability insurance written on an occurrence basis, including contractual liability, covering Tenant's operations within the Premises, naming Landlord, Landlord's property manager, if any, and Landlord's Lienholder, if any, as "additional insured," and having limits of not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate.
 - c. Business auto liability insurance written on an occurrence basis and having a combined single limit of not less than \$1,000,000.
 - d. Workers' compensation insurance in the statutory amount and employer's liability insurance having limits of not less than \$500,000 each accident for bodily injury by accident, \$500,000 each employee for bodily injury by disease, and \$500,000 bodily injury by disease for entire policy. Both policies must have a waiver of subrogation in favor of Landlord.
2. Deliver certificates of insurance and copies of any additional insured and waiver of subrogation endorsements to Landlord before entering the Premises and thereafter at least ten days before the expiration of the policies.

B. Landlord agrees to maintain -

1. Commercial property written on a causes of loss - special form covering the replacement cost of the building in which the Premises are located.
2. Commercial general liability insurance written on an occurrence basis, including contractual liability, covering Landlord's operations within the building in which the Premises is located and having limits not less than \$500,000.00 each occurrence and \$1,000,000.00 general aggregate.

C. Landlord and Tenant agree that -

1. The commercial property insurance policies maintained by them will contain (a) optional coverage for agreed value to eliminate the coinsurance clause, (b) optional coverage for replacement cost, (c) increased limits of ordinance or law coverage to cover increased cost of construction, (d) increased limits for debris removal coverage, and (e) a waiver of subrogation clause in favor of the party not carrying the commercial property insurance.
2. The commercial general liability insurance will be primary to the maintaining party and not contributory to any similar insurance carried by the other party and will contain a severability-of-interest clause.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: May 24, 2022

SUBJECT: Consider Resolution 2022-3001 authorizing an Application to Texas Parks and Wildlife Department Local Park Grant Program for the Pilot Knoll Redevelopment Project - Phase 1

PREPARED BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND:

On September 28, 2021, the City Council approved the Issuances of Certificates of Obligation for construction improvement projects related to Streets and Parks.

- Streets \$8.85 Million
- Parks \$6.413 Million
- Combined total of \$15.263 Million.

Of the \$6.413 Million allocated for Parks, \$2.3 Million is allocated for 16 Cabins at Pilot Knoll Park. The City is seeking grants from the Texas Parks and Wildlife Department (TPWD) to help with the funding of the cabin project.

The Texas Parks and Wildlife Department (TPWD) Local Park Grant Program assists local government agencies in developing public recreation areas and facilities throughout the state. The Program provides 50% Matching grants on a reimbursement base to eligible applicants. The matching maximum amount is \$750K.

Staff sought the assistance of a professional Grant Writer to help with writing the TPWD Local Grant for the 16 cabins at Pilot Knoll Park.

IDENTIFIED NEED/S:

Apply and submit a copy of the executed resolution and other required documents for the TPWD Local Grant by July 29, 2022.

OPTIONS & RESULTS:

The resolution will satisfy the TPWD requirement as one of the required documents for grant submission

PROGRESS TO DATE:

A resolution has been drafted for consideration, and staff is gathering the additional required documents in preparation for the grant submission.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve Resolution 2022-3001 authorizing an Application to Texas Park and Wildlife Department Local Park Grant Program for the Pilot Knoll Park Redevelopment Project - Phase I.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2022-3001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING APPLICATION TO TEXAS PARKS & WILDLIFE DEPARTMENT LOCAL PARK GRANT PROGRAM FOR THE PILOT KNOLL PARK REDEVELOPMENT PROJECT - PHASE 1; PROVIDING AN EFFECTIVE DATE.

WHEREAS, subject to approval of the U.S. Army Corps of Engineers, the City of Highland Village, Texas ("City") desires to construct 16 cabins and related facilities and improvements at Pilot Knoll Park (the "Pilot Knoll Park Redevelopment Project - Phase 1" or "the Project"); and

WHEREAS, the Project would benefit citizens of the City and Denton County; and

WHEREAS, the State of Texas, acting through the Texas Parks and Wildlife Department (hereinafter the "Department"), under the authority of Section 13.309 of the Parks and Wildlife Code, can provide funding for the Project through the Department's Local Park Grant Program ("the Grant Program") and

WHEREAS, the City is fully eligible to receive assistance under the Grant Program; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to apply to the Department for a grant through the Grant Program.

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

SECTION 1. The City of Highland Village:

- A. certifies that the City is eligible to receive assistance from the Department through the Grant Program for the Project and that notice of the applicable for the Grant Program has been posted according to local public hearing requirements; and
- B. certifies that the City has current funds available to provide the matching funds available for the Grant Program; and
- C. authorizes and directs the City Manager to act for the City in dealing with the Department for purposes of the Grant Program, including, but limited to, accepting the Grant if awarded, and negotiating and executing on behalf of the City any and all agreements related to the acceptance and use of the Grant, and that the City Manager is hereby officially designated as the representative in this regard; and
- D. specifically authorizes the City Manager to make application to the Department concerning the site known as Pilot Knoll Park in the City of Highland Village for use as a park site that has been dedicated, and will continue to be dedicated, for public park and recreation purposes in perpetuity.

SECTION 2. This Resolution shall take effect immediately upon approval.

PASSED AND APPROVED this the 24th day of May 2022.

APPROVED:

Daniel Jaworski, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:5/19/2022:129333)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 16

MEETING DATE: May 24, 2022

**SUBJECT: Status Reports on Current Projects and Discussion on Future
Agenda Items**

PREPARED BY: Karen McCoy, Executive Assistant

COMMENTS

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.



UPCOMING MEETINGS

May 24, 2022	Regular City Council Meeting - 7:00 pm
May 30, 2022	City Offices Closed for the Memorial Day Holiday
June 2, 2022	Zoning Board of Adjustment Meeting - 6:00 pm
June 14, 2022	Regular City Council Meeting - 7:00 pm
June 20, 2022	Parks & Recreation Advisory Board Meeting – 6:00 pm
June 21, 2022	Planning & Zoning Commission Meeting – 7:00 pm
June 28, 2022	Regular City Council Meeting - 7:00 pm
July 4, 2022	City Offices Closed for the Independence Day Holiday
July 7, 2022	Zoning Board of Adjustment Meeting - 6:00 pm
July 12, 2022	Regular City Council Meeting - 7:00 pm
July 18, 2022	Parks & Recreation Advisory Board Meeting – 6:00 pm
July 19, 2022	Planning & Zoning Commission Meeting – 7:00 pm
July 26, 2022	Highland Village Community Development – 5:00 pm
July 26, 2022	Regular City Council Meeting - 7:00 pm

Note – The Zoning Board of Adjustment, Parks & Recreation Advisory Board, and the Planning & Zoning Commission meetings are held monthly, IF NEEDED. Please visit www.highlandvillage.org or the City Hall bulletin board for the latest meeting additions and updates.

By: Karen McCoy, Executive Assistant – City of Highland Village