



City of Seagoville

Meeting Agenda

City Council

City Hall
702 N. Hwy 175
Seagoville, Texas 75159

Monday, August 5, 2024

6:30 PM

Council Chambers

LACKEY STEPPER SEBASTIAN
MAYOR

RICK HOWARD
PLACE 1

ALLEN GRIMES
PLACE 4

PATRICK STALLINGS
CITY MANAGER

JOSE HERNANDEZ
PLACE 2

JON EPPS
PLACE 5 – MAYOR PRO TEM

HAROLD MAGILL
PLACE 3

Notice is hereby given that the City Council of the City of Seagoville, Texas will meet in a Regular Called Meeting at 6:30 p.m. for Work Session, and Regular Session will begin at 7:00 p.m., to be held at City Hall, 702 N. Hwy 175 Seagoville, Texas 75159.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

As authorized by Section 551.127, of the Texas Government Code, one or more Councilmembers or employees may attend this meeting remotely using videoconferencing technology. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the meeting location.

The City of Seagoville reserves the right to reconvene, recess or realign any session or order of business at any time prior to adjournment. The purpose of the meeting is to consider the following items:

WORK SESSION – 6:30 PM

1. Call to Order
2. Receive a presentation on the 3rd Quarterly Financial Report for Fiscal Year 2024.
3. Receive an update on parking improvements for Bearden Park.
4. Discuss Regular Session agenda items.
5. Adjourn

REGULAR SESSION – 7:00 PM

6. Call to Order
7. Invocation
8. Pledge of Allegiance
9. Mayor's Report
10. Citizen's Comments

This portion of the meeting is to allow each speaker up to six (6) minutes to address the council on items not posted on the current agenda. City Council may not discuss these items but may respond with factual data or policy information or place the item on a future agenda. Anyone wishing to speak should submit a Speaker Request Form to the City Secretary.

Consent Agenda

- 11. Consider approving the City Council meeting minutes: July 15, 2024, and July 29, 2024.**
- 12. Consider a Resolution approving and ratifying a contract between the Seagoville Economic Development Corporation and V&K Construction, LLC for provision and installation of a dumpster and dumpster enclosure to serve Seagoville Economic Development Corporation properties located in Downtown Seagoville for a price not to exceed twenty-five thousand two hundred fifty-seven dollars and zero cents (\$25,257.00).**
- 13. Consider a Resolution approving and ratifying a contract between the Seagoville Economic Development Corporation And V&K Construction, LLC for repair, texturing and painting of an exterior wall of the Seagoville Economic Development Corporation property located at 111 N. Kaufman Street for a price not to exceed twenty-two thousand one hundred eighty-seven dollars and fifty cents (\$22,187.50).**

Regular Agenda

- 14. Discuss and consider a Resolution approving a Public Improvement District Policy.**
- 15. Discuss and consider a Resolution approving and accepting the Conveyance of Existing Facilities and Assignment of Warranties by Seagoville Laguna Azure, LLC related to Santorini Public Improvement District Improvement Area #1 and Major Improvements; authorizing the City Manager to accept and execute the same; directing that the conveyance document be recorded in the land records of Kaufman County, Texas.**
- 16. Discuss and consider a Resolution approving a Professional Services Agreement with Azavar Audit Solutions, Inc.; authorizing the City Manager to execute the agreement and any other related and necessary documents.**
- 17. Discuss and consider a Resolution approving the terms and conditions of an Agreement, by and between the City of Seagoville and Bureau Veritas North America, Inc. for provision of plan review and inspection services for the city on a task order basis; authorizing the City Manager to execute said agreement.**
- 18. Items of community interest and councilmember reports.**

Pursuant to Section 551.0415 of the Texas Government Code, the City Council or City Administration may report information 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 events, 5) information about community events, 6) announcements involving an imminent threat to public health and safety.

EXECUTIVE SESSION

The City Council will convene into closed Executive Session pursuant to:

- 19. Texas Govt. Code Section 551.071 Consult with Attorney, to seek legal advice related to: The North Texas Municipal Water District**

REGULAR SESSION

20. Take any necessary action as a result of Executive Session.

21. Discuss future agenda items.

22. Adjourn

CERTIFICATE

I certify that the above Notice of Meeting was posted on the bulletin board at the City Hall of the City of Seagoville, Texas on this 1st day of August 2024, by 5 p.m.

Sara Egan, City Secretary

The City of Seagoville does not discriminate based on disability in the admission or access to, or treatment or employment in, its programs or activities. If you have a request for services that will make this program accessible to you, please contact the City of Seagoville at least 72 hours in advance at (972) 287-6819 or email citysecretary@seagoville.us . (TDD access 1-800-RELAY-TX)

UPCOMING DATES:

- Monday, August 19, 2024, Regular City Council Meeting
- Monday, September 2, 2024, Labor Day Holiday
- Monday, September 9, 2024, Regular City Council Meeting



TO: Mayor and City Council
FROM: Gail French, Director of Finance
DATE: August 5, 2024
ITEM: 2
DESCRIPTION: Receive a presentation on the 3rd Quarterly Financial Report for Fiscal Year 2024.

INTRODUCTION

Receive a presentation of the City of Seagoville's 3rd Quarterly Financial Report for Fiscal Year 2024 from the Finance Department.

BACKGROUND

Reports are provided quarterly for every fiscal year.

ATTACHMENTS

The report will be provided during the meeting.



TO: Mayor and City Council
FROM: Kirk McDaniel, Director of Economic Development
DATE: August 5, 2024
ITEM: 3
DESCRIPTION: Receive an update on parking improvements for Bearden Park.

INTRODUCTION

The purpose of this item is to receive an update for the Bearden Park parking lot improvements.

BACKGROUND

The City of Seagoville previously contracted with Garver LLC, for professional engineering services for Bearden Park parking lot improvement. On June 17, 2024, Pine Tar Sports presented to the City Council with a request for a public private partnership for improvements to Bearden Park. City Staff has gathered additional data on the feasibility of the project, and recommends preparing a formal Request for Proposals for a public private partnership on Bearden Park.



TO: Mayor and City Council
FROM: Sara Egan, City Secretary
DATE: August 5, 2024
ITEM: 11
DESCRIPTION: Consider approving the City Council meeting minutes: July 15, 2024, and July 29, 2024.

RECOMMENDATION

Recommend approval of the meeting minutes.

ATTACHMENTS

1. July 15, 2024 Minutes
2. July 29, 2024 Minutes



City of Seagoville

Meeting Minutes

City Council

City Hall
702 N. Hwy 175
Seagoville, Texas 75159

Monday, July 15, 2024

6:30 PM

Council Chambers

Present: Mayor Lackey Sebastian, Councilmember Harold Magill and Councilmember Allen Grimes

Absent: Councilmember Rick Howard and Mayor Pro Tem Jon Epps

Also present were City Manager Patrick Stallings, Asst. City Attorney Autumn Keefer, and City Secretary Sara Egan.

The City Council of the City of Seagoville met in a Regular Called Meeting on Monday, July 15, 2024, at 6:30 p.m. in the Council Chamber at City Hall, 702 N. Hwy 175, Seagoville, Texas.

WORK SESSION – 6:30 PM

1. Call to Order

Mayor Sebastian called the Work Session to order at 6:31 p.m.

2. Receive a presentation regarding the water and wastewater rate study.

Chris Ekurt with NewGen Strategies & Solutions, LLC provided a presentation. Mr. Ekurt explained that the projected numbers for future years are based on historical information and encouraged the City Council to consider their decision-making as a business for the upcoming fiscal year rate.

3. Receive a presentation regarding incremental change to marked police vehicles.

Chief Ray Calverley provided a presentation and explained the cost savings approach, as well as the potential higher return upon the depletion of these vehicles once they have reached surplus status. The cost saving is estimated at \$1,400.00 per vehicle to no longer change the color of the doors to white on a solid black vehicle. The higher return comes in the resale value of a solid-colored vehicle once it is stripped of all markings.

City Council had no objections to this purchasing approach.

4. Discuss Regular Session agenda items.

There were no questions on Regular Session agenda items.

5. Adjourn

Mayor Sebastian adjourned the Work Session at 6:57 p.m.

REGULAR SESSION – 7:00 PM

6. Call to Order

Mayor Sebastian called the Regular Session to order at 7:02 p.m.

7. Invocation

Councilmember Magill led the invocation.

8. Pledge of Allegiance

City Council led the pledge of allegiance.

9. Mayor's Report

- The City has made two updates to improve communication to the public:
 - 1-The City Manager's Weekly Update is now available to everyone.
 - 2-The City's website design has been updated through by our service provider.

- This is Mosquito season, the City offers FREE Mosquito Dunks and Repellent to residents on a first-come, first-served basis. These can be picked up at the water billing counter.
- The Seagoville Senior Center is currently undergoing repairs to address issues with the A/C units and will be closed until July 22, 2024.
- Reminder TXDOT is seeking feedback

10. Citizen's Comments

No one signed up to speak.

Consent Agenda

Councilmember Magill made a motion to approve Consent Agenda item 11, seconded by Councilmember Grimes. The motion passed by a unanimous vote (3/0).

11. Consider approving the City Council meeting minutes: July 1, 2024

Public Hearing

12. Conduct a public hearing on the creation of the Rolling Meadows Public Improvement District.

Mayor Sebastian opened the public hearing at 7:06 p.m.

Economic Development Director Kirk McDaniel stated the City is still in negotiations with the Developer on the Development Agreement concerning the Rolling Meadows Project. As such, City Staff recommends holding the public hearing as noticed. The City then has 6 months from the public hearing to create the PID.

Mayor Sebastian invited members of the public to speak. No one spoke in favor or against.

Mayor Sebastian closed the public hearing at 7:08 p.m.

Regular Agenda

13. Discuss and consider an Ordinance amending the comprehensive Zoning Ordinance, plan and zoning map as previously amended, by amending the Planned Development zoning of a tract of land consisting of 238.79+/- acres generally located at 1001 Alto Road, 1755 Malloy Bridge Road, and 1520 Alto Road, in the City of Seagoville, Dallas County, Texas, providing for the development of the property for single-family residential purposes; adopting development regulations and a concept plan; providing a penalty of fine not to exceed two thousand dollars (\$2,000.00) for each offense.

Director of Community Development Bill Medina briefed the City Council and recommended that the Ordinance be tabled at the request of the developer's team to consider all of the components of this project in a future meeting.

Councilmember Magill made a motion to table this item until the Developer's Agreement is ready to be considered, seconded by Councilmember Grimes. The motion passed by a unanimous vote (3/0).

14. Discuss and consider a Resolution approving the terms and conditions of an Interlocal Cooperative Agreement with the City of Scurry, Texas relating to the donation of surplus law enforcement property; and authorizing its execution by the City Manager or designee.

Chief Calverley presented on agenda items 14-16 stating the City of Scurry is in the infancy of starting their own law enforcement agency and the surplus property would be useful in their endeavor.

Councilmember Magill made a motion to approve item 14 seconded by Councilmember Grimes. The motion passed by a unanimous vote (3/0).

Resolution No. 2024-56

15. Discuss and consider a Resolution declaring certain city property surplus (vehicle) and authorizing the City Manager to sell, trade, or dispose of the property in accordance with the processes established.

Councilmember Magill made a motion to approve item 15 seconded by Councilmember Grimes. The motion passed by a unanimous vote (3/0).

Resolution No. 2024-57

16. Discuss and consider a Resolution declaring certain city property surplus (radios and cameras) and authorizing the City Manager to sell, trade, or dispose of the property in accordance with the processes established.

Councilmember Magill made a motion to approve item 16 seconded by Councilmember Grimes. The motion passed by a unanimous vote (3/0).

Resolution No. 2024-58

17. Receive a presentation and discuss the Comprehensive Salary Adjustment Plan for all positions.

Assistant City Manager Cindy Brown provided a preliminary packet of salary adjustments assuming certain factors in the budget which are subject to change as it is all in progress. The packet is intended to offer identification of potential salary ranges to consider for current positions. Ms. Brown explained the City has evolved from being a training ground city to a permanent workplace option.

City Manager Pat Stallings emphasized the importance of remaining a competitive employer and retaining existing employees.

18. Items of community interest and councilmember reports.

Councilmember Magill clarified a statement on the pursuit of a USPS location within the City.

Councilmember Hernandez provided an update on the EDC construction project of the restaurant space. The completion of improvements is expected by the end of September. The EDC is open to interested restaurant business partners.

Mayor Sebastian recessed the Regular Session at 7:41 p.m. to convene into Executive Session.

EXECUTIVE SESSION

The City Council convened into closed Executive Session pursuant to:

**19. Texas Govt. Code Section 551.071 Consult with Attorney, to seek legal advice related to:
The North Texas Municipal Water District**

Mayor Sebastian adjourned the Executive Session at 8:00 p.m.

REGULAR SESSION

Mayor Sebastian reconvened the Regular Session at 7:59 p.m.

20. Take necessary action as a result of Executive Session.

There was no action taken.

21. Discuss future agenda items.

There were no future agenda items.

22. Adjourn

There being no further business before the City Council, the meeting adjourned at 8:00 p.m.

APPROVED:

ATTEST:

Lackey Stepper Sebastian, Mayor

Sara Egan, City Secretary



City of Seagoville Budget Workshop Meeting Minutes City Council

City Hall
702 N. Hwy 175
Seagoville, Texas 75159

Monday, July 29, 2024

6:30 PM

Council Chambers

Present: Mayor Lackey Sebastian, Mayor Pro Tem Jon Epps, Councilmember Rick Howard, Councilmember Jose Hernandez Councilmember Harold Magill and Councilmember Allen Grimes

Also present were City Manager Patrick Stallings, Asst. City Attorney Autumn Keefer, and City Secretary Sara Egan.

The City Council of the City of Seagoville met in a Special Called Meeting on Monday, July 29, 2024, at 6:30 p.m. in the Council Chamber at City Hall, 702 N. Hwy 175, Seagoville, Texas.

BUDGET WORKSHOP – 6:30 PM

1. Call to Order

Mayor Sebastian called the meeting to order at 6:30 p.m.

2. Invocation

Councilmember Magill led the invocation.

3. Pledge of Allegiance

City Council led the pledge of allegiance.

4. Citizen's Comments

No one signed up to speak.

5. Discuss Water and Sewer Fund Budget for FY2025.

Director of Finance Gail French presented on the increased rates, reviewed the capital projects and briefly covered the EDC budget for a skate park.

Director of Public Works Chris Ryan reviewed the updated study provided by NewGen illustrating rate options 1-3. City Staff recommended option 2, City Council had no objections to the recommendation.

6. Discuss General Fund Budget for FY2025.

Ms. French provide an overview of all service level increases for new and existing expenditures by department and other approved projects.

Assistant City Manager Cindy Brown provided an overview of insurance benefits and changes as well as a proposed compensation plan.

City Manager Pat Stallings emphasized the importance of remaining competitive in the workforce by aiming for midrange compensation.

City Council made a request for additional uniform funds and improved microphone options for the Council Chambers. They also agreed on the two superintendent positions for Public Works Department and the court clerk position for Municipal Court.

7. Adjourn

The meeting was adjourned at 7:56 p.m.

ATTEST:

Sara Egan, City Secretary

APPROVED:

Lackey Stepper Sebastian, Mayor



TO: Mayor and City Council
FROM: Kirk McDaniel, Director of Economic Development
DATE: August 5, 2024
ITEM: 12
DESCRIPTION: Consider a Resolution approving and ratifying a contract between the Seagoville Economic Development Corporation and V&K Construction, LLC for provision and installation of a dumpster and dumpster enclosure to serve Seagoville Economic Development Corporation properties located in Downtown Seagoville for a price not to exceed twenty-five thousand two hundred fifty-seven dollars and zero cents (\$25,257.00).

INTRODUCTION

The purpose of this item is for provision and installation of a dumpster in the Seagoville Economic Development Corporation buildings downtown.

BACKGROUND

On June 20, 2024, the EDC Board discussed potential future downtown improvements, in keeping with the 2019 Downtown Corridor Study, and discussed a potential dumpster and enclosure to support the businesses at the EDC Building. The EDC Board recommended approval of a contract with V&K Construction, LLC on July 18, 2024.

FINANCIAL IMPACT

\$25,257.00, funded through EDC funds.

RECOMMENDATION

EDC Board recommended approval of the contract on July 18th, 2024, and proceeding with the dumpster enclosure at the EDC buildings.

ATTACHMENTS

1. Resolution



ESTIMATE

V & K Construction, LLC
PO Box 661
Crandall, TX 75114

felix.verduzco5@gmail.com
+1 (469) 655-7113



Bill to

The City of Seagoville
City of Seagoville
702 North Highway 175
Seagoville, TX 75159

Estimate details

Estimate no.: 1086
Estimate date: 07/08/2024

Project: edc building dumpster enclosure

#	Date	Product or service	Description	Qty	Rate	Amount
1.		8" CMU - Regular	Sq. Ft. 8 x 8 x 16 of CMU	550	\$18.50	\$10,175.00
2.		Thin Veneer Stone	Sq. Ft. of Thin Veneer Stone	580	\$18.50	\$10,730.00
3.		04 Concrete	Concrete 16x16	256	\$17.00	\$4,352.00
4.			Dumpster enclosure will have all cells filled with rebar. Dumpster enclosure will have stone veneer to match existing building next to it. Dumpster enclosure will have bollards in back and a gate to secure dumpster.			
					Total	\$25,257.00

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS APPROVING AND RATIFYING A CONTRACT BETWEEN THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION AND V&K CONSTRUCTION, LLC FOR PROVISION AND INSTALLATION OF A DUMPSTER AND DUMPSTER ENCLOSURE TO SERVE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION PROPERTIES LOCATED IN DOWNTOWN SEAGOVILLE FOR A PRICE NOT TO EXCEED \$25,257.00, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City is required to approve expenditures of the Seagoville Economic Development Corporation (“SEDC”); and

WHEREAS, the Board of Directors of the SEDC has previously approved a contract between the SEDC and V&K Construction, LLC for provision of a dumpster and dumpster enclosure to serve SEDC properties located in downtown Seagoville; and

WHEREAS, the City Council has determined that the contract with V&K Construction, LLC is in the best interest of the SEDC and City;

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

SECTION 1. The contract between the Seagoville Economic Development Corporation and V&K Construction, LLC for provision and installation of a dumpster and dumpster enclosure to serve Seagoville Economic Development Corporation properties for a price not to exceed \$25,257.00 in accordance with Exhibit “A” attached hereto is hereby approved and the SEDC’s actions related thereto are hereby ratified.

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

DULY PASSED by the City Council of the City of Seagoville, Texas, on 5th day of August, 2024.

APPROVED:

Lackey Stepper Sebastian, Mayor

ATTEST:

Sara Egan, City Secretary

APPROVED AS TO FORM:

Autumn Keefer, Asst. City Attorney

EXHIBIT A

ESTIMATE

V & K Construction, LLC
PO Box 661
Crandall, TX 75114

felix.verduzco5@gmail.com
+1 (469) 655-7113



Bill to

The City of Seagoville
City of Seagoville
702 North Highway 175
Seagoville, TX 75159

Estimate details

Estimate no.: 1086
Estimate date: 07/08/2024

Project: edc building dumpster enclosure

#	Date	Product or service	Description	Qty	Rate	Amount
1.		8" CMU - Regular	Sq. Ft. 8 x 8 x 16 of CMU	550	\$18.50	\$10,175.00
2.		Thin Veneer Stone	Sq. Ft. of Thin Veneer Stone	580	\$18.50	\$10,730.00
3.		04 Concrete	Concrete 16x16	256	\$17.00	\$4,352.00
4.			Dumpster enclosure will have all cells filled with rebar. Dumpster enclosure will have stone veneer to match existing building next to it. Dumpster enclosure will have bollards in back and a gate to secure dumpster.			
					Total	\$25,257.00



TO: Mayor and City Council

FROM: Kirk McDaniel, Director of Economic Development

DATE: August 5, 2024

ITEM: 13

DESCRIPTION: Consider a Resolution approving and ratifying a contract between the Seagoville Economic Development Corporation And V&K Construction, LLC for repair, texturing and painting of an exterior wall of the Seagoville Economic Development Corporation property located at 111 N. Kaufman Street for a price not to exceed twenty-two thousand one hundred eighty-seven dollars and fifty cents (\$22,187.50).

INTRODUCTION

The purpose of this item is for repair, texturing, and painting of an exterior wall of the Seagoville Economic Development Corporation property located at 111 N. Kaufman Street.

BACKGROUND

On June 20, 2024, the EDC Board discussed potential future downtown improvements, in keeping with the 2019 Downtown Corridor Study. The EDC Board recommended approval of a contract with V&K Construction, LLC on July 18, 2024.

FINANCIAL IMPACT

\$22,187.50 funded through EDC funds.

RECOMMENDATION

EDC Board recommended approval of the contract on July 18th, 2024, and proceeding with the repair, texturing and painting of an exterior wall at the Seagoville Economic Development Corporation building downtown.

ATTACHMENTS

1. Resolution



ESTIMATE

V & K Construction, LLC
PO Box 661
Crandall, TX 75114

felix.verduzco5@gmail.com
+1 (469) 655-7113



Bill to
The City of Seagoville
City of Seagoville
702 North Highway 175
Seagoville, TX 75159

Estimate details
Estimate no.: 1085
Estimate date: 07/02/2024

Project: edc building kaufman street

#	Date	Product or service	Description	Qty	Rate	Amount
1.		02.10 Demo	Demo tuck & point cut nails out	1250	\$4.25	\$5,312.50
2.		Stucco	Sq. Ft. of Cement Stucco	1250	\$13.50	\$16,875.00
					Total	\$22,187.50

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS APPROVING AND RATIFYING A CONTRACT BETWEEN THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION AND V&K CONSTRUCTION, LLC FOR REPAIR, TEXTURING AND PAINTING OF AN EXTERIOR WALL OF THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION PROPERTY LOCATED AT 111 N. KAUFMAN STREET IN THE CITY OF SEAGOVILLE FOR A PRICE NOT TO EXCEED \$22,187.50, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council is required to approve all expenditures of the Seagoville Economic Development Corporation (“SEDC”); and

WHEREAS, the Board of Directors of the SEDC has approved a contract between the SEDC and V&K Construction, LLC for repair, texturing and painting of an exterior wall of the SEDC-owned property located at 111 N. Kaufman Street in the City of Seagoville; and

WHEREAS, the City Council has determined that the SEDC’s proposed contract with V&K Construction, LLC is in the best interest of the SEDC and the City;

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

SECTION 1. The City Council hereby approves the contract between the Seagoville Economic Development Corporation and V&K Construction, LLC for repair, texturing and painting of an exterior wall of the Seagoville Economic Development Corporation property located at 111 N. Kaufman Street in the City of Seagoville for a price not to exceed \$22,187.50 in accordance with Exhibit “A” attached hereto and approves and ratifies all SEDC action related thereto.

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

DULY PASSED by the City Council of the City of Seagoville, Texas, on 5th day of August, 2024.

APPROVED:

Lackey Stepper Sebastian, Mayor

ATTEST:

Sara Egan, City Secretary

APPROVED AS TO FORM:

Autumn Keefer, Asst. City Attorney

EXHIBIT A

ESTIMATE

V & K Construction, LLC
PO Box 661
Crandall, TX 75114

felix.verduzco5@gmail.com
+1 (469) 655-7113



Bill to
The City of Seagoville
City of Seagoville
702 North Highway 175
Seagoville, TX 75159

Estimate details
Estimate no.: 1085
Estimate date: 07/02/2024

Project: edc building kaufman street

#	Date	Product or service	Description	Qty	Rate	Amount
1.	02.10	Demo	Demo tuck & point cut nails out	1250	\$4.25	\$5,312.50
2.		Stucco	Sq. Ft. of Cement Stucco	1250	\$13.50	\$16,875.00
Total						\$22,187.50



TO: Mayor and City Council
FROM: Kirk McDaniel, Director of Economic Development
DATE: August 5, 2024
ITEM: 14
DESCRIPTION: Discuss and consider a resolution approving a Public Improvement District Policy for the City of Seagoville.

INTRODUCTION

The purpose of this item is for consideration of a Public Improvement District Policy for the City of Seagoville.

BACKGROUND

The City has previously created two public improvement districts, the Stonehaven PID and the Santorini PID, and is in discussions on potentially creating additional public improvement districts. Many cities across Texas have created specific policies and procedures for consideration, administration, and creation of public improvement districts. Working with the City's public improvement district consultants, City Staff has prepared a formal Public Improvement District Policy for consideration.

FINANCIAL IMPACT

N/A.

RECOMMENDATION

Staff recommends approval of the Public Improvement District Policy.

ATTACHMENTS

1. Resolution
2. PID Policy

RESOLUTION NO.

A RESOLUTION APPROVING PUBLIC IMPROVEMENT DISTRICT POLICY FOR THE CITY OF SEAGOVILLE, TEXAS

WHEREAS, the City of Seagoville (the “City”), has determined that it is in the best interests of the City to adopt and enact a policy (the “Policy”) governing the establishment and operation of public improvement districts (“PIDs”) pursuant to Chapter 372, Texas Local Government Code, as amended (the “Act”), within the corporate limits and the extraterritorial jurisdiction of the City; and

WHEREAS, the City has determined that such Policy shall serve as a directive to City staff regarding the establishment of PIDs and their use to finance certain public infrastructure; and

WHEREAS, the City has also determined that such Policy shall be notice to developers of property within the City and within its extraterritorial jurisdiction regarding how the City intends to establish and manage its PIDs and how the City determines whether a PID should be established and the parameters of assessment levy and financing of public improvements within each PID; and

WHEREAS, the City Council of the City has the authority to establish this Policy and its implementation and has the authority to make any exceptions thereto;

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

Section 1. Findings and Definitions. The findings and determinations set forth in the preambles hereto are hereby incorporated by reference for all purposes. Capitalized terms not otherwise defined herein shall have the definitions set forth in the Policy.

Section 2. Approval of Policy. The City Council hereby approves the Policy substantially in the form presented at this meeting and attached hereto as Exhibit A, with such changes as are approved by the City Manager and City Attorney.

Section 3. Effective Date. This resolution shall take effect immediately from and after its passage by the City Council of the City.

INTRODUCED, READ, AND PASSED by the affirmative vote of the City Council of the City of Seagoville, Texas this fifth day of August, 2024.

APPROVED:

Lackey Stepper Sebastian, Mayor

ATTEST:

Sara Egan, City Secretary

APPROVED AS TO FORM:

Autumn Keefer, Asst. City Attorney

EXHIBIT A
SEAGOVILLE PID POLICY



CITY OF SEAGOVILLE
PUBLIC IMPROVEMENT DISTRICT POLICY

I. INTRODUCTION

A Public Improvement District (“PID”) in accordance with Texas Local Government Code Chapter 372 (“Act”), provides the City of Seagoville (the “City”) an economic development and community enhancement tool that finances the costs of qualified public improvements that confer a special benefit for a definable part of the City and/or its extraterritorial jurisdiction. Proceeds from assessments and/or PID bonds can be used to finance capital costs of public improvements or enhancements of public improvements which would not otherwise be constructed or provided. PIDs allow the costs of public improvements to be borne by those who receive special benefits from the improvements or services. Proceeds of PID bonds may only be used to pay for public improvements that will ultimately be owned and controlled by the City or, in some specific limited instances, another political subdivision. Proceeds from assessments may also be used for special supplemental services for improvement and promotion of the PID, including maintenance of PID projects.

A PID is comprised of a defined area of properties whose owners have petitioned the City to form a PID. The City Council creates a PID by adoption of a resolution after a public hearing. Notice of the public hearing must be published and mailed to all property owners in the proposed PID, as required by the Act. In the petition, the property owners request the City to levy assessments on property within the PID in order to fund enhanced services and/or improvements within the PID. The PID must demonstrate that it confers a special benefit to the property within the PID and promotes the interests of the City.

The purpose of this PID policy is to outline the policies and procedures the City will use to consider whether creation of a PID, the levy of PID assessments, issuance of PID bonds, information disclosure to property owners, and determination of annual plans, budgets, and assessments are in the best interests of the City. This policy outlines the items needed to be addressed by the property owners seeking the creation of a PID (“Petitioner”) before the City Council can support the authorization of the PID. Any requests for adjustments, exceptions, or waivers to this policy must be reviewed and approved by the City Council of the City of Seagoville.

II. GENERAL

1. A PID may be created by resolution approved by the City Council and utilized to construct qualified public improvements and/or reimburse a developer’s actual and documented costs above and beyond the costs for standard infrastructure required to serve the development.
2. Proceeds of PID bonds cannot be used to reimburse costs incurred prior to the twentieth (20th) day after such resolution is recorded in the real property records of the County.

3. PIDs must be self-sufficient and fund any costs incurred by the City associated with the formation of the PID, bond issuance costs, PID administration, the construction of PID improvements and other PID related costs.
4. A PID's budget shall include sufficient funds to pay for all costs including but not limited to all administrative and/or operational costs associated with the administration, management, audit, disclosure and reporting of the PID.
5. Any requested adjustments and or deviations from the terms and conditions of the City's PID Policy shall be clearly requested and explained in, or submitted prior to or with, the PID petition for that PID. Any adjustments or deviations to be granted shall be at the sole discretion of the City Council.
6. Property owned by the City, applicable County, or local ISDs shall not be subject to any assessment by the PID.
7. Developers may be required to pay the assessments for land located in a PID owned by a religious institution.
8. The City reserves the right to independently select the services of any professionals and or consultants in association with the creation and administering of the PID including but not limited to: financial advisor, bond counsel, underwriter, trustee, market study analyst, appraiser, TIRZ Administrator, and PID administrator. The City's PID Administrator will draft the Service and Assessment Plan ("SAP") and prepare all annual updates.
9. The City Council will not create a PID or other related development district prior to the approval of a final development agreement governing the development in question.

III. PETITION REQUIREMENTS

Petitions requesting creation of a PID must satisfy all statutory requirements under Chapter 372 of the Texas Local Government Code.

1. In addition, the City will require that the petition set forth the following:
 - a. The maximum term of a PID assessment.
 - b. Minimum appraised value to lien ratio.
 - c. Maximum maturity of PID bonds.
 - d. Maximum equivalent tax rate.
2. The City may also require:
 - a. Evidence that signatures of property owners were gathered not more than six months preceding the submittal of the petition.
 - b. Evidence that the petitioner's signatures meet the state law requirements, or the petition will be accompanied by a reasonable fee to cover the City's costs of signature verification.

IV. DEVELOPMENT AGREEMENT

The City Council will not take any action to commence the creation of a PID or other related development district prior to the approval of a final development agreement governing the development in question.

The following shall be provided to the City prior to the preparation of a development agreement:

1. The basic terms and conditions for creation of the PID, including the provision of special conferred benefit.

2. Indication of the estimated costs of proposed improvements, as certified by a licensed engineer, maximum assessment, maximum bond issuance, and maximum tax equivalent rate (in dollars, \$).
3. A description of the benefit of the PID to the affected property owners and to the City as a whole.
4. The petitioner's qualifications and previous experience with real estate development, financing of the development, prior PIDs, etc.
5. A legal description of the boundaries of the proposed PID, a map of the proposed PID boundaries that is suitable for publication for the legal notices, and a "commonly known" description of the area to be included in the PID
6. Description of all City-owned land within the PID as well as its proposed share of project costs
7. A current tax roll of owners in the PID
8. Any plan for phasing of both real estate development supported by the PID and construction of public and private improvements in the PID including a breakdown between major improvements serving large areas of or the entire PID vs. phase-specific improvements.
9. Any plan for phasing of real estate development adjacent to the PID, but not supported by the PID.
10. A sunset clause, and a pre-executed petition to dissolve the PID by the landowner in case the project has not obtained a grading permit within three (3) years
11. Agreement by all property owners that upon approval of a PID located in whole or in part outside the City's corporate limits, the boundaries of the PID will be annexed into the City of Seagoville.

V. PROJECT CRITERIA

In agreeing to create a PID for which debt will be issued to fund the costs of constructing eligible public improvements, the City will require the following:

1. The property owner must demonstrate to the City that it has the expertise to complete the new development that the PID will support.
2. The property owner must provide the City with its sources of funding the Public and Private Improvements not being funded by the PID.
3. The proposed development must be consistent with the entitlements on the property. All required zoning, land use approvals, or other required permits must be in place for the development prior to the creation of any PID.
4. All required offsite easements must be acquired prior to the levy of assessments upon the Property.
5. All reasonable estimated costs must be identified before a decision is reached on a request to issue bonds for a PID. Costs to be identified include costs related to creating the PID; costs for construction and/or the acquisition of Public and Private Improvements, the maintenance and operation of improvements (if any) and PID administrative costs. A developer is solely responsible for cost overruns that exceed available PID bond proceeds.
6. If the City elects to hire a qualified third party PID administrator to administer the PID, the costs for such administration shall be paid for with PID funds. The PID administrator will be required to prepare the SAP, review and comment on all information provided by the Developer, at the direction of the City attend any public hearing regarding the levy of assessments, as well as provide the Annual SAP update and present to Council for approval.
7. The PID Financing Agreement (or other applicable PID documentation) shall contain a section which clearly identifies the benefit of the PID to the affected property owners and to the City as a whole (i.e., public purpose) and evidence of insurance.

8. The SAP shall describe, if applicable, all City-owned land within the PID as well as its proposed share of project costs.

VI. DEVELOPMENT STANDARDS

The City will consider petitions for PID projects that support real estate developments which confer benefits to the City to a degree that is superior to benefits typically generated by projects that do not involve PID financing, with special emphasis being placed on the following:

1. Include a significant commercial component.
2. Annexation into the corporate boundaries of the City.
3. Generate economic and superior development benefits to the City beyond what normal development would generate.
4. Exceed development requirements of the City; in particular, enhanced architectural standards, increased living space, enhanced landscaping, enhanced amenities, and provide for superior design of lots or buildings.
5. Provide enhanced improvements in the public right of way (e.g., entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage).
6. Meet community needs (e.g., enhanced drainage improvements, parks, off-street public parking facilities, pedestrian connectivity, enhanced utility improvements).
7. The project must include improvements that enhance or implement the City's master plan, including the City's thoroughfare plan, water and wastewater plans and, the City's trail and park plans.
8. Protect and preserve natural amenities and environmental assets such as lakes, trees, creeks, ponds, floodplains, slopes, hills, and wildlife habitats.
9. Protect and preserve existing historical buildings, features or places and preserve the community amenities or features that would otherwise be a special benefit to the community.
10. Are supported by all landowners within.
11. Preference will be given to projects where an average home price is expected to substantially exceed other surrounding new home community pricing. If actual home pricing is lower than anticipated, developers may be required to make a mandatory assessment prepayment (buydown) to account for lower taxable assessed values.

VII. PID BOND ISSUANCE REQUIREMENTS

In addition to other conditions set forth in a development agreement, the following performance standards and limitations shall apply to PID debt issues approved by the City:

1. The maximum term of a PID assessment shall be determined by the City, but shall not exceed 30 years and the assessment term must equal the bond term.
2. Minimum appraised and assessment value to lien ratio of 2:1; unless otherwise approved by Resolution by the City Council.
3. Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.
4. Developer is current on all taxes, assessments, fees and obligations to the City, including payment of Assessments.
5. The City has determined, in consultation with the City's Bond Counsel and Financial Advisor, that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of

capital, and that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

6. The City has determined, in consultation with the City's Financial Advisor, that the amount of proposed PID Assessments and the structure, terms, conditions, and timing of the issuance of the PID Bonds are suitable and reasonable for the PID Project Costs to be financed and the degree of development activity within the PID, that there is sufficient security for the PID Bonds to be creditworthy, and that the various PID Assessment metrics meet the requirements set forth in the Development Agreement.
7. The City has determined, in consultation with the City's Bond Counsel and Financial Advisor, that the method of sale, investor suitability requirements, minimum bond denominations, and bond transferability restrictions are reasonable and meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.
8. No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.
9. Developer agrees to provide periodic information and notices of material events regarding Developer and Developer's development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Developer Continuing Disclosure Agreement.
10. Developer is not in default under a Developer Continuing Disclosure Agreement.
11. No annual principal assessment increases once assessments are levied. Assessments for future phases will remain competitive to the original Phase and Lot Type(s) as defined in the SAP.
12. Maximum of 2 years of capitalized interest for each bond issue (unless otherwise limited by State law).
13. All PID bonds must mature or expire no later than 30 years after being issued by the City.
14. All improvements to be funded with PID bonds must be reviewed by the City Engineer or designee, and inspected by the City Inspector, or third-party qualified designee, and built to the City's standards for public improvements prior to dedication and reimbursement.
15. To the extent the public improvements to be reimbursed have not been fully constructed and dedicated to the City, Developer is required to demonstrate committed capital in the form of a cash deposit, with an amount confirmed by an engineer's opinion of probable cost, which represents the difference between budgeted cost to complete the public improvements assumed to be completed, including private costs to reach final lot completion as established in the appraisal and the net proceeds of the PID bonds. The form of committed capital will be determined by the City on a case-by-case basis on advice from its Financial Advisor.

VIII. FINANCE LIMITATIONS

1. A developer or landowner may request the issuance of PID bonds in advance of construction of an individual phase of a development, subject to compliance with these standards and only upon the recommendation of City staff and consultants.
2. No general obligation bonds, certificates of obligation, or anticipation notes will be utilized by the City to directly or indirectly pay, or guarantee payment of, PID bonds.
3. All PID bond issues, if any, will be subject to approval by the City Council.
4. If the City Council authorizes the issuance of PID bonds, the City shall issue all such PID bonds in accordance with the protocols and procedures adhered to by the City's finance department for issuing long-term debt instruments including certificates of obligations, anticipation notes and bonds.

5. Special assessments on any given portion of the property may be adjusted in connection with subsequent PID bond issues as long as an agreed-upon maximum annual assessment rate is not exceeded, and the special assessments are determined in accordance with the SAP and the PID Act. Special assessments on any portion of the property will bear a direct proportionate relationship to the special benefit of the public improvements to that improvement area. In no case will the maximum assessment be increased for any parcel unless the property owner of the parcel consents to the increased assessment.
6. The City shall not be obligated to provide any funds for any improvement except from the proceeds of the PID bonds and PID assessments.
7. Each PID bond indenture will clearly state that all debt service payments for the PID bonds shall be payable solely from and secured by the pledged assessments levied against properties within the PID and funds held under a bond indenture for such purposes, and that the City will have no obligation to make debt service payments for the PID bonds from any other sources.
8. A PID will be responsible for payment of all the City's reasonable and customary costs and expenses including the cost of any appraisal.
9. Any PID bonds issued will include a Reserve Fund in an amount equal to the lesser of:
 - a. the maximum annual debt service on the bonds, or
 - b. 10 percent of the principal amount of the PID bonds, or
 - c. 125 percent of the average annual debt service and that such Reserve Fund will be funded from bond proceeds at the time bonds are issued.
10. In the instance that refunding bonds are issued, the Reserve Fund may be funded at a lower level, based on the sole discretion of the City
11. Pursuant to the PID Act, the interest rate for assessments may exceed the interest rate of the bonds by no more than one half of one percent (0.50%). The City may allocate up to 0.50% of the interest rate component to fund a delinquency reserve, prepayment reserve, or for any other purpose authorized by the PID Act.
12. All developers and significant landowners will provide any required continuing disclosure obligations associated with the issuance of PID bonds as required under the respective bond indenture or any other regulatory agreement or regulatory agency. Failure to abide by continuing disclosure requirements may limit access to proceeds and/or future bond issues.
13. All construction of improvements is subject to City review and approval and if applicable, provisions shall be made for dedication to City or to another appropriate entity.
14. Improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003(b)
15. Any trails, parks, streets or other public amenities that are located within a gated community or otherwise inaccessible location to the general public may not be funded or reimbursed by the PID.
16. All roads must be within dedicated rights-of-ways that are conveyed to either the City or to the County government, as appropriate.

IX. DISCLOSURE TO OWNERS

To provide disclosure to property owners, the City will require the petitioner to comply with the following:

1. Provide an executed, written consent of each landowner to the creation of the PID, the levy of assessments, and waiving any defect in statutory notices or hearings, to be recorded in the official public records of the applicable County.
2. Entry Signage at major entryways and exits.

3. Signage and information flyers in any sales centers within the PID that include:
 - a. Frequently Asked PID Questions
 - b. Total Assessment per Lot
 - c. Average Annual Installment per Lot
 - d. Equivalent Tax Rate per Lot
4. Buyer disclosure documents, in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file by each homebuilder.
5. Developer contracts with builders must require the builder to disclose the PID on any MLS listing.

X. DEVELOPER REIMBURSEMENT

The Developer will submit expenses for reimbursements, subject to the SAP and the approved Disbursement Certification Form attached to applicable document (Construction Funding Agreement, Reimbursement Agreement, Development Agreement, etc.), and submit to the City or PID Administrator as directed.

XI. PROFESSIONAL SERVICES AGREEMENT AND FEES

1. A non-refundable fee of \$15,000 is required at the time a petition is filed.
2. A PID fee of \$2,500 per single family home is required to be paid at the time the City Council levies assessments on each such lot (the "PID Fee").
3. The City shall include an annual \$5,000 administrative services fee per improvement area within the Annual Collection Costs of each PID (the "City Administrative Fee").

If the City determines it is in its best interest to establish a PID, a Professional Services Agreement will be entered into with the developer. The Professional Services Agreement will require the developer to initially deposit funds in the amount of \$25,000 to pay for third party consultants including, but not limited to: City Engineer, City Attorney, Bond Counsel, Financial Advisor, PID Administrator, Trustee, Underwriter, Appraiser, and Market Study Analysts. When the deposit balance reaches \$10,000, the developer will be required to deposit funds sufficient to return the balance to \$25,000. The developer will be eligible to be reimbursed these costs through bond proceeds or PID Assessments as applicable.

XII. MISCELLANEOUS

This PID policy does not bind the City Council to approve, authorize or create a PID or take any related action. PID creation, PID bond issuance and all related matters are legislative acts solely at the discretion of the City Council. No public official or employee shall be personally responsible for any liability arising under or growing out of any approved PID. Any obligation or liability of the Developer whatsoever that may arise at any time under the approved PID or any obligation or liability which may be incurred by the Developer pursuant to any other instrument, transaction or undertaking as a result of the PID shall be satisfied out of the assets of the Developer only and the City shall have no liability.

Any requests for adjustments, exceptions, or waivers to this policy must be reviewed and approved by the City Council of the City of Seagoville.



TO: Mayor and City Council

FROM: Kirk McDaniel, Director of Economic Development

DATE: August 5, 2024

ITEM: 15

DESCRIPTION: Discuss and consider a Resolution approving and accepting the Conveyance of Existing Facilities and Assignment of Warranties by Seagoville Laguna Azure, LLC related to Santorini Public Improvement District Improvement Area #1 and Major Improvements; authorizing the City Manager to accept and execute the same; directing that the conveyance document be recorded in the land records of Kaufman County, Texas.

INTRODUCTION

Discuss and consider approving a Resolution of the City Council of the City of Seagoville, Texas, approving and accepting the conveyance of existing facilities and assignment of warranties by Seagoville Laguna Azure, LLC related to Santorini Public Improvement District Improvement Area #1 and Major Improvements.

BACKGROUND

The City previously levied assessments on certain real property within Improvement Area #1 and the Major Improvement Area of the Santorini Development and issued PID bonds supported by such assessments. The Developer has completed substantial infrastructure improvements and has submitted for reimbursement for those valid infrastructure costs. Public Works has inspected and approved the infrastructure. In order to reimburse the Developer for those infrastructure costs, the City must acquire the infrastructure. This conveyance document is the legal form required to proceed with the acquisition and funding of the infrastructure.

FINANCIAL IMPACT

N/A. All funding is solely through PID Funds.

RECOMMENDATION

Staff recommends approval of the Resolution and Conveyance.

ATTACHMENTS

1. Resolution
2. Conveyance

CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING AND ACCEPTING THE CONVEYANCE OF EXISTING FACILITIES AND ASSIGNMENT OF WARRANTIES BY SEAGOVILLE LAGUNA AZURE, LLC RELATED TO SANTORINI PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 AND MAJOR IMPROVEMENTS; AUTHORIZING THE CITY MANAGER TO ACCEPT AND EXECUTE THE SAME; DIRECTING THAT THE CONVEYANCE DOCUMENT BE RECORDED IN THE LAND RECORDS OF KAUFMAN COUNTY, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City and Seagoville Laguna Azure, LLC (“Developer”) entered into the City of Seagoville, Texas Santorini Public Improvement District Improvement Area #1 and Major Improvements Reimbursement Agreement, dated December 18, 2023 (the “Agreement”); and

WHEREAS, pursuant to the Agreement, Developer has completed construction of a portion of the infrastructure facilities as more specifically described and identified in the Conveyance of Existing Facilities and Assignment of Warranties, attached hereto and incorporated herein by this reference as Exhibit “A;” and

WHEREAS, Developer desires to convey such portion of constructed infrastructure facilities to the City along with all warranties related thereto;

WHEREAS, the City Council finds that the approval and acceptance of the Conveyance of Existing Facilities and Assignment of Warranties is in the best interest of the citizens of the City of Seagoville and serves the general welfare;

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

Section 1. The recitals set forth above are found and determined to be true and correct and are adopted herein.

Section 2. The City Council hereby approves and accepts the Conveyance of Existing Facilities and Assignment of Warranties, in substantially the form of that attached hereto and incorporated herein by this reference as Exhibit “A” (the “Conveyance”).

Section 3. The City Manager is hereby authorized to accept and execute the Conveyance in substantially the form of Exhibit “A.”

Section 4. This resolution shall take effect immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Seagoville,
Texas, this the fifth day of August, 2024.

APPROVED:

Lackey Stepper Sebastian, Mayor

ATTEST:

Sara Egan, City Secretary

APPROVED AS TO FORM:

Autumn Keefer, Asst. City Attorney

EXHIBIT “A”
Conveyance of Existing Facilities and Assignment of Warranties
[to be attached]

4858-5134-1267, v. 1

b. Developer is not a party to any written or oral contract which adversely affects this Conveyance, and is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.

c. Developer has not engaged in or been threatened with any legal action or proceeding, nor is Developer under any investigation, which would prevent the execution of this Conveyance.

d. The person executing this Conveyance on behalf of the Developer has full authority to do so, and no further action need be taken by Developer to validate this Conveyance.

e. No liens or charges exist that encumber right, title or interest in or to the Facilities.

3. Following this Conveyance, nothing herein shall relieve the City of the obligation to reimburse Developer for any amounts remaining due and payable to Developer for the remaining portions of the Facilities pursuant to the Agreement, nor shall any provision of this Conveyance relieve Developer of any obligations imposed by the Agreement, any amendments thereto, other development agreements, or city ordinance, including but not limited to the submission of final platting, dedication of public improvements, maintenance of all public improvements and the provision of maintenance bonds.

4. Developer acknowledges that pursuant to the Agreement, it is obligated to complete construction of the remaining portions of the Facilities.

5. Developer represents that it has not used any agent or broker to bring about this Conveyance and agrees that no fee is due any agent or broker by reason hereof.

(EXECUTION PAGE FOLLOWS)

IN WITNESS WHEREOF, Developer and the City have caused their names to be hereunto subscribed.

EXECUTED to be EFFECTIVE as of the _____ day of July, 2024.

“DEVELOPER”

Seagoville Laguna Azure, LLC,
a Wyoming limited liability company

By: _____

Name: _____

Its: _____

THE STATE OF TEXAS

§

COUNTY OF _____

§

§

This instrument was acknowledged before me on this _____ day of July, 2024, by _____, _____ of Seagoville Laguna Azure, LLC, a Wyoming limited liability company, on behalf of said company.

Notary Public in and for the State of _____

(NOTARY SEAL)

“CITY”

City of Seagoville

By: _____

Name: _____

Its: _____

THE STATE OF TEXAS

§

§

COUNTY OF KAUFMAN

§

This instrument was acknowledged before me on this ____ day of _____, 2024, by _____, _____ of the City of Seagoville, on behalf of said City.

Notary Public in and for the State of Texas

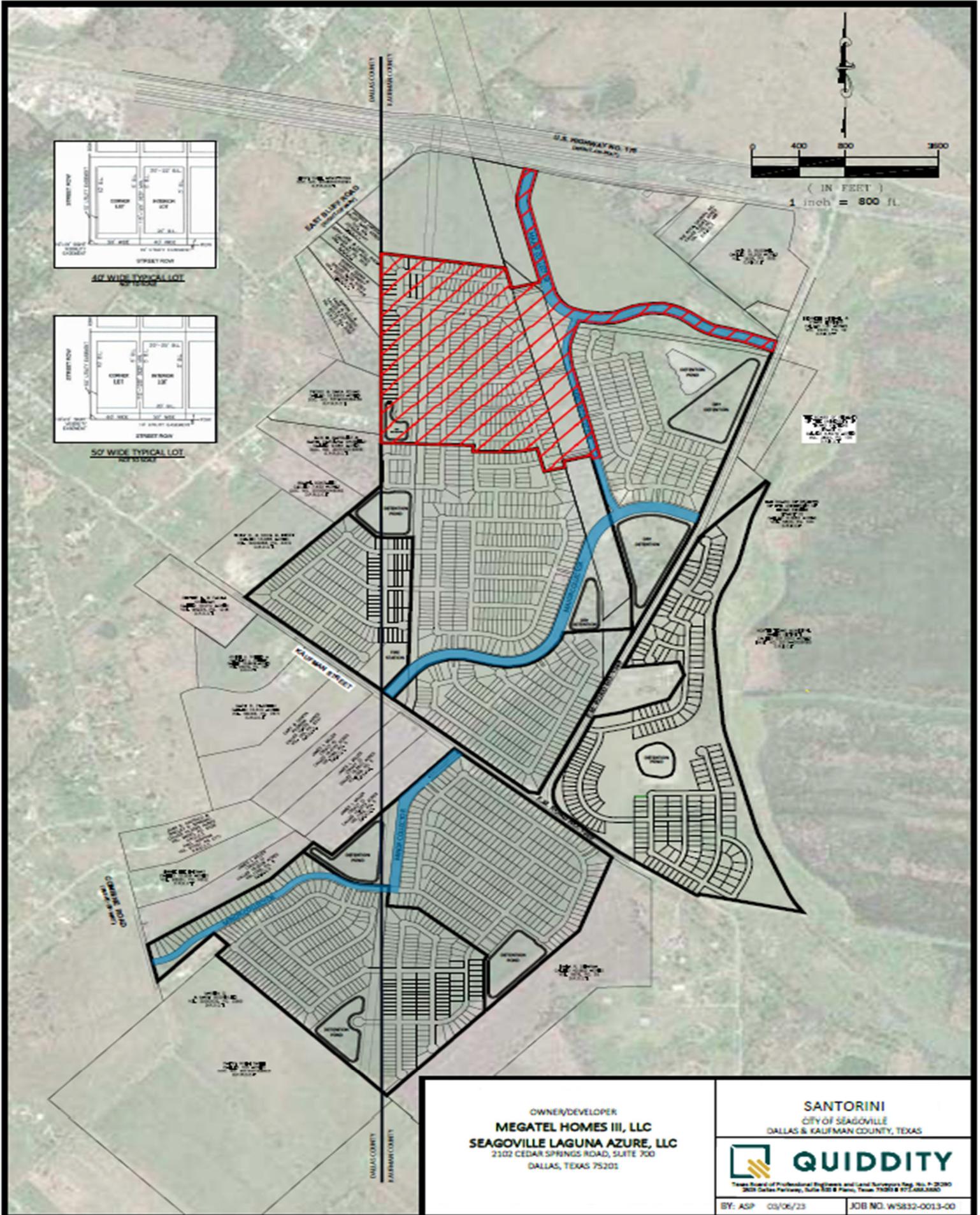
EXHIBIT “A-1”
(Contracts for Construction of the Facilities)

1. Owner–Contractor Agreement for Paving for the Community of Santorini Phase 1, City of Seagoville, Kaufman County, Texas, between Developer, as owner, and Pavecon Public Works, LP, as Contractor, dated July 11, 2023.
2. Owner–Contractor Agreement for Excavation for the Community of Santorini Phase 1, City of Seagoville, Kaufman County, Texas, between Developer, as owner, and Hammer Excavation, Inc. as Contractor, dated July 13, 2022.
3. Owner–Contractor Agreement for Wet Utilities for the Community of Santorini Phase 1AB, City of Seagoville, Kaufman County, Texas, between Developer, as owner, and KIK Underground, LLC as Contractor, dated December 19, 2022.
4. Owner–Contractor Agreement for Wet Utilities-Offsite Sanitary Sewer & Water for the Community of Santorini Phase 1, City of Seagoville, Kaufman County, Texas, between Developer, as owner, and KIK Underground, LLC as Contractor, dated July 15, 2022.

EXHIBIT "A-2"
(Map showing location of the Facilities heretofore constructed
and being conveyed)

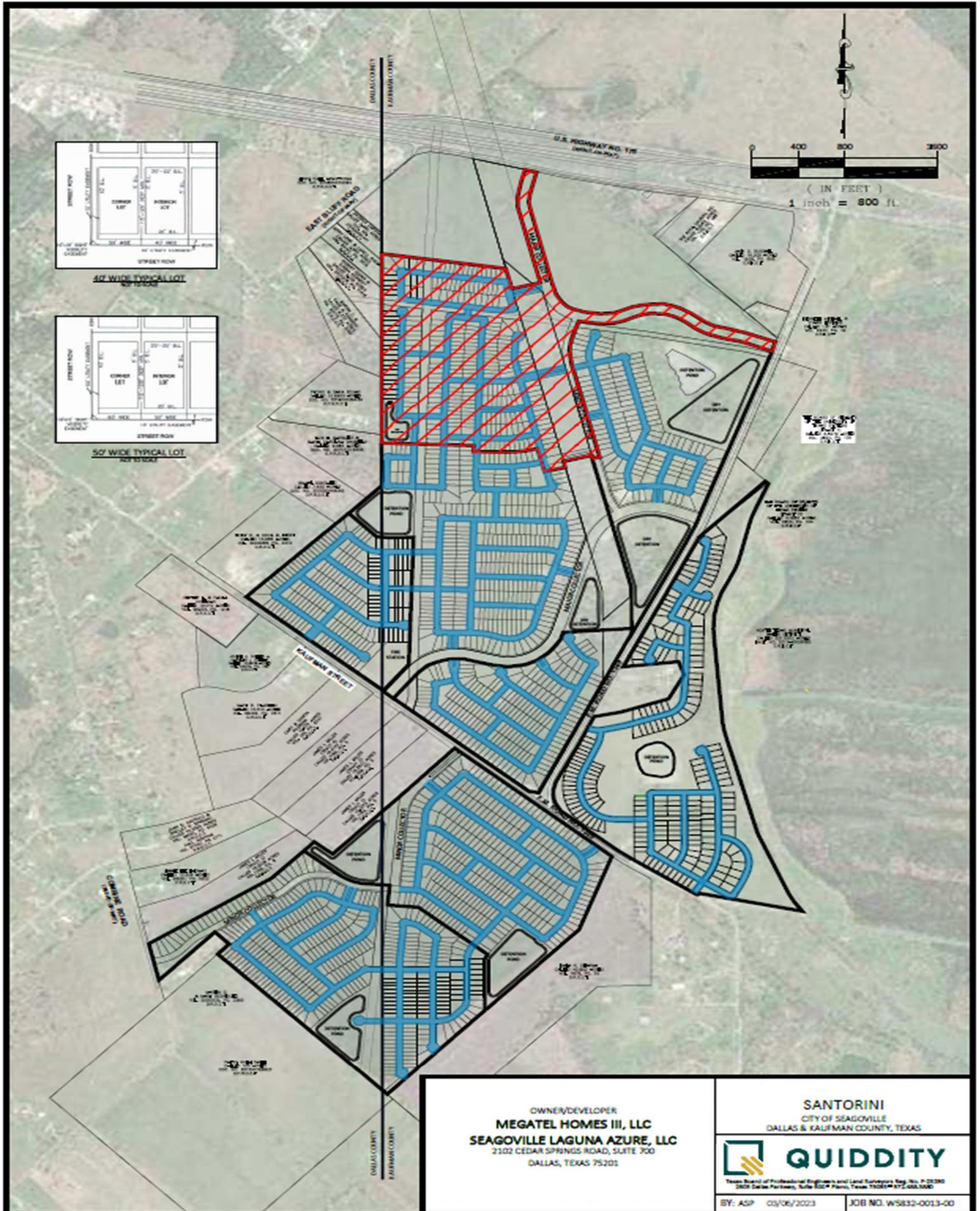
 Built with Phase 1A

Master Roads



 Built with Phase 1A

Direct Roads



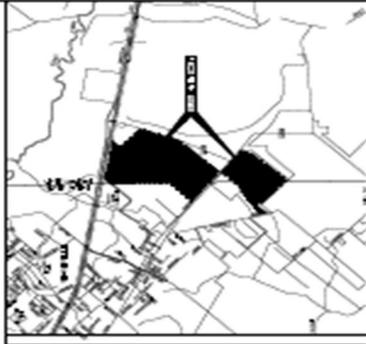
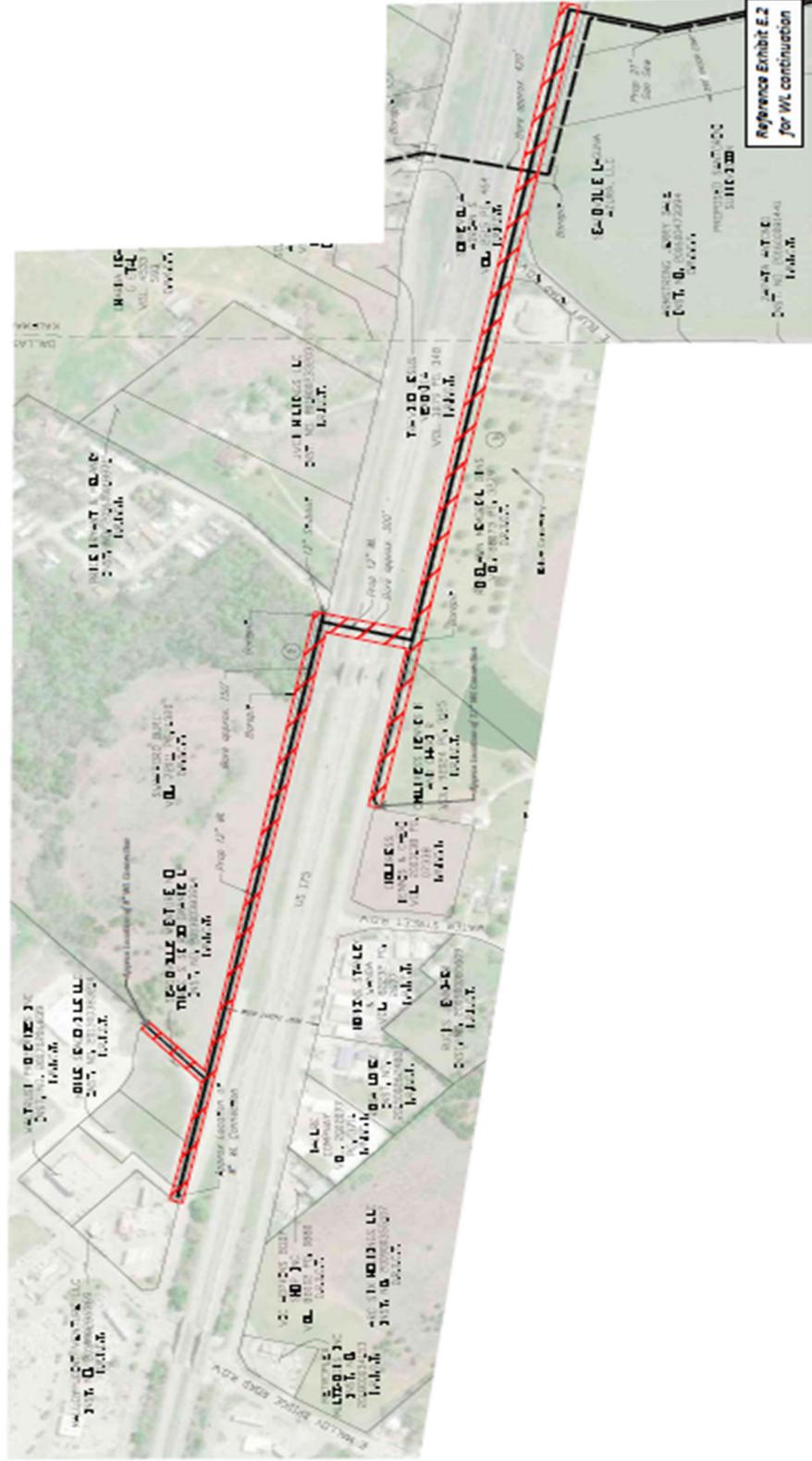
OWNER/DEVELOPER
MEGATEL HOMES III, LLC
SEAGOVILLE LAGUNA AZURE, LLC
2102 CEDAR SPRINGS ROAD, SUITE 700
DALLAS, TEXAS 75201

SANTORINI
CITY OF SEAGOVILLE
DALLAS & KAUFMAN COUNTY, TEXAS



BY: ASP 05/06/2023 JOB NO. W5832-0013-00

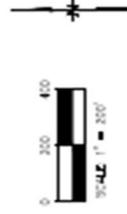
Master Water: Offsites
Built with Phase 1A



LEGEND

- PROPERTY BOUNDARY
- PROP SAFFETY EASE
- PROP WATER MAIN
- SAFETY EASEMENT
- WATER EASEMENT

CITY OF SEAGOVILLE
 DALLAS & KAUFMAN COUNTY,
 TEXAS

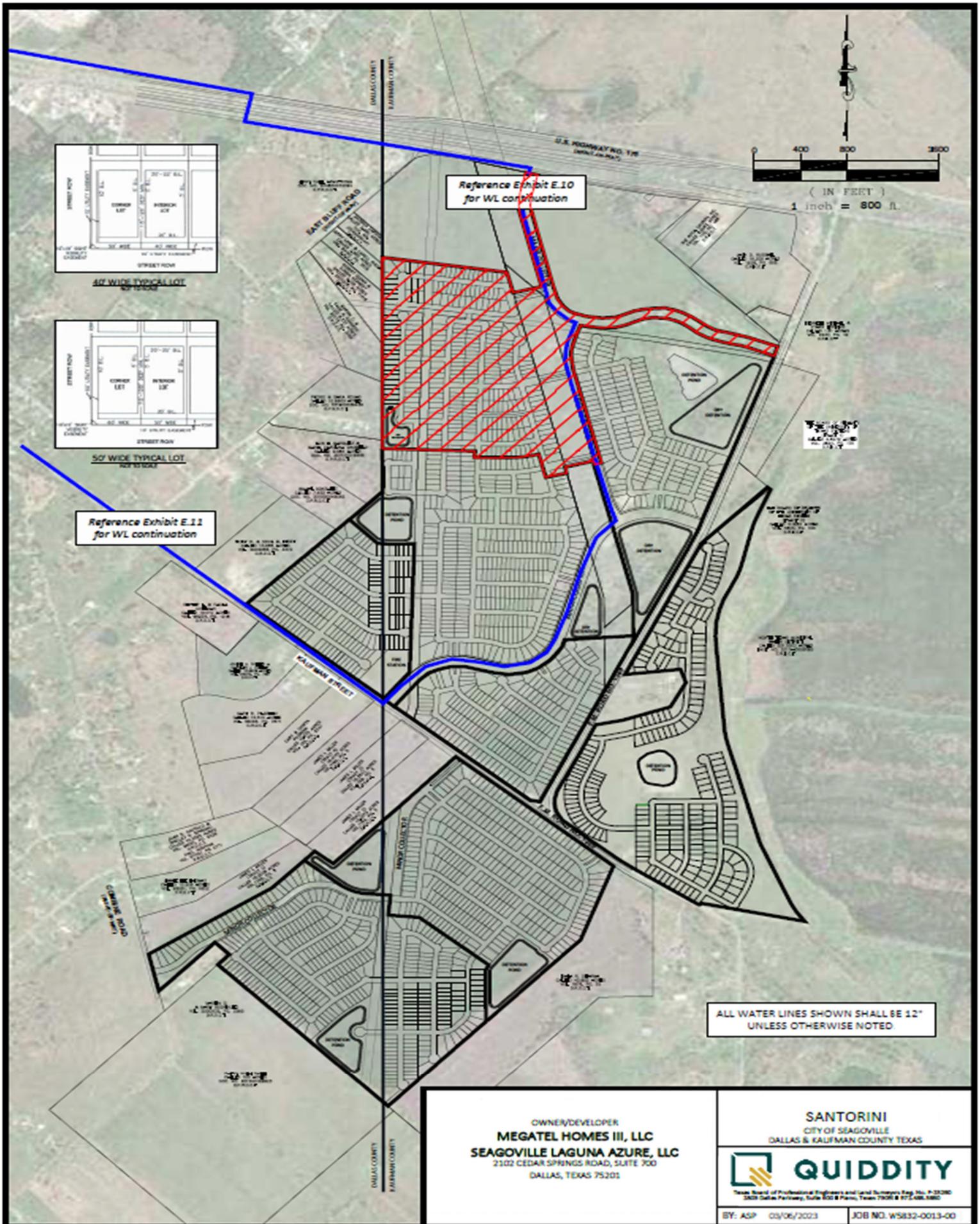


Disclaimer: This project is intended to provide information and may not be prepared by a licensed professional engineer or surveyor. It does not represent a warranty or representation of the accuracy of the information provided. The information is provided for informational purposes only and should not be used for any other purpose without the consent of the engineer or surveyor.



 Built with Phase 1A

Master Water: Onsite



Reference Exhibit E.11
for WL continuation

Reference Exhibit E.10
for WL continuation

ALL WATER LINES SHOWN SHALL BE 12"
UNLESS OTHERWISE NOTED

OWNER/DEVELOPER
MEGATEL HOMES III, LLC
SEAGOVILLE LAGUNA AZURE, LLC
2102 CEDAR SPRINGS ROAD, SUITE 700
DALLAS, TEXAS 75201

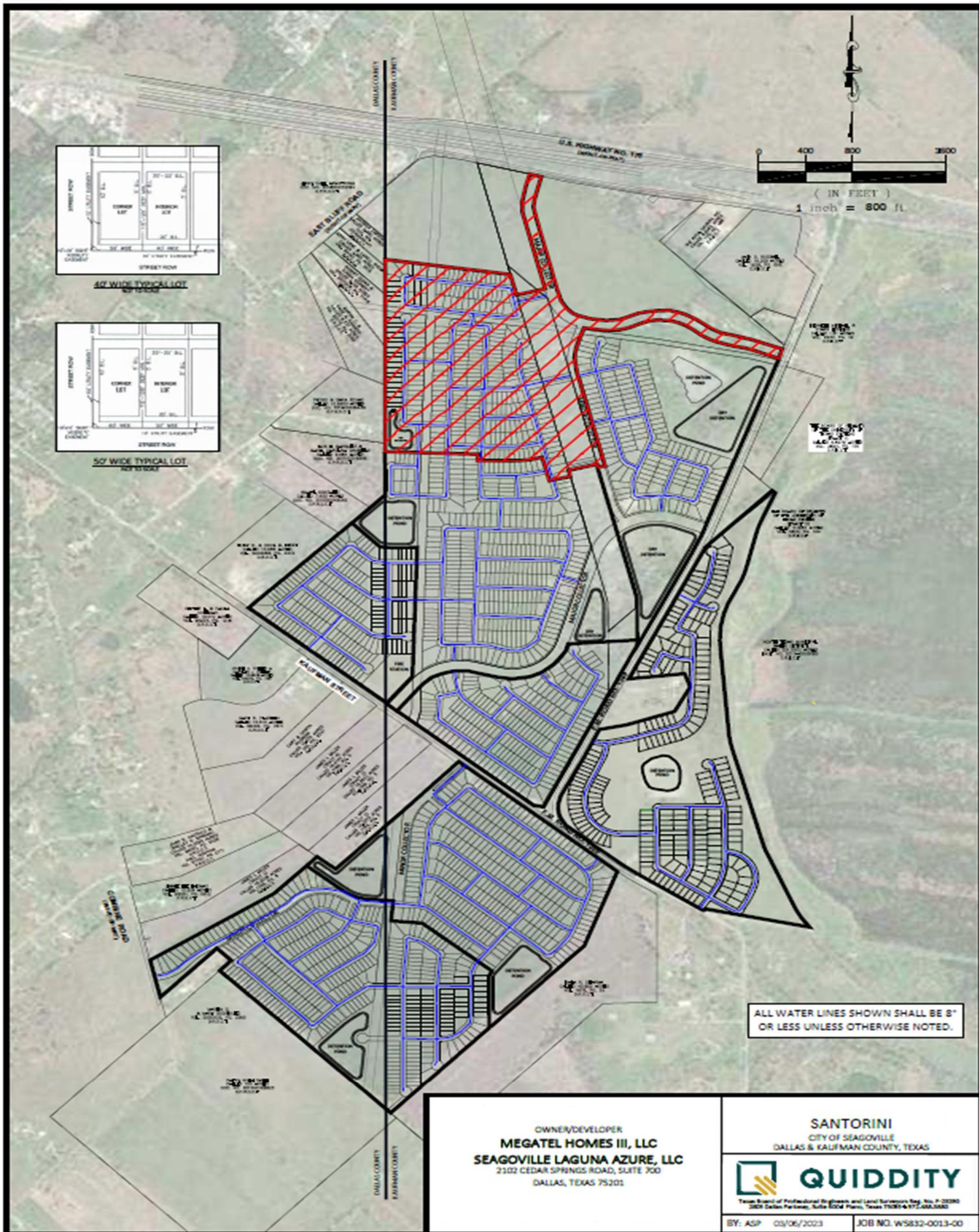
SANTORINI
CITY OF SEAGOVILLE
DALLAS & KAUFMAN COUNTY TEXAS

 **QUIDDITY**
Team: Board of Professional Engineers and Land Surveyors Reg. No. P-22280
3829 Dallas Parkway, Suite 802 & Plaza, Texas 75088 & 972.498.1882

BY: ASP 05/06/2023 JOB NO. WS832-0013-00

 Built with Phase 1A

Direct Water



OWNER/DEVELOPER
MEGATEL HOMES III, LLC
SEAGOVILLE LAGUNA AZURE, LLC
2102 CEDAR SPRINGS ROAD, SUITE 700
DALLAS, TEXAS 75201

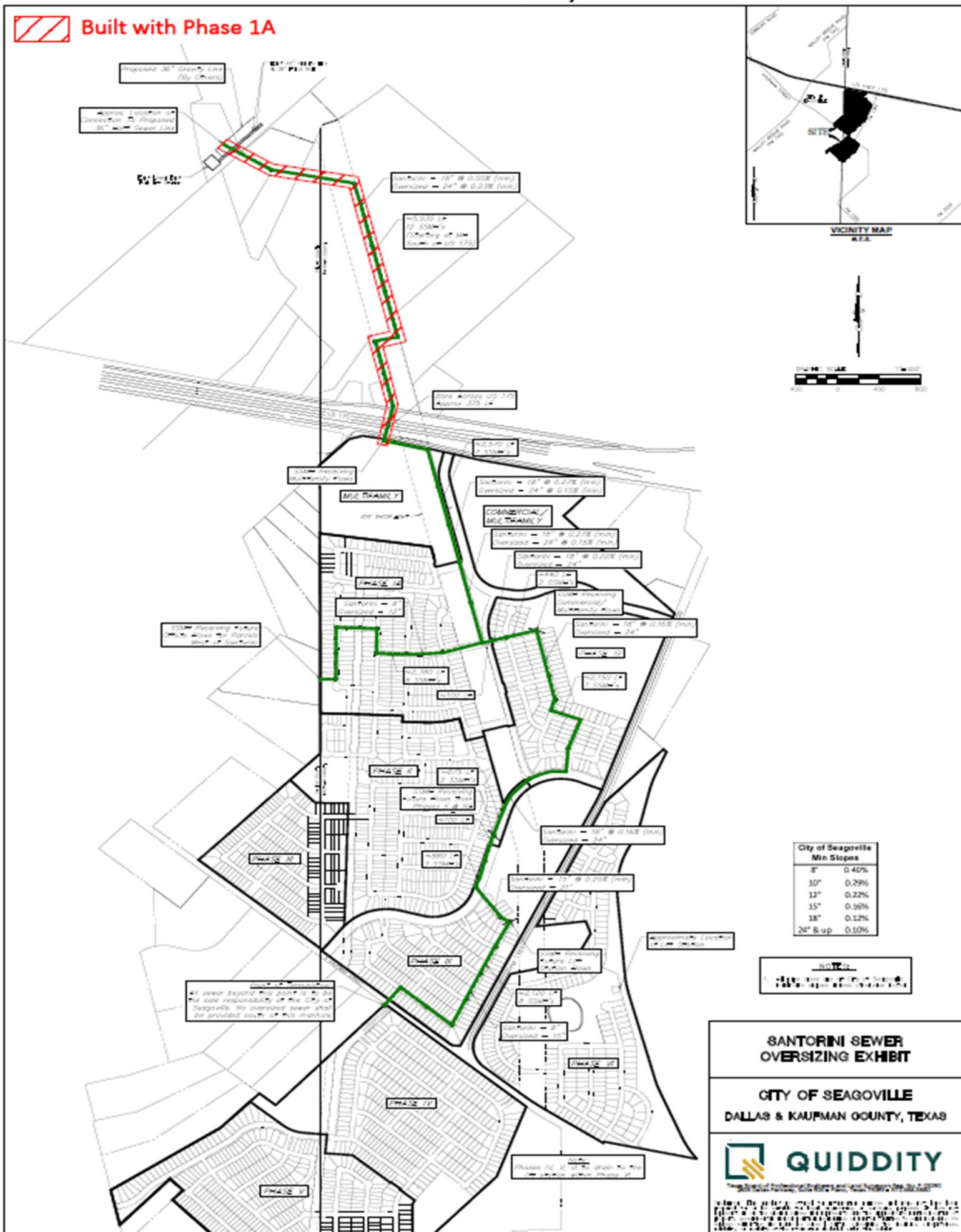
SANTORINI
CITY OF SEAGOVILLE
DALLAS & KAUFMAN COUNTY, TEXAS

 **QUIDDITY**
Texas Board of Professional Engineers and Land Surveyors Reg. No. P-20280
2025 Dallas Parkway, Suite 8204 Plano, Texas 75074-9772 (409.458.0000)

BY: ASP 03/06/2023 JOB NO. WS832-0013-00

Master Sanitary

 Built with Phase 1A



SANTORINI SEWER OVERSIZING EXHIBIT

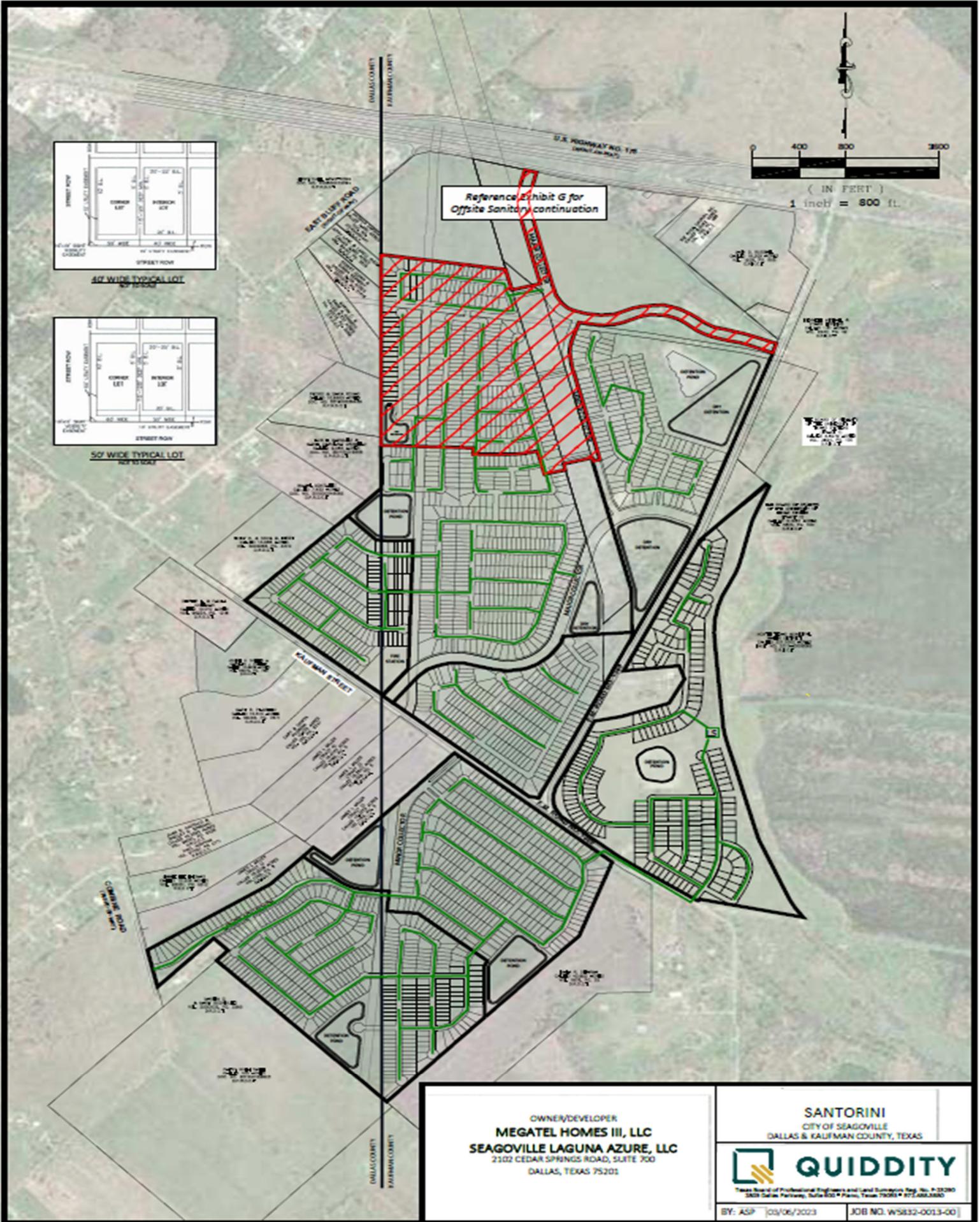
CITY OF SEAGOVILLE
DALLAS & KAUFMAN COUNTY, TEXAS

 **QUIDDITY**

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 Built with Phase 1A

Direct Sanitary



OWNER/DEVELOPER
MEGATEL HOMES III, LLC
SEAGOVILLE LAGUNA AZURE, LLC
2102 CEDAR SPRINGS ROAD, SUITE 700
DALLAS, TEXAS 75201

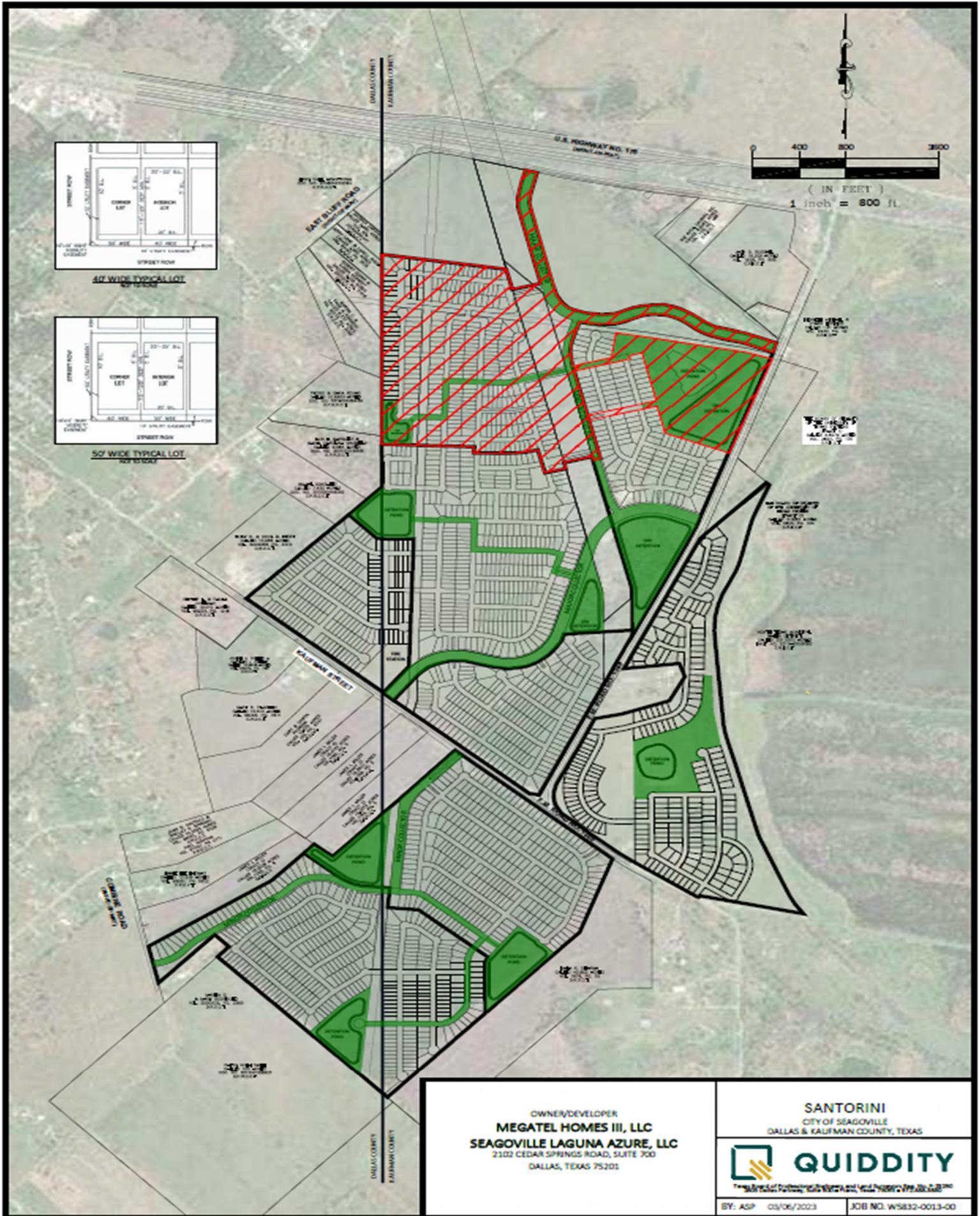
SANTORINI
CITY OF SEAGOVILLE
DALLAS & KAUFMAN COUNTY, TEXAS

 **QUIDDITY**
Texas Board of Professional Engineers and Land Surveyors Reg. No. P-22280
1828 Dallas Parkway, Suite 600 • Plano, Texas 75093 • 972.488.2680

BY: ASP 05/06/2023 JOB NO. W5832-0013-00

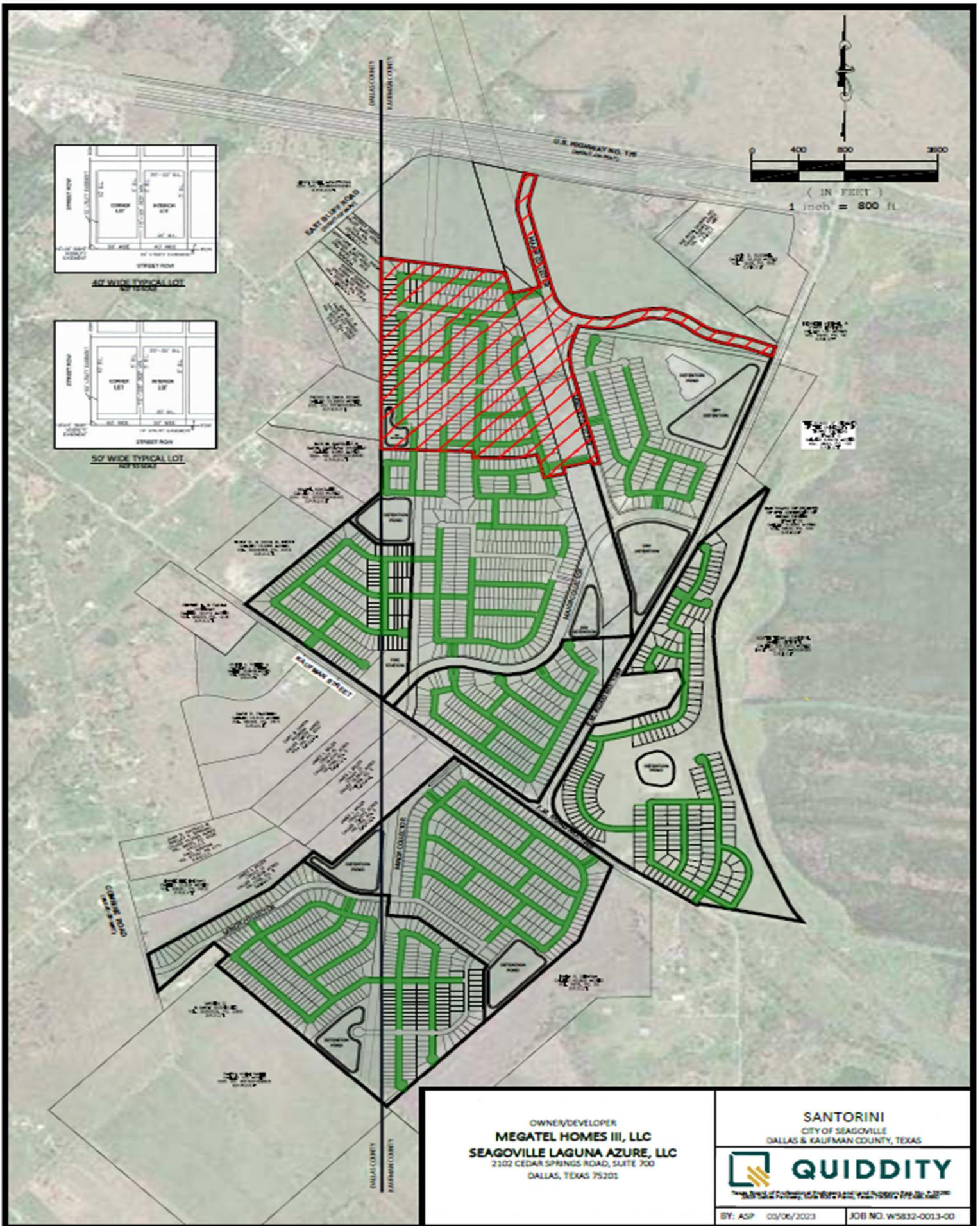
 Built with Phase 1A

Master Stormwater



 Built with Phase 1A

Direct Stormwater





TO: Mayor and City Council
FROM: Gail French, Director of Finance
DATE: August 5, 2024
ITEM: 16
DESCRIPTION: Discuss and consider approving a Resolution authorizing the City Manager to enter into a Software Service Agreement with Azavar approving the terms and conditions of the agreement; and providing an effective date.

INTRODUCTION

The purpose of this item is to enter into an agreement with Azavar to audit and collect Franchise fees, and Sales and Use taxes owed to the City of Seagoville.

BACKGROUND

Azavar, has agreed to provide Compliance audits and ongoing Revenue Maximization and Monitoring Services. As part of the Third-Party Administrator (TPA) Program, Azavar shall review, audit, maximize and regularly monitor any and all sources of revenue and related expenses including, but not limited to each, sales tax, use tax, ordinance, license, service fee, contract, franchise fee agreement, intergovernmental agreement, payment in lieu of taxes, and any and all expenses imposed by the City of Seagoville.

FINANCIAL IMPACT

The impact would be increasing revenues with no expenditure for the city.

RECOMMENDATION

Staff recommends approval.

ATTACHMENTS

1. Resolution
2. Professional Service Agreement

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH AZAVAR AUDIT SOLUTIONS, INC.; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND ANY OTHER RELATED AND NECESSARY DOCUMENTS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS Azavar Audit Solutions, Inc. (“Azavar”) has agreed to provide compliance audits and ongoing revenue maximization and monitoring services as part of a third-party administrator (TPA) program, under which Azavar shall review, audit, maximize and regularly monitor any and all sources of revenue and related expenses including, but not limited to each, sales tax, use tax, ordinance, license, service fee, contract, franchise fee agreement, intergovernmental agreement, payment in lieu of taxes, and any and all expenses imposed by the City of Seagoville; and

WHEREAS, this includes those revenues, whether levied, imposed, or administered by the City of Seagoville; and

WHEREAS, the City Council of the City of Seagoville finds it to be in the public interest of the City to authorize the above-described professional services.

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

SECTION 1. The Professional Services Agreement with Azavar Audit Solutions, Inc. attached hereto as Exhibit “A” for an initial term of three years and for compensation to be paid on a contingency basis as set forth therein is hereby approved and the City Manager is authorized to execute the Agreement, in substantially the form attached hereto and incorporated herein by this reference as Exhibit “A” and any other related and necessary documents.

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

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

DULY PASSED by the City Council of the City of Seagoville, Texas, on the 5th day of August 2024.

APPROVED:

LACKEY STEPPER SEBASTIAN, MAYOR

ATTEST:

SARA EGAN, CITY SECRETARY

APPROVED AS TO FORM:

AUTUMN KEEFER, ASST. CITY ATTORNEY

EXHIBIT A

SEE ATTACHMENT

4875-0065-1988, v. 1



Professional Services Agreement

Azavar Agreement

Created by:

Tom Fagan
Azavar

Prepared for:

Gail French
City of Seagoville

Professional Services Agreement

This Professional Services Agreement (this “Agreement”) is made and entered into on the 30th day of June 2024 by and between Azavar Audit Solutions, Inc. (DBA Azavar Government Solutions), an Illinois corporation having its principal place of business at 55 East Jackson Boulevard, Suite 2100, Chicago, Illinois 60604 (“Azavar”), and the City of Seagoville a Texas municipal corporation having its principal place of business at 702 North Highway 175 Seagoville, Texas 75159 (“Customer”).

1. SCOPE OF SERVICES

1.1 Subject to the following terms and conditions, Azavar shall provide professional management, government, revenue and tax, and computer consulting services (“Services”) in accordance with written statements of work agreed to by the parties (each, a “Statement of Work”) attached hereto as Exhibit A, which may be subsequently amended by the parties. Each Statement of Work and any subsequent amendments thereto shall be executed on behalf of each of the parties, whereupon it shall be deemed incorporated herein by reference as though fully set forth herein. The parties agree that certain Statements of Work may be delegated by Azavar to different affiliates or entities that shall operate under the terms set forth in this Agreement.

1.2 Azavar shall be responsible for providing the Services in substantial accordance with each Statement of Work. Azavar will render the services provided under this Agreement in a workmanlike manner in accordance with industry standards.

1.3 Customer agrees to provide reasonable facilities and space should Azavar work on Customer’s premises as may be reasonably required for the performance of the Services set forth in this Agreement and in any Exhibit hereto.

2. INDEPENDENT CONTRACTOR

Azavar acknowledges and agrees that the relationship of the parties hereunder shall be that of independent contractor and that neither Azavar nor its employees shall be deemed to be an employee of Customer for any reason whatsoever. Neither Azavar nor Azavar’s employees shall be entitled to any Customer employment rights or benefits whatsoever.

3. PAYMENT TERMS

Customer shall compensate Azavar the fees set forth in each Statement of Work. Azavar shall be entitled to compensation for time which is actually spent providing the Services set forth in each Statement of Work. Azavar shall submit an invoice to Customer on a monthly or quarterly basis detailing the amounts charged to Customer pursuant to the terms of this Agreement and each Statement of Work hereto. Customer shall remit payment to Azavar within thirty (30) days of the date of each invoice. If Customer defaults on payment of any invoice that is not disputed in writing by Customer within thirty (30) days after the receipt of such invoice, Azavar, at its discretion, may accelerate all payments due under this Agreement, any Statement of Work attached hereto, will seek recovery of all estimated fees due to Azavar. Azavar shall be entitled to recover all costs of collection including, but not limited to, finance charges, interest at the rate of one percent (1%) per month, reasonable attorney's fee, court costs, and collection service fees and costs for any efforts to collect fees from the Customer.

4. CONFIDENTIAL INFORMATION

4.1 Each party acknowledges that in the performance of its obligations hereunder, either party may have access to information belonging to the other which is proprietary, private and highly confidential (“Confidential Information”). Each party, on behalf of itself and its employees, agrees not to disclose to any third party any Confidential Information to which it may have access while performing its obligations hereunder without the written consent of the disclosing party which shall be executed by an officer of such disclosing party. Confidential Information does not include: (i) written information legally acquired by either party prior to the negotiation of this Agreement, (ii) information which is or becomes a matter of public knowledge, (iii) information which is or becomes available to the recipient party from third parties and such third parties have no confidentiality obligations to the disclosing party, and (iv) information subject to disclosure under any state or federal laws.

Professional Services Agreement

4.2 Azavar agrees that any work product or any other data or information that is provided by Customer in connection with the Services shall remain the property of Customer, and shall be returned promptly upon demand by Customer, or if not earlier demanded, upon expiration of the Services provided under each Statement of Work hereto.

5. INTELLECTUAL PROPERTY

5.1 Under no circumstance shall Customer have the right to distribute or make public any information or software containing, or based upon, Confidential Information of Azavar to any third party without the prior written consent of Azavar which must be executed by a senior officer of Azavar. All documents produced or created pursuant to this Agreement are instruments of service owned solely and exclusively

6. DISCLAIMER

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AZAVAR DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES RENDERED UNDER THIS AGREEMENT OR THE RESULTS OBTAINED FROM AZAVAR'S WORK, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL AZAVAR BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR INDIRECT DAMAGES, OR FOR ACTS OF NEGLIGENCE THAT ARE NOT INTENTIONAL OR RECKLESS IN NATURE, REGARDLESS OF WHETHER IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. TERMINATION

7.1 This Agreement shall be effective ("Term") from the date first written above and shall continue thereafter until terminated upon 30 days written notice by Customer or Azavar ("Initial Term") and automatic renewal terms ("Renewal Terms"). The Initial Term shall be for a twelve (12) month period, beginning on the first day of the execution of this Agreement. Upon completion of the Initial Term, this Agreement shall automatically renew for the Renewal Terms, as successive twelve (12) month periods for three (3) additional years, unless previously terminated. A Party may terminate one or more of a Statement of Work, without terminating either this Agreement or another Statement of Work.

7.2 Termination for any cause or under any provision of this Agreement shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to either party.

7.3 The provisions set forth above in Section 3 (Payment Terms), Section 4 (Confidential Information), and Section 5 (Intellectual Property) and below in Section 9 (Assignment), Section 10 (Non-Solicitation of Employees), and Section 11 (Use of Customer Name) shall survive termination of this Agreement.

Professional Services Agreement

8. NOTICES

Any notice made in accordance with this Agreement shall be sent by certified mail or by overnight express mail:

If to Azavar:

General Counsel
Azavar Audit Solutions, Inc.
55 East Jackson Boulevard
Suite 2100
Chicago, Illinois 60604

If to Customer:

City Manager
City of Seagoville
702 North Highway 175 Seagoville, Texas 75159

9. ASSIGNMENT

Neither party may assign this Agreement or any of its rights hereunder without the prior written consent of the other party hereto, except Azavar shall be entitled to assign its rights and obligations under this Agreement in connection with a sale of all or substantially all of Azavar's assets.

10. NONSOLICITATION OF EMPLOYEES

During the period in which any Exhibit to this Agreement is in effect and for a period of twelve (12) months thereafter, each party agrees it will not, without the prior written consent of the other party, solicit the employees of the other party for the purpose of offering them employment; provided, however, that good faith solicitations by way of mass media (i.e., newspapers, internet) shall not be deemed to be a violation of this Section 10.

11. USE OF CUSTOMER NAME

Customer hereby consents to Azavar's use of Customer's name in Azavar's marketing materials; provided, however, that Customer's name shall not be so used in such a fashion that could reasonably be deemed to be an endorsement by Customer of Azavar.

COMPLETE AGREEMENT

This Agreement, along with each Statement of Work attached hereto from time to time, contains the entire Agreement between the parties hereto with respect to the matters specified herein. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof. This Agreement shall not be amended except by a written amendment executed by the parties hereto. No delay, neglect or forbearance on the part of either party in enforcing against the other any term or condition of this Agreement shall either be, or be deemed to be, a waiver or in any way prejudice any right of that party under this Agreement. This Agreement shall be construed in accordance with the laws of the State of Texas and the parties hereby consent to the jurisdiction of the courts of the State of Texas.

Azavar Audit Solutions, Inc

City of Seagoville

Print Name: Jason Perry

Print Name:

Signature:

Signature:

Title: President

Title:



Exhibit A - Statement of Work

Azavar Agreement

Created by:

Tom Fagan

Azavar

Prepared for:

Gail French

City of Seagoville

Exhibit A – Statement of Work

This Statement of Work (“Statement of Work”) is made and entered into on this 30th day of June 2024 by and between Azavar Audit Solutions, Inc., an Illinois corporation having its principal place of business at 55 East Jackson Boulevard, Suite 2100, Chicago, Illinois 60604 (“Azavar”), and the City of Seagoville corporation, having its principal place of business at 702 North Highway 175 Seagoville, Texas 75159 (“Customer”). WHEREBY the parties entered into a Professional Services Agreement (“Agreement”) by signature by the parties attached hereto on 30th day of June 2024.

1. COMPLIANCE AUDITS & ONGOING REVENUE MAXIMIZATION AND MONITORING SERVICES:

In addition to the Services and work defined in the Agreement, Services shall be provided in substantial accordance with the below statements:

(a) Azavar, as Customer’s authorized agent and third-party administrator (“TPA”), shall undertake a Local Government Revenue Compliance Audit, Maximization, and Monitoring Program (“Revenue TPA Program”) on behalf of the Customer. As part of the Revenue TPA Program Azavar shall, on behalf of the Customer, separately review, audit, maximize, and regularly monitor for the Term of this Statement of Work any and all sources of Customer revenue and related expenses (“Audits”), including, but not limited to, each sales tax, use tax, ordinance, license, service fee, contract, franchise agreement, intergovernmental agreement, payment in lieu of taxes, and any and all expenses imposed by or upon the Customer within the Customer’s corporate boundaries, and as permitted by the Customers’ ordinances and state and federal law, including those revenues, whether levied, imposed, or administered by the Customer, elsewhere locally, by the state or federal government, taxpayers, remitters, or those that should be remitting any funds or savings to the Customer (“Auditee(s)”), revenues and expenditures related to (and where applicable), but not limited to the following:

- I. Electricity providers and/or consumers
- II. Natural gas providers and/or consumers
- III. Multichannel video (i.e. cable) franchise fees and service fees and/or consumers
- IV. Telecommunications (i.e. phone, fiber, wireless, etc.) providers and/or consumers
- V. Fuel providers and/or consumers, oil and gas well drilling and production, and oil and gas pipelines in-right-of-way
- VI. Locally imposed, levied, and/or administered charges, fees or fines
- VII. Locally imposed and/or administered Business Licenses, Registrations, or Occupation Taxes
- VIII. Locally imposed and/or administered Residential Rental Licenses
- IX. Taxpayers subject to Local Amusement or Entertainment Taxes
- X. Fixed Location taxpayers subject to Use Taxes
- XI. Online travel companies and short-term online rental management platforms taxpayers subject to local occupation/sales/use taxes
- XII. A review of revenues distributed to the Customer by the state, including reviewing state distributions and address designations for sales tax, remote sellers sales tax, service taxes, use taxes, and service use taxes.
- XIII. Should the Customer own or operate its own utilities including, but not limited to, electric, natural gas, water or other utilities, Azavar shall also review and audit the revenues and expenses of those Customer owned or operated utilities.

Exhibit A – Statement of Work

(b) The purpose of each Audit is to determine past, present, and future taxes, license fees, service fees, or any other recoveries, refunds, monies or revenue owed to the Customer that were not properly attributed to the Customer or were not properly paid or collected and to determine future taxes, franchise fees, and other monies owed to the Customer not previously counted so that Customer can collect these past, present, and future monies. Federal and state law, the Customer’s own local ordinances and databases, any agreements, contracts or bills between Customer and Auditee are used by Azavar to conduct the Audits and Azavar will present to Customer in writing during the course of the Audits reports detailing compliance findings and findings of monies paid, due, or potentially due to the Customer for review by the Customer per Auditee (“Findings”). Where already allowable by existing Customer contracts or agreements or federal, state, or local laws or ordinances, this Statement of Work authorizes Azavar to correct any prospective errors and make a reasonable effort to collect monies due to the Customer under such applicable laws, local ordinances, or contracts. Additionally, Azavar shall regularly monitor all revenues and related expenditures monthly during the Term of this Agreement and shall make any corrections accordingly. Azavar shall review Customer ordinances and shall present Findings to Customer to maximize Customer revenues as part of the Audits, and where such Findings requires a change into the future, Azavar will only implement such change after Customer has reviewed and agreed to in writing any such change. Customer understands that Findings may include, but are not limited to, changes to technology, organizational processes, process automation, Customer communication practices, Customer governing practices, and/or updates to local ordinances or the codification thereof. Customer agrees that any Findings, whether implemented in whole or in part by Azavar or the Customer, shall be fully compensable under Section 2 of this Statement of Work, including wherein the Findings require any amendments to an ordinance and wherein the ordinance is changed. Customer agrees to review any Findings within thirty (30) days;

(c) Customer hereby represents that it is not engaged in any Audits as contemplated under this Statement of Work and shall therefore pay Azavar the fees set forth in this Agreement for any Findings made by Azavar. Customer agrees during the Term of this Statement of Work that it shall not initiate or engage in any Audits, changes to any ordinances related to any Audits, or execution or renewal of any contracts or agreements related to any Audits as contemplated under this Statement of Work without Azavar’s prior written consent;

(d) In order to perform the Audits, Azavar shall require full access to Customer records and Auditee records. Customer shall use its authority as necessary to assist in acquiring information and procure data from Auditees. Customer agrees that it shall cooperate with Azavar, provide any documentation and records requested by Azavar, and provide continued access (prior to, during, and following any Audits) to documentation and records, and shall engage in meetings with Auditees when requested by Azavar. Customer shall notify Azavar of any Auditee communications or requested meetings with Customer and shall include Azavar in said communications and meetings. Customer shall also designate one (1) professional staff member to be the Customer’s Primary Contact;

(e) During the course of each Audit, Azavar may find that rather than being owed past due funds, the Customer owes funds erroneously paid to the Customer. In this case, Azavar will immediately terminate its Audit for that specific Auditee and will document the error and provide the Customer with information necessary to correct the error. Azavar shall have no liability to Customer for these errors or actions arising from Azavar’s or Customer’s knowledge thereof;

(f) Customer acknowledges that each Auditee is a separate entity that is not controlled by Azavar and therefore Azavar cannot predict all the steps or actions that an Auditee will take to limit its responsibility or liability during an Audit. Should Customer negotiate, abate, cancel, amend, delay, or waive by any means all or a portion of funds identified as payable to Customer during an audit, Customer shall pay all Azavar expenses and fees for that Audit in addition to any applicable contingency fees for any Findings that were identified by Azavar or by its Audits and that would have been compensable under Section 2 of this Statement of Work;

(g) During the Audits, Azavar will educate fee and taxpayers and provide all necessary support to onboard them to file and remit payments to Customer using Azavar software as defined in Exhibit A – Statement of Work 2;

Exhibit A – Statement of Work

(h) Audit timelines and processes are set in accordance with Azavar’s proprietary audit process and applicable law. The first Audit start date is expected to be within no later than thirty (30) days from the date of this Statement of Work unless changed and approved by the Customer’s Primary Contact;

(i) Each Audit is expected to last at least six (6) months. Each subsequent Audit will begin after payment terms and obligations have been satisfactorily met from previously completed Audits however overlapping Audit work may take place at the discretion of Azavar. Audit status meetings will be held regularly via phone, email, or in person throughout the course of the Audits between Azavar and the Customer’s Primary Contact and will occur approximately every quarter;

(j) Jason Perry, Local Government Revenue Compliance Audit, Maximization, and Monitoring Program, and Azavar specialists will be auditors under this Statement of Work. All Azavar staff or subcontractors shall be supervised by the Azavar Program Manager.

2. PAYMENT TERMS.

2.1 Customer shall compensate Azavar the fees set forth in this Statement of Work on a contingency basis. If applicable, Azavar shall submit an invoice to Customer on a monthly basis detailing the amounts charged to Customer pursuant to the terms of this Statement of Work. Should Customer negotiate, abate, cancel, amend, delay, or waive, without Azavar’s written consent, any tax determination or Findings that were identified by Azavar or by its Audits where such Findings were allowed under the law at the time the tax determination or Findings were made, Customer shall pay to Azavar applicable contingency fees for the total amount of money actually collected for said tax determination or Findings at the rates set forth below and for the following thirty-six (36) months. If Customer later implements during the subsequent thirty-six (36) months any Findings Customer initially declined based on Azavar programs or recommendations, Azavar shall be paid by Customer its portion of the savings and/or recoveries over the following thirty-six (36) months at the contingency fee rates set forth below.

2.2 For Audits pertaining to prospective short-term online rental management platform, and/or online travel company Findings (under Paragraph 1.(a).xviii and xvii) and sales and use tax, Customer shall pay Azavar an amount equal to twenty-two (22) percent of any new revenues, savings, or prospective funds recovered per account or per Auditee for twenty-two (22) months following when funds begin to be properly remitted to the Customer. In the event Azavar is able to recover any additional savings or revenue increases for any time period, or any credits at any time, Customer will pay Azavar an amount equal to twenty-two (22) percent of any savings, funds, and fair market value for any other special consideration or compensation recovered for or received by the Customer from any Auditee. All contingency fees paid to Azavar are based on determinations of recovery by Azavar including Auditee data and regulatory filings. All revenue after the subsequent twenty-two (22) month period for each account individually will accrue to the sole benefit of the Customer.

Exhibit A – Statement of Work

2.3 For any and all other Audits and/or Findings (under Section I), Customer shall pay Azavar an amount equal to thirty-nine (39) percent of any new revenues, savings, or prospective funds recovered per account or per Auditee for thirty-six (36) months following when funds begin to be properly remitted to the Customer. In the event Azavar is able to recover any additional savings or revenue increases for any time period, or any credits at any time, Customer will pay Azavar an amount equal to thirty-nine (39) percent of any savings, funds, and fair market value for any other special consideration or compensation recovered for or received by the Customer from any Auditee. All contingency fees paid to Azavar are based on determinations of recovery by Azavar including Auditee data and regulatory filings. All revenue after the subsequent thirty-six (36) month period for each account individually will accrue to the sole benefit of the Customer.

2.4 Customer shall reimburse Azavar’s travel expenses, which shall be preapproved by the Customer, in accordance with Internal Revenue Service guidelines and rules.

2.5 If any new revenues, savings, or prospective funds recovered by Azavar result in billings below one hundred dollars (\$100) per month for the duration of the thirty-six (36) month period of billing, Customer will pay for the full 36 months in one billing.

3. COMPLETE AGREEMENT: This Statement of Work and the Agreement contains the entire Agreement between the parties hereto with respect to the matters specified herein. The invalidity or unenforceability of any provision of this Statement of Work shall not affect the validity or enforceability of any other provision hereof. This Agreement shall not be amended except by a written amendment executed by the parties hereto. No delay, neglect or forbearance on the part of either party in enforcing against the other any term or condition of this Statement of Work shall either be, or be deemed to be, a waiver or in any way prejudice any right of that party under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Statement of Work to be executed in duplicate originals by their duly authorized representatives as of the date set forth below.

Azavar Audit Solutions, Inc

City of Seagoville

Print Name: Jason Perry

Print Name:

Signature:

Signature:

Title: President

Title:



Engagement Letter

Azavar, Cozen O'Connor Agreement

Created by:

Tom Fagan

Azavar

Prepared for:

Gail French

City of Seagoville



Azavar Audit Engagement Letter

30th day of June 2024

VIA ELECTRONIC MAIL

Gail French
City of Seagoville
702 North Highway 175 Seagoville, Texas 75159

Mr. Jason Perry
Azavar Audit Solutions, Inc.
55 East Jackson Street
Chicago, IL 60604

Jonathan M. Grossman

Direct Phone: 202-912-4866

Direct Fax: 202-618-4856

jgrossman@cozen.com

Re: Municipal Taxes and Fees

Dear Gail and Jason:

We are pleased that the City of Seagoville (“Seagoville”) and Azavar Audit Solutions, Inc. (“Azavar”) are jointly engaging Cozen O’Connor LLP (“Cozen”) to assist in the collection of municipal taxes and/or fees. This letter is intended to formalize our retention, as required by applicable Rules of Professional Conduct.

Seagoville and Azavar entered into a Professional Services Agreement on 30th day of June 2024 (the “PSA”), pursuant to which, Azavar is auditing or will audit certain municipal taxes and fees. Azavar and Seagoville now retain Cozen to advise them as to certain of these audits, specified by Azavar, and any other actions that they may take to identify and collect any taxes or fees and bring these matters to a resolution. Such additional actions may include an administrative hearing and/or litigation. Cozen may elect to represent Seagoville in such actions, but the firm is not now being retained to do so and any such retention is subject to Cozen’s agreement confirmed in writing.

Azavar Audit Engagement Letter

Cozen's fee will be contingent upon payment of taxes or fees to Seagoville and will be paid by Azavar out of fees that it receives from Seagoville under Section 3 of the PSA. Cozen, Azavar and Seagoville will each be responsible for paying their own costs such as travel expenses for their personnel and routine overhead expenses (e.g., copying, telephone and express mail). Direct litigation costs, such as filing fees, deposition transcripts, expert witness expenses and outside copying fees shall be paid by Seagoville.

If Seagoville is awarded costs or legal fees in addition to taxes, penalties and interest, those costs or fees shall first be used to reimburse Seagoville for any direct litigation costs it paid. Any amount in excess would be paid to Cozen.

Notwithstanding Azavar's financial interest in the collection of taxes, Azavar acknowledges that Seagoville will retain ultimate decision-making authority as to this matter.

It is hereby agreed that any dispute, claim or controversy arising out of or relating to this letter, Cozen's representation of Azavar or Seagoville, or the breach, termination, enforcement, interpretation or validity of this letter, shall be settled by arbitration conducted in Chicago, Illinois, using a single arbitrator and administered by the American Arbitration Association pursuant to its comprehensive rules and procedures. Judgment on the award rendered by the arbitrator may be entered in any state or federal court located in Cook County, Illinois.

Cozen is a general service law firm that Seagoville recognizes has represented, now represents and will continue to represent numerous clients over a wide range of industries and businesses in a wide variety of matters. Given this, without a binding conflicts waiver, conflicts of interest might arise that could deprive Seagoville or other clients of the right to select this firm as their counsel.

Thus, as an integral part of the engagement Seagoville agrees that Cozen may, now or in the future, represent other entities or persons, including in litigation, adversely to Seagoville or any affiliate on matters that are not substantially related to the legal services that Cozen has rendered, is rendering or in the future will render to Seagoville under this engagement (an "Allowed Adverse Representation").

Azavar Audit Engagement Letter

Seagoville also agrees that it will not, for itself or any other entity or person, assert that either (a) this firm’s representation of Seagoville or any affiliate in any past, present or future matter or (b) this firm’s possession of confidential information belonging to Seagoville or any affiliate is a basis to disqualify Cozen from representing another entity or person in any Allowed Adverse Representation. Seagoville further agrees that any Allowed Adverse Representation does not breach any duty that this Firm owes to Seagoville or any affiliate. Seagoville acknowledges that it has had the opportunity to consult with counsel about the consequences of this waiver.

If the arrangement outlined above is satisfactory, please acknowledge this by signing below and returning it to me at your earliest convenience. If you have any questions concerning the terms of this engagement, please do not hesitate to call me.

Sincerely,
COZEN O'CONNOR

By: Jonathan M. Grossman
JMG

Accepted on Behalf of City of Seagoville:

Accepted on Behalf of Azavar Audit Solutions, Inc.

Signature:

Signature:

Print Name:

Print Name: Jason Perry

Title:

Title: CEO and President

Date:

Date:



TO: Mayor and City Council

FROM: Bill Medina, Director of Community Development

DATE: August 5, 2024

ITEM: 17

DESCRIPTION: Discuss and consider a Resolution approving the terms and conditions of an Agreement, by and between the City of Seagoville and Bureau Veritas North America, Inc. for provision of plan review and inspection services for the city on a task order basis; authorizing the City Manager to execute said agreement.

INTRODUCTION

Staff is seeking approval for a work order to include plan review and inspection services with Bureau Veritas North America, INC.

BACKGROUND

Due to the current volume of residential plan review and inspection requests, Staff is seeking support from a third-party plan review and inspection service. The additional review and inspection services will support City staff during times of increased inspection and plan review volume, allowing Staff to maintain a high level of customer service. Additionally, engaging with a third-party service will guarantee continued inspections and plan reviews in the event of staff absence or medical leave. Obtaining a third-party service will ensure the permitting department is insulated from unanticipated hardship and improves departmental resiliency.

The attached professional services agreement sets fourth a scope of services as well as several fee schedules to accommodate a range of types of plan review and inspection services. Upon review of the proposed fee schedule, the third-party costs are less than the required permit fees outlined in Seagoville's fee schedule. For example, Bureau Veritas would charge \$785 for plan review and inspection of a 1,500SF home, while the City would collect \$1,200 in permit fees from the same home.

FINANCIAL IMPACT

The proposed fee schedules are included in the PSA

RECOMMENDATION

Staff recommends approval of the proposed agreement.

ATTACHMENTS

1. Resolution
2. Professional Service Agreement

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT, BY AND BETWEEN THE CITY OF SEAGOVILLE, TEXAS, AND BUREAU VERITAS NORTH AMERICA, INC. FOR PROVISION OF PLAN REVIEW AND INSPECTION SERVICES FOR THE CITY ON A TASK ORDER BASIS; AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Seagoville has been presented with a proposed Agreement between the City of Seagoville and Bureau Veritas North America, Inc. (the “Agreement”) to provide civil and building plan review and building inspection services for the City on a task order basis; and

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

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

SECTION 1. The Agreement, attached hereto and incorporated herein by this reference as Exhibit “1,” between the City of Seagoville, Texas and Bureau Veritas North American, Inc. for provision of plan review and inspection services for the City on a task order basis is hereby approved and the City Manager is hereby authorized to execute the Agreement in substantially the form of that attached hereto as Exhibit “1” and is further authorized to execute any related and necessary documents.

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

DULY RESOLVED AND ADOPTED by the City Council of the City of Seagoville, Texas, this the _____ day of _____, 2024.

CITY OF SEAGOVILLE, TEXAS

Lackey Stepper Sebastian, Mayor

ATTEST:

Sara Egan, City Secretary

APPROVED:

Autumn Keefer, Asst. City Attorney

EXHIBIT “1”

[Agreement Between City of Seagoville and Bureau Veritas]



**BUREAU VERITAS NORTH AMERICA, INC.
STANDARD PROFESSIONAL SERVICES AGREEMENT**

This STANDARD PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2024, by and between Bureau Veritas North America, Inc., (“BVNA”), and the City of Seagoville, Texas, (“Client”). BVNA and Client may each be referred to as a “party” and collectively as the “parties.”

WHEREAS, the Client desires that BVNA provide independent professional services for Client under the terms of a Standard Professional Services Agreement;

WHEREAS, BVNA represents that it is a professional independent consulting firm and is willing and able to perform such services upon terms and conditions hereinafter set forth;

WHEREAS, all services will be conducted in accordance with this Agreement including the Scope of Services and Fee Schedule attached hereto and incorporated herein by these references as Attachments “A” and “B” respectively.

NOW, THEREFORE, in consideration of the foregoing and of the benefits to each of the parties accruing, the parties hereto do mutually agree as follows:

AGREEMENT

1. **Initiation of Services:** During the term of this Agreement, Client may call upon BVNA to perform specific work from the Scope of Services, Exhibit “A,” to be defined per project in accordance with the agreed upon fee schedule, Exhibit “B “. Individual projects may be delineated via a specific proposal in accordance with the terms and conditions set forth in this Agreement. BVNA agrees to furnish services in conformity with the terms hereof.. No subsequent amendment to this Agreement shall be binding on either BVNA or Client unless reduced to writing and signed by an authorized Representative of BVNA and Client. Any pre-printed forms including, but not limited to: purchase orders, shipping instructions, or sales acknowledgment forms of either party containing terms or conditions at variance with or in addition to those set forth herein shall not in any event be deemed to modify or vary the terms of this Agreement.
2. **Scope of Services:** Exhibit “A” sets forth the services which BVNA shall perform as defined on a per project basis. BVNA shall provide its services at the time, place, and in the manner specified in the proposal, which is attached hereto and incorporated herein by this reference as Exhibit “C.”
3. **Term.** This Agreement shall remain in effect from the effective date of the Agreement, as defined herein, until terminated by written notice by a party to the other party at least thirty (30) days prior to the termination date stated in such notice. Fees may be adjusted annually.
4. **Time of Performance:** The services of BVNA are to commence upon the effective date of this Agreement and shall continue until all authorized work is completed or until termination of the Agreement by either party. BVNA shall use commercially reasonable best efforts in performing services under this Agreement. Companion Documents shall mean any documents accompanying BVNA’s Proposal,

including but not limited to the Scope of Work, Fee Schedules or any other Exhibits specific to the project. BVNA shall not be responsible for failure to perform its services if i) there is a failure or delay by Client or its contractors in providing BVNA with the necessary access to properties, documentation, information, or materials; ii) or ii) if Client causes delays in any way whatsoever. In any of these events, BVNA's time for completion of its service shall be extended accordingly. BVNA shall not be responsible for failure to perform if such failure is due to any act of God, labor trouble, fire, inclement weather, act of governmental authority, failure of transportation, accident, power failure or interruption, or any other cause reasonably beyond BVNA's control. In any of these events, BVNA's time for completion of its services shall be extended accordingly.

5. **Compensation:** Compensation to be paid to BVNA shall be in accordance with the Schedule of Fees, Exhibit "B," and as set forth in accordance with the agreed upon fee schedule per project.

6. **Method of Payment:** BVNA shall submit monthly billings to Client describing the work performed during the preceding month. Client shall pay BVNA no later than thirty (30) days after receipt of the monthly invoice by Client's staff. If the invoice is not paid within such period, Client shall be liable to BVNA for a late charge accruing from the date of such invoice to the date of payment at the lower of eighteen (18) percent per annum or the maximum rate allowed by law on all non-disputed amounts. If Client disputes any amount on a monthly billing, Client shall notify BVNA in writing of such dispute within seven (7) business days of receipt of such monthly billing. Further, if the invoice is not paid within such period, BVNA may, at any time, and without waiving any other rights or claims against Client and without thereby incurring any liability to Client, elect to terminate performance of services immediately following written notice from BVNA to Client. Notwithstanding any such termination of services, Client shall pay BVNA for all services rendered by BVNA up to the date of termination of services plus all interest, termination costs and expenses incurred by BVNA. Client shall reimburse BVNA for all costs and expenses of collection, including reasonable attorney's fees. For work requiring a construction permit to be issued, the total fee will be billed when the permit is issued by the Jurisdiction.

7. **Construction Monitoring:** If BVNA is engaged by Client to provide a site representative for the purpose of monitoring specific portions of any construction work, as set forth in the proposal, then this Section 7 shall apply. If BVNA's engagement does not include such construction monitoring, then this Section shall be null and void. In connection with construction monitoring, BVNA will report observations and professional opinions to Client. BVNA shall report to Client any observed work which, in BVNA's opinion, does not conform to plans and specifications. BVNA shall have no authority to reject or terminate the work of any agent or contractor of Client. No action, statements, or communications of BVNA, or BVNA's site representative, can be construed as modifying any agreement between Client and others. BVNA's presence on the Project site in no way guarantees the completion or quality of the performance of the work of any party retained by Client to provide construction related services. Neither the professional activities of BVNA, nor the presence of BVNA or its employees, representatives, or subcontractors on the Project Site, shall be construed to impose upon BVNA any responsibility for methods of work performance, superintendence, sequencing of construction, or safety conditions at the Project site. Client acknowledges that Client or its general contractor is solely responsible for job site safety, and warrants and agrees that such responsibility shall be made evident in any Project owner's agreement with the general contractor. Client also agrees to make BVNA an additional insured under any general contractor's General Liability insurance policy. Prior to the commencement of the Work, Client shall provide BVNA with a certificate of insurance evidencing the required insurance. Such certificates shall be issued by an insurance carrier(s) acceptable to BVNA and shall be endorsed to include: (1) BVNA as additional insured; (2) thirty (30) days prior written notice of cancellation or material change in any of the coverages; and (3) a waiver of subrogation as to BVNA. Each policy of insurance required shall be written by an insurance company with a minimum rating by A.M. Bests & Company of A-VI. This insurance shall be primary to any insurance available to BVNA. In the event BVNA expressly assumes any health and safety responsibilities for hazardous materials or other items specified in this Agreement, the acceptance of such responsibility does not and shall not be deemed an acceptance of responsibility for any other health

and safety requirements, such as, but not limited to, those relating to excavation, trenching, drilling or backfilling.

8. Ownership of Documents: All plans, studies, documents and other writings prepared by BVNA, its officers, employees and agents and subcontractors in the course of implementing the Services shall be the property of Client and shall be provided to Client upon request; BVNA may retain a copy for its files. The Client acknowledges that all intellectual property rights related to the performance of the Agreement, including but not limited to the names, service marks, trademarks, inventions, logos and copyrights of BVNA and its affiliates, (collectively, the “**Rights**”) are and shall remain the sole property of BVNA or its affiliates and shall not be used by the Client, except solely to the extent that the Client obtains the prior written approval of BVNA and then only in the manner prescribed by BVNA. If BVNA terminates the Agreement in accordance with the provisions of Article 29 below, any such license granted by BVNA to the Client shall automatically terminate.

9. Use of Data or Services: BVNA shall not be responsible for any loss, liability, damage, expense or cost arising from any use of BVNA’s analyses, reports, certifications, advice or reliance upon BVNA’s services, which is contrary to, or inconsistent with, or beyond the provisions and purposes set forth therein or included in this Agreement. or in the Companion Documents. Client understands and agrees that BVNA’s analyses, reports, certifications and services shall be used solely by the Client, and only Client is allowed to rely on such work product. If a third party relies on the services, analyses, reports or certifications without BVNA’s written permission, then Client agrees to defend and indemnify BVNA from any claims or actions that are brought as a result of such reliance.

10. Independent Contractor: It is understood that BVNA, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the Client. BVNA shall obtain no rights to retirement benefits or other benefits which accrue to Client’s employees, and BVNA hereby expressly waives any claim it may have to any such rights.

11. Standard of Care: BVNA REPRESENTS THAT THE SERVICES, FINDINGS, RECOMMENDATIONS AND/OR ADVICE PROVIDED TO CLIENT WILL BE PREPARED, PERFORMED, AND RENDERED IN ACCORDANCE WITH PROCEDURES, PROTOCOLS AND PRACTICES ORDINARILY EXERCISED BY PROFESSIONALS IN BVNA’S PROFESSION FOR USE IN SIMILAR ASSIGNMENTS AND PREPARED UNDER SIMILAR CONDITIONS AT THE SAME TIME AND LOCALITY. CLIENT ACKNOWLEDGES AND AGREES THAT BVNA HAS MADE NO OTHER IMPLIED OR EXPRESSED REPRESENTATION, WARRANTY OR CONDITION WITH RESPECT TO THE SERVICES, FINDINGS, RECOMMENDATIONS OR ADVICE TO BE PROVIDED BY BVNA PURSUANT TO THIS AGREEMENT.

12. Indemnity: Subject to the Limitation of Liability included in this Agreement, BVNA shall indemnify and hold harmless Client from and against losses, liabilities, and reasonable costs and expenses (for property damage and bodily injury, including reasonable attorney’s fees), to the extent directly and proximately caused by BVNA’s negligent performance of services or breach of warranty under this Agreement. BVNA shall not be obligated to defend the Client until there is an actual finding of negligence or if the parties agree otherwise.

To the extent allowed by Texas law, Client shall defend, indemnify and hold harmless BVNA, its employees, directors, officers, and agents, from and against claims, losses, liabilities, and reasonable costs and expenses (including reasonable attorney’s fees) that are: i) related to, or caused by the negligence or willful misconduct of Client, its employees, or agents; or ii) the expressed responsibility of the Client under this Agreement.

13. Limitation of Liability: To the fullest extent permitted by law and notwithstanding anything else in this Agreement to the contrary, the total aggregate liability of Client and/or BVNA, (including its affiliates,

employees, officers, directors and agents, collectively referred to in this paragraph as “BVNA”) for all claims for negligence or negligent professional acts, errors or omissions arising out of this Agreement is limited to \$50,000 or the amount of the total fees hereunder, whichever is greater.

14. **Insurance:** BVNA, at BVNA’s own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies with insurers possessing a Best’s rating of no less than A:VII:

- a. **Workers’ Compensation Coverage:** BVNA shall maintain Workers’ Compensation and Employer’s Liability Insurance for its employees in accordance with the laws of the state where the services are being performed. Any notice of cancellation or non-renewal of all Workers’ Compensation policies will be sent to the Client in accordance with the policy provisions.
- b. **General Liability Coverage:** BVNA shall maintain Commercial General Liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- c. **Automobile Liability Coverage:** BVNA shall maintain Automobile Liability insurance covering bodily injury and property damage for activities of BVNA employee arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- d. **Professional Liability Coverage:** BVNA shall maintain Professional Errors and Omissions Liability for protection against claims alleging negligent acts, errors or omissions which may arise from BVNA’s services under this Agreement. The amount of this insurance shall not be less than one million dollars (\$1,000,000) on a claims-made annual aggregate basis.

BVNA shall name Client as additional insured and other parties that it deems appropriate to be additionally insured under BVNA’s Commercial General Liability policy and Automobile Liability policy, if requested to do so by Client. The Client, on its own behalf and on the behalf of any others that are named as additionally insured at Client’s request, agrees that providing such insurance or the additional insured endorsement shall in no way be construed as an assumption by BVNA of any liability for the negligence or willful misconduct or any wrongful behavior on the part of Client or others that are named additionally insured.

15. **Consequential and Punitive Damages:** Neither BVNA nor Client shall be liable under any circumstances for loss of profits, loss of product, consequential damages of any kind, indirect damages of any kind or special damages of any kind to the other party, or to any third party. No punitive or exemplary damages of any kind shall be recoverable against either party under any circumstances.

16. **Cause of Action:** If Client makes a claim against BVNA, for any alleged error, omission, or other act arising out of the performance of its professional services and to the extent the Client fails to prove such claim, then the Client shall pay all costs including attorney’s fees incurred by BVNA in defending the claim. Any cause of action brought against BVNA shall be brought within one (1) year of the work or services performed under this Agreement.

17. **Compliance with Laws:** BVNA shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinance and regulations in effect as of the date services are provided.

18. **Resolution of Disputes:** All claims, disputes, controversies or matters in question arising out of, or relating to, this Agreement or any breach thereof, including but not limited to disputes arising out of

alleged design defects, breaches of contract, errors, omissions, or acts of professional negligence, except those disputes which arise out of or are related to collection matters or fees alone under this Agreement, (collectively "Disputes") shall be submitted to mediation before and as a condition precedent to pursuing any other remedy. Upon written request by either party to this Agreement for mediation of any dispute, Client and BVNA shall select a neutral mediator by mutual agreement. Such selection shall be made within ten (10) calendar days of the date of receipt by the other party of the written request for mediation. In the event of failure to reach such agreement or in any instance when the selected mediator is unable or unwilling to serve and a replacement mediator cannot be agreed upon by Client and BVNA within ten (10) calendar days, a mediator shall be chosen as specified in the Mediation Rules of the American Arbitration Association then in effect, or any other appropriate rules upon which the parties may agree.

Should either party to this Agreement commence any legal action against the other party arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorney's fees.

19. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the state of Texas and venue for any legal proceeding arising under or in connection with the Agreement or the Services shall be in the state district court of Dallas County, Texas.

20. Releases: All lien releases will be limited to payment issues; no additional terms and conditions may be added to a release of lien.

21. Waiver of Jury Trial: Each party waives its right to a jury trial in any court action arising between the parties, whether under this Agreement or otherwise related to the work being performed under this Agreement.

22. Third Party Beneficiary: It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to the Client and BVNA. Nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any third person. It is the express intent of the Client and BVNA that any such person or entity, other than Client or BVNA, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary.

23. Written Notification: Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class mail. Any such notice, demand, etc., shall be addressed to the other party at the address set forth in the proposal. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to Client: City of Seagoville, Texas
Attn: City Manager
702 N. U.S. Hwy 175
Seagoville, Texas 75159

If to BVNA: Bureau Veritas North America, Inc.
Attn: Contract Processing
1000 Jupiter Road, Suite 900
Plano, TX 75074

With cc to: Bureau Veritas North America, Inc.
Attention: Legal Department
1601 Sawgrass Corporate Parkway, Suite 400
Fort Lauderdale, FL 33323

24. Confidential Information: Neither party shall disclose information identified as confidential to anyone except those individuals who need such information to perform the Services; nor should either party use such confidential information, except in connection with the Work, the performance of the Services or as authorized by the other party in writing. Regardless of the term of this Agreement, each party shall be bound by this obligation until such time as the confidential information shall become part of the public domain. Confidential information shall not include information which is either: (i) known to the public; (ii) was known to the receiving party prior to its disclosure; or (iii) received in good faith from a third party. If either party is required to produce information by valid subpoena, Texas Attorney General Opinion regarding a request for public information, a or Court order, parties agree to first provide prompt notice to other party in order to allow the party to seek a protective order or other appropriate remedy (in the case of a public information request, Client shall notify BVNA at the time Client submits a request for opinion to the Texas Attorney General so that BVNA may submit its position to the Attorney General prior to issuance of any opinion). This shall not prevent either party from disclosing information to the extent reasonably necessary to substantiate a claim or defense in any adjudicatory proceeding. Client agrees that BVNA shall be permitted to use Client's name and logos in BVNA's marketing materials unless advised or prohibited against it by the Client in writing. The technical and pricing information contained in any proposal or other documents submitted to the Client by BVNA shall be considered confidential and proprietary and shall not be released or disclosed to a third party without BVNA's written consent.

25. Assignment: Neither party may assign this Agreement or any right or obligation hereunder without the prior written consent of the other party, which shall not be unreasonably withheld or delayed; provided, however, that no consent shall be necessary in the event of an assignment to a successor entity resulting from a merger, acquisition or consolidation by either party or an assignment to an Affiliate of either party if such successor or Affiliate assumes all obligations under this Agreement. Any attempted assignment, which requires consent hereunder, shall be void and shall constitute a material breach of this Agreement if such consent is not obtained.

26. Non-Solicitation/Hiring of Employees:

(a) To promote an optimum working relationship, the Client agrees in good faith that for the term of this Agreement and one year after the completion or termination of the Agreement not to directly or indirectly employ or otherwise engage any current employee of BVNA or any former employee of BVNA who left the employ of BVNA within the six (6) months prior to and including the date of the execution of the Agreement. The loss of any such employee would involve considerable financial loss of an amount that could not be readily established by BVNA. Therefore, in the event that Client should breach this provision and without limiting any other remedy that may be available to BVNA, the Client shall pay to BVNA a sum equal to the employee's current annual salary plus twelve (12) additional months of the employee's current annual salary for training of a new employee as liquidated damages.

(b) BVNA's employees shall not be retained as expert witnesses except by separate written agreement. Client agrees to pay BVNA's legal expenses, administrative costs and fees pursuant to BVNA's then current fee schedule for BVNA to respond to any subpoena.

27. Prevailing Wage: This Agreement and any proposals hereunder specifically exclude compliance with any project labor agreement or other union or apprenticeship requirements. In addition, unless explicitly agreed to in the body of the proposal, this Agreement and any proposals hereunder specifically exclude compliance with any State or Federal prevailing wage law or associated requirements, including the Davis Bacon Act. Due to the professional nature of its services BVNA is generally exempt from the Davis Bacon Act and other prevailing wage schemes. It is agreed that no applicable prevailing wage classification or wage rate has been provided to BVNA, and that all wages and cost estimates contained herein are based solely upon standard, no-prevailing wage rates. Should it later be determined by the Client or any applicable agency that in fact prevailing wage applies, then it is agreed that the contract value of this agreement shall

be equitably adjusted to account for such changed circumstance. These exclusions shall survive the completion of the project and shall be merged into any subsequently executed documents between the parties, regardless of the terms of such agreement. Client will reimburse, defend, indemnify and hold harmless BVNA from any liability resulting from a subsequent determination that prevailing wage regulations cover the Projects, including all costs, fines and reasonable attorney's fees.

28. **Waiver:** No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

29. **Amendments:** This Agreement may be modified or amended only by a written document executed by both BVNA and Client.

30. **Entire Agreement:** This Agreement, including the recitals set forth above which are accepted by the parties as true and correct, and all exhibits hereto constitutes the complete and exclusive statement of Agreement between the Client and BVNA. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement.

31. **Termination:** This Agreement may be terminated immediately for cause or by either party without cause upon thirty (30) days written notice of termination. Upon termination, BVNA shall be entitled to compensation for services performed up to the effective date of termination.

(a) Termination by Client: If the Client terminates this agreement without cause, the Client shall have two options concerning work and assignments that are in-progress. The Client shall select from: (1) Allowing BVNA the opportunity to complete all work and assignments in-progress that may be completed by another provider after the effective date of BVNA's termination; or (2) BVNA shall immediately cease work on all Services and Client shall provide BVNA with a complete and unconditional release from any and all liability and indemnification requirements regarding all work and assignments that remained in-progress upon the date that BVNA ceased work as directed by Client. In the event that Client is silent on termination or does not make an affirmative selection, option (2) providing BVNA with a complete and unconditional release from any and all liability and indemnification requirements will be the default and active selection.

(b) Termination by BVNA: If BVNA terminates without cause, BVNA will provide client with a thirty (30) day transition period from the notice of termination to allow Client sufficient time to secure a new Service Provider. During this transition period, BVNA and Client's responsibilities under this agreement will remain in full force and effect. At the end of the thirty (30) day transition period BVNA will cease all activities. In the event Client shall request BVNA to continue to provide any Services beyond the expiration of the transition period, including any extensions, then BVNA and Client may negotiate in good faith terms of any such extension, including the pricing of Services.

32. **Interpretation of Agreement:** This Agreement shall be interpreted as though prepared by all parties and shall not be construed unfavorably against either party.

33. **Severability of Agreement:** If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be effected and shall remain in full force and effect.

34. **Recitals and Exhibits Incorporated.** The recitals set forth above are true and correct and they, together with all exhibits to this Agreement, are incorporated into this Agreement as though fully set forth herein.

35. **Effective Date.** This Agreement shall be effective on the date first signed by the authorized representatives of both parties.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereby execute this Agreement upon the terms and conditions stated above and in the Exhibits hereto by affixing their signatures below.

BUREAU VERITAS NORTH AMERICA, INC.

CLIENT CITY OF SEAGOVILLE, TEXAS

Signature:	Signature:
Name:	Name: Patrick Stallings
Title:	Title:City Manager
Date:	Date:
Address:	Address:702 U.S. Hwy 175 Seagoville Tx 75159
Telephone:	Telephone:
Email:	Email:
DTQR	
Date	

EXHIBIT A

SCOPE OF SERVICES

BVNA and the representatives of BVNA are charged with the enforcement of the provisions of the Jurisdiction's Building Code, Residential Code, Mechanical Code, Electrical Code, Plumbing Code, Fuel Gas Code and Energy Code, acting in good faith and without malice in the discharge of the duties required by these codes or other pertinent law or ordinance shall not thereby be rendered personally liable for damages that may accrue to persons or property as a result of an act or by reason of an act or omission in the discharge of such duties.

Plan Review

Non-Structural Plan Review services shall be conducted as required by the Jurisdiction's Building Code, Residential Code, Mechanical Code, Electrical Code, Plumbing Code, Fuel Gas Code and Energy Code, and other provided code related documents, as approved by the Jurisdiction. Applicants will be notified of Plan Review Comments and are responsible for addressing comments to the satisfaction of the Jurisdiction. The Jurisdiction has final interpretive authority over all plans and specifications. Permits are issued by the Jurisdiction.

Inspections

Inspection services shall be conducted as required by the Jurisdiction's Building Code, Residential Code, Mechanical Code, Electrical Code, Plumbing Code, Fuel Gas Code and Energy Code. Special inspections as specified in chapter 17 and non-prescriptive structural inspections of the adopted International Building Code are not included and may be required as specified in the International Building Code. Any violations of the Jurisdiction's codes or concealment of any work prior to approval by BVNA will be reported to the Building Official of the Jurisdiction. The Building Official of the Jurisdiction is the final interpretive authority, and the Certificate of Occupancy will be issued at the discretion of the Jurisdiction.

**EXHIBIT B
FEE SCHEDULE**

Fee Table 1 - Commercial and Multi-Family construction plan review

Valuation	Fee
\$1. ⁰⁰ to \$10,000. ⁰⁰	\$50. ⁰⁰
\$10,001. ⁰⁰ to \$25,000. ⁰⁰	\$70.69 for the first \$10,000. ⁰⁰ plus \$5.46 for each additional \$1000. ⁰⁰
\$25,001. ⁰⁰ to \$50,000. ⁰⁰	\$152.59 for the first \$25,000. ⁰⁰ plus \$3.94 for each additional \$1000. ⁰⁰
\$50,001. ⁰⁰ to \$100,000. ⁰⁰	\$251.09 for the first \$50,000. ⁰⁰ plus \$2.73 for each additional \$1000. ⁰⁰
\$100,001. ⁰⁰ to \$500,000. ⁰⁰	\$387.59 for the first \$100,000. ⁰⁰ plus \$2.19 for each additional \$1000. ⁰⁰
\$500,001. ⁰⁰ to \$1,000,000. ⁰⁰	\$1,263.59 for the first \$500,000. ⁰⁰ plus \$1.85 for each additional \$1000. ⁰⁰
\$1,000,001. ⁰⁰ and up	\$2,188.59 for the first \$1,000,000. ⁰⁰ plus \$1.23 for each additional \$1000. ⁰⁰

Fee Table 2 - Commercial and Multi-Family construction inspection

Valuation	Fee
\$1. ⁰⁰ to \$10,000. ⁰⁰	\$76. ⁹²
\$10,001. ⁰⁰ to \$25,000. ⁰⁰	\$108.75 for the first \$10,000. ⁰⁰ plus \$8.40 for each additional \$1000. ⁰⁰
\$25,001. ⁰⁰ to \$50,000. ⁰⁰	\$234.75 for the first \$25,000. ⁰⁰ plus \$6.06 for each additional \$1000. ⁰⁰
\$50,001. ⁰⁰ to \$100,000. ⁰⁰	\$386.25 for the first \$50,000. ⁰⁰ plus \$4.20 for each additional \$1000. ⁰⁰
\$100,001. ⁰⁰ to \$500,000. ⁰⁰	\$596.25 for the first \$100,000. ⁰⁰ plus \$3.36 for each additional \$1000. ⁰⁰
\$500,001. ⁰⁰ to \$1,000,000. ⁰⁰	\$1,940.25 for the first \$500,000. ⁰⁰ plus \$2.85 for each additional \$1000. ⁰⁰
\$1,000,001. ⁰⁰ and up	\$3,365.25 for the first \$1,000,000. ⁰⁰ plus \$1.89 for each additional \$1000. ⁰⁰

Fee Table 3 - Construction or Improvement of a Residential Dwelling

New Residential Construction	
Plan Review and Inspection Fee	
Square Footage (S.F.)	Fee
0 - 1,500 S.F.	\$785.00
1,501 - 10,000 S.F.	\$785.00 for the first 1,500 S.F. plus \$0.35 for each additional S.F. to and including 10,000 S.F.
Over 10,000 S.F.	\$3,760.00 for the first 10,000 S.F. plus \$0.15 for each additional S.F. over 10,000 S.F.
Plan Review Only	
Plan Review Fee Only Per Dwelling Unit, a new plan for previously reviewed plan or Master Plan	\$200.00 per Plan or per Address

Plan review fee when a permit has been issued for the dwelling and the construction plans are altered such that an additional plan review is required (excludes new plan)	\$150.00 per Plan or per Address
Alterations / Additions / Improvements for Residential Construction	
Trade Permits	Fee
Building, Mechanical, Electrical, Plumbing, Fuel Gas and similar	\$100.00 per trade
Other project types not listed above	\$160.00 per trade
Miscellaneous residential projects such as, but not limited to, Accessory Structures, Fences, Pools, etc.	See Fee Table 2

* All fees billed upon issuance of the permit by the jurisdiction

Back-up inspections

* Backup inspections will be performed during times of inspector absence due to illness, vacation or training at the listed rates. All other project activity will utilize the tables above.

Single Family Residential \$76.92 per address/building
Commercial and non-Single Family Residential \$125.00 per address/building/unit

The construction valuation is determined by the greater of the declared valuation of the project or the valuation calculated using the International Code Council Building Valuation Data table, first update of each calendar year.

Example:

Square Foot Construction Costs

Group (2018 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
B Business	200.26	192.96	186.54	177.38	161.90	155.84	170.40	142.43	136.08

The Square Foot Construction Cost does not include the price of the land on which the building is built. The Square Foot Construction Cost takes into account everything from foundation work to the roof structure and coverings but does not include the price of the land. The cost of the land does not affect the cost of related code enforcement activities and is not included in the Square Foot Construction Cost.

New Building

Group B occupancy

Type VB construction

10,000 square feet total building area

Declared construction valuation \$1,200,000

Calculated construction valuation - 10,000 square feet X \$136.08 per square foot = \$1,360,800

The calculated construction valuation is greater than the declared construction valuation so \$1,360,800 is used to calculate the Bureau Veritas fee for the project.

* Note: BVNA fees do not include any taxes, licensing or other fees imposed by governmental or outside agencies.

EXHIBIT C
(Proposal)

4878-5009-4292, v. 1